

MONTHLY REPORT

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Commentaries

Economic conditions

Industry

According to the latest data, industry is still on an upward trend. Following weaker figures in June, both new orders and output showed a further clear seasonally adjusted rise in July, although the increase is overstated since July was relatively little affected by the summer holidays. As in 2003, the holidays were concentrated very heavily on August. In terms of demand, export orders, in particular, showed a marked increase, while domestic orders remained subdued. Producers of durable consumer goods recorded the largest rise in output. By contrast, there was no more than a slight increase in output in the intermediate goods sector. Overall, orders in July were 7½% up on the year. The year-on-year figure for output was +3½%.

*Orders and
output*

Construction

The situation in the construction sector was still unfavourable around the middle of 2004. Orders in June showed a slight seasonally adjusted rise on the downturn in May, a month in which, mainly in industrial construction, only a low level of new orders had been placed. The overall level of ordering, however, was still obviously lower than it had been in the first few months of 2004 and was 6½% down on the year. Seasonally adjusted construction output in July was largely at the same low level as in the preceding months.

*Orders and
output*

Economic conditions in Germany *

Seasonally adjusted

Period		New orders (volume); 2000 = 100			
		Industry 1			Con- struction
		Total	Domestic	Foreign	
2003	Q4	100.5	95.7	106.5	79.5
2004	Q1	101.2	95.9	107.7	78.8
	Q2	102.9	96.1	111.4	73.3
	May	104.6	96.1	115.2	70.8
	June	101.1	95.4	108.2	74.0
	July	104.1	96.4	113.8	...
		Output; 2000 = 100			
		Industry 2			Con- struction
		Total	of which		
Inter- mediate goods	Capital goods ³				
2003	Q4	101.0	101.1	104.2	85.7
2004	Q1	101.0	102.1	103.1	82.1
	Q2	102.4	102.4	106.2	77.3
	May	103.3	102.7	107.9	77.2
	June	101.9	102.2	105.4	77.5
	July	103.7	103.6	107.5	77.7
		Labour market			
		Em- ployed ⁴	Vacancies	Un- employed	Un- employ- ment rate in % ⁵
		Number in thousands			
2003	Q4	38,282	325	4,372	10.5
2004	Q1	38,234	305	4,305	10.3
	Q2	38,208	287	4,366	10.5
	June	38,204	284	4,378	10.5
	July	...	280	4,390	10.6
	Aug	...	277	4,414	10.6
		Import prices	Producer prices of industrial prod- ucts ⁶	Con- struction prices ⁷	Con- sumer prices
		2003	Q4	95.5	104.3	100.3	104.8
2004	Q1	95.6	104.3	100.5	105.4
	Q2	97.0	105.3	101.4	106.1
	June	97.2	105.4	.	106.1
	July	97.6	106.0	.	106.3
	Aug	...	106.4	.	106.6

* Data in many cases provisional. — 1 Manufacturing sectors excluding, in particular, food products, beverages and tobacco, and refined petroleum products. — 2 Manufacturing industries not classified under energy plus mining and quarrying. — 3 Including manufacture of motor vehicles, trailers and semi-trailers. — 4 Workplace concept. — 5 Measured on the basis of all civilian members of the labour force. — 6 Domestic sales. — 7 Calculated by the Bundesbank; not seasonally adjusted. Mid-quarter level.

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Labour market

No improvement on the labour market was evident up to the end of the period under review. According to the initial estimate by the Federal Statistical Office, the number of persons in work in June, at a seasonally adjusted 38,204 million, was virtually at the same level as it had been in May. The year-on-year fall, which had gone down to around 100,000 in the months before, widened to more than 120,000. Following the development in unemployment, which also showed very little change in June, a further decline in employment is in prospect for the coming months. It is possible that (as was the case last year) the stable employment situation in June was related to the fact that the summer holiday period was concentrated on the month of August. Experience has shown that there is an increase in redundancies before the start of the holiday period.

Employment

The seasonally adjusted number of persons officially registered as unemployed showed a further rise in August to 4,414 million. This was around 35,000 more than at the end of June. The year-on-year increase was just over 30,000, or 110,000 if persons participating in aptitude tests and training measures (who have been excluded from the unemployment statistics since the start of this year) are also taken out of the August 2003 figure. In the middle of the year, the gap had been noticeably smaller. The seasonally adjusted unemployment rate, as calculated by the Federal Labour Office, went up to 10.6%. Using the standardised European definition, the figure was 9.9%.

Unemployment

Prices

Consumer prices

The rate of consumer price increase gathered pace in August with a seasonally adjusted 0.3% increase on the month. The year-on-year rate of increase went up to 2.0%, compared with 1.8% in July. This was due mainly to higher prices for petrol and heating oil, which tracked movements in world market prices. Food did become cheaper in August but the price reductions were not as large as they usually are at this time of year. Price changes remained very small in the case of industrial goods, however. The year-on-year rate of 1.8% does indicate a price rise but that is due to the after-effects of the tobacco tax increase which came into effect on 1 March 2004 and the fact that pharmaceuticals have become more expensive under the health system reform. Excluding administrative effects on consumer prices and leaving aside energies prices (determined to a large extent by the world market) as well as seasonal food products, the prices of which are especially volatile, the year-on-year rate of price increase was largely unchanged in August at ½%.

Factory gate and import prices

German industrial producer prices showed a sharp seasonally adjusted rise in August and the year-on-year increase went up to 2.2%. The pace of increase was only slightly slower if energy sources, which became significantly more expensive, are excluded. The price rise was especially sharp in the case of intermediate goods, reflecting the surge in the price of steel that stemmed from the world markets. Overall, import prices in July (more recent data are not yet available) were 2.2% up on

Net borrowing in the market

€ billion				
Borrower	2003		2004	
	Total pe	of which Jan-July	Jan-July pe	July pe
Central government ¹	+ 42.4	+ 35.0	+ 53.5	+ 17.3
State government	+ 31.6	+ 23.1	+ 18.4	+ 2.6
Local government ^{2, pe}	+ 7.7	+ 4.1	+ 3.5	+ 0.4
ERP Special Fund	- 0.1	- 0.0	- 0.7	-
German Unity Fund	- 0.3	+ 0.3	+ 0.2	+ 0.2
Central, state and local government, total	+ 81.2	+ 62.5	+ 74.9	+ 20.5

¹ Including the off-budget special funds not shown separately here. — ² Including special purpose associations.

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the year. Here, too, energy as well as steel and steel products were the main driving factors.

Public finances

Indebtedness of central, state and local government

In July the indebtedness of central, state and local government rose sharply by €20.5 billion. Cumulative net borrowing in the first seven months of 2004 amounted to €74.9 billion (compared with €62.5 billion in the same period last year). The sharp growth in debt in July was due mainly to central government, which increased its indebtedness by €17.3 billion net. This development was,

July

Borrowing in the market by central government

€ billion; 2004

Item	August		Jan-August	
	Gross	Net	Gross	Net
Change in money market debt	-6.9	-6.9	4.9	4.9
Change in capital market debt, total ¹	22.4	11.1	161.1	52.9
Treasury discount paper (Bubills)	5.6	-0.4	47.7	0.3
Federal Treasury financing paper	0.0	-0.0	0.6	-0.2
Treasury notes (Schätze)	0.7	0.7	34.6	10.7
Five-year Federal notes (Bobls)	7.5	2.5	26.3	12.5
Federal savings notes	0.1	0.1	0.5	-2.3
Federal bonds (Bunds)	8.1	8.1	46.5	33.3
Bank loans	0.3	0.1	4.9	-2.0
Loans from non-banks	-	-	-	1.8
Other debt	-	-	-	-1.2
Total borrowing	15.5	4.2	166.0	57.8

¹ *Memo item:* Borrowing according to central government's plans for the whole of 2004: €215.4 billion gross, €29.3 billion net. — ² Including borrowing for the German Unity Fund: €46.8 billion.

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however, partially offset by a significant increase of €7.1 billion in its money market deposits. Central government raised €12.8 billion on the capital market. This was primarily the result of the sale of Federal bonds (Bunds). The topping-up of the latest ten and 30-year Bunds yielded €6.7 billion and €4.5 billion respectively. After deducting the redemption of a ten-year Bund to the volume of €5.1 billion, net sales including market management operations amounted to €7.9 billion. With issue yields of 4.25% and 4.89%, the financing terms were considerably more favourable than in the case of the maturing bond, which had to be serviced at 6.75%. The volume of Federal Treasury notes (Schätze) outstanding also rose sharply (+€5.4 billion). The topping-up of a June issue accounted for €5.1 billion of this

amount and market management operations for €0.3 billion. Debt securities of the Currency Conversion Equalisation Fund amounting to €1.1 billion were redeemed on schedule. On the money market central government raised €4.5 billion.

In the case of those special funds not integrated into central government debt, cash advances to the German Unity Fund rose by €0.2 billion. State government expanded its indebtedness in July by €2.6 billion net. It procured €3.7 billion through cash advances. By contrast, the amount of Treasury notes in circulation fell by €1.4 billion. The indebtedness of local government appears to have risen again marginally in July.

Central government borrowing

In August central government drew €22.4 billion gross on the capital market, €11.3 billion of which was required to refinance maturing securities. It reduced the volume of its outstanding money market loans by €6.9 billion. Thus, on balance, net borrowing by central government amounted to €4.2 billion. Borrowing was again accompanied by an increase in money market deposits (+€2.3 billion). The most significant individual item of gross borrowing was the new issue of a five-year Federal note (Bobl), whose coupon, at 3.5%, was increased by ¼ percentage point compared with that of the previous series. €6.9 billion was allotted by tender, with the issue yield being slightly down at 3.41%. €5 billion worth of Bobls carrying a slightly higher coupon of 4.125% were redeemed on schedule. Including market management op-

August

The current debate on the Stability and Growth Pact

In view of its stability policy mandate, the Bundesbank has been following the current debate about reforming the fiscal rules in the Community with concern. It carefully analysed the European Commission's proposals of 3 September and in a press release issued on 7 September, which is reproduced below, the Bank expressed its opposition to any substantive weakening of the Pact and the prescribed procedures.

Do not weaken the Stability and Growth Pact

On 3 September 2004 the European Commission explained its proposals for a reform of the Stability and Growth Pact. The Bundesbank believes that, instead of strengthening the Stability and Growth Pact, the proposed changes would have a generally detrimental effect on it. Consequently, this would harm the framework for euro-area monetary policy. The incentive to maintain a sound budgetary policy in the member states of the monetary union would be undermined and a false signal would be sent out to those countries which have not yet introduced the single currency.

The objective of the Stability and Growth Pact is to attain and maintain sound public finances in the euro area. In no way is the aim of the pact an excessive impingement on the flexibility of member states' fiscal policy. A budget which is at least close to balance in the medium term will generally enable the automatic stabilisers to take effect.

Sound public finances promote growth and employment and help to meet the demographic challenges which will impose a considerable burden on the social security systems. Healthy public finances are absolutely essential if the European System of Central Banks is to be able to guarantee long-term price stability at relatively low interest rates. The fiscal policy rules to be applied in Europe were a major precondition for the introduction of the euro during the public debate in Germany.

The problem with the Stability and Growth Pact lies not in its terms but in its implementation. It is true that the aim of some of the Commission's proposals is to apply the pact more consistently within the existing legal framework, but the Bundesbank warns against changing the rules laid down for fiscal policy. Many of the proposals which the Commission is now putting forward for discussion would make the legal framework more complicated and less transparent, thereby rendering it less enforceable. Some of the proposals are tantamount to a reduction in the commitment to rules and an increase in the degree of discretion. The Bundesbank considers such a change of direction wrong. We are convinced that particularly the overshooting of the 3% deficit limit should continue to be allowed only in the exceptional cases specified in the Stability and Growth Pact. The period for correcting excessive deficits should not be extended.

erations, the outstanding amount of these securities rose by €2.5 billion. The additional topping-up of the ten-year Bund issued in May raised a further €6.6 billion. At 4.05%, the average yield was 20 basis points down on that of the July issue. Taking into account market management operations, the outstanding amount of Bunds rose by €8.1 billion. The sale of Bubills raised €5.6 billion gross. Compared with the previous month, the average issue yield fell slightly to 2.04%. On balance, however, Bubills were redeemed in the amount of €0.4 billion. The volume of Schätze in circulation rose by €0.7 billion as a result of market management operations.

Securities markets

Bond market

Bond sales

Sales activity in the German bond market was buoyant in July. At €112.1 billion, the market value of debt securities issued by domestic borrowers was considerably higher than in June (€97.9 billion). After deducting redemptions and changes in issuers' holdings of their own bonds, net sales went up from €4.8 billion to €20.0 billion. Sales in Germany of foreign bonds and notes raised €12.5 billion net. Total sales receipts in the German bond market amounted to €32.5 billion.

Corporate bonds

In July enterprises raised €10.6 billion (net) in the domestic capital market from sales of longer-term corporate bonds. The volume of commercial paper outstanding fell by €1.9 billion, with domestic non-financial enterprises raising €8.7 billion overall in the bond

market. However, these figures include paper arising from the securitisation of the debt owed to the Federal Government by Russia and the proceeds were therefore not directly attributable to the corporate sector.

Credit institutions borrowed €6.9 billion in the bond market, the volume of bank debt securities outstanding having declined by €0.7 billion in the previous month. By far the bulk of the funds raised (€10.6 billion) were attributable to sales of other bank debt securities. Sales of paper issued by special purpose credit institutions raised €3.7 billion and sales of mortgage Pfandbriefe raised €0.9 billion. The volume of public Pfandbriefe outstanding decreased by €8.4 billion, ie by a similar amount as in the previous month.

Bank bonds

The public sector expanded its bond market liabilities by €4.4 billion compared with June. The Federal Government was the main contributor to this figure, raising €6.9 billion worth of resources. In the long-term maturity segment, it issued €5.0 billion more of 30-year Federal bonds and €2.9 billion more of 10-year Federal bonds. In the short-term segment two-year Treasury notes were most in demand, raising €5.9 billion; in the previous month €3.2 billion worth had been redeemed. The amount outstanding of Federal savings notes decreased by €0.2 billion and that of Treasury discount paper by €0.3 billion.¹ Furthermore, a bond issued by the Currency Conversion Equalisation Fund was re-

Public sector bonds

¹ The sub-items for the Federal Government are reported as nominal values and, owing to the exceptionally large changes in issuers' holdings of their own bonds in July, their sum exceeds total net sales at market values.

deemed for €1.1 billion. The federal states reduced their bonded debt by €1.3 billion in the month under review.

Bond purchases

Foreign investors purchased €13 billion worth of bonds in July, having sold €12.1 billion worth of paper in June. German credit institutions invested €5.6 billion in domestic bonds and €6.2 billion in foreign debt securities. Non-banks showed far less interest in debt securities, investing €7.8 billion as opposed to €21.2 billion in the previous month. They reduced their holdings of public sector paper by €9.8 billion, adding instead €11.3 billion worth of domestic private bonds and €6.4 billion worth of foreign bonds to their portfolios.

Equity market

Share sales and purchases

Domestic enterprises issued far fewer shares in July (€0.2 billion) than in the previous month (€1.3 billion). Foreign equities recorded outflows of €2.1 billion. Foreign investors were the main buyers in the equity market, purchasing €3.6 billion worth of German shares. Domestic non-banks reduced their equity portfolios by €1.3 billion while credit institutions reduced theirs by €4.2 billion.

Mutual fund shares

Sales of mutual fund shares

Domestic mutual funds placed shares worth €1.5 billion (net) in July. After a decrease of €0.9 billion in June, the volume outstanding of shares in mutual funds open to the general public increased by €3.5 billion. Money market funds recorded inflows of resources (€3.8 billion) for the first time for more than a year,

Sales and purchases of bonds and notes

€ billion			
Item	2004		2003
	June	July	July
Sales of domestic bonds and notes ¹	4.8	20.0	16.1
<i>of which</i>			
Bank bonds	- 0.7	6.9	11.3
Public sector bonds	3.3	4.4	4.5
Foreign bonds and notes ²	12.9	12.5	- 3.1
Purchases			
Residents	29.8	19.6	13.9
Credit institutions ³	8.6	11.8	6.0
Non-banks ⁴	21.2	7.8	8.0
<i>of which</i>			
Domestic bonds and notes	14.9	1.5	7.9
Non-residents ²	- 12.1	13.0	- 1.0
Total sales/purchases	17.7	32.5	13.0

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

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while share-based and bond-based funds experienced outflows of the order of €0.2 billion and €0.9 billion respectively. By contrast, the amount outstanding of shares in other mutual funds open to the general public remained virtually unchanged. The specialised funds earmarked for institutional investors recorded outflows amounting to €2.1 billion. The volume of foreign mutual fund shares outstanding rose by €0.1 billion.

On balance, foreign investors were the sole purchasers of mutual fund shares in July (€3.7 billion) while both domestic investor groups redeemed fund shares. Credit institutions reduced their holdings of shares issued by domestic and foreign mutual funds by €0.6 billion in each case. Non-banks sold €1.6 billion

Purchases of mutual fund shares

worth of domestic fund shares but purchased €0.8 billion worth of foreign fund shares.

Balance of payments

Current account

The German current account recorded a surplus of €3.1 billion in July compared with one of €7.7 billion in the previous month. This decline is attributable to a substantial increase in the deficit on invisible current transactions, which comprise services, factor income and current transfers. There was also a decline in the trade surplus.

Foreign trade

According to provisional figures from the Federal Statistical Office, the trade surplus went down by €1.2 billion from the June figure to €13.5 billion in July. In seasonally adjusted terms, the surplus fell by €½ billion to just under €13 billion as there was a stronger increase in the imports of goods than in the exports of goods. Exports went up by 3½% in July compared with the previous month whereas imports increased by 6%. Taking May, June and July together, exports rose by 3½% in seasonally adjusted terms compared with the previous three months. Although the increase in the value of imports in the three-month comparison was slightly greater (+4%), this was due partly to price developments.

Invisibles

The deficit on invisible current transactions increased in July by €3.1 billion on the month to €9.2 billion. This rise was attributable mainly to the increase in net expenditure on cross-border factor income. Consequently, there was a deficit on factor income of €2.5

Major items of the balance of payments

€ billion			
Item	2003	2004	
	July	June r	July
I Current account			
1 Foreign trade 1			
Exports (fob)	58.0	62.9	62.5
Imports (cif)	43.6	48.2	49.0
Balance	+ 14.4	+ 14.7	+ 13.5
Memo item			
Seasonally adjusted figures			
Exports (fob)	55.8	59.8	61.9
Imports (cif)	42.6	46.4	49.1
2 Supplementary trade items 2	- 0.7	- 0.8	- 1.2
3 Services			
Receipts	9.9	10.0	9.4
Expenditure	13.6	12.7	13.0
Balance	- 3.6	- 2.6	- 3.6
4 Factor income (net)	- 5.4	- 0.7	- 2.5
5 Current transfers			
from non-residents	1.2	1.3	0.9
to non-residents	4.2	4.2	4.0
Balance	- 3.0	- 2.9	- 3.1
Balance on current account	+ 1.7	+ 7.7	+ 3.1
II Capital transfers (net) 3	+ 0.1	+ 0.2	+ 0.2
III Financial account (net capital exports: -)			
Direct investment	+ 0.3	- 3.1	- 1.2
German investment abroad	- 3.4	- 1.2	+ 0.6
Foreign investment in Germany	+ 3.7	- 1.9	- 1.8
Portfolio investment	- 0.4	- 8.3	+ 9.6
German investment abroad	+ 0.4	- 13.2	- 10.6
of which			
Shares	- 2.6	+ 0.2	+ 2.0
Bonds and notes	+ 2.7	- 10.1	- 10.4
Foreign investment in Germany	- 0.7	+ 5.0	+ 20.2
of which			
Shares	+ 0.9	+ 17.6	+ 3.6
Bonds and notes	+ 3.4	- 13.4	+ 14.0
Financial derivatives	+ 1.0	+ 0.5	- 0.5
Credit transactions	+ 2.5	- 6.7	- 8.2
Monetary financial institutions 4	+ 23.1	- 25.7	- 2.8
of which			
Short-term	+ 25.5	- 26.3	+ 0.5
Enterprises and individuals	- 4.4	- 2.9	- 2.9
General government	+ 0.4	+ 0.9	+ 0.1
Bundesbank	- 16.6	+ 21.0	- 2.4
Other investment	- 0.3	- 0.5	- 0.2
Overall balance on financial account	+ 3.1	- 18.0	- 0.5
IV Change in the reserve assets at transaction values (increase: -) 5	+ 0.2	- 0.3	+ 0.8
V Balance of unclassifiable transactions	- 5.1	+ 10.5	- 3.6

1 Special trade according to the official foreign trade statistics (source: Federal Statistical Office). — 2 Mainly warehouse transactions for account of residents and deduction of goods returned. — 3 Including the acquisition/disposal of non-produced non-financial assets. — 4 Excluding Bundesbank — 5 Excluding allocation of SDRs and excluding changes due to value adjustments.

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billion in July, which was €1.8 billion above the deficit in June. At the same time, the deficit on services rose by €1.0 billion to €3.6 billion. Net expenditure on current transfers also continued to rise in July, amounting to €3.1 billion compared with €2.9 billion in the previous month.

*Portfolio
investment*

There were net capital imports amounting to €9.6 billion through securities transactions with non-residents in July 2004. This represents a distinct turnaround, following total net exports of €36.2 billion in the previous four months. The main reason for this was that non-residents invested larger amounts in German securities (€20.2 billion compared with €5.0 billion in June). In particular, bonds and notes (€14.0 billion) – predominantly public sector bonds (€12.1 billion) – benefited from their increased interest. In addition, foreigners also added German shares (€3.6 billion) and mutual fund shares (€3.7 billion) to their portfolios whereas they sold money market paper, on balance (€1.0 billion). German investors continued to invest fairly heavily in foreign financial centres (€10.6 billion compared with €13.2 billion), notably in debt securities (€10.4 billion). All of these were euro-denominated bonds and notes from EU partner countries (€11.0 billion). In addition, they bought foreign money market paper

(€2.2 billion) whereas they sold net amounts of dividend-bearing paper (€2.0 billion).

Direct investment resulted in net outflows of funds totalling €1.2 billion in July. German proprietors withdrew €0.6 billion from their non-resident subsidiaries, largely in the form of investment capital. Conversely, foreign enterprises reduced their direct investment stocks in Germany by €1.8 billion.

*Direct
investment*

In the case of statistically recorded non-securitised credit transactions, the operations of enterprises and individuals led to net outflows of funds amounting to €2.9 billion in July. This was the result of the increase in sight deposits with banks outside Germany and the redemption of loans. By contrast, the external transactions of general government were almost in balance (€0.1 billion). The net external position of the overall banking system (excluding the reserve assets of the Bundesbank) – in which other current and financial transactions are reflected – went up by €5.3 billion during the month under review. There were outflows of funds both from the Bundesbank (€2.4 billion) – primarily through the payment system TARGET – and from German credit institutions (€2.8 billion).

*Credit
transactions*

The Bundesbank's reserve assets – at transaction values – fell by €0.8 billion in July.

Reserve assets

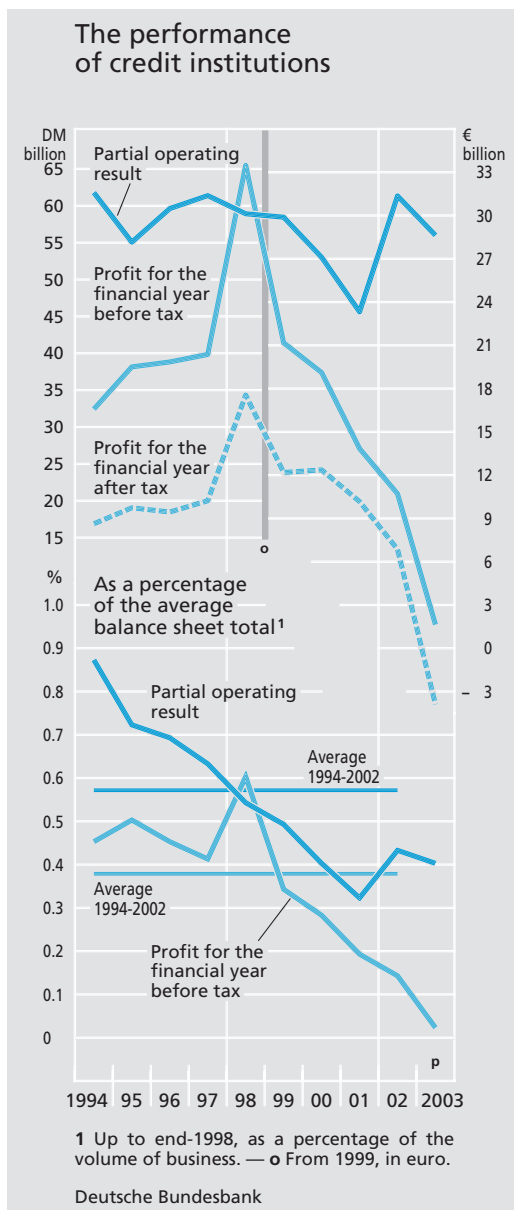


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Monthly Report
September 2004

The performance of German credit institutions in 2003

Last year still saw no substantial recovery in the performance of German credit institutions. Sluggish cyclical development and the necessary restructuring processes in the banking industry weighed heavily on many institutions' profitability, although noticeable differences in performance were observed across the various categories of banks. Their published non-consolidated financial statements indicate that, on balance, German banks continued to achieve only weak net income from their operating business in financial year 2003. However, they were able to make progress in their efforts to reduce costs and increased considerably their earnings from proprietary trading. Moreover, a certain easing in risk provisioning was observed. However, the slide in the "extraordinary account" depressed overall earnings to a considerable extent. As a result, the profit for the financial year before tax fell perceptibly; if taxes on income and earnings are taken into account, the figure was actually negative. For financial year 2004, however, an easing of the situation is in sight as improvements in expenditure, in particular, are becoming more evident and the real economic recovery is likely to have a positive impact on the credit institutions' earnings.



Income from interest business

Decrease in net interest received

In 2003 interest business developments were characterised mainly by banks' efforts to create the conditions for a structural improvement in their performance by consistently adjusting their balance sheets for risk assets. However, the decline in the volume of business, particularly in the area of riskier loans with a higher rate of interest, depressed net

interest received. Following an improvement in the interest business in 2002, net interest received fell by €3.8 billion to €81.8 billion in 2003. Unlike the situation in 2002, the further marked decrease in interest received (by €35.7 billion to €308.8 billion) could not be offset by a reduction in interest paid (by €31.9 billion to €227.0 billion). As a result, the interest margin – the ratio of net interest received to the balance sheet total – fell from 1.20% in financial year 2002 to 1.16% in 2003.

On the liabilities side, banks did benefit from the stronger preference for liquidity among investors, which effected a marked increase in their sight deposits, thus perceptibly decelerating interest paid. At more than 10%, overnight deposits of domestic non-banks reached a percentage of their balance sheet total last seen at the end of the 1960s. However, the weak development of interest received, which was caused by the banks' ongoing reduction of mainly higher-interest bearing risk assets, was the factor determining the overall picture. For example, lending to the domestic private sector as a percentage of the balance sheet total declined again in 2003. Against a backdrop of weak investment activity, the share in the business volume of loans to enterprises, in particular, registered a further decline. At 12½%, it was clearly below the average for the last 30 years of just under 16½%. Although the percentage of the more important loans to households rose slightly in relation to the balance sheet total in the year under review to just under 29%, it was nevertheless still below its long-term average.

Weak interest received owing to waning importance of loans to enterprises

Performance of the various categories of banks in 2002/2003 ^p

€ million

Category of banks	Partial operating result ¹		Operating result ²		Profit for the financial year before tax ³		Memo item Balance sheet total ⁴	
	2002	2003 ^p	2002	2003 ^p	2002	2003 ^p	2002	2003 ^p
All categories of banks	31,571	28,836	6,997	17,353	10,920	1,850	7,129,090	7,027,988
Commercial banks	8,847	5,141	3,472	4,793	909	- 5,683	2,309,650	2,251,587
Big banks	4,328	266	58	649	- 1,931	- 7,315	1,601,526	1,533,976
Regional banks and other commercial banks	4,423	4,741	3,357	4,016	2,789	1,506	676,254	689,268
Branches of foreign banks	96	134	57	128	51	126	31,870	28,343
Landesbanken	4,327	5,110	- 2,098	2,340	1,302	- 2,233	1,644,026	1,639,615
Savings banks	8,996	9,374	2,641	4,615	3,427	4,805	975,490	974,186
Regional institutions of credit cooperatives	582	176	120	130	309	49	213,520	203,899
Credit cooperatives	4,157	4,492	945	2,555	2,517	2,895	548,026	553,146
Mortgage banks	2,293	2,332	593	1,198	1,285	830	929,571	877,381
Special purpose banks	2,369	2,211	1,324	1,722	1,171	1,187	508,807	528,174

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.

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Declining interest margin at commercial banks

Net interest received declined primarily at commercial banks. In this category of banks, the big banks in particular, which in the previous year had contributed heavily to the rise in interest business, registered a marked decline in net interest received. All in all, they suffered a drop in the interest margin of 0.25 percentage point to 0.85%. The sharp reduction in interest paid was not enough to offset the renewed decline in interest received from lending and money market transactions and the perceptible decrease in current income from shares in affiliated enterprises. This decrease resulted to a large extent from the sale by a big German bank of its stakes in industry in the previous year.

At the commercial banks – and especially at the big banks – weak interest received would appear to be related to the distinct reduction in risk assets. The ratio of loans to the balance sheet total has declined markedly and continuously since the end of the 1990s, while the corresponding share of big banks' loans to domestic enterprises and households fell from 40% in 1999 to 27½% in the year under review. At the same time, in contrast to other banking groups, the big banks were unable to benefit on the liabilities side from an increase in non-banks' sight deposits. As in the past few years, overnight deposits accounted for just under 12% of the balance sheet total – 3¼ percentage points below the average of the past 30 years.

Determinants of the weak net interest received at big banks

Interest received by credit institutions

Item	2001	2002	2003 P
	€ billion		
Interest received (total)	382.4	344.5	308.8
from lending and money market transactions	298.1	266.0	243.6
from debt securities and Debt Register claims	65.0	57.9	50.7
Current income (total)	17.4	17.4	11.0
from shares and other variable yield securities	9.8	7.2	6.5
from participating interests ¹	2.2	1.8	1.2
from shares in affiliated enterprises	5.4	8.4	3.3
Profits transferred under profit pooling and profit transfer agreements	1.9	3.1	3.5
	Year-on-year change, in % ²		
Interest received (total)	+ 3.4	- 9.9	- 10.4
from lending and money market transactions	+ 2.5	- 10.8	- 8.4
from debt securities and Debt Register claims	+ 7.2	- 10.9	- 12.5
Current income (total)	+ 2.3	+ 0.4	- 37.0
from shares and other variable yield securities	+ 23.9	- 26.6	- 9.7
from participating interests ¹	- 2.3	- 15.4	- 33.5
from shares in affiliated enterprises	- 21.4	+ 56.4	- 61.2
Profits transferred under profit pooling and profit transfer agreements	+ 37.3	+ 62.2	+ 14.5
	Percentage of the average balance sheet total		
Interest received (total)	5.39	4.83	4.39
from lending and money market transactions	4.20	3.73	3.47
from debt securities and Debt Register claims	0.92	0.81	0.72
Current income (total)	0.25	0.24	0.16
from shares and other variable yield securities	0.14	0.10	0.09
from participating interests ¹	0.03	0.03	0.02
from shares in affiliated enterprises	0.08	0.12	0.05
Profits transferred under profit pooling and profit transfer agreements	0.03	0.04	0.05

¹ Including amounts paid up on cooperative society shares. —
² Statistical changes have been eliminated.

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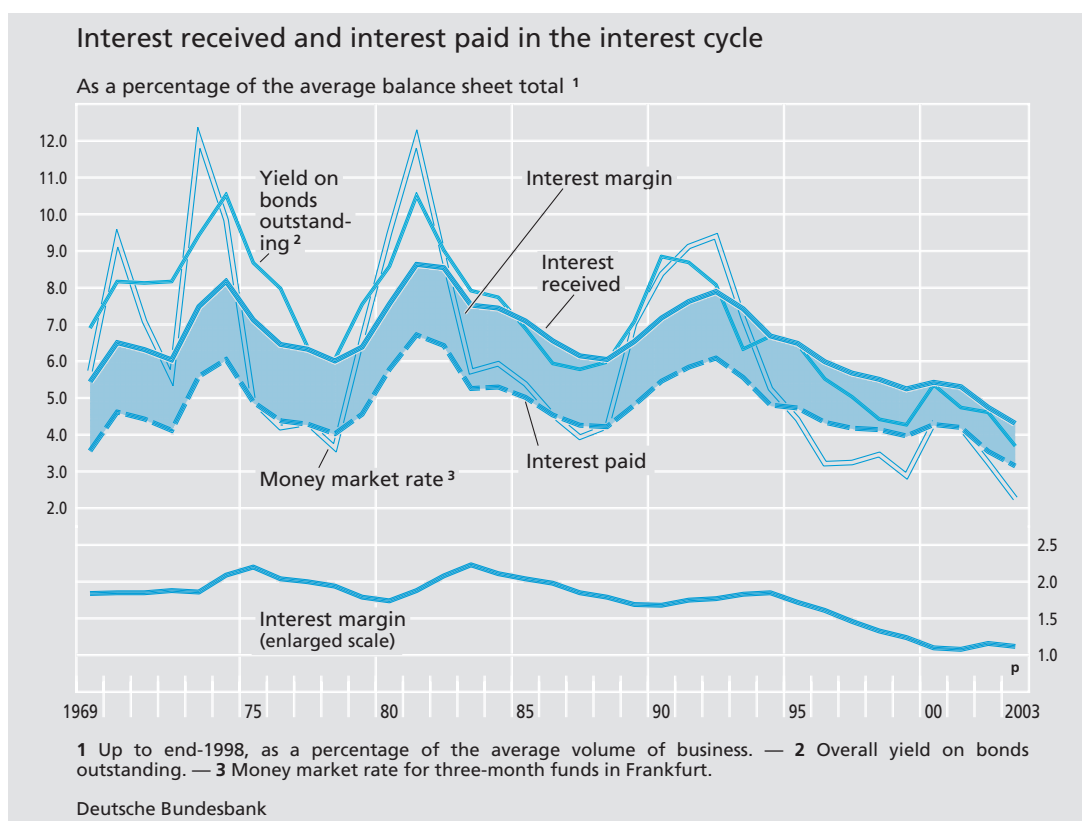
However, even those banking groups whose net interest received traditionally accounts for a far larger share of operating business also saw that share decline in 2003. At savings banks it was down from 81.3% to 80.6% on the year and at credit cooperatives down from 79.1% to 75.4%. At the same time, however, both the savings banks and the credit cooperatives registered a slight increase in net interest received (+€0.3 billion to €23.5 billion and +€0.4 billion to €14 billion respectively). As a result, the interest margin, which is traditionally much higher at these two categories of banks than at the other categories of institutions, remained virtually unchanged in financial year 2003 at 2.42% for the savings banks and 2.53% for the credit cooperatives. At the savings banks, however, this was partly a result of the first decline in the volume in business for ten years. Of those categories of banks which, owing to their focus on inter-bank and wholesale banking business, typically have a narrower interest margin, the Landesbanken managed to increase their net interest received again moderately from €9.7 billion in 2002 to €10.3 billion. By contrast, the regional institutions of credit cooperatives recorded a considerable decline of €0.5 billion in net interest received, taking that position to €0.9 billion. While the volume of business increased slightly, the interest margin fell by 0.2 percentage point to 0.46%.

Slight increase in interest margin at savings banks and credit cooperatives

Net commissions received

Following an already weak result in the previous year, net commissions received by German banks in financial year 2003 – at

Stagnation of net commissions received



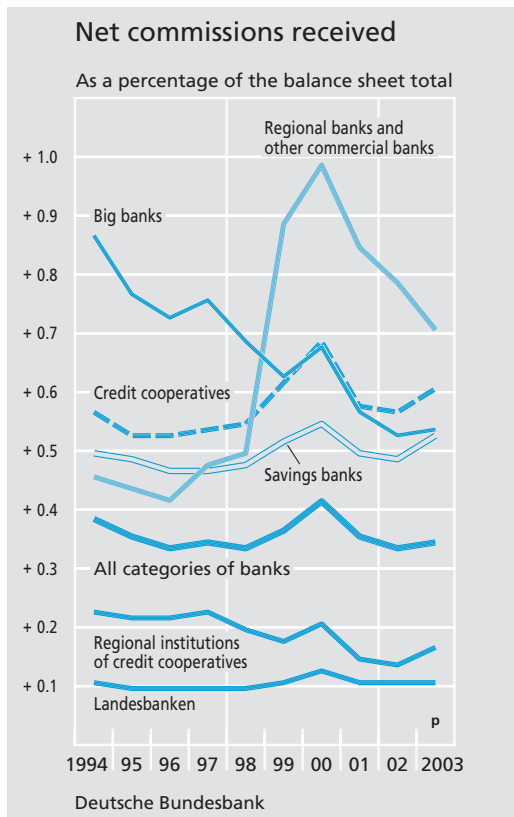
€24.4 billion – were more or less stagnant. The slight rise in commissions received was largely offset by a rise in commissions paid.

*Determinants
of weak com-
missions result*

On a positive note, however, banks managed to stabilise their net commissions received despite generally declining turnovers in German share trading and the underwriting business. Mainly as a result of increasing share prices since the second quarter of 2003, banks were able to post growth in their income from securities and safe custody business during the rest of the year. Growth – in some cases considerable – was also achieved in commissions from payment transactions. By contrast, commission business declined at subsidiaries.

At the commercial banks – which earned just under 55% of the domestic credit institutions' net commissions received – net commissions received fell to €13.2 billion, or –€0.6 billion year on year. However, this was less the result of declining commission business at the big banks than at the other commercial banks. By contrast, savings banks and credit cooperatives benefited from a higher net figure for commissions received. Savings banks increased their net commissions received by €0.4 billion to €5.2 billion while credit cooperatives posted growth in this item of €0.3 billion to €3.4 billion. Even so, as a percentage of operating business of less than 20%, commission income at these two categories of banks continues to play a relatively minor role.

*Net commis-
sions received,
by category
of banks*



Net profit or net loss on financial operations

Marked increase in own-account trading

In the light of the ongoing price recovery in the international equity markets, domestic banks were again able to boost considerably their net profit on financial operations in financial year 2003. With net profit of €6.4 billion in own-account trading, German credit institutions attained record figures last seen in 2000; in 2003 they increased their year-on-year net profit on financial operations by €3.5 billion. This was again largely attributable to the big banks. Following an extraordinarily poor result in 2002, these banks doubled their net profit on financial operations and achieved the highest net profit figure ever achieved in own-account trading (€4.9 billion). By comparison, trading in the other cat-

egories of banks benefited only moderately from rising equity prices. The Landesbanken even registered a slight decline in their net profit on financial operations.

Administrative expenditure

Cost-cutting programmes at the large German credit institutions again had an obvious positive impact on administrative expenditure in 2003, even though that impact was far weaker than in the previous year. At €77.3 billion, general administrative spending in the year under review was only €1.0 billion down on the previous year's level. In 2002 domestic banks had already reduced their administrative costs by €2.7 billion. Major administrative savings were recorded by the big banks. They cut their general administrative spending from €21.8 billion to €21.0 billion. Even so, the considerable reduction in the balance sheet total in this category of institutions resulted in an increase in administrative costs as a percentage of the volume of business. By contrast, savings banks and credit cooperatives recorded a further increase in general administrative spending again in 2003.

Easing on the cost side ...

Although domestic banks reduced the number of employees even more strongly in 2003 than in 2002, extensive severance payments prevented them from further reducing staff costs in the period under review. While the number of employees decreased by 27,000, or 3.7%, staff costs stagnated at €41.6 billion in financial year 2003. Most of the job cuts (17,000) again occurred in the private banking sector. Even so, commercial banks only

... not caused by lower staff costs ...

Structural data on German credit institutions

Category of banks	Number of institutions ¹			Number of branches ¹			Number of employees ²		
	2001	2002	2003 P	2001	2002	2003 P	2001	2002	2003 P
All categories of banks	2,518	2,419	2,294	37,585	35,340	33,753	734,350	717,150	690,350
Commercial banks	304	355	356	5,576	5,122	5,105	³ 220,700	³ 209,850	³ 192,900
Big banks	4	4	4	2,369	2,256	2,221	.	.	.
Regional banks	221	245	231	3,194	2,849	2,861	.	.	.
Branches of foreign banks	79	106	121	13	17	23	.	.	.
Landesbanken	13	13	13	604	553	571	42,800	41,850	40,500
Savings banks	534	519	489	16,648	15,628	14,757	282,850	278,800	271,900
Regional institutions of credit cooperatives	2	2	2	18	12	12	6,950	6,050	5,400
Credit cooperatives	1,621	1,490	1,394	14,584	13,889	13,201	⁴ 169,900	⁴ 168,950	⁴ 168,250
Mortgage banks	28	25	25	136	117	76	.	.	.
Special purpose banks	16	15	15	19	19	31	⁵ 11,150	⁵ 11,650	⁵ 11,400
<i>Memo item</i>									
Building and loan associations	29	28	27	3,694	2,843	2,822	⁶ 21,450	⁶ 20,950	⁶ 20,600
Postbank	1	1	1	12,792	12,667	10,645	.	.	.

¹ Source: Bank office statistics, in: Deutsche Bundesbank, *Banking statistics*, Statistical Supplement to the Monthly Report 1, p 104 (German edition). The term "credit institution" is used as in the Banking Act, resulting in divergences from data in "Balance sheet statistics" and "Statistics on the profit and loss account". — ² Excluding 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. — ⁴ Only employees whose primary occupation is in banking. — ⁵ Employees in public mortgage banks (mortgage banks established under public law) and special purpose banks established under public law. — ⁶ Only office-based employees.

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managed to reduce their staff costs by €0.4 billion to €17.0 billion. Savings banks even registered a slight increase in staff costs (by €0.4 billion to €11.7 billion), despite shedding jobs. Staff costs also rose slightly at the credit cooperatives in financial year 2003 while only a relatively moderate number of jobs were shed in this category of banks. The Landesbanken achieved the largest relative reduction (5.6%) in staff costs, taking their figure to €3.4 billion.

... but rather by cutting other administrative spending

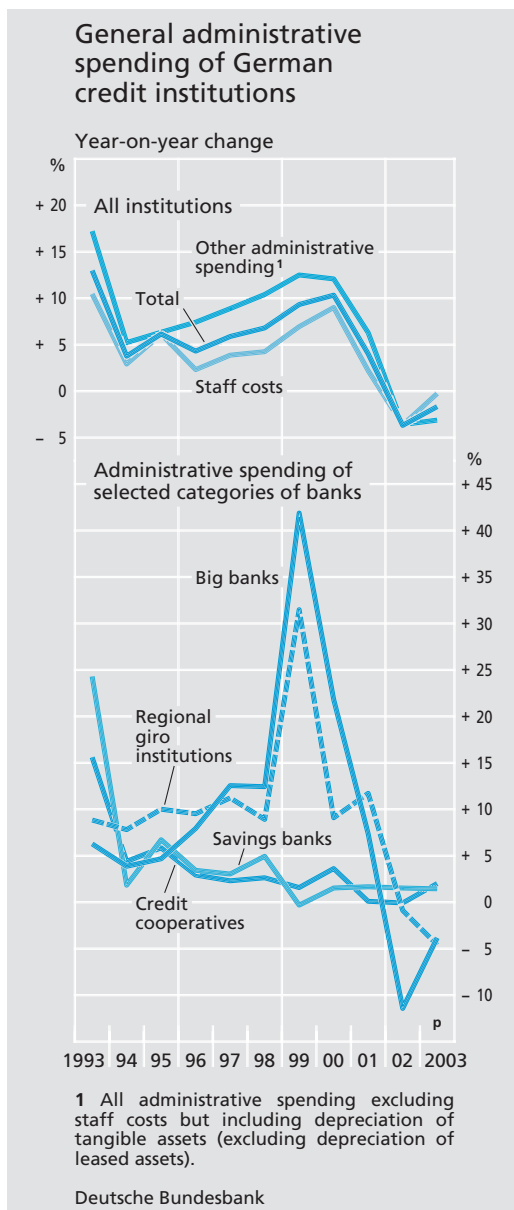
The slight drop in general administrative spending in 2003 was mainly a result of developments in other administrative spending, ie mainly non-staff expenditure, expenditure on third-party services and depreciation of tangible fixed assets. All in all, domestic credit institutions managed to reduce their other

administrative spending by €1.0 billion to €35.7 billion. Savings in this area were realised primarily by commercial banks. Both big banks and regional banks made progress in this area.

Net other operating income or charges

The balance of other operating income or charges made an unusually large positive contribution to the overall result again in financial year 2003. At €3.8 billion, this figure was even slightly up on the high result of the previous year. Apart from the regional banks and other commercial banks, which, as in the past few years, achieved the highest net other operating income or charges (€1.4 billion), the credit cooperatives also made a dis-

Net other operating income or charges made a positive contribution to the overall result



tinctly positive contribution to the operating result in 2003 (€1.0 billion, following €0.5 billion in 2002).

Operating result before the valuation of assets

Improved cost/income ratio ...

Overall, the decline in the partial operating result, ie the sum of net interest and net com-

missions received and the general administrative spending, was more than offset by the marked increase in net income from own-account trading. As a result, there was ultimately a slight increase in the operating result before the valuation of assets from €38.2 billion in 2002 to €39.1 billion in the period under review. Consequently, the cost/income ratio also improved somewhat in 2003. However, the decline in this ratio was far smaller in the period under review than in 2002. Besides the big banks and the regional institutions of credit cooperatives, all categories of credit institutions registered a slight improvement. The improvement was particularly strong at the credit cooperatives and the Landesbanken.

The picture is somewhat different, however, if the cost/income ratio is related to gross earnings. The perceptible decline in interest received left its mark on earnings. This ultimately led to a rise in the ratio of general administrative spending to gross earnings (defined as the sum of net interest received and net commissions received) of 1.5 percentage points to 72.8%, following a decline of 6.2 percentage points in 2002. Owing to the marked fall in their net interest received, this increase was concentrated, however, at the big banks and the regional institutions of credit cooperatives.

... although not in relation to gross earnings

Net income or net charges from the valuation of assets

After having increased their risk provisions sharply in the previous year, German banks trimmed them back in the year under review. Risk provisions nonetheless remained high and

Decline in risk provisioning, but with continued marked negative impact on earnings

again had a strong negative impact on earnings. Net charges from the valuation of loans, claims and securities totalled €21.8 billion in 2003, ie less than in the previous year. On the one hand, write-offs and write-downs dropped by €10.9 billion to €23.4 billion; on the other hand, however, value adjustments and release of provisions fell by €1.4 billion to €1.6 billion.¹ Even so, on balance there was a perceptible decline in valuation expenditure; in relation to the average balance sheet total, it was 0.31% in the year under review, following 0.28% in 2001 and 0.44% in 2002. Furthermore, in 2003 (in accordance with section 340 (g) of the German Commercial Code) €1.9 billion net was transferred to the fund for general banking risks. The increase in this fund is not reflected, however, in lower net annual profit as these funds are factored into the disposition of profit (accumulation of reserves).

High valuation charges in domestic lending business

As in previous years, by far the largest share of risk provisions at German banks in 2003 is likely to have been related to domestic lending. Credit institutions continued to deal with a large number of corporate insolvencies – which actually increased by 4.9% to 39,470 in the year under review. However, small enterprises were hit harder than in the previous year. By contrast, the percentage of large insolvencies, which had increased sharply in 2002, declined in 2003. The fact that risk provisions were reduced despite an increase in insolvencies may reflect, among other things, greater risk awareness on the part the German credit institutions as far as their lending

¹ Within these items use had already been made of the cross-offsetting option permissible under section 340 (f) (3) of the German Commercial Code.

Credit institutions' cost/income ratios, by category of banks

Category of banks	General administrative spending as a percentage of		
	2001	2002	2003 P
	gross earnings ¹		
All categories of banks	77.5	71.3	72.8
Commercial banks	91.6	80.2	87.0
Big banks	101.3	83.4	98.7
Regional banks and other commercial banks	79.0	75.9	73.7
Branches of foreign banks	66.7	64.6	57.3
Landesbanken	64.4	62.5	57.4
Savings banks	70.9	67.9	67.4
Regional institutions of credit cooperatives	71.8	66.1	86.2
Credit cooperatives	78.9	75.2	74.2
Mortgage banks	35.7	37.0	37.6
Special purpose banks	31.7	31.7	34.7
	income from operating business ²		
All categories of banks	71.4	67.2	66.4
Commercial banks	80.4	74.2	74.0
Big banks	83.8	77.9	79.5
Regional banks and other commercial banks	75.4	69.2	66.9
Branches of foreign banks	56.1	57.8	53.7
Landesbanken	57.1	56.1	53.1
Savings banks	69.9	66.5	66.2
Regional institutions of credit cooperatives	62.5	52.5	63.1
Credit cooperatives	76.7	73.1	69.5
Mortgage banks	33.4	35.6	37.8
Special purpose banks	30.4	31.4	32.8

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

Category of banks	2001		2002		2003 p	
	€ million	% 1	€ million	% 1	€ million	% 1
All categories of banks	32,443	0.46	38,214	0.54	39,107	0.56
Commercial banks	9,512	0.40	12,506	0.54	12,131	0.54
Big banks	4,753	0.29	6,177	0.39	5,400	0.35
Regional banks and other commercial banks	4,637	0.69	6,201	0.92	6,576	0.95
Branches of foreign banks	122	0.33	128	0.40	155	0.55
Landesbanken	5,441	0.34	5,648	0.34	6,094	0.37
Savings banks	8,058	0.85	9,568	0.98	9,862	1.01
Regional institutions of credit cooperatives	788	0.33	1,025	0.48	644	0.32
Credit cooperatives	3,824	0.72	4,632	0.85	5,661	1.02
Mortgage banks	2,800	0.30	2,436	0.26	2,308	0.26
Special purpose banks	2,020	0.42	2,399	0.47	2,407	0.46

* Partial operating result plus net profit or net loss on financial operations and net other operating income or

charges. — 1 As a percentage of the average balance sheet total.

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business is concerned. Owing to the relatively low share of consumer credit in banks' overall lending to domestic enterprises and households, consumer insolvencies are again likely to have played only a secondary role in banks' risk provisioning in 2003. Given their very strong growth, which in the year under review again far outstripped the increase in corporate insolvencies, risk provisions for consumer credit could in the future have a more marked negative impact on banks' performance. Write-downs on debt securities, which accrue in part to net income or net charges from the valuation of assets, amounted to €1.9 billion in 2003, following €1.0 billion in the previous year.²

An examination of the situation at the categories of banks shows that the decrease in

the risk provisions was particularly strong for those groups which had posted a relatively sharp increase in the previous year. First, this meant those credit institutions which, like the big banks and the Landesbanken, are active in wholesale banking and which in 2002 were particularly affected by large insolvencies. Second, savings banks and credit cooperatives operating in retail business made a distinct reduction in their net charges from the valuation of assets. Even so, in 2003 – as in the past few years – these two categories of banks had to cope with relatively high risk provisions as a percentage of their average balance sheet totals. At savings banks this figure was 0.54% (2002: 0.71%) and at credit cooperatives 0.56% (2002: 0.67%).

Banks with retail business particularly affected

² Owing to changes in reporting methods, the comparability of the results for 2002 and 2003 is limited.

Relative significance of major income and cost items for individual categories of banks in 2003 ^P

Percentage of total surplus in operating business

Item	All categories of banks	Big banks	Regional banks	Landesbanken	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks
Net interest received	70.3	49.3	66.1	79.0	80.6	53.6	75.4	102.2
Net commissions received	20.9	31.2	24.6	13.4	17.7	19.6	18.3	- 1.6
Net profit or net loss on financial operations	5.5	18.6	2.3	2.7	0.8	21.2	0.7	0.1
Net other operating income or charges	3.3	0.9	7.0	4.9	0.9	5.6	5.6	- 0.7
Total surplus in operating business	100	100	100	100	100	100	100	100
General administrative spending <i>of which</i>	- 66.4	- 79.5	- 66.9	- 53.1	- 66.2	- 63.1	- 69.5	- 37.8
Staff costs	- 35.7	- 41.5	- 30.2	- 26.0	- 40.1	- 29.9	- 41.0	- 17.9
Other administrative spending	- 30.7	- 38.0	- 36.7	- 27.1	- 26.1	- 33.2	- 28.5	- 20.0
Net income or net charges from the valuation of assets	- 18.7	- 18.0	- 12.9	- 28.9	- 18.0	- 29.4	- 16.7	- 29.9
Net other and extraordinary income or charges	- 13.3	- 30.2	- 12.6	- 35.2	0.7	- 4.6	1.8	- 9.9
<i>Memo item</i>								
Profit for the financial year before tax	1.6	- 27.7	7.6	- 17.2	16.5	2.8	15.6	22.4
Taxes on income and earnings	- 4.8	1.9	- 3.8	- 3.7	- 10.4	7.0	- 8.0	- 6.9
Profit for the financial year after tax	- 3.2	- 25.9	3.8	- 20.9	6.0	9.8	7.6	15.5

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Perceptible increase in operating result

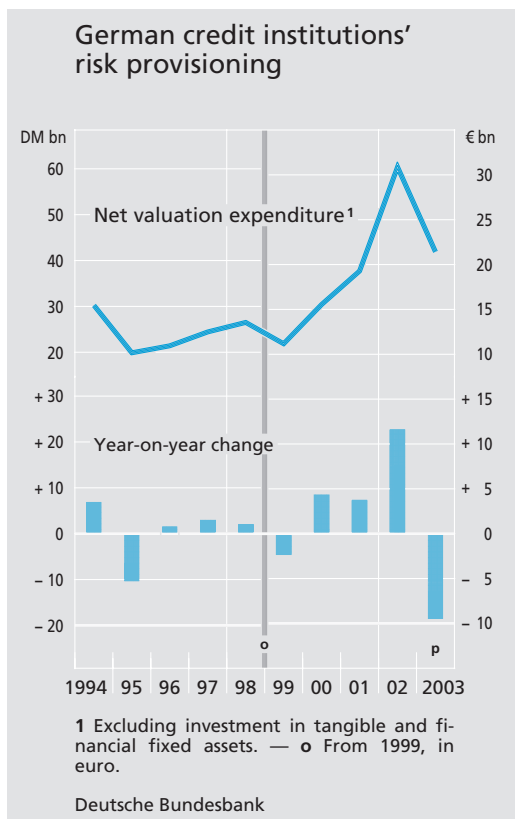
Despite continued high risk provisions, the weakening negative impact of net charges from the valuation of assets resulted in the operating result for the German banking industry as a whole more than doubling from €7.0 billion in the previous year to €17.4 billion in 2003. All the categories of banks improved their operating result, some considerably.

Other and extraordinary income or charges

In the year under review, net other and extraordinary income or charges reduced the overall result by an unusually large amount; from €3.9 billion in 2002, it dropped to -€15.5 billion in 2003. There are, however, striking sub-

Balance on "extraordinary account" impairs overall result

stantial differences among the categories of banks. Although the contributions to profit made by the "extraordinary account" deteriorated at all categories of banks, the effect on the overall result was particularly strong at the big banks (-€8 billion from -€2 billion in 2002) and the Landesbanken (-€4.6 billion from -€3.4 billion in 2002). At -€2.5 billion (2002: -€0.6 billion), regional banks and other commercial banks also registered considerable losses in the "extraordinary account". Much the same can be said of mortgage banks and the regional institutions of credit cooperatives. By contrast, the savings banks' and the credit cooperatives' result was bolstered somewhat by the "extraordinary account".



Value adjustments dominate net result from financial investment business

The slump was driven by a considerable decline in the net result from financial investment business at credit institutions; it dropped €13.9 billion from €8.6 billion in 2002 to -€5.3 billion in 2003. On the one hand, those credit institutions which recorded (net) income from value adjustments in respect of participating interests, shares in affiliated enterprises and transferable securities experienced a drop of €9.9 billion in their net receipts from financial investment business;³ on the other hand, at the other institutions, charges connected with the corresponding write-downs and value adjustments rose by €4.1 billion. The overall negative net result from financial investment business primarily reflects value adjustments of participating interests and is concentrated almost exclusively at the big banks and Landesbanken. Al-

though the result at most of the institutions in these two categories was affected negatively by the result of their financial investment business, the average performance was affected noticeably by especially sharp declines at individual institutions.

This was compounded by declining net results of the extraordinary income and charges in the narrower sense across all the categories of banks (-€4.2 billion after €1.5 billion in 2002). While this did not have a major impact on the earnings of most of the categories of banks, it reduced considerably the income of the big banks. Apart from charges connected with restructuring, the revaluation of securities and participating interests also played a role, becoming the dominant factor in the overall "extraordinary account". Transferred profits increased slightly from €3.2 billion in 2002 to €3.6 billion in the year under review. The negative developments could not be offset by the other items in the "extraordinary account": income from the release of special reserves shrank (to €0.4 billion from €0.8 billion in 2002)⁴ and the overall decline in the charges from loss transfers (-€2.7 billion after -€3.8 billion), albeit with marked variations across the individual categories of banks, was not great enough to counter this negative impact.

Increase in charges and decline in income in the "extraordinary account"

³ In the case of income or charges on financial investment business, the credit institutions made use, as usual, of the option of offsetting these two items. Pursuant to section 340 (c) (2) of the German Commercial Code, such offsetting permits the inclusion of income and charges from financial investment business.

⁴ The special reserves were mainly formed in 1999 and are being released up to 2003 with an effect on income. See Deutsche Bundesbank, *The performance of German credit institutions in 1999, Monthly Report, September 2000*, pp 59-61.

Taxes on income and earnings, profit for the financial year

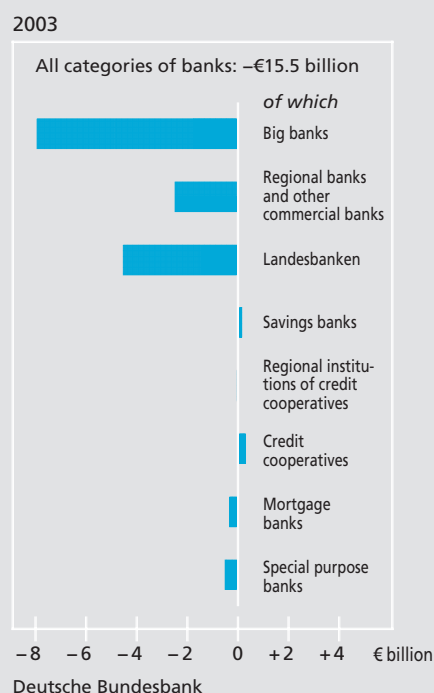
Profit for the financial year before tax drops sharply again

In the year under review, the considerable negative impact from the “extraordinary account” far exceeded the increase in the operating result, the upturn of which was therefore unable to bear positive fruit in terms of profit for the financial year before tax. Consequently, in 2003 profit for the financial year before tax in the German banking industry fell year on year – from €10.9 billion in 2002 to €1.9 billion. In accordance with the development in the “extraordinary account”, however, the various categories of bank presented a differentiated picture: the big banks, which had already booked losses for the year before tax in 2002 (-€1.9 billion) made losses of €7.3 billion in 2003. The Landesbanken, which made a profit of €1.3 billion in 2002, booked losses of €2.2 billion in 2003. Regional banks and other credit institutions also suffered major declines; their profit for the financial year before tax fell from €2.8 billion in 2002 to €1.5 billion in 2003. Mortgage banks also recorded declines in 2003. By contrast, the savings banks (+€4.8 billion) and the credit cooperatives (+€2.9 billion) were able to make a perceptible year-on-year improvement in their profit for the year before tax.

Marked deterioration in return on equity

Owing to the overall unfavourable earnings trend, the return on equity before tax, calculated as an average of all the banks, declined sharply again in 2003 after having worsened considerably in 2002. The figure was 0.73% in the year under review, following 4.49% in 2002; however, there were some major divergences across the various categories of

Net other and extraordinary income and charges



banks. The overall low figure in the banking industry was mainly caused by declining profits at the big banks and the Landesbanken. By contrast, savings banks and credit cooperatives managed to increase their return on equity before tax.

Taxes on income and earnings rose sharply by €1.7 billion to €5.5 billion in 2003 despite generally declining annual profit – primarily as a result of tax expenses at the savings banks. This was also related to income but, owing mainly to a special effect, was, at €3.0 billion, nearly double the amount of the previous year.⁵ At €1.5 billion, tax expenses at credit cooperatives were also clearly up on

Increase in taxes on income and earnings

⁵ The non-recognition of write-downs to their going-concern value in the previous years led to payments of tax arrears.

Breakdown of other and extraordinary income or charges

€ million

Item	2001	2002	2003 p
Net other and extraordinary income or charges	1,225	3,923	- 15,503
Income (total)	10,020	17,292	3,723
From value readjustments in respect of participating interests, shares in affiliated enterprises and transferable securities held as financial fixed assets	5,787	12,040	2,184
From the release of special reserves	1,502	889	451
From loss transfers	353	777	95
Extraordinary income	2,378	3,586	993
Charges (total)	- 8,795	- 13,369	- 19,226
Value adjustments in respect of participating interests, shares in affiliated enterprises and transferable securities held as financial fixed assets	- 1,827	- 3,412	- 7,482
Charges incurred through loss transfers	- 2,785	- 4,550	- 2,860
Transfers to special reserves	- 113	- 64	- 63
Extraordinary charges	- 2,221	- 2,102	- 5,192
Profits transferred under profit pooling and profit transfer agreements	- 1,849	- 3,241	- 3,629

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the previous year. In financial year 2003 the big banks reported "tax receipts" of €0.5 billion in their non-consolidated accounts, which, however, mainly reflected the reduction in provisions for taxation at one institution. For most of the other categories of banks, taxes on income and earnings generally changed only slightly in the year under review.

Substantially lower balance sheet profit

For the first time ever, the German banking industry as a whole posted an annual loss after tax of €3.7 billion, which resulted from the losses made at the big banks and the Landesbanken. By contrast, the other categories of banks posted net profits for the year. In calculating the balance sheet profit, earnings after tax was, as in the two preceding years, again hit hard by substantial losses of €2.1

billion being carried forward in the year under review. Moreover, €1.9 billion was allocated to the fund for general banking risks, also putting pressure on profits. Finally, the necessary extensive drawings on provisions and participation rights capital exceeded the corresponding amounts transferred into the provisions by €11.2 billion.⁶ On balance, the reported balance sheet profit again fell considerably in 2003 – by €1.2 billion, or 26%, to €3.6 billion – from €6.6 billion in 2001 and €4.8 billion in 2002.

⁶ Extensive drawings to offset the annual losses were undertaken primarily at individual institutions in the big bank category and at individual Landesbanken.

Return on capital of individual categories of banks *

In %

Category of banks	1999		2000		2001		2002		2003 P	
All categories of banks	11.22	(6.51)	9.32	(6.09)	6.19	(4.57)	4.49	(2.91)	0.73	(- 1.45)
Commercial banks	9.69	(7.01)	8.19	(7.32)	4.74	(4.24)	0.97	(0.04)	- 6.24	(- 6.56)
<i>of which</i>										
Big banks	6.23	(5.48)	6.34	(7.23)	4.96	(5.69)	- 3.14	(- 3.30)	- 12.85	(- 11.99)
Regional banks and other commercial banks	16.51	(10.08)	11.58	(7.44)	4.13	(1.26)	8.99	(6.62)	4.54	(2.26)
Landesbanken	10.61	(5.92)	8.14	(4.22)	4.78	(4.01)	2.80	(1.94)	- 4.25	(- 5.17)
Savings banks	15.18	(6.12)	13.39	(6.05)	9.16	(5.06)	8.15	(4.65)	11.07	(4.05)
Regional institutions of credit cooperatives	5.74	(3.98)	12.95	(8.84)	4.43	(2.74)	4.56	(4.95)	0.66	(2.30)
Credit cooperatives	10.70	(4.74)	8.59	(4.09)	7.46	(4.41)	9.68	(6.60)	10.55	(5.16)
Mortgage banks	15.62	(8.87)	5.89	(2.50)	8.92	(6.48)	9.12	(7.36)	5.34	(3.70)

* 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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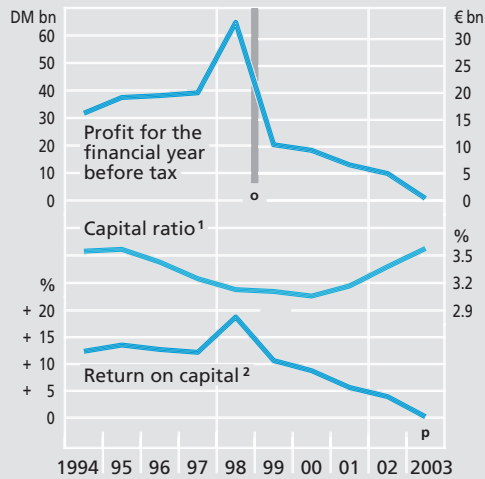
Outlook

Outlook for
2004

Current figures for the first half of the year suggest that the performance of credit institutions can be expected to stabilise somewhat in 2004. Owing to the value adjustments carried out in 2003 and the declining rate of corporate insolvencies in the first half of 2004, the need for risk provisioning in the domestic lending business is likely to reduce further. The same applies to value adjustment in banks' financial investment business. The restructuring measures that have now been implemented should also have a stronger impact on administrative expenses as the one-off expenses (such as severance payments) associated with these measures are not likely to affect the results as strongly as in previous years. Compared with expenditure, the trend

in income for 2004 is more difficult to forecast. Net interest received is likely to be depressed in 2004 by the decline in the volume of business in 2003, and particularly by the reduction in risk assets. Furthermore, developments in assets-side business depends not least on future cyclical developments. Our current estimates suggest that a slight expansion can be expected in this area. Given the interest rate trends to date, it remains to be seen whether this will be reflected in higher net interest received. Owing to rather weak developments in the equity markets in the first half of 2004, it will be difficult to achieve a similar amount of income from own-account trading to that earned in the previous year.

Profit for the financial year and capital



1 Capital (including fund for general banking risks but not participation rights 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 1999, in euro.

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All in all, the performance of the German banking industry should improve in the current financial year. However, the figures available to date also show that it is still not safe to expect a sustainable and considerable across-the-board improvement for German banks, particularly as far as their operating business is concerned.

The tables accompanying this article are printed on the following pages.

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

Percentage of the average balance sheet total ^o

Financial year	All categories of banks	Commercial banks			Landesbanken	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks	Special purpose banks
		Total	of which							
			Big banks	Regional banks and other commercial banks						
Interest received (total) ¹										
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	5.51	5.32	5.24	5.58	5.63	5.72	5.04	5.69	5.81	5.03
2001	5.39	5.12	4.91	5.68	5.47	5.75	4.91	5.76	5.73	4.95
2002	4.83	4.41	4.09	5.18	4.67	5.53	4.15	5.47	5.36	4.59
2003 p	4.39	3.82	3.42	4.74	4.25	5.24	3.42	5.15	5.09	4.15
Interest paid										
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	4.36	4.15	4.30	3.85	5.07	3.39	4.26	3.24	5.35	4.46
2001	4.28	3.97	4.02	3.85	4.88	3.47	4.29	3.36	5.30	4.43
2002	3.63	3.07	2.99	3.25	4.08	3.15	3.49	2.98	4.97	4.01
2003 p	3.23	2.65	2.57	2.83	3.63	2.82	2.96	2.62	4.66	3.60
Excess of interest received over interest paid = net interest received										
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	1.14	1.17	0.94	1.72	0.56	2.33	0.78	2.45	0.45	0.57
2001	1.12	1.15	0.89	1.83	0.60	2.28	0.62	2.41	0.43	0.53
2002	1.20	1.34	1.10	1.93	0.59	2.38	0.66	2.49	0.40	0.59
2003 p	1.16	1.17	0.85	1.91	0.63	2.42	0.46	2.53	0.43	0.55
Excess of commissions received over commissions paid = net commissions received										
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	0.42	0.76	0.68	0.99	0.13	0.55	0.21	0.69	- 0.01	0.05
2001	0.36	0.64	0.57	0.85	0.11	0.50	0.15	0.58	- 0.01	0.05
2002	0.34	0.60	0.53	0.79	0.11	0.49	0.14	0.57	- 0.01	0.09
2003 p	0.35	0.59	0.54	0.71	0.11	0.53	0.17	0.61	- 0.01	0.09

^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 1998, mortgage banks + DM1.3 billion. — ¹ Interest received plus current income and profits transferred under profit pooling and profit transfer agreements.

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

Percentage of the average balance sheet total °

Financial year	All categories of banks	Commercial banks			Landesbanken	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks	Special purpose banks
		Total	of which							
			Big banks	Regional banks and other commercial banks						
General administrative spending										
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	1.16	1.67	1.51	2.08	0.43	1.99	0.56	2.39	0.15	0.19
2001	1.14	1.65	1.48	2.12	0.45	1.97	0.55	2.36	0.15	0.18
2002	1.10	1.55	1.36	2.06	0.44	1.95	0.53	2.30	0.14	0.22
2003 P	1.10	1.53	1.37	1.93	0.42	1.99	0.54	2.33	0.16	0.22
Partial operating result										
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	0.41	0.26	0.11	0.64	0.26	0.89	0.43	0.75	0.30	0.43
2001	0.33	0.15	- 0.02	0.56	0.25	0.81	0.22	0.63	0.27	0.39
2002	0.44	0.38	0.27	0.65	0.26	0.92	0.27	0.76	0.25	0.47
2003 P	0.41	0.23	0.02	0.69	0.31	0.96	0.09	0.81	0.27	0.42
Net profit or net loss on financial operations										
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	0.00
2000	0.10	0.24	0.32	0.07	0.05	0.02	0.09	0.00	0.00	0.00
2001	0.08	0.20	0.30	- 0.03	0.04	0.00	0.06	- 0.01	0.00	0.00
2002	0.04	0.09	0.13	0.01	0.04	0.00	0.11	- 0.01	0.00	0.00
2003 P	0.09	0.24	0.32	0.07	0.02	0.02	0.18	0.02	0.00	0.00
Net income or net charges from the valuation of assets										
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	- 0.24	- 0.18	- 0.16	- 0.25	- 0.12	- 0.46	- 0.47	- 0.47	- 0.19	- 0.15
2001	- 0.28	- 0.26	- 0.24	- 0.33	- 0.20	- 0.52	- 0.32	- 0.50	- 0.12	- 0.15
2002	- 0.44	- 0.39	- 0.38	- 0.42	- 0.47	- 0.71	- 0.42	- 0.67	- 0.20	- 0.21
2003 P	- 0.31	- 0.33	- 0.31	- 0.37	- 0.23	- 0.54	- 0.25	- 0.56	- 0.13	- 0.13

For footnotes, see p 31.

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

Percentage of the average balance sheet total °

Financial year	All categories of banks	Commercial banks			Landesbanken	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks	Special purpose banks
		Total	of which							
			Big banks	Regional banks and other commercial banks						
Operating result										
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	0.30	0.36	0.24	0.63	0.22	0.44	0.05	0.35	0.14	0.30
2001	0.18	0.14	0.05	0.36	0.14	0.32	0.01	0.22	0.18	0.27
2002	0.10	0.15	0.00	0.50	- 0.13	0.27	0.06	0.17	0.06	0.26
2003 p	0.25	0.21	0.04	0.58	0.14	0.47	0.06	0.46	0.14	0.33
Net other and extraordinary income or charges										
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	- 0.01	- 0.07	- 0.03	- 0.16	- 0.03	0.11	0.30	0.05	- 0.05	0.00
2001	0.02	0.04	0.13	- 0.18	- 0.03	0.06	0.12	0.14	- 0.05	- 0.07
2002	0.06	- 0.11	- 0.12	- 0.08	0.21	0.08	0.09	0.29	0.07	- 0.03
2003 p	- 0.22	- 0.47	- 0.52	- 0.36	- 0.28	0.02	- 0.04	0.06	- 0.04	- 0.10
Profit for the financial year before tax										
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	0.29	0.29	0.21	0.47	0.19	0.55	0.36	0.40	0.09	0.30
2001	0.20	0.18	0.18	0.18	0.11	0.38	0.13	0.35	0.13	0.20
2002	0.15	0.04	- 0.12	0.41	0.08	0.35	0.14	0.46	0.14	0.23
2003 p	0.03	- 0.25	- 0.48	0.22	- 0.14	0.49	0.02	0.52	0.09	0.22
Profit for the financial year after tax										
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	0.19	0.26	0.24	0.30	0.10	0.25	0.24	0.19	0.04	0.28
2001	0.15	0.16	0.21	0.05	0.10	0.21	0.08	0.21	0.09	0.18
2002	0.10	0.00	- 0.13	0.30	0.05	0.20	0.16	0.31	0.11	0.21
2003 p	- 0.05	- 0.27	- 0.44	0.11	- 0.17	0.18	0.08	0.26	0.07	0.21

For footnotes, see p 31.

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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 (total) 1	Interest paid	Net commissions received (col 5 less col 6)	Commissions received	Commissions paid	Total (col 8 plus col 9)	Staff costs	Total other administrative spending 2	
	1	2	3	4	5	6	7	8	9	
	DM billion									
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	76.9	369.9	293.1	28.1	33.8	5.7	77.7	42.0	35.7	27.3
2001	79.2	382.4	303.2	25.3	31.2	5.9	81.0	43.0	38.0	23.5
2002	85.6	344.5	258.9	24.3	30.2	5.9	78.3	41.6	36.7	31.6
2003 P	81.8	308.8	227.0	24.4	30.6	6.3	77.3	41.6	35.7	28.8
	Year-on-year change in % 5									
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	- 1.2	14.6	19.6	25.1	26.3	32.5	10.6	9.3	12.3	- 9.2
2001	3.0	3.4	3.5	- 9.8	- 7.6	3.3	4.3	2.5	6.6	- 13.8
2002	8.0	- 9.9	- 14.6	- 4.0	- 3.2	0.0	- 3.3	- 3.4	- 3.3	34.2
2003 P	- 4.4	- 10.4	- 12.3	0.4	1.7	7.2	- 1.2	0.1	- 2.6	- 8.9
	Percentage of the average balance sheet total									
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	1.14	5.51	4.36	0.42	0.50	0.08	1.16	0.63	0.53	0.41
2001	1.12	5.39	4.28	0.36	0.44	0.08	1.14	0.61	0.54	0.33
2002	1.20	4.83	3.63	0.34	0.42	0.08	1.10	0.58	0.52	0.44
2003 P	1.16	4.39	3.23	0.35	0.44	0.09	1.10	0.59	0.51	0.41

1 Interest received plus current income and profits transferred under profit pooling and profit transfer agreements. — 2 Including depreciation of and adjustments for tangible and intangible assets, but ex-

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

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 (col 14 plus col 15)	Taxes on income and earnings	Profit or loss (-) for the financial year after tax (col 16 less col 17)	Memo item Balance sheet total 3,4	Financial year
11	12	13	14	15	16	17	18	19	
DM billion									
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	2.0	- 15.9	19.9	- 0.6	19.3	6.7	12.6	6,716.3	2000
5.4	3.5	- 19.6	12.8	1.2	14.1	3.7	10.4	7,090.8	2001
3.0	3.7	- 31.2	7.0	3.9	10.9	3.9	7.1	7,129.1	2002
6.4	3.8	- 21.8	17.4	- 15.5	1.9	5.5	- 3.7	7,028.0	2003 p
Year-on-year change in % 5									
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
79.8	16.4	- 38.0	- 19.1	81.4	- 9.6	- 24.9	1.5	10.9	2000
- 16.7	73.0	23.5	- 35.6	.	- 27.3	- 45.6	- 17.5	5.6	2001
- 45.1	4.4	- 59.1	- 45.4	220.2	- 22.2	4.9	- 31.8	0.5	2002
118.5	3.6	30.3	147.2	.	- 84.5	43.7	.	- 1.4	2003 p
Percentage of the average balance sheet total									
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
0.08	0.05	- 0.28	0.18	0.02	0.20	0.05	0.15	.	2001
0.04	0.05	- 0.44	0.10	0.06	0.15	0.05	0.10	.	2002
0.09	0.05	- 0.31	0.25	- 0.22	0.03	0.08	- 0.05	.	2003 p

sheet total of the foreign branches of savings banks. Statistical increase in the volume of business due to the inclusion of the foreign

branches: in 1998, mortgage banks + DM1.3 billion. — 5 Statistical changes have been eliminated.

Credit institutions' profit and loss accounts *

Financial year	Number of reporting institutions	Interest business			Non-interest business			General administrative spending			Partial operating result (col 2 plus col 5 less col 8)
		Net interest received (col 3 less col 4)	Interest received (total) 1	Interest paid	Net commissions received (col 6 less col 7)	Commissions received	Commissions paid	Total (col 9 plus col 10)	Staff costs	Total other administrative spending 2	
	1	2	3	4	5	6	7	8	9	10	11
All categories of banks											
1999	2,897	DM million 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	2,636	76,894	369,946	293,052	28,095	33,793	5,698	77,673	41,997	35,676	27,316
2001	2,423	79,229	382,414	303,185	25,349	31,236	5,887	81,045	43,031	38,014	23,533
2002	2,268	85,568	344,472	258,904	24,327	30,212	5,885	78,324	41,578	36,746	31,571
2003 p	2,128	81,760	308,793	227,033	24,354	30,643	6,289	77,278	41,581	35,697	28,836
Commercial banks											
1999	224	DM million 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	224	25,731	117,211	91,480	16,822	19,617	2,795	36,806	18,562	18,244	5,747
2001	213	27,230	120,978	93,748	15,227	18,588	3,361	38,909	19,155	19,754	3,548
2002	206	30,850	101,741	70,891	13,894	17,145	3,251	35,897	17,414	18,483	8,847
2003 p	193	26,341	85,993	59,652	13,249	16,611	3,362	34,449	17,023	17,426	5,141
Big banks											
1999	4	DM million 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	4	14,174	79,073	64,899	10,205	11,251	1,046	22,770	12,182	10,588	1,609
2001	4	14,727	81,187	66,460	9,454	11,134	1,680	24,505	12,688	11,817	- 324
2002	4	17,615	65,553	47,938	8,481	10,073	1,592	21,768	11,107	10,661	4,328
2003 p	4	13,035	52,461	39,426	8,223	10,191	1,968	20,992	10,957	10,035	266
Regional banks and other commercial banks											
1999	192	DM million 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	193	11,377	36,799	25,422	6,550	8,291	1,741	13,696	6,296	7,400	4,231
2001	188	12,341	38,240	25,899	5,701	7,376	1,675	14,248	6,399	7,849	3,794
2002	183	13,060	35,015	21,955	5,317	6,969	1,652	13,954	6,229	7,725	4,423
2003 p	170	13,134	32,665	19,531	4,884	6,271	1,387	13,277	5,989	7,288	4,741
Branches of foreign banks											
1999	28	DM million 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	27	180	1,339	1,159	67	75	8	340	84	256	- 93
2001	21	162	1,551	1,389	72	78	6	156	68	88	78
2002	19	175	1,173	998	96	103	7	175	78	97	96
2003 p	19	172	867	695	142	149	7	180	77	103	134
Landesbanken											
1999	13	DM million 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	13	8,386	84,761	76,375	1,943	3,185	1,242	6,479	3,364	3,115	3,850
2001	13	9,519	87,500	77,981	1,745	2,831	1,086	7,255	3,613	3,642	4,009
2002	14	9,743	76,744	67,001	1,794	2,963	1,169	7,210	3,579	3,631	4,327
2003 p	13	10,260	69,740	59,480	1,748	3,016	1,268	6,898	3,378	3,520	5,110

For footnotes, see pp 38ff.

Deutsche Bundesbank

Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col 11 to col 14)	Net other and extraordinary income or charges ³	Profit for the financial year before tax (col 15 plus col 16)	Taxes on income and earnings ⁴	Profit or loss (-) for the financial year after tax (col 17 less col 18)	Withdrawals from or transfers to (-) reserves and participation rights capital ⁵	Balance sheet profit or loss (-) (col 19 plus col 20)	Memo item Average annual balance sheet total ^{6,7}	Financial year
12	13	14	15	16	17	18	19	20	21	22	
All categories of banks											
DM million											
| 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
| 6,449 |	| 2,046 |	| - 15,886 |	| 19,925 |	| - 601 |	| 19,324 |	| 6,747 |	| 12,577 |	| - 3,975 |	| 8,602 |	| 6,716,341 |	2000
| 5,370 |	| 3,540 |	| - 19,616 |	| 12,827 |	| 1,225 |	| 14,052 |	| 3,672 |	| 10,380 |	| - 3,797 |	| 6,583 |	| 7,090,826 |	2001
| 2,950 |	| 3,693 |	| - 31,217 |	| 6,997 |	| 3,923 |	| 10,920 |	| 3,850 |	| 7,070 |	| - 2,267 |	| 4,803 |	| 7,129,090 |	2002
| 6,446 |	| 3,825 |	| - 21,754 |	| 17,353 |	| - 15,503 |	| 1,850 |	| 5,533 |	| - 3,683 |	| 7,237 |	| 3,554 |	| 7,027,988 |	2003 p
Commercial banks											
DM million											
| 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 |	| 868 |	| - 4,012 |	| 7,974 |	| - 1,563 |	| 6,411 |	| 695 |	| 5,716 |	| - 1,147 |	| 4,569 |	| 2,201,783 |	2000
| 4,719 |	| 1,245 |	| - 6,166 |	| 3,346 |	| 905 |	| 4,251 |	| 446 |	| 3,805 |	| - 2,040 |	| 1,765 |	| 2,362,423 |	2001
| 2,144 |	| 1,515 |	| - 9,034 |	| 3,472 |	| - 2,563 |	| 909 |	| 869 |	| 40 |	| 769 |	| 809 |	| 2,309,650 |	2002
| 5,355 |	| 1,635 |	| - 7,338 |	| 4,793 |	| - 10,476 |	| - 5,683 |	| 300 |	| - 5,983 |	| 5,660 |	| - 323 |	| 2,251,587 |	2003 p
Big banks											
DM million											
| 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
| 4,882 |	| 195 |	| - 3,900 |	| 853 |	| 2,098 |	| 2,951 |	| - 438 |	| 3,389 |	| - 1,154 |	| 2,235 |	| 1,653,158 |	2001
| 2,074 |	| - 225 |	| - 6,119 |	| 58 |	| - 1,989 |	| - 1,931 |	| 96 |	| - 2,027 |	| 2,889 |	| 862 |	| 1,601,526 |	2002
| 4,901 |	| 233 |	| - 4,751 |	| 649 |	| - 7,964 |	| - 7,315 |	| - 490 |	| - 6,825 |	| 7,698 |	| 873 |	| 1,533,976 |	2003 p
Regional banks and other commercial banks											
DM million											
| 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 |	| 1,151 |	| - 1,651 |	| 4,173 |	| - 1,052 |	| 3,121 |	| 1,125 |	| 1,996 |	| 186 |	| 2,182 |	| 659,720 |	2000
| - 192 |	| 1,035 |	| - 2,231 |	| 2,406 |	| - 1,197 |	| 1,209 |	| 840 |	| 369 |	| - 883 |	| - 514 |	| 672,803 |	2001
| 59 |	| 1,719 |	| - 2,844 |	| 3,357 |	| - 568 |	| 2,789 |	| 735 |	| 2,054 |	| - 2,120 |	| - 66 |	| 676,254 |	2002
| 451 |	| 1,384 |	| - 2,560 |	| 4,016 |	| - 2,510 |	| 1,506 |	| 755 |	| 751 |	| - 2,036 |	| - 1,285 |	| 689,268 |	2003 p
Branches of foreign banks											
DM million											
| 258 |	| 47 |	| 2 |	| 194 |	| 0 |	| 194 |	| 76 |	| 117 |	| - 10 |	| 108 |	| 62,154 |	1999
€ million											
| 132 |	| 24 |	| 1 |	| 99 |	| 0 |	| 99 |	| 39 |	| 60 |	| - 5 |	| 55 |	| 31,779 |	1999
| 168 |	| 44 |	| - 9 |	| 110 |	| - 1 |	| 109 |	| 13 |	| 96 |	| - 8 |	| 88 |	| 34,044 |	2000
| 29 |	| 15 |	| - 35 |	| 87 |	| 4 |	| 91 |	| 44 |	| 47 |	| - 3 |	| 44 |	| 36,462 |	2001
| 11 |	| 21 |	| - 71 |	| 57 |	| - 6 |	| 51 |	| 38 |	| 13 |	| 0 |	| 13 |	| 31,870 |	2002
| 3 |	| 18 |	| - 27 |	| 128 |	| - 2 |	| 126 |	| 35 |	| 91 |	| - 2 |	| 89 |	| 28,343 |	2003 p
Landesbanken											
DM million											
| 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
| 573 |	| 859 |	| - 3,181 |	| 2,260 |	| - 423 |	| 1,837 |	| 296 |	| 1,541 |	| - 637 |	| 904 |	| 1,599,330 |	2001
| 644 |	| 677 |	| - 7,746 |	| - 2,098 |	| 3,400 |	| 1,302 |	| 399 |	| 903 |	| - 129 |	| 774 |	| 1,644,026 |	2002
| 345 |	| 639 |	| - 3,754 |	| 2,340 |	| - 4,573 |	| - 2,233 |	| 482 |	| - 2,715 |	| 3,619 |	| 904 |	| 1,639,615 |	2003 p

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

Financial year	Number of reporting institutions	Interest business			Non-interest business			General administrative spending			Partial operating result (col 2 plus col 5 less col 8)
		Net interest received (col 3 less col 4)	Interest received (total) 1	Interest paid	Net commissions received (col 6 less col 7)	Commissions received	Commissions paid	Total (col 9 plus col 10)	Staff costs	Total other administrative spending 2	
	1	2	3	4	5	6	7	8	9	10	11
Saving banks											
1999	578	DM million 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	561	21,526 |	52,774 |	31,248 |	5,052 |	5,355 |	303 |	18,335 |	10,993 |	7,342 |	8,243 |
2001	536	21,606 |	54,522 |	32,916 |	4,743 |	5,019 |	276 |	18,688 |	11,076 |	7,612 |	7,661 |
2002	519	23,234 |	53,932 |	30,698 |	4,784 |	5,065 |	281 |	19,022 |	11,324 |	7,698 |	8,996 |
2003 P	489	23,540 |	51,014 |	27,474 |	5,180 |	5,494 |	314 |	19,346 |	11,726 |	7,620 |	9,374 |
Regional institutions of credit cooperations											
1999	4	DM million 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	3	1,821 |	11,800 |	9,979 |	499 |	979 |	480 |	1,323 |	621 |	702 |	997 |
2001	2	1,480 |	11,769 |	10,289 |	354 |	647 |	293 |	1,316 |	614 |	702 |	518 |
2002	2	1,414 |	8,865 |	7,451 |	303 |	565 |	262 |	1,135 |	540 |	595 |	582 |
2003 P	2	936 |	6,972 |	6,036 |	343 |	629 |	286 |	1,103 |	523 |	580 |	176 |
Credit cooperatives											
1999	2,032	DM million 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	1,791	12,887 |	29,920 |	17,033 |	3,601 |	3,988 |	387 |	12,547 |	7,252 |	5,295 |	3,941 |
2001	1,619	12,855 |	30,783 |	17,928 |	3,107 |	3,460 |	353 |	12,592 |	7,352 |	5,240 |	3,370 |
2002	1,488	13,648 |	29,958 |	16,310 |	3,124 |	3,491 |	367 |	12,615 |	7,442 |	5,173 |	4,157 |
2003 P	1,392	13,994 |	28,512 |	14,518 |	3,400 |	3,802 |	402 |	12,902 |	7,615 |	5,287 |	4,492 |
Mortgage banks											
1999	32	DM million 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	31	3,995 |	51,095 |	47,100 |	- 47 |	187 |	234 |	1,337 |	689 |	648 |	2,611 |
2001	27	4,005 |	53,012 |	49,007 |	- 75 |	182 |	257 |	1,402 |	694 |	708 |	2,528 |
2002	25	3,695 |	49,868 |	46,173 |	- 55 |	208 |	263 |	1,347 |	664 |	683 |	2,293 |
2003 P	25	3,795 |	44,657 |	40,862 |	- 58 |	256 |	314 |	1,405 |	663 |	742 |	2,332 |
Special purpose banks											
1999	14	DM million 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	13	2,548 |	22,385 |	19,837 |	225 |	482 |	257 |	846 |	516 |	330 |	1,927 |
2001	13	2,534 |	23,850 |	21,316 |	248 |	509 |	261 |	883 |	527 |	356 |	1,899 |
2002	14	2,984 |	23,364 |	20,380 |	483 |	775 |	292 |	1,098 |	615 |	483 |	2,369 |
2003 P	14	2,894 |	21,905 |	19,011 |	492 |	835 |	343 |	1,175 |	653 |	522 |	2,211 |
Memo item: Banks majority-owned by foreign banks 7											
1999	60	DM million 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	55	2,517 |	7,105 |	4,588 |	1,262 |	2,049 |	787 |	2,840 |	1,381 |	1,459 |	939 |
2001	51	3,019 |	11,676 |	8,657 |	1,426 |	2,233 |	807 |	3,216 |	1,474 |	1,742 |	1,229 |
2002	49	3,430 |	15,964 |	12,534 |	1,186 |	1,929 |	743 |	3,381 |	1,486 |	1,895 |	1,235 |
2003 P	45	3,521 |	14,921 |	11,400 |	1,425 |	1,818 |	393 |	3,323 |	1,442 |	1,881 |	1,623 |

* Excluding building and loan associations, institutions in liquidation and institutions with a truncated financial year. — 1 Interest received plus current income and profits transferred under profit pooling and profit transfer agreements. — 2 Including depreciation of and adjust-

ments for tangible and intangible assets, but excluding depreciation of and adjustments for assets leased ("broad" definition). — 3 Excess of charges over income: -. — 4 In part, including taxes paid by legally dependent building and loan associations affiliated to Landesbanken. — 5 Including

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 ³	Profit for the financial year before tax (col 15 plus col 16)	Taxes on income and earnings ⁴	Profit or loss (-) for the financial year after tax (col 17 less col 18)	Withdrawals from or transfers to (-) reserves and participation rights capital ⁵	Balance sheet profit or loss (-) (col 19 plus col 20)	Memo item: Average annual balance sheet total ⁶	Financial year
12	13	14	15	16	17	18	19	20	21	22	
Saving banks											
DM million											
| 462 |	| 514 |	| -3,049 |	| 15,310 |	| -4,739 |	| 10,571 |	| 6,311 |	| 4,260 |	| -1,707 |	| 2,552 |	| 1,753,404 |	1999
€ million											
| 236 |	| 263 |	| -1,559 |	| 7,828 |	| -2,423 |	| 5,405 |	| 3,227 |	| 2,178 |	| -873 |	| 1,305 |	| 896,501 |	1999
| 150 |	| -109 |	| -4,229 |	| 4,055 |	| 977 |	| 5,032 |	| 2,770 |	| 2,262 |	| -976 |	| 1,286 |	| 922,381 |	2000
| -11 |	| 408 |	| -4,980 |	| 3,078 |	| 571 |	| 3,649 |	| 1,633 |	| 2,016 |	| -829 |	| 1,187 |	| 948,723 |	2001
| -43 |	| 615 |	| -6,927 |	| 2,641 |	| 786 |	| 3,427 |	| 1,471 |	| 1,956 |	| -676 |	| 1,280 |	| 975,490 |	2002
| 220 |	| 268 |	| -5,247 |	| 4,615 |	| 190 |	| 4,805 |	| 3,047 |	| 1,758 |	| -604 |	| 1,154 |	| 974,186 |	2003 p
Regional institutions of credit cooperations											
DM million											
| 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
| 132 |	| 138 |	| -772 |	| 16 |	| 286 |	| 302 |	| 115 |	| 187 |	| -108 |	| 79 |	| 239,709 |	2001
| 234 |	| 209 |	| -905 |	| 120 |	| 189 |	| 309 |	| -27 |	| 336 |	| -259 |	| 77 |	| 213,520 |	2002
| 370 |	| 98 |	| -514 |	| 130 |	| -81 |	| 49 |	| -123 |	| 172 |	| -93 |	| 79 |	| 203,899 |	2003 p
Credit cooperatives											
DM million											
| 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
| 23 |	| 325 |	| -2,445 |	| 1,844 |	| 250 |	| 2,094 |	| 1,096 |	| 998 |	| 85 |	| 1,083 |	| 525,687 |	2000
| -41 |	| 495 |	| -2,671 |	| 1,153 |	| 735 |	| 1,888 |	| 772 |	| 1,116 |	| -182 |	| 934 |	| 534,337 |	2001
| -28 |	| 503 |	| -3,687 |	| 945 |	| 1,572 |	| 2,517 |	| 801 |	| 1,716 |	| -768 |	| 948 |	| 548,026 |	2002
| 138 |	| 1,031 |	| -3,106 |	| 2,555 |	| 340 |	| 2,895 |	| 1,478 |	| 1,417 |	| -451 |	| 966 |	| 553,146 |	2003 p
Mortgage banks											
DM million											
| 0 |	| 176 |	| -1,563 |	| 4,152 |	| -487 |	| 3,665 |	| 1,584 |	| 2,081 |	| -68 |	| 2,013 |	| 1,552,201 |	1999
€ million											
| 0 |	| 90 |	| -799 |	| 2,123 |	| -249 |	| 1,874 |	| 810 |	| 1,064 |	| -35 |	| 1,029 |	| 793,628 |	1999
| 1 |	| 305 |	| -1,681 |	| 1,236 |	| -462 |	| 774 |	| 463 |	| 311 |	| 188 |	| 499 |	| 880,137 |	2000
| -1 |	| 273 |	| -1,121 |	| 1,679 |	| -495 |	| 1,184 |	| 324 |	| 860 |	| 680 |	| 1,540 |	| 924,683 |	2001
| 5 |	| 138 |	| -1,843 |	| 593 |	| 692 |	| 1,285 |	| 247 |	| 1,038 |	| -331 |	| 707 |	| 929,571 |	2002
| 2 |	| -26 |	| -1,110 |	| 1,198 |	| -368 |	| 830 |	| 255 |	| 575 |	| 15 |	| 590 |	| 877,381 |	2003 p
Special purpose banks											
DM million											
| 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 |	| -655 |	| 1,344 |	| -9 |	| 1,335 |	| 87 |	| 1,248 |	| -1,031 |	| 217 |	| 445,251 |	2000
| -1 |	| 122 |	| -725 |	| 1,295 |	| -354 |	| 941 |	| 86 |	| 855 |	| -681 |	| 174 |	| 481,621 |	2001
| -6 |	| 36 |	| -1,075 |	| 1,324 |	| -153 |	| 1,171 |	| 90 |	| 1,081 |	| -873 |	| 208 |	| 508,807 |	2002
| 16 |	| 180 |	| -685 |	| 1,722 |	| -535 |	| 1,187 |	| 94 |	| 1,093 |	| -909 |	| 184 |	| 528,174 |	2003 p
Memo item: Banks majority-owned by foreign banks ⁷											
DM million											
| -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 |	| 454 |	| -324 |	| 953 |	| 21 |	| 974 |	| 251 |	| 723 |	| 229 |	| 952 |	| 126,022 |	2000
| -143 |	| 327 |	| -422 |	| 991 |	| -266 |	| 725 |	| 349 |	| 376 |	| 134 |	| 510 |	| 168,517 |	2001
| 108 |	| 561 |	| -632 |	| 1,272 |	| -18 |	| 1,254 |	| 449 |	| 805 |	| -310 |	| 495 |	| 284,168 |	2002
| 287 |	| 292 |	| -796 |	| 1,406 |	| -837 |	| 569 |	| 276 |	| 293 |	| 390 |	| 683 |	| 291,782 |	2003 p

profit or loss brought forward and withdrawals from or transfers to the fund for general banking risks. — ⁶ Excluding the balance sheet total 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					General administrative spending					
		Total	Interest paid	Commissions paid	Net loss on financial operations	Gross loss on transactions in goods and subsidiary transactions	Total	Staff costs			Other administrative spending ¹	
								Total	Wages and salaries	Social security costs and costs relating to pensions and other benefits		
		DM million										
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	2,636	412,264	293,052	5,698	370	-	71,853	41,997	32,772	9,225	3,843	29,856
2001	2,423	430,361	303,185	5,887	831	-	75,237	43,031	33,766	9,265	3,899	32,206
2002	2,268	400,045	258,904	5,885	884	-	72,472	41,578	32,514	9,064	3,489	30,894
2003 p	2,128	364,771	227,033	6,289	362	-	71,893	41,581	32,078	9,503	3,950	30,312

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			Current income				Profits transferred under profit pooling and profit transfer agreements	Commissions received
		Total	from lending and money market transactions	from debt securities and Debt Register claims	Total	from shares and other variable yield securities	from participating interests ¹	from shares in affiliated enterprises		
		DM million								
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	424,841	351,570	290,904	60,666	16,994	7,951	2,219	6,824	1,382	33,793
2001	440,741	363,138	298,110	65,028	17,379	9,849	2,169	5,361	1,897	31,236
2002	407,115	323,949	266,031	57,918	17,446	7,226	1,835	8,385	3,077	30,212
2003 p	361,088	294,273	243,607	50,666	10,997	6,525	1,220	3,252	3,523	30,643

¹ Including amounts paid up on cooperative society shares.

Deutsche Bundesbank

Value adjustments in respect of tangible and intangible assets		Other operating charges	Value adjustments in respect of loans and advances, and provisions for contingent liabilities and for commitments	Value adjustments in respect of participating interests, shares in affiliated enterprises and 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
Total	of which Assets leased										
DM million											
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
6,243	423	4,280	17,902	1,747	751	59	2,271	6,747	179	1,112	2000
5,975	167	4,237	22,327	1,827	2,785	113	2,221	3,672	215	1,849	2001
5,995	143	4,288	34,213	3,412	4,550	64	2,102	3,850	185	3,241	2002
5,510	125	5,405	23,352	7,482	2,860	63	5,192	5,533	168	3,629	2003 ^p

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

Net profit on financial operations	Gross profit on transactions in goods and subsidiary transactions	Value re-adjustments in respect of loans and advances, and provisions for contingent liabilities and for commitments	Value re-adjustments in respect of participating interests, shares in affiliated enterprises and transferable securities held as financial fixed assets	Other operating income		Income from the release of special reserves	Extraordinary income	Income from loss transfers	Financial year
				Total	of which from leasing business				
DM million									
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
6,819	201	2,016	2,329	6,727	536	1,840	1,025	145	2000
6,201	183	2,711	5,787	7,976	247	1,502	2,378	353	2001
3,834	170	2,996	12,040	8,139	243	889	3,586	777	2002
6,808	164	1,598	2,184	9,359	220	451	993	95	2003 ^p



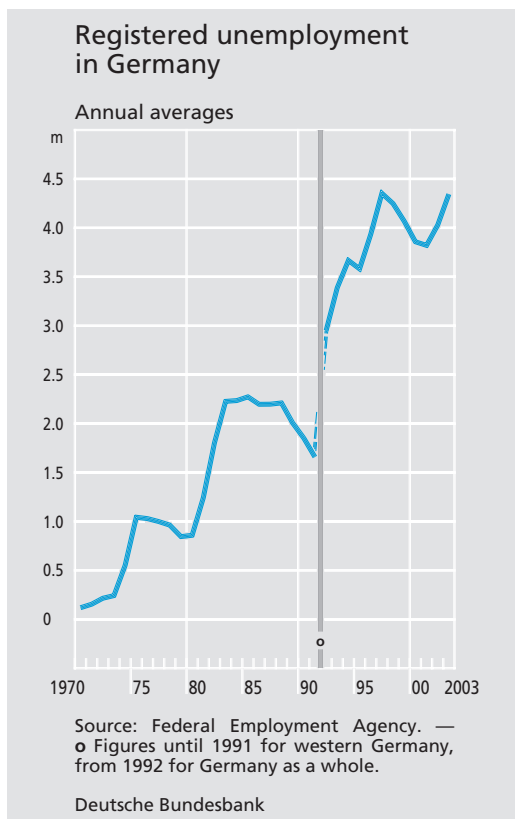
Greater flexibility on the German labour market

The German labour market has been characterised for a long time now by a high degree of persistent structural unemployment. Up to the middle of the 1990s, the number of unemployed persons rose from one business cycle to the next. This phenomenon cannot be explained by macroeconomic shocks alone. Institutional factors also have to be taken into consideration. The continuously high level of unemployment is a clear indication that the German labour market is not functioning properly. This has become increasingly apparent in the past few years. A number of measures have been taken at company level as well as by the social partners and legislators. These measures are aimed at overcoming rigidities and obstacles by improving framework conditions and increasing flexibility on the labour market, with a view to reducing unemployment and raising the rate of employment. This article gives an overview of the adjustment steps that have been taken to date. However, it also demonstrates that there is a further need for action in order to achieve a comprehensive and lasting reduction in involuntary long-term unemployment.

Major imbalances on the labour market

Unemployment in Germany rose stepwise between the early 1970s and the mid-1990s. With each economic downturn the number

*Growing array
of problems*



of unemployed increased significantly. The number of registered unemployed persons went up from an initial figure of just under 300,000 in 1973 to over 1 million in 1975 and then from around 900,000 in 1980 to 2.2 million in 1982. In the first half of the 1990s, pan-German unemployment increased again from around 3 million in 1992 to almost 4.4 million in 1997. Although unemployment then dipped below 4 million persons, it has latterly returned to its 1997 level if definitional changes are disregarded. This underlying pattern reveals – at the macroeconomic level – a clear failure to re-integrate the increased number of unemployed persons into the production process in any of the subsequent recovery periods, even allowing for the fact that the labour supply in Germany has increased sub-

stantially over time. Furthermore, the shortage of competitive jobs should be estimated as being higher than the unemployment rate suggests since a large number of employment contracts are subsidised and many other non-occupied persons should be at least partly allocated to the labour supply.

This empirical finding is a clear indication that the German labour market is not functioning properly. Germany's relatively poor labour market performance is evident not only from considering its evolution over time, but also when comparing it with that of other countries in the European Union. According to the standardised EU definition, Germany currently has one of the highest unemployment rates (9.9% seasonally adjusted) in the euro area. A high level of unemployment not only results in large fiscal burdens in the form of wage substitutes and lost revenue from wage tax and social security contributions, it also entails considerable financial losses and social costs for the individuals concerned.

For the economy as a whole, a high or increasing level of unemployment means that the growth potential to improve the overall standard of living is not being fully exploited. If people who lose their jobs during an economic downturn do not succeed in finding a new job during the subsequent upturn, the initial cyclical unemployment will become increasingly entrenched and will ultimately be transformed into structural unemployment. The longer the latter persists, the more difficult it is to eliminate, especially as the human capital represented by the unemployed is at

risk of being devalued over time and motivational problems may occur.

Tasks for the social partners and legislators

*Tasks and
division of
duties*

Improving the functioning of the labour market requires cooperation from both the legislators and the social partners. The legislators are responsible for creating incentive-compatible legal and institutional framework conditions. The social partners have to ensure that the terms and conditions of employment contracts conform to market standards. All endeavours should ultimately be measured by the extent to which they make a lasting contribution to increasing the level of employment, thereby lowering unemployment. The objective should not be solely to compensate for the jobs lost in the last few years, but to significantly reduce unemployment on a permanent basis.

New measures

In view of the pressing problems on the German labour market and against the background of the intensification of the international division of labour – which has increased in recent years and may be expected to sharpen further in the future – a series of measures were taken in the past few years – initially by the social partners – aimed at raising the flexibility and improving the functioning of the German labour market. This was partly a response to the growing number of employers withdrawing from the national federations and the waning influence of collective labour contracts. In terms of legislative changes, besides efforts to lower non-wage

labour costs, the German parliament recently implemented a series of proposals drawn up by a group of experts known as the Hartz Commission.

Collective labour agreements continue to be of great importance

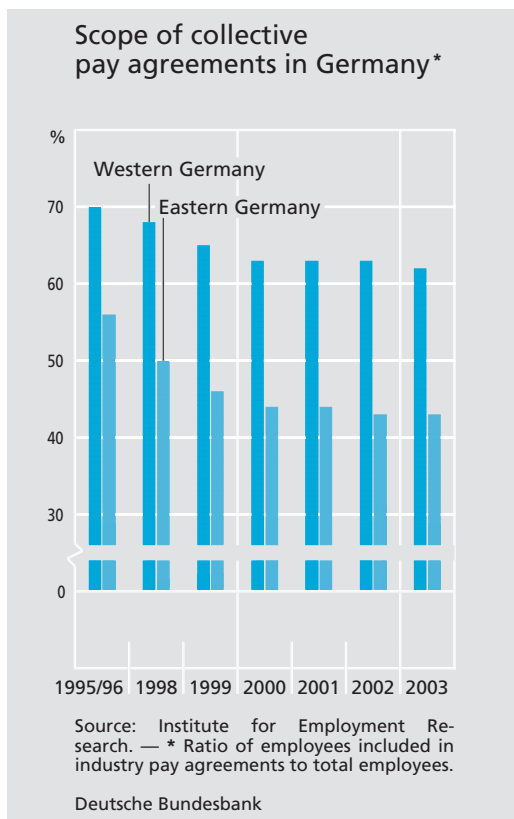
Achieving a permanently higher level of employment primarily requires action from the social partners. Collective labour agreements between employer federations or companies and trade unions perform a key function in this context. According to data from the Federal Ministry of Economics and Labour, there were almost 60,000 industry or company agreements in force at the end of 2003. These regulate both general working conditions – such as working hours, bonuses and holiday entitlement – in the form of master labour agreements, and the level of wages and salaries in the form of wage agreements.¹ According to the Federal Ministry of Economics and Labour, around 90% of employees who are subject to social security contributions are employed under collective industry and company labour agreements.

According to the findings of the Institute of Employment Research (IAB), the scope of coverage of industry-wide labour agreements declined noticeably, especially in the second half of the 1990s. Whereas in the mid-1990s 70% of employees in western Germany worked in a company covered by a sector-wide collective labour agreement, since 2000

*Scope of
coverage of pay
agreements:
findings of the
IAB*

*Sector-wide
labour agree-
ments*

¹ See Federal Ministry of Economics and Labour, *Tarifvertragliche Arbeitsbedingungen* (2003).



this figure has stood at only 63%. A similar trend is apparent in eastern Germany, albeit on a considerably smaller scale: only just over two-fifths of employees there work in a company covered by an industry-wide labour agreement. In both western and eastern Germany the adherence to collective labour agreements correlates positively with the size of the enterprise. The smaller the company, the less likely it is to be covered by a collective labour agreement. In businesses with between five and nineteen staff, merely half of the employees in western Germany and only one in three employees in eastern Germany are covered by sector-wide labour contracts. Looking at the individual sectors, adherence to collective agreements in western Germany is particularly high in industry, construction, financial intermediation and general govern-

ment, and low in the sectors "other business services" and "other services". In eastern Germany, the scope of coverage of collective pay and labour agreements is significantly lower than in western Germany in the industrial and construction sectors, in particular.

Besides these industry-wide labour agreements, there are numerous company-specific pay agreements. These apply to 7% of employees in western Germany and 12% in eastern Germany. However, according to the IAB many companies which themselves have no collective labour contract nonetheless gear the remuneration of their workforce to scales laid down in collective agreements. In 2002 this was the case for 16% of employees in western Germany and 23% in eastern Germany. Including this group of people, the earnings of 86% of employees in western Germany and 78% in eastern Germany are based on collective agreements.

Company-level agreements; benchmark function of collective agreements

Negotiated pay rates, wage drift and actual earnings

The continuing central importance of collective agreements in shaping wage formation in the German economy suggests that negotiated pay rates should be the focal point of any analysis of wage trends. Concentrating on hourly pay rates suggests itself for two reasons. Firstly, this is the relevant yardstick used by companies to assess labour costs. Secondly, it enables due account to be taken of the effects that changes in working hours – for example as a result of the increasing significance of part-time employment – have on

Analysis of hourly rates of pay as from 1995

the level and development of earnings. Furthermore, it is advisable to begin the analysis in the mid-1990s because, particularly in the first half of the last decade, the pan-German wage trend was driven to a large degree by the objective of harmonising wages in eastern Germany with those in western Germany.²

Negotiated pay rates

According to figures from the Deutsche Bundesbank's pay rate statistics,³ negotiated hourly earnings – including agreed supplementary benefits, such as holiday pay and Christmas bonuses – in Germany increased by 19% altogether between 1995 and 2003 (2¼% per annum). Broken down according to region, this reflects an average increase of 2% in western Germany and 3% in eastern Germany. A comparison of economic sectors⁴ shows that negotiated earnings in the production sector (excluding construction) rose the most. The average annual increase of 2¾% exceeded the macroeconomic average by ½ percentage point each year, with the metal-working and electrical engineering industries recording the strongest growth. By contrast, negotiated pay rates in the service sectors financing, renting and business services as well as in the public and private services sectors showed a marginally below-average increase over the past eight years. The smallest agreed wage increase (1¾% per year) occurred in the construction industry, which has been in an acute adjustment crisis for years. Particularly between 1997 and 1999, negotiated pay rates in this sector were significantly lower than the overall rate. In 1997 this was due to the cut in holiday pay and Christmas bonuses in the west German

construction industry. Two years later Christmas bonuses were lowered again, whereas holiday pay was raised.⁵

The sectoral spread of annual negotiated pay rises was – measured by various statistical ratios – somewhat narrower in the last few years than in the mid-1990s. This could be an indication that those sectors which recorded comparatively high wage settlements in previous years came under stronger pressure and the trade unions were accordingly no longer able to achieve above-average wage agreements. Another possible interpretation is that the social partners oriented themselves more closely to macroeconomic benchmarks, in which case the deviations have sector-specific causes or reflect the balance of power between employer federations and trade unions. On the whole there are a number of

Sectoral spread of negotiated pay rises somewhat narrower

2 According to statistics from the Federal Ministry of Economics and Labour, the contractually agreed basic rates of (monthly) pay in eastern Germany rose from 60% of west German negotiated earnings at the end of 1991 to 87% at the end of 1995. By the end of 2003, this figure was 93.5%. See Federal Ministry of Economics and Labour, *Tarifvertragliche Arbeitsbedingungen* (2003).

3 For more details, see Deutsche Bundesbank, The trend in agreed pay rates and actual earnings since the mid-eighties, *Monthly Report*, August 1994, pp 29-44; Deutsche Bundesbank, The trend in labour income since the beginning of the nineties, *Monthly Report*, October 1997, pp 19-32; Deutsche Bundesbank, Determinants and macroeconomic significance of product wage and consumption wage, *Monthly Report*, July 2000, pp 15-27.

4 Industry classification system A6 in accordance with the definition of NACE, Rev 1, but excluding agriculture, forestry and fisheries because, in terms of the number of employees, those industries are rather small compared with the other sectors.

5 This seemingly paradoxical increase in holiday pay with a simultaneous cut in Christmas bonuses has to be seen in the context that in the construction sector holiday pay is generally binding, whereas Christmas bonuses are not. The purpose of this shift – according to the social partners – was to partly lessen competitive distortions which disadvantage companies with collective labour agreements.

Negotiated wages, wage drift, actual earnings on an hourly basis

Germany; annual percentage change

Year	Overall economy	of which				
		Production sector excluding construction	Construction	Wholesale/retail trade, hotel and restaurant service, transport and storage	Financing, renting and business services	Public and private services
Negotiated earnings ¹						
1992	+ 11.5	+ 13.2	+ 9.9	+ 9.6	+ 9.4	+ 11.4
1993	+ 7.5	+ 9.3	+ 8.1	+ 6.0	+ 5.1	+ 6.4
1994	+ 3.3	+ 3.8	+ 3.9	+ 3.3	+ 3.0	+ 1.9
1995	+ 4.9	+ 6.1	+ 5.1	+ 4.3	+ 4.4	+ 4.4
1996	+ 2.6	+ 4.1	+ 2.9	+ 2.7	+ 1.8	+ 1.2
1997	+ 1.5	+ 2.4	+ 0.4	+ 1.6	+ 1.4	+ 1.2
1998	+ 1.9	+ 2.1	+ 1.0	+ 1.9	+ 1.6	+ 2.4
1999	+ 2.9	+ 3.6	+ 0.9	+ 2.7	+ 2.9	+ 2.8
2000	+ 2.0	+ 2.2	+ 1.4	+ 2.6	+ 2.3	+ 1.5
2001	+ 2.0	+ 1.8	+ 1.8	+ 2.8	+ 2.3	+ 1.6
2002	+ 2.7	+ 3.5	+ 2.1	+ 2.9	+ 2.1	+ 2.3
2003	+ 2.0	+ 2.5	+ 3.2	+ 2.1	+ 2.1	+ 1.4
Wage drift ²						
1992	- 2.2	- 3.5	- 2.8	+ 0.8	- 1.2	- 1.8
1993	- 1.3	- 1.9	- 1.6	- 0.6	+ 0.9	0.0
1994	- 1.1	- 0.3	- 0.7	- 1.4	- 1.3	- 0.5
1995	- 0.4	- 1.3	- 2.0	- 0.8	0.0	+ 1.0
1996	+ 0.4	+ 1.2	- 0.5	- 0.2	- 0.1	+ 0.6
1997	- 0.5	- 1.0	- 1.6	- 0.8	- 0.1	0.0
1998	- 0.5	- 0.6	- 1.2	- 1.1	- 0.3	- 0.4
1999	- 0.5	- 1.1	+ 1.0	- 0.4	- 0.7	- 0.3
2000	+ 0.8	+ 1.1	+ 2.2	- 0.1	- 0.6	+ 1.0
2001	+ 0.6	+ 1.5	+ 1.0	- 0.4	- 0.2	+ 0.4
2002	- 0.6	- 1.2	+ 0.6	- 0.6	- 0.1	- 0.5
2003	- 0.8	- 0.5	- 1.4	- 0.9	- 1.2	- 1.1
Actual earnings ³						
1992	+ 9.1	+ 9.3	+ 6.8	+ 10.4	+ 8.2	+ 9.4
1993	+ 6.1	+ 7.2	+ 6.4	+ 5.4	+ 6.0	+ 6.3
1994	+ 2.1	+ 3.4	+ 3.2	+ 1.8	+ 1.6	+ 1.4
1995	+ 4.5	+ 4.7	+ 3.0	+ 3.5	+ 4.4	+ 5.4
1996	+ 3.0	+ 5.3	+ 2.5	+ 2.4	+ 1.7	+ 1.9
1997	+ 1.0	+ 1.4	- 1.3	+ 0.8	+ 1.3	+ 1.1
1998	+ 1.4	+ 1.5	- 0.2	+ 0.7	+ 1.3	+ 1.9
1999	+ 2.3	+ 2.4	+ 1.9	+ 2.3	+ 2.2	+ 2.5
2000	+ 2.8	+ 3.3	+ 3.6	+ 2.5	+ 1.6	+ 2.5
2001	+ 2.7	+ 3.4	+ 2.8	+ 2.3	+ 2.0	+ 2.0
2002	+ 2.1	+ 2.2	+ 2.8	+ 2.3	+ 2.0	+ 1.8
2003	+ 1.2	+ 2.0	+ 1.7	+ 1.2	+ 0.9	+ 0.3

¹ Including incidental payments (holiday pay, Christmas bonuses, employee saving schemes and old-age provision payments). — ² Difference between actual hourly wage

and negotiated hourly wage. — ³ Gross wages and salaries per employee per hour in Germany. Source: Federal Statistical Office.

Deutsche Bundesbank

factors indicating that the trend in pay rises is still primarily determined by the traditional pattern of annual pay rounds in which the first pay settlement in one of the larger economic sectors serves as a key benchmark for subsequent pay agreements.

*Macro-
economic wage
drift*

The level of and increase in actual gross earnings are defined largely – but by no means entirely – by the conclusion of collective pay agreements. Depending on the relative strength of the demand for labour, both the level and the evolution of actual wages and salaries differ from the negotiated rates. The percentage difference between actual wages and salaries per employee per hour and negotiated hourly wage and salary rates is reflected in what economists call the wage drift (likewise on an hourly basis). This can also be seen as a certain corrective to the pay agreements.

In the period under review between 1995 and 2003, a slightly negative cumulative wage drift (calculated on an hourly basis) of 1 percentage point – or 0.1 percentage point per year – was recorded. There were, however, strong fluctuations in the wage drift over time. A markedly positive wage drift was observed in 1996 and, above all, in 2000 and 2001. On the one hand, prompted by the joint declaration of the Alliance for jobs, training and competitiveness of 9 January 2000 – which recommended an employment-oriented and longer-term wage policy – the agreements in the 2000 pay rounds produced moderate settlements, often running for two years, with further – likewise moderate – pay rises in the subse-

quent year. On the other hand, the buoyant cyclical conditions necessitated more overtime work – paid at higher rates. In 2002 and 2003, by contrast, the increase in actual earnings – calculated per hour – was $\frac{3}{4}$ percentage point per year lower than the rise in negotiated wages. This gap widened to $1\frac{1}{4}$ percentage points in the first half of 2004. Evidently, companies have recently been using the wage drift as a corrective to negotiated pay agreements which they felt were too high or in order to generally enhance their profitability. In the light of the German economy's long-running stagnant underlying tendency and its very restricted scope to pass on price increases – even against the background of increasing competition from foreign firms with significant cost advantages – the sole option to stabilise profitability was to curb wage costs by squeezing non-core wage components.⁶ On balance, there is much to suggest that the wage drift – at least during the period under review here – contains a certain cyclical component but also reacts elastically to the level of the pay settlements in relation to the overall economic situation.

Broken down by sector, the production sector (excluding construction), construction and public and private services all exhibit, on bal-

*Sectoral wage
drift*

⁶ According to IAB figures, in 2002 43% of companies bound by collective labour contracts in the private sector in western Germany paid their employees more than the standard agreed pay rates. The average wage spread, ie the degree by which actual wages and salaries exceed negotiated rates, amounted to almost 11%. In eastern Germany, just under 20% of companies bound by collective labour contracts paid more than the negotiated pay rates, with an average wage spread of 10%. For more details, see S Kohaut and C Schnabel (2003), *Verbreitung, Ausmass und Determinanten der übertariflichen Entlohnung*, in: *Mitteilungen aus der Arbeitsmarkt- und Berufsforschung* 36, pp 661-671.

ance, a very similar pattern to that of the overall economy – albeit with some considerable differences in the individual years. By contrast, the wage drift in the wholesale/retail trade, hotel and restaurant service, transport and storage sector and in the financing, renting and business services sector has been persistently negative since 1995. In the case of the wholesale/retail trade, hotel and restaurant service, transport and storage sector, this may have been the result of a structural effect. The growth rate of actual hourly wages is likely to have been depressed considerably by the increasing significance of low skilled labour, for example in the form of low-paid part-time jobs (“mini-jobs”) – an effect which was mirrored insufficiently in the pay rate statistics owing to their concentration on average earnings. In the case of the financing, renting and business services sector, the sector’s comparatively low level of coverage by pay agreements probably played an important role; this means that there is more scope for flexibility which was obviously also exploited by the companies. Overall, it is clear that the relative sectoral wage drift is often negatively correlated year on year with the relative position of the sectoral negotiated salary increases. This, too, supports the hypothesis that the wage drift plays an important role as a corrective of collective pay settlements.

Actual earnings

On balance, actual earnings per hour worked rose by just over 2% per annum between 1995 and 2003, which was only marginally lower than negotiated pay rates. With regard to the individual sectors, only the production sector (excluding construction) recorded an

above-average increase. In all other sectors, the average growth rate of wages per hour worked was below the 2% mark. As a result of the wage drift, the sectoral spread of the annual percentage change in actual earnings is narrower than that of negotiated pay rates.⁷

Wage flexibility

It is remarkable that, despite high unemployment, practically no decreases in actual earnings were observed at the sectoral level during the period under review. The sole exception was the construction sector in 1997 and 1998, when average hourly earnings were 1.3% and 0.2%, respectively, lower than in the previous year. For 1997 this was attributable to the aforementioned cut in holiday pay and Christmas bonuses. In 1998, too, various elements agreed as part of the pay settlement to lower costs noticeably dampened the income trend, as a result of which hourly earnings declined marginally.⁸ In addition, the reduction in the minimum wage introduced in September 1997 for workers in the construction industry is likely to have had an impact.

Decreases in wages remain an exception

This phenomenon that nominal wages are largely sticky downwards is evident not only

⁷ In a microeconomic and more deeply disaggregated sectoral analysis Bellmann and Gartner come to the conclusion that in the 1990s in “western and eastern Germany the sector-specific wage differentials increased in those economic sectors already paying high wages.” For more details, see L Bellmann and H Gartner (2003), Fakten zur Entwicklung der qualifikatorischen und sektoralen Lohnstruktur, in: *Mitteilungen aus der Arbeitsmarkt- und Berufsforschung* 36, pp 493-508, especially p 506.

⁸ However, average per capita earnings remained unchanged as a result of the simultaneous increase in average working hours.

*Empirical
evidence of
wage rigidities
based on micro
data*

at the sectoral level but also at an individual level. Admittedly, evaluations of the 1% sample of employed persons undertaken by the IAB for the period from the mid-1970s to the mid-1990s shows that some employees did indeed see their earnings drop. However, the cross-workforce distribution pattern of annual wage modifications shows a peak at precisely zero in almost each year of the period under review. Microeconomic studies based on this data set likewise indicate the existence of considerable downward nominal wage rigidity.⁹ In an environment of low inflation rates, such as in Germany, real wages can then perform their market-clearing function to a limited extent only.

*Reasons for
nominal wage
rigidities*

On the one hand, nominal wage rigidities can be explained by institutional factors. For example, the validity of pay settlements persists even after a contract has expired or been terminated, so that its provisions remain in force until a new contract has been concluded. On the other hand, fairness considerations also play a role. Since employment contracts regulate salary levels but do not concurrently specify the details of the work to be carried out by employees, cuts in salaries could negatively influence their performance and quality of work. According to surveys of companies, such considerations play a significant role in the avoidance of salary cuts – even when these are deemed necessary.¹⁰ A salary cut is contemplated and also accepted by the employees only when it is a necessary measure to ensure the survival of the company and consequently to save the jobs in question.

The empirically attested high rigidity of nominal wages nevertheless obscures the fact that to some extent it is also possible to achieve wage flexibility within collective labour agreements. Besides the escape clauses that have been agreed in several sectors, which provide for a reduction in working hours and salaries in individual companies if this is necessary to safeguard jobs, these measures also include the suspension or postponement of pay rises in companies which find themselves in a difficult economic situation, pay ranges, performance-related wage components and lower entry-level pay rates.¹¹

*Wage flexibility
in collective
labour agree-
ments*

With regard to wage flexibility, pay settlements agreed in the chemical industry are worth mentioning in particular. Back in 1994, lower entry-level pay rates were agreed for the first year of employment for long-term unemployed persons (90%) as well as for new staff and school/college leavers (95%). In mid-1997 a wage corridor was introduced as part of the master collective pay agree-

*Lower entry-
level pay,
pay ranges*

⁹ See, for example, C Knoppik and T Beissinger (2003), How Rigid are Nominal Wages? Evidence and Implications for Germany, in: *Scandinavian Journal of Economics*, Vol 105, pp 619-641; T Beissinger and C Knoppik (2003), Sind Nominallöhne starr? Neuere Evidenz und wirtschaftspolitische Implikationen, Forschungsinstitut zur Zukunft der Arbeit, *IZA Discussion Paper* No 800; T Bauer, H Bonin and U Sunde (2003), Real and Nominal Wage Rigidities and the Rate of Inflation: Evidence from German Micro Data, *IZA Discussion Paper* No 959; F Pfeiffer (2003), Ausmass und Konsequenzen von Lohnrigiditäten, in: *Mitteilungen aus der Arbeitsmarkt- und Berufsforschung*, 36, pp 616-633.

¹⁰ See, for example, W Franz and F Pfeiffer (2003), Zur ökonomischen Rationalität von Lohnrigiditäten aus der Sicht von Unternehmen (The Rationale for Wage Rigidity: Employers' Viewpoint), in: *Jahrbücher für Nationalökonomie und Statistik*, Vol 223, pp 23-57.

¹¹ For a comprehensive overview, see Federal Ministry of Economics and Labour, *Tarifvertragliche Arbeitsbedingungen* (2003).

ment; this has been exploited since 1998. Under certain conditions, it allows the employer and workers' council to lower earnings and working hours for a limited period by up to 10% vis-à-vis the negotiated rates.¹² In contrast to comparable escape clauses in other industries, these exceptional measures can be triggered by the need to improve competitiveness in Germany as well as the aim of safeguarding employment.¹³ This includes investing in German sites with the objective of maintaining and promoting employment and avoiding a relocation of production or investment abroad.¹⁴

*Variable salary
components*

In several economic sectors deviations from the standard Christmas bonus provisions are permitted at plant level. For example, companies in the west German chemical industry, depending on their commercial performance, may lower the "thirteenth monthly salary" – which according to the pay agreement should total 95% of a month's income – to 80% or raise it to 125%. In the private banking industry there is a similar sliding range which likewise allows lower and higher deviations. In 2002 the option of a performance and profit-related variable remuneration system was also introduced in this sector. On the basis of in-house agreements, 4% of an employee's annual remuneration, ie around half of one-month's salary per year, can be coupled to individual performance criteria. This example makes it clear that collective pay agreements and in-house wage flexibility are not mutually exclusive.

No progress has been made in the past few years, however, with regard to the wage

structure according to different skill levels.¹⁵ In almost all cases the negotiated pay rates for all skill levels in a given sector were raised by the same percentage. Adequate wage flexibility and wage differentiation, especially at the lower end of the qualification scale, would, however, be appropriate in order to create more employment opportunities for low-skilled people with low labour productivity.¹⁶

*Rigid pay rates
with regard to
different skill
levels*

Increased working time flexibility

The degree of flexibility achieved so far is considerably greater in terms of working hours than in terms of earnings. Labour agreements in most economic sectors contain provisions for deviating from the standard weekly working hours. These notably include working time accounts, which in many cases were introduced some time ago. The accounting period over which the average negotiated working hours must be achieved is at least twelve months and in some sectors is much longer. The key advantage of working time

*Working time
accounts*

¹² These in-house agreements must also be approved by the social partners.

¹³ A comparable clause exists solely in the east German construction sector, although it has only a low scope of coverage by collective labour agreements according to the IAB.

¹⁴ In 2000 a comparable provision was included in the master labour agreement. It relates to competitiveness vis-à-vis labour agreements in other sectors and specifies no ceiling for lowering earnings.

¹⁵ The sole exception is the construction industry where in 2002 the three lowest pay groups were amalgamated to form one new – lower – wage group.

¹⁶ See, for example, B Fitzenberger and W Franz (1998), *Flexibilität der qualifikatorischen Lohnstruktur und Lastverteilung der Arbeitslosigkeit: Eine ökonomische Analyse für Westdeutschland*, in: B Gahlen, H Hesse and H J Ramser (eds), *Verteilungsprobleme der Gegenwart*, Tübingen, pp 47-79.

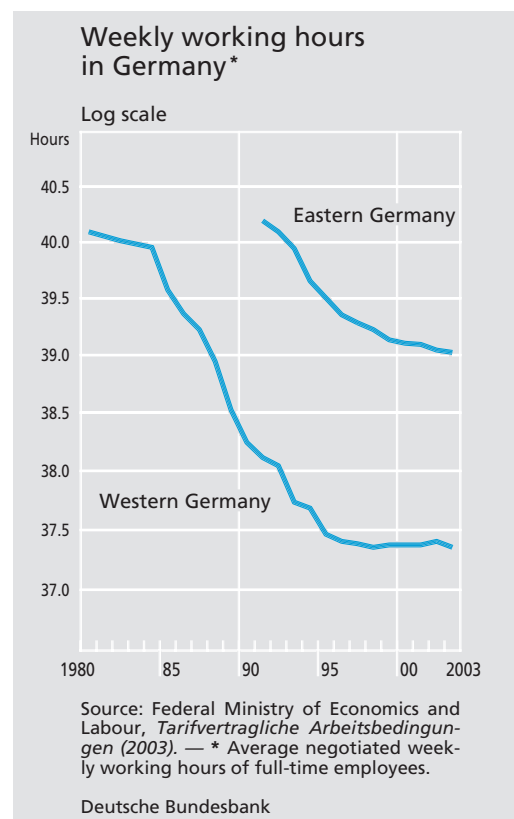
accounts is that they allow the regular working hours, which are paid at standard rates, to be more effectively adjusted to the firm's operational requirements. Avoiding the need to pay overtime bonuses at times of full order books cuts costs. When demand is weak, the working-time buffer contributes to stabilising employment. However, this greater working-time flexibility may also mean that, in some circumstances, employment will react somewhat more slowly to an improvement in the economic situation if the flexibility with regard to the working-time component is initially exhausted.

Sliding range for regular working hours

Besides the instrument of working time accounts, several economic sectors provide for the possibility of varying the regular working hours for all or part of the workforce. For example, companies in the chemical industry can define the standard weekly working hours for the entire workforce as a sliding range between 35 and 40 hours on a permanent basis. In the metal-working and electrical engineering industries it is possible for firms with a highly skilled workforce to extend the working week for a maximum of half the employees to up to 40 hours, with a commensurate increase in the wage but paid at standard rates.

Extending working hours without increasing pay

In mid-2004, a company belonging to a major electrical engineering group raised the regular weekly working time of all its employees from 35 to 40 hours with no corresponding increase in their wages. Furthermore, holiday pay and Christmas bonuses are to be replaced there by a profit-related annual payment. This example makes it clear that cuts in



hourly wages – in order, say, to improve competitiveness and safeguard jobs in Germany – are more likely to be accepted if they come in the form of an extension of working hours and a possible reduction in bonus payments, but the monthly salary is kept broadly unchanged. The same pattern was observed ten years ago (albeit involving a shortening of working time in that case) with the introduction of the four-day week by an automobile group, when the cut in wages accompanying the reduction in working hours was achieved by decreasing the special annual bonuses, leaving the monthly remuneration unchanged.

Reorientation of labour market policy

Implementation of proposals from the Hartz Commission

Last year the Federal Government started to make the labour market infrastructure more flexible with the first two Acts Promoting Modern Labour Market Services. The effectiveness of job placement activities undertaken by the labour exchanges is to be increased through more intensive support for unemployed persons, through greater contact with companies and through the additional acquisition of vacancies. The monthly earnings ceiling for jobs qualifying as low-paid part-time work ("mini-jobs") was raised from €325 to €400 on 1 April 2003 and the tax and social security rates applying to such jobs were lowered (especially when carried out as an ancillary activity to a full-time job). The employer merely pays a lump-sum to the statutory health and pension insurance schemes and in wage tax totalling 25%. In order to more fully exploit the employment potential in the field of household services, "mini-jobs" undertaken for private households are subject to lower taxes and social contributions totalling only 12%. In addition, "mini-jobs" for households are tax-subsidised. As a general rule, in addition to a main job which is subject to social security contributions, one low-paid part-time ancillary activity may now also be taken up without the earnings from this being subject to the full social security contribution rate. This corresponds to the previous regulation that applied before 1 April 1999.

"Mini-jobs"

Moreover, to promote employment in the low-wage sector, a sliding scale for employee contributions to the social security funds was

introduced in jobs which pay between €400 and €800 ("midi-jobs"). The employee contribution increases progressively and linearly from 4% at the bottom of the scale to the full employee contribution of currently 21% at the top-end of the scale.

Through greater support for unemployed persons, more extensive contacts with companies and the acquisition of additional vacancies by the Federal Employment Agency, the placement of jobless persons is to be speeded up and hence overall unemployment lowered. To mobilise the employment reserves, greater use is to be made of temporary jobs (subcontracted workers). For this purpose, personnel service agencies (PSA) were introduced throughout Germany. The function of the PSAs is to subcontract unemployed persons to interested companies and to qualify and train unplaced persons in between phases of subcontracted employment. The employment contract must last at least nine months and should not exceed twelve months as a general rule. When the personnel service agencies were introduced at the beginning of 2004, restrictions on hiring out of labour were lifted. The special time limitation ban, the reemployment ban, the synchronisation ban and the restriction of the transfer time to 24 months were all abolished. Instead, the adoption of negotiated wages was made compulsory.

Federal Employment Agency's placement efforts stepped up

Introduction of personnel service agencies

Restrictions on subcontracting lifted

A further element of the labour market reforms is the introduction of additional assistance for setting up new businesses ("Me plc") for a three-year test phase. Any unemployed person who re-enters the labour

Promoting self-employment

market by setting up a new business as a self-employed entrepreneur is entitled to a monthly start-up grant, whereby certain income ceilings apply for earnings from self-employment. Furthermore, the setting up of a business in the craft industry was made generally easier. As a rule, the stipulation of a master craftsman's qualification now applies to only 41 instead of 94 craft professions.

"Promote and push"

As a result of the reorientation of labour market policy, traditional instruments, which include in particular job creation schemes and structural adjustment measures, have decreased in importance. They are being increasingly superseded by a range of measures which aim to integrate people directly into the primary labour market. Furthermore, under the motto "Promote and push" stricter criteria were introduced for registering as unemployed; this began with the *Job-AQTIV* law (an act designed to get people back into work).

Restructuring of unemployment benefit and social assistance

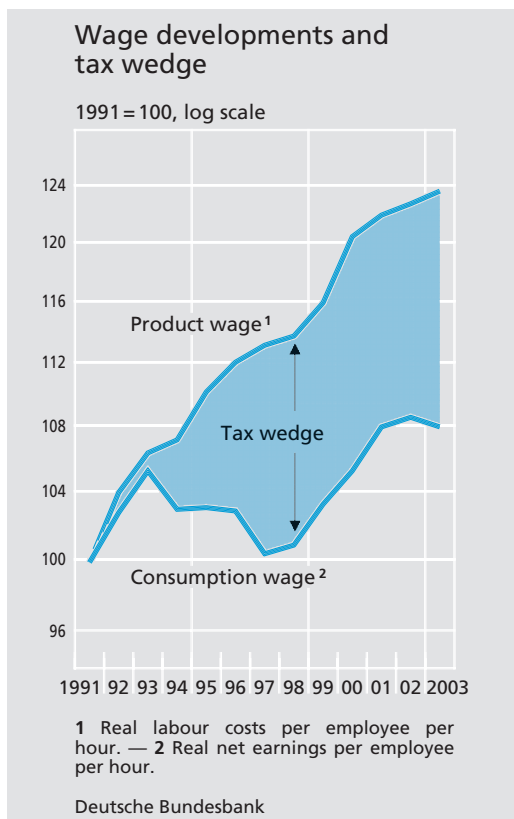
At the beginning of 2005, unemployment assistance and social assistance for those people able to work but needing financial help will be replaced by the so-called "unemployment benefit II". This new subsistence allowance will be means-tested and will normally equal the level of social assistance. With regard to the labour market, every job will be deemed reasonable for recipients of unemployment benefit II to take up. Earning allowances in addition to the benefit are intended to motivate recipients to take on regular employment. Finally, as from 2006 the maximum period of entitlement to unemployment benefit will be generally reduced

to 12 months (and 18 months for people over the age of 55); this should likewise boost the incentive to find a job.

All measures must be assessed by the extent to which they make a permanent contribution to a more efficient labour market clearing process, thus promoting growth and structural change. It is especially important to improve the labour market opportunities of the long-term unemployed and of low-skilled people in order to more effectively combat the potential emergence of new long-term unemployment.

Initial assessment

As the measures that have been introduced have had little time to show an impact and as some changes will not come into force before 2005 or 2006, the success of the overall package of measures cannot yet be gauged. For one thing, many reform measures require time before their full impact will be felt. Another difficulty is that there are still gaps and ambiguities in the statistical base. For example, there are differences in the figures on low-paid part-time jobs as recorded by the Federal Employment Agency and the Miners' Federal Statutory Health Insurance Scheme, which has been the central reporting office for such jobs since April 2003. Figures on "midi-jobs" are currently only available based on data from the IAB. According to those figures, 3% of employees in western Germany and 4% in eastern Germany have "midi-jobs". The new form of self-employment has met with a high take-up rate according to evidence from the Federal Employment Agency. Thus in July, 150,000 people claimed the government grant for setting up a "Me plc".



However, it remains to be seen how many of these new businesses will be able to hold their own on the market. The personnel service agencies were recently supervising only around 26,000 people. Pure placement ratios, which are often cited, are not very informative, especially since – quite apart from the “bandwagon” effect – they cannot give any information for the duration of the employment contract. This also makes it clear that the real placement success cannot be deduced from the number of supported persons.

However, the statistical picture does at least show that, at long last, things have started moving again on the labour market. Furthermore, the abandonment of the old-style active labour market policy is to be welcomed.

That policy entailed high fiscal costs but effectively produced rather meagre results. The stronger pressure on the unemployed to actively seek work is likewise conducive to improving the job-hunting process and should make the unemployment statistics more informative.¹⁷ Not least, alleviating the “progression trap” in the field of transfer payments as a result of the new earnings allowances when re-entering the labour market is a step in the right direction. The modified regulation of “mini-jobs” and “midi-jobs” also highlights the important role of labour costs, particularly for low-skilled people and jobs.

Further action needed for labour market policy and wage policy

The key need now is to generally reduce the tax wedge on the labour market. Particularly as a result of the significant rise in contribution rates to the social security funds, the ratio of taxes and social security contributions to labour costs went up from 43% in 1991 to 48½% in 1997; this undoubtedly had a negative impact on the demand for labour. Although the burden of taxes and social security contributions had gone down marginally to 47¼% by 2001, another rise to just over 48% was recorded in the past two years. This means that for every euro incurred by an employer as labour costs for his employee, the employee receives less than 52 cents. In real terms, the evolution of the tax wedge

¹⁷ The associated statistical effect does, however, make it temporarily more difficult to interpret the unemployment figures.

over the past 13 years is even more unfavourable. This is because consumer prices, which for consumers are the crucial yardstick for determining their real net labour income, increased by just under 2% on an annual average and thus almost ½ percentage point per year more sharply than producer prices before tax, measured by the GDP deflator at factor costs. On balance, real hourly labour costs per employee per hour have risen by over 24% since 1991 (or by 1.8% per year), whereas real net earnings per employee per hour have gone up by only 8% (or 0.7% per year).

*Need for
reform remains
great*

The measures taken in the past few years have certainly resulted in the German labour market becoming more flexible, both with respect to the institutional framework and as regards collective wage bargaining and working hours. To that extent there is reason to hope that the incipient economic recovery in Germany will also give a fillip to the labour market following a certain time-lag. It is dubious, however, whether this will be sufficient to reduce unemployment in Germany to any significant degree. In particular, the ever-sharper international competition for investment in manufacturing locations and jobs means that the pressure to become more adaptable will remain strong or even increase further in the future. Hence further efforts are needed in the field of wage structures if

the labour potential which until now has remained untapped is to be put to productive use. In addition, the across-the-board cuts in weekly working hours made during the past 20 years, and which were unsuccessful in employment policy terms, should be superseded by provisions which better accommodate operational requirements and are also more in the employees' interests.

The German parliament is also called upon to make its contribution to a more flexible labour market. A prime consideration in this context is that employment protection legislation has a considerable impact on firms' recruitment policy. Furthermore, the "favourability principle", which only allows deviations from the collective labour agreement if they are in the employees' best interests, should be more broadly interpreted to include job-saving aspects. This must be accompanied, as planned, by further narrowing the tax wedge on the labour market. In the process the individual freedom of contract should be enhanced. It is not advisable, by contrast, to introduce a statutory minimum wage. Wages should primarily perform a steering function on the labour market and not be used for social policy aims through legislative interventions. From the point of view of employment policy, a minimum wage would be counterproductive and would conflict with the objectives of the current labour market reform.



DEUTSCHE
BUNDESBANK

Monthly Report
September 2004

How the Bundesbank analyses enterprises' creditworthiness

In fulfilment of its monetary policy mandate as part of the Eurosystem, the Bundesbank grants temporary refinancing loans and intraday credit to domestic credit institutions. For the necessary collateralisation, the banks may pledge, among other assets, loans and bill-based loans to domestic (non-bank) enterprises.

Before the Bundesbank accepts a business loan as collateral, it applies its credit assessment system to examine whether the enterprise in question meets the eligibility requirements for central bank refinancing. This article describes the improvements in the methodology which have been introduced since the launch of monetary union in 1999 and explains what credit standards are set by the Bundesbank for accepting business loans as collateral.

A central bank's interest in a systematic balance-sheet-based corporate analysis goes beyond the issue of collateralisation. The knowledge gained in credit analysis is also relevant to the monetary transmission mechanism, for example. Moreover, the resulting insights into enterprises' financial position and profitability provide important information for assessing the stability of the financial system.

Underlying assets fulfilling the eligibility criteria

Changeover from two asset categories ...

Article 18.1 of the Statute of the European System of Central Banks (ESCB) stipulates that credit operations of the national central banks, such as the Bundesbank, be based on adequate collateral. At present, the eligible assets are still divided into two categories: tier one assets, ie bonds issued by public sector borrowers, banks or enterprises which fulfil uniform eligibility criteria specified by the European Central Bank (ECB), and tier two assets, which include non-marketable debt instruments (in Germany, trade bills and bank loans), which are defined by the national central banks in accordance with the minimum eligibility criteria of the ECB.

... to a single list of assets in future

On 29 August 2002, the Governing Council of the ECB made a decision to phase in a single list to replace the two-tier system. On 5 August 2004, there was a press release stating that the Governing Council had agreed to include bank loans in (as well as to exclude equities from) the single list but that further preparatory work was needed to settle the precise arrangements, including the date when the single list would enter into force. This decision permits a considerable expansion of the collateral base. In particular, the decision takes account of the underlying conditions in the German banking system and is also consistent with the tradition in the German central banking system that debt instruments vis-à-vis business enterprises can also be used for central bank lending. Until the changeover to monetary union, this had been the case for rediscount credit.¹ For credit insti-

tutions, the inclusion of bank loans means that their securities portfolio is more available for purposes of collateralisation in the money market and in payments. For that reason, in 2003 during a Europe-wide ECB consultation on the gradual introduction of a single list, the credit institutions were very much in favour of including bank loans.

Credit standards

The quality criteria for the assets and their suitability for the monetary policy operations of the Eurosystem (and for the collateralisation of payment transactions) are already identical in both lists of the present two-tier system. The credit standards for tier one assets are those which lead to a rating in the upper to first-class range when classified by a rating agency. Business loans meet these criteria if such a rating exists in the case of liable enterprises or if the loans are classified as eligible assets by a national central bank. This means that the minimum standard for eligible enterprises in the Eurosystem is higher than it was for the Bundesbank's rediscount business prior to monetary union. Up to the end of 1998, an enterprise was deemed to be eligible if it was judged to be viable. The group of eligible enterprises has been restricted to viable enterprises which achieve a high to first-class credit rating. Even so, it is by no means the case that there is now a narrower range of enterprises whose bank loans are eligible for refinancing purposes. As before, eli-

Measure of credit-worthiness: undoubted solvency

¹ Trade bills were not included, however. These had been becoming much less important and, for a number of years, had been listed only as tier two assets anyway.

eligible enterprises are of widely varying size, from many different sectors and have a wide variety of legal forms (see the adjacent chart).

ECB examines compliance with credit standard

In the interests of a level playing field for banks and enterprises, the Bundesbank's credit risk assessment system is bound by guidelines which apply to all the national central banks in the Eurosystem that employ their own credit risks assessment systems for rating the eligibility of business enterprises.² Compliance with the minimum creditworthiness standard is verified by comparing the annually determined default rate³ of the enterprises classified as eligible using a standard benchmark. This benchmark is based on empirical default rates of tier one assets. An application for court insolvency proceedings against the enterprise is in itself deemed to be the default of an asset.

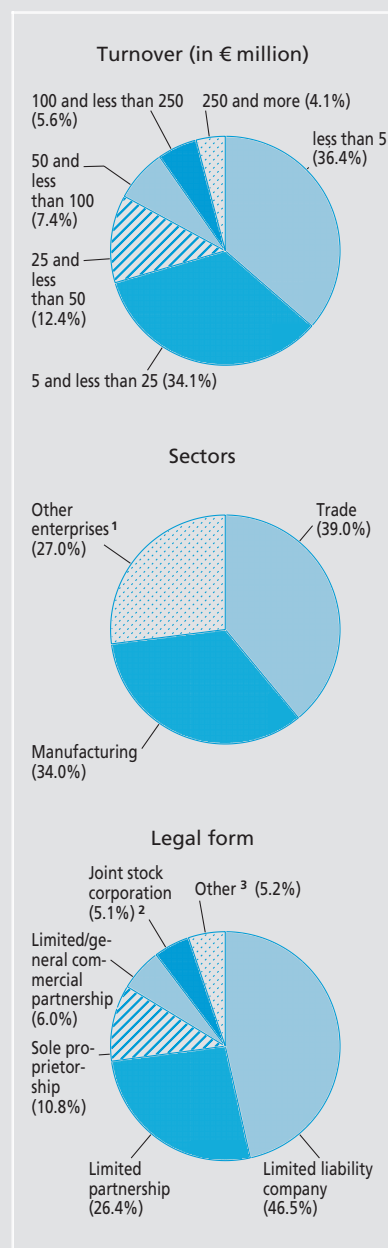
Adapting the methods to ECB requirements

In order to comply with the more stringent benchmark set by the Governing Council of the ECB, it became necessary last year to apply a stricter criterion when determining the eligibility of the enterprises assessed by the Bundesbank. Otherwise, there would have been a risk of the quality of our central bank credit risk assessment system being below the standards agreed by the Eurosystem. The comparatively high default rates were a reflection of a deteriorating economic setting for German enterprises over an extended period, particularly of a growing ag-

² At present, these are the Bundesbank, Banco de España, Banque de France and Oesterreichische Nationalbank.

³ Eligible enterprises which have become insolvent during the course of a given year expressed as a percentage of the total number of enterprises certified as eligible at the start of the year (one-year default rate).

Structures of eligible enterprises



¹ Of which Real estate enterprises (17.1%), construction enterprises (2.7%), agricultural enterprises (2.5%) and transport and telecommunication enterprises (1.9%). — ² Including commercial partnership limited by shares, limited liability company & Co limited by shares as well as mining companies under mining law. — ³ Other legal forms, eg cooperatives, associations under civil law, associations and foundations.

Deutsche Bundesbank

gregate output gap, ie the gap between real performance and potential. This led to an increasing percentage of the debtors deemed to be eligible for central bank refinancing actually not displaying the requisite viability. Changes to the insolvency law, which came into effect on 1 January 1999, were an additional factor. The new insolvency procedure means that enterprises, by means of restructuring, have a better chance to overcome economic difficulties that threaten their existence than was the case under the old law, when insolvency often led to the disintegration of the company. For that reason, petitions for insolvency were often made when economic difficulties are at a comparatively early stage. Both factors played a part in a doubling of the default rate of all the enterprises assessed by the Bundesbank. Given that situation, it was imperative that we adapted our credit risk classification system to the changed underlying economic conditions.

The Bundesbank's credit risk assessment system

Uniform systematic assessment

The system applied by the Bundesbank ensures that credit assessments are derived in a uniform and systematic assessment process which is transparent for the enterprises being assessed and which reflects the particular needs of refinancing operations. The system consists of two modules: a standardised part, which is a combination of discriminant analysis and an expert system, and the formation of the credit assessment, which ultimately determines eligibility for central bank refinancing.

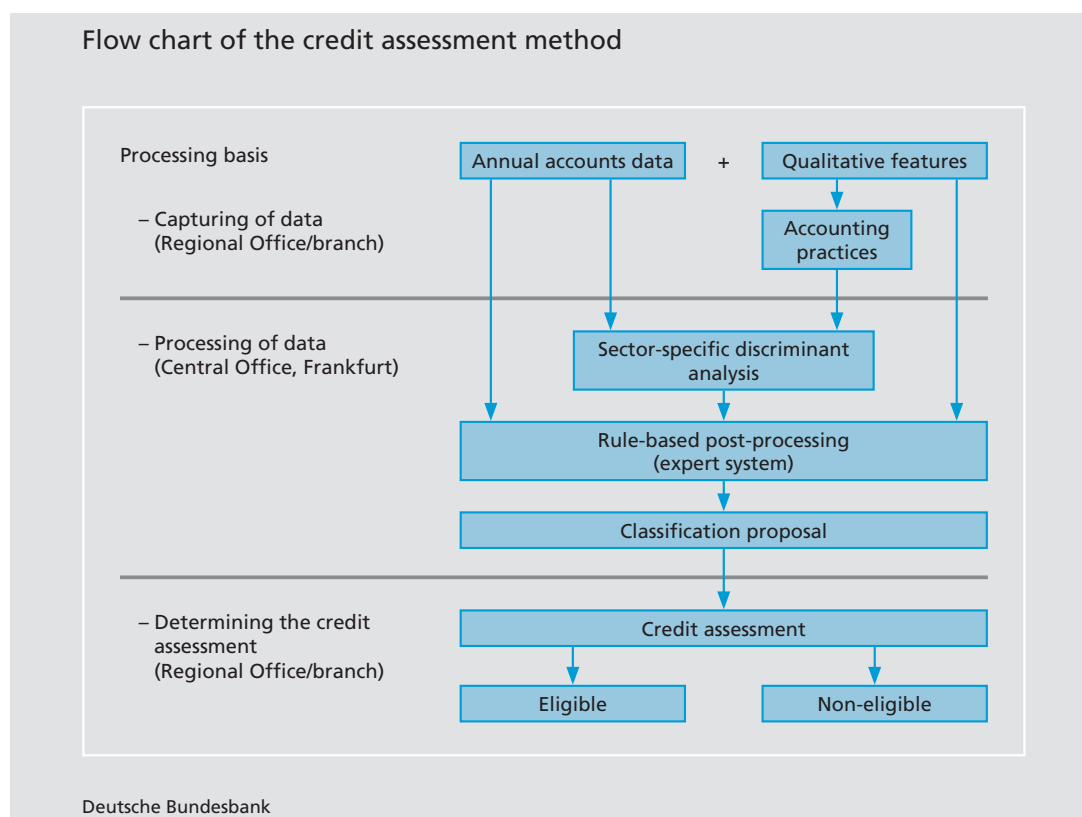
The method used by the Bundesbank (see the chart on p 63) is based on the annual accounts as the key source of financial information on enterprises. It employs a model-based processing of quantitative and qualitative data (discriminant analysis supplemented by an expert system). The system establishes a classification proposal for each enterprise that is to be assessed. This proposal serves as the basis for the binary credit assessment, ie eligible or ineligible. In establishing the credit assessment, the relevant bodies – Regional Office or Bundesbank branch – make use of additional information that cannot be included systematically in our standardised model-based processing.

Use of discriminant analysis plus expert system

Several of the risk assessment methods known in theory and in practice were examined by the Bundesbank to ascertain their suitability for central bank lending business. Some of these methods were unsuitable on account of various set objectives and data requirements, especially the large number of enterprises to be assessed (currently around 22,000 annually) and the necessity of individual assessment. For example, portfolio-oriented credit risk models cannot be used because they do not aim to measure individual credit risks but rather the effect of these risks in relation to a given formation of assets, such as the assets side of a balance sheet.

Suitable model-based methods

Flow chart of the credit assessment method



Methods based on market data⁴ or external ratings do not meet the requirements of the Bundesbank. The methodology used would mean the virtual exclusion of nearly all small and medium-sized enterprises (SMEs) since SMEs do not have an external rating and are not listed on the stock exchange – and the associated market data are therefore unavailable. From the central bank's perspective, this would mean ruling out – owing to the chosen method – collateral assets which do indeed meet strict requirements.

*Models based
on annual
accounts*

However, models based on annual accounts data are, by their very nature, suitable for the Bundesbank's purposes because such data are widely available for the enterprises which are to be assessed. The aim is to arrive at a binary assessment, ie either yes or no. Differ-

entiating between more than two rating classes, modelling credit risk changes (rating migrations) or analytical modelling of satisfaction quotients in the event of insolvency would go beyond the scope of assessing borrowers' eligibility as it is practised at present.

The (balance-sheet-based) credit risk assessment methods which are of relevance to the Bundesbank are essentially confined to parametric models. The approaches in question are characterised by the fact that more than

⁴ See, for example, the model of R Merton (1974), On the Pricing of Corporate Debt: The Risk Structure of Interest Rates, *The Journal of Finance*, Vol 29, pp 449-470. In this very influential article, the borrowing of funds is interpreted from the perspective of the debt issuer as a purchase option on the enterprise with the capital as the premium and the value of the enterprise as the strike price. In this approach, the level of debt and the volatility of the corporate value are the crucial variables for determining the risk premium.

one factor is established on the basis of available variables (such as coefficients) from a sample and quantified assuming a distribution function. If necessary, they can be supplemented by elements of non-parametric approaches which do not depend on the availability of a frequency distribution of a given mathematical form for their application.

Discriminant analysis

The widely used parametric approach of discriminant analysis, which the Bundesbank has been using since the early 1970s, divides borrowers into two risk categories (eg high or low default risk) with the cut-off point being determined by the underlying overall ratio (Z score). In this model, the probabilities of default are established *ex post* by means of backtesting.

In respect of assessing a large number of enterprises with regard to their eligibility, parametric methods, such as logit and probit models,⁵ do produce comparable results. In contrast to discriminant analysis, which postulates a linear connection between the dependent and explanatory variables and supplies a credit rating index, logit/probit models⁶ also make it possible to estimate a probability of default which can be translated into a differentiating rating scale. This also provides some possibilities for improving the methodology, which are currently being studied, not least in view of new requirements in connection with the introduction of the single list.

Expert systems

Non-parametric methods, such as neuronal networks and expert systems,⁷ are appropriate mainly for including "soft" qualitative factors. Even though these models can pro-

cess a large amount and variety of data, the results are verifiable only to a limited extent, not very consistent and difficult to interpret.

An obvious pragmatic middle course is a combination of parametric and non-parametric elements, such as in the Bundesbank model with the use of an expert system downstream of the discriminant analysis. There is an advantage in combining both methods because they retain the transparency of the parametric methods and enhance flexibility by incorporating "imprecise" information, thereby improving the "hit accuracy" of the method.

The Bundesbank monitors theoretical developments in order to continuously assess and improve the quality of the method it uses.⁸ This is done through an ongoing exchange of information and expertise with various institutions. For instance, the practical implementation of a logit approach for Eurosystem pur-

Combination of models

Ongoing exchange of information

5 See D Martin (1977), *Early Warning of Bank Failure: A Logit Regression Approach*, *Journal of Banking and Finance*, pp 249-276, and J Ohlson (1980), *Financial Ratios and the Probabilistic Prediction of Bankruptcy*, *Journal of Accounting Research*, pp 109-131.

6 Probit and logit methods represent non-linear regression models (ie non-linear in the parameters) for explaining either-or variables. As a rule, probit and logit regressions are estimated using a method which maximises the probability that the unknown coefficients would have produced precisely the distribution function to be modelled. While the cumulative standard normal distribution supplies the non-linear relationship in the probit approach, the estimate in the logit method is based on the cumulative standard logistical function.

7 If it is a matter of a combination of a discrete and continuous distribution of the variables to be explained, the model developed in 1958 by James Tobin and named after him (Tobit model) can, of course, also be used.

8 For a good overview on the current state of the debate, see, for example, A Oehler and M Unser (2001), *Finanzwirtschaftliches Risikomanagement*, Springer, Berlin et al, p 189 ff and A Saunders (1999), *Credit Risk Measurement: New Approaches to Value at Risk and Other Paradigms*, John Wiley, New York.

poses is currently being studied in a project of the European Committee of Central Balance Sheet Data Offices. The Bundesbank has been represented on this European committee consisting of experts from European central banks and statistics institutions since the end of the 1980s. One of the committee's key tasks is to look into the methods and workings of the credit risk assessment methods applied by the national central banks within the context of the standard requirements of the Eurosystem. Additionally, the incorporation of non-linear approaches to the optimisation of discriminant functions is being investigated in cooperation with university institutions.

Corporate data relevant to creditworthiness

Data collection

The data relevant to creditworthiness for the model-based processing from the annual accounts documentation are captured by the responsible Bundesbank regional offices or branches and adopted largely unchanged. However, various adjustments to the equity are taken into consideration, a step which sometimes has a considerable influence on the standardised credit assessment.

Inclusion of balance sheet reporting options

Not only quantitative data but also qualitative data on the enterprises are collected with particular attention being paid to accounting practices. This is because the analysis of the permissible valuation options pursuant to the German Commercial Code may change the informative value of the acquired quantitative annual accounts data. Guidance on this may

be gained, for example, from the annex to the annual report pursuant to section 284 of the Commercial Code or from talks with the management. Factors that come into consideration are the amounts reported for provisions and the valuation of balance sheet items as a function of the incorporated production costs and the depreciations and writedowns that have been made. Additional points to consider are other determinants such as significant transactions in extraordinary income or the use of sale and lease back transactions. These factors are incorporated with varying weights in line with the importance of the accounting policy measures. Application thresholds are also applied to determine whether the measures in question are of significance in terms of their amount. When combined, a numerically expressed evaluation of the accounting practices is produced. These are deemed to be neutral if an enterprise exercises the options like the majority of the enterprises under assessment. Otherwise, given a profit-reducing accounting policy, they are to be rated as conservative and, given a profit-boosting accounting policy, as progressive. The result of this is that, after the discriminant analysis, the creditworthiness index is raised or lowered accordingly. The transition points in the evaluation of these three forms of behaviour are fluid.

Data preparation: funds statement and individual ratios

The preparation of the data is geared to revealing the enterprise's capacity to meet its financial obligations in a timely manner. A rele-

Standardised data preparation

vant question is whether an enterprise generates financial resources on a scale sufficient to regard the default risk of a business loan pledged to the Bundesbank as being very small. For such a payment-oriented analysis, a funds statement is an obvious choice. Since the maximum residual maturity of the pledged loans is two years and that of the trade bill is six months, the focus is on the assessment of insolvency over the medium term.

*Funds
statement*

The system transposes the captured data into a funds statement. This shows the net receipts, ie the resources available from ongoing business activity (cash flow). The cash flow is available to the enterprise to finance investment, distribute profits, repay debts or raise the stock of liquid funds. The funds statement indicates how an enterprise uses the cash flow or how it covers excess expenditure. The financial transactions are broken down by short-term and long-term borrowed funds and own funds. As an overall view, the funds statement reflects a structured and compressed picture of the financial flows arising from turnover, investment and financing processes.

*Individual and
sectoral
financial ratios*

A series of individual ratios is calculated from the data to assess major financial features and to improve the comparability of one enterprise with another. In order to take account of sector-specific features, each enterprise is assigned to an economic sector according to its main line of business using the Federal Statistical Office methodology and the enterprise's ratios are shown with the quartile of the relevant sector. A subdivision

into a maximum of three turnover size categories enhances comparability. If ratios are available for a number of years, there may be some indications of how an enterprise has performed in its market and/or competitive environment.

Among the large number of financial ratios, interest is centred on those which have proven to be especially well suited to assessing insolvency, ie those which are characterised by a high degree of discriminatory power in distinguishing enterprises as either "eligible" or "ineligible". Principally, these are the liquidity, financing and profitability ratios.

- The cash flow is the key variable for assessing the ability to generate disposable funds from operating activities. As an expression of internal financing capacity, it is incorporated into the calculation of three ratios: the cash flow ratio shows the percentage of turnover that remains at the future disposal of the enterprise. Debt repayment capability is a yardstick for the ability to repay debts from internally generated inflows of funds. The capital recovery rate states which part of restricted assets has become available again through the turnover process. Information on the liquidity conditions is also provided by receivables and payables turnover, which expresses debtors and creditors arising from trade as a ratio of the operating receipts. High figures in the receivables ratio signify a matching binding of liquidity. Payables ratio data that depart strikingly upward on an inter-company comparison indicate an unusual use of times

allowed for payments, ie possible liquidity problems.

- A key variable of the financing structure is modelled by the capital or own funds ratio (own funds as capital plus long-term proprietors' or partners' loans). This is one of the crucial variables for assessing the ability to sustain risk and therefore also has an impact, in particular, on the possibilities of access to borrowing from commercial banks.
- Profitability is assessed on the basis of the return on turnover (before tax) and the operational return is the outcome of the actual business activity.

*Characteristics
of eligible
enterprises*

Eligible enterprises are generally characterised by a sufficiently large inflow of liquid funds from operational business, a very sound provision with own funds and adequate profitability. The results for the individual ratios do display a considerable range but eligible enterprises can offset a weakness in the case of one ratio with strengths in the case of others. In other words, there is no rigid pattern with regard to a list of demands for each particular ratio. This is illustrated by way of an example in the chart on page 68 using the ratios for three eligible enterprises.

Enterprise A represents an eligible enterprise with largely balanced ratios and neutral accounting, corresponding roughly to the normal case. By contrast, the individual ratios of enterprises B and C present a more heterogeneous picture with regard to their creditworthiness information. For example, enter-

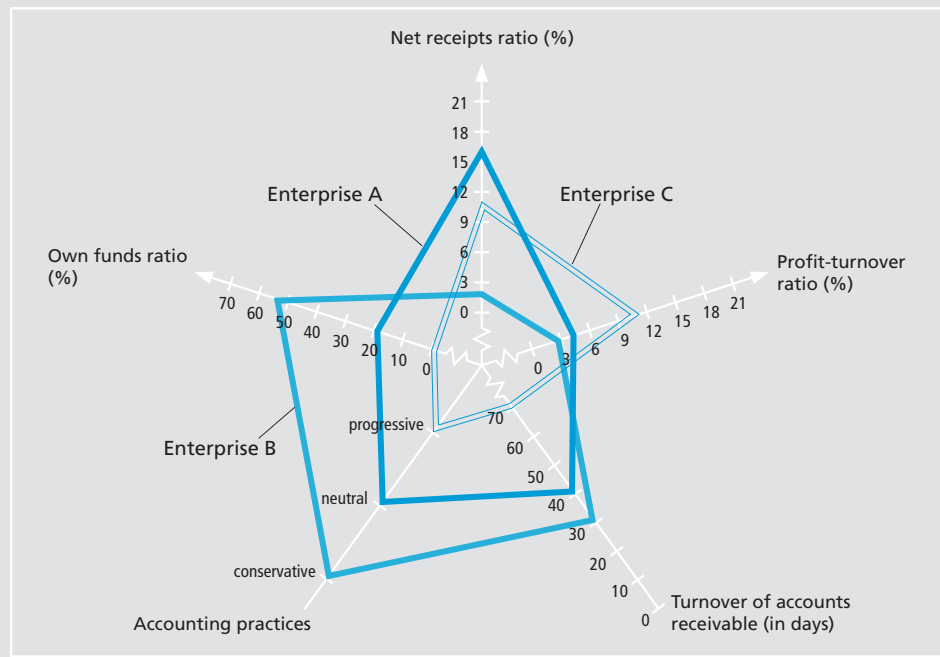
prise B more than compensates for its below-average return and its obviously weaker liquidity with its well above-average own funds ratio and more conservative accounting. In the case of enterprise C, the outstanding return and good liquidity offset the negative feature of progressive accounting, the fairly low provision with own funds and the weaker accounts receivable ratio. On the whole, the enterprises shown with their differing ratios display a comparable viability in terms of the Bundesbank's analysis. This approach, which departs from a rigid template, shows that the calculated creditworthiness index takes account of the many different determinants and is able to model the relevant compensation possibilities. The key factor for the credit assessment is, therefore, the overall picture presented by the financial circumstances, as is reflected by the overall ratio which is determined on the basis of the model.

Model-based classification proposal

The model-based analysis of the data is performed in two stages. The purpose of a discriminant function is to calculate an overall ratio for each enterprise, which provides an initial indication of an enterprise's creditworthiness (see notes on the methodology on page 70). The individual ratios are separated into three sectors (manufacturing, trade and other enterprises) and the ratios which have proved to be especially suited to classifying creditworthiness with regard to their plausibility and in statistical tests are processed in discriminant functions. The overall ratio is calculated from the aggregate weight-

*Discriminant
function
provides initial
credit
assessment*

Specimen ratio combinations (manufacturing)



Deutsche Bundesbank

ed individual ratios including the scaled accounting practices. If the overall ratio is above a discriminatory cut-off point, this provides an initial indication of the eligibility of the enterprise in question for central bank financing. The further the overall ratio lies above this minimum level, the more creditworthy the enterprise is generally likely to be. The further the overall ratio lies below the minimum level, the greater is the risk of default.

the age of an enterprise. The set of rules is divided into three parts. This means that almost 40 rules are applied separately to the enterprises combined in each of the manufacturing, trade and "other" groups. As a result, the expert system sets the value by which the overall ratio calculated by the discriminant function is to be changed. From this, it derives the classification proposal of "eligible" or "ineligible".

... and classifies

Expert system enhances discriminatory power...

To improve the accuracy of the system, an expert system is used downstream of the discriminant analysis (see explanatory notes on the methodology on p 70). Applying fixed rules, the expert system subjects a wealth of data to in-depth analysis. The data analysed are primarily financial information, but they also incorporate the legal form, the size and

In principle, subdivision into more than these two creditworthiness categories would be possible with the overall ratio as a measure of creditworthiness and would not require a significant workload. This is currently under examination but not being practised. The primary aim is to classify the enterprises in terms of their eligibility for central bank refinancing.

This specific objective is what, first and foremost, differentiates the Bundesbank's credit assessment system from those used by the credit institutions and rating agencies. The latter classify quality mainly to frame terms and conditions that are appropriate to the risk involved, and that requires a multi-stage credit rating. In the long term, however, a subdivision into several rating categories would make sense for the Bundesbank. This would allow a better comparison with the credit assessment methods used by other central banks or other rating sources.⁹

*High standard
of credit-
worthiness
usually
sustained*

The enterprises classified as eligible display a high standard of creditworthiness. They generally prove to be quite "cyclically robust", ie they are largely in the "eligible" range even in difficult cyclical circumstances. It is possible to note migration patterns especially in the case of enterprises which have an overall ratio calculated by the expert system that moves nearer to the minimum level defined as eligible. In this threshold range, even minor fluctuations in the figures of the annual accounts may lead to a change in the classification proposal determined by the method.

However, if an enterprise's overall ratio fluctuates over the cycle in the upper eligible range, there will generally be no resulting change in the classification; the enterprise is still classified as eligible. The relative size of the determined creditworthiness index is therefore crucial in terms of the risk of downgrading.

An *ex post* analysis reveals that, of the enterprises classified as eligible under the current

version of the method on the basis of their annual accounts for 1999, almost three-quarters achieve the same rating on the basis of the annual accounts for 2002 as well.

Decision on eligibility

The classification proposal has a large binding effect for the credit assessment to be set at the end of the procedure. Even so, the bodies with responsibility locally at the regional offices and branches take the decision on the final credit assessment. This is designed to ensure that facts which are of relevance to creditworthiness and cannot be taken into account in model-based processing are given individual consideration. Such facts may relate to developments after the close of the annual accounts, the assessment of the durability of changes in major items of the balance sheet or profit and loss account, the inclusion of the credit standing of affiliated enterprises (group accounts) or particular sector-specific features of an enterprise, which cannot be given adequate consideration in the model. Furthermore, contact with the enterprises means that notable changes in market position or in the management can be incorporated. The sum of this kind of information that can be used to form an overall picture may result in the credit assessment deviating from the classification proposal produced by the system. With due regard to compliance with the credit standards of the Eurosystem, however, there are

*Classification
proposal is
starting point
for credit
assessment*

⁹ See M Bardos (2001), *Développements récents de la méthode des scores de la Banque de France*, in *Bulletin de la Banque de France*, No 90, p 73 ff.

Model-based part of the credit risk assessment method

The discriminant analysis and expert system serve the purpose of modelling an enterprise's creditworthiness in a single number. The discriminant function combines individual ratios into an overall ratio, the expert system changes the overall ratio after processing further data relevant to creditworthiness and the resulting overall ratio is produced as the outcome of the standardised part of the credit risk assessment method.

Discriminant analysis

Discriminant analysis is a statistical method which can be used to select from the large number of commonly used corporate ratios the corporate ratios which are significant with respect to the risk assessment, to weight them and to combine them into a single ratio for each enterprise. For this purpose, a sample with two groups of enterprises is formed. These contrast in terms of their creditworthiness: one is solvent and one is already insolvent. On the basis of these data, a (linear) discriminant function is determined with those individual ratios which classify these enterprises as accurately as possible in terms of their creditworthiness. To which of the two groups an enterprise belongs is decided by a comparison of the enterprise's overall ratio with an overall ratio that separates solvent from insolvent enterprises. If the overall ratio of an enterprise lies above this cut-off point, it is to be assigned to the group of enterprises which, with a high degree of probability, are solvent. Otherwise, it is assigned to the group which is less markedly solvent. In the discriminant analysis, the parameters of the discriminant function can be defined so that the classification errors – (I) acceptance of an insolvent party or (II) rejection of a solvent party – are minimised.

Accurate classification and discriminatory power are vital to the efficiency of the discriminant function. Classification errors may occur in either direction although naturally the error of classifying insolvent enterprises as solvent should be as small as possible. Discriminatory power is geared to the following criterion: an enterprise should

be grouped all the more readily with the solvent or insolvent enterprises, the further its overall ratio is above or below the cut-off point in either case. Statistical tests confirm the suitability of discriminant analysis for the credit risk assessment procedure. Nevertheless, the results can still be improved by employing an expert system.

Expert system

The expert system allows corporate features not (directly) taken into account in the discriminant function to be used for the risk assessment. Furthermore, depending on the criteria, the data are studied from a static or dynamic angle. The expert system determines by how much the overall ratio produced by the discriminant function is to be changed. Above all, the use of the expert system is particularly important wherever enterprises with an overall ratio close to the cut-off point are to be assigned to the eligible or ineligible group.

The expert system is an artificial intelligence method. It assesses corporate features using rules in the form of if-then relationships. An example of such a relationship is: "If overall performance remains more or less the same and the return on turnover rises, then the overall ratio will rise". So that the system can compare a rule with the relevant numerical feature value of an enterprise, the feature value likewise has to be verbalised. The feature value is characterised using a so-called inclusion function, say, by one of the characteristics "risen – roughly identical – fallen". The inclusion function also determines the degree to which the relevant characteristic is present. The degree to which a characteristic is met and the weight of the relevant rule determine their impact on the change in the overall ratio. The values of the relevant rules are combined in such a way that the overall ratio from the discriminant analysis does not increase or decrease by more than one set value for any enterprise. This is done to avoid "watering down" the discriminant analytical core of the method.

*Communicating
the credit
assessment*

strict limitations on “upgrading”, which is therefore possible only for good reasons.

On grounds of confidentiality, the relevant regional office or branch informs only the assessed enterprise of the credit assessment, ie “eligible” or “ineligible”, and, upon request, the credit institution that wishes to use the business loan as collateral. The bodies with local responsibility are available to the enterprise to explain the credit assessment and make it easier for them to understand. If requested, they will prepare an analytical overview showing how the corporate data have been converted into the financial statement and into individual ratios. The overview also contains a cross-comparison of individual ratios with enterprises in the same sector and of a similar size. The size of the overall ratio provides an indication of how secure eligibility is. Interested parties can find a detailed account of the evaluation procedure in the (German-language) booklet *Beurteilung der Bonität von Unternehmen durch die Deutsche Bundesbank im Rahmen der Refinanzierung deutscher Kreditinstitute*.¹⁰

The Bundesbank’s credit assessment provides the enterprises with an independent outside evaluation of their economic circumstances and, if applicable, the credit classification “eligible”. This may prove to be useful in their business dealings with credit institutions and other enterprises.

In terms of using the credit assessment as a basis for a decision on accepting collateral or not, a more differentiated scale of creditworthiness is, of course, superfluous. Never-

theless, the lack of such a differentiation – especially in the case of enterprises not classified as eligible – may raise questions about information on the enterprise’s own creditworthiness. In actual fact, the range of creditworthiness in the case of ineligible enterprises is very broad. Owing to the fact that the credit standards for eligibility are very demanding in themselves, this is only to be expected and by no means implies that there are serious doubts about the viability of enterprises which are not given this certification. In the case of many of these enterprises, it may be assumed that they have orderly credit relations with their banks and are, therefore, creditworthy. Depending on their creditworthiness, the enterprises may post collateral as backing for the lending bank. By contrast, in a procedure involving the central bank – where the credit relationship is between the central bank and the commercial bank – there exists no safeguard other than the undoubted creditworthiness of the collateral asset that is the business loan. At most, an enterprise that is ineligible owing to its own economic circumstances can be upgraded only by means of a guarantee given by an eligible counterparty.

Critical issues with regard to eligibility for central bank refinancing can best be settled in talks between the enterprise and the responsible regional office or branch. The Bundesbank places particular value on such an exchange since – as indicated – not only the figures in the annual accounts but also the indi-

*Reconciliation
of critical issues*

¹⁰ The booklet may also be downloaded from the internet at www.bundesbank.de/download/gm/gm_broschuere_bonitaetunternehmen.pdf

vidual circumstances of the enterprise are relevant to the credit assessment. The latter can best be discussed during a meeting on the balance sheet. Furthermore, the Bundesbank endeavours to communicate the results

of its credit assessments to the enterprises in a transparent and intelligible manner. Especially in the event of a negative change to the credit assessment, this also means giving an account of the main reasons for the decision.

New capital requirements for credit institutions (Basel II)

Basel II is the most significant change in prudential supervisory legislation since the late 1980s. On 26 June 2004, the central bank governors of the Group of Ten (G10) and the heads of the supervisory authorities in these countries endorsed the publication of the "International Convergence of Capital Measurement and Capital Standards: a Revised Framework (Basel II)". After more than five years of discussions, this marks a significant milestone in the international harmonisation of prudential supervisory legislation.

The key objective of the new Framework is to adjust banks' capital requirements more closely to the actually incurred risk than in the past and to take account of recent innovations in the financial markets as well as in institutions' risk management strategies. Additional focal points of the new Framework are basic principles for qualitative banking supervision and the expansion of disclosure requirements in order to enhance market discipline.

In parallel to the work by the Basel Committee, on 14 July 2004 the European Commission presented proposals for Directives to transpose the Basel proposals into European law; the deliberations in the Ecofin Council and the European Parliament are to be completed by the end of this year, if possible.

Objectives of the revised capital rules

*Basel I needed
revision*

The international capital rules for banks, the Basel Capital Accord of 1988 (Basel I), were already criticised in the mid-1990s. The key reason for this was the supervisory guideline that capital requirements be calculated for credit risk in a relatively undifferentiated manner, which often only insufficiently portrayed the actual risk. In addition, this regulatory framework virtually neglected more innovative financial instruments and credit risk management methods. Furthermore, the orientation of the capital requirements solely to credit and market risks does not correspond to a bank's actual risk profile.

*Range of
eligible risk
measurement
procedures*

Basel II is intended to remedy these flaws as much as possible. Supervisors' risk measurement practices will converge more closely to banks' risk management methods. The range and the level of development of the applied risk measurement procedures vary widely from bank to bank, however. Basel II addresses this phenomenon through an evolutionary concept of approaches of varying degrees of refinement: for the three key risk areas – credit risk, market risk and operational risk – credit institutions will, in future, be able to choose between standardised measurement concepts and more refined internal procedures and models. The more refined risk measurement procedures will lead to capital relief.

*Enhancing
qualitative
banking
supervision and
market
transparency*

Moreover, supervisors' experience has shown that capital requirements – despite their usefulness as a buffer for losses and as risk limitation standards – are in themselves not

enough to guarantee the solvency of a bank. The Basel Committee has therefore added intensified qualitative banking supervision to the minimum capital requirements (Pillar 2). For Germany this will mean, among other things, an extension of "on-site" audits, which will be conducted mainly by the Bundesbank. The decisive factor is to identify and adequately supervise the overall risk to an institution and the key factors influencing its risk situation. In addition, banks are to be subject to more comprehensive disclosure requirements so as to make use of the disciplining forces of the markets as a complement to the regulatory requirements (Pillar 3).

Pillar 1: Minimum capital requirements

The quantitative capital requirements, which are the product of procedures of varying complexity for measuring the relevant risks, are at the heart of the new Basel Framework.

Standardised Approach for credit risk

In the Standardised Approach for measuring credit risks, the risk weights applied to claims on sovereigns, banks and corporates (including insurance companies) depend on the assessments made by external credit assessment institutions recognised by supervisors.¹ Depending on the external risk score, rated claims are given a risk weight of 0%, 20%,

*Standardised
Approach*

¹ The national supervisors decide whether assessments prepared by an external rating agency are eligible for deriving risk weights using the Standardised Approach.

50%, 100% or 150%. Unrated claims are given a 100% risk weight.²

Claims on banks

In the case of claims on banks, the approach of determining the risk weight depending on the banks' external rating is set out under "option 2". An alternative, however, is also to derive the risk weight for a bank from the external rating of the sovereign of the country in which the bank is incorporated (option 1). In this case, claims on banks are generally risk-weighted one category less favourable than claims on the sovereign. This option is particularly attractive for small and medium-sized banks, as their low rating coverage could otherwise have a negative impact on their refinancing opportunities. As in the past, banks domiciled in Germany are assigned a 20% risk weight.

Claims on corporates

For claims on corporates, too, the new Framework will not bring any major changes with regard to the capital requirement relative to current treatment, because unrated claims will still be given a 100% risk weighting. At present, fewer than 100 corporates in Germany have had an assessment published by a rating agency.

Regulatory retail portfolio

An innovative development is the "regulatory retail portfolio", which includes not only claims on individuals but also exposures to small businesses. Additional classification criteria include the type of exposure (eg revolving credits, personal term loans etc) and the amount of the aggregate retail exposure to a single borrower of up to €1 million. The uniform risk weight in this category is 75%; this represents a significant reduction in the cap-

Risk weights in the Standardised Approach

Rating 1	Sovereigns	Banks		Non-banks
		Option 1	Option 2	
		AAA to AA-	0	
A+ to A-	20	50	50	50
BBB+ to BBB-	50	100	50	100
BB+ to BB-	100	100	100	100
B+ to B-	100	100	100	150
Below B-	150	150	150	150
Unrated	100	100	50	100

¹ For example, Standard & Poor's.

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ital requirement for retail exposures. In all likelihood, a considerable percentage of all German entities' borrowing can be assigned to the regulatory retail portfolio.

The risk weight for claims secured by liens on property occupied or rented by the borrower was reduced from 50% to 35%. For claims secured by commercial real estate, a risk weight of 50% is possible if certain additional qualitative requirements are met. The EC Directive defines the classification criteria for these categories of claims somewhat more broadly than the Basel Framework.

Claims with a bad external rating are given an increased risk weighting of 150%. A

Claims secured by liens

150% risk weight

² Option 2 for claims on banks, in which the risk weight applied to unrated claims is 50%, is an exception.

150% risk weight is also applied to the unsecured and unprovisioned part of loans that are past due for more than 90 days. National supervisors may reduce the risk weight as follows if the specific provisions exceed a certain percentage of the outstanding amount of the loan: to 100% if the specific provisions are higher than 20% of the outstanding amount of the loan and to 50% if the specific provisions are higher than 50% of the outstanding amount of the loan.

Internal Ratings-Based (IRB) Approach to measuring credit risk

Use of internal methods for calculating regulatory capital requirements

Basel II will give credit institutions the option of using internal methods to calculate regulatory capital requirements for credit risk for the first time. However, internal credit risk models that take account of portfolio diversification and correlation effects will not yet be approved by supervisors. Rather, the minimum capital requirement will generally be calculated on the basis of individual exposures and will, in future, result from supervisory risk weight functions. Depending on the approach used (Foundation IRB Approach or Advanced IRB Approach), the inputs will be either partly prescribed by supervisors or estimated wholly by banks.

Voluntary use of IRB Approach

Credit institutions need supervisory approval to be able to calculate regulatory capital requirements using their own rating systems; this approval can be granted by supervisors upon application by the institution and based on an on-site audit. It is up to the institution to decide whether or not to use internal ratings. Following an initial survey in the sum-

mer of 2003, the German supervisory authorities assume that up to 800 institutions will apply for permission to use the IRB Approach. An additional survey in the autumn of 2004 will provide more definite figures.

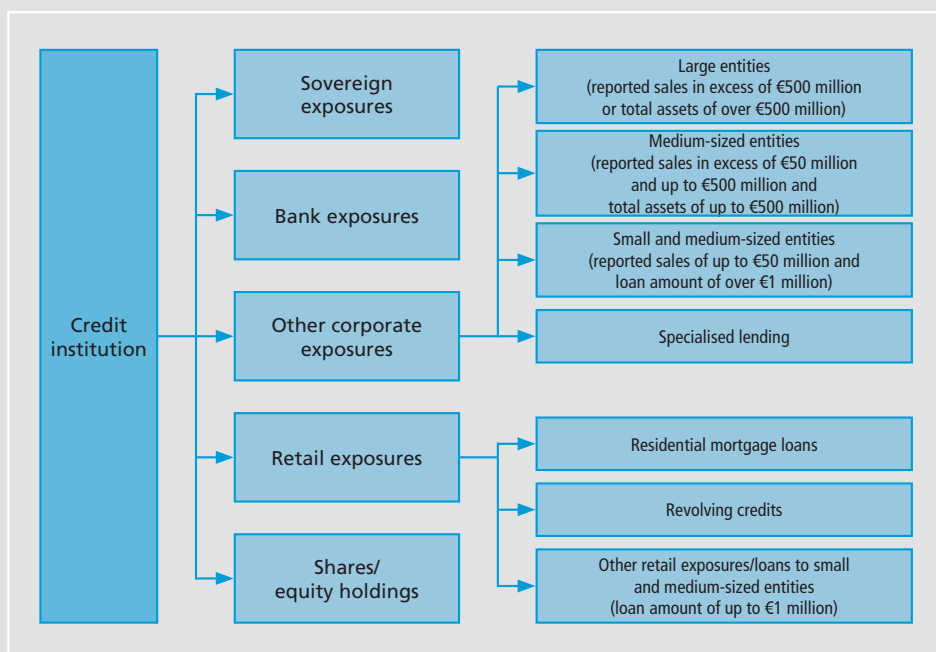
As in the Standardised Approach for calculating the capital requirement for credit risk, the IRB Approach also defines different asset classes for regulatory purposes. The chart on page 77 shows how credit risk assets are subdivided into asset classes.

Asset classes in the IRB Approach

Corporate and retail exposures are subdivided into four and three sub-classes respectively, to which different risk weights are applied. The methods of defining retail exposures according to Basel and the EU differ in the details, however. The Basel Framework directly defines three sub-classes of retail exposures. By contrast, the EC Directive initially defines the retail exposure class as all exposures to individual persons and to small and medium-sized entities up to a (total) amount of €1 million, which are similar to retail exposures for risk management purposes. The three sub-classes are defined only in the second step.

- Residential mortgage loans comprise all retail exposures secured on property by means of a mortgage or land charge.
- Revolving credits are all revolving, unsecured exposures to individuals that are uncommitted and unconditionally cancellable involving a loan amount of under €100,000.

Asset classes in the Internal Ratings-Based Approach



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- Other retail exposures include all other loans to individual persons and loans to entities in the retail category and not secured by land charges or mortgages.

Owing to the two-tiered definition of asset classes within the retail portfolio, there are slight differences between the Basel and Brussels rules. For example, the Basel rules classify loans to small entities secured by land charges on commercial real estate as “other retail exposures” since the Basel definition of residential mortgage loans refers only to loans for residential real estate. In the Brussels context, by contrast, the sample loan mentioned above would be classified as a residential mortgage loan. As things now stand, the resulting differences in capital requirements would appear to be slight. The EC Directive’s

definitional criteria will therefore probably be the sole basis for transposing Basel II into national law.

The capital requirement in the IRB Approach is determined – apart from a constant factor of 8% – as the product of exposure at default (EAD) and the result of the risk weight function, which hinges on the following risk parameters: probability of default (PD), loss given default (LGD) and effective maturity (M). Within the IRB Approach, credit institutions may choose between two stages which differ in terms of the parameters to be estimated internally and the minimum requirements.

In the Foundation IRB Approach, only the PDs per rating category are estimated internally

*Foundation IRB
Approach and
Advanced IRB
Approach*

for borrowers. LGD and EAD are determined by supervisors and depend on the type of product and on the collateral posted. The weighting of collateral in the Foundation IRB Approach largely follows the rules of the Standardised Approach. The maturity of exposures to corporates, banks and sovereigns is generally set at 2.5 years. At national discretion, however, the inclusion of effective maturity may also be laid down.

In the Advanced IRB Approach, however, credit institutions estimate all four risk parameters (PD, LGD, EAD and M) themselves. The risk weight for exposures to corporates, banks and sovereigns generally depends on effective maturity. At national discretion, a uniform maturity of 2.5 years can be assigned to exposures to corporates with annual reported sales and total assets of up to €500 million.

The evolutionary structure of the Basel capital requirements evident in the two-stage make-up gives credit institutions the opportunity of gradually refining their risk measurement systems towards the more advanced approaches. Smaller institutions, for which own estimates of LGD and EAD would be overly ambitious from a cost-benefit point of view, can use the Foundation IRB Approach on a permanent basis. The results of the summer 2003 survey also show just how important the role of the Foundation IRB Approach is: of the 800 candidates that are likely to use the IRB Approach, only around 30 intend to apply the Advanced IRB Approach.

Credit institutions can gain an idea of “average” or “expected” annual losses in credit business on the basis of historical default and loss data. Expected loss (EL) is a calculable cost component of credit business, which ought to be covered by provisions and interest margins. Regulatory capital should therefore be held in reserve only for unexpected deviations from expected losses, also known as unexpected losses (UL). These deviations may potentially be large but occur relatively infrequently. A typical example of this is when numerous borrowers default simultaneously in a year, such as during a recession. The UL calibration also corresponds to the way banks determine their economic capital.

Based on the comments regarding the third consultative paper (CP3), the Basel Committee recalibrated the risk weights for claims in the IRB Approach, thereby following the UL concept. The new risk weights are presented in a technical annex to this article along with further theoretical information on UL calibration.

The UL calibration in the IRB Approach entailed two major consequences. Firstly, credit institutions now have to show that they – in line with the above considerations – have actually set aside sufficient provisions to cover EL. Insufficient coverage of EL will lead to a deduction of capital equal to the margin of the shortfall. If credit institutions set aside more provisions than necessary based on their EL calculations, the surpluses may be recognised as additional capital up to a certain level.

Calibration to unexpected losses (UL)

Consequences of recalibration

Secondly, UL calibration means that capital no longer has to be maintained in reserve for defaulted loans. The reason for this lies in the Basel risk model, in which LGD is entered as a risk-free constant. In reality, however, defaulted loans are fraught with risk since the actual recoverable amounts are uncertain. Defaulted loans should therefore be given capital backing which also maps, in particular, adverse economic influences on the recovery rate.

The following solution was found: credit institutions should no longer orient their internal LGD estimates to historical default-weighted average LGDs but to conservative scenarios of the business cycle. Credit institutions are to estimate a "downturn LGD" containing probable losses during an economic downturn. For defaulted loans, there is now a capital charge consisting of the difference between the conservative downturn LGD and the provision conditioned by the current economic situation.

The technical details and models explaining the theories underlying both consequences of the EL-UL decisions are explained in the technical annex.

Downturn LGD still not very widespread

Downturn LGD is still a relatively unknown concept in internal risk management. Supervisors will therefore work together with banks to develop suitable methods for calculating downturn LGDs internally. In addition, it is to be established on which national markets and for which types of assets and collateral average LGD and downturn LGD differ significantly from one another. For classes of markets, assets and collateral without a sig-

nificant difference, it will remain possible to use expected default-weighted average LGDs.

As already mentioned earlier, institutions will need supervisory approval before they can apply the IRB Approach. It can be granted to institutions upon application and following an on-site audit. This audit looks at compliance with minimum qualitative and quantitative requirements. These minimum requirements are aimed firstly at ensuring the reliability of banks' internal estimates of the PD, LGD and EAD risk parameters and thus capital adequacy. Examples of such requirements include the implementation of a uniform definition of default prescribed by Basel and Brussels or the validation of estimated risk parameters, for example, by comparing them with actual defaults and losses.

Secondly, the minimum requirements are intended to ensure that banks' internal rating systems are actually used for their respective institutions' risk management. An example of this is the use of rating information to set limits and define responsibilities in management information systems and to calculate risk-appropriate capital charges.

The minimum requirements have not changed much since the second Basel and Brussels consultative papers. They were already described in detail in a *Monthly Report* article published in January 2003.

Credit institutions using the IRB Approach should transfer all significant asset classes to this approach within a reasonable time-

Minimum requirements of the IRB Approach

Partial use of the IRB Approach

frame. Permanent freedom of choice between the Standardised Approach and the IRB Approach for asset classes would potentially lead to “cherry-picking” between the two approaches, with institutions being tempted to choose the approach holding out the promise of a lower capital charge. In both the Basel Framework and the draft EC Directive, therefore, permanent use of the Standardised Approach is, in principle, permitted only for portfolios with a non-material (meaning insignificant) volume and risk content. The Commission’s proposed Directive, however, goes even further. For example, according to the envisaged EC rules, institutions will be able to permanently remove exposures to central governments and subordinate levels of government of the home country (regional and local government) from the IRB Approach. In addition, smaller credit institutions will also be allowed to leave exposures to other banks in the Standardised Approach on a permanent basis. In smaller institutions, this portfolio may be significant in terms of volume and risk; in many cases, however, it will contain only a few material counterparties, which would make the development of a rating system unduly burdensome. This is not an option for major and especially internationally active institutions.

Initial ideas about the national implementation of partial use

Initial discussions with the banking industry have revealed that both EAD and risk-weighted assets (RWA) should be used as an assessment basis for the transitional partial use of the IRB Approach during the national implementation process. Institutions should be allowed to use the IRB Approach if at least 50% of their credit exposure – expressed as

EAD – and 50% of their credit risk – expressed as RWA – are valued using internal ratings approved by supervisors. With regard to permanent partial use for a remainder (“exit threshold” from the transition period), opinions still differ; the banking industry’s proposals range between 3% and 20% of EAD/RWA which should be kept in the Standardised Approach permanently. The German supervisory authorities are currently in favour of a range between 5% and 8%.

Credit risk mitigation techniques

In future, credit risk mitigation methods³ used in banking practice should be given greater supervisory recognition than in the past. For example, in future, collateral that is typical of medium-sized entities such as receivables and physical collateral can be employed to reduce the capital charge. The chart on page 81 gives an outline of eligible collateral in the individual credit risk mitigation approaches.

Eligible collateral

There are two approaches which banks may use to determine the risk weight for financial collateral. Under the simple approach, the borrower’s risk weight is replaced by the risk weight of the collateral for the secured part of the exposure. Under the comprehensive approach,⁴ the amount of the exposure is reduced by the adjusted value of the collateral. Potential changes in the values of assets and collateral over time are taken into account

Two approaches for recognising financial collateral

³ These include financial and physical collateral, receivables, guarantees, credit derivatives, on-balance sheet netting and off-balance sheet netting.

⁴ Only the comprehensive approach may be used by IRB banks.

through the application of "haircuts". These haircuts depend on factors such as the type of collateral, the assumed holding period of the underlying transaction and the frequency of revaluation. Banks may use supervisory haircuts but also have the option of making their own estimates of haircuts.⁵

Netting reverse repos

For repo-style transactions falling under a bilateral netting agreement with a counterparty, banks will, in future, be allowed to make their own estimates of value at risk (VaR) in place of the comprehensive approach. This is predicated on supervisory approval of the VaR model to be used. Studies have shown that this significantly reduces the capital requirements for this type of transaction.

Collateral in the Foundation IRB Approach

In the Foundation IRB Approach, collateral is recognised through reducing LGD. For eligible financial collateral, the LGD for the secured part of the exposure is reduced to 0%. The adjusted value of the collateral is determined according to the rules of the Standardised Approach. For other collateral – in comparison with the third consultative paper – LGD is reduced to 35% (for receivables and real estate collateral) or 40% (for other collateral). For these types of collateral, an additional overcollateralisation of 125% (receivables) or 140% (real estate and other collateral) is required.

Guarantees and credit derivatives

Warranties⁶ and credit derivatives are risk-weighted – as in the past – by assigning the (lower) risk weight of the guarantor to the secured part of the loan (substitution approach). The range of eligible guarantors has

Eligible collateral under Basel II

Standardised Approach

- Cash
- Gold
- Debt securities issued by sovereigns, banks and other entities rated above a certain minimum category
- Unrated bank debt securities which are listed on a recognised stock exchange
- Equities
- Mutual fund shares
- Real estate collateral

Foundation IRB Approach

- Receivables
- Other forms of collateral recognised by the national supervisor

Advanced IRB Approach

- No restrictions on the range of eligible collateral if the credit institution can provide reliable estimates of the value of the collateral

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been expanded to include, in future, all sovereigns and banks with a lower risk weight than the borrower as well as non-banks as of a minimum rating of A- (or with a certain maximum PD in the Foundation IRB Approach). In addition, certain government counter-guarantees will now also be recognised.

Another new aspect is that collateral and warranties will be recognised as mitigating risk even if there is a maturity mismatch between the underlying exposure and the collateral instrument. The extent of the risk mitigation thus depends on the ratio of the

Recognition of maturity-mismatched hedges

⁵ Banks' own haircut estimates are recognised if certain minimum qualitative and quantitative requirements are met.

⁶ These also include guarantees provided they meet the minimum requirements for warranties.

hedge's residual maturity to the exposure's residual maturity. The hedge must have an original maturity of at least one year and a residual maturity of at least three months.

Securitisation exposures

Creation of uniform international standards

The securitisation of assets is one of the most rapidly growing business lines of German and international banks. At the same time, it is a highly complex field. The new Basel Framework will, for the first time, create an internationally harmonised standard for the supervisory treatment of these transactions. This will significantly reduce the incentive for capital arbitrage, which was a key motive for the securitisation of claims in the past, and risk management and refinancing aspects will assume a more prominent role.

Principle of significant risk transfer

For a bank that securitises its own assets (originator), capital relief is contingent on an effective and significant risk transfer. There are no explicit limits on the volume of securitisation exposures that the originator may retain – except for the significant risk transfer exposure. This creates the necessary flexibility for a regulatory interpretation based on the economic impact of a transaction. The operational requirements for supervisory recognition of risk transfer are identical for securitisation exposures in the Standardised Approach and the IRB Approach. A distinction is made with regard to the capital charge on securitisation exposures held by originators or investors in order to take due account of the different degrees of knowledge and experience of risk management at the individual institutions.

The Standardised Approach for securitisation exposures is generally modelled on the system used in the general Standardised Approach for credit risk. However, for tranches with an external rating of less than Baa3, higher risk weights are applied, and, for unrated positions as a matter of principle, a deduction of capital (evenly split between core capital and additional capital) is required. This more conservative approach takes account of the high concentration of risk in subordinate securitisation exposures and avoids creating the incentive to explicitly forgo an external rating for tranches with poorer credit ratings.

Standardised Approach for securitisation exposures

The IRB Approach for securitisation exposures deviates from the general credit risk backing rules in the IRB Approach since no internal estimates of tranche-specific PDs, LGDs etc are taken into account. Accordingly, no distinction is made between a Foundation and an Advanced Approach for securitisation exposures. There are three ways to calculate the capital requirement for a securitisation exposure: the external Ratings-Based Approach (RBA), the Supervisory Formula (SF) and the Internal Assessment Approach (IAA), which is permitted only for a limited scope of application.

IRB Approach for securitisation exposures

The RBA must be applied to all securitisation exposures of IRB banks for whose risk assessment an external rating exists. A certain risk weight is assigned to each rating category. However, in contrast to the Standardised Approach, the RBA segments rating classes more finely and has a greater range of risk weights, which also takes account of the seniority of a tranche and the granularity of the

Ratings-Based Approach

underlying pool of exposures. Moreover, the RBA does not distinguish between originators (directly or indirectly the original holders of underlying exposures) and investors.

*Supervisory
Formula*

The SF and IAA may be applied to unrated exposures. Some relief in the calculation of the inputs was envisaged for the use of the SF. This particularly concerns the key determinant, the regulatory capital requirement for the underlying portfolio prior to securitisation plus the EL of the portfolio (K_{IRB}). K_{IRB} as an input into the SF may be calculated on an aggregate portfolio basis instead of on an individual borrower basis as in the IRB Approach.

*Internal Assessment
Approach*

With the IAA, the Basel Committee has permitted the limited use of internal tranche-specific risk assessments, thereby taking into account a market standard which has become established practice for asset-backed commercial paper (ABCP) programmes. The IAA of the institution in question must be based on the methodological approaches of recognised rating agencies. The bank calculates the capital requirement by assigning its internal assessment to the rating scale of a recognised rating agency and risk-weighting the exposures using the RBA. Supervisory approval is required for the use of the IAA.

*Impact on
liquidity
facilities*

The relief in the use of the SF and the introduction of the IAA means that many unrated securitisation exposures such as liquidity facilities are treated considerably more favourably than in the third consultative paper. In this manner, the Basel Committee has attempted to strike a balance for unrated exposures between conservative treatment and the most

Risk weights for securitisation exposures

%				
External rating ¹	Standardised Approach	IRB Approach		
		Senior tranches + IAA	Base risk weights	Non-granular pool
Aaa	20	7	12	20
Aa	20	8	15	25
A1	50	10	18	35
A2	50	12	20	35
A3	50	20	35	35
Baa1	100	35	50	50
Baa2	100	60	75	75
Baa3	100	100	100	100
Ba1	² 350	250	250	250
Ba2	² 350	425	425	425
Ba3	² 350	650	650	650
Below Ba3 and unrated	Deduction	Deduction	Deduction	Deduction

¹ For example, Moody's. — ² Deduction if held by the originator.

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extensive consideration of established banking practices.

Treatment of operational risk

As is the case for credit risk, there are likewise three methods of calculating the regulatory capital charge for operational risk: the Basic Indicator Approach (BIA), the Standardised Approach (TSA) and the Advanced Measurement Approaches (AMA).⁷ In similar fashion to credit risk, this order of progression indicates a continuum of increasing sophistication, management requirements and risk sensitivity, and thus a trend towards falling capital charges.

*Three methods
for calculating
capital charges*

⁷ In addition, an "Alternative Standardised Approach" has been developed specifically for non-G10 banks.

Methods of determining operational risk

Basic Indicator Approach	$K_{BIA} = \text{gross income} \times \alpha; \alpha = 15\%$
Standardised Approach	$K_{TSA} = \sum \text{gross income}_{1-8} \times \beta_{1-8}$ ¹
Advanced Measurement Approaches	An internal measurement method is used to calculate capital requirement

Partial use of AMA and the BIA/TSA is possible

¹ $\beta = 12\%$ for retail banking, retail brokerage and asset management; $\beta = 15\%$ for commercial banking and agency services; $\beta = 18\%$ for corporate finance, trading and sales, and payment and settlement.

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The simpler approaches

In the simpler approaches, the minimum capital requirements are based on gross income⁸ – as an indicator of an institution’s business activity – multiplied by supervisory factors α (in the Basic Indicator Approach) or β_{1-8} (in the Standardised Approach). Internal empirical studies by the Basel Committee have shown a positive correlation between gross income and operational losses. All the same, the Basic Indicator Approach and the Standardised Approach are both relatively “coarse” methods.⁹

Advanced Measurement Approaches

The Basel Committee permits the use of banks’ own Advanced Measurement Approaches for the calculation of minimum regulatory capital under certain conditions despite the lack of an industry standard for capturing operational risk. Credit institutions

are working hard to develop and refine these methods. Subject to compliance with supervisory eligibility criteria, banks prefer a variety of approaches and measurement methods, as there is currently neither a single “best practice” nor may it be safely assumed that such a practice will be identified on the basis of the banks’ individual risk profiles. This variety will place high demands on supervisors in their model approval procedures for AMAs.

The large amount of time and effort needed to apply an AMA and especially the quantity of data required for calculation, moreover, mean that supervisors are willing to embark on new paths in cross-border issues, too. On that vein, an AMA bank – contingent on the approval of its responsible home and host supervisors – will be allowed to waive the individual calculation of regulatory capital for the operational risk of insignificant foreign subsidiaries and opt instead to allocate the capital calculated using the AMA of the group after prior consultation with supervisors. Supervisors expect this to boost the development of more risk-sensitive allocation mechanisms compared with the procedures currently available for measuring operational risk capital charges.

Cross-border AMAs

The European Commission is planning to implement operational risk capital relief for securities firms since they already generally have to hold one-quarter of their other indir-

Treatment of securities firms

⁸ Gross income = net interest income + commissions + net result of financial operations + other operating income (short form).

⁹ Both the Basel Committee and the European Commission intend to reconsider the calibration of the Basic Indicator Approach and the Standardised Approach once more risk-sensitive data are available.

ect costs as minimum capital to back other risks. The EU proposal permits, for instance, smaller securities firms (called 50K firms) to maintain their status quo.

Pillar 2: The Supervisory Review Process (SRP)

Basel principles on Pillar 2 unchanged

The four fundamental principles on which Pillar 2, the Supervisory Review Process (SRP), is based, have not been changed in the Basel text since the third consultative paper. Rather, new wording on the implementation of the SRP by national supervisors has been incorporated in order to deal with the discretionary scope implied by the SRP in a transparent and responsible manner. Moreover, cross-border cooperation between supervisors will be intensified in the interests of the banks.

Cross-border implementation

This aspect is addressed in the "High-level principles for the cross-border implementation of the New Accord", likewise published by the Basel Committee. Responsibility for the supervision of a legal entity within a banking group always rests with the national supervisory authority where the legal entity is located. This national jurisdiction, however, is supplemented by intensive cooperation and exchanges of information between all of the authorities involved and is coordinated by the authority responsible for the supervision of the group on a consolidated basis.

Development of the European Commission's implementation plans

In order to make further progress in developing the single European financial market, the European Commission, too, has placed a high priority on the coordinated cross-border ap-

plication of the new rules. Its proposal for a Directive emphasises a level of convergence exceeding the Basel Framework and supervisory cooperation within the European Economic Area.

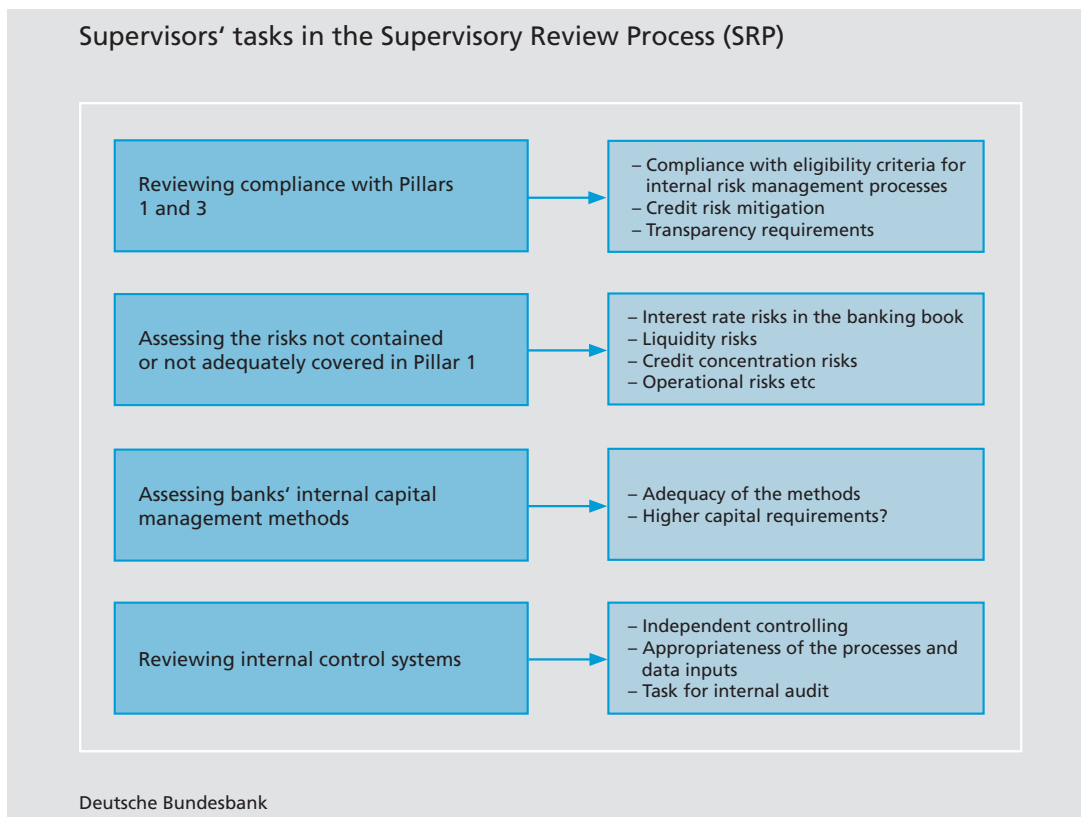
Convergence in the European Economic Area is to be understood as maximum harmonisation in the transposition of the European Directives into national law and the convergence of the application of these rules in supervisory practice. The Commission's proposal envisages the centralised disclosure of national supervisory regulations and practices to create transparency and to considerably facilitate the comparability of supervisory regimes across countries.

The Commission's proposal also envisages the possibility of a group submitting a single application for the use of IRB and AMA Approaches; as a consequence, the supervisors of the group's members would then need to jointly determine¹⁰ whether to authorise the procedure. If this is not accomplished within six months, the Commission's proposal envisages determination by the supervisor of the parent company. Whilst this approach is understandable in terms of simplifying matters for the groups of institutions in question, the wording gives rise to a host of legal, political and practical supervisory issues. These questions will play a key role in the European Council and the European Parliament.

Regulatory and supervisory convergence

Cross-border cooperation among supervisory authorities

¹⁰ The text of the draft Directive (which is currently available only in English) uses the term "determination" here and deliberately avoids "decision", which would correspond to the national administrative act of deciding on an application.



The Pillar 2 concept of regulatory capital in conjunction with the issue of additional regulatory capital requirements and the double proportionality of Pillar 2 were further key aspects that required special attention in transposing the SRP principles of Basel II into a European Directive.

Internal capital and additional regulatory capital requirements in Pillar 2

Whereas Basel uniformly uses the term "capital", the proposed Directive clearly distinguishes between "own funds" and "internal capital". Generally speaking, own funds cover only the risks according to the Pillar 1 supervisory calculation requirements. For the second pillar, the proposed Directive goes further in envisaging that all institutions have internally developed processes to manage the amount of capital they themselves deem ad-

equated to support their current and future risk.

Given the variegated nature of the German banking system, the double proportionality of the second pillar expressly envisaged in the proposed Directive is of major importance. Both the risk management and measurement of internal capital as well as the intensity and frequency of supervisory review have to be oriented to the size, complexity and risk profile of the individual institution and its importance for system stability. The system relevance is also mandated as a criterion for the intensity and frequency of supervisory review.

Double proportionality

On-site audits can be divided into the following categories: eligibility reviews for banks' internal procedures for measuring and man-

Audits of banking operations clearly assuming greater importance

aging market, credit and operational risk; reviews of ongoing compliance with Pillar 1 requirements, and minimum requirements for the structure and organisation of institutions' risk-relevant operations (see chart on page 86).

Today's audits of banking operations already address elements of the future SRP (audits of internal market risk models pursuant to section 7 of Principle I and audits for compliance with the "Minimum Requirements for the Credit Business of Credit Institutions" and the "Minimum Requirements for the Trading Activities of Credit Institutions").

BaFin and Bundesbank developing "Minimum Requirements for Risk Management"

This type of audit will be expanded in order to do justice to the Pillar 2 supervisory requirements. Besides streamlining the existing supervisory minimum requirements, this is the reason why the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, or BaFin) and the Deutsche Bundesbank are working to develop "Minimum Requirements for Risk Management". The existing "Minimum Requirements for the Trading Activities of Credit Institutions" and the "Minimum Requirements for the Credit Business of Credit Institutions", as well as the "Minimum Requirements for the Internal Audit Function of Credit Institutions", are to be integrated into the "Minimum Requirements for Risk Management" with as few changes as possible. In addition, requirements for other aspects of the SRP need to be newly developed, such as requirements for the management of interest rate risk and for internal processes for the adequate backing of all key risks with internal capital. The advantage of integrating the existing minimum require-

ments into the "Minimum Requirements for Risk Management" is that this will create a uniform framework of rules. Building on the already existing minimum requirements, the "Minimum Requirements for Risk Management" will therefore formulate the qualitative supervisory requirements for institutions pursuant to Pillar 2. Once the new rules have taken effect, reviewing compliance with the "Minimum Requirements for Risk Management" will be a central element of the Supervisory Review Process.

Pillar 3: Disclosure of risk information

Pillar 3 is intended to enable the complementary use of market mechanisms for supervisory goals by subjecting banks to specific disclosure requirements. The final version of the revision mainly comprised the taking on board of changes in Pillar 1. This has resulted in a degree of detail in disclosure rules that has encountered some criticism from the banking industry. It must be borne in mind, however, that the markets should be able to sufficiently assess banks' risk profiles.

The transparency rules of Pillar 3 at the European level largely match the Basel Framework. However, some differences in terminology and definitions do exist, as in the case of own capital, the impact of which carries over from Pillar 1 to Pillar 3. A further key difference is that disclosure in the Basel Framework is generally on a biannual basis, whereas the current version of the EC Directive states that the disclosure frequency should generally be annual. This constitutes justifi-

Modifications to Pillar 3

Implementation of the rules in Brussels

able and reasonable relief for smaller non-capital-market-oriented institutions. In addition, Brussels will give national supervisors specific authority to require banks to disclose more frequently, to use a specific medium or location of disclosure and also to use specific means of verification.

Good insight into the risk and own funds situation

In both the development of Pillar 3 in Basel as well as in its transposition into European law, great emphasis was placed on an objective presentation of own funds, the capital requirements for individual risk categories and the risk profile pursuant to Pillar 1. In future, it will be important for markets to use the much improved insight into banks' risk and own funds situations offered by the Pillar 3 disclosures and for banks, for their part, to provide sufficient explanations for conspicuous changes in individual items, as and when necessary, in order to avoid misinterpretations. In this manner, Pillar 3 should provide a valuable contribution to further improving communication between the banking industry and the financial markets.

Harmonisation of prudential supervisory solvency reports in Europe

Reducing regulatory costs through a harmonised reporting system

The system of prudential supervisory reports on the solvency of institutions (Principle I in Germany) will continue to exist alongside the new disclosure requirements pursuant to Pillar 3. However, in the interest of minimising costs, particularly for internationally active banks, and to strengthen supervisory cooperation in Europe, the prudential supervisory reporting procedure will be matched to the

new capital Framework on a harmonised basis.

In preliminary deliberations on the feasibility of a harmonised European reporting system by the newly created Committee of European Banking Supervisors (CEBS), it is being discussed whether the composition of the capital ratio can be presented with a maximum of uniformity for all credit institutions regardless of the type of annual accounts (using the International Accounting Standards (IAS) or national accounting methods). In the coming months, the degree of detail of European reporting regulations in this area also needs to be clarified. Consideration is also being given to the extent to which a certain degree of flexibility regarding the details to be reported – given uniformly binding headings – could facilitate appropriate solutions.

CEBS preparing initiative for a harmonised reporting system

The introduction of group-level International Financial Reporting Standards (IFRS) with effect from 2005 requires that thought be given to joint European solutions in the field of supervisory reporting requirements for the balance sheet and the profit and loss (P&L) account, too. This is necessary not only out of cost considerations but also given that the relatively highly aggregated IAS classification principles for the balance sheet and the P&L account are relatively unsuited to supervisory purposes. At the European level, therefore, possibilities for a detailed uniform report on the balance sheet and the P&L account will need to be discussed in due course.

European solutions also appropriate for balance sheet and P&L

A fourth Quantitative Impact Study (QIS 4)

*Reasons for
another
Quantitative
Impact Study*

In parallel to the development of the revised Framework, the Basel Committee has already conducted three Quantitative Impact Studies (QIS) in the past few years. Supervisory authorities hope that a fourth Quantitative Impact Study will provide more reliable data on the calibration to unexpected losses, securitisation exposures and the Advanced Measurement Approach (AMA) for operational risk. Furthermore, the new methodological requirements for estimating LGD should be taken into account.

Nine of the G10 countries are currently planning to conduct a QIS 4 before the end of the year. Even in the run-up to the parallel calculation phase, this study can provide valuable information for issues that are still being discussed, especially regarding a future need for recalibration. In Germany, QIS 4 will be launched on 1 December 2004 and is to be completed by the end of February 2005.

Implementation periods and transitional arrangements

The Basel Framework is to have been implemented in the G10 countries by the end of 2006. The most advanced risk measurement approaches, ie the Advanced IRB Approach for credit risk and the AMA for operational risk, however, may be used for calculating regulatory capital only as of the end of 2007. This is intended to give institutions an additional year to meet the minimum require-

ments associated with these approaches. In addition, international competitive equality is to be maintained. The early implementation of advanced approaches in only a few countries could have an impact on competition.

The draft European Directive likewise specifies in detail the methods of calculating own funds that will be valid from 2007. By analogy to the Basel Framework, institutions are allowed to apply the Standardised Approach and the Foundation IRB Approach to credit risk and the Basic Indicator Approach and Standardised Approach to operational risk. Moreover, in 2007, all institutions will also have the option of using the current rules (Basel I) for measuring capital for that specific year. For institutions in countries in which the state of preparations is not very far advanced, this provides the necessary scope to begin using their preferred approach around the end of 2007 without first having to invest resources in the implementation of an approach that would most likely be used for only one or very few years.

At the Basel level, in 2006, a parallel calculation using the current and the new rules – similar to the Quantitative Impact Studies (QIS) of which several have already been conducted – is to be performed. The primary purpose of the parallel calculation is to review the risk-weighting functions once again and to make any necessary or appropriate adjustments. By contrast, the European Directive does not explicitly provide for a parallel calculation. However, institutions wishing to use the Foundation IRB Approach as of 2007 will need prior permission from supervisors based

Impact of the EL-UL decisions and other Basel Committee decisions up to June 2006

Based on the third Quantitative Impact Study (QIS 3), a rough re-estimation of the impact of the changes published with the new capital adequacy framework at the end of June 2004 was carried out. The table below shows the extent to which a bank with a capital ratio of 8% would have to adjust its capital in order to maintain this minimum capital ratio under the new Basel Accord.¹

Change in minimum capital requirements compared with the current Accord (without scaling in IRB)

%

Item	Standardised Approach	Foundation IRB	Advanced IRB
G10 Group 1 ²	11	- 2	- 5
G10 Group 2	3	-27	N/A
EU Group 1	6	- 7	- 9
EU Group 2	1	-24	N/A
GER Group 1	12	11	0
GER Group 2	0	- 15	N/A

In the Standardised Approach, the results for German banks are virtually identical to the G10 average; for Group 2 banks, the minimum capital requirements are unchanged compared with the current Accord.

The reasons why the results for German banks differ from the G10 and EU averages in the

¹ Changes in both the numerator (possibilities of offsetting provisions and EL) and the denominator of the capital ratio were taken into account. — ² A distinction was made between internationally active banks with a core capital of at least €3 billion (Group 1 banks) and all other banks (Group 2 banks). Data from 58 German credit institutions – six Group 1 banks and 52 Group 2 banks – were used in

IRB Approaches include the specific economic environment, possible uncertainty about how to apply the new Basel definition of default and the limited availability of data needed to estimate the key risk parameters PD and LGD. In certain cases, LGD estimates are likely to have been on the conservative side as a result.

The divergence between the results for Group 1 and Group 2 banks is due primarily to the difference in the volume of retail business. Owing to lower risk weights, a high volume of retail business will lead to lower minimum capital requirements.

If the results are aggregated for whichever approach is most likely to be applied,³ there is an average reduction of 4.2% in the minimum capital requirements across the G10. For German banks, however, a 6.5% rise was calculated. In order to ensure that the minimum capital requirements are maintained, which is a key goal of calibration in the entire system, the Basel Committee envisaged using – if necessary – a scaling factor to adjust risk-weighted assets for credit risk. Based on the QIS 3 data, they would have to be multiplied by a factor of 1.06 to offset the 4.2% reduction in the minimum capital requirements. The final calibration will, however, probably be conducted in 2006 on the basis of the results of QIS 4 and the experience gained during the parallel calculation phase.

the international comparisons. — ³ The aggregate results were often calculated separately for the Foundation IRB Approach and the Advanced IRB Approach. It must be noted that the calculation of the aggregate figures for the Foundation IRB Approach also used data from those banks that are highly likely to apply the Advanced IRB Approach, resulting in a double inclusion of the data.

on an on-site audit of their internal rating system. However, since it makes sense to perform such examinations only on rating systems that have already been implemented internally and are being used in daily credit business, this means that, in 2006, non-Basel institutions will also be required to have a technical lead-time in the Foundation IRB Approach; this, however, will be restricted to credit business and will not be a complete parallel calculation.

Outlook: National implementation of the new capital rules

Solvency Regulation

Most of the new rules will be implemented by adapting and adding to the Solvency Regulation (currently known as Principle I). This regulation specifies in detail the adequacy of own funds as required by section

10 of the German Banking Act. Work has already begun on implementing the changes to the capital adequacy rules. In the run-up to the actual legislative process, supervisors are already cooperating closely with institutions and associations of institutions in a "Working Group on the Implementation of Basel II" and in specific expert councils on individual aspects of the new Basel Framework (IRB Approach, collateral, securitisation exposures, operational risk, Pillar 2, Pillar 3). In this way, institutions' concerns can be addressed proactively so as to increase the overall efficiency of the implementation procedure.

The following Annexes provide further explanations and an overview of the subject matter of this article in tabular form.

Annex 1

Technical details of the calibration of risk weights in the IRB Approach

In principle, regulatory capital charges are intended to cover unexpected losses (UL). Expected loss (EL) is a calculable cost component of credit business which is supposed to be covered by provisions and interest margins. Specifically, the Basel risk weight functions now determine the regulatory capital requirement to cover the 99.9% quantile of the portfolio loss distribution function in a one-factor model less EL. In this example, for a normed EAD of one euro, EL is defined as the product of PD and LGD.

UL calibration is a key reason why the requirements for internal LGD estimations in the Advanced IRB Approach had to be rewritten. From a theoretical perspective, the LGD parameter can be understood as an average or expected, ie default-weighted, loss ratio that is not oriented to a specific economic scenario. The UL risk weight, by contrast, describes the loss that occurs if a systemic risk becomes significant, eg owing to an adverse economic scenario. To take account of this systemic risk, the input PD is converted into a "stress PD" by applying the appropriately adjusted UL risk-weight function prescribed by supervisors. For the LGD parameter, by contrast, the downturn scenario must already be included in the estimated

*Downturn LGD
in the
Advanced IRB
Approach*

Risk-weight functions for non-defaulted assets in the Advanced IRB Approach

In the following formulae, the LGD risk parameter denotes a downturn LGD.

I Capital charges for non-defaulted assets

1 Corporate, sovereign and bank exposures

$$RW(PD, LGD, M) = 12.5 \times \left[LGD \times N \left(\frac{G(PD) + \sqrt{R(PD)} \times G(0.999)}{\sqrt{1 - R(PD)}} \right) - PD \times LGD \right] \times \frac{1 + (M - 2.5) \times b(PD)}{1 - 1.5 \times b(PD)} \quad (1)$$

where $b(PD) = (0.11852 - 0.05478 \times \ln(PD))^2$

RW: Risk weights

N: Cumulative distribution function of the standard normal distribution

G: Inverse of the cumulative distribution function

R: Asset correlation as a function of PD

ln: Natural logarithm

The last term in formula (1) describes the maturity adjustment, which, in the case of exposure to corporates with annual reported sales and total assets of up to €500 million, can be fixed at 2.5 years at national discretion. The R(PD) correlation for exposures to corporates with annual reported sales in excess of €50 million, sovereigns and banks is determined as follows.

$$R(PD) = 0.12 \times \frac{1 - e^{-50 \cdot PD}}{1 - e^{-50}} + 0.24 \times \left(1 - \frac{1 - e^{-50 \cdot PD}}{1 - e^{-50}} \right) \quad (2)$$

In the case of the "corporates" portfolio, the R(PD) correlation for corporates with annual reported

sales of up to €50 million also depends on the size S (in € million) of the enterprise.¹

$$R(PD) = 0.12 \times \frac{1 - e^{-50 \cdot PD}}{1 - e^{-50}} + 0.24 \times \left(1 - \frac{1 - e^{-50 \cdot PD}}{1 - e^{-50}} \right) - 0.04 \times \left(1 - \frac{S-5}{45} \right) \quad (3)$$

2 Retail exposures

$$RW(PD, LGD) = 12.5 \times \left[LGD \times N \left(\frac{G(PD) + \sqrt{R(PD)} \times G(0.999)}{\sqrt{1 - R(PD)}} \right) - PD \times LGD \right] \quad (4)$$

Correlations

2a) Residential mortgage loans

$$R(PD) = 0.15 \quad (5)$$

2b) Revolving credits

$$R(PD) = 0.04 \quad (6)$$

2c) Other retail exposures

$$R(PD) = 0.03 \times \frac{1 - e^{-35 \cdot PD}}{1 - e^{-35}} + 0.16 \times \left(1 - \frac{1 - e^{-35 \cdot PD}}{1 - e^{-35}} \right) \quad (7)$$

The regulatory capital requirement for a loan is calculated by multiplying the risk weight with the expected exposure at default (EAD) and the solvency coefficient (8%).

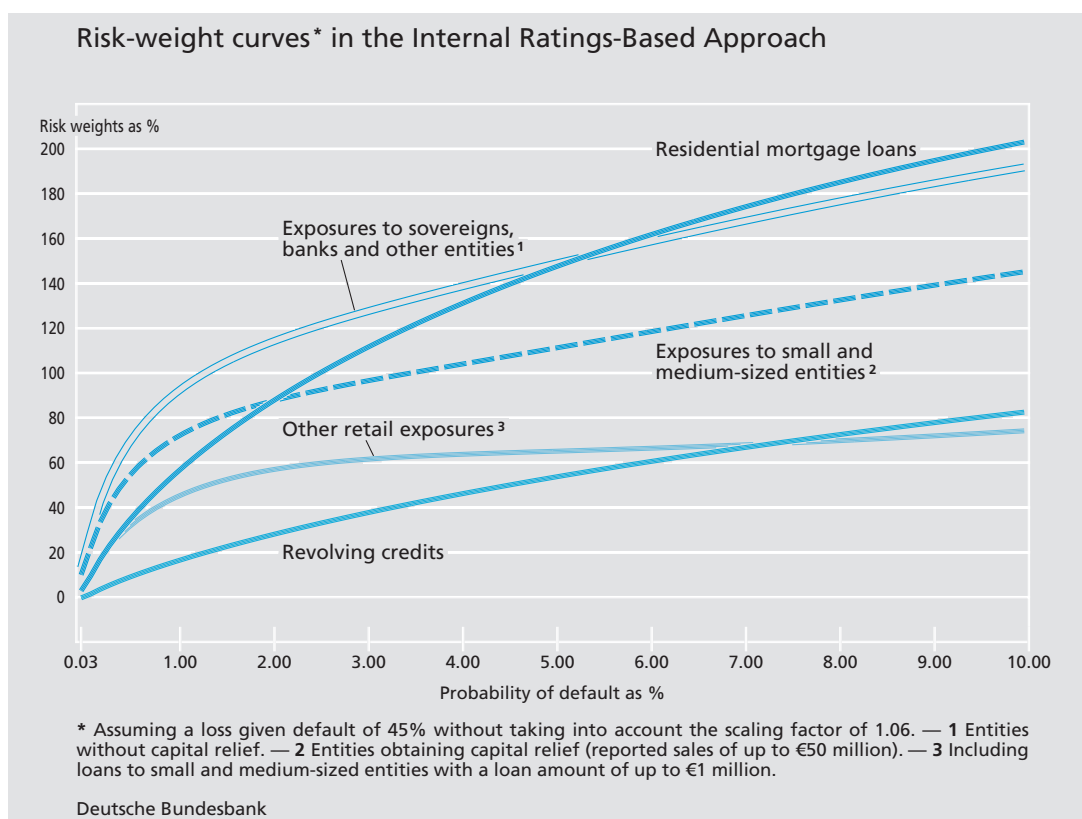
II Capital requirements for defaulted exposures

The capital requirement for defaulted exposures corresponds to the unexpected loss

UL = EAD × LGD – EL, where expected loss

EL = EAD × ELGD is calculated using the default-weighted ELGD.

¹ For enterprises with smaller annual reported sales, the lower limit is €5 million.



value as it is entered into the UL risk-weight function without being transformed.¹¹

The mean LGD is accordingly a lower limit for the downturn LGD. This downturn LGD can be calculated from, for instance, LGDs in time periods characterised by large credit losses. For credit exposures where the LGD is independent of cyclical movements, mean LGD and downturn LGD could be identical.

In the new Basel Framework, the downturn LGD is applied to non-defaulted loans both when determining UL and when determining EL. This simplification allows credit institutions to use only a single estimated value of LGD to determine the regulatory capital requirements. The estimated value is calculated for each individual category of assets and/or collateral.

In the case of defaulted exposures, the LGD parameter is calculated individually for each exposure. A distinction is made here between mean LGD and downturn LGD. When calculating EL, an expected LGD value that takes into account the current economic environment and the current value of the collateral is estimated. The difference between downturn LGD and expected LGD is a UL risk weight for a latent, systemic risk in the part of a defaulted exposure for which no specific provision or write-offs have yet been made.

¹¹ The justification for this difference in the treatment of PD and LGD is that the impact of a downturn on LGD is dependent on additional factors such as the type of exposure and the type of collateral. Accordingly, the supervisory requirement of a function to convert median LGDs to downturn LGDs – analogously to the approach applied to PDs – would ultimately lack sufficient flexibility and risk sensitivity.

*Risk-weight
functions*

The risk-weight functions are shown graphically in the above chart. Deducting EL as the product of PD and LGD in the second term of the risk-weight function (see formula (1) in the explanations on page 92) takes into account the fact that it only covers UL.

*Coverage of
expected and
unexpected
losses*

In addition, the UL calibration means that, in the IRB Approach, credit institutions must compare calculated expected losses with provisions set aside. Insufficient coverage of EL will lead to a deduction in equal parts from the group's core capital and additional capital. By contrast, surpluses of provisions can be recognised as additional capital up to 0.6% of the risk-weighted assets for credit risk. If the amount of provisioning exceeds EL, this does not necessarily mean that the credit institution has

set aside too much in provisions. Rather, deviations between EL and provisions can be due to differences in their calculation methodology. For example, regulatory EL is based on a one-year time horizon, whereas external accounting standards usually count the entire time to maturity of the exposure. In individual cases, this may lead to over-coverage of EL.

The inclusion of overcoverage of EL in additional capital is intended to promote the building of provisions. At the same time, competitive equality between institutions is to be maintained by setting an upper limit for the inclusion of provisions, since the rules and practices of building provisions differ from one country to another.

Annex 2: Basel II and the EC Directives Fundamental differences

Item	Basel II (revised Framework)	EC Directives (formal Commission draft)
Nature of the provisions – Binding force	Non-legally binding recommendation for internationally active credit institutions, but effectively applicable worldwide.	Obligatory law for all member states, which is to be implemented for all credit institutions and investment firms in the EU.
Scope of application – Institutions affected Pillar 1 Standardised Approach – <i>Pfandbriefe</i>	Large, internationally active banks. No individual treatment; <i>Pfandbriefe</i> are assigned the same risk weighting as the issuing bank.	All credit institutions and investment firms. <i>Pfandbriefe</i> are assigned a more favourable risk weighting than the issuing bank. – 10% if exposures to the issuing bank have a weighting of 20%; – 20% if exposures to the issuing bank have a weighting of 50%; – 50% if exposures to the issuing bank have a weighting of 100%.
IRB Approach – Permanent partial use	Asset classes which are insignificant with respect to size and risk profile. Certain shares/equity holdings (eg as part of state development schemes).	Asset classes which are insignificant with respect to size and risk profile. Certain equity holdings (eg as part of state development schemes). In addition Exposures to sovereigns, central banks or financial institutions if the number of relevant borrowers is small and it would be unduly burdensome to implement a rating system for these borrowers. Exposures to central governments of the home member state or to their regional governments, local authorities and administrative bodies provided that exposures to the central government are associated with credit quality assessment step 1 (0% risk weighting) and the public sector entities do not pose a greater risk than the central government owing to specific arrangements.
– Shares/equity holdings	Simple approach 300% risk weight for publicly traded shares/equity holdings. 400% risk weight for all other shares/equity holdings. PD/LGD Approach LGD 90% Lower limits for risk weightings of 100%, 200% or 300% Internal Model Approach: lower limit for risk weightings according to the simple approach.	Intra-group exposures. Simple approach 190% risk weight for sufficiently diversified portfolios. 290% risk weight for publicly traded shares/equity holdings. 370% risk weight for all other shares/equity holdings. PD/LGD Approach LGD 65% for sufficiently diversified portfolios LGD otherwise 90% Lower limits for PDs (0.09%, 0.4% or 1.25%) Internal Model Approach: lower limit for risk weightings according to the PD/LGD Approach plus expected loss. Risk weighting of 100% for shares/equity holdings to banking service providers may be permissible.
– High-volatility commercial real estate (HVCRE) – Credit risk control	Separate risk weights.	Treated as ordinary project finance exposures.
– <i>Pfandbriefe</i> Credit risk mitigation techniques in the Standardised Approach and the IRB Approach – Residential real estate	PD of the issuing bank, LGD 45%. Properties which are currently or will in future be occupied by the borrower or are rented out are recognised. No upper limit for risk weighting in the Foundation IRB Approach.	PD of the issuing bank, LGD 12.5%. Credit institutions which use pooled data can outsource some rating system monitoring tasks (eg the generation of information for monitoring predictive power and amendments to models). Properties which are currently or will in future be occupied by the owner or are/will be rented out are recognised. Upper limit of 50% for risk weighting in the Foundation IRB Approach.

Deutsche Bundesbank

Item	Basel II (revised Framework)	EC Directives (formal Commission draft)
– Commercial real estate	Office buildings or other multi-purpose commercial premises are recognised.	Office buildings or other commercial premises are recognised.
– Collateral		Unrated and unlisted bank debt securities are recognised. Life insurance policies are recognised up to the surrender value.
Securitisation exposures		
Capital requirement for the originator restricted to the amount prior to securitisation in the Standardised Approach	No	Yes
Look-through approach for unrated positions in the Standardised Approach	Only for the “super-senior” tranche.	Possible for all positions.
Operational risks		
– Gross income	Calculation of average gross income on an annual basis. Possible to offset negative gross income in individual business lines in any given year in the Standardised Approach.	Calculation of average gross income on a semi-annual basis. Not possible to offset negative gross income in the Standardised Approach.
– Treatment of trading and sales in the Standardised Approach	Beta factor of 18%.	Beta factor of 15% at national discretion if 50% of the income comes from this business line.
– Partial use	Only permitted for a short time.	No restrictions.
– Investment firms	Not subject to the Basel regulations.	Can be exempted by the national legislator if they do not conduct underwriting business or engage in own-account trading; if they engage in own-account trading for customers or to gain access to a recognised market or clearing and settlement agent, backing for a quarter of the annual indirect costs can be demanded instead of a capital charge for operational risks.
Pillar 2		
– Frequency and intensity of banks’ own assessments and supervisory reviews	Full application every year.	Frequency and intensity depends on the individual institution. Supervisory assessment at least updated every year.
– Responsibility for foreign subsidiaries	Always rests with the authorities in the home country (intensive cooperation with the supervisors involved).	Generally rests with the authorities in the home country, but possible group-wide collegial approval of the IRB Approach and AMA by all of the supervisors involved or unilateral determination by the consolidating supervisor if an agreement is not reached within six months.
Pillar 3		
– Disclosure frequency	Generally every six months. Annual general qualitative disclosures relating to risk management as well as the internal reporting procedures and definitions. Tier 1 capital and total capital ratios with all elements every three months for large, internationally active banks and other important banks.	At least once a year. Credit institutions are themselves to assess the need for greater frequency in individual or all disclosures in the light of their own size and importance for the financial markets.
Implementation periods and transitional arrangements		
– Dates	Introduction of the revised Framework at the end of 2006. However, the Advanced IRB Approach and the AMA cannot be used to determine regulatory capital requirements until the end of 2007. Institutions seeking to use the advanced approaches will continue to apply Basel I in 2007.	Directives come into force at the end of 2006. However, the Advanced IRB Approach and the AMA cannot be used to determine regulatory capital requirements until the end of 2007. Institutions can opt to continue to apply the current regulations in 2007.

Annex 3: Expected loss in the IRB Approach and incurred loss under IAS

Position	Expected loss (EL) in Basel II's IRB Approaches for corporate, sovereign and bank exposures as well as for retail exposures	Incurred loss under IAS (IAS 39.58 ff)
Concept	<ul style="list-style-type: none"> - Cost components of a loan. - In Basel II, EL is covered by provisions/risk provisioning in the financial statements. 	<ul style="list-style-type: none"> - Covered through provisions and accruals that are based on objective and evident observations.
Definition	<p>Non-defaulted exposures</p> <p>The amount of EL is calculated as the product of</p> <ul style="list-style-type: none"> - probability of default (PD) - loss given default (LGD) (collateral having been taken into account) - exposure at default (EAD) <p>Defaulted exposures</p> <ul style="list-style-type: none"> - Banks use a best estimate of EL; banks following the Foundation IRB Approach are obliged to use supervisory estimates of LGD. - The best estimate of EL is based on economic circumstances and the facility status. <p>A loan is classified as defaulted if one or both of the following apply.</p> <ul style="list-style-type: none"> - The bank considers that the obligor is unlikely to pay its credit obligations in full without recourse by the bank to actions such as realising collateral. - The borrower is more than 90 days past due on his/her payments. 	<p>The provision requirement for defaultable financial instruments is calculated for</p> <ul style="list-style-type: none"> - financial assets that are valued at amortised cost (loans and receivables as well as held-to-maturity financial instruments) as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective interest rate (IAS 39.63) - financial assets in the available-for-sale category, measured at fair value, as the difference between the historical cost and the current fair value result in a shift from capital into the profit and loss account (IAS 39.68)
Time period	Under Basel II, the probability of default (PD) is based on a period of one year.	In the accounting system, defaults are calculated across the residual maturity of the loan portfolio.
Objectivisation/evidence	The estimate for probability of default (PD) is based specifically on long-term historical experience.	An assessment of the potential default threat is based primarily on objective observations at the time of valuation. Losses from future events are not taken into account.

In essence, it can be assumed that expected loss and incurred loss are sometimes identical (ie on a multi-year average and an approximately stable portfolio composition). The reason for this is that, pursuant to both Basel II and the relevant rules of IAS 39, an objective analysis of the default risk must be carried out in order to quantify the potential default threat of a financial asset. In each case, the default must be identifiable according to evident insight. According to Basel II, an estimation of the probability of default must be based on historical statistical data. When calculating the default risk according to the IAS 39 incurred loss approach, too, there should be sufficient evidence for determining the provisions in terms of the available historical data on financial instruments with the same risk structure. Nevertheless, differences may arise between expected loss and incurred loss as a result of the differing time periods, as the longer time period in the accounting system could often lead to higher provisions in the incurred loss model. The opposite may be true for the expected loss model, as loans on which payments are more than 90 days past due are considered defaulted but are not necessarily subject to individual provisions.¹ On the other hand, it can be assumed that such past due loans will also have visibly higher default rates, which again will result in correspondingly higher general provisions.

¹ It is assumed that the current German system for individual and general provisions can be retained under IAS 39.

Statistical Section

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Abbreviations and symbols

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

Discrepancies in the totals are due to rounding.

I Key economic data for the euro area
1 Monetary developments and interest rates

Period	Money stock in various definitions 1,2				Determinants of the money stock 1			Interest rates		
	M1	M2	M 3 3		MFI lending, total	MFI lending to enterprises and households	Monetary capital formation 4	Eonia 5,7	3-month Euribor 6,7	Yield on European government bonds outstanding 8
				3-month moving average (centred)						
	Annual percentage change							% per annum as a monthly average		
2003 Jan	9.3	6.7	7.4	7.5	4.2	4.8	4.6	2.79	2.83	4.2
Feb	10.4	7.6	8.2	8.0	4.4	4.9	4.7	2.76	2.69	4.0
Mar	11.7	8.2	8.3	8.5	4.1	4.8	4.4	2.75	2.53	4.1
Apr	11.1	8.2	8.9	8.6	4.7	5.1	4.7	2.56	2.53	4.2
May	11.4	8.7	8.8	8.7	5.0	5.2	4.5	2.56	2.40	3.9
June	11.3	8.5	8.5	8.7	4.8	5.1	5.1	2.21	2.15	3.7
July	11.3	8.6	8.8	8.6	5.4	5.5	5.2	2.08	2.13	4.0
Aug	11.7	8.7	8.4	8.3	5.5	5.6	5.3	2.10	2.14	4.2
Sep	11.1	8.3	7.7	8.0	5.5	5.4	5.4	2.02	2.15	4.2
Oct	11.6	8.2	8.1	7.7	5.7	5.4	5.8	2.01	2.14	4.3
Nov	10.5	7.7	7.4	7.5	6.2	6.0	6.1	1.97	2.16	4.4
Dec	10.7	7.7	7.1	7.1	5.9	5.8	5.9	2.06	2.15	4.4
2004 Jan	11.5	7.5	6.6	6.6	5.8	5.8	6.0	2.02	2.09	4.2
Feb	10.7	6.8	6.2	6.3	5.7	5.7	6.1	2.03	2.07	4.2
Mar	11.4	6.8	6.2	5.9	6.0	5.8	6.7	2.01	2.03	4.0
Apr	10.9	6.2	5.5	5.5	6.0	5.9	7.1	2.08	2.05	4.2
May	9.3	5.4	4.8	5.2	5.9	5.9	7.3	2.02	2.09	4.4
June	9.6	5.7	5.4	5.2	6.5	6.2	7.2	2.03	2.11	4.4
July	10.1	5.9	5.5	...	6.3	6.3	6.9	2.07	2.12	4.3
Aug	...	...	...	...	...	...	...	2.04	2.11	4.2

1 Source: ECB. — 2 Seasonally adjusted. — 3 Excluding money market fund shares/units, money market paper and debt securities with a maturity of up to two years held by non-euro-area residents. — 4 Longer-term liabilities to

euro-area non-MFIs. — 5 Euro OverNight Index Average. — 6 Euro Interbank Offered Rate. — 7 See also footnotes to Table VI.5, p 44*. — 8 GDP-weighted yield on ten-year government bonds; from 2001, Euro12.

2 External transactions and positions *

Period	Selected items of the euro-area balance of payments							Euro exchange rates 1			
	Current account			Capital account				Dollar rate	Effective exchange rate 3		
	Balance	of which Trade balance	Balance	Direct investment	Securities transactions 2	Credit transactions	Reserve assets		Nominal	Real 4	
	€ million							Euro/US-\$	Q1 1999 = 100		
2003 Jan	-	3,992	+ 1,556	- 3,954	+ 8,601	- 6,993	- 7,111	+ 1,549	1.0622	95.3	96.8
Feb	+	2,645	+ 8,483	- 21,238	+ 2,318	- 7,098	- 21,798	+ 5,340	1.0773	96.7	98.2
Mar	+	4,271	+ 6,782	+ 10,897	+ 2,037	+ 15,221	- 11,353	+ 4,992	1.0807	97.4	99.0
Apr	-	7,378	+ 6,607	+ 17,450	- 11,561	+ 24,770	+ 3,031	+ 1,210	1.0848	98.0	99.5
May	-	1,623	+ 7,443	- 23,004	+ 642	+ 11,068	- 35,072	+ 358	1.1582	101.8	103.5
June	+	2,083	+ 10,107	- 26,419	+ 13,612	+ 24,804	- 65,588	+ 754	1.1663	102.3	104.2
July	+	2,834	+ 15,457	+ 323	- 4,031	- 36,091	+ 38,614	+ 1,831	1.1372	101.0	102.8
Aug	+	3,033	+ 10,501	+ 5,943	- 5,564	- 38,761	+ 50,017	+ 251	1.1139	99.8	101.8
Sep	+	5,645	+ 10,865	- 6,902	- 9,529	+ 11,173	- 8,490	- 57	1.1222	99.6	101.7
Oct	+	7,993	+ 13,391	- 111	- 9,209	+ 35,686	- 27,339	+ 750	1.1692	101.3	103.3
Nov	+	3,251	+ 8,654	+ 13,242	+ 3,867	+ 4,029	- 172	+ 5,518	1.1702	101.3	103.3
Dec	+	6,094	+ 8,635	- 16,689	- 4,308	- 33,290	+ 13,587	+ 7,321	1.2286	104.3	106.2
2004 Jan	-	3,082	+ 5,231	- 19,707	- 10,596	- 3,439	- 2,676	- 2,997	1.2613	105.5	107.4
Feb	+	5,221	+ 9,437	+ 16,680	+ 7,834	+ 17,369	- 17,174	+ 8,650	1.2646	105.4	107.3
Mar	+	11,146	+ 13,398	- 11,006	- 26,100	- 2,493	+ 13,850	+ 3,737	1.2262	103.5	105.4
Apr	+	338	+ 10,660	- 8,492	- 2,922	- 3,038	+ 155	- 2,687	1.1985	101.7	103.7
May	+	3,378	+ 11,237	- 7,137	- 1,601	- 25,544	+ 19,344	+ 664	1.2007	102.5	104.4
June	+	4,458	+ 11,950	+ 1,126	- 8,854	+ 29,569	- 18,494	- 1,095	1.2138	102.4	104.2
July	1.2266	102.9	104.7
Aug	1.2176	102.7	104.5

* Source: ECB. — 1 See also Tables X.12 and 13, pp 74–75. — 2 Including financial derivatives. — 3 Vis-à-vis the currencies of The-EER-23 group. — 4 Based on consumer prices.

I Key economic data for the euro area

3 General economic indicators

Period	Belgium	Germany	Finland	France	Greece	Ireland	Italy	Luxem- bourg	Nether- lands	Austria	Portugal	Spain	Euro area ⁸
Real gross domestic product ¹													
2001	0.6	0.8	1.1	2.1	4.3	6.0	1.8	1.3	1.2	0.8	1.6	2.8	1.6
2002	0.7	0.1	2.3	1.2	3.6	6.1	0.4	1.7	0.2	1.4	0.4	2.0	0.8
2003	1.1	- 0.1	1.9	0.5	4.5	3.7	0.3	2.1	- 0.7	0.7	- 1.2	2.4	0.5
2003 Q1	1.3	0.4	2.5	1.4	4.9	3.6	0.9		- 0.2	0.9	- 1.4	2.3	1.0
Q2	0.9	- 0.7	1.6	- 0.5	4.0	5.3	0.1		- 1.4	0.5	- 2.2	2.3	- 0.1
Q3	1.0	- 0.3	2.4	0.2	4.6	0.5	0.1		- 1.4	0.7	- 0.9	2.3	0.2
Q4	1.2	0.2	1.7	1.1	4.5	5.1	0.0		- 0.5	0.6	- 0.4	3.0	0.7
2004 Q1	3.0	1.5	2.9	2.3	4.0	6.1	0.8		0.9	0.7	0.1	2.7	1.8
Q2	2.6	2.0	3.2	3.8	3.9	...	1.4		1.0	...	...	2.5	2.3
Industrial production ^{1,2}													
2001	- 0.3	0.2	0.1	1.1	1.0	10.1	- 1.2	3.2	0.4	2.8	3.1	- 1.5	0.4
2002	1.3	- 1.0	2.1	- 1.4	1.7	7.8	- 1.3	0.4	- 0.3	0.9	- 0.4	0.2	- 0.5
2003	0.7	0.4	0.8	- 0.3	1.5	6.3	- 0.5	2.6	- 2.4	1.8	- 0.1	1.4	0.3
2003 Q1	1.5	1.5	2.3	0.0	0.7	2.4	- 0.2	4.5	0.3	3.6	0.6	1.6	1.0
Q2	- 0.4	- 0.2	- 1.4	- 1.9	2.1	2.2	- 1.7	- 1.3	- 5.1	0.6	- 2.8	1.7	- 0.8
Q3	0.4	- 1.1	1.6	- 0.6	2.2	5.4	- 0.2	4.7	- 4.0	1.9	1.1	1.0	- 0.3
Q4	1.5	1.5	0.7	1.3	0.7	15.2	0.3	2.9	- 1.2	1.4	1.0	1.1	1.4
2004 Q1	2.2	1.5	- 0.5	0.5	2.6	4.4	0.0	...	0.9	2.7	- 2.9	1.3	1.0
Q2	2.3	7p 3.6	4.6	2.8	0.7	2.5	1.0	...	2.8	5.3	- 1.8	2.5	2.7
Capacity utilisation in industry ³													
2001	82.3	84.4	85.7	87.4	77.6	78.4	78.9	88.7	84.6	83.1	81.7	79.6	83.5
2002	79.6	82.3	82.7	85.3	77.0	75.9	77.3	85.1	82.9	80.2	79.4	77.2	81.4
2003	78.7	82.0	81.9	84.8	76.5	75.1	76.3	84.7	81.7	80.0	79.0	78.9	81.1
2003 Q2	78.6	81.8	82.8	84.9	77.1	75.1	75.6	85.9	81.9	80.4	77.6	78.2	80.9
Q3	77.9	81.0	80.7	84.8	76.8	77.1	76.1	84.8	81.0	79.4	76.4	79.5	80.7
Q4	79.0	82.9	82.0	84.4	76.1	73.6	76.1	83.9	81.4	80.3	84.3	79.3	81.4
2004 Q1	79.4	82.8	82.8	4 81.4	77.5	74.4	76.8	83.5	82.1	80.0	80.6	77.0	4 80.6
Q2	79.6	82.6	83.4	81.8	74.6	77.7	75.9	85.6	82.8	80.4	79.3	79.7	80.7
Q3	81.5	83.4	84.7	82.6	76.3	75.3	76.6	87.4	83.1	82.3	81.4	79.8	81.4
Unemployment rate ⁵													
2001	6.7	7.8	9.1	8.4	10.4	3.9	9.4	2.1	2.5	3.6	4.0	10.6	8.0
2002	7.3	8.7	9.1	8.9	10.0	4.3	9.0	2.8	2.7	4.2	5.0	11.3	8.4
2003	8.1	9.6	9.0	9.4	9.3	4.6	8.6	3.7	3.8	4.1	6.3	11.3	8.9
2004 Feb	8.5	9.6	9.0	9.5		4.5	...	4.0	4.6	4.2	6.2	11.1	8.9
Mar	8.5	9.7	9.0	9.5		4.5	...	4.1	4.7	4.2	6.3	11.1	8.9
Apr	8.5	9.8	9.0	9.5		4.5	...	4.2	4.8	4.2	6.5	11.1	9.0
May	8.6	9.8	9.0	9.5		4.5	...	4.2	4.8	4.2	6.4	11.0	9.0
June	8.6	9.8	9.0	9.5		4.5	...	4.2	4.8	4.2	6.4	11.1	9.0
July	8.6	9.9	9.0	9.5		4.5	...	4.3	...	4.2	6.4	11.0	9.0
Aug	8.6	9.9	...	...		4.4	...	...	...	4.2	...	11.0	...
Harmonised Index of Consumer Prices ¹													
2001	2.4	1.9	2.7	1.8	3.7	4.0	2.3	2.4	5.1	2.3	4.4	2.8	2.3
2002	1.6	1.3	2.0	1.9	3.9	4.7	2.6	2.1	3.9	1.7	3.7	3.6	2.3
2003	1.5	1.0	1.3	2.2	3.4	4.0	2.8	2.5	2.2	1.3	3.3	3.1	2.1
2004 Feb	1.2	0.8	0.4	1.9	2.6	2.2	2.4	2.4	1.3	1.5	2.1	2.2	1.6
Mar	1.0	1.1	- 0.4	1.9	2.9	1.8	2.3	2.0	1.2	1.5	2.2	2.2	1.7
Apr	1.7	1.7	- 0.4	2.4	3.1	1.7	2.3	2.7	1.5	1.5	2.4	2.7	2.0
May	2.4	2.1	- 0.1	2.8	3.1	2.1	2.3	3.4	1.7	2.1	2.4	3.4	2.5
June	2.0	1.9	- 0.1	2.7	3.0	2.5	2.4	3.8	1.5	2.3	3.7	3.5	2.4
July	2.1	2.0	0.2	2.6	3.1	2.5	2.2	3.8	1.2	2.1	2.9	3.3	2.3
Aug	2.0	2.1	0.3	p 2.5	2.8	2.5	2.4	3.6	p 1.2	p 2.2	2.4	3.3	p 2.3
General government financial balance ⁶													
2001	0.5	- 2.8	5.2	- 1.5	- 1.4	1.1	- 2.6	6.3	0.0	0.2	- 4.4	- 0.4	- 1.6
2002	0.1	- 3.5	4.3	- 3.2	- 1.4	- 0.2	- 2.3	2.7	- 1.9	- 0.2	- 2.7	0.0	- 2.3
2003	0.3	- 3.9	2.3	- 4.1	- 3.2	0.2	- 2.4	- 0.1	- 3.2	- 1.3	- 2.8	0.3	- 2.7
General government debt ⁶													
2001	108.1	59.4	43.9	56.8	106.9	36.1	110.6	5.5	52.9	67.1	55.6	57.5	69.4
2002	105.8	60.8	42.6	58.6	104.7	32.3	108.0	5.7	52.6	66.6	58.1	54.6	69.2
2003	100.5	64.2	45.3	63.7	103.0	32.0	106.2	4.9	54.8	65.0	59.4	50.8	70.6

Sources: National data, European Commission, Eurostat, European Central Bank. Latest data are partly based on press reports and are provisional. — ¹ Annual percentage change; GDP of Greece and Portugal is calculated from seasonally adjusted data. — ² Manufacturing, mining and energy; adjusted for working-day variations. — ³ Manufacturing, in %; seasonally adjusted; data are collected in January, April, July and October. — ⁴ France and euro area from first quarter 2004 not seasonally adjusted. — ⁵ Standardised, as a percentage of the civilian labour force; seasonally

adjusted. — ⁶ As a percentage of GDP; Maastricht Treaty definition; including proceeds from sales of UMTS licences. — ⁷ Adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the second quarter (industry in Germany: on average, -2.6%). — ⁸ Including Greece (Harmonised Index of Consumer Prices, general government financial balance and general government debt from 2001 only).

II Overall monetary survey in the euro area

1 The money stock and its counterparts *

(a) Euro area

€ billion

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) 2	Capital and reserves 3
		Total	of which Securities	Total	of which Securities								
2002 Dec	51.6	57.3	14.8	- 5.7	- 14.1	21.0	- 33.7	- 54.7	23.9	16.5	- 0.1	- 2.2	9.6
2003 Jan	53.4	30.4	5.4	23.0	21.8	8.6	19.2	10.6	15.3	- 0.8	- 2.1	6.7	11.4
Feb	51.1	35.5	4.3	15.6	17.9	10.3	66.7	56.5	11.7	7.0	- 1.2	9.9	- 4.1
Mar	45.0	37.8	6.4	7.2	6.6	13.2	5.6	- 7.6	13.8	7.3	- 1.6	14.0	- 5.9
Apr	86.7	71.2	27.3	15.5	20.9	- 2.5	41.6	44.1	6.8	- 2.9	- 2.6	10.6	1.7
May	69.4	42.8	14.3	26.6	30.7	41.9	42.9	1.1	17.9	6.6	- 1.3	19.4	- 6.7
June	12.3	25.4	- 7.1	- 13.1	- 13.8	58.1	39.5	- 18.6	17.1	2.9	- 1.6	8.8	7.0
July	36.9	14.9	- 4.4	22.0	14.0	- 37.9	- 31.2	6.6	32.1	5.3	- 2.1	19.0	9.8
Aug	1.3	11.6	4.9	- 10.3	- 3.9	- 31.6	- 70.8	- 39.2	16.7	7.7	- 1.6	3.9	6.7
Sep	58.0	32.3	1.2	25.8	24.0	19.1	30.9	11.8	26.8	0.5	- 0.6	19.6	7.3
Oct	51.0	33.5	4.2	17.5	17.8	9.9	50.6	40.7	27.7	4.9	0.1	20.8	2.0
Nov	91.3	68.0	14.8	23.3	13.7	18.1	44.2	26.1	28.7	7.9	0.2	16.5	4.2
Dec	22.8	45.0	4.9	- 22.2	- 32.2	- 11.8	- 11.5	0.3	20.5	16.6	1.1	0.4	2.3
2004 Jan	42.9	27.8	5.2	15.1	17.5	23.9	110.8	86.8	16.5	1.6	- 1.1	15.9	- 3.4
Feb	45.2	32.1	6.4	13.0	21.6	6.6	22.2	15.7	17.1	7.6	- 0.3	9.8	2.8
Mar	77.4	46.8	16.3	30.6	14.4	6.6	76.6	70.0	37.3	7.1	- 0.2	30.4	7.8
Apr	89.6	84.8	26.6	4.8	11.7	8.3	70.6	62.3	25.1	10.3	- 1.1	15.8	2.2
May	68.9	44.1	1.4	24.8	30.7	- 20.1	- 10.4	9.7	25.3	5.5	- 0.9	20.7	- 0.7
June	67.8	49.7	- 6.0	18.1	12.2	18.7	- 19.8	- 38.5	16.7	9.8	- 0.4	7.3	8.1
July	24.5	25.9	- 8.0	- 1.3	- 8.7	- 2.2	- 8.2	- 6.0	22.2	7.4	0.1	14.7	3.8

(b) German contribution

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) 2	Capital and reserves 3
		Total	of which Securities	Total	of which Securities								
2002 Dec	11.4	23.0	12.1	- 11.6	- 8.5	1.9	- 40.8	- 42.7	- 9.5	3.1	0.2	- 15.2	2.4
2003 Jan	18.3	1.8	3.1	16.4	10.8	- 3.0	9.4	12.4	4.1	- 1.6	- 2.0	3.9	3.9
Feb	0.7	7.9	- 1.3	- 7.2	0.5	10.3	20.2	9.9	4.4	6.3	- 1.2	0.8	- 1.5
Mar	4.6	2.7	- 1.2	1.9	5.1	18.7	25.2	6.5	1.7	1.9	- 1.6	- 1.1	2.6
Apr	4.9	6.6	5.9	- 1.7	- 2.6	4.5	14.7	10.1	- 2.6	- 2.0	- 2.5	0.5	1.5
May	1.9	4.0	3.0	- 2.1	2.4	27.6	22.6	- 5.0	- 2.8	- 1.6	- 1.5	4.8	- 4.4
June	- 18.0	- 0.9	- 3.0	- 17.1	- 10.0	38.5	24.6	- 13.9	4.8	0.1	- 1.4	3.7	2.4
July	0.6	- 8.4	- 0.5	9.0	- 1.6	- 24.6	- 18.6	6.0	8.7	4.9	- 2.1	4.9	1.0
Aug	- 13.6	2.7	0.9	- 16.3	- 11.0	16.7	- 20.6	- 37.3	5.7	3.2	- 1.5	2.2	1.8
Sep	17.7	12.8	- 3.6	4.9	10.8	- 1.8	10.5	12.3	2.3	- 1.3	- 0.7	9.1	- 4.8
Oct	- 1.8	- 9.3	- 3.4	7.5	4.5	6.4	- 0.2	- 6.6	3.1	0.3	0.1	2.6	0.2
Nov	24.5	15.5	5.5	8.9	2.4	7.9	12.4	4.6	3.3	0.2	0.2	3.0	- 0.1
Dec	- 10.1	0.0	1.1	- 10.2	- 7.8	11.4	12.4	1.1	- 0.2	1.5	1.0	- 2.9	0.2
2004 Jan	- 0.6	- 6.8	1.4	6.2	6.1	23.0	34.9	11.9	2.6	- 0.2	- 1.1	6.5	- 2.7
Feb	16.6	2.9	- 3.6	13.7	22.4	- 23.5	- 2.7	20.8	- 5.8	0.6	- 0.4	0.5	- 6.5
Mar	28.7	10.4	9.6	18.3	5.8	- 2.0	10.3	12.3	9.4	0.0	- 0.2	9.4	0.2
Apr	10.8	16.4	13.3	- 5.6	1.1	14.8	22.0	7.2	13.0	4.5	- 1.2	6.2	3.4
May	- 10.4	- 10.6	- 8.3	0.1	6.0	11.3	- 4.9	- 16.2	5.0	4.3	- 0.9	4.9	- 3.3
June	- 9.2	- 12.4	- 12.7	3.2	8.5	21.1	- 8.6	- 29.7	7.9	4.0	- 0.3	- 1.8	6.0
July	6.3	- 4.1	- 1.5	10.4	1.5	- 3.3	- 9.4	- 6.1	7.8	1.7	0.1	2.2	3.9

* The data in this table are based on the consolidated balance sheet of monetary financial institutions (MFIs) (Table II.2); statistical breaks have been eliminated from the flow figures (see also the "Notes on the figures" in the "Explanatory notes" in the Statistical Supplement to the Monthly Report 1, p 30). — 1 Source: ECB. — 2 Excluding MFIs' portfolios. — 3 After

deduction of inter-MFI participations. — 4 Including the counterparts of monetary liabilities of central governments. — 5 Including the monetary liabilities of central governments (Post Office, Treasury). — 6 In Germany, only savings deposits. — 7 Paper held by residents outside the euro area has been eliminated. — 8 Less German MFIs' holdings of paper issued by

II Overall monetary survey in the euro area

(a) Euro area

IV De- posits of central gov- ernments	V Other factors		VI Money stock M3 (balance I plus II less III less IV less V)											Period
	Total 4	of which Intra- Eurosystem liability/ claim related to banknote issue	Total	Money stock M2							Repo transac- tions	Money market fund shares (net) 2,7,8	Debt secur- ities with maturities of up to 2 years (incl money market paper) (net) 2,7	
				Total	Money stock M1			Deposits with an agreed maturity of up to 2 years 5	Deposits at agreed notice of up to 3 months 5,6					
					Total	Currency in cir- culation	Overnight deposits 5							
- 11.0	- 28.9	-	88.5	101.9	77.6	19.8	57.8	- 7.6	31.9	- 2.8	- 6.6	- 4.0	2002 Dec	
15.2	23.2	-	8.3	- 32.8	- 61.0	- 7.4	- 53.6	2.5	25.7	14.6	19.4	7.1	2003 Jan	
18.6	- 8.3	-	39.4	27.1	10.4	7.2	3.2	2.4	14.3	0.4	12.1	- 0.3	Feb	
- 1.1	6.5	-	38.9	54.3	47.0	7.9	39.0	- 5.8	13.2	- 9.2	4.3	- 10.5	Mar	
- 16.5	5.2	-	88.6	50.1	31.1	9.1	22.0	10.8	8.2	6.4	11.8	20.3	Apr	
10.4	25.3	-	57.7	65.3	37.5	7.4	30.0	19.1	8.8	1.3	8.8	- 17.6	May	
30.2	18.3	-	4.8	29.7	55.3	7.3	48.0	- 38.9	13.3	- 16.7	- 0.8	- 7.4	June	
- 24.6	- 14.3	-	5.9	- 4.5	- 18.9	11.1	- 30.0	3.1	11.3	5.2	10.2	- 5.0	July	
- 10.0	- 32.3	-	4.7	- 2.7	- 13.8	1.2	- 15.0	3.9	7.2	- 2.9	2.2	- 1.3	Aug	
20.9	25.1	-	4.3	16.5	45.8	2.1	43.6	- 29.6	0.3	- 4.5	- 8.9	1.2	Sep	
- 18.0	3.0	-	48.3	20.0	4.4	6.4	- 2.0	10.5	5.1	13.2	5.7	9.5	Oct	
14.6	18.5	-	47.6	52.2	49.3	7.9	41.3	- 4.1	7.1	- 1.0	- 4.3	0.8	Nov	
- 26.8	- 46.5	-	63.9	96.1	67.2	18.8	48.5	0.3	28.7	- 16.0	- 2.6	- 13.7	Dec	
20.5	40.1	-	10.2	- 45.2	- 27.0	- 8.8	- 18.2	- 21.6	17.5	6.9	9.2	4.7	2004 Jan	
18.9	- 10.2	-	25.8	- 8.1	1.7	4.3	- 2.6	- 6.1	6.7	14.0	7.5	2.0	Feb	
- 9.2	31.1	-	24.7	28.9	40.5	6.1	34.4	- 12.4	5.2	- 10.7	4.9	- 2.7	Mar	
- 4.7	22.9	-	54.7	25.9	24.4	9.8	14.6	0.4	8.3	7.2	8.9	5.4	Apr	
15.5	- 15.9	-	23.9	26.9	17.9	7.3	10.6	11.1	6.0	- 3.6	- 2.0	- 5.4	May	
29.2	11.1	-	29.4	28.6	46.3	6.3	40.0	- 25.3	12.2	- 4.0	- 5.0	5.2	June	
- 22.6	- 0.6	-	23.3	2.4	0.5	13.3	- 12.7	10.1	6.9	5.0	4.0	- 3.3	July	

(b) German contribution

IV De- posits of central gov- ernments	V Other factors			VI Money stock M3 (balance I plus II less III less IV less V) 10										Period
	Total	of which		Total	Components of the money stock							Debt securities with maturities of up to 2 years (incl money market paper)(net) 7		
		Intra- claim related to banknote issue 9,11	Currency in cir- culation		Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6	Repo transac- tions	Money market fund shares (net) 7,8					
0.0	4.7	1.5	4.3	18.5	1.4	6.8	12.8	- 3.1	- 1.0	0.9	2002 Dec			
- 0.8	15.1	0.5	- 0.7	- 3.1	- 9.3	- 4.7	4.1	5.3	2.5	- 1.1	2003 Jan			
1.4	- 14.2	2.2	1.7	19.5	5.6	- 0.7	3.0	2.3	1.3	8.1	Feb			
- 1.7	22.8	1.5	2.5	0.4	7.1	- 5.2	1.7	0.4	0.5	- 4.0	Mar			
- 1.1	4.4	0.9	2.8	8.7	8.2	- 2.0	1.1	0.0	- 0.0	1.4	Apr			
2.2	14.8	2.4	1.3	15.3	6.8	7.4	0.7	1.0	0.4	- 1.0	May			
0.4	13.3	0.6	2.8	1.9	16.4	- 11.8	1.0	- 1.5	- 0.5	- 1.6	June			
- 2.8	- 15.7	1.1	3.4	- 14.2	- 12.5	- 1.3	2.0	0.2	- 0.4	- 2.2	July			
0.6	- 4.5	2.5	- 0.1	1.2	1.7	2.9	2.7	1.5	- 0.4	- 7.2	Aug			
0.3	11.8	1.3	0.9	1.5	10.8	- 13.8	0.9	3.2	- 0.0	0.5	Sep			
- 0.7	- 3.6	1.2	1.3	5.9	3.3	- 3.5	0.9	5.6	- 0.7	0.2	Oct			
0.1	3.3	1.0	2.4	25.5	22.8	- 0.3	0.6	- 1.2	- 0.5	4.1	Nov			
0.2	4.2	0.2	4.5	- 3.0	- 10.8	3.5	8.9	- 5.9	0.2	1.2	Dec			
0.0	22.5	3.5	- 5.0	- 2.7	8.3	- 14.1	1.3	2.5	- 0.5	- 0.3	2004 Jan			
1.3	- 1.8	1.1	0.9	- 0.6	5.7	- 5.2	1.2	0.9	- 0.2	- 3.0	Feb			
0.6	12.2	1.2	2.3	4.4	1.2	- 0.1	0.1	0.8	- 0.5	3.0	Mar			
- 0.6	12.7	1.9	2.7	0.5	5.8	- 5.0	0.9	- 1.0	0.1	- 0.3	Apr			
1.0	- 10.7	1.0	2.3	5.5	- 2.7	8.7	0.2	- 0.3	0.3	- 0.8	May			
2.4	10.3	0.6	2.3	- 8.7	3.3	- 9.8	- 0.3	- 0.8	- 0.2	- 0.8	June			
- 1.0	0.0	1.7	3.6	- 3.8	- 8.5	3.8	0.5	0.6	3.9	- 4.2	July			

euro-area MFIs. — 9 Up to end-2002, including national banknotes and coins still in circulation. — 10 The German contributions to the Eurosystem's monetary aggregates should on no account be interpreted as national monetary aggregates and are therefore not comparable with the erstwhile

German money stocks M1, M2 or M3. — 11 The difference between the volume of euro banknotes actually issued by the Bundesbank and the amount disclosed in accordance with the accounting regime chosen by the Eurosystem (see also footnote 3 on banknote circulation in Table III.2).

II Overall monetary survey in the euro area

2 Consolidated balance sheet of monetary financial institutions (MFIs) *

End of year/month	Total assets or liabilities	Assets									Claims on non- euro-area residents	Other assets
		Lending to non-banks (non-MFIs) in the euro area										
		Total	Enterprises and households				General government					
Total	Loans		Debt securities 2	Shares and other equities	Total	Loans	Debt securities 3					
Euro area (€ billion) ¹												
2002 June	13,642.1	9,667.1	7,597.7	6,691.1	342.7	563.9	2,069.4	830.1	1,239.3	2,731.2	1,243.8	
July	13,678.9	9,652.9	7,586.1	6,692.6	344.4	549.1	2,066.8	828.5	1,238.3	2,755.6	1,270.3	
Aug	13,649.1	9,645.5	7,591.1	6,692.3	339.7	559.1	2,054.4	818.0	1,236.4	2,745.1	1,258.5	
Sep	13,822.3	9,700.5	7,625.2	6,726.8	349.4	549.1	2,075.3	820.8	1,254.5	2,813.5	1,308.3	
Oct	13,863.8	9,726.3	7,657.4	6,742.7	353.1	561.6	2,068.8	820.4	1,248.5	2,862.9	1,274.6	
Nov	14,010.9	9,761.7	7,678.1	6,754.5	356.7	566.9	2,083.6	829.2	1,254.4	2,936.6	1,312.6	
Dec	13,931.2	9,779.1	7,720.9	6,781.2	367.0	572.7	2,058.2	837.2	1,221.0	2,839.6	1,312.4	
2003 Jan	13,975.4	9,853.5	7,748.2	6,804.6	374.9	568.7	2,105.3	829.2	1,276.1	2,851.7	1,270.3	
Feb	14,114.0	9,905.5	7,777.8	6,831.3	381.2	565.3	2,127.7	828.6	1,299.1	2,908.7	1,299.9	
Mar	14,123.6	9,942.0	7,807.8	6,854.6	386.7	566.5	2,134.2	829.1	1,305.1	2,893.6	1,288.0	
Apr	14,227.9	10,027.6	7,880.6	6,891.0	404.1	585.5	2,147.0	823.5	1,323.5	2,905.7	1,294.7	
May	14,301.6	10,088.6	7,911.5	6,907.1	407.0	597.5	2,177.1	819.1	1,358.1	2,878.2	1,334.8	
June	14,380.6	10,102.6	7,942.3	6,942.5	406.1	593.7	2,160.3	818.0	1,342.4	2,958.5	1,319.4	
July	14,371.2	10,159.5	7,982.4	6,962.3	403.6	616.4	2,177.1	826.1	1,351.1	2,943.7	1,268.1	
Aug	14,361.1	10,167.8	8,001.5	6,975.1	407.1	619.3	2,166.3	820.0	1,346.3	2,930.5	1,262.8	
Sep	14,407.2	10,213.8	8,023.4	6,995.9	412.6	614.8	2,190.5	821.4	1,369.0	2,889.0	1,304.4	
Oct	14,492.9	10,260.8	8,057.7	7,024.7	420.3	612.7	2,203.2	821.1	1,382.1	2,951.9	1,280.1	
Nov	14,607.2	10,349.3	8,118.6	7,071.2	424.9	622.5	2,230.8	830.5	1,400.2	2,954.8	1,303.1	
Dec	14,553.6	10,361.7	8,152.6	7,102.1	426.9	623.6	2,209.1	841.7	1,367.4	2,885.0	1,306.9	
2004 Jan	14,766.4	10,411.9	8,177.1	7,117.9	426.4	632.9	2,234.8	839.4	1,395.3	3,016.1	1,338.4	
Feb	14,861.3	10,455.8	8,205.3	7,139.3	431.9	634.0	2,250.5	830.8	1,419.7	3,033.2	1,372.3	
Mar	15,063.7	10,535.5	8,255.0	7,172.5	433.1	649.4	2,280.4	845.9	1,434.5	3,151.1	1,377.1	
Apr	15,227.5	10,625.5	8,340.0	7,230.3	437.6	672.1	2,285.5	840.2	1,445.3	3,229.3	1,372.7	
May	15,251.8	10,685.4	8,377.6	7,269.1	441.9	666.6	2,307.8	834.3	1,473.5	3,196.6	1,369.8	
June	15,328.3	10,755.0	8,425.5	7,322.2	445.8	657.4	2,329.6	840.7	1,488.9	3,182.4	1,390.8	
July	15,378.8	10,781.9	8,452.7	7,355.5	448.3	648.9	2,329.2	848.1	1,481.1	3,184.0	1,412.9	
German contribution (€ billion)												
2002 June	4,291.6	3,309.3	2,596.0	2,294.8	69.7	231.6	713.3	480.4	232.8	800.0	182.3	
July	4,303.6	3,317.5	2,589.5	2,291.3	69.8	228.4	728.0	489.0	239.0	801.2	184.9	
Aug	4,307.0	3,315.3	2,594.9	2,289.8	67.1	238.0	720.4	479.8	240.6	810.2	181.5	
Sep	4,355.6	3,327.5	2,605.3	2,301.6	66.5	237.3	722.2	477.0	245.2	841.9	186.1	
Oct	4,370.5	3,332.3	2,611.3	2,299.8	69.8	241.7	721.0	480.4	240.6	850.3	188.0	
Nov	4,413.9	3,341.1	2,615.3	2,299.5	69.6	246.2	725.8	481.7	244.1	879.3	193.5	
Dec	4,359.5	3,344.6	2,630.8	2,304.4	66.6	259.8	713.8	478.4	235.4	823.8	191.1	
2003 Jan	4,360.7	3,353.2	2,623.2	2,298.5	66.1	258.7	730.0	484.0	246.1	823.2	184.3	
Feb	4,383.3	3,351.8	2,627.3	2,303.8	66.5	257.0	724.6	477.9	246.6	841.2	190.2	
Mar	4,395.2	3,351.2	2,624.8	2,302.6	67.2	255.0	726.4	474.6	251.7	861.1	182.9	
Apr	4,400.8	3,353.3	2,629.0	2,300.8	67.3	260.9	724.3	475.4	248.9	867.3	180.3	
May	4,401.1	3,351.6	2,629.9	2,298.8	67.9	263.2	721.7	470.7	251.1	871.8	177.7	
June	4,411.5	3,334.6	2,629.8	2,301.7	67.0	261.1	704.8	463.7	241.2	906.3	170.6	
July	4,391.1	3,334.6	2,620.8	2,293.4	64.4	263.0	713.9	474.3	239.6	891.4	165.1	
Aug	4,373.2	3,322.7	2,624.8	2,296.4	64.5	263.9	697.9	469.1	228.8	886.0	164.4	
Sep	4,384.6	3,337.1	2,634.6	2,309.9	64.2	260.5	702.5	463.0	239.4	877.7	169.8	
Oct	4,387.2	3,333.3	2,624.5	2,303.4	66.5	254.6	708.8	466.1	242.7	882.7	171.3	
Nov	4,409.5	3,355.4	2,637.9	2,311.5	66.9	259.5	717.5	472.5	245.0	884.0	170.2	
Dec	4,392.5	3,337.7	2,630.9	2,303.9	69.0	258.0	706.7	469.9	236.8	880.9	173.9	
2004 Jan	4,416.6	3,334.2	2,621.1	2,291.7	68.4	260.9	713.2	470.2	242.9	921.4	161.0	
Feb	4,424.0	3,346.3	2,619.5	2,295.4	67.9	256.2	726.7	461.6	265.2	916.1	161.5	
Mar	4,479.7	3,374.8	2,629.5	2,295.8	66.6	267.0	745.3	474.2	271.1	939.4	165.5	
Apr	4,514.1	3,385.7	2,646.0	2,299.2	65.4	281.5	739.6	467.5	272.2	962.8	165.7	
May	4,495.6	3,374.2	2,634.5	2,296.1	66.2	272.3	739.7	461.6	278.0	952.1	169.3	
June	4,477.8	3,364.6	2,621.6	2,295.8	66.5	259.2	742.9	456.3	286.6	944.6	168.6	
July	4,479.3	3,372.8	2,619.4	2,292.9	70.7	255.8	753.4	465.2	288.2	937.4	169.1	

* Monetary financial institutions (MFIs) comprise banks (including building and loan associations), money market funds, and the European Central Bank and national central banks (the Eurosystem). — 1 Source: ECB. — 2 Including money market paper of enterprises. — 3 Including Treasury bills and other money market paper issued by general government. — 4 From

2002, euro currency in circulation; up to end-2002, also including national banknotes and coins still in circulation (see also footnote 8 on p 12*). Excluding MFIs' cash in hand (in euro). From 2002, the German contribution includes the volume of euro banknotes put into circulation by the

II Overall monetary survey in the euro area

Liabilities											End of year/month
Currency in circulation 4	Deposits of non-banks (non-MFIs) in the euro area										
	Total	of which in euro 5	Enterprises and households								
			Total	Overnight	With agreed maturities of			At agreed notice of 6			
					up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		
Euro area (€ billion) 1											
285.7	5,749.3	5,407.9	5,438.3	1,900.8	938.5	81.5	1,155.0	1,256.3	106.2	2002 June	
296.6	5,725.7	5,384.9	5,422.5	1,872.6	948.2	82.6	1,154.1	1,258.9	106.2	July	
301.1	5,688.0	5,358.6	5,396.2	1,840.9	959.7	83.3	1,142.5	1,263.4	106.4	Aug	
306.7	5,730.1	5,399.2	5,434.7	1,894.9	941.0	82.9	1,143.6	1,265.5	106.8	Sep	
313.9	5,745.4	5,410.6	5,446.2	1,875.8	964.2	82.8	1,144.9	1,272.8	105.8	Oct	
321.4	5,799.5	5,467.0	5,504.7	1,927.1	956.8	82.4	1,148.4	1,284.7	105.3	Nov	
341.2	5,879.5	5,566.7	5,592.2	1,980.7	947.8	81.2	1,163.9	1,313.4	105.2	Dec	
312.1	5,869.8	5,536.5	5,569.2	1,956.3	953.1	76.7	1,168.2	1,311.7	103.1	2003 Jan	
319.3	5,913.0	5,560.3	5,586.5	1,956.1	952.7	75.4	1,175.6	1,324.8	101.9	Feb	
327.2	5,963.6	5,610.2	5,639.9	1,995.3	948.2	75.9	1,182.7	1,337.5	100.4	Mar	
336.3	5,979.6	5,640.1	5,671.4	2,012.8	961.3	74.1	1,179.6	1,345.8	97.7	Apr	
343.8	6,041.4	5,695.7	5,715.4	2,035.9	972.4	73.0	1,185.2	1,352.6	96.4	May	
351.0	6,100.7	5,715.9	5,744.9	2,083.6	940.3	72.4	1,188.1	1,365.6	94.8	June	
361.5	6,093.4	5,739.1	5,770.3	2,090.1	944.5	72.1	1,194.5	1,376.3	92.8	July	
362.7	6,089.4	5,741.1	5,779.3	2,078.5	951.1	72.2	1,203.9	1,382.4	91.2	Aug	
364.8	6,117.9	5,754.9	5,789.2	2,117.6	922.4	73.0	1,203.3	1,382.3	90.6	Sep	
371.2	6,118.4	5,769.3	5,806.7	2,112.8	934.7	73.9	1,208.4	1,386.3	90.6	Oct	
379.2	6,179.9	5,818.4	5,851.8	2,151.0	927.4	75.5	1,215.5	1,391.5	90.8	Nov	
397.9	6,239.4	5,916.6	5,936.2	2,191.1	921.6	74.9	1,232.2	1,424.6	91.8	Dec	
389.1	6,244.6	5,888.3	5,923.6	2,177.9	904.2	75.1	1,235.4	1,440.3	90.8	2004 Jan	
393.5	6,263.7	5,890.0	5,925.0	2,171.9	899.2	74.6	1,242.7	1,446.1	90.5	Feb	
399.6	6,290.6	5,919.1	5,966.6	2,210.5	891.9	73.2	1,250.5	1,450.2	90.3	Mar	
409.4	6,322.2	5,946.2	5,997.9	2,225.2	893.8	71.7	1,261.2	1,456.8	89.2	Apr	
416.6	6,366.8	5,978.2	6,023.1	2,235.6	900.2	71.3	1,266.1	1,461.7	88.3	May	
423.0	6,435.3	6,021.7	6,061.8	2,277.0	876.1	71.6	1,276.2	1,472.9	88.0	June	
436.2	6,418.9	6,027.6	6,070.3	2,261.6	886.8	71.0	1,283.6	1,479.4	88.0	July	
German contribution (€ billion)											
79.8	2,119.3	2,035.6	1,997.1	530.9	234.4	17.3	653.0	457.0	104.6	2002 June	
83.4	2,112.5	2,030.5	1,993.2	525.8	235.8	17.6	653.9	455.5	104.6	July	
84.3	2,098.8	2,018.1	1,979.2	521.5	239.6	17.6	640.1	455.6	104.8	Aug	
85.9	2,105.7	2,023.7	1,987.6	536.6	233.0	17.5	639.6	456.5	104.3	Sep	
87.4	2,115.1	2,035.2	2,003.0	538.0	243.7	17.5	641.5	458.8	103.5	Oct	
89.9	2,147.3	2,066.9	2,035.6	569.5	237.6	17.9	645.7	462.0	102.9	Nov	
94.2	2,170.7	2,092.1	2,054.2	567.8	242.4	18.2	648.0	474.8	103.1	Dec	
84.9	2,159.7	2,082.0	2,048.3	561.2	238.7	18.6	649.7	478.9	101.2	2003 Jan	
86.6	2,173.9	2,094.9	2,058.5	564.8	237.3	18.5	656.1	481.8	100.0	Feb	
89.0	2,175.8	2,098.2	2,063.3	572.0	232.8	18.6	657.9	483.5	98.4	Mar	
91.9	2,176.7	2,100.4	2,068.2	580.4	233.5	18.1	655.8	484.6	95.8	Apr	
93.2	2,189.4	2,112.0	2,073.9	585.9	236.9	17.8	653.8	485.3	94.3	May	
96.0	2,194.7	2,115.7	2,076.1	600.0	225.8	17.6	653.4	486.3	92.9	June	
99.4	2,183.0	2,107.8	2,071.3	591.1	225.3	17.3	658.5	488.3	90.8	July	
99.3	2,193.4	2,117.6	2,082.5	593.2	228.9	17.5	662.7	491.0	89.3	Aug	
100.2	2,188.3	2,112.7	2,079.6	603.5	217.2	17.5	661.0	491.8	88.5	Sep	
101.5	2,188.7	2,113.6	2,083.5	606.9	216.1	17.8	661.3	492.8	88.6	Oct	
103.9	2,211.8	2,137.8	2,105.1	628.8	214.6	18.3	661.2	493.4	88.9	Nov	
108.5	2,215.1	2,143.0	2,105.2	616.1	216.3	18.5	662.1	502.3	89.9	Dec	
103.5	2,209.9	2,137.7	2,102.7	626.1	202.7	18.5	662.9	503.6	88.8	2004 Jan	
104.4	2,213.0	2,140.9	2,103.8	630.1	198.8	18.3	663.3	504.7	88.5	Feb	
106.7	2,215.1	2,142.0	2,106.6	631.3	200.7	18.0	663.6	504.8	88.2	Mar	
109.3	2,219.4	2,145.3	2,112.5	637.8	196.2	17.5	668.3	505.6	87.1	Apr	
111.6	2,229.8	2,154.8	2,118.4	634.1	202.7	16.9	672.6	505.8	86.2	May	
113.8	2,229.2	2,151.6	2,114.1	636.3	193.0	16.6	676.9	505.5	85.8	June	
117.4	2,226.0	2,149.7	2,113.6	629.2	197.9	16.2	678.5	506.0	85.9	July	

Bundesbank in accordance with the accounting regime chosen by the Eurosystem (see footnote 3 on banknote circulation in Table III.2). The volume of currency actually put into circulation by the Bundesbank can be

calculated by adding to this total the item "Intra-Eurosystem liability/claim related to banknote issue" (see "Other liability items"). — 5 Excluding central governments' deposits. — 6 In Germany, only saving deposits.

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2 Consolidated balance sheet of monetary financial institutions (MFIs) (cont'd) *

Liabilities (cont'd)													
Deposits of non-banks (non-MFIs) in the euro area (cont'd)													
General government										Repo transactions with non-banks in the euro area		Debt securities	
End of year/month	Other general government								Total	of which Enterprises and households	Money market fund shares (net) ³	Total	of which denominated in euro
	Central governments	Total	Overnight	With agreed maturities of			At agreed notice of ²						
				up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months					
Euro area (€ billion) ¹													
2002 June	155.0	156.0	71.6	53.3	1.5	26.7	2.4	0.4	229.6	225.9	439.1	1,788.0	1,476.9
July	151.9	151.3	69.3	51.4	1.5	26.3	2.4	0.4	228.8	224.9	450.1	1,795.6	1,478.8
Aug	141.0	150.8	67.8	52.4	1.5	26.3	2.4	0.4	236.5	231.9	463.4	1,813.6	1,496.0
Sep	146.3	149.1	70.7	48.4	1.3	25.9	2.4	0.4	238.3	234.4	460.9	1,812.1	1,494.1
Oct	151.8	147.4	72.2	45.3	1.3	25.6	2.5	0.4	235.6	232.1	463.1	1,822.4	1,492.8
Nov	147.5	147.4	71.9	45.6	1.3	25.6	2.5	0.4	229.6	225.8	477.6	1,829.6	1,494.1
Dec	136.4	150.9	75.6	45.1	1.4	25.6	2.8	0.4	226.9	224.4	470.5	1,817.0	1,490.3
2003 Jan	154.7	145.9	71.0	45.9	1.2	24.8	2.6	0.4	232.8	229.6	534.9	1,793.5	1,481.7
Feb	175.8	150.6	72.2	49.9	1.0	24.4	2.7	0.4	233.3	229.7	547.2	1,802.1	1,485.6
Mar	176.2	147.5	71.8	47.1	0.9	24.5	2.8	0.3	224.0	220.8	550.8	1,803.1	1,485.7
Apr	159.7	148.4	75.0	45.2	1.0	24.2	2.8	0.3	230.5	227.0	563.0	1,833.9	1,516.8
May	170.1	155.9	76.9	50.8	0.9	24.1	2.8	0.3	231.7	228.2	571.1	1,819.2	1,514.8
June	200.3	155.5	80.1	46.8	0.9	24.6	2.8	0.3	215.0	212.1	571.0	1,829.0	1,514.1
July	173.0	150.1	75.2	46.4	0.9	24.5	2.8	0.3	219.9	216.4	585.6	1,844.7	1,515.7
Aug	163.0	147.0	73.4	45.7	0.9	23.9	2.8	0.3	217.1	214.2	587.8	1,858.1	1,512.7
Sep	183.9	144.9	74.8	42.0	1.0	23.9	2.8	0.3	211.5	207.9	576.9	1,860.2	1,518.5
Oct	165.8	145.9	78.1	39.9	0.9	23.9	2.8	0.4	224.7	221.1	582.3	1,893.8	1,539.0
Nov	180.4	147.7	80.0	39.6	0.9	24.0	2.9	0.3	224.7	220.9	584.7	1,902.5	1,552.4
Dec	153.6	149.6	79.7	41.5	0.9	24.3	2.9	0.4	208.7	206.4	581.8	1,873.2	1,534.2
2004 Jan	174.1	146.9	78.4	41.2	0.9	23.2	2.9	0.3	214.6	211.9	591.6	1,899.6	1,548.2
Feb	193.0	145.7	76.7	41.3	0.9	23.5	3.0	0.4	228.6	225.3	599.2	1,910.1	1,558.2
Mar	183.8	140.3	73.5	39.1	0.9	23.3	3.1	0.4	217.9	214.3	602.1	1,948.1	1,576.1
Apr	179.6	144.7	77.7	39.2	1.0	23.1	3.2	0.4	225.5	222.5	611.4	1,972.6	1,586.2
May	195.1	148.5	78.3	42.5	1.0	23.1	3.3	0.4	221.9	218.5	609.5	1,982.9	1,589.0
June	224.3	149.2	81.1	40.6	1.0	22.8	3.3	0.4	217.9	214.4	608.6	1,996.4	1,599.2
July	201.7	146.9	77.6	41.4	1.0	22.9	3.4	0.4	222.9	219.5	613.3	2,012.3	1,607.3
German contribution (€ billion)													
2002 June	48.7	73.5	13.8	34.1	1.1	22.6	1.6	0.4	4.1	4.1	31.2	808.9	712.2
July	47.6	71.7	13.9	32.3	1.0	22.5	1.5	0.4	3.1	3.1	31.4	817.3	715.7
Aug	48.9	70.7	13.0	32.2	1.0	22.6	1.6	0.4	4.3	4.3	32.9	840.1	733.6
Sep	49.9	68.2	13.1	30.0	0.9	22.2	1.6	0.4	10.7	10.7	33.5	841.1	733.7
Oct	48.3	63.7	12.8	26.0	0.9	22.0	1.6	0.4	9.6	9.6	34.0	844.6	730.7
Nov	47.7	64.1	13.1	26.2	0.9	21.9	1.6	0.4	6.4	6.4	33.9	844.9	728.7
Dec	47.7	68.7	15.7	27.7	1.0	22.2	1.6	0.4	3.3	3.3	32.9	826.4	716.6
2003 Jan	46.9	64.5	12.7	26.9	1.0	21.8	1.7	0.4	8.6	8.6	35.5	817.6	702.1
Feb	48.3	67.2	14.8	28.0	0.7	21.7	1.7	0.4	10.9	10.9	36.7	825.8	710.3
Mar	46.6	65.9	14.5	27.1	0.7	21.6	1.6	0.3	11.2	11.2	37.3	819.4	701.0
Apr	45.5	63.1	14.1	24.9	0.7	21.5	1.6	0.3	11.3	11.3	37.2	818.7	699.8
May	47.7	67.8	14.8	28.9	0.7	21.5	1.6	0.3	12.3	12.3	37.7	814.0	698.7
June	48.1	70.5	17.4	28.4	0.7	22.1	1.6	0.3	10.8	10.8	37.2	819.6	699.7
July	45.3	66.3	14.0	27.9	0.6	21.9	1.6	0.3	10.9	10.9	36.8	822.7	696.4
Aug	46.0	65.0	14.0	27.1	0.6	21.2	1.7	0.3	12.4	12.4	36.4	821.8	688.4
Sep	46.3	62.5	13.9	24.7	0.7	21.2	1.7	0.3	15.6	15.6	36.3	825.6	689.8
Oct	45.5	59.7	13.8	22.1	0.6	21.2	1.6	0.4	21.1	21.1	35.7	829.7	692.4
Nov	45.7	61.0	14.4	22.6	0.6	21.4	1.6	0.3	20.0	20.0	35.2	833.2	698.6
Dec	45.9	64.0	15.8	23.9	0.6	21.6	1.6	0.4	14.1	14.1	35.3	826.4	693.3
2004 Jan	46.0	61.3	14.4	23.6	0.6	20.7	1.7	0.3	16.6	16.6	34.9	836.4	695.5
Feb	47.3	62.0	15.2	23.3	0.6	20.9	1.7	0.4	17.5	17.5	34.7	833.7	695.2
Mar	47.9	60.6	15.4	21.7	0.6	20.7	1.8	0.4	18.2	18.2	34.2	851.5	698.5
Apr	47.3	59.7	14.9	21.4	0.6	20.6	1.8	0.4	17.3	17.3	34.2	858.7	698.9
May	48.3	63.1	15.7	24.1	0.6	20.5	1.8	0.4	17.0	17.0	34.6	861.5	701.5
June	50.7	64.4	17.3	24.0	0.6	20.3	1.8	0.4	16.1	16.1	34.4	859.1	697.1
July	49.7	62.6	15.6	23.7	0.6	20.4	1.9	0.4	16.8	16.8	38.3	860.1	692.4

* Monetary financial institutions (MFIs) comprise banks (including building and loan associations), money market funds, and the European Central Bank and national central banks (the Eurosystem). — ¹ Source: ECB. — ² In Germany, only savings deposits. — ³ Excluding holdings of MFIs; for the German contribution, excluding German MFIs' portfolios of securities issued by MFIs in the euro area. — ⁴ In Germany, bank debt securities with maturities of up to one year are classed as money market paper; up to the January 2002 *Monthly Report*, they were published in this table together

with money market fund shares. — ⁵ Excluding liabilities arising from securities issued. — ⁶ After deduction of inter-MFI participations. — ⁷ The German contributions to the Eurosystem's monetary aggregates should on no account be interpreted as national monetary aggregates and are therefore not comparable with the erstwhile German money stocks M1, M2 or M3. — ⁸ From 2003, including DM banknotes still in circulation (see also footnote 4 on p 10*). — ⁹ For the German contribution, the difference

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issued (net) ³								Memo item					End of year/month
								With maturities of		Liabilities to non-euro-area residents ⁵	Capital and reserves ⁶	Excess of inter-MFI liabilities	
up to 1 year ⁴	over 1 year and up to 2 years	over 2 years	Total ⁸	of which Intra-Eurosystem-liability/claim related to banknote issue ⁹	M1 ¹⁰	M2 ¹¹	M3 ¹²						
Euro area (€ billion) ¹													
...	...	1,654.6	2,620.0	985.8	10.7	1,533.6	-	2,349.7	4,767.8	5,569.3	3,929.4	176.5	2002 June
...	...	1,669.1	2,648.3	993.4	- 2.9	1,542.7	-	2,328.0	4,757.9	5,562.3	3,950.5	174.9	July
...	...	1,685.7	2,616.3	1,004.3	- 0.2	1,525.4	-	2,301.2	4,749.7	5,576.1	3,967.0	177.7	Aug
...	...	1,679.0	2,674.3	1,015.9	- 5.0	1,588.0	-	2,364.1	4,791.4	5,622.0	3,973.4	178.3	Sep
...	...	1,687.5	2,697.5	1,014.0	3.3	1,568.2	-	2,354.8	4,810.4	5,642.8	3,979.4	180.3	Oct
...	...	1,695.4	2,737.3	1,016.2	- 3.4	1,601.5	-	2,414.5	4,875.0	5,713.3	3,994.4	181.8	Nov
...	...	1,686.9	2,627.0	1,006.4	10.8	1,550.9	-	2,499.4	4,981.0	5,806.0	3,990.8	192.4	Dec
...	...	1,682.7	2,662.6	1,016.9	10.0	1,541.9	-	2,440.8	4,923.8	5,800.7	3,997.7	192.8	2003 Jan
...	...	1,692.1	2,714.3	1,010.3	13.5	1,560.5	-	2,451.2	4,950.8	5,840.4	4,005.7	197.4	Feb
...	...	1,702.0	2,694.1	999.6	14.1	1,546.1	-	2,497.5	5,003.5	5,877.7	4,011.2	199.3	Mar
...	...	1,708.4	2,715.1	997.0	- 20.9	1,592.6	-	2,527.2	5,050.6	5,967.9	4,008.9	198.1	Apr
...	...	1,710.6	2,653.5	993.6	- 4.3	1,649.9	-	2,561.5	5,108.7	6,016.5	4,013.8	200.4	May
...	...	1,728.5	2,672.2	997.6	16.3	1,625.9	-	2,605.4	5,129.3	6,012.3	4,037.6	186.6	June
...	...	1,750.2	2,682.1	999.8	5.2	1,577.2	-	2,584.8	5,123.5	6,019.8	4,065.7	154.4	July
...	...	1,765.3	2,680.5	1,014.3	- 3.6	1,553.2	-	2,573.2	5,125.2	6,019.7	4,102.1	156.2	Aug
...	...	1,765.8	2,639.7	1,016.6	5.4	1,612.6	-	2,615.6	5,136.1	6,015.8	4,103.7	156.3	Sep
...	...	1,790.5	2,690.4	1,014.1	9.3	1,587.3	-	2,620.4	5,157.1	6,065.0	4,130.3	157.3	Oct
...	...	1,800.1	2,685.3	1,014.3	4.6	1,631.3	-	2,667.8	5,205.3	6,115.7	4,146.5	158.1	Nov
...	...	1,784.5	2,637.2	1,010.8	6.5	1,597.6	-	2,729.5	5,298.1	6,176.3	4,145.0	162.9	Dec
...	...	1,807.2	2,750.5	1,004.8	2.3	1,669.2	-	2,703.1	3,590.9	6,168.9	4,162.7	161.8	2004 Jan
...	...	1,816.5	2,766.5	1,008.0	6.1	1,685.7	-	2,703.5	3,582.4	6,193.3	4,182.6	166.4	Feb
...	...	1,857.8	2,857.3	1,025.9	9.3	1,712.9	-	2,745.7	3,612.9	6,220.0	4,248.5	168.2	Mar
...	...	1,877.3	2,937.3	1,021.8	2.2	1,725.0	-	2,770.9	3,639.3	6,276.1	4,273.4	166.4	Apr
...	...	1,892.5	2,932.2	1,016.1	4.5	1,701.2	-	2,787.8	3,664.2	6,297.0	4,287.3	166.0	May
...	...	1,900.9	2,896.5	1,027.0	- 7.6	1,731.4	-	2,834.7	3,692.9	6,330.3	4,316.2	163.2	June
...	...	1,920.8	2,901.2	1,032.1	5.2	1,736.6	-	2,835.3	3,695.8	6,354.6	4,348.9	169.9	July
German contribution (€ billion)													
26.8	38.1	743.9	687.5	265.5	- 24.8	399.9	16.7	544.6	1,290.0	1,390.4	1,790.1	-	2002 June
26.0	38.7	752.7	705.5	267.7	- 39.0	405.0	18.8	539.7	1,283.4	1,382.7	1,801.9	-	July
28.4	37.5	774.2	698.7	272.4	- 50.5	410.3	22.0	534.5	1,282.0	1,385.1	1,814.5	-	Aug
28.4	36.8	775.9	713.1	274.4	- 48.6	425.8	24.1	549.6	1,289.2	1,397.9	1,816.9	-	Sep
32.2	37.1	775.2	706.5	272.8	- 42.1	430.1	26.2	550.8	1,299.3	1,411.9	1,815.4	-	Oct
32.1	38.1	774.7	716.9	274.2	- 47.5	437.8	27.6	582.6	1,328.8	1,438.8	1,819.8	-	Nov
32.1	39.0	755.3	661.0	277.7	- 56.9	444.3	29.1	583.5	1,349.2	1,456.6	1,806.8	-	Dec
26.9	37.4	753.4	670.1	283.0	- 50.3	436.6	29.6	574.0	1,339.7	1,448.0	1,809.5	-	2003 Jan
34.6	37.7	753.4	679.1	279.5	- 63.2	440.5	31.9	579.5	1,347.5	1,467.5	1,811.1	-	Feb
31.9	36.5	751.0	682.6	280.3	- 48.9	437.6	33.3	586.5	1,350.9	1,467.7	1,809.6	-	Mar
33.5	36.3	748.9	686.4	281.1	- 55.5	444.9	34.2	594.5	1,357.8	1,476.1	1,803.5	-	Apr
32.2	34.1	747.7	666.8	277.5	- 43.6	447.0	36.6	600.7	1,371.8	1,488.0	1,795.1	-	May
33.0	31.6	754.9	661.1	279.0	- 42.6	451.8	37.3	617.5	1,377.9	1,490.5	1,802.6	-	June
30.6	31.7	760.4	668.9	280.4	- 63.1	451.5	38.4	605.0	1,366.0	1,476.0	1,812.5	-	July
25.7	29.5	766.7	640.5	285.5	- 67.4	450.4	40.8	607.2	1,374.0	1,477.8	1,825.8	-	Aug
26.4	29.3	770.0	639.8	279.8	- 60.1	459.3	42.2	617.3	1,370.9	1,478.4	1,820.9	-	Sep
25.7	30.1	773.9	638.2	279.6	- 63.5	457.6	43.4	620.7	1,371.7	1,484.4	1,825.0	-	Oct
28.6	31.5	773.1	635.5	279.6	- 70.8	465.2	44.4	643.2	1,394.3	1,509.6	1,824.4	-	Nov
30.0	31.3	765.1	625.5	279.6	- 67.8	464.3	44.6	631.9	1,395.2	1,505.9	1,818.7	-	Dec
31.2	29.8	775.4	642.8	276.3	- 47.1	446.8	48.1	640.5	1,391.1	1,503.6	1,824.6	-	2004 Jan
26.7	31.3	775.8	663.0	270.2	- 60.8	452.6	49.2	645.3	1,392.7	1,502.8	1,819.0	-	Feb
29.6	31.4	790.6	680.7	273.8	- 54.5	460.7	50.4	646.8	1,394.2	1,507.6	1,837.3	-	Mar
29.8	31.1	797.7	690.9	274.2	- 52.8	472.2	52.3	652.7	1,395.8	1,508.3	1,848.3	-	Apr
27.6	32.3	801.5	671.6	270.6	- 61.3	471.9	53.3	649.8	1,401.8	1,513.4	1,851.8	-	May
29.5	29.7	799.9	642.5	276.7	- 54.5	474.3	53.9	653.5	1,395.1	1,504.7	1,860.1	-	June
27.2	27.7	805.2	638.2	280.6	- 59.0	478.3	55.6	644.8	1,391.0	1,501.0	1,871.1	-	July

between the volume of euro banknotes actually issued by the Bundesbank and the amount disclosed in accordance with the accounting regime chosen by the Eurosystem (see also footnote 3 on banknote circulation in Table III.2). — **10** Overnight deposits (excluding central governments' deposits), and (for the euro area) currency in circulation, central governments' overnight monetary liabilities, which are not included in the consolidated balance sheet. — **11** M1 plus deposits with agreed maturities of up to 2

years and at agreed notice of up to 3 months (excluding central governments' deposits) and (for the euro area) central governments' monetary liabilities with such maturities. — **12** M2 plus repo transactions, money market fund shares, money market paper and debt securities up to 2 years. — **13** Deposits with agreed maturities of over 2 years and at agreed notice of over 3 months, debt securities with maturities of over 2 years, capital and reserves. — **14** Non-existent in Germany.

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 3 Banking system's liquidity position *
Stocks

€ billion; period averages of daily positions

Reserve maintenance period ending in 1	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) 5	Base money 6
	Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation 3	Central government deposits	Other factors (net) 4		
		Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations							
Eurosystem 2												
2002 Apr	395.4	112.7	60.0	0.4	–	0.2	–	285.9	55.9	95.3	131.2	417.3
May	397.7	110.6	60.0	0.1	–	0.3	–	293.7	49.2	93.5	131.7	425.6
June	396.2	112.6	60.0	0.5	–	0.4	–	300.8	45.1	91.2	131.8	433.0
July	369.1	130.4	60.0	0.2	–	0.2	–	313.4	54.4	60.3	131.4	445.0
Aug	360.0	139.2	55.2	0.1	–	0.1	–	322.7	50.9	50.8	129.9	452.8
Sep	362.3	140.9	50.8	0.1	–	0.2	–	323.6	49.1	51.7	129.6	453.4
Oct	370.0	146.1	45.3	0.1	–	0.1	–	329.2	45.6	58.2	128.3	457.6
Nov	372.1	147.5	45.0	0.1	–	0.1	–	334.0	42.8	58.6	129.3	463.4
Dec	371.5	168.1	45.0	1.1	2.0	0.2	–	350.7	51.7	55.5	129.5	480.5
2003 Jan	360.9	176.3	45.0	0.5	–	0.3	–	353.9	43.7	53.3	131.6	485.8
Feb	356.4	168.6	45.0	0.3	–	0.3	–	340.7	50.2	48.0	131.1	472.2
Mar	352.5	179.5	45.0	0.2	–	0.1	–	347.8	59.1	40.6	129.6	477.5
Apr	337.4	179.4	45.0	0.1	–	0.2	–	358.5	52.1	20.5	130.6	489.3
May	333.1	177.1	45.0	0.4	–	0.2	0.1	366.2	42.6	15.5	130.9	497.3
June	331.3	194.7	45.0	0.4	–	0.3	0.2	373.2	52.6	13.2	131.9	505.3
July	320.4	204.7	45.0	0.4	–	0.3	–	382.7	52.4	2.9	132.2	515.2
Aug	315.8	213.4	45.0	0.2	–	0.1	–	391.6	51.5	– 1.6	132.8	524.6
Sep	315.0	214.0	45.0	0.1	–	0.6	–	391.7	54.4	– 4.4	132.0	524.2
Oct	321.3	208.4	45.0	0.1	–	0.2	–	395.5	48.3	– 1.1	131.9	527.5
Nov	321.8	205.8	45.0	0.1	–	0.3	–	399.4	43.4	– 2.2	131.8	531.4
Dec	320.1	235.5	45.0	0.6	–	0.1	–	416.1	57.0	– 4.5	132.6	548.7
2004 Jan	309.2	232.6	45.0	0.3	–	0.1	–	427.6	37.0	– 11.2	133.6	561.4
Feb	303.3	219.4	56.7	0.4	–	0.2	–	418.0	48.6	– 21.1	134.1	552.3
Mar	301.4	217.9	67.1	0.4	–	0.4	–	425.3	51.5	– 25.7	135.3	561.0
Apr	310.7	213.2	75.0	0.1	–	0.1	0.4	436.4	46.0	– 18.9	135.0	571.5
May	311.3	224.7	75.0	0.1	–	0.5	–	442.5	52.2	– 21.1	137.1	580.1
June	308.2	245.4	75.0	0.3	–	0.1	–	449.1	65.0	– 24.1	138.8	588.1
July	300.8	253.6	75.0	0.0	–	0.2	–	460.9	61.1	– 31.8	139.1	600.1
Aug												
Deutsche Bundesbank												
2002 Apr	92.3	57.6	40.4	0.3	–	0.2	–	80.8	0.1	71.8	37.9	118.8
May	92.3	53.1	39.7	0.1	–	0.3	–	83.8	0.1	63.1	38.0	122.0
June	91.6	60.6	38.8	0.1	–	0.3	–	85.4	0.1	67.3	38.1	123.8
July	84.7	67.6	37.1	0.2	–	0.2	–	89.2	0.1	62.0	38.1	127.5
Aug	82.5	63.1	36.4	0.0	–	0.1	–	92.2	0.1	51.8	37.9	130.2
Sep	82.4	64.4	32.7	0.1	–	0.1	–	92.4	0.0	49.1	37.9	130.4
Oct	84.0	69.0	31.7	0.1	–	0.1	–	94.0	0.1	53.0	37.6	131.6
Nov	84.3	73.2	31.6	0.1	–	0.1	–	94.6	0.1	56.5	37.9	132.6
Dec	84.4	91.1	33.8	0.9	0.7	0.2	–	99.3	0.1	73.5	37.8	137.3
2003 Jan	82.3	85.1	36.1	0.5	–	0.1	–	98.3	0.1	66.9	38.6	137.0
Feb	81.4	81.6	36.5	0.2	–	0.3	–	95.5	0.1	65.6	38.3	134.1
Mar	81.4	90.0	34.9	0.1	–	0.1	–	97.5	0.1	70.9	37.9	135.5
Apr	78.5	95.6	32.3	0.1	–	0.2	–	100.7	0.1	67.4	38.2	139.1
May	77.6	98.8	32.4	0.4	–	0.1	0.1	102.5	0.1	68.4	38.1	140.7
June	77.2	112.4	32.9	0.3	–	0.2	0.1	104.4	0.1	79.8	38.3	142.8
July	74.3	115.5	32.4	0.3	–	0.2	–	107.1	0.1	77.1	38.2	145.4
Aug	73.7	111.0	29.6	0.2	–	0.1	–	109.6	0.1	66.5	38.2	147.9
Sep	73.9	114.0	29.1	0.1	–	0.4	–	109.8	0.1	69.2	37.7	147.9
Oct	75.7	106.5	29.7	0.1	–	0.2	–	110.8	0.1	63.4	37.5	148.4
Nov	76.1	102.3	30.8	0.0	–	0.2	–	111.5	0.1	60.0	37.5	149.1
Dec	76.1	118.3	30.9	0.3	–	0.1	–	115.9	0.1	72.2	37.4	153.4
2004 Jan	73.1	119.5	32.3	0.2	–	0.1	–	116.2	0.1	70.9	37.9	154.1
Feb	72.4	109.7	41.3	0.2	–	0.2	–	113.5	0.1	72.0	37.9	151.5
Mar	72.9	97.9	48.7	0.2	–	0.3	–	115.8	0.1	65.7	37.8	153.9
Apr	75.4	100.7	51.8	0.0	–	0.0	0.1	119.3	0.1	70.9	37.7	157.0
May	75.6	115.6	49.4	0.1	–	0.3	–	121.2	0.1	80.9	38.3	159.9
June	74.6	127.9	49.6	0.2	–	0.0	–	122.7	0.1	91.1	38.5	161.1
July	72.1	136.9	50.3	0.0	–	0.1	–	126.2	0.1	94.7	38.3	164.6
Aug												

Discrepancies may arise from rounding. — * The banking system's liquidity position is defined as the current account holdings in euro of euro-area credit institutions with the Eurosystem. Amounts are derived from the consolidated financial statement of the Eurosystem and the financial statement of the Bundesbank. — 1 Figures are daily averages for the reserve maintenance period ending in the month indicated. Owing to the changeover to the new operational framework for monetary policy, there is no reserve

maintenance period ending in February 2004. 2 Source: ECB. — 3 From 2002, euro banknotes and other banknotes which have been issued by the national central banks of the Eurosystem and which are still in circulation. In accordance with the accounting procedure chosen by the Eurosystem for the issue of euro banknotes, 8% of the total value of the euro banknotes in circulation are allocated on a monthly basis to the ECB. The counterpart of this adjustment is shown under "Other factors". The remaining 92%

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Flows

Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) ⁵	Base money ⁶	Reserve maintenance period ending in ¹
Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation ³	Central government deposits	Other factors (net) ⁴			
	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations								
Eurosystem ²												
+ 8.7	- 1.9	- 0.0	+ 0.2	-	+ 0.1	-	+ 2.6	+ 1.7	+ 3.5	- 0.9	+ 1.7	2002 Apr
+ 2.3	- 2.1	- 0.0	- 0.3	-	+ 0.1	-	+ 7.8	- 6.7	- 1.8	+ 0.5	+ 8.3	May
- 1.5	+ 2.0	+ 0.0	+ 0.4	-	+ 0.1	-	+ 7.1	- 4.1	- 2.3	+ 0.1	+ 7.4	June
- 27.1	+ 17.8	- 0.0	- 0.3	-	- 0.2	-	+ 12.6	+ 9.3	- 30.9	- 0.4	+ 12.0	July
+ 9.1	+ 8.8	- 4.8	- 0.1	-	- 0.1	-	+ 9.3	- 3.5	- 9.5	- 1.5	+ 7.8	Aug
+ 2.3	+ 1.7	- 4.4	+ 0.0	-	+ 0.1	-	+ 0.9	- 1.8	+ 0.9	- 0.3	+ 0.6	Sep
+ 7.7	+ 5.2	- 5.5	- 0.0	-	- 0.1	-	+ 5.6	- 3.5	+ 6.5	- 1.3	+ 4.2	Oct
+ 2.1	+ 1.4	- 0.3	+ 0.0	-	- 0.0	-	+ 4.8	- 2.8	+ 0.4	+ 1.0	+ 5.8	Nov
- 0.6	+ 20.6	+ 0.0	+ 1.0	+ 2.0	+ 0.1	-	+ 16.7	+ 8.9	- 3.1	+ 0.2	+ 17.1	Dec
- 10.6	+ 8.2	± 0.0	- 0.6	- 2.0	+ 0.1	-	+ 3.2	- 8.0	- 2.2	+ 2.1	+ 5.3	2003 Jan
- 4.5	- 7.7	± 0.0	- 0.2	-	+ 0.0	-	- 13.2	+ 6.5	- 5.3	- 0.5	- 13.6	Feb
- 3.9	+ 10.9	± 0.0	- 0.1	-	- 0.2	-	+ 7.1	+ 8.9	- 7.4	- 1.5	+ 5.3	Mar
- 15.1	- 0.1	- 0.0	- 0.1	-	+ 0.1	-	+ 10.7	- 7.0	- 20.1	+ 1.0	+ 11.8	Apr
- 4.3	- 2.3	- 0.0	+ 0.3	-	- 0.0	+ 0.1	+ 7.7	- 9.5	- 5.0	+ 0.3	+ 8.0	May
- 1.8	+ 17.6	+ 0.0	- 0.0	-	+ 0.1	+ 0.1	+ 7.0	+ 10.0	- 2.3	+ 1.0	+ 8.0	June
- 10.9	+ 10.0	- 0.0	+ 0.0	-	- 0.0	- 0.2	+ 9.5	- 0.2	- 10.3	+ 0.3	+ 9.9	July
- 4.6	+ 8.7	- 0.0	- 0.2	-	- 0.2	-	+ 8.9	- 0.9	- 4.5	+ 0.6	+ 9.4	Aug
- 0.8	+ 0.6	- 0.0	- 0.1	-	+ 0.5	-	+ 0.1	+ 2.9	- 2.8	- 0.8	- 0.4	Sep
+ 6.3	- 5.6	+ 0.0	+ 0.0	-	- 0.4	-	+ 3.8	- 6.1	+ 3.3	- 0.1	+ 3.3	Oct
+ 0.5	- 2.6	- 0.0	- 0.0	-	+ 0.1	-	+ 3.9	- 4.9	- 1.1	- 0.1	+ 3.9	Nov
- 1.7	+ 29.7	+ 0.0	+ 0.5	-	- 0.2	-	+ 16.7	+ 13.6	- 2.3	+ 0.8	+ 17.3	Dec
- 10.9	- 2.9	± 0.0	- 0.3	-	+ 0.0	-	+ 11.5	- 20.0	- 6.7	+ 1.0	+ 12.7	2004 Jan
- 5.9	- 13.2	+ 11.7	+ 0.1	-	+ 0.1	-	- 9.6	+ 11.6	- 9.9	+ 0.5	- 9.1	Feb
- 1.9	- 1.5	+ 10.4	- 0.0	-	+ 0.2	-	+ 7.3	+ 2.9	- 4.6	+ 1.2	+ 8.7	Mar
+ 9.3	- 4.7	+ 7.9	- 0.3	-	- 0.3	+ 0.4	+ 11.1	- 5.5	+ 6.8	- 0.3	+ 10.5	Apr
+ 0.6	+ 11.5	+ 0.0	+ 0.1	-	+ 0.4	- 0.4	+ 6.1	+ 6.2	- 2.2	+ 2.1	+ 8.6	May
- 3.1	+ 20.7	- 0.0	+ 0.2	-	- 0.4	-	+ 6.6	+ 12.8	- 3.0	+ 1.7	+ 8.0	June
- 7.4	+ 8.2	± 0.0	- 0.3	-	+ 0.1	-	+ 11.8	- 3.9	- 7.7	+ 0.3	+ 12.0	July
Deutsche Bundesbank												
+ 2.4	- 0.9	- 0.3	+ 0.1	-	+ 0.1	-	+ 1.0	+ 0.0	+ 0.6	- 0.4	+ 0.7	2002 Apr
- 0.0	- 4.5	- 0.7	- 0.2	-	+ 0.1	-	+ 3.0	+ 0.0	- 8.7	+ 0.1	+ 3.3	May
- 0.7	+ 7.5	- 0.9	+ 0.1	-	- 0.0	-	+ 1.6	- 0.0	+ 4.2	+ 0.2	+ 1.8	June
- 6.9	+ 7.0	- 1.7	+ 0.0	-	- 0.1	-	+ 3.8	+ 0.0	- 5.3	- 0.1	+ 3.7	July
- 2.2	- 4.5	- 0.7	- 0.1	-	- 0.1	-	+ 3.0	- 0.0	- 10.2	- 0.2	+ 2.7	Aug
- 0.1	+ 1.3	- 3.7	+ 0.0	-	+ 0.1	-	+ 0.2	- 0.0	- 2.8	- 0.0	+ 0.2	Sep
+ 1.6	+ 4.6	- 1.0	+ 0.0	-	- 0.0	-	+ 1.5	+ 0.0	+ 3.9	- 0.3	+ 1.2	Oct
+ 0.4	+ 4.3	- 0.1	- 0.0	-	- 0.0	-	+ 0.7	+ 0.0	+ 3.5	+ 0.3	+ 1.0	Nov
+ 0.1	+ 17.8	+ 2.2	+ 0.9	+ 0.7	+ 0.1	-	+ 4.7	± 0.0	+ 17.1	- 0.2	+ 4.6	Dec
- 2.1	- 6.0	+ 2.4	- 0.5	- 0.7	- 0.0	-	- 1.0	- 0.0	- 6.7	+ 0.8	- 0.2	2003 Jan
- 0.9	- 3.4	+ 0.4	- 0.2	-	+ 0.1	-	- 2.8	- 0.0	- 1.2	- 0.3	- 2.9	Feb
+ 0.0	+ 8.4	- 1.6	- 0.1	-	- 0.2	-	+ 2.0	+ 0.0	+ 5.2	- 0.4	+ 1.4	Mar
- 2.8	+ 5.6	- 2.6	- 0.1	-	+ 0.1	-	+ 3.2	± 0.0	- 3.5	+ 0.3	+ 3.6	Apr
- 0.9	+ 3.2	+ 0.1	+ 0.3	-	- 0.0	+ 0.1	+ 1.8	+ 0.0	+ 1.0	- 0.1	+ 1.6	May
- 0.4	+ 13.6	+ 0.5	- 0.1	-	+ 0.1	+ 0.1	+ 1.9	+ 0.0	+ 11.4	+ 0.1	+ 2.1	June
- 2.9	+ 3.1	- 0.4	- 0.0	-	- 0.0	- 0.1	+ 2.7	- 0.0	- 2.7	- 0.1	+ 2.6	July
- 0.6	- 4.6	- 2.8	- 0.1	-	- 0.1	-	+ 2.5	+ 0.0	- 10.5	+ 0.1	+ 2.5	Aug
+ 0.2	+ 3.1	- 0.5	- 0.1	-	+ 0.3	-	+ 0.2	- 0.0	+ 2.7	- 0.5	- 0.0	Sep
+ 1.8	- 7.5	+ 0.6	+ 0.0	-	- 0.2	-	+ 1.0	- 0.0	- 5.7	- 0.2	+ 0.6	Oct
+ 0.4	- 4.3	+ 1.2	- 0.0	-	- 0.0	-	+ 0.7	+ 0.0	- 3.4	+ 0.0	+ 0.7	Nov
+ 0.0	+ 16.0	+ 0.0	+ 0.3	-	- 0.1	-	+ 4.4	+ 0.0	+ 12.1	- 0.1	+ 4.2	Dec
- 3.0	+ 1.2	+ 1.4	- 0.1	-	+ 0.0	-	+ 0.2	- 0.0	- 1.2	+ 0.5	+ 0.7	2004 Jan
- 0.8	- 9.8	+ 9.0	+ 0.1	-	+ 0.1	-	- 2.7	+ 0.0	+ 1.0	+ 0.0	- 2.6	Feb
+ 0.5	- 11.8	+ 7.4	- 0.0	-	+ 0.2	-	+ 2.4	- 0.0	- 6.3	- 0.1	+ 2.4	Mar
+ 2.5	+ 2.9	+ 3.1	- 0.2	-	- 0.3	+ 0.1	+ 3.4	- 0.0	+ 5.2	- 0.1	+ 3.1	Apr
+ 0.2	+ 14.9	- 2.4	+ 0.1	-	+ 0.3	- 0.1	+ 1.9	+ 0.0	+ 10.0	+ 0.7	+ 2.9	May
- 1.0	+ 12.3	+ 0.1	+ 0.0	-	- 0.3	-	+ 1.5	- 0.0	+ 10.2	+ 0.1	+ 1.3	June
- 2.5	+ 9.0	+ 0.7	- 0.1	-	+ 0.0	-	+ 3.6	- 0.0	+ 3.6	- 0.1	+ 3.5	July

of the value of the euro banknotes in circulation is allocated, likewise on a monthly basis, to the NCBs, with each NCB showing in its balance sheet the percentage of the euro banknotes in circulation that corresponds to its paid-up share in the ECB's capital. The difference between the value of the euro banknotes allocated to an NCB and the value of the euro banknotes which that NCB has put into circulation is likewise shown under "Other

factors". From 2003 euro banknotes only. — ⁴ Remaining items in the consolidated financial statement of the Eurosystem and the financial statement of the Bundesbank. — ⁵ Equal to the difference between the sum of liquidity-providing factors and the sum of liquidity-absorbing factors. — ⁶ Calculated as the sum of the "deposit facility", "banknotes in circulation" and "credit institutions' current account holdings".

III Consolidated financial statement of the Eurosystem
1 Assets *

€ billion

On reporting date/ End of month 1	Total assets	Gold and gold receivables	Claims on non-euro-area residents denominated in foreign currency			Claims on euro-area residents denominated in foreign currency	Claims on non-euro-area residents denominated in euro		
			Total	Receivables from the IMF	Balances with banks, security investments, external loans and other external assets		Total	Balances with banks, security investments and loans	Claims arising from the credit facility under ERM II
Eurosystem ²									
2004 Jan 2	3 838.3	130.3	3 176.8	3 29.1	3 147.7	17.4	6.3	6.3	-
9	812.0	130.3	176.4	29.1	147.3	18.4	6.5	6.5	-
16	812.6	130.3	178.0	29.1	148.9	17.6	7.5	7.5	-
23	823.3	130.3	176.3	29.0	147.3	18.1	7.7	7.7	-
30	824.4	130.3	178.3	29.0	149.3	17.1	7.6	7.6	-
Feb 6	817.0	130.3	177.5	29.0	148.5	17.6	7.3	7.3	-
13	813.2	130.3	173.8	29.0	144.8	17.3	7.1	7.1	-
20	816.9	130.3	171.2	28.9	142.3	17.6	7.3	7.3	-
27	824.0	130.3	168.6	28.9	139.6	18.0	7.3	7.3	-
Mar 5	826.8	130.3	168.1	28.9	139.2	17.5	7.2	7.2	-
12	819.7	130.3	167.0	27.6	139.4	17.3	7.4	7.4	-
19	822.8	130.3	166.6	27.6	138.9	17.2	7.2	7.2	-
26	830.3	130.3	167.0	28.5	138.6	16.6	7.2	7.2	-
Apr 2	3 847.1	3 136.5	3 171.6	3 29.3	3 142.3	3 17.8	8.5	8.5	-
8	848.1	136.5	171.4	29.3	142.2	16.8	8.3	8.3	-
16	835.3	136.5	171.2	29.3	141.9	17.0	8.0	8.0	-
23	842.7	136.5	171.7	29.7	142.0	17.5	7.4	7.4	-
30	853.5	136.5	173.6	29.7	143.9	17.7	7.4	7.4	-
2004 May 7	846.2	136.5	175.0	29.7	145.3	17.4	7.1	7.1	-
14	842.0	136.2	174.2	29.8	144.4	17.3	7.4	7.4	-
21	860.0	136.2	174.4	29.6	144.9	17.2	7.4	7.4	-
28	867.3	136.2	173.0	29.6	143.4	16.7	7.4	7.4	-
June 4	870.1	136.2	173.3	29.5	143.8	16.2	7.7	7.7	-
11	869.1	136.1	174.7	29.5	145.2	16.0	7.2	7.2	-
18	867.8	136.1	174.8	29.2	145.5	16.0	7.0	7.0	-
25	895.8	136.1	173.9	28.6	145.4	16.5	7.1	7.1	-
July 2	3 882.4	3 127.4	3 174.1	3 28.4	3 145.7	3 16.6	6.9	6.9	-
9	881.0	127.4	175.6	28.4	147.2	16.4	6.7	6.7	-
16	868.8	127.4	173.7	28.2	145.6	16.9	7.0	7.0	-
23	887.6	127.4	174.8	28.1	146.7	17.0	7.7	7.7	-
30	883.7	127.4	172.1	28.0	144.1	17.3	7.9	7.9	-
Aug 6	880.2	127.4	170.7	28.1	142.7	17.8	7.7	7.7	-
13	871.6	127.4	170.1	28.1	142.0	18.2	7.7	7.7	-
20	872.0	127.4	173.0	27.8	145.2	17.1	7.3	7.3	-
27	881.9	127.4	170.0	27.8	142.3	16.8	7.8	7.8	-
Sep 3	876.6	127.4	168.8	27.6	141.2	17.9	7.7	7.7	-
Deutsche Bundesbank									
2002 Oct	226.4	36.2	52.1	8.6	43.5	-	0.3	0.3	-
Nov	229.9	36.2	53.0	8.6	44.4	-	0.3	0.3	-
Dec	3 240.0	36.2	3 48.8	8.3	3 40.5	3 -	0.3	0.3	-
2003 Jan	233.9	36.2	48.9	8.2	40.7	-	0.3	0.3	-
Feb	236.2	36.2	49.2	8.2	41.0	-	0.3	0.3	-
Mar	3 239.2	3 34.1	3 48.4	8.3	3 40.1	3 -	0.3	0.3	-
Apr	230.5	34.1	47.0	8.2	38.7	-	0.3	0.3	-
May	258.1	34.1	47.8	8.3	39.6	-	0.3	0.3	-
June	3 258.2	3 33.4	3 45.0	8.3	3 36.7	3 -	0.3	0.3	-
July	246.9	33.4	44.8	8.3	36.5	-	0.3	0.3	-
Aug	248.9	33.4	45.5	8.3	37.1	-	0.3	0.3	-
Sep	3 257.5	3 36.5	3 44.7	8.5	3 36.2	3 -	0.3	0.3	-
Oct	257.6	36.5	45.0	8.5	36.5	-	0.3	0.3	-
Nov	254.4	36.5	44.5	8.5	36.0	-	0.3	0.3	-
Dec	3 267.7	36.5	3 40.1	7.6	3 32.5	3 -	0.3	0.3	-
2004 Jan	258.1	36.5	40.4	7.6	32.7	-	0.3	0.3	-
Feb	258.2	36.5	40.4	7.6	32.7	-	0.3	0.3	-
Mar	3 256.2	3 38.3	3 41.5	7.6	3 33.8	3 -	0.3	0.3	-
Apr	268.0	38.3	42.1	7.9	34.2	-	0.3	0.3	-
May	276.6	38.3	41.5	7.8	33.7	-	0.3	0.3	-
June	3 290.3	3 35.8	3 41.2	7.4	3 33.8	3 -	0.3	0.3	-
July	295.9	35.8	40.4	7.4	33.0	-	0.3	0.3	-
Aug	284.2	35.8	39.8	7.4	32.4	-	0.3	0.3	-

* The consolidated financial statement of the Eurosystem comprises the financial statement of the European Central Bank (ECB) and the financial statements of the national central banks of the euro-area member states (NCBs). The balance sheet items for foreign currency, securities, gold

III Consolidated financial statement of the Eurosystem

Lending to euro-area credit institutions related to monetary policy operations denominated in euro							Other claims on euro-area credit institutions denomi- nated in euro	Securities of euro-area residents denominated in euro	General government debt denominated in euro	Other assets	On reporting date/ End of month 1
Total	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations	Structural reverse operations	Marginal lending facility	Credits related to margin calls					
Eurosystem ²											
298.0	253.0	45.0	-	-	0.0	0.0	0.8	61.3	42.7	³ 104.6	2004 Jan 2
270.4	225.0	45.0	-	-	0.4	0.0	1.0	62.0	42.7	104.2	9
269.0	224.0	45.0	-	-	0.0	0.0	1.2	62.2	42.7	104.1	16
279.6	229.0	45.0	-	-	5.6	0.0	0.9	63.1	42.7	104.6	23
279.0	224.0	55.0	-	-	0.0	0.0	1.1	63.6	42.7	104.7	30
270.0	215.0	55.0	-	-	0.0	0.0	1.1	65.3	42.6	105.3	Feb 6
268.0	213.0	55.0	-	-	0.0	0.0	1.5	66.0	42.6	106.5	13
275.0	220.0	55.0	-	-	0.0	0.0	1.4	66.1	42.6	105.4	20
283.9	218.7	65.0	-	-	0.2	0.0	1.3	66.5	42.6	105.4	27
285.9	220.7	65.0	-	-	0.2	0.0	1.2	68.0	42.6	106.0	Mar 5
277.7	212.5	65.0	-	-	0.0	0.2	1.2	68.9	42.6	107.3	12
281.5	216.5	65.0	-	-	0.0	0.0	1.3	69.0	42.6	107.1	19
289.5	224.5	65.0	-	-	0.0	0.0	1.2	68.9	42.6	106.9	26
293.0	218.0	75.0	-	-	0.0	0.0	1.1	³ 68.5	42.6	³ 107.5	Apr 2
293.5	218.5	75.0	-	-	0.0	0.0	1.0	69.9	42.6	108.1	8
280.5	205.5	75.0	-	-	0.0	0.0	1.0	70.0	42.6	108.4	16
286.0	211.0	75.0	-	-	0.0	0.0	0.9	71.2	42.5	108.9	23
295.1	220.0	75.0	-	-	0.0	0.0	1.0	71.0	42.5	108.7	30
286.1	211.0	75.0	-	-	0.1	0.0	1.1	71.8	42.6	108.6	2004 May 7
282.0	207.0	75.0	-	-	0.0	-	0.6	72.5	42.6	109.3	14
298.6	223.5	75.0	-	-	0.1	-	0.7	73.6	42.6	109.4	21
308.2	232.5	75.0	-	-	0.6	0.0	0.9	72.8	42.6	109.6	28
311.1	236.0	75.0	-	-	0.1	0.0	0.7	72.9	42.6	109.4	June 4
308.6	233.5	75.0	-	-	0.1	0.0	0.9	73.6	42.6	109.4	11
307.0	232.0	75.0	-	-	0.0	0.0	1.0	73.8	42.6	109.6	18
335.2	260.0	75.0	-	-	0.2	0.0	0.8	73.7	42.6	109.9	25
331.0	256.0	75.0	-	-	0.0	-	0.7	³ 73.4	42.1	³ 110.2	July 2
328.0	253.0	75.0	-	-	0.0	0.0	0.5	73.8	42.1	110.5	9
317.5	242.5	75.0	-	-	0.0	0.0	0.8	73.2	42.1	110.2	16
334.5	259.5	75.0	-	-	-	0.0	0.9	72.9	42.1	110.5	23
333.0	258.0	75.0	-	-	0.0	0.0	0.9	67.5	42.1	115.5	30
330.0	255.0	75.0	-	-	-	0.0	0.8	68.0	42.1	115.7	Aug 6
322.5	247.5	75.0	-	-	0.0	0.0	1.0	68.0	42.1	114.7	13
321.0	246.0	75.0	-	-	-	0.0	1.4	67.9	42.1	114.9	20
334.0	259.0	75.0	-	-	0.0	0.0	1.1	67.9	42.1	114.6	27
329.0	254.0	75.0	-	-	0.0	0.0	1.5	67.9	42.1	114.3	Sep 3
Deutsche Bundesbank											
103.9	72.4	31.6	-	-	0.0	-	0.0	-	4.4	29.4	2002 Oct
111.1	77.0	34.0	-	-	0.1	-	0.0	-	4.4	24.8	Nov
125.5	87.1	36.1	-	-	2.2	-	0.0	-	4.4	24.8	Dec
124.3	87.5	36.6	-	-	0.2	-	0.0	-	4.4	19.8	2003 Jan
126.3	91.6	34.7	-	-	0.0	-	0.0	-	4.4	19.7	Feb
130.9	98.4	32.1	-	-	0.4	-	0.0	-	4.4	21.1	Mar
125.0	92.5	32.5	-	-	0.0	-	0.0	-	4.4	19.7	Apr
151.8	118.7	32.9	-	-	0.1	-	0.0	-	4.4	19.7	May
155.0	122.5	32.4	-	-	0.0	-	0.0	-	4.4	20.1	June
144.0	115.1	28.8	-	-	0.1	-	0.0	-	4.4	19.9	July
145.2	116.0	29.1	-	-	0.0	-	0.0	-	4.4	20.1	Aug
151.4	121.5	29.7	-	-	0.2	-	0.0	-	4.4	³ 20.1	Sep
133.0	101.9	31.1	-	-	0.0	-	0.0	-	4.4	38.4	Oct
145.4	115.0	30.4	-	-	0.0	-	0.0	-	4.4	23.3	Nov
162.3	129.9	32.3	-	-	0.1	-	0.0	-	4.4	24.0	Dec
157.4	117.4	40.0	-	-	0.0	-	0.0	-	4.4	19.0	2004 Jan
157.6	109.9	47.5	-	-	0.2	-	0.0	-	4.4	18.9	Feb
141.7	94.1	47.5	-	-	0.2	-	0.0	-	4.4	30.1	Mar
153.7	104.3	49.4	-	-	0.0	-	0.0	-	4.4	29.1	Apr
173.2	123.7	49.5	-	-	0.0	-	0.0	-	4.4	18.9	May
189.4	139.9	49.5	-	-	0.1	-	0.0	-	4.4	19.1	June
196.0	145.1	50.9	-	-	0.0	-	0.0	-	4.4	19.1	July
184.8	135.3	49.5	-	-	0.0	-	0.0	-	4.4	19.1	Aug

and financial instruments are valued at market rates at the end of the quarter.— 1 For the Eurosystem: financial statements for specific weekly dates;

for the Bundesbank: end-of month financial statement. — 2 Source: ECB. — 3 Changes are due mainly to revaluations at the end of the quarter.

III Consolidated financial statement of the Eurosystem

2 Liabilities *

€ billion

On reporting date/ End of month 1	Total liabilities	Banknotes in circulation 2,3	Liabilities to euro-area credit institutions related to monetary policy operations denominated in euro						Other liabilities to euro-area credit institutions denominated in euro	Debt certificates issued	Liabilities to other euro-area residents denominated in euro		
			Total	Current accounts (covering the minimum reserve system)	Deposit facility	Fixed-term deposits	Fine-tuning reverse operations	Deposits related to margin calls			Total	General government	Other liabilities
Eurosystem 5													
2004 Jan 2	6 838.3	434.3	152.9	152.8	0.1	—	—	0.0	0.3	1.1	35.6	29.8	5.8
9	812.0	425.2	133.7	133.6	0.1	—	—	—	0.3	1.1	38.8	32.9	5.9
16	812.6	419.2	135.1	135.1	0.1	—	—	—	0.3	1.1	42.9	37.0	5.9
23	823.3	415.1	134.7	134.3	0.4	—	—	—	0.3	1.1	57.4	51.7	5.8
30	824.4	415.6	132.1	132.1	0.0	—	—	0.0	0.3	1.1	60.1	54.0	6.1
Feb 6	817.0	418.8	133.2	133.1	0.0	—	—	0.0	0.3	1.1	48.6	42.5	6.1
13	813.2	418.5	135.4	135.3	0.1	—	—	—	0.3	1.1	44.8	38.7	6.2
20	816.9	417.5	131.0	131.0	0.0	—	—	—	0.3	1.1	56.7	50.4	6.3
27	824.0	418.9	128.9	128.8	0.1	—	—	0.0	0.3	1.1	67.4	61.1	6.2
Mar 5	826.8	423.7	137.7	137.6	0.1	—	—	0.0	0.3	1.1	56.6	50.8	5.9
12	819.7	424.1	135.2	135.2	0.0	—	—	0.0	0.3	1.1	51.8	46.1	5.7
19	822.8	423.8	133.2	133.1	0.0	—	—	0.0	0.3	1.1	57.4	51.8	5.6
26	830.3	423.8	131.9	131.8	0.1	—	—	—	0.3	1.1	66.7	61.1	5.5
Apr 2	6 847.1	431.0	140.2	140.0	0.1	—	—	0.0	0.3	1.1	54.9	48.9	5.9
8	848.1	441.4	135.1	135.0	0.1	—	—	0.0	0.3	1.1	51.6	45.6	6.0
16	835.3	435.8	135.2	135.2	0.0	—	—	0.0	0.3	1.1	44.3	38.3	6.0
23	842.7	432.0	131.1	131.0	0.0	—	—	0.0	0.3	1.1	59.0	53.4	5.7
30	853.5	435.4	133.6	133.5	0.0	—	—	0.0	0.3	1.1	62.1	56.3	5.8
2004 May 7	846.2	439.8	136.8	136.7	0.1	—	—	0.0	0.3	1.1	46.1	40.2	5.8
14	842.0	440.1	136.7	136.6	0.0	—	—	0.0	0.3	1.1	43.3	37.5	5.8
21	860.0	441.1	137.4	137.3	0.1	—	—	0.0	0.3	1.1	58.3	52.3	6.0
28	867.3	443.7	138.7	136.0	2.8	—	—	0.0	0.3	1.1	64.0	58.2	5.8
June 4	870.1	447.4	139.3	139.1	0.1	—	—	0.0	0.3	1.1	63.6	57.5	6.1
11	869.1	448.4	141.1	141.0	0.1	—	—	0.0	0.3	1.1	59.0	53.0	6.0
18	867.8	447.6	140.4	140.3	0.0	—	—	0.0	0.3	1.1	57.7	51.5	6.2
25	895.8	448.1	136.8	136.7	0.0	—	—	0.0	0.3	1.1	88.0	82.4	5.6
July 2	6 882.4	454.5	140.8	140.3	0.5	—	—	0.0	0.3	1.1	73.1	67.2	5.9
9	881.0	458.2	137.6	137.5	0.1	—	—	0.0	0.3	1.1	70.7	65.0	5.7
16	868.8	459.2	140.1	140.1	0.1	—	—	0.0	0.3	1.1	56.1	50.4	5.6
23	887.6	458.7	136.8	136.8	0.0	—	—	0.0	0.1	1.1	78.2	72.5	5.6
30	883.7	463.1	131.3	131.2	0.0	—	—	0.0	0.1	1.1	77.1	71.2	5.9
Aug 6	880.2	467.9	140.1	140.1	0.0	—	—	0.0	0.1	1.1	59.7	53.7	6.0
13	871.6	466.7	138.7	138.6	0.0	—	—	0.0	0.1	1.1	55.9	49.9	5.9
20	872.0	462.2	140.4	140.3	0.0	—	—	0.0	0.1	1.1	56.1	50.2	5.9
27	881.9	460.0	137.9	137.9	0.0	—	—	—	0.1	1.1	74.0	68.4	5.6
Sep 3	876.6	464.3	137.7	137.6	0.1	—	—	—	0.1	1.1	64.1	58.3	5.8
Deutsche Bundesbank													
2002 Oct	226.4	94.2	41.3	41.3	0.0	—	—	—	—	—	0.6	0.1	0.5
Nov	229.9	95.7	41.0	40.9	0.0	—	—	—	—	—	0.8	0.1	0.7
Dec	6 240.0	104.5	44.8	44.8	0.0	—	—	—	—	—	0.6	0.0	0.6
2003 Jan	233.9	94.5	40.9	40.8	0.1	—	—	—	—	—	0.5	0.0	0.5
Feb	236.2	96.1	38.1	38.1	0.1	—	—	—	—	—	0.5	0.1	0.5
Mar	6 239.2	98.1	48.1	48.0	0.0	—	—	—	—	—	0.5	0.0	0.4
Apr	230.5	101.8	36.4	36.3	0.0	—	—	—	—	—	0.5	0.1	0.4
May	258.1	103.2	36.3	36.2	0.1	—	—	—	—	—	0.5	0.1	0.4
June	6 258.2	105.2	38.8	38.8	0.0	—	—	—	—	—	0.5	0.1	0.4
July	246.9	108.5	39.6	39.5	0.1	—	—	—	—	—	0.5	0.0	0.5
Aug	248.9	108.6	41.0	41.0	0.0	—	—	—	—	—	0.5	0.0	0.4
Sep	6 257.5	109.2	41.7	41.7	0.0	—	—	—	—	—	0.5	0.1	0.4
Oct	257.6	110.8	42.0	42.0	0.0	—	—	—	—	—	0.5	0.1	0.4
Nov	254.4	112.7	36.4	36.4	0.0	—	—	—	—	—	0.6	0.1	0.5
Dec	6 267.7	121.4	44.6	44.5	0.1	—	—	—	0.2	—	0.6	0.1	0.5
2004 Jan	258.1	112.4	39.8	39.8	0.0	—	—	—	—	—	0.4	0.0	0.4
Feb	258.2	113.3	36.8	36.7	0.1	—	—	—	—	—	0.7	0.3	0.4
Mar	6 256.2	115.0	31.0	31.0	0.0	—	—	—	—	—	0.7	0.4	0.4
Apr	268.0	117.7	38.3	38.3	0.0	—	—	—	—	—	0.5	0.1	0.4
May	276.6	120.8	43.4	43.4	0.0	—	—	—	—	—	0.4	0.0	0.4
June	6 290.3	122.3	36.6	36.6	0.0	—	—	—	—	—	0.5	0.1	0.4
July	295.9	126.0	39.3	39.3	0.0	—	—	—	—	—	0.4	0.0	0.4
Aug	284.2	125.2	41.4	40.9	0.4	—	—	—	—	—	0.5	0.0	0.4

* The consolidated financial statement of the Eurosystem comprises the financial statement of the European Central Bank (ECB) and the financial statements of the national central banks of the euro-area member states (NCBs). The balance sheet items for foreign currency, securities, gold and financial instruments are valued at market rates at the end of the quarter. — 1 For Eurosystem: financial statements for specific weekly dates; for

the Bundesbank: end-of-month financial statements. — 2 From 2002, euro banknotes and up to end-2002, banknotes still in circulation issued by the national central banks of the Eurosystem (see also footnote 4). — 3 According to the accounting regime chosen by the Eurosystem on the issue of euro banknotes, a share of 8% of the total value of the euro banknotes in circulation is allocated to the ECB on a monthly basis. The

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Liabilities to non-euro-area residents denominated in euro	Liabilities to euro-area residents in foreign currency	Liabilities to non-euro-area residents denominated in foreign currency			Counterpart of special drawing rights allocated by the IMF	Other liabilities 4	Intra-Eurosystem liability related to euro-banknote issue 3	Revaluation accounts	Capital and reserves	On reporting date/ End of month 1						
		Total	Deposits, balances and other liabilities	Liabilities arising from the credit facility under ERM II												
Eurosystem 5																
10.1	0.5	6	12.3	6	12.3	—	5.8	6	54.4	—	6	69.1	6	62.1	2004 Jan	2
9.5	0.5		12.5		12.5	—	5.8		53.6	—		69.1		62.0		9
9.6	0.4		13.4		13.4	—	5.8		53.8	—		69.1		62.0		16
10.8	0.4		12.6		12.6	—	5.8		54.0	—		69.1		62.0		23
9.6	0.4		13.5		13.5	—	5.8		54.8	—		69.1		62.0		30
9.5	0.4		15.0		15.0	—	5.8		53.2	—		69.1		62.0	Feb	6
9.5	0.4		12.3		12.3	—	5.8		55.4	—		69.1		62.5		13
9.3	0.4		10.6		10.6	—	5.8		52.5	—		69.1		62.8		20
9.3	0.4		8.7		8.7	—	5.8		52.1	—		69.1		62.1		27
10.0	0.5		8.9		8.9	—	5.8		51.0	—		69.1		62.1	Mar	5
9.1	0.5		9.7		9.7	—	5.8		51.0	—		69.1		62.1		12
9.0	0.4		9.3		9.3	—	5.8		51.5	—		69.1		62.1		19
9.0	0.4		9.3		9.3	—	5.8		51.5	—		69.1		61.6		26
8.6	0.3		9.6		9.6	—	5.9	6	55.2	—	6	80.6		59.5	Apr	2
8.6	0.3		9.0		9.0	—	5.9		55.0	—		80.6		59.3		8
8.5	0.3		8.4		8.4	—	5.9		55.6	—		80.6		59.3		16
8.4	0.3		8.8		8.8	—	5.9		56.0	—		80.6		59.3		23
8.6	0.3		10.3		10.3	—	5.9		56.2	—		80.6		59.3		30
8.2	0.3		11.2		11.2	—	5.9		56.6	—		80.6		59.4	2004 May	7
8.1	0.3		10.2		10.2	—	5.9		56.1	—		80.6		59.4		14
8.0	0.3		10.2		10.2	—	5.9		57.3	—		80.6		59.5		21
8.0	0.3		8.2		8.2	—	5.9		56.6	—		80.6		59.8		28
7.8	0.3		8.2		8.2	—	5.9		55.9	—		80.6		59.8	June	4
7.9	0.3		9.3		9.3	—	5.9		55.6	—		80.6		59.8		11
7.8	0.3		9.9		9.9	—	5.9		56.5	—		80.6		59.8		18
8.0	0.2		10.3		10.3	—	5.9		56.8	—		80.6		59.8		25
9.0	0.2		11.5		11.5	—	5.9	6	56.0	—	6	70.2		59.8	July	2
8.2	0.2		13.1		13.1	—	5.9		55.8	—		70.2		59.8		9
8.2	0.2		11.3		11.3	—	5.9		56.6	—		70.2		59.8		16
8.6	0.2		11.5		11.5	—	5.9		56.6	—		70.2		59.8		23
8.8	0.2		9.4		9.4	—	5.9		56.8	—		70.2		59.8		30
8.5	0.2		9.8		9.8	—	5.9		56.8	—		70.2		59.8	Aug	6
8.7	0.2		9.9		9.9	—	5.9		54.5	—		70.2		59.8		13
9.0	0.2		11.9		11.9	—	5.9		55.1	—		70.2		59.8		20
9.0	0.2		8.8		8.8	—	5.9		55.0	—		70.2		59.8		27
9.3	0.3		8.9		8.9	—	5.9		55.1	—		70.2		59.8	Sep	3
Deutsche Bundesbank																
7.1	0.0		2.4		2.4	—	1.6		10.6	—		26.2		37.3	2002 Oct	
7.1	0.0		3.1		3.1	—	1.6		10.5	—		27.6		37.3		Nov
7.1	0.0		1.8		1.8	—	1.6		11.1	—		29.1	6	34.2		Dec
7.8	0.0		2.2		2.2	—	1.6		17.6	—		29.6		34.2	2003 Jan	
7.3	0.0		2.4		2.4	—	1.6		19.1	—		31.9		34.2		Feb
7.1	0.0		3.4		3.4	—	1.5	6	11.7	—	6	33.3		30.4		Mar
7.1	0.0		2.0		2.0	—	1.5		11.6	—		34.2		30.4		Apr
7.3	0.0		2.7		2.7	—	1.5		34.5	—		36.6		30.4		May
7.4	0.0		3.2		3.2	—	1.5		31.3	—		37.3	6	28.2		June
7.3	0.0		3.0		3.0	—	1.5		14.9	—		38.4		28.2		July
7.4	0.0		3.5		3.5	—	1.5		12.4	—		40.8		28.2		Aug
7.3	0.0		3.6		3.6	—	1.5		16.2	—		42.2	6	30.2		Sep
7.4	0.0		3.9		3.9	—	1.5		12.9	—		43.4		30.2		Oct
7.4	0.0		3.2		3.2	—	1.5		12.9	—		44.4		30.2		Nov
7.7	0.0		2.8		2.8	—	1.4	6	10.5	—	6	44.6		29.1		Dec
7.3	0.0		3.1		3.1	—	1.4		11.4	—		48.1		29.1	2004 Jan	
7.0	0.0		3.0		3.0	—	1.4		12.7	—		49.2		29.1		Feb
6.5	0.0		3.1		3.1	—	1.5		10.8	—		50.4	6	32.2		Mar
6.2	0.0		3.4		3.4	—	1.5		10.9	—		52.3		32.2		Apr
5.8	0.0		2.7		2.7	—	1.5		11.5	—		53.3		32.2		May
5.6	0.0		3.4		3.4	—	1.5		32.2	—		53.9	6	29.3		June
5.9	0.0		2.6		2.6	—	1.5		30.3	—		55.6		29.3		July
5.8	0.0		2.0		2.0	—	1.5		15.2	—		58.6		29.3		Aug

counterpart of this adjustment is disclosed as an "Intra-Eurosystem liability related to euro-banknote issue". The remaining 92 % of the value of the euro banknotes in circulation is also allocated to the NCBs on a monthly basis, and each NCB shows in its balance sheet the share of the euro banknotes issued which corresponds to its paid-up share in the ECB's capital. The difference between the value of the euro banknotes allocated to the NCB

according to the aforementioned accounting regime and the value of euro banknotes put into circulation is also disclosed as an "Intra-Eurosystem claim/ liability related to banknote issue". — 4 For the Deutsche Bundesbank: from 2003, including DM banknotes still in circulation (see also footnote 2). — 5 Source: ECB. — 6 Changes are due mainly to revaluations at the end of the quarter.

IV Banks
1 Assets and liabilities of monetary financial institutions (excluding the Bundesbank) in Germany *
Assets

Up to end-1998, DM billion; from 1999, € billion

Period	Balance sheet total	Cash in hand	Lending to banks (MFIs) in the euro area						Lending to non-banks (non-MFIs) in the				
			Total	to banks in the home country			to banks in other member states			Total	to non-banks in the home country		
				Total	Loans	Secur- ities issued by banks	Total	Loans	Secur- ities issued by banks		Total	Total	Enterprises and house- holds	Loans
End of year or month													
1995	7,778.7	27.3	2,210.2	2,019.0	1,399.8	619.3	191.2	158.0	33.2	4,723.3	4,635.0	3,548.8	3,298.7
1996	8,540.5	30.3	2,523.0	2,301.1	1,585.7	715.4	221.9	181.2	40.7	5,084.7	4,981.9	3,812.8	3,543.0
1997	9,368.2	30.7	2,836.0	2,580.7	1,758.6	822.1	255.3	208.8	46.5	5,408.8	5,269.5	4,041.3	3,740.8
1998	10,355.5	29.9	3,267.4	2,939.4	1,977.4	962.0	328.1	264.9	63.1	5,833.9	5,615.9	4,361.0	3,966.5
1999	5,678.5	17.2	1,836.9	1,635.0	1,081.4	553.6	201.9	161.8	40.1	3,127.4	2,958.6	2,326.4	2,093.4
2000	6,083.9	16.1	1,977.4	1,724.2	1,108.9	615.3	253.2	184.5	68.6	3,249.9	3,062.6	2,445.7	2,186.6
2001	6,303.1	14.6	2,069.7	1,775.5	1,140.6	634.9	294.2	219.8	74.4	3,317.1	3,084.9	2,497.1	2,235.7
2002	6,394.2	17.9	2,118.0	1,769.1	1,164.3	604.9	348.9	271.7	77.2	3,340.2	3,092.2	2,505.8	2,240.8
2003	6,432.0	17.3	2,111.5	1,732.0	1,116.8	615.3	379.5	287.7	91.8	3,333.2	3,083.1	2,497.4	2,241.2
2002 Oct	6,359.1	14.2	2,078.3	1,741.3	1,117.9	623.5	336.9	257.2	79.7	3,327.8	3,080.9	2,494.9	2,240.6
Nov	6,453.5	13.2	2,130.2	1,780.8	1,150.6	630.2	349.5	267.3	82.1	3,336.6	3,088.4	2,496.7	2,238.4
Dec	6,394.2	17.9	2,118.0	1,769.1	1,164.3	604.9	348.9	271.7	77.2	3,340.2	3,092.2	2,505.8	2,240.8
2003 Jan	6,380.7	13.2	2,104.3	1,748.5	1,136.2	612.3	355.8	277.0	78.8	3,348.8	3,101.1	2,501.4	2,237.9
Feb	6,424.9	13.2	2,124.3	1,751.7	1,142.1	611.7	370.5	289.5	81.1	3,347.4	3,097.7	2,501.7	2,239.2
Mar	6,434.8	12.9	2,121.5	1,747.2	1,135.0	614.4	371.9	288.9	83.1	3,346.7	3,100.4	2,498.0	2,238.1
Apr	6,430.3	13.8	2,107.6	1,732.2	1,118.6	613.6	375.4	291.6	83.8	3,348.8	3,102.2	2,499.1	2,234.6
May	6,467.7	14.0	2,144.0	1,756.9	1,143.6	613.2	387.1	303.3	83.8	3,347.2	3,101.9	2,499.2	2,232.0
June	6,472.9	13.3	2,139.0	1,748.0	1,137.1	610.9	390.9	305.4	85.5	3,330.2	3,089.9	2,502.9	2,239.7
July	6,425.7	13.3	2,113.5	1,728.1	1,109.7	618.4	385.3	297.4	88.0	3,330.2	3,093.7	2,494.1	2,231.1
Aug	6,395.1	13.5	2,105.5	1,720.3	1,104.5	615.8	385.2	296.8	88.3	3,318.3	3,084.7	2,495.6	2,231.4
Sep	6,403.1	13.3	2,099.4	1,712.2	1,095.3	616.9	387.2	297.5	89.7	3,332.6	3,089.6	2,504.9	2,245.2
Oct	6,399.3	13.6	2,092.9	1,715.9	1,096.1	619.9	376.9	285.3	91.7	3,328.9	3,086.1	2,496.9	2,242.9
Nov	6,456.1	13.1	2,126.2	1,742.4	1,117.5	624.9	383.7	292.5	91.3	3,350.9	3,103.5	2,505.0	2,246.9
Dec	6,432.0	17.3	2,111.5	1,732.0	1,116.8	615.3	379.5	287.7	91.8	3,333.2	3,083.1	2,497.4	2,241.2
2004 Jan	6,424.2	13.2	2,084.1	1,713.6	1,101.3	612.4	370.4	278.3	92.1	3,329.8	3,078.3	2,489.0	2,230.4
Feb	6,448.7	13.2	2,100.2	1,722.7	1,101.9	620.8	377.5	282.5	94.9	3,341.8	3,081.9	2,483.5	2,230.2
Mar	6,506.7	12.7	2,106.5	1,725.6	1,098.7	626.9	380.9	282.2	98.7	3,370.4	3,102.9	2,491.9	2,228.9
Apr	6,568.8	12.9	2,132.5	1,749.7	1,115.1	634.6	382.9	282.4	100.4	3,381.2	3,110.1	2,506.6	2,230.4
May	6,583.5	13.8	2,163.3	1,771.6	1,127.6	644.0	391.7	289.0	102.7	3,369.7	3,101.0	2,497.0	2,229.7
June	6,551.3	13.1	2,150.2	1,746.3	1,112.7	633.6	404.0	299.5	104.4	3,360.1	3,090.4	2,483.2	2,229.4
July	6,575.0	13.2	2,171.4	1,765.1	1,130.4	634.7	406.3	303.2	103.0	3,368.3	3,093.3	2,477.1	2,225.1
Changes ¹													
1996	761.8	3.0	312.8	282.1	186.0	96.1	30.7	23.2	7.5	361.5	346.9	264.0	244.3
1997	825.6	0.5	313.1	279.6	172.9	106.7	33.5	27.6	5.9	324.0	287.5	228.4	197.6
1998	1,001.0	- 0.8	422.2	355.7	215.1	140.6	66.4	56.2	10.2	440.4	363.3	337.5	245.2
1999	452.6	1.8	179.8	140.1	81.4	58.6	39.8	26.3	13.5	206.6	158.1	156.8	126.4
2000	401.5	- 1.2	143.0	91.7	28.1	63.6	51.4	22.8	28.6	123.2	105.4	116.8	89.5
2001	244.9	- 1.4	91.0	50.7	30.3	20.5	40.3	34.5	5.8	55.1	23.9	50.4	48.1
2002	165.7	3.3	63.6	6.5	23.7	- 17.1	57.1	51.9	5.2	34.1	15.7	16.5	10.4
2003	83.5	- 0.6	- 20.2	- 49.0	- 47.5	- 1.5	28.8	15.7	13.1	29.6	23.0	22.2	26.4
2002 Nov	97.2	- 1.0	52.0	39.4	32.7	6.7	12.6	10.1	2.5	9.4	7.9	2.2	- 1.8
Dec	- 29.0	4.7	3.0	1.0	13.7	- 12.7	1.9	4.4	- 2.4	11.4	10.8	16.1	7.8
2003 Jan	- 14.6	- 4.7	- 25.1	- 30.7	- 28.1	- 2.7	5.7	5.3	0.4	18.3	17.1	3.7	1.4
Feb	41.3	0.0	17.0	3.2	5.9	- 2.8	13.9	12.5	1.4	0.7	- 1.3	2.4	3.4
Mar	14.1	- 0.4	- 2.9	- 4.3	- 7.1	2.8	1.4	- 0.6	2.1	4.6	7.8	1.4	3.9
Apr	4.5	1.0	- 13.7	- 17.2	- 16.5	- 0.8	3.5	2.7	0.8	4.9	4.2	3.2	- 1.2
May	57.3	0.2	36.6	24.8	25.1	- 0.3	11.9	11.8	0.1	1.9	2.5	2.9	- 0.0
June	- 5.9	- 0.7	- 5.2	- 8.9	- 6.5	- 2.4	3.8	2.0	1.7	- 18.0	- 12.5	3.2	7.2
July	- 49.6	- 0.1	- 25.7	- 20.1	- 27.4	- 7.3	- 5.6	- 8.0	2.4	0.6	- 4.5	- 8.1	- 8.1
Aug	- 43.7	0.3	- 8.1	- 7.9	- 5.2	- 2.7	- 0.3	- 0.5	0.3	- 13.6	- 10.0	0.5	- 0.6
Sep	26.2	- 0.2	- 5.9	- 8.1	- 9.2	1.2	2.1	0.7	1.4	17.7	7.4	11.8	16.2
Oct	- 5.0	0.3	- 6.5	4.1	0.8	3.3	- 10.6	- 12.6	2.0	- 1.8	- 2.0	- 7.3	- 1.7
Nov	67.6	- 0.5	33.6	26.6	21.4	5.1	7.1	7.2	- 0.1	24.5	19.2	9.8	5.6
Dec	- 8.6	4.2	- 14.4	- 10.3	- 0.7	- 9.6	- 4.1	- 4.7	0.7	- 10.1	- 13.7	- 1.4	0.3
2004 Jan	- 15.4	- 4.1	- 26.5	- 18.1	- 15.5	- 2.6	- 8.5	- 9.4	0.9	- 0.6	- 1.0	- 4.6	- 6.6
Feb	26.4	0.0	17.3	9.0	0.4	8.6	8.3	4.2	4.1	16.6	8.0	- 1.1	2.5
Mar	47.2	- 0.5	6.2	2.8	- 3.2	6.0	3.4	- 0.3	3.7	28.7	21.7	9.0	- 0.9
Apr	57.9	0.1	26.1	24.1	16.4	7.7	1.9	0.2	1.7	10.8	7.1	14.6	1.4
May	19.5	1.0	30.7	21.9	12.5	9.3	8.9	6.5	2.3	- 10.4	- 8.2	- 8.8	0.1
June	- 33.2	- 0.7	- 13.0	- 25.2	- 14.9	- 10.4	12.2	10.6	1.7	- 9.2	- 10.1	- 13.2	0.2
July	21.8	0.1	23.4	18.8	17.7	1.2	4.6	3.7	0.9	6.3	3.3	- 5.6	- 3.8

* This table serves to supplement the "Overall monetary survey" in section II. Unlike the other tables in section IV, this table includes - in addition to the figures reported by banks (including building and loan associations) -

data from money market funds. — 1 Statistical breaks have been eliminated from the flow figures (see also footnote * in Table II.1). — 2 Including debt securities arising from the exchange of equalisation claims.

IV Banks

euro area										Claims on non-euro-area residents		Other assets	Period
										to non-banks in other member states			
General government				Enterprises and households			General government			Total	of which Loans		
Secur-ities	Total	Loans	Secur-ities 2	Total	Total	of which Loans	Total	Loans 3	Secur-ities			Total	of which Loans
250.0	1,086.3	792.2	294.1	88.2	39.4	39.2	48.8	11.3	37.6	608.5	526.0	209.4	1995
269.7	1,169.1	857.8	311.4	102.8	36.8	36.8	66.0	17.2	48.8	678.1	575.3	224.4	1996
300.6	1,228.2	911.0	317.2	139.2	41.9	41.2	97.3	23.4	73.9	839.6	710.2	253.1	1997
394.5	1,254.9	939.1	315.8	218.0	62.5	56.0	155.5	35.6	119.9	922.0	758.0	302.2	1998
233.0	632.1	488.4	143.7	168.8	65.3	35.9	103.6	20.7	82.8	511.2	404.2	185.8	1999
259.1	616.9	478.5	138.4	187.3	83.8	44.2	103.5	20.0	83.5	622.4	481.7	218.1	2000
261.3	587.8	468.7	119.1	232.3	111.3	53.7	121.0	26.2	94.8	727.3	572.0	174.3	2001
265.0	586.4	448.5	137.9	248.0	125.0	63.6	123.0	25.5	97.5	738.1	589.2	179.9	2002
256.2	585.6	439.6	146.1	250.2	133.5	62.7	116.6	25.9	90.7	803.7	645.6	166.4	2003
254.2	586.0	448.3	137.7	246.9	116.4	59.1	130.5	27.6	102.9	762.2	608.7	176.7	2002 Oct
258.2	591.7	449.2	142.5	248.2	118.6	61.0	129.6	28.0	101.6	791.0	634.2	182.4	Nov
265.0	586.4	448.5	137.9	248.0	125.0	63.6	123.0	25.5	97.5	738.1	589.2	179.9	Dec
263.4	599.8	453.0	146.7	247.6	121.8	60.5	125.8	26.5	99.3	738.3	591.8	176.2	2003 Jan
262.4	596.0	447.3	148.7	249.7	125.6	64.6	124.1	26.2	97.9	757.7	612.1	182.2	Feb
259.9	602.4	444.0	158.4	246.3	126.8	64.5	119.5	26.2	93.3	778.6	630.9	175.1	Mar
264.5	603.1	445.8	157.4	246.6	129.9	66.2	116.7	25.2	91.5	787.6	641.1	172.5	Apr
267.2	602.7	439.8	162.9	245.3	130.7	66.7	114.6	26.5	88.2	792.4	644.3	170.2	May
263.2	587.0	434.6	152.4	240.2	126.9	61.9	113.4	24.6	88.7	827.6	668.9	162.8	June
263.0	599.6	444.9	154.7	236.5	126.7	62.3	109.8	24.9	84.9	811.5	651.6	157.3	July
264.1	589.1	440.6	148.5	233.6	129.2	65.0	104.4	24.1	80.3	801.2	642.0	156.6	Aug
259.8	584.6	435.2	149.4	243.1	129.7	64.7	113.4	23.4	90.0	795.8	642.4	161.9	Sep
254.0	589.2	436.6	152.6	242.8	127.6	60.6	115.2	25.1	90.1	800.6	643.9	163.3	Oct
258.1	598.5	442.5	156.0	247.4	132.9	64.7	114.5	25.6	89.0	803.7	648.2	162.2	Nov
256.2	585.6	439.6	146.1	250.2	133.5	62.7	116.6	25.9	90.7	803.7	645.6	166.4	Dec
258.6	589.2	440.2	149.0	251.5	132.0	61.2	119.5	25.6	93.9	843.7	683.0	153.4	2004 Jan
253.3	598.3	432.1	166.2	260.0	136.0	65.2	124.0	25.0	99.0	839.5	680.6	154.0	Feb
263.0	611.0	444.9	166.2	267.4	137.6	67.0	129.8	24.9	104.9	859.1	697.2	158.0	Mar
276.2	603.5	437.2	166.3	271.1	139.4	68.8	131.7	25.8	105.9	884.1	722.1	158.1	Apr
267.2	604.1	431.4	172.7	268.7	137.6	66.3	131.1	25.8	105.3	875.0	707.5	161.6	May
253.9	607.2	426.2	181.0	269.7	138.4	66.5	131.3	25.7	105.6	867.0	695.6	160.8	June
252.0	616.2	434.4	181.8	275.0	142.3	67.7	132.8	26.4	106.4	860.7	687.7	161.3	July
Changes 1													
19.7	82.9	65.5	17.3	14.6	- 2.6	- 2.5	17.2	6.0	11.2	69.5	49.3	15.1	1996
30.8	59.1	53.3	5.8	36.5	5.1	4.4	31.4	6.1	25.3	159.4	132.9	28.6	1997
92.3	25.8	28.1	- 2.3	77.1	18.9	13.0	58.3	12.5	45.7	83.9	52.0	55.3	1998
30.4	1.3	7.7	- 6.4	48.4	12.2	6.4	36.2	2.0	34.2	33.1	13.8	31.3	1999
27.3	- 11.4	- 6.7	- 4.6	17.8	16.8	7.2	1.0	- 0.3	1.2	103.9	71.9	32.5	2000
2.4	- 26.5	- 9.8	- 16.7	31.3	24.3	7.7	7.0	2.2	4.8	110.1	86.6	- 9.9	2001
6.2	- 0.8	- 20.2	19.4	18.3	15.9	12.0	2.4	- 0.6	3.0	65.7	64.1	- 0.4	2002
- 4.3	0.8	- 8.7	9.6	6.6	13.4	2.7	- 6.8	- 0.8	- 6.0	113.4	98.5	- 38.7	2003
4.0	5.7	0.9	4.8	1.4	2.3	2.0	- 0.9	0.4	- 1.3	31.1	27.5	5.7	2002 Nov
8.3	- 5.3	- 0.8	- 4.6	0.6	6.9	3.1	- 6.3	- 2.3	- 4.0	- 39.1	- 32.8	- 8.4	Dec
2.3	13.4	4.6	8.8	1.2	- 1.8	- 2.7	3.0	1.1	2.0	9.4	10.1	- 12.5	2003 Jan
- 1.0	- 3.7	- 5.7	2.0	2.0	5.5	5.8	- 3.5	- 2.0	- 1.4	19.9	20.7	3.6	Feb
- 2.5	6.4	- 3.3	9.7	- 3.2	1.3	0.0	- 4.5	0.1	- 4.5	24.4	21.8	- 11.6	Mar
4.4	1.0	1.8	- 0.9	0.7	3.4	1.9	- 2.7	- 1.0	- 1.7	16.1	16.3	- 3.8	Apr
2.9	- 0.4	- 5.9	5.5	- 0.6	1.1	1.0	- 1.7	1.5	- 3.1	21.8	18.8	- 3.2	May
- 4.0	- 15.7	- 5.2	- 10.5	- 5.6	- 4.1	- 5.1	- 1.4	- 1.9	0.5	25.4	16.1	- 7.5	June
0.0	12.6	10.3	2.3	- 3.9	- 0.3	0.3	- 3.6	0.3	- 3.9	- 18.6	- 19.0	- 5.9	July
1.1	- 10.5	- 4.3	- 6.2	- 3.6	2.2	2.4	- 5.8	- 0.9	- 4.8	- 21.0	- 19.0	- 1.2	Aug
- 4.3	- 4.4	- 5.4	0.9	10.3	1.0	0.3	9.3	- 0.5	9.9	10.2	14.5	4.4	Sep
- 5.6	5.3	1.4	3.9	0.2	- 2.0	- 4.2	2.2	1.6	0.5	- 0.5	- 3.6	3.5	Oct
4.1	9.4	6.0	3.4	5.3	5.7	4.3	- 0.4	0.6	- 1.0	13.0	12.4	- 3.0	Nov
- 1.7	- 12.4	- 2.9	- 9.5	3.6	1.4	- 1.4	2.2	0.5	1.7	13.4	9.4	- 1.7	Dec
2.1	3.6	0.6	3.0	0.4	- 2.3	- 1.6	2.7	- 0.4	3.1	34.7	32.1	- 18.8	2004 Jan
- 3.7	9.1	- 8.0	17.2	8.6	4.0	4.0	4.6	- 0.6	5.2	- 2.7	- 1.1	- 4.8	Feb
9.8	12.7	12.7	- 0.0	7.0	1.4	1.6	5.6	- 0.1	5.8	10.7	8.6	2.1	Mar
13.2	- 7.5	- 7.6	0.1	3.6	1.8	1.7	1.9	0.9	1.0	21.3	21.2	- 0.4	Apr
- 8.9	0.6	- 5.9	6.5	- 2.2	- 1.7	- 2.4	- 0.5	0.1	- 0.5	- 4.4	- 10.4	2.6	May
- 13.4	3.1	- 5.2	8.3	0.9	0.8	0.2	0.1	- 0.2	0.2	- 8.9	- 14.1	- 1.5	June
- 1.8	9.0	8.2	0.8	3.0	1.5	1.2	1.4	0.7	0.8	- 8.1	- 9.8	0.2	July

IV Banks

 1 Assets and liabilities of monetary financial institutions (excluding the Bundesbank) in Germany *
Liabilities

Up to end-1998, DM billion; from 1999, € billion

Period	Deposits of banks (MFIs) in the euro area				Deposits of non-banks (non-MFIs) in the euro area								
	Balance sheet total	of banks			Total	Deposits of non-banks in the home country					Deposits of non-banks		
		Total	in the home country	in other member states		Total	Over-night	With agreed maturities ²		At agreed notice ³		Total	Over-night
								Total	of which up to 2 years ⁴	Total	of which up to 3 months		
1995	7,778.7	1,761.5	1,582.0	179.6	3,260.0	3,038.9	549.8	1,289.0	472.0	1,200.1	749.5	110.1	4.5
1996	8,540.5	1,975.3	1,780.2	195.1	3,515.9	3,264.0	638.1	1,318.5	430.6	1,307.4	865.7	137.3	7.5
1997	9,368.2	2,195.6	1,959.1	236.5	3,647.1	3,376.2	654.5	1,364.9	426.8	1,356.9	929.2	162.5	7.3
1998	10,355.5	2,480.3	2,148.9	331.4	3,850.8	3,552.2	751.6	1,411.1	461.6	1,389.6	971.9	187.4	9.4
1999	5,678.5	1,288.1	1,121.8	166.3	2,012.4	1,854.7	419.5	820.6	247.0	614.7	504.4	111.1	6.5
2000	6,083.9	1,379.4	1,188.9	190.5	2,051.4	1,873.6	441.4	858.8	274.3	573.5	450.5	107.9	6.9
2001	6,303.1	1,418.0	1,201.2	215.9	2,134.0	1,979.7	525.0	880.2	290.6	574.5	461.9	105.2	7.6
2002	6,394.2	1,478.7	1,236.2	242.4	2,170.0	2,034.9	574.8	884.9	279.3	575.3	472.9	87.4	8.1
2003	6,432.0	1,471.0	1,229.4	241.6	2,214.6	2,086.9	622.1	874.5	248.0	590.3	500.8	81.8	9.3
2002 Oct	6,359.1	1,419.4	1,177.2	242.2	2,114.5	1,979.6	542.0	877.8	279.0	559.7	456.9	86.6	8.2
Nov	6,453.5	1,460.0	1,214.3	245.7	2,146.5	2,008.8	571.8	874.6	273.2	562.4	460.2	90.1	10.0
Dec	6,394.2	1,478.7	1,236.2	242.4	2,170.0	2,034.9	574.8	884.9	279.3	575.3	472.9	87.4	8.1
2003 Jan	6,380.7	1,457.2	1,213.2	244.0	2,160.0	2,024.7	564.4	882.9	275.8	577.4	477.0	88.5	9.1
Feb	6,424.9	1,466.4	1,224.6	241.9	2,173.4	2,036.7	571.1	886.4	272.1	579.2	479.9	88.5	8.0
Mar	6,434.8	1,471.5	1,218.2	253.2	2,175.3	2,040.7	578.3	883.1	266.2	579.3	481.6	88.0	7.7
Apr	6,430.3	1,455.5	1,200.9	254.6	2,176.2	2,044.3	585.8	880.6	264.8	577.9	482.7	86.5	8.2
May	6,467.7	1,508.5	1,253.9	254.6	2,188.9	2,053.8	591.4	885.3	270.9	577.1	483.4	87.4	8.8
June	6,472.9	1,509.2	1,252.8	256.4	2,194.2	2,059.3	608.2	874.5	260.2	576.7	484.4	86.7	9.0
July	6,425.7	1,457.9	1,207.6	250.3	2,182.5	2,051.4	595.2	879.5	259.0	576.8	486.5	85.7	9.3
Aug	6,395.1	1,450.5	1,198.0	252.5	2,193.0	2,061.5	597.8	885.7	261.3	578.0	489.3	85.5	8.9
Sep	6,403.1	1,451.2	1,188.3	262.9	2,187.8	2,057.4	607.3	871.8	248.1	578.3	490.2	84.2	9.6
Oct	6,399.3	1,439.5	1,179.5	260.0	2,188.2	2,057.3	609.5	868.5	243.9	579.4	491.2	85.4	10.7
Nov	6,456.1	1,463.6	1,214.6	249.0	2,211.2	2,082.4	632.7	869.4	244.7	580.3	491.9	83.1	9.9
Dec	6,432.0	1,471.0	1,229.4	241.6	2,214.6	2,086.9	622.1	874.5	248.0	590.3	500.8	81.8	9.3
2004 Jan	6,424.2	1,461.1	1,212.6	248.5	2,209.5	2,082.6	630.5	861.5	233.5	590.6	502.1	80.9	9.5
Feb	6,448.7	1,454.4	1,215.7	238.7	2,212.3	2,085.6	633.8	860.3	230.1	591.5	503.3	79.5	10.8
Mar	6,506.7	1,459.9	1,203.6	256.3	2,214.3	2,088.7	632.9	864.4	230.9	591.4	503.5	77.8	13.1
Apr	6,568.8	1,482.1	1,227.2	254.9	2,219.0	2,097.2	641.7	864.4	225.6	591.2	504.3	74.5	10.6
May	6,583.5	1,496.5	1,251.2	245.4	2,229.4	2,105.3	640.0	874.8	232.1	590.6	504.6	75.8	9.4
June	6,551.3	1,501.5	1,256.7	244.8	2,228.7	2,101.4	640.7	870.7	224.0	590.0	504.3	76.7	12.4
July	6,575.0	1,524.1	1,274.6	249.6	2,225.5	2,103.0	634.7	877.7	228.7	590.6	504.9	72.9	9.7
Changes ¹													
1996	761.8	213.7	198.2	15.5	256.0	225.2	88.3	29.5	- 41.4	107.3	116.2	27.2	3.0
1997	825.6	223.7	185.5	38.3	130.8	112.1	16.3	46.4	- 3.8	49.4	60.3	25.0	- 0.3
1998	1,001.0	277.0	182.8	94.2	205.9	176.8	97.8	46.3	34.8	32.7	42.0	26.2	2.0
1999	452.6	70.2	66.4	3.7	75.0	65.6	34.2	36.7	13.5	- 5.3	7.4	7.5	1.7
2000	401.5	87.5	66.0	21.5	38.7	19.8	22.5	37.8	27.0	- 40.5	- 53.6	- 4.2	0.3
2001	244.9	32.4	8.4	24.0	80.6	105.2	83.0	21.2	16.2	1.1	11.4	- 4.0	0.4
2002	165.7	70.2	37.2	33.1	53.0	57.0	50.3	5.9	- 11.0	0.8	11.0	- 2.6	0.6
2003	83.5	3.8	- 3.3	7.1	44.7	50.3	48.8	- 13.6	- 31.6	15.1	28.0	- 3.8	1.4
2002 Nov	97.2	41.3	37.4	3.9	32.3	29.4	29.8	- 3.2	- 5.8	2.7	3.3	3.5	1.8
Dec	- 29.0	22.0	23.3	- 1.2	24.6	26.7	3.4	10.5	6.3	12.8	12.6	- 2.2	- 1.9
2003 Jan	- 14.6	- 19.2	- 22.2	3.0	- 14.2	- 13.7	- 10.1	- 5.7	- 4.2	2.1	4.1	0.3	0.9
Feb	41.3	9.1	11.4	- 2.3	14.3	11.9	6.7	3.4	- 3.7	1.8	3.0	1.0	- 1.1
Mar	14.1	5.9	- 5.9	11.9	2.2	4.1	7.4	- 3.3	- 5.9	0.1	1.7	- 0.3	- 0.3
Apr	4.5	- 14.0	- 16.5	2.5	1.6	3.9	7.7	- 2.4	- 1.4	- 1.4	1.1	- 1.2	0.5
May	57.3	54.5	52.0	2.5	13.9	10.2	6.1	4.9	6.3	- 0.8	0.7	1.5	0.7
June	- 5.9	- 1.2	- 1.7	0.6	4.6	5.1	16.4	- 10.9	- 10.8	- 0.4	1.0	- 0.9	- 0.0
July	- 49.6	- 52.1	- 45.6	- 6.4	- 11.8	- 7.9	- 13.0	5.1	- 1.1	0.1	2.1	- 1.1	0.5
Aug	- 43.7	- 10.0	- 10.5	0.5	9.7	9.6	2.3	6.1	2.3	1.3	2.8	- 0.5	- 0.5
Sep	26.2	4.5	- 8.4	12.9	- 4.0	- 3.5	10.0	- 13.7	- 13.1	0.2	0.9	- 0.8	0.8
Oct	- 5.0	- 10.3	- 7.5	- 2.8	0.3	- 0.1	2.2	- 3.4	- 4.2	1.1	1.0	1.1	1.1
Nov	67.6	26.1	35.8	- 9.7	23.6	25.4	23.5	1.0	0.9	0.9	0.7	- 2.0	- 0.7
Dec	- 8.6	10.4	15.9	- 5.5	4.4	5.1	- 10.2	5.3	3.4	10.0	8.9	- 1.0	- 0.5
2004 Jan	- 15.4	- 11.1	- 17.2	6.1	- 5.5	- 4.6	8.2	- 13.1	- 14.5	0.3	1.3	- 1.0	0.2
Feb	26.4	- 6.3	3.3	- 9.6	3.0	3.1	4.2	- 2.0	- 4.2	0.9	1.2	- 1.4	1.3
Mar	47.2	4.0	- 12.6	16.6	1.6	2.8	- 1.1	4.0	0.7	- 0.1	0.1	- 1.8	2.3
Apr	57.9	21.3	23.2	- 1.9	4.7	8.7	8.6	0.3	- 5.1	- 0.2	0.9	- 3.5	- 2.6
May	19.5	15.3	24.2	- 8.9	10.7	8.3	- 1.5	10.4	6.6	- 0.6	0.3	1.4	- 1.2
June	- 33.2	4.7	5.5	- 0.7	- 0.7	- 4.0	0.3	- 3.7	- 7.7	- 0.6	- 0.3	0.8	3.0
July	21.8	22.3	17.8	4.6	- 3.3	1.5	- 5.8	6.6	4.3	0.7	0.5	- 3.9	- 2.8

* This table serves to supplement the "Overall monetary survey" in section II. Unlike the other tables in section IV, this table includes - in addition to the figures reported by banks (including building and loan associations) - data from money market funds. — 1 Statistical breaks have been eliminated from the flow figures (see also footnote * in Table II.1). — 2 For the German

contribution: from 1999, including deposits under savings and loan contracts (see Table IV.12). — 3 For the German contribution: up to the end of 1998, including deposits under savings and loan contracts (see also footnote 2). — 4 Up to December 1998, with maturities of less

IV Banks

in other member states ⁵				Deposits of central governments		Liabilities arising from repos with non-banks in the euro area ⁶	Money market fund shares issued ⁷	Debt securities issued ⁷		Liabilities to non-euro-area residents	Capital and reserves	Other Liabilities	Period
With agreed maturities		At agreed notice		Total	of which domestic central governments			Total	of which with maturities of up to 2 years ⁷				
Total	of which up to 2 years ⁴	Total	of which up to 3 months			Total	of which domestic central governments			Total	of which with maturities of up to 2 years ⁷	Total	of which with maturities of up to 2 years ⁷
End of year or month													
97.3	11.4	8.3	8.3	111.0	111.0	-	39.1	1,608.1	70.3	393.9	325.0	391.0	1995
120.6	9.0	9.2	9.2	114.6	114.6	-	34.0	1,804.3	54.4	422.1	350.0	438.8	1996
145.8	9.2	9.4	9.4	108.3	108.3	-	28.6	1,998.3	62.5	599.2	388.1	511.3	1997
168.3	13.8	9.7	9.7	111.2	111.2	-	34.8	2,248.1	80.2	739.8	426.8	574.8	1998
99.7	8.9	4.8	3.7	46.6	45.9	2.0	20.8	1,323.6	97.4	487.9	262.6	281.1	1999
96.3	6.7	4.7	3.3	69.9	67.6	0.4	19.3	1,417.1	113.3	599.8	298.1	318.4	2000
92.4	9.0	5.2	3.8	49.1	46.9	4.9	33.2	1,445.4	129.3	647.6	319.2	300.8	2001
74.6	9.9	4.7	3.6	47.7	45.6	3.3	36.7	1,468.2	71.6	599.2	343.0	309.8	2002
68.6	11.4	3.9	3.1	45.9	44.2	14.1	36.7	1,486.9	131.3	567.8	340.2	300.8	2003
73.9	9.1	4.5	3.4	48.3	46.8	9.6	38.1	1,485.9	65.2	642.5	343.2	306.0	2002 Oct
75.6	9.4	4.5	3.4	47.6	46.3	6.4	37.9	1,496.8	68.8	653.5	342.5	309.8	Nov
74.6	9.9	4.7	3.6	47.7	45.6	3.3	36.7	1,468.2	71.6	599.2	343.0	309.8	Dec
74.8	10.4	4.7	3.6	46.9	45.2	7.6	38.5	1,461.1	138.9	602.9	350.5	305.9	2003 Jan
75.9	12.3	4.6	3.6	48.2	45.1	10.9	39.6	1,468.4	145.7	606.7	354.1	305.4	Feb
75.7	13.0	4.6	3.6	46.6	45.2	11.2	40.2	1,467.9	143.5	612.1	353.1	303.6	Mar
73.8	12.3	4.5	3.5	45.5	44.9	11.3	39.6	1,468.6	142.6	620.2	351.6	307.2	Apr
74.1	13.3	4.4	3.5	47.7	44.4	12.3	39.4	1,463.3	133.3	599.0	351.0	305.4	May
73.4	12.2	4.4	3.5	48.1	44.6	10.8	38.7	1,470.0	128.7	594.8	348.2	307.0	June
72.1	12.1	4.3	3.4	45.3	43.8	10.9	38.4	1,482.8	133.0	603.6	348.1	301.6	July
72.4	12.8	4.2	3.4	45.9	43.8	12.4	38.1	1,480.0	122.1	579.2	344.0	298.0	Aug
70.5	12.0	4.1	3.3	46.2	43.4	15.6	38.0	1,485.5	124.4	579.7	341.0	304.3	Sep
70.6	12.7	4.0	3.3	45.5	43.0	21.1	37.6	1,494.1	126.2	574.2	344.6	299.9	Oct
69.3	11.4	4.0	3.2	45.7	43.6	20.0	37.1	1,502.7	131.5	574.6	343.0	304.0	Nov
68.6	11.4	3.9	3.1	45.9	44.2	14.1	36.7	1,486.9	131.3	567.8	340.2	300.8	Dec
67.5	11.9	3.8	3.1	45.9	45.2	16.6	36.4	1,493.9	128.6	585.4	336.8	284.5	2004 Jan
64.9	10.9	3.8	3.1	47.3	45.8	17.5	36.2	1,503.7	127.3	604.4	332.2	288.0	Feb
60.9	10.1	3.7	3.1	47.8	46.2	18.2	35.8	1,532.3	134.7	623.1	330.1	292.8	Mar
60.2	10.2	3.7	3.1	47.2	46.2	17.3	35.7	1,549.0	135.3	632.3	333.7	299.7	Apr
62.7	12.3	3.7	3.0	48.3	45.8	17.0	36.1	1,559.8	132.3	612.5	336.4	295.8	May
60.6	10.2	3.6	3.0	50.7	47.1	16.1	36.0	1,554.2	123.6	582.1	337.5	295.2	June
59.6	9.7	3.6	3.0	49.7	47.2	16.8	39.9	1,558.7	120.0	576.7	339.4	293.9	July
Changes ¹													
23.3	- 2.4	0.9	0.9	3.6	3.6	-	- 5.1	196.3	- 15.9	28.1	25.0	47.8	1996
25.1	0.2	0.2	0.2	- 6.2	- 6.2	-	- 4.5	194.8	8.1	172.3	37.1	71.2	1997
24.0	4.6	0.3	0.3	2.9	2.9	-	6.2	263.3	28.1	151.4	28.8	68.3	1998
5.9	1.5	- 0.2	- 1.3	1.9	1.2	0.6	3.5	168.0	65.1	89.7	28.0	7.7	1999
- 4.5	- 0.5	- 0.1	- 0.3	23.1	21.6	- 1.6	- 1.5	90.6	15.9	97.8	35.3	54.6	2000
- 4.6	1.6	0.2	0.4	- 20.5	- 20.4	4.6	13.3	59.5	18.6	34.8	20.9	- 1.1	2001
- 2.6	1.1	- 0.5	- 0.3	- 1.4	- 1.3	- 1.6	4.1	18.8	14.8	- 2.1	25.6	- 2.7	2002
- 4.4	2.0	- 0.8	- 0.4	- 1.8	- 1.4	10.7	0.0	49.8	- 2.2	4.6	- 3.9	- 26.3	2003
- 1.8	0.3	- 0.0	- 0.0	- 0.6	- 0.5	- 3.2	- 0.2	11.9	- 10.7	13.2	- 0.5	2.5	2002 Nov
- 0.6	0.6	0.2	0.2	0.1	- 0.7	- 3.1	- 1.2	- 24.8	- 6.6	- 42.1	1.3	- 6.0	Dec
- 0.6	- 0.5	- 0.0	0.0	- 0.8	- 0.4	5.3	1.8	4.8	2.9	11.3	3.2	- 7.7	2003 Jan
2.1	3.0	- 0.0	0.0	1.4	- 0.1	2.3	1.1	8.1	6.8	4.4	3.7	- 1.7	Feb
- 0.0	0.7	- 0.1	- 0.0	- 1.6	0.1	0.4	0.5	0.8	- 2.4	8.2	- 0.7	- 3.2	Mar
- 1.6	- 0.6	- 0.1	- 0.0	- 1.1	- 0.3	0.0	- 0.5	3.5	- 0.8	13.7	- 0.9	1.2	Apr
0.9	1.2	- 0.1	- 0.0	2.2	- 0.5	1.0	- 0.2	3.4	- 6.9	- 8.2	0.7	- 7.8	May
- 0.8	- 1.0	- 0.1	- 0.0	0.4	0.2	- 1.5	- 0.7	3.1	- 4.5	- 11.4	- 3.6	4.7	June
- 1.5	- 0.2	- 0.1	- 0.1	- 2.8	- 0.8	0.2	- 0.4	12.1	- 4.3	7.0	- 0.2	- 4.6	July
0.0	0.6	- 0.1	- 0.0	0.6	0.0	1.5	- 0.2	- 7.1	- 10.9	- 32.4	- 4.9	- 0.2	Aug
- 1.5	- 0.7	- 0.1	- 0.1	0.3	- 0.4	3.2	- 0.1	11.6	2.4	12.3	- 1.9	0.7	Sep
0.1	0.7	- 0.1	- 0.1	- 0.7	- 0.4	5.6	- 0.5	7.8	1.8	- 10.3	3.4	- 1.1	Oct
- 1.1	- 1.2	- 0.1	- 0.1	0.1	0.6	- 1.2	- 0.5	12.3	5.3	6.8	- 1.0	1.3	Nov
- 0.3	0.1	- 0.1	- 0.1	0.3	0.6	- 5.9	- 0.4	- 10.6	- 0.1	3.2	- 1.8	- 7.9	Dec
- 1.2	0.5	- 0.1	- 0.0	0.0	0.9	2.5	- 0.3	4.2	- 2.7	12.7	- 3.9	- 13.9	2004 Jan
- 2.6	- 1.0	- 0.0	- 0.0	1.3	0.6	0.9	- 0.2	10.0	- 1.3	19.6	- 4.6	4.1	Feb
- 4.1	- 0.8	- 0.0	- 0.0	0.5	0.4	0.8	- 0.5	23.2	7.5	14.0	- 2.5	6.7	Mar
- 0.8	0.1	- 0.0	- 0.0	- 0.6	- 0.0	- 1.0	- 0.0	15.5	0.3	6.4	3.4	7.7	Apr
2.6	2.1	- 0.0	- 0.0	1.0	- 0.4	- 0.3	0.3	12.2	- 2.8	- 16.7	2.6	- 4.6	May
- 2.1	- 2.1	- 0.0	- 0.0	2.4	1.3	- 0.8	- 0.1	- 5.9	- 8.6	- 31.0	1.1	- 0.5	June
- 1.1	- 0.5	- 0.0	- 0.0	- 1.0	0.0	0.6	3.9	3.6	- 3.6	- 7.0	1.8	- 0.1	July

than four years. — ⁵ Excluding deposits of central governments. — ⁶ Data collected separately from 1999 only; up to December 1998, included in the deposits with agreed maturities of up to two years. — ⁷ In Germany, debt

securities with maturities of up to one year are classed as money market paper; up to the January 2002 *Monthly Report* they were published together with money market fund shares.

IV Banks

2 Principal assets and liabilities of banks (MFIs) in Germany, by category of banks *

€ billion

End of month	Number of reporting institutions	Balance sheet total	Cash in hand and credit balances with central banks	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Participating interests	Other assets	
				Total	of which		Total	of which					
					Balances and loans	Securities issued by banks		Loans	Bills	Securities issued by non-banks			
						for up to and including 1 year	for more than 1 year						
All categories of banks													
2004 Feb	2,222	6,488.0	50.9	2,435.5	1,749.8	675.7	3,593.5	459.2	2,559.8	3.9	560.1	148.5	259.6
Mar	2,219	6,542.8	43.9	2,459.8	1,762.0	687.8	3,633.3	481.1	2,559.0	3.7	580.5	147.0	258.9
Apr	2,216	6,604.4	52.3	2,498.9	1,791.0	697.0	3,648.7	476.7	2,563.8	3.7	594.5	145.9	258.4
May	2,213	6,618.6	55.2	2,529.2	1,806.8	712.7	3,626.7	452.4	2,566.7	3.7	594.1	146.5	260.9
June	2,200	6,587.5	50.5	2,507.2	1,792.0	705.3	3,622.4	449.1	2,566.6	3.5	590.4	145.6	261.8
July	2,184	6,608.2	53.1	2,516.2	1,799.5	708.0	3,633.5	453.0	2,568.9	3.6	590.5	142.7	262.7
Commercial banks ⁵													
2004 June	255	1,843.3	16.7	684.7	546.0	136.2	965.3	244.1	543.0	1.8	168.4	78.3	98.2
July	252	1,847.8	17.7	684.3	550.0	132.0	970.7	246.4	544.5	1.9	167.9	76.6	98.5
Big banks ⁶													
2004 June	4	1,052.6	7.9	389.9	335.7	52.8	518.9	151.9	266.2	1.2	93.2	67.9	68.1
July	4	1,059.1	9.6	389.2	335.8	52.1	525.0	155.8	264.8	1.2	94.9	67.1	68.3
Regional banks and other commercial banks													
2004 June	168	702.4	8.0	248.6	167.8	80.4	408.4	75.0	260.3	0.6	71.1	10.3	27.0
July	164	702.7	7.0	251.0	173.1	77.2	408.1	73.0	263.1	0.6	69.9	9.5	27.1
Branches of foreign banks													
2004 June	83	88.2	0.8	46.2	42.5	3.0	38.0	17.2	16.4	0.0	4.0	0.1	3.1
July	84	86.0	1.1	44.2	41.0	2.8	37.6	17.6	16.6	0.0	3.0	0.1	3.1
Landesbanken													
2004 June	13	1,394.8	3.7	719.8	575.2	142.0	588.6	61.1	411.5	0.3	112.8	31.7	51.0
July	13	1,403.9	4.1	724.3	575.2	147.2	593.2	67.0	411.3	0.3	112.1	30.7	51.7
Savings banks													
2004 June	486	983.3	16.7	227.6	71.1	155.8	702.7	71.8	537.4	0.9	92.4	14.7	21.6
July	483	984.4	17.4	228.9	72.7	155.7	701.9	70.5	538.7	0.9	91.6	14.7	21.4
Regional institutions of credit cooperatives													
2004 June	2	191.5	0.3	130.0	86.6	42.9	42.3	10.7	20.7	0.1	10.7	11.5	7.4
July	2	196.0	1.1	134.0	91.8	41.7	41.9	9.8	20.5	0.1	11.4	11.4	7.6
Credit cooperatives													
2004 June	1,378	567.5	11.7	146.5	58.5	86.1	386.6	44.6	299.7	0.5	41.5	5.9	16.8
July	1,368	566.7	11.4	145.8	58.7	85.4	386.6	43.0	301.3	0.5	41.7	6.0	16.8
Mortgage banks													
2004 June	25	872.6	1.1	233.1	145.6	86.0	619.4	9.9	489.8	-	119.6	0.9	18.2
July	25	871.6	1.1	230.4	140.9	88.0	621.8	9.8	487.9	-	121.1	0.8	17.5
Building and loan associations													
2004 June	27	176.0	0.0	42.8	31.1	11.7	121.9	1.5	107.9	.	12.4	0.4	10.8
July	27	177.0	0.0	43.2	31.2	11.9	121.3	1.5	106.7	.	12.4	0.4	12.1
Special purpose banks													
2004 June	14	558.4	0.4	322.7	277.9	44.6	195.7	5.5	156.7	-	32.6	2.1	37.6
July	14	560.8	0.3	325.2	279.0	46.0	196.1	5.0	157.9	-	32.5	2.1	37.2
Memo item: Foreign banks ⁷													
2004 June	127	400.1	3.6	176.7	123.3	52.6	205.6	36.5	123.9	0.2	44.6	1.2	13.0
July	126	399.6	2.7	175.0	124.0	50.5	208.6	37.4	124.9	0.2	45.8	0.8	12.5
of which: Banks majority-owned by foreign banks ⁸													
2004 June	44	311.8	2.8	130.6	80.7	49.7	167.6	19.3	107.5	0.1	40.6	1.1	9.9
July	42	313.6	1.6	130.8	83.0	47.7	171.0	19.7	108.3	0.2	42.8	0.7	9.4

* For the period up to December 1998, section IV (except for Table IV.1) shows the assets and liabilities of banks (excluding building and loan associations) in liabilities of monetary financial institutions (MFIs) in Germany. The assets and liabilities of foreign branches, of money market funds (which are also classified as MFIs) and of the Bundesbank are not

included. For the definitions of the respective items, see the footnotes to Table IV.3. — 1 For building and loan associations: Including deposits under savings and loan contracts (see Table IV.12). — 2 Included in time deposits. — 3 Excluding deposits under savings and loan contracts (see also footnote 2). — 4 Including subordinated negotiable bearer debt

IV Banks

Deposits of banks (MFIs)			Deposits of non-banks (non-MFIs)								Bearer debt securities outstanding ⁴	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month
Total	of which		Total	of which				Savings deposits ³		Bank savings bonds				
	Sight deposits	Time deposits		Sight deposits	Time deposits ¹		Memo item Liabilities arising from repos ²	Total	of which At three months' notice					
				for up to and including 1 year	for more than 1 year ¹									
All categories of banks														
1,818.6	256.7	1,561.8	2,470.4	691.2	319.9	750.7	83.4	601.4	511.2	107.1	1,548.5	285.0	365.5	2004 Feb
1,844.5	276.3	1,568.0	2,472.0	697.2	320.2	746.6	83.6	601.3	511.3	106.8	1,576.3	283.6	366.4	Mar
1,873.9	270.9	1,602.9	2,477.8	701.0	319.4	750.3	84.4	601.0	512.2	106.0	1,593.8	286.2	372.7	Apr
1,868.9	248.3	1,620.4	2,487.6	705.5	322.3	753.7	76.9	600.4	512.4	105.7	1,606.1	287.2	368.7	May
1,861.1	258.6	1,602.4	2,468.5	704.0	302.5	756.9	68.0	599.7	512.1	105.4	1,601.3	287.6	369.0	June
1,873.9	249.5	1,624.2	2,470.3	691.7	314.6	758.3	72.1	600.3	512.6	105.3	1,607.5	287.9	368.7	July
Commercial banks⁵														
720.4	153.0	567.3	699.3	327.8	139.0	123.2	57.0	100.1	90.2	9.2	209.5	92.2	121.8	2004 June
721.7	142.3	579.3	702.6	318.8	151.1	122.1	62.9	101.6	91.7	9.1	208.7	91.9	122.8	July
Big banks⁶														
434.5	109.0	325.5	346.6	151.1	96.2	70.1	52.6	28.6	26.7	0.6	146.3	53.1	72.2	2004 June
440.3	99.5	340.8	348.3	143.6	104.9	69.3	57.1	30.0	28.2	0.5	144.7	53.0	72.8	July
Regional banks and other commercial banks														
219.9	32.1	187.6	336.8	165.5	39.9	51.2	4.5	71.5	63.5	8.6	63.3	36.7	45.7	2004 June
216.8	31.8	184.9	339.2	164.6	43.6	50.9	5.8	71.6	63.6	8.5	64.0	36.4	46.2	July
Branches of foreign banks														
66.0	11.9	54.1	16.0	11.2	2.8	1.9	-	0.0	0.0	0.0	-	2.4	3.9	2004 June
64.6	11.1	53.5	15.2	10.6	2.7	1.9	-	0.0	0.0	0.0	-	2.4	3.8	July
Landesbanken														
463.9	60.4	403.5	327.7	47.8	40.0	223.9	8.5	15.3	14.4	0.7	479.0	60.4	63.9	2004 June
469.6	60.2	409.5	323.9	43.6	39.4	224.8	6.7	15.3	14.4	0.8	487.6	60.6	62.3	July
Savings banks														
216.2	5.1	211.1	629.6	194.2	51.6	10.9	-	302.9	251.4	70.0	44.3	47.2	46.0	2004 June
215.8	6.0	209.8	630.1	195.4	51.2	11.1	-	302.4	250.8	70.1	44.3	47.5	46.8	July
Regional institutions of credit cooperatives														
114.7	28.6	86.0	28.9	6.2	6.2	16.3	2.2	-	-	0.3	28.4	10.1	9.4	2004 June
117.9	29.3	88.6	29.2	6.0	6.7	16.2	2.3	-	-	0.3	29.9	10.1	9.0	July
Credit cooperatives														
77.0	2.7	74.3	404.4	122.5	51.8	24.2	-	181.0	155.8	24.8	32.5	31.0	22.5	2004 June
76.0	1.8	74.1	404.1	122.6	51.7	24.3	-	180.8	155.3	24.7	32.4	31.1	23.1	July
Mortgage banks														
132.9	4.5	128.4	147.7	1.4	5.6	140.4	0.2	-	-	0.2	546.6	21.1	24.4	2004 June
135.5	6.5	129.0	149.2	1.3	5.4	142.3	0.2	-	-	0.2	540.9	21.2	24.8	July
Building and loan associations														
29.7	2.0	27.7	113.0	0.4	0.8	111.2	-	0.4	0.4	0.2	7.0	7.4	19.0	2004 June
29.2	1.9	27.4	112.9	0.4	0.8	111.2	-	0.4	0.4	0.2	7.0	7.4	20.5	July
Special purpose banks														
106.2	2.2	104.0	117.9	3.8	7.5	106.6	-	-	-	-	254.0	18.2	62.0	2004 June
108.2	1.6	106.5	118.3	3.6	8.1	106.5	-	-	-	-	256.5	18.2	59.6	July
Memo item: Foreign banks⁷														
139.6	23.7	115.8	127.5	81.7	11.8	23.8	0.2	7.0	6.8	3.2	98.5	13.0	21.6	2004 June
139.2	23.7	115.5	126.3	79.8	12.0	24.5	0.2	6.9	6.7	3.1	99.0	13.0	22.0	July
of which: Banks majority-owned by foreign banks⁸														
73.5	11.8	61.7	111.5	70.5	9.0	21.9	0.2	6.9	6.8	3.2	98.5	10.6	17.7	2004 June
74.6	12.6	62.0	111.1	69.3	9.3	22.6	0.2	6.9	6.7	3.1	99.0	10.6	18.2	July

securities; excluding non-negotiable bearer debt securities. — ⁵ Commercial banks comprise the sub-groups "Big banks", "Regional banks and other commercial banks" and "Branches of foreign banks". — ⁶ Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG and Bayerische Hypo- und Vereinsbank AG. — ⁷ Sum of the banks majority-owned by foreign banks and

included in other categories of banks and the category "Branches (with dependent legal status) of foreign banks". — ⁸ Separate presentation of the banks majority-owned by foreign banks included in the categories "Regional banks and other commercial banks" and "Mortgage banks".

IV Banks
3 Assets and liabilities of banks (MFIs) in Germany vis-à-vis residents *

Up to end-1998, DM billion; from 1999, € billion

Period	Cash in hand (euro-area banknotes and coins) 1	Credit balances with the Bundesbank	Lending to domestic banks (MFIs) 2,3						Lending to domestic non-banks (non-MFIs) 3,8				
			Total	Credit balances and loans	Bills 4	Negotiable money market paper issued by banks 5	Securities issued by banks 6	Memo item Fiduciary loans 7	Total	Loans	Bills 4	Treasury bills and negotiable money market paper issued by non-banks	Securities issued by non-banks 9
End of year or month *													
1994	25.0	61.5	1,695.6	1,150.6	17.4	4.6	513.6	9.5	4,137.2	3,502.8	45.9	2.2	433.7
1995	26.0	61.0	1,859.9	1,264.9	17.5	4.3	561.9	11.4	4,436.9	3,802.0	46.8	1.4	427.3
1996	28.9	59.7	2,134.0	1,443.3	17.9	3.4	657.2	12.2	4,773.1	4,097.9	44.8	5.9	437.2
1997	29.3	60.2	2,397.9	1,606.3	18.1	3.6	758.9	11.1	5,058.4	4,353.9	44.7	2.9	473.3
1998	28.5	63.6	2,738.2	1,814.7	14.6	12.2	887.7	9.1	5,379.8	4,639.7	32.8	5.0	527.8
1999	16.8	45.6	1,556.9	1,033.4	0.0	19.2	504.2	3.9	2,904.5	2,569.6	7.0	3.0	287.5
2000	15.6	50.8	1,639.6	1,056.1	0.0	26.8	556.6	3.6	3,003.7	2,657.3	6.5	2.3	304.7
2001	14.2	56.3	1,676.0	1,078.9	0.0	5.6	591.5	2.8	3,014.1	2,699.4	4.8	4.4	301.5
2002	17.5	45.6	1,691.3	1,112.3	0.0	7.8	571.2	2.7	2,997.2	2,685.0	4.1	3.3	301.9
2003	17.0	46.7	1,643.9	1,064.0	0.0	8.8	571.0	2.3	2,995.6	2,677.0	3.7	3.4	309.6
2003 Feb	12.9	39.0	1,667.6	1,095.5	0.0	9.7	562.3	2.5	3,001.9	2,682.6	3.8	3.6	308.9
Mar	12.6	47.5	1,655.8	1,081.1	0.0	10.0	564.7	2.5	3,005.5	2,677.5	3.8	4.8	316.4
Apr	13.5	37.7	1,648.8	1,074.6	0.0	9.9	564.3	2.5	3,007.6	2,676.4	3.8	5.0	319.4
May	13.7	38.3	1,674.3	1,099.7	0.0	9.2	565.3	2.5	3,003.6	2,667.8	3.9	4.5	324.5
June	12.9	40.9	1,665.5	1,090.9	0.0	9.9	564.7	2.5	2,992.4	2,670.2	3.9	3.9	311.4
July	12.9	40.5	1,645.6	1,063.8	0.0	10.9	571.0	2.4	2,996.0	2,671.8	4.0	3.4	314.7
Aug	13.2	42.5	1,636.2	1,056.4	0.0	9.3	570.5	2.4	2,986.9	2,667.9	4.0	3.4	309.6
Sep	12.9	42.1	1,627.9	1,047.0	0.0	9.7	571.2	2.4	2,995.7	2,676.3	3.9	2.1	311.4
Oct	13.3	44.3	1,630.0	1,046.2	0.0	9.7	574.1	2.4	2,992.9	2,675.4	3.9	3.1	308.4
Nov	12.8	38.2	1,663.1	1,073.8	0.0	10.5	578.8	2.3	3,012.2	2,685.5	3.7	3.4	317.5
Dec	17.0	46.7	1,643.9	1,064.0	0.0	8.8	571.0	2.3	2,995.6	2,677.0	3.7	3.4	309.6
2004 Jan	12.9	39.5	1,632.9	1,055.9	0.0	8.4	568.5	2.3	2,992.0	2,667.0	3.5	2.6	316.8
Feb	12.9	37.6	1,645.1	1,058.5	0.0	8.5	578.0	2.3	2,994.8	2,658.8	3.4	2.5	328.1
Mar	12.4	31.1	1,656.6	1,062.0	0.0	8.1	586.4	2.4	3,015.7	2,670.4	3.2	2.1	338.0
Apr	12.6	39.4	1,673.5	1,070.7	0.0	8.6	594.1	2.4	3,022.9	2,664.3	3.2	3.0	350.5
May	13.5	41.4	1,693.0	1,081.2	0.0	7.7	604.1	2.4	3,013.6	2,657.8	3.2	2.9	347.8
June	12.8	37.3	1,671.7	1,070.0	0.0	7.7	594.0	2.3	3,003.5	2,652.5	3.0	3.6	342.6
July	12.8	39.9	1,687.1	1,082.3	0.0	6.9	597.9	2.3	3,007.5	2,656.4	3.0	6.8	340.2
Changes *													
1995	+ 1.0	- 0.5	+ 193.5	+ 139.4	+ 0.1	- 0.5	+ 54.3	+ 0.2	+ 312.8	+ 303.6	+ 1.0	- 0.8	+ 2.9
1996	+ 2.9	- 1.3	+ 257.8	+ 161.8	+ 0.4	- 1.1	+ 95.8	+ 0.8	+ 336.3	+ 311.7	- 2.0	+ 4.7	+ 10.6
1997	+ 0.4	+ 0.5	+ 262.5	+ 160.7	+ 0.2	+ 0.2	+ 102.6	- 1.1	+ 285.2	+ 255.5	- 0.1	- 3.0	+ 36.5
1998	- 0.8	+ 3.4	+ 343.3	+ 210.3	- 3.6	+ 8.6	+ 130.0	- 2.0	+ 335.3	+ 302.1	- 11.9	+ 2.1	+ 52.1
1999	+ 2.2	+ 13.2	+ 122.1	+ 66.3	+ 0.0	+ 12.9	+ 42.8	- 0.7	+ 156.1	+ 136.9	+ 2.6	+ 0.4	+ 16.7
2000	- 1.1	+ 5.1	+ 83.6	+ 21.7	- 0.0	+ 7.6	+ 54.3	- 0.3	+ 100.7	+ 83.7	- 0.5	- 0.8	+ 19.0
2001	- 1.4	+ 5.5	+ 34.6	+ 20.1	- 0.0	- 21.3	+ 35.8	- 0.9	+ 11.9	+ 40.8	- 1.6	+ 1.6	+ 0.3
2002	+ 3.3	- 10.7	+ 15.0	+ 33.1	+ 0.0	+ 2.3	- 20.3	- 0.2	- 19.2	- 18.0	- 0.8	- 1.1	+ 1.7
2003	- 0.5	+ 1.1	- 47.2	- 48.2	+ 0.0	+ 1.0	+ 0.1	- 0.3	+ 0.1	- 8.0	- 0.4	+ 0.3	+ 9.3
2003 Feb	+ 0.0	- 3.3	+ 6.0	+ 8.8	+ 0.0	+ 0.0	- 2.8	- 0.0	- 3.3	- 4.3	- 0.1	- 0.4	+ 1.5
Mar	- 0.4	+ 8.5	- 11.8	- 14.4	- 0.0	+ 0.2	+ 2.4	- 0.0	+ 3.7	- 5.0	- 0.0	+ 1.3	+ 7.4
Apr	+ 0.9	- 9.8	- 7.0	- 6.5	-	- 0.1	- 0.4	- 0.0	+ 2.1	- 1.1	- 0.0	+ 0.2	+ 3.1
May	+ 0.2	+ 0.6	+ 25.5	+ 25.1	- 0.0	- 0.7	+ 1.1	- 0.1	- 3.8	- 8.7	+ 0.1	- 0.6	+ 5.3
June	- 0.7	+ 2.6	- 8.8	- 8.8	- 0.0	+ 0.6	- 0.6	- 0.0	- 11.1	+ 2.5	+ 0.0	- 0.5	- 13.1
July	- 0.0	- 0.4	- 20.1	- 27.2	- 0.0	+ 0.8	+ 6.3	- 0.0	+ 3.8	+ 1.6	+ 0.1	- 0.3	+ 3.4
Aug	+ 0.2	+ 2.0	- 9.4	- 7.4	- 0.0	- 1.5	- 0.5	- 0.0	- 9.1	- 3.9	- 0.0	- 0.0	- 5.1
Sep	- 0.2	- 0.3	- 7.8	- 9.4	+ 0.0	+ 0.4	+ 1.2	- 0.0	+ 9.6	+ 8.4	- 0.1	- 1.3	+ 2.6
Oct	+ 0.3	+ 2.2	+ 2.1	- 0.8	+ 0.0	- 0.1	+ 2.9	+ 0.0	- 2.8	- 0.9	- 0.0	+ 1.1	- 3.0
Nov	- 0.5	- 6.1	+ 33.1	+ 27.6	-	+ 1.0	+ 4.5	- 0.1	+ 19.3	+ 10.1	- 0.2	+ 0.3	+ 9.1
Dec	+ 4.2	+ 8.5	- 19.3	- 9.8	-	- 1.7	- 7.8	- 0.0	- 16.1	- 8.6	- 0.0	- 0.0	- 7.4
2004 Jan	- 4.1	- 7.1	- 11.0	- 8.1	-	- 0.4	- 2.6	- 0.0	- 3.7	- 10.0	- 0.1	- 0.7	+ 7.2
Feb	+ 0.1	- 1.9	+ 12.0	+ 2.4	-	+ 0.1	+ 9.5	- 0.0	+ 2.8	- 8.1	- 0.2	- 0.2	+ 11.3
Mar	- 0.5	- 6.5	+ 11.5	+ 3.5	- 0.0	- 0.4	+ 8.4	+ 0.1	+ 20.9	+ 11.6	- 0.2	- 0.4	+ 9.9
Apr	+ 0.1	+ 8.3	+ 16.9	+ 8.7	+ 0.0	+ 0.5	+ 7.7	+ 0.0	+ 7.3	- 6.1	+ 0.0	+ 0.8	+ 12.6
May	+ 0.9	+ 2.0	+ 19.6	+ 10.5	- 0.0	- 0.9	+ 9.9	- 0.1	- 9.4	- 6.5	- 0.0	- 0.1	- 2.7
June	- 0.7	- 4.1	- 21.3	- 11.2	-	- 0.1	- 10.1	- 0.0	- 10.1	- 5.4	- 0.2	+ 0.7	- 5.2
July	+ 0.1	+ 2.5	+ 15.4	+ 12.2	+ 0.0	- 0.8	+ 3.9	- 0.0	+ 4.0	+ 4.0	+ 0.0	+ 3.2	- 2.3

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions which appear in the following *Monthly Report*, are not specially marked. — 1 Up to December 1998, domestic banknotes and coins. — 2 Up to December 1998, excluding loans to domestic building and loan associations. — 3 Up to December 1998, including fiduciary loans (see also footnote 7). — 4 Up to December 1998, bill-based lending (bill holdings plus endorsement liabilities arising from rediscounted bills and bills sent for collection from the banks' portfolios

prior to maturity). — 5 Up to November 1993, included in securities (see also footnote 6). — 6 Up to November 1993, including negotiable money market paper; excluding registered debt securities. — 7 From 1999, no longer included in loans or deposits (see also footnote 3). — 8 Up to December 1998, including loans to domestic building and loan associations. — 9 Excluding debt securities arising from the exchange of equalisation claims (see also footnote 10). — 10 Including debt securities arising from the exchange of equalisation claims. — 11 Including liabilities arising from

IV Banks

Equalisation claims 10	Memo item Fiduciary loans 7	Participating interests in domestic banks and enterprises	Deposits of domestic banks (MFIs) 3.11,12					Deposits of domestic non-banks (non-MFIs) 3.17					Period	
			Total	Sight deposits 13,14	Time deposits 14,15	Redis-counted bills 16	Memo item Fiduciary loans 7	Total	Sight de- posits 13	Time deposits 15,18	Savings de- posits 19	Bank savings bonds 20		Memo item Fiduciary loans 7
End of year or month *														
68.1	84.4	70.7	1,427.9	342.8	976.9	75.2	33.1	2,875.7	540.2	1,109.3	940.5	206.9	78.8	1994
71.3	88.1	83.2	1,539.4	363.9	1,065.1	75.5	35.0	3,021.1	579.9	1,086.1	1,046.1	227.4	81.6	1995
81.3	106.0	89.7	1,731.0	401.1	1,202.4	75.4	52.2	3,241.5	675.1	1,109.8	1,143.0	227.8	85.8	1996
76.0	107.6	95.1	1,902.3	427.6	1,349.1	75.6	50.0	3,341.9	689.8	1,146.9	1,182.1	236.9	86.1	1997
71.6	102.8	129.2	2,086.9	472.5	1,505.2	59.4	49.7	3,520.3	799.5	1,194.1	1,211.0	234.9	80.9	1998
37.5	58.0	75.6	1,122.0	114.4	1,007.3	0.3	29.8	1,905.3	420.4	759.6	614.7	110.7	42.1	1999
33.1	58.5	82.7	1,189.2	113.4	1,075.3	0.4	30.1	1,945.8	443.4	819.9	573.5	109.0	42.1	2000
4.0	57.0	95.9	1,204.9	123.1	1,081.6	0.3	27.2	2,034.0	526.4	827.0	574.5	106.0	43.3	2001
3.0	54.8	119.0	1,244.0	127.6	1,116.2	0.2	25.6	2,085.9	575.6	830.6	575.3	104.4	42.1	2002
2.0	56.8	109.2	1,229.6	116.8	1,112.6	0.2	27.8	2,140.3	624.0	825.7	590.3	100.3	40.5	2003
3.0	54.8	118.0	1,224.7	134.5	1,090.1	0.2	25.6	2,084.6	571.6	830.0	579.2	103.7	41.9	2003 Feb
3.0	54.8	116.1	1,218.0	144.0	1,073.9	0.2	25.5	2,089.6	578.9	828.4	579.3	103.0	42.1	Mar
3.0	54.6	116.7	1,203.4	137.4	1,065.9	0.1	25.5	2,094.8	586.3	828.2	577.9	102.4	41.8	Apr
3.0	54.5	119.6	1,254.2	146.4	1,107.7	0.1	25.5	2,101.9	591.7	831.2	577.1	101.9	41.7	May
3.0	54.4	118.1	1,252.5	150.5	1,101.8	0.1	25.4	2,109.6	608.9	822.7	576.7	101.3	41.8	June
2.0	54.2	119.1	1,207.7	123.6	1,084.0	0.1	25.3	2,102.3	595.6	829.0	576.8	100.9	41.7	July
2.0	54.6	118.8	1,198.2	120.9	1,077.2	0.1	25.7	2,111.4	598.5	834.5	578.0	100.4	41.7	Aug
2.0	54.4	115.1	1,188.2	116.0	1,072.0	0.1	25.5	2,112.3	608.8	825.4	578.3	99.9	41.5	Sep
2.0	53.9	115.0	1,179.6	122.1	1,057.4	0.1	25.3	2,114.7	610.9	824.5	579.4	100.0	40.7	Oct
2.0	54.1	113.3	1,214.5	135.3	1,079.1	0.1	25.5	2,138.6	634.1	824.0	580.3	100.1	40.7	Nov
2.0	56.8	109.2	1,229.6	116.8	1,112.6	0.2	27.8	2,140.3	624.0	825.7	590.3	100.3	40.5	Dec
2.0	57.2	108.9	1,213.2	142.0	1,071.1	0.1	28.3	2,137.5	632.2	814.3	590.6	100.3	40.3	2004 Jan
2.0	56.6	108.8	1,215.7	134.0	1,081.6	0.1	28.2	2,141.8	635.4	814.8	591.5	100.1	40.5	Feb
2.0	54.9	107.2	1,204.3	140.0	1,064.2	0.1	27.8	2,145.8	635.3	819.2	591.4	99.8	39.3	Mar
2.0	54.4	106.6	1,227.8	143.2	1,084.5	0.1	27.7	2,154.0	644.0	819.6	591.2	99.2	39.0	Apr
2.0	54.3	107.1	1,252.0	134.2	1,117.7	0.1	27.6	2,162.4	642.7	830.2	590.6	98.9	39.0	May
2.0	54.9	106.7	1,257.3	129.2	1,128.0	0.1	28.4	2,158.3	643.5	826.2	590.0	98.7	38.8	June
1.0	55.9	103.5	1,275.2	125.7	1,149.4	0.1	29.5	2,160.4	637.6	833.6	590.6	98.6	38.7	July
Changes *														
- 1.2	+ 7.3	+ 12.5	+ 134.2	+ 20.4	+ 111.5	+ 0.4	+ 2.0	+ 158.3	+ 48.9	- 14.2	+ 105.6	+ 11.7	+ 6.3	1995
+ 8.0	+ 3.3	+ 6.5	+ 175.9	+ 36.6	+ 137.7	- 0.2	+ 1.7	+ 218.4	+ 94.3	+ 23.2	+ 96.9	+ 0.7	+ 3.3	1996
- 5.3	+ 1.6	+ 5.4	+ 175.9	+ 31.6	+ 146.7	+ 0.2	- 2.6	+ 100.5	+ 13.0	+ 37.1	+ 39.1	+ 9.2	+ 2.1	1997
- 4.4	- 4.8	+ 34.1	+ 179.0	+ 39.7	+ 156.4	- 16.2	- 0.9	+ 179.3	+ 110.6	+ 47.2	+ 28.9	- 2.1	- 5.3	1998
- 0.6	+ 0.1	+ 9.3	+ 69.0	- 1.8	+ 81.8	- 11.1	- 0.4	+ 67.3	+ 32.7	+ 48.4	- 4.5	- 9.3	+ 0.7	1999
- 0.8	+ 0.5	+ 7.1	+ 64.7	- 2.3	+ 66.9	+ 0.1	+ 0.3	+ 41.3	+ 22.3	+ 61.1	- 40.5	- 1.7	- 0.0	2000
- 29.1	- 1.5	+ 13.3	+ 9.6	+ 7.4	+ 2.3	- 0.2	- 2.9	+ 88.5	+ 82.3	+ 8.1	+ 1.1	- 2.9	+ 1.0	2001
- 1.0	- 2.1	+ 24.2	+ 37.9	+ 1.7	+ 36.3	- 0.1	- 1.5	+ 51.7	+ 48.4	+ 4.1	+ 0.8	- 1.6	- 1.1	2002
- 1.0	+ 2.1	- 9.8	- 5.6	- 9.5	+ 3.9	+ 0.0	+ 2.4	+ 54.0	+ 48.4	- 4.8	+ 15.1	- 4.8	- 1.2	2003
- 0.0	+ 0.1	- 0.4	+ 17.8	- 0.3	+ 18.1	+ 0.0	+ 0.1	+ 7.6	+ 6.4	- 0.3	+ 1.8	- 0.4	- 0.2	2003 Feb
+ 0.0	- 0.0	- 1.9	- 6.7	+ 9.5	- 16.2	+ 0.0	+ 0.1	+ 5.1	+ 7.3	- 1.6	+ 0.1	- 0.7	- 0.1	Mar
- 0.0	- 0.2	+ 0.6	- 14.6	- 6.6	- 8.0	- 0.0	+ 0.0	+ 5.1	+ 7.4	- 0.2	- 1.4	- 0.6	- 0.2	Apr
-	- 0.1	+ 3.0	+ 50.8	+ 8.9	+ 41.9	- 0.0	- 0.0	+ 7.1	+ 5.4	+ 3.0	- 0.8	- 0.5	- 0.1	May
- 0.0	- 0.1	- 1.5	- 1.7	+ 4.2	- 5.9	- 0.0	- 0.1	+ 7.7	+ 17.2	- 8.5	- 0.4	- 0.6	+ 0.1	June
- 1.0	- 0.2	+ 1.0	- 44.9	- 27.0	- 18.0	- 0.0	- 0.1	- 7.1	- 13.3	+ 6.5	+ 0.1	- 0.4	- 0.0	July
- 0.0	+ 0.3	- 0.3	- 9.5	- 2.7	- 6.8	- 0.0	+ 0.4	+ 9.1	+ 2.9	+ 5.5	+ 1.3	- 0.5	- 0.1	Aug
+ 0.0	- 0.2	- 3.6	- 8.7	- 3.5	- 5.2	- 0.0	- 0.2	+ 0.8	+ 10.3	- 9.1	+ 0.2	- 0.5	- 0.2	Sep
- 0.0	- 0.4	- 0.2	- 8.6	+ 6.1	- 14.7	+ 0.0	- 0.2	+ 2.5	+ 2.1	- 0.9	+ 1.1	+ 0.1	- 0.3	Oct
-	+ 0.2	- 1.7	+ 34.9	+ 13.2	+ 21.7	+ 0.0	+ 0.2	+ 23.8	+ 23.2	- 0.4	+ 0.9	+ 0.2	+ 0.0	Nov
+ 0.0	+ 2.7	- 4.1	+ 15.1	- 18.6	+ 33.6	+ 0.1	+ 2.3	+ 1.7	- 10.1	+ 1.7	+ 10.0	+ 0.1	- 0.2	Dec
- 0.0	+ 0.3	- 0.3	- 16.3	+ 25.3	- 41.5	- 0.1	+ 0.4	- 2.8	+ 8.2	- 11.4	+ 0.3	+ 0.1	- 0.2	2004 Jan
-	- 0.5	- 0.1	+ 2.4	- 8.0	+ 10.5	- 0.0	- 0.1	+ 4.3	+ 4.1	- 0.4	+ 0.9	- 0.2	+ 0.2	Feb
+ 0.0	- 1.8	- 1.6	- 11.4	+ 6.0	- 17.4	+ 0.0	- 0.3	+ 4.0	- 0.0	+ 4.5	- 0.1	- 0.3	- 1.2	Mar
- 0.0	- 0.5	- 0.6	+ 23.2	+ 3.2	+ 20.0	+ 0.0	- 0.2	+ 8.5	+ 8.7	+ 0.3	- 0.2	- 0.2	- 0.2	Apr
-	+ 0.1	+ 0.4	+ 24.2	- 9.0	+ 33.2	+ 0.0	- 0.1	+ 8.4	- 1.4	+ 10.6	- 0.6	- 0.2	- 0.0	May
-	+ 0.6	- 0.4	+ 5.3	- 5.0	+ 10.3	+ 0.0	+ 0.8	- 4.1	+ 0.4	- 3.6	- 0.6	- 0.3	- 0.2	June
- 0.9	+ 1.1	- 3.1	+ 17.9	- 3.4	+ 21.4	- 0.0	+ 1.1	+ 2.1	- 5.5	+ 7.0	+ 0.7	- 0.0	- 0.1	July

registered debt securities, registered money market paper and non-negotiable bearer debt securities; including subordinated liabilities. — 12 Up to December 1998, excluding liabilities to domestic building and loan associations and money market funds. — 13 Up to December 1998, including time deposits with terms of less than one month. — 14 Including liabilities arising from monetary policy operations with the Bundesbank. — 15 Up to December 1998, excluding time deposits with terms of less than one month. — 16 Own acceptances and promissory notes outstanding and,

up to December 1998, including endorsement liabilities arising from rediscounted bills. — 17 Up to December 1998, including liabilities to domestic building and loan associations and money market funds. — 18 Since the inclusion of building and loan associations in January 1999, including deposits under savings and loan contracts (see Table IV.12). — 19 Excluding deposits under savings and loan contracts (see also footnote 18). — 20 Including liabilities arising from non-negotiable bearer debt securities.

IV Banks
4 Assets and liabilities of banks (MFIs) in Germany vis-à-vis non-residents *

Up to end-1998, DM billion; from 1999, € billion

Period	Cash in hand (non-euro-area banknotes and coins) 1	Lending to foreign banks (MFIs) 2							Lending to foreign non-banks (non-MFIs) 2					
		Total	Credit balances and loans, bills 3			Negotiable money market paper issued by banks 4	Securities issued by banks 5	Memo item Fiduciary loans 6	Total	Loans and bills 3			Treasury bills and negotiable money market paper issued by non-banks	Securities issued by non-banks
			Total	Short-term	Medium and long-term					Total	Short-term	Medium and long-term		
End of year or month *														
1994	1.2	492.3	455.0	309.0	146.0	0.1	23.7	13.5	257.4	173.0	35.0	138.0	0.6	66.5
1995	1.2	538.4	500.8	349.7	151.1	0.1	25.6	11.8	289.2	191.1	42.1	148.9	1.7	79.7
1996	1.4	588.9	544.2	386.6	157.6	0.3	31.5	13.0	352.0	230.4	60.2	170.2	4.9	103.9
1997	1.5	689.1	635.3	456.1	179.2	0.2	43.1	10.5	474.8	312.7	96.2	216.5	6.0	140.3
1998	1.5	774.9	706.9	533.6	173.3	0.4	58.7	9.0	610.3	364.9	93.9	270.9	11.6	211.0
1999	0.4	427.1	383.5	279.5	104.1	0.4	43.2	4.2	396.1	235.8	52.7	183.1	7.5	152.7
2000	0.4	507.7	441.4	325.4	116.0	1.3	65.0	3.6	475.8	286.8	71.1	215.7	6.5	182.5
2001	0.4	596.1	521.7	383.7	138.0	0.8	73.6	3.5	570.3	347.2	99.7	247.5	5.2	217.9
2002	0.3	690.6	615.3	468.0	147.2	0.9	74.4	2.7	558.8	332.6	92.6	240.0	9.3	216.9
2003	0.3	769.6	675.8	515.7	160.1	1.5	92.3	1.6	576.3	344.8	110.9	233.9	6.0	225.4
2003 Feb	0.3	713.7	637.5	488.8	148.6	1.3	74.9	2.6	576.6	352.7	109.9	242.8	10.2	213.8
Mar	0.3	733.3	654.1	504.0	150.1	1.0	78.3	2.6	574.8	354.5	113.1	241.3	8.5	211.8
Apr	0.3	738.6	657.2	505.9	151.2	1.7	79.8	2.6	583.3	364.8	125.1	239.7	7.4	211.1
May	0.3	760.1	676.4	524.6	151.8	1.3	82.4	2.5	578.6	362.3	126.8	235.6	6.8	209.4
June	0.4	794.3	707.2	553.1	154.1	1.3	85.8	2.6	578.1	351.6	115.2	236.4	7.0	219.5
July	0.3	779.1	689.4	533.9	155.5	1.4	88.3	2.6	567.4	345.3	106.5	238.8	6.8	215.3
Aug	0.3	771.9	682.3	522.9	159.4	1.3	88.3	2.6	561.3	344.3	101.3	243.0	7.4	209.5
Sep	0.4	769.8	680.3	520.2	160.1	1.3	88.2	2.3	569.4	346.6	110.3	236.3	7.2	215.6
Oct	0.4	757.0	664.9	502.0	162.9	0.9	91.2	1.6	576.6	348.6	106.0	242.6	8.0	219.9
Nov	0.3	764.6	672.3	512.8	159.5	1.3	91.1	1.6	583.8	357.5	118.0	239.6	6.4	219.8
Dec	0.3	769.6	675.8	515.7	160.1	1.5	92.3	1.6	576.3	344.8	110.9	233.9	6.0	225.4
2004 Jan	0.3	788.7	693.8	531.9	161.9	1.2	93.6	1.6	588.4	353.0	118.0	235.0	5.5	229.8
Feb	0.3	790.5	691.5	530.7	160.8	1.3	97.7	1.6	598.7	360.7	126.1	234.6	6.0	232.0
Mar	0.3	803.2	700.1	538.5	161.6	1.7	101.4	1.7	617.6	370.2	133.9	236.4	4.8	242.5
Apr	0.3	825.5	720.4	557.5	162.9	2.2	102.8	1.7	625.8	376.7	137.2	239.5	5.0	244.0
May	0.3	836.2	725.7	570.5	155.2	1.9	108.7	1.7	613.1	361.8	123.6	238.2	5.0	246.3
June	0.4	835.5	722.1	566.9	155.2	2.1	111.3	1.7	618.9	363.8	124.6	239.1	7.3	247.8
July	0.4	829.1	717.3	557.4	159.9	1.7	110.1	1.6	626.0	366.1	127.6	238.5	9.7	250.2
Changes *														
1995	+ 0.1	+ 59.1	+ 57.6	+ 49.2	+ 8.4	+ 0.0	+ 2.9	- 1.4	+ 38.3	+ 21.3	+ 7.8	+ 13.6	+ 1.1	+ 16.1
1996	+ 0.2	+ 34.2	+ 29.9	+ 27.2	+ 2.7	+ 0.2	+ 5.2	- 1.1	+ 58.4	+ 36.2	+ 17.0	+ 19.2	+ 3.1	+ 21.4
1997	+ 0.1	+ 80.6	+ 71.5	+ 53.3	+ 18.2	- 0.1	+ 10.4	- 1.2	+ 109.3	+ 73.0	+ 33.7	+ 39.3	+ 0.7	+ 32.9
1998	- 0.0	+ 100.8	+ 89.5	+ 79.3	+ 10.2	+ 0.0	+ 13.1	- 1.8	+ 122.0	+ 42.7	- 6.4	+ 49.1	+ 5.5	+ 66.0
1999	- 0.3	+ 17.7	+ 5.7	- 5.3	+ 11.0	+ 0.2	+ 11.7	- 0.0	+ 85.8	+ 42.8	+ 8.4	+ 34.4	+ 1.3	+ 41.8
2000	- 0.0	+ 78.9	+ 56.5	+ 44.6	+ 11.8	+ 0.9	+ 21.6	- 0.7	+ 72.0	+ 45.0	+ 17.4	+ 27.7	- 1.2	+ 28.2
2001	+ 0.0	+ 83.7	+ 75.6	+ 54.4	+ 21.2	- 0.5	+ 8.5	- 0.2	+ 88.3	+ 53.4	+ 27.0	+ 26.4	- 1.5	+ 36.3
2002	- 0.1	+ 120.3	+ 118.0	+ 99.4	+ 18.6	+ 0.1	+ 2.2	- 0.9	+ 21.2	+ 12.7	- 0.4	+ 13.2	+ 4.6	+ 3.9
2003	- 0.1	+ 103.8	+ 84.6	+ 65.2	+ 19.3	+ 0.6	+ 18.7	- 0.4	+ 46.3	+ 35.1	+ 24.0	+ 11.0	- 2.7	+ 13.9
2003 Feb	+ 0.0	+ 18.9	+ 17.3	+ 17.5	- 0.1	+ 0.5	+ 1.1	- 0.0	+ 16.8	+ 19.6	+ 18.3	+ 1.3	- 0.7	- 2.2
Mar	+ 0.0	+ 21.4	+ 18.3	+ 16.3	+ 2.0	- 0.4	+ 3.5	- 0.0	+ 0.3	+ 3.5	+ 3.6	- 0.2	- 1.6	- 1.5
Apr	+ 0.0	+ 8.9	+ 6.4	+ 4.5	+ 2.0	+ 0.8	+ 1.7	- 0.0	+ 12.8	+ 13.7	+ 12.8	+ 0.9	- 1.1	+ 0.2
May	+ 0.0	+ 30.1	+ 28.0	+ 24.9	+ 3.2	- 0.4	+ 2.5	- 0.0	+ 5.6	+ 6.0	+ 3.8	+ 2.3	- 0.4	- 0.0
June	+ 0.1	+ 29.4	+ 26.3	+ 25.1	+ 1.2	- 0.0	+ 3.2	+ 0.0	- 6.2	- 14.9	- 12.6	- 2.3	+ 0.1	+ 8.6
July	- 0.1	- 16.5	- 19.1	- 20.3	+ 1.2	+ 0.2	+ 2.4	- 0.0	- 12.3	- 7.5	- 9.0	+ 1.5	- 0.3	- 4.6
Aug	+ 0.0	- 13.2	- 12.8	- 15.3	+ 2.5	- 0.1	- 0.3	+ 0.0	- 13.0	- 6.1	- 6.4	+ 0.2	+ 0.5	- 7.3
Sep	+ 0.0	+ 5.7	+ 5.4	+ 2.9	+ 2.5	- 0.0	+ 0.4	- 0.3	+ 19.1	+ 10.6	+ 10.8	- 0.2	+ 0.0	+ 8.5
Oct	- 0.0	- 14.4	- 17.0	- 18.8	+ 1.8	- 0.4	+ 3.0	- 0.0	+ 3.1	- 1.9	- 4.4	+ 2.5	+ 0.8	+ 4.2
Nov	- 0.0	+ 12.5	+ 12.1	+ 14.3	- 2.3	+ 0.4	+ 0.1	- 0.0	+ 12.8	+ 13.3	+ 12.9	+ 0.5	- 1.5	+ 1.0
Dec	- 0.0	+ 11.7	+ 9.9	+ 7.6	+ 2.3	+ 0.3	+ 1.5	- 0.0	+ 0.5	- 6.0	- 5.7	- 0.4	- 0.2	+ 6.8
2004 Jan	+ 0.0	+ 16.3	+ 14.8	+ 14.0	+ 0.8	- 0.3	+ 1.8	+ 0.0	+ 7.6	+ 5.3	+ 6.4	- 1.1	- 0.6	+ 2.9
Feb	- 0.0	+ 2.7	- 1.5	- 0.6	- 0.9	+ 0.1	+ 4.1	+ 0.0	+ 11.1	+ 8.0	+ 8.4	- 0.4	+ 0.6	+ 2.5
Mar	+ 0.0	+ 6.1	+ 2.2	+ 5.3	- 3.1	+ 0.3	+ 3.6	+ 0.0	+ 15.6	+ 7.4	+ 7.0	+ 0.4	- 1.3	+ 9.4
Apr	-	+ 20.3	+ 18.4	+ 17.6	+ 0.8	+ 0.6	+ 1.4	+ 0.0	+ 5.6	+ 4.2	+ 3.1	+ 1.1	+ 0.2	+ 1.3
May	+ 0.0	+ 13.0	+ 7.5	+ 14.8	- 7.3	- 0.3	+ 5.8	- 0.0	- 9.7	- 12.7	- 13.1	+ 0.4	+ 0.0	+ 3.0
June	+ 0.0	- 1.1	- 4.1	- 3.9	- 0.2	+ 0.2	+ 2.9	- 0.0	+ 5.4	+ 0.4	+ 1.0	- 0.6	+ 2.3	+ 2.7
July	+ 0.0	- 5.2	- 5.9	- 10.2	+ 4.3	- 0.4	+ 1.1	- 0.1	+ 3.7	+ 1.2	+ 2.8	- 1.6	+ 2.4	+ 0.1

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Up to December 1998, foreign

banknotes and coins. — 2 Up to December 1998, including fiduciary loans (see also footnote 6). — 3 Up to December 1998, bill-based lending (bill holdings plus endorsement liabilities arising from rediscounted bills and bills sent for collection from the banks' portfolios prior to maturity). —

IV Banks

Memo item	Fiduciary loans 6	Participating interests in foreign banks and enterprises 7	Deposits of foreign banks (MFIs) 2					Deposits of foreign non-banks (non-MFIs) 2					Memo item	Fiduciary loans 6	Period		
			Total	Sight deposits 8	Time deposits (including bank savings bonds)			Total	Sight deposits 8	Time deposits (including savings deposits and bank savings bonds)						Memo item	Fiduciary loans 6
					Total 9	Short-term 9	Medium and long-term			Total 9	Short-term 9	Medium and long-term					
End of year or month *																	
17.3	34.0	402.3	111.6	283.7	150.8	132.9	7.1	181.5	20.6	155.3	41.7	113.6	5.6	1994			
16.7	38.8	463.7	116.9	339.7	191.6	148.2	7.0	224.4	22.1	198.0	45.3	152.6	4.4	1995			
12.7	45.8	486.5	147.1	335.7	172.0	163.7	3.8	273.5	34.3	237.2	50.0	187.2	2.1	1996			
15.7	54.7	670.3	226.0	440.2	254.3	185.9	4.0	333.9	43.5	285.7	63.0	222.7	4.8	1997			
22.9	62.9	875.7	309.5	562.5	359.1	203.4	3.7	390.3	51.3	329.6	71.8	257.8	9.5	1998			
13.6	33.9	483.6	65.6	418.0	332.3	85.6	2.0	284.4	23.8	260.6	64.9	195.7	5.8	1999			
13.9	47.4	586.0	113.7	472.2	382.9	89.3	1.7	314.9	35.4	279.5	62.5	217.0	5.6	2000			
13.8	47.6	622.7	91.9	530.8	434.5	96.3	1.4	350.6	34.0	316.6	97.6	219.0	5.3	2001			
15.6	44.8	614.2	101.6	512.7	410.4	102.3	1.1	319.2	33.5	285.7	87.0	198.7	4.5	2002			
11.6	41.4	590.7	95.1	495.6	387.7	107.9	0.4	307.3	32.2	275.1	102.4	172.7	3.6	2003			
15.4	42.4	616.4	117.7	498.7	392.8	105.9	1.0	330.8	33.2	297.6	107.5	190.1	4.3	2003 Feb			
15.4	43.3	621.7	131.7	490.0	384.4	105.6	1.0	339.8	43.3	296.5	109.2	187.3	4.2	Mar			
15.1	43.2	634.6	141.6	493.0	387.9	105.1	1.0	333.3	39.3	294.0	110.3	183.7	4.0	Apr			
14.7	41.7	620.9	128.0	492.9	386.0	106.9	1.0	332.0	43.6	288.4	109.8	178.7	3.8	May			
15.1	42.2	622.8	143.1	479.7	372.8	106.9	1.0	324.6	43.8	280.8	99.8	180.9	3.9	June			
15.2	43.1	617.2	123.6	493.7	384.1	109.6	0.9	328.0	40.3	287.7	108.5	179.2	3.9	July			
15.3	43.1	601.1	108.0	493.1	386.3	106.8	0.3	324.7	39.5	285.2	103.5	181.7	4.7	Aug			
15.0	43.7	607.5	144.2	463.3	361.2	102.1	0.3	326.6	40.0	286.6	109.5	177.1	6.8	Sep			
11.7	43.0	597.1	129.1	468.0	360.1	107.9	0.3	332.0	38.2	293.8	116.4	177.5	3.4	Oct			
11.7	41.3	583.1	113.9	469.2	361.3	107.9	0.3	333.5	38.8	294.7	121.6	173.1	3.3	Nov			
11.6	41.4	590.7	95.1	495.6	387.7	107.9	0.4	307.3	32.2	275.1	102.4	172.7	3.6	Dec			
11.7	40.9	606.8	138.7	468.2	359.1	109.0	0.5	315.6	44.8	270.8	99.6	171.2	3.7	2004 Jan			
12.0	39.7	602.9	122.7	480.2	368.1	112.1	0.5	328.7	55.9	272.8	104.6	168.2	3.4	Feb			
9.5	39.8	640.2	136.3	503.8	389.4	114.4	0.5	326.2	61.8	264.4	103.0	161.4	0.9	Mar			
9.6	39.3	646.0	127.7	518.3	403.7	114.6	0.5	323.8	56.9	266.8	106.6	160.2	0.9	Apr			
9.6	39.4	616.9	114.2	502.7	389.0	113.8	0.5	325.2	62.9	262.4	102.3	160.0	0.9	May			
9.6	38.9	603.8	129.4	474.4	360.2	114.2	0.5	310.2	60.6	249.6	90.0	159.7	0.9	June			
9.7	39.2	598.6	123.8	474.8	359.8	115.1	0.5	309.9	54.1	255.8	96.6	159.1	0.9	July			
Changes *																	
- 0.2	+ 5.2	+ 71.0	+ 7.9	+ 64.6	+ 45.9	+ 18.7	- 1.5	+ 47.8	+ 2.2	+ 46.5	+ 4.1	+ 42.4	- 0.9	1995			
- 2.3	+ 5.9	+ 11.3	+ 27.1	- 13.9	- 26.6	+ 12.7	- 1.9	+ 44.7	+ 11.7	+ 35.0	+ 3.7	+ 31.3	- 2.0	1996			
+ 2.7	+ 7.9	+ 157.3	+ 67.7	+ 89.5	+ 71.8	+ 17.7	+ 0.1	+ 51.0	+ 5.4	+ 43.3	+ 11.4	+ 31.9	+ 2.3	1997			
+ 7.7	+ 8.8	+ 215.6	+ 87.7	+ 128.1	+ 108.1	+ 20.0	- 0.3	+ 64.7	+ 10.4	+ 48.9	+ 10.3	+ 38.6	+ 5.5	1998			
+ 1.1	+ 10.9	+ 37.4	- 9.2	+ 46.6	+ 47.6	- 1.0	- 0.0	+ 61.0	+ 7.2	+ 53.8	+ 15.9	+ 37.9	+ 0.1	1999			
- 0.2	+ 12.8	+ 90.0	+ 47.0	+ 43.0	+ 42.9	+ 0.1	- 0.4	+ 24.4	+ 11.1	+ 13.3	- 2.9	+ 16.2	- 0.8	2000			
- 0.5	- 0.5	+ 23.5	- 23.6	+ 47.0	+ 42.4	+ 4.6	- 0.4	+ 30.8	- 1.8	+ 32.6	+ 33.3	- 0.7	- 0.6	2001			
+ 1.7	+ 1.6	+ 22.7	+ 14.6	+ 8.1	- 1.3	+ 9.4	- 0.3	+ 4.6	+ 0.8	+ 3.8	- 4.6	+ 8.4	- 0.9	2002			
- 0.7	- 1.9	+ 5.7	- 2.0	+ 7.7	- 2.4	+ 10.0	- 0.0	+ 4.5	+ 0.4	+ 4.1	+ 20.6	- 16.5	+ 1.9	2003			
+ 0.1	- 0.3	- 6.7	+ 5.4	- 12.0	- 13.5	+ 1.5	- 0.0	+ 6.6	- 2.5	+ 9.2	+ 12.2	- 3.1	- 0.1	2003 Feb			
- 0.1	+ 1.0	+ 7.4	+ 14.3	- 6.9	- 7.0	+ 0.0	- 0.0	+ 10.3	+ 10.2	+ 0.1	+ 2.0	- 1.9	- 0.1	Mar			
- 0.3	+ 0.1	+ 17.1	+ 10.6	+ 6.5	+ 6.4	+ 0.2	+ 0.0	- 4.0	- 3.8	- 0.1	+ 1.8	- 1.9	- 0.3	Apr			
- 0.4	- 0.7	- 4.3	- 11.8	+ 7.5	+ 4.2	+ 3.3	- 0.1	+ 5.0	+ 4.7	+ 0.2	+ 0.9	- 0.7	- 0.2	May			
+ 0.4	+ 0.1	- 3.0	+ 14.1	- 17.1	- 16.2	- 0.8	+ 0.0	- 10.9	+ 0.0	- 10.9	- 10.6	- 0.3	+ 0.2	June			
+ 0.0	+ 0.3	- 6.9	- 19.8	+ 12.8	+ 10.4	+ 2.4	- 0.1	+ 2.7	- 3.6	+ 6.4	+ 8.5	- 2.1	- 0.0	July			
+ 0.2	- 0.5	- 22.3	- 16.7	- 5.6	- 1.7	- 3.9	- 0.0	- 7.3	- 1.1	- 6.2	- 5.9	- 0.2	+ 0.1	Aug			
- 0.3	+ 1.2	+ 16.1	+ 37.6	- 21.5	- 18.4	- 3.1	- 0.0	+ 7.8	+ 1.1	+ 6.7	+ 7.5	- 0.8	+ 2.1	Sep			
+ 0.0	- 0.8	- 11.8	- 15.4	+ 3.6	- 1.5	+ 5.1	-	+ 1.4	- 1.8	+ 3.2	+ 6.7	- 3.6	+ 0.0	Oct			
- 0.0	- 1.3	- 9.2	- 14.2	+ 5.1	+ 4.0	+ 1.0	-	+ 4.9	+ 0.9	+ 4.0	+ 6.0	- 2.0	- 0.1	Nov			
- 0.1	+ 0.6	+ 14.9	- 17.7	+ 32.6	+ 31.1	+ 1.5	+ 0.1	- 21.2	- 6.2	- 15.0	- 17.7	+ 2.7	+ 0.3	Dec			
+ 0.1	- 0.8	+ 12.9	+ 43.2	- 30.2	- 30.7	+ 0.5	+ 0.1	+ 5.8	+ 12.5	- 6.7	- 3.5	- 3.2	+ 0.1	2004 Jan			
+ 0.3	- 1.3	- 3.2	- 15.9	+ 12.7	+ 9.4	+ 3.2	- 0.0	+ 13.2	+ 11.1	+ 2.2	+ 5.1	- 2.9	- 0.3	Feb			
+ 0.1	- 0.1	+ 30.7	+ 13.1	+ 17.6	+ 19.0	- 1.4	- 0.0	- 1.5	+ 5.8	- 7.3	- 2.2	- 5.1	- 0.0	Mar			
+ 0.0	- 0.6	+ 3.8	- 9.1	+ 12.8	+ 13.1	- 0.3	+ 0.0	- 3.8	- 5.1	+ 1.3	+ 3.1	- 1.9	- 0.0	Apr			
+ 0.0	+ 0.3	- 26.7	- 13.1	- 13.6	- 13.4	- 0.2	- 0.0	+ 2.8	+ 6.1	- 3.3	- 3.8	+ 0.5	+ 0.0	May			
+ 0.0	- 0.5	- 13.5	+ 15.2	- 28.7	- 29.1	+ 0.3	-	- 15.1	- 2.3	- 12.8	- 12.4	- 0.4	+ 0.0	June			
+ 0.1	+ 0.1	- 6.2	- 5.9	- 0.3	- 1.0	+ 0.6	+ 0.0	- 1.2	- 6.6	+ 5.4	+ 6.5	- 1.1	- 0.0	July			

4 Up to November 1993, included in securities (see also footnote 5). — 5 Up to November 1993, including negotiable money market paper; excluding registered debt securities. — 6 From 1999, no longer included in loans and deposits (see also footnote 2). — 7 Up to December 1998, including working

capital supplied to branches abroad. — 8 Up to December 1998, including time deposits with terms of less than one month. — 9 Up to December 1998, excluding time deposits with terms of less than one month.

IV Banks

5 Lending by banks (MFIs) in Germany to domestic non-banks (non-MFIs) *

Up to end-1998, DM billion; from 1999, € billion

Period	Lending to domestic non-banks, total 1,2 including negotiable money market paper, securities, equalisation claims | excluding negotiable money market paper, securities, equalisation claims		Short-term lending					Medium and long-term			
			to enterprises and households 1			to general government		Total	to enter-		
			Total	Loans and bills 3,4	Negotiable money market paper	Total	Loans			Treasury bills 5	Total	Total
End of year or month *											
1994	4,137.2	3,633.1	583.5	549.1	548.6	0.4	34.4	32.7	1.8	3,553.7	2,661.9
1995	4,436.9	3,936.9	615.2	584.0	583.3	0.7	31.3	30.5	0.8	3,821.7	2,785.5
1996	4,773.1	4,248.7	662.2	617.2	616.2	1.0	45.1	40.2	4.9	4,110.8	3,007.2
1997	5,058.4	4,506.2	667.8	625.8	624.8	1.0	41.9	40.1	1.9	4,390.6	3,223.4
1998	5,379.8	4,775.4	704.3	661.3	660.8	0.5	43.0	38.5	4.5	4,675.5	3,482.4
1999	2,904.5	2,576.5	355.3	328.9	328.7	0.2	26.4	23.6	2.8	2,549.2	1,943.6
2000	3,003.7	2,663.7	371.2	348.2	347.7	0.5	22.9	21.2	1.7	2,632.5	2,038.6
2001	3,014.1	2,704.2	387.9	356.7	355.2	1.5	31.2	28.2	2.9	2,626.2	2,070.2
2002	2,997.2	2,689.1	365.4	331.9	331.0	1.0	33.5	31.1	2.4	2,631.8	2,079.7
2003	2,995.6	2,680.6	355.2	315.0	313.4	1.6	40.2	38.4	1.8	2,640.4	2,096.1
2003 Feb	3,001.9	2,686.4	364.4	329.3	328.1	1.2	35.1	32.7	2.4	2,637.4	2,077.5
Mar	3,005.5	2,681.3	369.2	332.5	330.4	2.2	36.7	34.0	2.7	2,636.3	2,071.6
Apr	3,007.6	2,680.2	366.3	326.5	324.2	2.2	39.8	37.0	2.8	2,641.3	2,079.0
May	3,003.6	2,671.7	362.4	321.4	319.1	2.3	34.7	32.6	2.2	2,647.4	2,080.5
June	2,992.4	2,674.1	359.6	328.9	326.9	2.0	30.7	28.8	1.9	2,632.8	2,077.4
July	2,996.0	2,675.8	357.5	315.5	314.2	1.3	42.0	39.8	2.2	2,638.6	2,081.8
Aug	2,986.9	2,671.9	346.7	308.2	306.8	1.4	38.5	36.5	2.0	2,640.2	2,090.5
Sep	2,995.7	2,680.2	356.7	323.8	322.9	0.9	32.9	31.7	1.2	2,639.0	2,088.3
Oct	2,992.9	2,679.3	353.7	317.2	316.1	1.0	36.6	34.5	2.1	2,639.1	2,087.7
Nov	3,012.2	2,689.2	360.7	317.5	316.6	0.9	43.2	40.6	2.6	2,651.5	2,097.0
Dec	2,995.6	2,680.6	355.2	315.0	313.4	1.6	40.2	38.4	1.8	2,640.4	2,096.1
2004 Jan	2,992.0	2,670.5	346.6	305.7	304.4	1.3	41.0	39.6	1.4	2,645.3	2,097.7
Feb	2,994.8	2,662.2	339.5	306.0	304.8	1.1	33.6	32.2	1.3	2,655.2	2,091.2
Mar	3,015.7	2,673.6	353.0	306.8	305.9	0.8	46.3	45.0	1.3	2,662.7	2,098.5
Apr	3,022.9	2,667.5	346.1	304.0	303.3	0.7	42.2	39.9	2.3	2,676.8	2,116.1
May	3,013.6	2,661.0	335.4	297.1	296.2	0.9	38.3	36.3	2.0	2,678.2	2,113.0
June	3,003.5	2,655.4	331.5	294.9	294.2	0.7	36.7	33.8	2.9	2,672.0	2,102.1
July	3,007.5	2,659.4	335.7	287.6	287.0	0.6	48.2	42.0	6.2	2,671.7	2,104.4
Changes *											
1995	+ 312.8	+ 311.9	+ 35.9	+ 37.9	+ 37.7	+ 0.2	- 1.9	- 1.0	- 1.0	+ 276.9	+ 185.1
1996	+ 336.3	+ 312.9	+ 44.3	+ 32.6	+ 32.2	+ 0.4	+ 11.7	+ 7.4	+ 4.3	+ 292.0	+ 221.5
1997	+ 285.2	+ 256.9	+ 2.7	+ 5.9	+ 5.9	+ 0.0	- 3.2	- 0.1	- 3.0	+ 282.5	+ 219.9
1998	+ 335.3	+ 285.5	+ 51.7	+ 50.6	+ 51.2	- 0.6	+ 1.1	- 1.6	+ 2.7	+ 283.6	+ 258.3
1999	+ 156.1	+ 139.5	+ 9.6	+ 6.3	+ 6.4	- 0.0	+ 3.3	+ 2.9	+ 0.4	+ 146.4	+ 146.4
2000	+ 100.7	+ 83.2	+ 14.5	+ 18.1	+ 17.8	+ 0.3	- 3.6	- 2.5	- 1.1	+ 86.1	+ 93.8
2001	+ 11.9	+ 39.2	+ 15.3	+ 7.0	+ 5.9	+ 1.0	+ 8.4	+ 7.8	+ 0.6	- 3.4	+ 32.0
2002	- 19.2	- 18.8	- 23.4	- 25.7	- 25.2	- 0.5	+ 2.3	+ 2.9	- 0.6	+ 4.3	+ 7.6
2003	+ 0.1	- 8.4	- 10.0	- 16.7	- 17.5	+ 0.9	+ 6.7	+ 7.3	- 0.6	+ 10.1	+ 16.0
2003 Feb	- 3.3	- 4.4	- 6.7	- 0.4	- 0.4	+ 0.0	- 6.3	- 5.9	- 0.4	+ 3.5	+ 1.0
Mar	+ 3.7	- 5.1	+ 4.8	+ 3.2	+ 2.2	+ 1.0	+ 1.6	+ 1.3	+ 0.3	- 1.2	- 5.9
Apr	+ 2.1	- 1.1	- 3.0	- 6.0	- 6.1	+ 0.1	+ 3.1	+ 3.0	+ 0.1	+ 5.1	+ 7.2
May	- 3.8	- 8.5	- 10.1	- 5.0	- 5.1	+ 0.1	- 5.1	- 4.5	- 0.6	+ 6.3	+ 1.8
June	- 11.1	+ 2.5	+ 3.4	+ 7.5	+ 7.8	- 0.3	- 4.1	- 3.8	- 0.2	- 14.6	- 3.1
July	+ 3.8	+ 1.7	- 1.9	- 13.2	- 12.7	- 0.5	+ 11.3	+ 11.0	+ 0.2	+ 5.7	+ 4.3
Aug	- 9.1	- 4.0	- 10.7	- 7.3	- 7.4	+ 0.1	- 3.4	- 3.3	- 0.1	+ 1.6	+ 8.7
Sep	+ 9.6	+ 8.3	+ 10.0	+ 15.6	+ 16.1	- 0.5	- 5.6	- 4.8	- 0.9	- 0.4	- 2.2
Oct	- 2.8	- 0.9	- 2.9	- 6.6	- 6.8	+ 0.1	+ 3.7	+ 2.7	+ 1.0	+ 0.2	- 0.6
Nov	+ 19.3	+ 9.9	+ 6.9	+ 0.3	+ 0.5	- 0.2	+ 6.6	+ 6.2	+ 0.4	+ 12.4	+ 9.3
Dec	- 16.1	- 8.6	- 5.4	- 2.4	- 3.2	+ 0.8	- 3.0	- 2.2	- 0.8	- 10.7	- 0.9
2004 Jan	- 3.7	- 10.1	- 8.6	- 9.4	- 9.0	- 0.4	+ 0.8	+ 1.1	- 0.4	+ 5.0	+ 1.7
Feb	+ 2.8	- 8.3	- 7.1	+ 0.3	+ 0.4	- 0.1	- 7.4	- 7.4	- 0.0	+ 9.9	- 6.5
Mar	+ 20.9	+ 11.4	+ 13.8	+ 1.1	+ 1.4	- 0.3	+ 12.7	+ 12.8	- 0.1	+ 7.1	+ 7.1
Apr	+ 7.3	- 6.1	- 7.0	- 2.8	- 2.7	- 0.1	- 4.2	- 5.1	+ 0.9	+ 14.3	+ 17.6
May	- 9.4	- 6.5	- 10.4	- 6.6	- 6.8	+ 0.2	- 3.9	- 3.6	- 0.3	+ 1.1	- 3.4
June	- 10.1	- 5.6	- 3.7	- 2.0	- 1.8	- 0.2	- 1.6	- 2.6	+ 0.9	- 6.4	- 11.2
July	+ 4.0	+ 4.0	+ 4.2	- 7.3	- 7.2	- 0.1	+ 11.5	+ 8.2	+ 3.3	- 0.3	+ 2.3

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Up to December 1998, including loans to domestic building and loan associations. — 2 Up to December 1998,

including fiduciary loans (see also footnote 9). — 3 Up to December 1998, bill-based lending (bill holdings plus endorsement liabilities arising from rediscounted bills and bills sent for collection from the banks' portfolios prior to maturity). — 4 From 1999, including small amounts of medium-term series of bills. — 5 From December 1993, including other negotiable

IV Banks

lending 2,6												Period
prises and households 1,2					to general government 2							
Loans			Securities 6	Memo item Fiduciary loans 9	Total	Loans			Secur- ities 6,10	Equal- isation claims 11	Memo item Fiduciary loans 9	Period
Total	Medium- term 7	Long- term 8				Total	Medium- term 7	Long- term 8				
End of year or month *												
2,390.4	228.3	2,162.0	203.2	68.3	891.8	577.0	34.5	542.5	230.5	68.1	16.1	1994
2,522.0	214.1	2,307.9	192.9	70.6	1,036.2	713.0	74.5	638.4	234.4	71.3	17.5	1995
2,713.3	215.8	2,497.5	205.9	88.0	1,103.6	773.0	69.5	703.6	231.3	81.3	18.0	1996
2,900.0	216.2	2,683.8	234.1	89.3	1,167.2	833.8	53.0	780.8	239.2	76.0	18.3	1997
3,104.5	206.8	2,897.8	292.4	85.4	1,193.2	868.8	33.1	835.7	235.4	71.6	17.3	1998
1,764.8	182.5	1,582.3	178.9	49.2	605.6	459.5	30.9	428.6	108.6	37.5	8.7	1999
1,838.9	192.8	1,646.0	199.7	50.1	593.9	455.9	30.4	425.5	104.9	33.1	8.4	2000
1,880.5	191.1	1,689.4	189.7	48.9	556.0	440.3	25.6	414.6	111.8	4.0	8.0	2001
1,909.8	193.5	1,716.3	169.9	47.3	552.1	417.1	27.4	389.7	132.0	3.0	7.5	2002
1,927.7	195.0	1,732.8	168.3	49.9	544.3	401.0	34.6	366.4	141.3	2.0	7.0	2003
1,911.1	194.0	1,717.1	166.5	47.1	559.9	414.4	31.5	382.9	142.5	3.0	7.7	2003 Feb
1,907.1	193.1	1,714.0	164.5	47.2	564.6	409.8	29.9	379.8	151.9	3.0	7.6	Mar
1,910.3	193.3	1,717.0	168.6	47.0	562.4	408.6	30.9	377.6	150.8	3.0	7.5	Apr
1,912.9	193.2	1,719.7	167.6	47.0	566.9	407.1	31.5	375.5	156.9	3.0	7.5	May
1,912.8	193.5	1,719.3	164.6	47.0	555.4	405.7	31.5	374.2	146.8	3.0	7.4	June
1,916.9	193.9	1,723.0	164.9	46.9	556.8	404.9	31.3	373.6	149.8	2.0	7.3	July
1,924.6	195.5	1,729.1	165.9	47.3	549.7	403.9	32.9	371.1	143.7	2.0	7.2	Aug
1,922.2	195.0	1,727.2	166.1	47.2	550.6	403.3	33.7	369.6	145.3	2.0	7.2	Sep
1,926.8	195.7	1,731.1	160.9	46.8	551.4	402.0	32.5	369.4	147.5	2.0	7.2	Oct
1,930.3	195.9	1,734.3	166.7	47.0	554.5	401.7	33.1	368.6	150.8	2.0	7.1	Nov
1,927.7	195.0	1,732.8	168.3	49.9	544.3	401.0	34.6	366.4	141.3	2.0	7.0	Dec
1,926.0	195.0	1,731.0	171.7	50.1	547.6	400.5	33.9	366.5	145.1	2.0	7.1	2004 Jan
1,925.4	194.3	1,731.1	165.8	49.6	564.1	399.8	34.8	365.0	162.3	2.0	7.0	Feb
1,922.9	193.9	1,729.1	175.6	47.9	564.1	399.7	35.4	364.4	162.4	2.0	7.0	Mar
1,927.1	194.7	1,732.5	189.0	47.4	560.7	397.2	34.9	362.3	161.5	2.0	7.0	Apr
1,933.6	197.1	1,736.4	179.5	47.4	565.1	394.9	34.6	360.3	168.3	2.0	6.9	May
1,935.2	198.2	1,737.0	166.9	48.1	569.9	392.3	34.4	357.9	175.7	2.0	6.8	June
1,938.2	199.0	1,739.2	166.2	49.2	567.3	392.3	34.1	358.2	174.0	1.0	6.7	July
Changes *												
+ 176.0	- 1.9	+ 177.9	+ 3.3	+ 5.9	+ 91.8	+ 91.8	+ 15.3	+ 76.6	- 0.4	- 1.2	+ 1.5	1995
+ 204.4	+ 1.6	+ 202.8	+ 14.0	+ 3.1	+ 70.4	+ 65.7	- 5.5	+ 71.2	- 3.3	+ 8.0	+ 0.1	1996
+ 189.0	+ 0.3	+ 188.7	+ 29.5	+ 1.4	+ 62.6	+ 60.6	- 18.0	+ 78.6	+ 7.0	- 5.3	+ 0.2	1997
+ 205.7	- 8.9	+ 214.6	+ 56.5	- 3.9	+ 25.3	+ 35.0	- 20.0	+ 55.0	- 4.4	- 4.4	- 0.9	1998
+ 121.8	+ 25.1	+ 96.8	+ 24.6	+ 0.3	+ 0.0	+ 8.5	+ 6.2	+ 2.3	- 7.8	- 0.6	- 0.1	1999
+ 71.8	+ 6.9	+ 64.9	+ 22.1	+ 0.8	- 7.7	- 3.8	- 0.4	- 3.5	- 3.1	- 0.8	- 0.3	2000
+ 41.9	- 2.8	+ 44.7	- 9.8	- 1.2	- 35.4	- 16.5	- 5.5	- 10.9	+ 10.1	- 29.1	- 0.4	2001
+ 26.6	- 2.1	+ 28.7	- 19.0	- 1.6	- 3.4	- 23.1	+ 1.0	- 24.1	+ 20.7	- 1.0	- 0.5	2002
+ 17.9	+ 0.2	+ 17.8	- 1.9	+ 2.6	- 5.9	- 16.1	+ 4.9	- 21.0	+ 11.2	- 1.0	- 0.5	2003
+ 1.7	- 0.7	+ 2.4	- 0.7	+ 0.1	+ 2.4	+ 0.2	+ 1.5	- 1.3	+ 2.2	- 0.0	+ 0.0	2003 Feb
- 4.0	- 0.9	- 3.0	- 2.0	+ 0.1	+ 4.8	- 4.6	- 1.5	- 3.1	+ 9.4	+ 0.0	- 0.1	Mar
+ 3.2	+ 0.2	+ 3.0	+ 4.0	- 0.2	- 2.1	- 1.2	+ 1.0	- 2.2	- 0.9	- 0.0	- 0.0	Apr
+ 2.6	- 0.1	+ 2.7	- 0.8	- 0.1	+ 4.6	- 1.5	+ 0.6	- 2.1	+ 6.1	-	- 0.0	May
- 0.1	+ 0.3	- 0.4	- 3.0	+ 0.0	- 11.5	- 1.4	- 0.0	- 1.4	- 10.1	- 0.0	- 0.1	June
+ 4.1	+ 0.4	+ 3.7	+ 0.3	- 0.1	+ 1.4	- 0.7	- 0.2	- 0.6	+ 3.1	- 1.0	- 0.1	July
+ 7.8	+ 1.6	+ 6.1	+ 1.0	+ 0.4	- 7.1	- 1.0	+ 1.5	- 2.5	- 6.1	- 0.0	- 0.1	Aug
- 2.4	- 0.5	- 1.9	+ 0.2	- 0.2	+ 1.8	- 0.6	+ 0.9	- 1.5	+ 2.4	+ 0.0	- 0.0	Sep
+ 4.5	+ 0.7	+ 3.8	- 5.1	- 0.4	+ 0.8	- 1.4	- 1.2	- 0.1	+ 2.2	- 0.0	- 0.0	Oct
+ 3.5	+ 0.2	+ 3.3	+ 5.8	+ 0.2	+ 3.1	- 0.2	+ 0.6	- 0.8	+ 3.3	-	- 0.0	Nov
- 2.5	- 1.0	- 1.6	+ 1.6	+ 2.9	- 9.7	- 0.7	+ 1.5	- 2.2	- 9.0	+ 0.0	- 0.1	Dec
- 1.7	+ 0.0	- 1.7	+ 3.4	+ 0.2	+ 3.3	- 0.5	- 0.6	+ 0.1	+ 3.8	- 0.0	+ 0.1	2004 Jan
- 0.7	- 0.8	+ 0.1	- 5.9	- 0.5	+ 16.4	- 0.7	+ 0.9	- 1.6	+ 17.1	-	- 0.0	Feb
- 2.7	+ 0.3	- 3.0	+ 9.8	- 1.7	+ 0.1	- 0.1	+ 1.5	- 1.5	+ 0.1	+ 0.0	- 0.0	Mar
+ 4.2	+ 0.8	+ 3.4	+ 13.4	- 0.5	- 3.3	- 2.5	- 0.5	- 2.1	- 0.8	- 0.0	- 0.0	Apr
+ 6.1	+ 2.5	+ 3.7	- 9.5	- 0.1	+ 4.4	- 2.3	- 0.3	- 2.0	+ 6.8	-	- 0.0	May
+ 1.4	+ 1.0	+ 0.5	- 12.6	+ 0.8	+ 4.8	- 2.6	- 0.2	- 2.4	+ 7.4	-	- 0.2	June
+ 3.0	+ 0.8	+ 2.2	- 0.7	+ 1.1	- 2.6	+ 0.0	- 0.3	+ 0.3	- 1.7	- 0.9	- 0.0	July

money market paper; excluding mobilisation and liquidity paper. — 6 From 1999, breakdown of securities by medium and long-term lending no longer possible. — 7 Up to December 1998, maturity or period of notice of more than one year to less than four years; from 1999, more than one year up to and including five years. — 8 Up to December 1998, maturity or period of

notice of four years and more; from 1999, of more than five years. — 9 From 1999, no longer included in lending (see also footnote 2). — 10 Excluding debt securities arising from the exchange of equalisation claims (see also footnote 11). — 11 Including debt securities arising from the exchange of equalisation claims.

IV Banks
6 Lending by banks (MFIs) in Germany to domestic enterprises and households, housing loans, sectors of economic activity *

€ billion

Lending to domestic enterprises and households (excluding holdings of negotiable money market paper and excluding securities portfolios) 1														
Period	of which													
	Total	Mortgage loans, total	Housing loans			Lending to enterprises and self-employed persons								
			Total	Mortgage loans secured by residential real estate	Other housing loans	Total	of which Housing loans	Manufacturing	Electricity, gas and water supply, mining 2	Construction	Wholesale and retail trade 3	Agriculture, forestry and fishing	Transport, storage and communication	Financing institutions (excluding MFIs) and insurance corporations
Lending, total														
End of year or quarter *														
2001	2,236.3	981.4	1,053.9	757.7	296.2	1,295.6	346.1	174.3	36.7	67.9	172.9	31.3	50.0	39.0
2002	2,241.2	1,008.9	1,068.7	776.3	292.4	1,277.3	340.1	161.5	37.4	64.6	162.6	31.3	51.3	39.5
2003 June	2,240.1	1,011.4	1,070.5	782.5	288.0	1,267.1	338.0	157.8	37.0	62.9	156.9	32.5	52.2	48.7
Sep	2,245.6	1,106.2	1,077.5	845.7	231.8	1,262.1	338.1	154.4	36.2	61.7	153.3	32.9	53.6	53.9
Dec	2,241.6	1,124.5	1,083.3	867.1	216.2	1,252.2	335.1	151.0	37.2	59.0	152.3	32.1	54.4	54.4
2004 Mar	2,229.2	1,124.8	1,075.2	861.7	213.5	1,242.1	329.3	149.3	37.7	58.4	148.6	31.9	56.3	57.5
June	2,229.7	1,125.6	1,081.5	865.7	215.9	1,235.2	329.0	145.9	37.8	57.5	147.0	32.3	57.6	53.8
Short-term lending														
2001	355.8	–	15.9	–	15.9	304.1	10.6	59.6	5.5	17.8	63.5	4.1	9.3	14.2
2002	331.4	–	14.5	–	14.5	281.1	9.3	52.0	5.1	15.9	58.7	4.2	8.4	13.6
2003 June	327.3	–	14.4	–	14.4	278.8	9.3	51.1	4.5	15.9	56.5	4.7	7.9	22.3
Sep	323.3	–	14.0	–	14.0	274.7	8.7	48.7	4.0	15.1	54.6	4.7	7.8	26.3
Dec	313.9	–	14.1	–	14.1	266.7	8.9	46.6	4.2	13.2	55.9	3.9	8.0	25.8
2004 Mar	306.3	–	13.2	–	13.2	261.4	8.0	47.0	4.0	13.5	53.8	4.1	8.6	27.6
June	294.6	–	12.4	–	12.4	250.0	7.4	44.8	4.1	13.1	52.8	4.4	6.9	24.0
Medium-term lending														
2001	191.1	–	37.1	–	37.1	120.1	12.0	18.5	1.9	6.5	13.4	3.2	7.2	7.7
2002	193.5	–	36.1	–	36.1	121.8	11.3	17.9	2.0	6.5	13.5	3.3	8.5	6.8
2003 June	193.5	–	37.4	–	37.4	121.0	11.9	17.6	2.5	6.0	12.7	3.4	9.9	6.4
Sep	195.0	–	38.0	–	38.0	121.4	12.0	17.6	2.2	6.1	12.6	3.4	10.5	6.4
Dec	195.0	–	38.2	–	38.2	121.2	12.0	17.5	2.3	6.0	11.9	3.4	10.9	6.5
2004 Mar	193.9	–	37.2	–	37.2	121.0	11.5	17.2	3.0	5.8	11.6	3.3	11.3	6.9
June	198.2	–	38.7	–	38.7	124.0	12.2	17.4	3.0	5.9	11.8	3.3	11.6	7.2
Long-term lending														
2001	1,689.4	981.4	1,000.9	757.7	243.2	871.4	323.5	96.2	29.4	43.7	96.1	24.0	33.5	17.1
2002	1,716.3	1,008.9	1,018.1	776.3	241.9	874.4	319.4	91.5	30.3	42.2	90.3	23.8	34.4	19.0
2003 June	1,719.3	1,011.4	1,018.7	782.5	236.2	867.2	316.7	89.1	30.0	41.0	87.6	24.4	34.4	20.1
Sep	1,727.2	1,106.2	1,025.5	845.7	179.8	866.1	317.4	88.1	30.0	40.6	86.1	24.7	35.2	21.2
Dec	1,732.8	1,124.5	1,031.0	867.1	164.0	864.3	314.2	86.9	30.6	39.9	84.5	24.7	35.5	22.1
2004 Mar	1,729.0	1,124.8	1,024.8	861.7	163.0	859.7	309.8	85.0	30.6	39.1	83.3	24.5	36.4	23.0
June	1,737.0	1,125.6	1,030.4	865.7	164.8	861.2	309.4	83.6	30.8	38.5	82.4	24.6	39.1	22.6
Lending, total														
Change during quarter *														
2003 Q2	+ 2.2	+ 0.7	+ 5.8	+ 2.7	+ 3.1	– 6.1	– 1.1	– 0.7	– 0.2	– 0.6	– 2.3	+ 0.5	+ 1.0	– 1.6
Q3	+ 5.4	+ 4.5	+ 7.9	+ 5.8	+ 2.1	– 4.9	– 0.8	– 3.5	– 0.8	– 1.1	– 3.4	+ 0.4	+ 1.4	+ 5.1
Q4	– 4.0	+ 1.7	+ 5.0	+ 4.5	+ 0.5	– 9.9	– 2.6	– 3.4	+ 0.9	– 2.7	– 1.0	– 0.8	+ 0.8	+ 0.5
2004 Q1	– 12.4	– 0.6	– 2.0	– 0.1	– 1.9	– 9.2	– 2.5	– 1.6	+ 0.5	– 0.5	– 3.6	+ 0.1	+ 1.9	+ 2.9
Q2	+ 0.5	+ 1.8	+ 5.2	+ 2.0	+ 3.2	– 6.5	– 0.6	– 3.0	+ 0.2	– 0.8	– 1.2	+ 0.5	+ 0.8	– 3.6
Short-term lending														
2003 Q2	– 3.4	–	+ 0.4	–	+ 0.4	– 4.0	+ 0.3	+ 0.5	– 0.2	– 0.1	– 0.8	+ 0.2	– 0.1	– 2.0
Q3	– 4.0	–	– 0.4	–	– 0.4	– 4.2	– 0.7	– 2.4	– 0.6	– 0.8	– 1.8	+ 0.0	– 0.1	+ 3.9
Q4	– 9.5	–	+ 0.1	–	+ 0.1	– 7.9	+ 0.2	– 2.1	+ 0.3	– 1.9	+ 1.3	– 0.8	+ 0.2	– 0.6
2004 Q1	– 7.3	–	– 0.9	–	– 0.9	– 5.1	– 0.9	+ 0.5	– 0.2	+ 0.3	– 2.1	+ 0.1	+ 0.6	+ 2.0
Q2	– 11.3	–	– 0.8	–	– 0.8	– 10.9	– 0.7	– 2.2	+ 0.1	– 0.4	– 0.8	+ 0.3	– 1.7	– 3.5
Medium-term lending														
2003 Q2	+ 0.4	–	+ 0.7	–	+ 0.7	– 0.3	+ 0.3	– 0.1	+ 0.3	– 0.3	– 0.3	+ 0.1	+ 0.8	+ 0.1
Q3	+ 1.5	–	+ 0.5	–	+ 0.5	+ 0.4	+ 0.0	– 0.0	– 0.2	+ 0.1	– 0.1	+ 0.1	+ 0.7	+ 0.1
Q4	– 0.0	–	+ 0.2	–	+ 0.2	– 0.2	– 0.1	– 0.1	+ 0.1	– 0.1	– 0.7	– 0.1	+ 0.4	+ 0.1
2004 Q1	– 0.4	–	– 0.2	–	– 0.2	– 0.1	– 0.2	– 0.3	+ 0.7	– 0.2	– 0.3	– 0.1	+ 0.5	– 0.0
Q2	+ 4.2	–	+ 1.5	–	+ 1.5	+ 2.8	+ 0.6	+ 0.1	– 0.1	+ 0.1	+ 0.3	– 0.0	+ 0.3	+ 0.0
Long-term lending														
2003 Q2	+ 5.3	+ 0.7	+ 4.6	+ 2.7	+ 2.0	– 1.8	– 1.6	– 1.1	– 0.3	– 0.3	– 1.2	+ 0.2	+ 0.3	+ 0.3
Q3	+ 7.9	+ 4.5	+ 7.8	+ 5.8	+ 2.0	– 1.1	– 0.2	– 1.0	+ 0.0	– 0.4	– 1.5	+ 0.3	+ 0.8	+ 1.1
Q4	+ 5.5	+ 1.7	+ 4.7	+ 4.5	+ 0.2	– 1.8	– 2.7	– 1.2	+ 0.6	– 0.8	– 1.6	+ 0.0	+ 0.3	+ 1.0
2004 Q1	– 4.7	– 0.6	– 1.0	– 0.1	– 0.9	– 4.1	– 1.4	– 1.8	– 0.0	– 0.7	– 1.2	– 0.0	+ 0.9	+ 0.9
Q2	+ 7.6	+ 1.8	+ 4.5	+ 2.0	+ 2.6	+ 1.6	– 0.6	– 0.9	+ 0.2	– 0.5	– 0.7	+ 0.2	+ 2.2	– 0.1

* Excluding lending by foreign branches. Breakdown of lending by building and loan associations by areas and sectors estimated. Statistical alterations have been eliminated from the changes. The figures for the latest date are

always to be regarded as provisional; subsequent alterations, which will appear in the following *Monthly Report*, are not specially marked. — 1 Excluding fiduciary loans. — 2 Including quarrying. — 3 Including

IV Banks

											Lending to employees and other individuals		Lending to non-profit institutions			
Services sector (including the professions)				Memo items					Other lending							
Total	of which			Lending to self-employed persons ⁴	Lending to craft enterprises	Total	Housing loans	Total	of which		Debit balances on wage, salary and pension accounts	Total	of which Housing loans	Period		
	Housing enterprises	Holding companies	Other real estate enterprises						Instalment loans ⁵							
End of year or quarter *														Lending, total		
723.3	169.4	50.3	194.3	458.6	74.7	926.7	704.3	222.4	110.7	22.9	14.1	3.5	2001			
729.2	165.0	50.2	207.2	451.8	72.4	949.5	725.1	224.3	114.3	23.0	14.4	3.5	2002			
719.1	163.2	48.5	206.8	444.5	71.9	958.8	729.1	229.8	114.2	22.7	14.2	3.5	2003 June			
716.1	162.3	48.6	205.7	441.8	70.2	969.6	735.9	233.7	116.1	23.2	13.8	3.5	Sep			
711.9	160.7	44.0	207.2	437.0	67.7	975.6	744.7	230.9	118.6	21.6	13.7	3.5	Dec			
702.5	158.7	43.6	206.2	429.5	66.5	973.4	742.6	230.9	119.1	20.1	13.7	3.3	2004 Mar			
703.2	165.6	45.3	200.7	428.4	66.2	981.2	749.2	232.0	120.9	20.1	13.3	3.3	June			
														Short-term lending		
130.1	21.6	20.4	34.1	56.0	15.8	50.3	5.3	45.0	2.8	22.9	1.4	0.0	2001			
123.3	19.8	19.1	34.7	53.8	14.8	48.5	5.2	43.3	2.4	23.0	1.7	0.0	2002			
115.9	18.7	17.9	33.6	51.8	15.0	46.8	5.0	41.7	2.3	22.7	1.7	0.0	2003 June			
113.5	17.9	18.3	32.1	50.6	14.4	47.2	5.2	42.0	2.3	23.2	1.4	0.0	Sep			
109.1	17.9	14.6	31.2	49.4	12.9	45.9	5.1	40.8	2.4	21.6	1.2	0.0	Dec			
102.7	17.2	14.2	29.4	47.2	13.0	43.5	5.2	38.4	2.2	20.1	1.4	0.0	2004 Mar			
99.9	17.2	14.9	27.4	46.5	12.7	43.5	5.0	38.5	2.3	20.1	1.1	0.0	June			
														Medium-term lending		
61.9	6.7	6.5	14.7	31.2	5.3	70.5	25.0	45.4	33.4	-	0.6	0.1	2001			
63.2	6.2	7.2	16.7	31.2	4.8	71.1	24.7	46.4	35.3	-	0.5	0.1	2002			
62.5	6.1	6.3	17.6	31.0	4.7	72.0	25.4	46.6	36.4	-	0.5	0.1	2003 June			
62.5	5.9	6.0	17.7	30.8	4.6	73.1	26.0	47.2	37.3	-	0.5	0.1	Sep			
62.7	5.7	5.6	18.0	30.4	4.5	73.2	26.2	47.0	37.1	-	0.6	0.1	Dec			
61.9	5.5	5.8	18.1	29.6	4.2	72.3	25.6	46.7	37.3	-	0.6	0.1	2004 Mar			
63.7	6.8	6.4	17.5	30.0	4.1	73.7	26.5	47.2	38.1	-	0.5	0.1	June			
														Long-term lending		
531.3	141.1	23.4	145.6	371.3	53.7	806.0	674.0	132.0	74.4	-	12.1	3.5	2001			
542.8	139.0	24.0	155.8	366.8	52.8	829.8	695.3	134.6	76.6	-	12.1	3.4	2002			
540.7	138.4	24.3	155.6	361.8	52.2	840.1	698.6	141.5	75.5	-	12.0	3.4	2003 June			
540.1	138.4	24.2	155.9	360.4	51.2	849.2	704.7	144.5	76.5	-	11.9	3.4	Sep			
540.0	137.1	23.8	158.0	357.2	50.4	856.5	713.4	143.1	79.1	-	11.9	3.4	Dec			
537.9	136.0	23.6	158.6	352.7	49.3	857.6	711.8	145.8	79.6	-	11.7	3.2	2004 Mar			
539.6	141.5	24.0	155.8	352.0	49.3	864.1	717.8	146.3	80.6	-	11.7	3.2	June			
Change during quarter *														Lending, total		
- 2.2	- 0.4	- 0.1	+ 0.4	- 3.2	- 1.0	+ 8.4	+ 6.9	+ 1.5	+ 1.2	+ 0.5	- 0.0	- 0.0	2003 Q2			
- 3.1	- 1.2	- 0.1	- 0.5	- 2.4	- 1.4	+ 10.8	+ 8.8	+ 2.0	+ 2.1	+ 0.5	- 0.4	- 0.0	Q3			
- 4.2	- 0.5	- 4.6	+ 0.4	- 4.8	- 1.9	+ 6.0	+ 7.6	- 1.6	+ 0.4	- 1.6	- 0.1	- 0.0	Q4			
- 8.8	- 2.1	- 0.3	- 0.7	- 6.6	- 1.2	- 3.1	+ 0.6	- 3.7	+ 0.5	- 1.5	- 0.1	- 0.2	2004 Q1			
+ 0.5	+ 2.4	+ 1.9	- 1.6	- 0.9	- 0.3	+ 7.4	+ 5.8	+ 1.6	+ 2.1	- 0.0	- 0.3	+ 0.0	Q2			
														Short-term lending		
- 1.4	- 0.3	- 0.1	+ 0.1	- 0.4	- 0.3	+ 0.6	+ 0.1	+ 0.4	- 0.0	+ 0.5	- 0.0	- 0.0	2003 Q2			
- 2.3	- 0.8	+ 0.4	- 1.5	- 1.2	- 0.6	+ 0.5	+ 0.2	+ 0.3	+ 0.1	+ 0.5	- 0.3	- 0.0	Q3			
- 4.4	- 0.0	+ 3.7	- 0.9	- 1.1	- 1.5	- 1.3	- 0.1	- 1.2	+ 0.0	- 1.6	- 0.2	+ 0.0	Q4			
- 6.3	- 0.7	- 0.4	- 1.8	- 2.3	+ 0.1	- 2.4	+ 0.1	- 2.4	- 0.2	- 1.5	+ 0.1	-	2004 Q1			
- 2.7	+ 0.1	+ 0.7	- 2.0	- 0.7	- 0.3	- 0.1	- 0.2	+ 0.1	+ 0.1	- 0.0	- 0.3	- 0.0	Q2			
														Medium-term lending		
- 1.0	- 0.1	- 0.4	- 0.2	- 0.1	- 0.1	+ 0.7	+ 0.4	+ 0.3	+ 0.3	-	+ 0.0	+ 0.0	2003 Q2			
- 0.2	- 0.1	- 0.3	+ 0.3	- 0.2	- 0.1	+ 1.1	+ 0.5	+ 0.6	+ 0.9	-	+ 0.0	- 0.0	Q3			
+ 0.3	- 0.2	- 0.5	+ 0.3	- 0.4	- 0.1	+ 0.1	+ 0.3	- 0.2	- 0.2	-	+ 0.1	+ 0.0	Q4			
- 0.4	- 0.2	+ 0.2	+ 0.5	- 0.5	- 0.3	- 0.3	+ 0.0	- 0.3	+ 0.2	-	- 0.0	- 0.0	2004 Q1			
+ 2.2	+ 1.3	+ 0.7	- 0.4	+ 0.3	- 0.0	+ 1.4	+ 0.9	+ 0.5	+ 0.8	-	- 0.0	+ 0.0	Q2			
														Long-term lending		
+ 0.2	- 0.1	+ 0.4	+ 0.5	- 2.7	- 0.6	+ 7.1	+ 6.3	+ 0.8	+ 0.9	-	- 0.0	- 0.0	2003 Q2			
- 0.6	- 0.3	- 0.2	+ 0.7	- 1.0	- 0.7	+ 9.2	+ 8.0	+ 1.2	+ 1.1	-	- 0.1	- 0.0	Q3			
- 0.1	- 0.2	- 0.4	+ 1.0	- 3.3	- 0.3	+ 7.3	+ 7.5	- 0.2	+ 0.5	-	+ 0.0	- 0.0	Q4			
- 2.1	- 1.1	- 0.2	+ 0.7	- 3.9	- 1.0	- 0.4	+ 0.5	- 1.0	+ 0.5	-	- 0.2	- 0.2	2004 Q1			
+ 1.1	+ 1.0	+ 0.6	+ 0.7	- 0.4	+ 0.0	+ 6.1	+ 5.1	+ 1.0	+ 1.3	-	- 0.1	+ 0.0	Q2			

the maintenance and repair of motor vehicles and durable consumer goods. — 4 Including sole proprietors. — 5 Excluding mortgage loans and housing loans, even in the form of instalment credit.

IV Banks
7 Deposits of domestic non-banks (non-MFIs) at banks (MFIs) in Germany *

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item		
			Total	for up to and including 1 year	for more than 1 year 2		Fiduciary loans			Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos	
					Total	for up to and including 2 years						for more than 2 years
Domestic non-banks, total											End of year or month *	
2001	2,034.0	526.4	827.0	268.7	558.3	10.3	548.0	574.5	106.0	43.3	26.2	3.1
2002	2,085.9	575.6	830.6	258.3	572.3	8.8	563.5	575.3	104.4	42.1	27.9	1.5
2003	2,140.3	624.0	825.7	237.8	587.9	8.3	579.6	590.3	100.3	40.5	30.4	9.3
2003 Aug	2,111.4	598.5	834.5	248.0	586.5	8.0	578.5	578.0	100.4	41.7	30.1	6.1
Sep	2,112.3	608.8	825.4	240.3	585.1	7.9	577.2	578.3	99.9	41.5	30.1	11.6
Oct	2,114.7	610.9	824.5	238.7	585.7	8.0	577.7	579.4	100.0	40.7	30.4	14.5
Nov	2,138.6	634.1	824.0	237.5	586.5	8.3	578.2	580.3	100.1	40.7	30.5	12.7
Dec	2,140.3	624.0	825.7	237.8	587.9	8.3	579.6	590.3	100.3	40.5	30.4	9.3
2004 Jan	2,137.5	632.2	814.3	225.0	589.3	8.3	581.0	590.6	100.3	40.3	30.7	9.8
Feb	2,141.8	635.4	814.8	223.4	591.4	8.3	583.1	591.5	100.1	40.5	30.8	10.4
Mar	2,145.8	635.3	819.2	225.3	594.0	8.6	585.4	591.4	99.8	39.3	31.2	10.9
Apr	2,154.0	644.0	819.6	220.8	598.8	8.5	590.3	591.2	99.2	39.0	31.3	10.6
May	2,162.4	642.7	830.2	227.9	602.3	8.4	593.9	590.6	98.9	39.0	31.3	11.4
June	2,158.3	643.5	826.2	220.4	605.8	8.2	597.5	590.0	98.7	38.8	31.4	9.9
July	2,160.4	637.6	833.6	225.8	607.7	8.2	599.5	590.6	98.6	38.7	31.5	10.3
											Changes *	
2002	+ 51.7	+ 48.4	+ 4.1	- 10.2	+ 14.3	- 1.5	+ 15.8	+ 0.8	- 1.6	- 1.1	+ 1.8	- 1.6
2003	+ 54.0	+ 48.4	- 4.8	- 20.3	+ 15.6	- 0.5	+ 16.1	+ 15.1	- 4.8	- 1.2	+ 2.0	+ 7.8
2003 Aug	+ 9.1	+ 2.9	+ 5.5	+ 1.6	+ 3.9	+ 0.0	+ 3.9	+ 1.3	- 0.5	- 0.1	+ 0.2	- 1.0
Sep	+ 0.8	+ 10.3	- 9.1	- 7.8	- 1.4	- 0.1	- 1.3	+ 0.2	- 0.5	- 0.2	+ 0.1	+ 5.4
Oct	+ 2.5	+ 2.1	- 0.9	- 1.5	+ 0.6	+ 0.1	+ 0.5	+ 1.1	+ 0.1	- 0.3	+ 0.2	+ 2.9
Nov	+ 23.8	+ 23.2	- 0.4	- 1.2	+ 0.8	+ 0.3	+ 0.4	+ 0.9	+ 0.2	+ 0.0	+ 0.2	- 1.8
Dec	+ 1.7	- 10.1	+ 1.7	+ 0.3	+ 1.4	- 0.0	+ 1.4	+ 10.0	+ 0.1	- 0.2	- 0.1	- 3.4
2004 Jan	- 2.8	+ 8.2	- 11.4	- 12.9	+ 1.5	+ 0.0	+ 1.5	+ 0.3	+ 0.1	- 0.2	+ 0.3	+ 0.5
Feb	+ 4.3	+ 4.1	- 0.4	- 2.5	+ 2.1	- 0.0	+ 2.1	+ 0.9	- 0.2	+ 0.2	+ 0.1	+ 0.7
Mar	+ 4.0	- 0.0	+ 4.5	+ 1.9	+ 2.6	+ 0.3	+ 2.3	- 0.1	- 0.3	- 1.2	+ 0.4	+ 0.5
Apr	+ 8.5	+ 8.7	+ 0.3	- 4.4	+ 4.8	- 0.1	+ 4.9	- 0.2	- 0.2	- 0.2	+ 0.1	- 0.3
May	+ 8.4	- 1.4	+ 10.6	+ 7.1	+ 3.5	- 0.1	+ 3.5	- 0.6	- 0.2	- 0.0	- 0.0	+ 0.7
June	- 4.1	+ 0.4	- 3.6	- 7.1	+ 3.5	- 0.2	+ 3.7	- 0.6	- 0.3	- 0.2	+ 0.1	- 1.5
July	+ 2.1	- 5.5	+ 7.0	+ 5.1	+ 1.9	- 0.1	+ 2.0	+ 0.7	- 0.0	- 0.1	+ 0.1	+ 0.5
Domestic government											End of year or month *	
2001	122.7	16.1	102.3	37.7	64.5	1.2	63.3	2.3	2.1	36.6	1.4	-
2002	113.9	16.6	93.3	30.9	62.4	0.9	61.5	2.1	1.9	36.3	1.2	-
2003	108.1	17.8	86.6	29.1	57.5	0.5	57.0	2.0	1.7	34.9	1.1	-
2003 Aug	107.7	14.7	89.2	30.8	58.4	0.5	57.9	2.0	1.7	36.1	1.1	-
Sep	105.0	15.4	85.9	28.7	57.2	0.5	56.7	2.0	1.7	36.0	1.1	-
Oct	101.6	15.2	82.7	25.7	57.0	0.5	56.5	2.0	1.7	35.8	1.1	-
Nov	104.1	15.8	84.6	27.0	57.7	0.5	57.2	2.0	1.7	35.8	1.1	-
Dec	108.1	17.8	86.6	29.1	57.5	0.5	57.0	2.0	1.7	34.9	1.1	-
2004 Jan	106.3	16.1	86.6	29.8	56.8	0.5	56.3	2.0	1.7	34.8	1.2	-
Feb	107.4	16.6	87.2	30.0	57.1	0.5	56.7	2.1	1.6	34.8	1.2	-
Mar	106.4	17.6	85.0	28.6	56.4	0.9	55.6	2.2	1.6	33.5	1.0	-
Apr	105.8	17.3	84.7	28.6	56.2	0.9	55.3	2.2	1.6	33.3	1.1	-
May	108.9	18.5	86.6	30.6	56.0	0.9	55.0	2.2	1.6	33.2	1.0	-
June	111.4	20.0	87.5	32.1	55.4	0.9	54.5	2.2	1.6	33.1	1.1	-
July	109.5	18.5	87.0	31.5	55.5	0.9	54.6	2.4	1.6	33.0	1.0	-
											Changes *	
2002	- 8.6	+ 0.5	- 8.7	- 6.6	- 2.1	- 0.3	- 1.8	- 0.2	- 0.2	- 0.3	- 0.2	-
2003	- 4.8	+ 1.2	- 5.7	- 1.6	- 4.1	- 0.4	- 3.7	- 0.1	- 0.2	- 1.6	- 0.1	-
2003 Aug	- 0.5	+ 0.2	- 0.8	- 0.7	- 0.1	+ 0.0	- 0.2	+ 0.1	- 0.0	- 0.1	+ 0.0	-
Sep	- 2.6	+ 0.7	- 3.3	- 2.1	- 1.2	+ 0.0	- 1.3	+ 0.0	+ 0.0	- 0.2	- 0.0	-
Oct	- 3.4	- 0.2	- 3.2	- 3.0	- 0.2	- 0.1	- 0.2	- 0.0	- 0.0	- 0.2	+ 0.0	-
Nov	+ 2.7	+ 0.6	+ 2.1	+ 1.4	+ 0.7	+ 0.0	+ 0.6	-	+ 0.0	+ 0.0	+ 0.0	-
Dec	+ 4.0	+ 2.0	+ 2.0	+ 2.2	- 0.2	+ 0.0	- 0.2	+ 0.0	- 0.0	- 0.9	- 0.0	-
2004 Jan	- 1.8	- 1.7	- 0.0	+ 0.7	- 0.7	- 0.0	- 0.7	- 0.0	- 0.0	- 0.1	+ 0.0	-
Feb	+ 1.1	+ 0.5	+ 0.6	+ 0.2	+ 0.4	- 0.0	+ 0.4	+ 0.1	- 0.0	+ 0.0	- 0.0	-
Mar	- 1.0	+ 1.0	- 2.1	- 1.4	- 0.7	+ 0.4	- 1.1	+ 0.1	- 0.0	- 1.3	- 0.1	-
Apr	- 0.6	- 0.3	- 0.3	- 0.0	- 0.3	- 0.0	- 0.3	+ 0.0	- 0.0	- 0.2	+ 0.0	-
May	+ 3.0	+ 1.2	+ 1.8	+ 2.1	- 0.2	+ 0.0	- 0.3	+ 0.0	- 0.0	- 0.1	- 0.0	-
June	+ 2.6	+ 1.6	+ 1.0	+ 1.5	- 0.6	- 0.0	- 0.5	- 0.0	+ 0.0	- 0.2	+ 0.0	-
July	- 1.9	- 1.5	- 0.5	- 0.6	+ 0.1	+ 0.0	+ 0.1	+ 0.1	- 0.0	- 0.1	- 0.0	-

* See Table IV.2, footnote *; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as

provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Including subordinated liabilities and

7 Deposits of domestic non-banks (non-MFIs) at banks (MFIs) in Germany * (cont'd)

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item		
			Total	for up to and including 1 year	for more than 1 year 2					Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos
					Total	for up to and including 2 years	for more than 2 years					
Domestic enterprises and households												
End of year or month *												
2001	1,911.3	510.4	724.7	231.0	493.7	9.1	484.6	572.3	103.9	6.6	24.8	3.1
2002	1,972.0	559.0	737.3	227.5	509.8	7.9	502.0	573.2	102.5	5.8	26.6	1.5
2003	2,032.2	606.2	739.1	208.7	530.4	7.8	522.6	588.3	98.6	5.7	29.3	9.3
2003 Aug	2,003.8	583.8	745.3	217.2	528.1	7.5	520.6	576.0	98.7	5.5	28.9	6.1
Sep	2,007.3	593.4	739.5	211.6	527.9	7.4	520.5	576.2	98.1	5.5	29.0	11.6
Oct	2,013.1	595.7	741.8	213.0	528.7	7.5	521.2	577.4	98.3	5.0	29.2	14.5
Nov	2,034.5	618.3	739.4	210.6	528.8	7.8	521.0	578.3	98.4	4.9	29.4	12.7
Dec	2,032.2	606.2	739.1	208.7	530.4	7.8	522.6	588.3	98.6	5.7	29.3	9.3
2004 Jan	2,031.1	616.1	727.7	195.2	532.6	7.8	524.7	588.6	98.7	5.6	29.6	9.8
Feb	2,034.3	618.8	727.6	193.4	534.3	7.8	526.4	589.4	98.5	5.7	29.6	10.4
Mar	2,039.3	617.7	734.2	196.7	537.6	7.7	529.8	589.2	98.2	5.8	30.1	10.9
Apr	2,048.2	626.8	734.9	192.3	542.7	7.6	535.0	589.0	97.5	5.8	30.2	10.6
May	2,053.5	624.2	743.6	197.3	546.3	7.5	538.8	588.3	97.3	5.8	30.2	11.4
June	2,046.8	623.4	738.7	188.3	550.4	7.4	543.0	587.7	97.1	5.7	30.4	9.9
July	2,050.9	619.0	746.5	194.3	552.2	7.3	544.9	588.3	97.0	5.7	30.5	10.3
Changes *												
2002	+ 60.3	+ 47.9	+ 12.8	- 3.6	+ 16.4	- 1.2	+ 17.5	+ 1.0	- 1.4	- 0.8	+ 2.0	- 1.6
2003	+ 58.7	+ 47.2	+ 1.0	- 18.7	+ 19.7	- 0.1	+ 19.8	+ 15.1	- 4.5	+ 0.4	+ 2.1	+ 7.8
2003 Aug	+ 9.6	+ 2.6	+ 6.3	+ 2.3	+ 4.0	+ 0.0	+ 4.0	+ 1.2	- 0.5	- 0.0	+ 0.2	- 1.0
Sep	+ 3.5	+ 9.6	- 5.8	- 5.6	- 0.2	- 0.1	- 0.1	+ 0.2	- 0.5	+ 0.0	+ 0.1	+ 5.4
Oct	+ 5.9	+ 2.3	+ 2.3	+ 1.5	+ 0.8	+ 0.1	+ 0.7	+ 1.2	+ 0.1	- 0.1	+ 0.2	+ 2.9
Nov	+ 21.2	+ 22.6	- 2.5	- 2.6	+ 0.1	+ 0.3	- 0.2	+ 0.9	+ 0.1	- 0.0	+ 0.2	- 1.8
Dec	- 2.3	- 12.1	- 0.3	- 1.9	+ 1.5	- 0.0	+ 1.6	+ 10.0	+ 0.2	+ 0.7	- 0.1	- 3.4
2004 Jan	- 1.1	+ 9.9	- 11.4	- 13.6	+ 2.2	+ 0.1	+ 2.1	+ 0.3	+ 0.1	- 0.1	+ 0.3	+ 0.5
Feb	+ 3.2	+ 3.6	- 1.0	- 2.7	+ 1.7	- 0.0	+ 1.7	+ 0.8	- 0.2	+ 0.1	+ 0.1	+ 0.7
Mar	+ 5.0	- 1.1	+ 6.6	+ 3.3	+ 3.3	- 0.1	+ 3.4	- 0.2	- 0.3	+ 0.1	+ 0.5	+ 0.5
Apr	+ 9.1	+ 9.0	+ 0.6	- 4.4	+ 5.0	- 0.1	+ 5.2	- 0.3	- 0.2	- 0.0	+ 0.1	- 0.3
May	+ 5.3	- 2.6	+ 8.7	+ 5.0	+ 3.7	- 0.1	+ 3.8	- 0.6	- 0.2	+ 0.0	- 0.0	+ 0.7
June	- 6.7	- 1.2	- 4.6	- 8.6	+ 4.1	- 0.1	+ 4.2	- 0.6	- 0.3	- 0.1	+ 0.1	- 1.5
July	+ 4.0	- 4.0	+ 7.5	+ 5.7	+ 1.8	- 0.1	+ 1.9	+ 0.6	- 0.0	- 0.0	+ 0.1	+ 0.5
of which: Domestic enterprises												
End of year or month *												
2001	668.4	180.0	461.3	91.7	369.6	2.9	366.8	4.3	22.8	6.4	14.3	3.1
2002	700.4	194.6	479.4	99.2	380.2	1.5	378.7	4.4	22.0	5.6	15.8	1.5
2003	730.8	205.8	498.1	102.1	396.0	1.6	394.4	4.8	22.1	5.4	17.3	9.3
2003 Aug	716.9	189.6	500.0	103.2	396.8	1.5	395.2	4.8	22.4	5.3	17.4	6.1
Sep	723.7	200.7	495.9	99.7	396.2	1.5	394.7	4.8	22.3	5.3	17.4	11.6
Oct	727.9	201.0	500.0	103.2	396.8	1.5	395.3	4.8	22.1	4.7	17.4	14.5
Nov	733.5	206.0	500.7	102.8	397.9	1.7	396.2	4.7	22.0	4.7	17.4	12.7
Dec	730.8	205.8	498.1	102.1	396.0	1.6	394.4	4.8	22.1	5.4	17.3	9.3
2004 Jan	726.6	211.6	488.2	90.4	397.9	1.8	396.1	4.9	21.9	5.3	17.4	9.8
Feb	723.7	207.6	489.3	90.0	399.3	1.8	397.5	5.1	21.7	5.4	17.4	10.4
Mar	730.9	207.4	496.5	94.6	401.9	1.9	400.0	5.1	21.8	5.5	17.8	10.9
Apr	740.0	213.5	499.5	92.7	406.8	2.0	404.9	5.2	21.8	5.5	17.8	10.6
May	741.6	205.6	509.0	98.2	410.8	1.9	408.9	5.3	21.8	5.5	17.8	11.4
June	737.6	204.6	506.2	91.6	414.5	1.9	412.7	5.1	21.7	5.5	18.0	9.9
July	742.9	200.6	515.4	99.0	416.4	1.9	414.5	5.2	21.8	5.4	18.0	10.3
Changes *												
2002	+ 31.1	+ 13.4	+ 18.3	+ 7.4	+ 10.9	- 1.3	+ 12.2	+ 0.1	- 0.7	- 0.8	+ 1.6	- 1.6
2003	+ 29.6	+ 11.2	+ 17.9	+ 2.9	+ 15.0	+ 0.1	+ 14.9	+ 0.4	+ 0.0	+ 0.4	+ 1.4	+ 7.8
2003 Aug	+ 4.8	- 2.8	+ 7.6	+ 3.7	+ 3.9	+ 0.1	+ 3.8	+ 0.1	- 0.0	- 0.0	+ 0.1	- 1.0
Sep	+ 6.8	+ 11.1	- 4.1	- 3.5	- 0.6	- 0.1	- 0.5	- 0.1	- 0.1	+ 0.0	+ 0.1	+ 5.4
Oct	+ 4.3	+ 0.3	+ 4.1	+ 3.5	+ 0.6	+ 0.1	+ 0.6	- 0.0	- 0.2	- 0.1	- 0.1	+ 2.9
Nov	+ 5.4	+ 5.0	+ 0.5	- 0.6	+ 1.1	+ 0.2	+ 0.9	- 0.0	- 0.0	- 0.0	+ 0.0	- 1.8
Dec	- 2.7	- 0.2	- 2.6	- 0.7	- 1.9	- 0.1	- 1.8	+ 0.1	+ 0.0	+ 0.7	- 0.1	- 3.4
2004 Jan	- 4.2	+ 5.8	- 9.9	- 11.7	+ 1.8	+ 0.1	+ 1.7	+ 0.1	- 0.2	- 0.1	+ 0.1	+ 0.5
Feb	- 2.9	- 3.1	+ 0.2	- 1.3	+ 1.4	+ 0.1	+ 1.4	+ 0.2	- 0.1	+ 0.1	- 0.0	+ 0.7
Mar	+ 7.1	- 0.2	+ 7.2	+ 4.6	+ 2.6	+ 0.1	+ 2.5	+ 0.0	+ 0.1	+ 0.1	+ 0.4	+ 0.5
Apr	+ 9.5	+ 6.1	+ 3.0	- 1.9	+ 4.9	+ 0.1	+ 4.8	+ 0.1	+ 0.3	- 0.0	+ 0.1	- 0.3
May	+ 1.6	- 7.9	+ 9.4	+ 5.5	+ 4.0	- 0.1	+ 4.0	+ 0.1	+ 0.0	+ 0.0	- 0.0	+ 0.7
June	- 4.1	- 1.0	- 2.8	- 6.6	+ 3.7	- 0.0	+ 3.7	- 0.2	- 0.2	- 0.1	+ 0.2	- 1.5
July	+ 5.3	- 4.1	+ 9.2	+ 7.4	+ 1.8	+ 0.0	+ 1.8	+ 0.1	+ 0.1	- 0.0	+ 0.0	+ 0.5

liabilities arising from registered debt securities. — 2 Including deposits under savings and loan contracts (see Table IV.12). — 3 Excluding deposits

under savings and loan contracts (see also footnote 2). — 4 Including liabilities arising from non-negotiable bearer debt securities.

IV Banks

8 Deposits of domestic households and non-profit institutions at banks (MFIs) in Germany *

€ billion

Period	Sight deposits							Time deposits 1,2					
	Deposits of domestic households and non-profit institutions, total	by creditor group					Domestic non-profit institutions	by creditor group					
		Domestic households				Total		Domestic households				Total	
		Total	Self-employed persons	Employees	Other individuals			Total	Self-employed persons	Employees	Other individuals		
End of year or month *													
2001	1,242.9	330.4	320.1	55.8	220.9	43.4	10.2	263.4	242.9	36.3	182.4	24.2	
2002	1,271.6	364.5	352.8	61.3	241.4	50.0	11.7	257.9	238.3	35.2	180.5	22.6	
2003	1,301.4	400.4	388.1	66.9	265.1	56.1	12.3	241.0	222.1	29.2	174.5	18.4	
2004 Feb	1,310.6	411.2	398.3	69.3	269.9	59.1	12.9	238.3	220.6	28.8	173.7	18.1	
Mar	1,308.5	410.3	397.0	67.5	270.8	58.6	13.3	237.8	219.8	28.2	173.7	17.9	
Apr	1,308.1	413.3	400.2	69.4	272.9	58.0	13.0	235.4	218.0	27.5	172.8	17.6	
May	1,311.9	418.6	405.9	69.4	278.2	58.4	12.7	234.7	216.8	26.7	172.6	17.5	
June	1,309.3	418.8	405.2	68.0	279.2	58.0	13.5	232.5	214.8	26.2	171.6	17.0	
July	1,308.0	418.5	405.5	70.1	277.9	57.5	13.0	231.2	214.1	26.1	171.4	16.6	
Changes *													
2002	+ 29.2	+ 34.5	+ 33.1	+ 5.6	+ 22.4	+ 5.1	+ 1.5	- 5.5	- 4.2	- 1.0	- 1.1	- 2.1	
2003	+ 29.2	+ 36.0	+ 35.3	+ 5.6	+ 23.7	+ 6.0	+ 0.6	- 16.9	- 16.2	- 6.0	- 6.0	- 4.2	
2004 Feb	+ 6.0	+ 6.7	+ 6.2	+ 0.6	+ 4.1	+ 1.5	+ 0.4	- 1.2	- 0.9	- 0.4	- 0.6	+ 0.1	
Mar	- 2.1	- 0.9	- 1.4	- 1.7	+ 0.9	- 0.5	+ 0.4	- 0.6	- 0.8	- 0.6	- 0.0	- 0.2	
Apr	- 0.3	+ 3.0	+ 3.3	+ 1.9	+ 2.1	- 0.7	- 0.3	- 2.4	- 1.8	- 0.6	- 0.9	- 0.3	
May	+ 3.7	+ 5.4	+ 5.6	- 0.1	+ 5.3	+ 0.4	- 0.3	- 0.7	- 1.1	- 0.8	- 0.2	- 0.1	
June	- 2.6	- 0.2	- 1.0	- 1.4	+ 0.6	- 0.3	+ 0.8	- 1.7	- 1.7	- 0.5	- 0.6	- 0.5	
July	- 1.3	+ 0.0	+ 0.6	+ 2.1	- 1.1	- 0.5	- 0.5	- 1.7	- 1.0	- 0.1	- 0.5	- 0.4	

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly*

Report, are not specially marked. — 1 Including subordinated liabilities and liabilities arising from registered debt securities. — 2 Including deposits

9 Deposits of domestic government at banks (MFIs) in Germany, by creditor group *

€ billion

Period	Deposits												
	Domestic government, total	Federal Government and its special funds 1						State governments					
		Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans
				for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year		
End of year or month *													
2001	122.7	46.9	1.6	2.7	42.7	0.0	13.2	19.2	2.7	1.8	14.6	0.1	23.2
2002	113.9	45.6	0.9	3.6	41.1	0.0	13.5	18.9	2.5	1.4	14.9	0.1	22.6
2003	108.1	44.2	2.0	5.2	36.9	0.0	12.6	18.5	3.1	1.3	14.1	0.1	21.9
2004 Feb	107.4	45.8	1.6	6.8	37.3	0.0	12.7	19.6	3.3	3.1	13.2	0.1	21.8
Mar	106.4	46.2	2.5	7.0	36.7	0.0	12.4	19.6	3.6	2.9	13.0	0.1	20.9
Apr	105.8	46.2	2.5	7.2	36.5	0.0	12.6	19.6	3.5	3.0	13.0	0.1	20.4
May	108.9	45.8	2.7	6.6	36.4	0.0	12.6	18.4	2.5	2.7	13.1	0.0	20.3
June	111.4	47.1	2.8	8.2	36.0	0.0	12.6	21.2	4.8	3.4	12.9	0.1	20.2
July	109.5	47.2	3.0	8.1	36.0	0.0	12.5	19.4	3.2	3.4	12.7	0.1	20.2
Changes *													
2002	- 8.6	- 1.3	- 0.6	+ 0.9	- 1.6	+ 0.0	+ 0.3	- 0.3	- 0.1	- 0.4	+ 0.3	- 0.0	- 0.6
2003	- 4.8	- 1.4	+ 1.1	+ 1.7	- 4.2	- 0.0	- 1.0	- 0.2	+ 0.5	+ 0.1	- 0.8	- 0.0	- 0.7
2004 Feb	+ 1.1	+ 0.6	- 0.1	+ 0.5	+ 0.2	+ 0.0	+ 0.1	+ 0.0	- 0.4	+ 0.4	+ 0.0	+ 0.0	- 0.0
Mar	- 1.0	+ 0.4	+ 0.9	+ 0.1	- 0.6	- 0.0	- 0.3	- 0.1	+ 0.3	- 0.2	- 0.2	- 0.0	- 1.0
Apr	- 0.6	- 0.0	- 0.0	+ 0.2	- 0.2	- 0.0	+ 0.2	+ 0.0	- 0.0	+ 0.0	- 0.0	- 0.0	- 0.5
May	+ 3.0	- 0.4	+ 0.3	- 0.6	- 0.1	- 0.0	- 0.0	- 1.2	- 1.0	- 0.2	+ 0.0	- 0.0	- 0.1
June	+ 2.6	+ 1.3	+ 0.1	+ 1.6	- 0.4	+ 0.0	- 0.0	+ 2.8	+ 2.3	+ 0.7	- 0.1	+ 0.0	- 0.1
July	- 1.9	+ 0.0	+ 0.2	- 0.1	- 0.0	-	- 0.0	- 1.8	- 1.6	- 0.0	- 0.2	+ 0.0	- 0.0

* See Table IV.2, footnote*; excluding deposits of the Treuhand agency and its successor organisations, of the Federal Railways, east German Railways and Federal Post Office, and, from 1995, of Deutsche Bahn AG, Deutsche Post AG and Deutsche Telekom AG, and of publicly owned enterprises,

which are included in "Enterprises". Statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following

					Savings deposits ³						Memo item										
by maturity					Total	Domestic households	Domestic non-profit institutions	Bank savings bonds ⁴	Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities) ⁵	Included in time deposits: liabilities arising from repos	Period									
Domestic non-profit institutions	up to and including 1 year	more than 1 year ²		Total									Domestic households	Domestic non-profit institutions	Bank savings bonds ⁴	Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities) ⁵	Included in time deposits: liabilities arising from repos	Period		
		Total	of which																	up to and including 2 years	more than 2 years
End of year or month *																					
20.6	139.3	124.1	6.2	117.9	568.0	558.6	9.4	81.1	0.2	10.5	-	2001									
19.6	128.3	129.6	6.3	123.3	568.8	559.9	8.9	80.4	0.2	10.8	-	2002									
18.9	106.7	134.3	6.1	128.2	583.5	574.3	9.2	76.5	0.2	12.0	-	2003									
17.8	103.4	134.9	6.0	129.0	584.3	575.0	9.4	76.7	0.2	12.2	-	2004 Feb									
18.0	102.1	135.7	5.9	129.8	584.1	574.7	9.4	76.3	0.2	12.4	-	Mar									
17.4	99.6	135.8	5.6	130.2	583.8	574.3	9.5	75.7	0.2	12.4	-	Apr									
17.8	99.1	135.5	5.6	129.9	583.1	573.6	9.5	75.5	0.2	12.4	-	May									
17.7	96.7	135.8	5.5	130.4	582.6	573.1	9.5	75.4	0.2	12.4	-	June									
17.0	95.3	135.9	5.4	130.5	583.1	573.6	9.5	75.2	0.3	12.5	-	July									
Changes *																					
- 1.3	- 10.9	+ 5.4	+ 0.1	+ 5.3	+ 0.9	+ 1.3	- 0.5	- 0.7	- 0.0	+ 0.3	-	2002									
- 0.7	- 21.6	+ 4.7	- 0.2	+ 4.9	+ 14.7	+ 14.4	+ 0.3	- 4.6	+ 0.0	+ 0.6	-	2003									
- 0.3	- 1.4	+ 0.2	- 0.1	+ 0.3	+ 0.6	+ 0.5	+ 0.1	- 0.1	+ 0.0	+ 0.1	-	2004 Feb									
+ 0.2	- 1.3	+ 0.8	- 0.1	+ 0.9	- 0.2	- 0.3	+ 0.1	- 0.4	- 0.0	+ 0.1	-	Mar									
- 0.6	- 2.5	+ 0.1	- 0.2	+ 0.3	- 0.3	- 0.4	+ 0.1	- 0.6	+ 0.0	+ 0.0	-	Apr									
+ 0.4	- 0.4	- 0.3	- 0.0	- 0.3	- 0.7	- 0.7	- 0.0	- 0.2	- 0.0	+ 0.0	-	May									
- 0.1	- 2.1	+ 0.3	- 0.1	+ 0.5	- 0.5	- 0.5	- 0.0	- 0.1	+ 0.0	- 0.0	-	June									
- 0.7	- 1.7	+ 0.0	- 0.1	+ 0.1	+ 0.5	+ 0.5	+ 0.0	- 0.1	+ 0.0	+ 0.1	-	July									

under savings and loan contracts (see Table IV.12). — ³ Excluding deposits under savings and loan contracts (see also footnote 2). — ⁴ Including

liabilities arising from non-negotiable bearer debt securities. — ⁵ Included in time deposits.

Local government and local government associations (including municipal special-purpose associations)						Social security funds						
Total	Sight deposits	Time deposits ³		Savings deposits and bank savings bonds ^{2,4}	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds ²	Memo item Fiduciary loans	Period
		for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year			
End of year or month *												
27.8	9.2	13.8	1.8	3.1	0.2	28.7	2.7	19.5	5.4	1.1	0.1	2001
27.6	10.5	12.2	2.0	3.0	0.2	21.7	2.7	13.7	4.5	0.9	0.1	2002
24.8	9.9	10.1	1.9	2.8	0.2	20.6	2.8	12.5	4.5	0.8	0.0	2003
23.8	9.2	9.8	2.0	2.9	0.2	18.2	2.5	10.2	4.7	0.8	0.0	2004 Feb
23.0	8.5	9.6	2.0	2.9	0.2	17.6	3.0	9.1	4.7	0.9	0.0	Mar
22.8	8.8	9.1	2.0	2.9	0.2	17.2	2.5	9.3	4.6	0.9	0.0	Apr
24.8	10.2	9.7	2.0	2.9	0.2	19.9	3.0	11.5	4.5	0.9	0.0	May
23.8	9.4	9.6	2.0	2.9	0.3	19.3	3.0	10.9	4.5	0.9	0.0	June
23.9	9.6	9.3	2.0	3.0	0.2	19.1	2.8	10.6	4.8	0.9	0.0	July
Changes *												
+ 0.0	+ 1.3	- 1.4	+ 0.2	- 0.1	+ 0.0	- 7.0	- 0.0	- 5.7	- 1.0	- 0.3	- 0.0	2002
- 2.8	- 0.5	- 2.1	- 0.0	- 0.2	+ 0.0	- 0.4	+ 0.1	- 1.3	+ 0.9	- 0.1	- 0.0	2003
+ 1.6	+ 0.9	+ 0.7	+ 0.0	+ 0.0	+ 0.0	- 1.2	+ 0.1	- 1.4	+ 0.1	+ 0.0	-	2004 Feb
- 0.8	- 0.6	- 0.2	+ 0.0	+ 0.0	-	- 0.6	+ 0.5	- 1.2	+ 0.0	+ 0.1	- 0.0	Mar
- 0.2	+ 0.3	- 0.5	- 0.0	+ 0.0	- 0.0	- 0.4	- 0.6	+ 0.2	- 0.0	+ 0.0	- 0.0	Apr
+ 2.0	+ 1.3	+ 0.6	+ 0.0	+ 0.0	+ 0.0	+ 2.7	+ 0.6	+ 2.2	- 0.2	+ 0.0	-	May
- 1.0	- 0.8	- 0.2	- 0.0	- 0.0	+ 0.0	- 0.6	- 0.0	- 0.6	+ 0.0	+ 0.0	- 0.0	June
+ 0.0	+ 0.2	- 0.2	+ 0.0	+ 0.0	- 0.0	- 0.2	- 0.2	- 0.3	+ 0.3	+ 0.0	-	July

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

liabilities arising from non-negotiable bearer debt securities. — ³ Including deposits under savings and loan contracts. — ⁴ Excluding deposits under savings and loan contracts (see also footnote 3).

IV Banks

10 Savings deposits and bank savings bonds of banks (MFIs) in Germany sold to non-banks (non-MFIs) *

€ billion

Period	Savings deposits 1								Memo item Interest credited on savings deposits	Bank savings bonds, 3 sold to			
	of residents				of non-residents					non-banks, total	domestic non-banks		foreign non-banks
	Total	Total	at three months' notice		at more than three months' notice		Total	of which At three months' notice			Total	of which With maturities of more than 2 years	
			Total	of which Special savings facilities 2	Total	of which Special savings facilities 2							
End of year or month *													
2001	586.5	574.5	461.9	327.2	112.7	97.2	12.0	8.8	19.9	112.8	106.0	87.2	6.8
2002	586.2	575.3	472.8	343.5	102.4	88.5	10.9	8.1	17.6	111.3	104.4	86.3	6.9
2003	600.4	590.3	500.8	377.1	89.5	76.4	10.1	7.9	16.0	107.2	100.3	83.9	7.0
2004 Mar	601.3	591.4	503.5	382.2	88.0	76.3	9.9	7.8	0.3	106.8	99.8	84.5	7.0
Apr	601.0	591.2	504.4	383.5	86.8	75.0	9.9	7.8	0.3	106.0	99.2	84.7	6.9
May	600.4	590.6	504.6	384.3	86.0	74.2	9.8	7.8	0.3	105.7	98.9	84.8	6.8
June	599.7	590.0	504.3	385.1	85.6	73.8	9.7	7.8	0.3	105.4	98.7	84.9	6.8
July	600.3	590.6	504.9	387.4	85.7	74.0	9.7	7.8	0.3	105.3	98.6	85.1	6.7
Changes *													
2002	- 0.3	+ 0.8	+ 11.0	+ 16.4	- 10.2	- 8.7	- 1.1	- 0.7	.	- 1.5	- 1.6	- 0.9	+ 0.1
2003	+ 14.2	+ 15.1	+ 28.0	+ 23.8	- 12.9	- 12.1	- 0.8	- 0.2	.	- 4.6	- 4.8	- 3.0	+ 0.1
2004 Mar	- 0.1	- 0.1	+ 0.1	+ 0.8	- 0.2	+ 0.1	- 0.0	- 0.0	.	- 0.3	- 0.3	+ 0.0	+ 0.0
Apr	- 0.3	- 0.2	+ 0.9	+ 1.3	- 1.1	- 1.2	- 0.0	- 0.0	.	- 0.4	- 0.2	+ 0.3	- 0.1
May	- 0.7	- 0.6	+ 0.3	+ 0.8	- 0.9	- 0.8	- 0.1	- 0.0	.	- 0.3	- 0.2	+ 0.1	- 0.1
June	- 0.7	- 0.6	- 0.3	- 0.0	- 0.3	- 0.4	- 0.1	- 0.0	.	- 0.3	- 0.3	+ 0.0	+ 0.0
July	+ 0.7	+ 0.7	+ 0.6	+ 2.3	+ 0.1	+ 0.2	- 0.0	- 0.0	.	- 0.1	- 0.0	+ 0.3	- 0.1

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Excluding deposits under savings and

loan contracts, which are classified as time deposits. — 2 Savings deposits bearing interest at a rate which exceeds the minimum or basic rate of interest. — 3 Including liabilities arising from non-negotiable bearer debt securities.

11 Debt securities and money market paper outstanding of banks (MFIs) in Germany *

€ billion

Period	Negotiable bearer debt securities and money market paper							Non-negotiable bearer debt securities and money market paper 6					Subordinated			
	Total 1	of which				with maturities of			Total	of which with maturities of					negotiable debt securities	non-negotiable debt securities
		Floating rate bonds 2	Zero coupon bonds 2,3	Foreign currency bonds 4,5	Certificates of deposit	up to and including 1 year 1	more than 1 year including 2 years 1	more than 2 years 1		up to and including 1 year	more than 1 year including 2 years	more than 2 years				
End of year or month *																
2001	1,472.3	324.0	16.3	144.1	17.6	46.5	124.9	1,300.9	5.8	3.7	1.0	1.2	43.3	2.4		
2002	1,462.9	339.2	16.1	159.5	34.7	62.3	120.1	1,280.5	9.9	7.8	0.7	1.3	42.4	2.3		
2003	1,490.1	353.4	20.8	177.5	39.0	70.1	105.2	1,314.8	2.4	0.6	0.5	1.2	40.2	3.2		
2004 Mar	1,535.3	370.8	22.1	198.6	36.9	68.3	110.9	1,356.0	2.5	0.8	0.5	1.3	41.0	3.3		
Apr	1,553.0	376.8	21.5	206.5	36.5	69.6	111.2	1,372.2	2.3	0.4	0.5	1.4	40.9	3.3		
May	1,565.4	383.4	20.1	208.0	36.5	67.6	111.8	1,386.1	2.4	0.5	0.5	1.4	40.7	3.3		
June	1,560.4	374.6	20.8	210.6	40.0	71.3	100.3	1,388.8	2.4	0.5	0.4	1.5	41.0	3.3		
July	1,566.5	377.8	22.1	218.5	37.5	69.4	100.3	1,396.9	2.3	0.4	0.4	1.5	41.0	3.3		
Changes *																
2002	+ 9.1	+ 6.3	- 4.5	+ 12.1	+ 16.2	+ 14.2	+ 4.6	- 9.7	+ 4.8	+ 4.9	- 0.3	+ 0.2	- 1.9	- 0.1		
2003	+ 19.6	+ 7.0	+ 4.7	+ 13.2	+ 3.2	+ 0.1	- 14.9	+ 34.4	+ 2.6	+ 2.9	- 0.2	- 0.1	- 1.5	+ 0.3		
2004 Mar	+ 24.8	+ 13.7	+ 0.0	+ 11.8	+ 3.7	+ 4.0	+ 2.6	+ 18.2	+ 0.3	+ 0.3	- 0.0	+ 0.0	+ 0.5	+ 0.1		
Apr	+ 17.7	+ 6.1	- 0.6	+ 7.9	- 0.4	+ 1.2	+ 0.3	+ 16.1	- 0.2	- 0.3	- 0.0	+ 0.1	- 0.2	- 0.0		
May	+ 12.4	+ 6.6	- 1.4	+ 1.6	+ 1.1	- 2.0	+ 0.5	+ 13.9	+ 0.1	+ 0.0	- 0.0	+ 0.1	- 0.1	- 0.0		
June	- 5.1	- 8.8	+ 0.7	+ 2.5	+ 3.5	+ 3.7	- 11.5	+ 2.7	+ 0.0	+ 0.0	- 0.0	+ 0.0	+ 0.3	+ 0.0		
July	+ 6.2	+ 3.2	+ 1.3	+ 7.9	- 2.5	- 2.0	+ 0.0	+ 8.1	- 0.1	- 0.1	- 0.0	+ 0.0	- 0.0	+ 0.1		

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Decreases in June 2002 caused by transition to net recording of debt securities outstanding (ie less own debt securities). The statistical break has been eliminated from the changes. —

2 Including debt securities denominated in foreign currencies. — 3 Issue value when floated. — 4 Including floating rate notes and zero coupon bonds denominated in foreign currencies. — 5 Bonds denominated in non-euro-area currencies. — 6 Non-negotiable bearer debt securities are classified among bank savings bonds (see also Table IV.10, footnote 3).

IV Banks

12 Building and loan associations (MFIs) in Germany *
Interim statements

€ billion

End of year/month	Number of associations	Balance sheet total	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Deposits of banks (MFIs) 5		Deposits of non-banks (non-MFIs)		Bearer debt securities outstanding	Capital (including published reserves) 7	Memo item New contracts entered into in year or month 8
			Credit balances and loans (excluding building loans) 1	Building loans 2	Bank debt securities 3	Building loans			Securities (including Treasury bills and Treasury discount paper) 4	Deposits under savings and loan contracts	Sight and time deposits	Deposits under savings and loan contracts	Sight and time deposits 6			
						Loans under savings and loan contracts	Interim and bridging loans	Other building loans								
All building and loan associations																
2003	27	172.9	30.1	0.1	10.6	37.3	63.6	8.6	11.3	0.4	29.3	106.8	4.0	7.1	7.2	105.5
2004 May	27	175.3	30.7	0.1	11.9	36.1	64.8	8.8	12.5	0.4	29.6	108.7	4.0	7.2	7.3	7.0
June	27	176.0	31.0	0.1	11.8	36.0	64.5	9.0	12.5	0.4	29.3	108.8	4.2	7.0	7.4	7.6
July	27	177.0	31.2	0.1	12.0	35.9	63.3	9.1	13.0	0.4	28.8	108.7	4.2	7.0	7.4	7.0
Private building and loan associations																
2004 May	16	126.5	24.1	0.0	6.2	23.1	47.0	8.0	8.5	0.3	21.8	73.8	3.9	7.2	4.7	4.4
June	16	127.4	24.7	0.0	5.9	23.0	46.6	8.2	8.4	0.3	21.5	74.0	4.0	7.0	4.7	4.9
July	16	128.6	25.1	0.0	6.0	22.9	45.4	8.3	9.0	0.3	21.4	73.9	4.0	7.0	4.7	4.4
Public building and loan associations																
2004 May	11	48.8	6.7	0.1	5.7	13.0	17.8	0.8	4.0	0.1	7.9	34.9	0.2	-	2.6	2.6
June	11	48.6	6.3	0.1	5.9	13.0	17.9	0.8	4.0	0.1	7.7	34.8	0.2	-	2.6	2.7
July	11	48.4	6.0	0.1	6.0	13.0	17.8	0.8	4.0	0.1	7.5	34.8	0.2	-	2.6	2.5

Trends in building and loan association business

€ billion

Period	Changes in deposits under savings and loan contracts			Capital promised		Capital disbursed					Disbursement commitments outstanding at end of period		Interest and repayments received on building loans 10		Memo item Housing bonuses received 12	
	Amounts paid into savings and loan accounts 9	Interest credited on deposits under savings and loan contracts	Repayments of deposits under cancelled savings and loan contracts	Total	of which Net allocations 11	Total	Allocations				Newly granted interim and bridging loans and other building loans	Total	of which Under allocated contracts	Total		of which Repayments during quarter
							Deposits under savings and loan contracts		Loans under savings and loan contracts 9							
							Total	of which Applied to settlement of interim and bridging loans	Total	of which Applied to settlement of interim and bridging loans						
All building and loan associations																
2003	27.0	2.9	5.7	48.2	29.7	43.7	17.9	4.0	8.2	3.2	17.5	12.2	8.0	14.8	11.9	0.6
2004 May	2.0	0.0	0.4	3.6	2.2	3.2	1.4	0.3	0.6	0.2	1.2	11.8	8.1	1.1		0.1
June	2.1	0.0	0.5	3.7	2.4	3.7	1.5	0.3	0.7	0.3	1.5	12.0	8.0	1.1	2.7	0.0
July	2.0	0.0	0.5	4.0	2.8	4.1	1.7	0.5	0.9	0.4	1.5	11.6	8.0	1.0		0.1
Private building and loan associations																
2004 May	1.3	0.0	0.3	2.5	1.3	2.3	0.9	0.2	0.4	0.2	1.0	7.2	4.0	0.7		0.0
June	1.4	0.0	0.3	2.6	1.5	2.6	1.0	0.2	0.4	0.2	1.2	7.3	4.0	0.8	1.8	0.0
July	1.3	0.0	0.3	2.9	1.8	3.0	1.2	0.4	0.5	0.3	1.2	7.0	3.9	0.7		0.0
Public building and loan associations																
2004 May	0.7	0.0	0.2	1.1	0.9	0.9	0.5	0.1	0.2	0.0	0.2	4.6	4.1	0.3		0.0
June	0.7	0.0	0.2	1.2	0.9	1.1	0.5	0.1	0.3	0.1	0.3	4.7	4.1	0.4	0.9	0.0
July	0.7	0.0	0.2	1.2	1.0	1.1	0.5	0.1	0.3	0.1	0.3	4.6	4.0	0.3		0.0

* Excluding assets and liabilities and/or transactions of foreign branches. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Including postal giro account balances, claims on building and loan associations, claims arising from registered debt securities and central bank credit balances. — 2 Loans under savings and loan contracts and interim and bridging loans. — 3 Including money market paper and small amounts of other securities issued by banks. — 4 Including equalisation claims. — 5 Including liabilities to building and loan associations. — 6 Including small amounts of savings deposits. — 7 Including participation rights capital and fund for general banking risks. — 8 Total

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

IV Banks

13 Assets and liabilities of the foreign branches and foreign subsidiaries of German banks (MFIs) *

€ billion

Period	Number of		Balance sheet total	Lending to banks (MFIs)					Lending to non-banks (non-MFIs)					Other assets	
	German banks (MFIs) with foreign branches and/or foreign subsidiaries	foreign branches 1 and/or foreign subsidiaries		Total	Credit balances and loans			Money market paper, securities 2,3	Total	Loans			Money market paper, securities 2		
					Total	German banks	Foreign banks			Total	to German non-banks	of which enterprises and households			to foreign non-banks
Foreign branches															
End of year or month *															
2001	68	216	1,689.3	870.6	761.6	213.6	548.0	109.0	744.9	549.0	20.6	17.2	528.4	195.9	73.9
2002	60	205	1,407.4	679.9	572.3	198.3	374.0	107.6	668.5	484.0	18.8	15.0	465.1	184.6	59.0
2003	55	202	1,294.1	599.0	522.9	185.6	337.3	76.1	632.7	438.0	19.0	16.8	419.0	194.7	62.5
2003 Sep	54	201	1,380.3	634.8	560.8	171.2	389.6	74.0	685.3	484.2	19.1	16.3	465.0	201.2	60.1
Oct	55	200	1,368.7	621.8	540.7	168.3	372.5	81.1	680.1	476.0	20.0	16.5	456.0	204.1	66.8
Nov	55	201	1,356.0	618.6	539.3	173.7	365.6	79.2	670.9	471.2	18.3	15.7	452.8	199.7	66.6
Dec	55	202	1,294.1	599.0	522.9	185.6	337.3	76.1	632.7	438.0	19.0	16.8	419.0	194.7	62.5
2004 Jan	55	202	1,390.3	647.7	566.3	191.5	374.8	81.3	673.5	472.8	19.2	16.9	453.6	200.8	69.1
Feb	55	203	1,413.6	666.3	587.2	190.0	397.2	79.1	679.6	482.5	19.3	17.1	463.1	197.1	67.8
Mar	55	203	1,466.2	689.6	607.6	198.5	409.1	82.0	708.6	506.9	19.0	16.9	487.9	201.7	67.9
Apr	55	205	1,493.1	713.2	631.2	207.6	423.6	82.0	711.1	509.6	18.8	16.6	490.8	201.5	68.8
May	55	206	1,435.9	672.9	591.4	199.1	392.3	81.5	691.9	506.0	18.1	16.0	487.9	185.9	71.2
June	55	205	1,435.5	670.2	588.8	190.3	398.5	81.5	681.9	486.5	18.3	16.7	468.1	195.4	83.3
Changes *															
2002	- 8	- 11	-139.1	-133.4	-139.9	- 15.4	-124.5	+ 6.5	- 3.6	- 9.2	- 1.9	- 2.2	- 7.3	+ 5.7	- 2.2
2003	- 5	- 3	- 6.8	- 45.3	- 17.4	- 12.7	- 4.7	- 27.9	+ 22.5	- 2.5	+ 0.2	+ 1.7	- 2.7	+ 24.9	+ 15.9
2003 Sep	-	- 1	- 9.1	+ 15.8	+ 17.0	- 6.6	+ 23.5	- 1.2	- 18.0	- 9.8	- 0.4	+ 0.5	- 9.4	- 8.2	- 6.9
Oct	+ 1	- 1	- 13.6	- 13.7	- 20.8	- 3.0	- 17.8	+ 7.1	- 6.4	- 8.9	+ 0.9	+ 0.2	- 9.8	+ 2.5	+ 6.5
Nov	-	+ 1	+ 10.8	+ 4.9	+ 6.0	+ 5.5	+ 0.5	- 1.1	+ 3.8	+ 4.6	- 1.7	- 0.8	+ 6.3	- 0.8	+ 2.1
Dec	-	+ 1	- 28.0	- 8.3	- 6.2	+ 11.9	- 18.0	- 2.2	- 19.6	- 19.5	+ 0.7	+ 1.0	- 20.2	- 0.1	- 0.1
2004 Jan	-	-	+ 80.6	+ 42.7	+ 38.0	+ 6.0	+ 32.1	+ 4.7	+ 31.7	+ 28.1	+ 0.1	+ 0.2	+ 28.0	+ 3.7	+ 6.2
Feb	-	+ 1	+ 24.8	+ 19.5	+ 21.7	- 1.6	+ 23.2	- 2.2	+ 6.7	+ 9.7	+ 0.2	+ 0.2	+ 9.5	- 3.0	- 1.3
Mar	-	-	+ 36.7	+ 16.7	+ 14.4	+ 8.5	+ 5.9	+ 2.4	+ 20.1	+ 18.3	- 0.3	- 0.3	+ 18.6	+ 1.8	- 0.2
Apr	-	+ 2	+ 19.9	+ 21.1	+ 21.4	+ 9.1	+ 12.3	- 0.2	- 1.9	- 0.7	- 0.2	- 0.2	- 0.4	- 1.2	+ 0.7
May	-	+ 1	- 44.9	- 36.0	- 35.8	- 8.5	- 27.4	- 0.1	- 13.0	+ 0.7	- 0.7	- 0.6	+ 1.4	- 13.7	+ 4.0
June	-	- 1	- 2.1	- 3.3	- 3.2	- 8.8	+ 5.6	- 0.1	- 10.7	- 19.9	+ 0.3	+ 0.6	- 20.1	+ 9.2	+ 12.0
Foreign subsidiaries															
End of year or month *															
2001	46	200	811.5	342.4	262.8	105.7	157.1	79.6	382.2	293.1	51.9	47.7	241.2	89.2	87.0
2002	47	200	704.2	333.7	265.5	125.7	139.8	68.2	300.1	239.1	46.7	42.9	192.4	61.0	70.4
2003	46	179	645.8	307.2	246.4	127.3	119.1	60.7	277.0	213.8	41.5	37.9	172.3	63.3	61.6
2003 Sep	47	190	661.6	311.9	248.2	131.2	117.1	63.6	274.6	209.8	40.3	37.4	169.5	64.8	75.1
Oct	46	187	652.0	308.5	244.4	128.1	116.3	64.1	272.2	206.3	39.3	36.9	167.0	65.9	71.4
Nov	46	182	649.9	308.4	244.9	128.7	116.3	63.5	270.2	204.5	39.8	37.0	164.7	65.7	71.3
Dec	46	179	645.8	307.2	246.4	127.3	119.1	60.7	277.0	213.8	41.5	37.9	172.3	63.3	61.6
2004 Jan	46	177	618.1	295.8	233.1	115.2	117.9	62.7	263.3	199.1	41.6	37.9	157.5	64.2	59.0
Feb	46	179	621.3	297.2	235.7	114.8	120.9	61.5	260.4	196.5	38.8	37.1	157.7	63.9	63.7
Mar	46	176	650.7	300.5	238.8	111.7	127.1	61.7	270.0	204.6	41.6	38.0	163.0	65.4	80.3
Apr	46	176	663.2	298.4	236.6	111.1	125.5	61.8	274.8	207.7	40.9	37.8	166.8	67.1	90.1
May	46	175	629.3	280.2	218.7	106.5	112.1	61.5	275.1	206.6	39.5	37.9	167.1	68.5	74.0
June	45	173	628.6	283.0	220.9	110.7	110.2	62.1	278.9	210.0	40.3	37.3	169.7	68.9	66.7
Changes *															
2002	+ 1	± 0	- 78.3	+ 6.7	+ 13.3	+ 20.0	- 6.7	- 6.6	- 70.0	- 42.0	- 5.2	- 4.8	- 36.8	- 28.1	- 15.0
2003	- 1	- 21	- 32.8	- 14.0	- 10.7	+ 1.6	- 12.3	- 3.3	- 11.9	- 14.2	- 5.2	- 5.0	- 9.0	+ 2.3	- 6.9
2003 Sep	-	- 4	+ 2.1	+ 1.8	+ 4.2	+ 4.8	- 0.6	- 2.4	- 6.9	- 6.5	- 1.5	- 1.3	- 5.0	- 0.4	+ 7.1
Oct	- 1	- 3	- 10.2	- 3.8	- 4.1	- 3.1	- 1.1	+ 0.3	- 2.6	- 3.6	- 1.0	- 0.5	- 2.6	+ 1.0	- 3.8
Nov	-	- 5	+ 2.2	+ 2.1	+ 2.0	+ 0.6	+ 1.4	+ 0.2	- 0.3	- 0.1	+ 0.5	+ 0.1	- 0.7	- 0.2	+ 0.3
Dec	-	- 3	+ 2.7	+ 2.1	+ 3.7	+ 1.4	+ 5.1	- 1.6	+ 9.5	+ 11.9	+ 1.6	+ 0.9	+ 0.3	- 2.4	- 8.9
2004 Jan	-	- 2	- 30.7	- 13.1	- 14.4	- 12.1	- 2.3	+ 1.4	- 14.9	- 15.8	+ 0.1	+ 0.0	- 15.9	+ 0.9	- 2.8
Feb	-	+ 2	+ 3.6	+ 1.5	+ 2.6	- 0.4	+ 3.0	- 1.1	- 2.6	- 2.3	- 2.8	- 0.7	+ 0.5	- 0.3	+ 4.7
Mar	-	- 3	+ 26.7	+ 1.8	+ 2.1	- 3.1	+ 5.2	- 0.3	+ 8.5	+ 7.1	+ 2.8	+ 0.8	+ 4.3	+ 1.5	+ 16.4
Apr	-	-	+ 10.8	- 3.1	- 3.0	- 0.6	- 2.4	- 0.1	+ 3.9	+ 2.2	- 0.7	- 0.2	+ 2.9	+ 1.7	+ 10.0
May	-	- 1	- 32.5	- 17.3	- 17.3	- 4.6	- 12.8	+ 0.1	+ 1.0	- 0.5	- 1.4	+ 0.1	+ 0.9	+ 1.5	- 16.2
June	- 1	- 2	- 0.9	+ 2.7	+ 2.1	+ 4.2	- 2.0	+ 0.5	+ 3.7	+ 3.3	+ 0.8	- 0.6	+ 2.5	+ 0.4	- 7.2

* From March 2000, including the foreign branches of building and loan associations. In this table "foreign" also includes the country of domicile of the foreign branches and foreign subsidiaries. Statistical revisions have been eliminated from the changes. (Breaks owing to changes in the reporting

population have not been eliminated from the flow figures for the foreign subsidiaries.) The figures for the latest date are always to be regarded as provisional; subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Several branches in a given

IV Banks

Deposits													Money market paper and debt securities outstanding ⁵	Working capital and own funds	Other liabilities ⁶	Period
of banks (MFIs)			of non-banks (non-MFIs)							Foreign non-banks						
Total	German banks	Foreign banks	Total	German non-banks ⁴				Foreign non-banks								
				Total	Short-term		Medium and long-term									
						of which enterprises and households		of which enterprises and households								
End of year or month *														Foreign branches		
1,271.3	855.3	194.0	661.2	416.0	57.4	54.2	51.2	3.2	3.0	358.6	316.8	24.0	77.2	2001		
1,116.0	758.5	250.1	508.4	357.5	62.6	58.4	55.0	4.2	3.8	294.9	212.1	25.9	53.6	2002		
1,076.8	727.6	267.1	460.5	349.2	66.2	60.6	56.8	5.7	5.4	283.0	139.4	30.5	47.4	2003		
1,143.7	749.9	274.6	475.3	393.8	73.5	68.1	63.3	5.4	5.1	320.3	149.7	24.7	62.2	2003 Sep		
1,136.7	739.5	265.4	474.1	397.2	76.4	70.9	66.7	5.5	5.2	320.9	149.0	24.8	58.2	Oct		
1,124.7	738.8	261.6	477.2	385.9	69.5	64.0	60.6	5.5	5.2	316.4	149.4	26.6	55.3	Nov		
1,076.8	727.6	267.1	460.5	349.2	66.2	60.6	56.8	5.7	5.4	283.0	139.4	30.5	47.4	Dec		
1,155.0	765.6	281.4	484.3	389.4	74.0	68.0	64.8	6.0	5.7	315.4	149.9	28.9	56.4	2004 Jan		
1,186.4	790.4	267.1	523.2	396.1	72.4	66.3	62.6	6.1	5.7	323.7	144.6	28.9	53.7	Feb		
1,227.8	808.2	273.9	534.3	419.5	71.8	65.6	62.4	6.1	5.7	347.8	155.4	28.1	55.0	Mar		
1,249.4	822.6	275.2	547.4	426.8	69.1	62.9	58.7	6.3	5.9	357.7	157.4	28.1	58.2	Apr		
1,193.8	776.0	268.5	507.5	417.9	65.0	58.3	54.4	6.7	6.3	352.9	155.3	27.8	59.0	May		
1,187.6	775.6	267.1	508.5	412.0	65.9	59.2	55.8	6.7	6.4	346.1	160.2	28.0	59.7	June		
Changes *														Foreign subsidiaries		
- 53.4	- 31.7	+ 56.0	- 87.7	- 21.7	+ 5.2	+ 4.2	+ 3.8	+ 1.0	+ 0.8	- 26.9	-104.8	+ 1.8	+ 17.2	2002		
+ 34.4	+ 12.6	+ 17.0	- 4.4	+ 21.8	+ 3.6	+ 2.1	+ 1.7	+ 1.5	+ 1.6	+ 18.1	- 72.6	+ 4.6	+ 26.8	2003		
- 3.9	- 27.7	- 17.4	- 10.3	+ 23.8	+ 0.3	+ 0.0	+ 0.2	+ 0.3	+ 0.3	+ 23.5	- 9.7	- 0.1	+ 4.7	2003 Sep		
- 8.3	- 11.4	- 9.2	- 2.1	+ 3.1	+ 2.9	+ 2.8	+ 3.4	+ 0.1	+ 0.1	+ 0.1	- 0.8	+ 0.1	- 4.6	Oct		
+ 4.4	+ 8.8	- 3.7	+ 12.5	- 4.4	- 6.9	- 6.9	- 6.1	+ 0.0	+ 0.0	+ 2.5	+ 0.5	+ 1.8	+ 4.1	Nov		
- 23.4	+ 2.8	+ 5.5	- 2.7	- 26.2	- 3.3	- 3.5	- 3.9	+ 0.2	+ 0.2	- 22.9	- 10.0	+ 3.9	+ 1.4	Dec		
+ 66.6	+ 31.0	+ 14.2	+ 16.8	+ 35.5	+ 7.8	+ 7.4	+ 8.0	+ 0.4	+ 0.3	+ 27.8	+ 10.5	- 1.5	+ 5.1	2004 Jan		
+ 31.9	+ 25.5	- 14.2	+ 39.7	+ 6.4	- 1.6	- 1.7	- 2.2	+ 0.1	+ 0.0	+ 8.0	- 5.3	- 0.0	- 1.7	Feb		
+ 29.7	+ 10.0	+ 6.8	+ 3.2	+ 19.6	- 0.6	- 0.6	- 0.2	- 0.0	- 0.0	+ 20.3	+ 10.8	- 0.8	- 2.9	Mar		
+ 14.8	+ 10.7	+ 1.3	+ 9.5	+ 4.1	- 2.7	- 2.8	- 3.6	+ 0.1	+ 0.1	+ 6.8	+ 2.1	- 0.0	+ 3.0	Apr		
- 47.3	- 41.3	- 6.7	- 34.6	- 6.0	- 4.1	- 4.6	- 4.3	+ 0.4	+ 0.4	- 1.8	- 2.2	- 0.2	+ 4.7	May		
- 7.2	- 1.2	- 1.4	+ 0.2	- 6.0	+ 1.0	+ 1.0	+ 1.4	+ 0.0	+ 0.1	- 7.0	+ 4.9	+ 0.2	+ 0.0	June		
576.5	362.5	79.2	283.3	214.0	36.4	32.5	23.9	3.9	3.8	177.6	99.8	47.3	87.9	2001		
503.5	307.7	99.5	208.2	195.7	27.0	22.5	21.1	4.5	4.5	168.7	78.4	43.0	79.3	2002		
467.9	283.1	99.8	183.3	184.8	29.9	25.9	24.0	4.0	3.9	155.0	68.2	41.3	68.4	2003		
478.5	292.6	95.8	196.9	185.9	29.8	25.6	25.3	4.2	4.2	156.0	69.3	40.8	73.1	2003 Sep		
469.3	288.2	92.9	195.3	181.1	29.6	25.4	23.5	4.3	4.2	151.5	71.0	40.1	71.6	Oct		
469.7	291.3	94.9	196.5	178.3	31.0	26.8	24.4	4.2	4.2	147.3	71.9	39.2	69.1	Nov		
467.9	283.1	99.8	183.3	184.8	29.9	25.9	24.0	4.0	3.9	155.0	68.2	41.3	68.4	Dec		
444.3	263.0	86.3	176.7	181.3	30.0	26.0	25.7	4.0	3.9	151.3	67.9	38.3	67.6	2004 Jan		
447.4	263.5	86.0	177.4	183.9	30.1	26.1	25.7	4.0	3.9	153.8	68.3	39.0	66.7	Feb		
470.2	273.7	88.0	185.7	196.5	32.6	28.7	28.3	3.9	3.8	163.9	71.1	39.2	70.2	Mar		
480.6	297.0	75.6	221.4	183.6	30.0	26.2	25.8	3.9	3.8	153.6	70.7	39.4	72.4	Apr		
451.1	271.9	75.7	196.3	179.2	28.5	24.7	24.2	3.8	3.7	150.7	70.6	39.2	68.5	May		
449.2	273.7	81.0	192.6	175.5	29.4	25.6	25.1	3.8	3.7	146.1	70.3	39.5	69.6	June		
Changes *																
- 47.1	- 37.4	+ 20.3	- 57.8	- 9.7	- 9.4	- 10.0	- 2.9	+ 0.6	+ 0.6	- 0.3	- 21.4	- 4.4	- 5.4	2002		
- 13.8	- 10.3	+ 0.3	- 10.6	- 3.5	+ 2.8	+ 3.4	+ 2.9	- 0.5	- 0.5	- 6.3	- 10.3	- 1.6	- 7.2	2003		
+ 7.5	+ 4.7	- 0.7	+ 5.4	+ 2.8	+ 1.7	+ 2.0	+ 2.0	- 0.3	- 0.3	+ 1.2	- 6.0	- 2.2	+ 2.8	2003 Sep		
- 9.7	- 4.7	- 2.9	- 1.9	- 5.0	- 0.2	- 0.3	- 1.8	+ 0.1	+ 0.1	- 4.8	+ 1.7	- 0.6	- 1.6	Oct		
+ 4.0	+ 5.4	+ 2.0	+ 3.4	- 1.5	+ 1.4	+ 1.4	+ 0.9	- 0.0	- 0.0	- 2.8	+ 0.9	- 0.9	- 1.8	Nov		
+ 4.0	- 4.4	+ 4.9	- 9.3	+ 8.4	- 1.2	- 0.9	- 0.5	- 0.3	- 0.3	+ 9.5	- 3.7	+ 2.1	+ 0.3	Dec		
- 26.1	- 21.4	- 13.5	- 7.9	- 4.6	+ 0.1	+ 0.1	+ 1.7	- 0.0	- 0.0	- 4.7	- 0.3	- 3.0	- 1.4	2004 Jan		
+ 3.2	+ 0.7	- 0.2	+ 0.9	+ 2.6	+ 0.1	+ 0.1	- 0.0	- 0.0	- 0.0	+ 2.5	+ 0.4	+ 0.7	- 0.6	Feb		
+ 20.8	+ 9.0	+ 1.9	+ 7.1	+ 11.9	+ 2.6	+ 2.6	+ 2.6	- 0.1	- 0.1	+ 9.3	+ 2.8	+ 0.2	+ 2.9	Mar		
+ 8.8	+ 22.5	- 12.4	+ 34.9	- 13.7	- 2.6	- 2.6	- 2.5	- 0.0	- 0.1	- 11.1	- 0.4	+ 0.3	+ 2.2	Apr		
- 28.0	- 24.1	+ 0.1	- 24.2	- 3.9	- 1.5	- 1.4	- 1.6	- 0.1	- 0.0	- 2.4	- 0.2	- 0.3	- 4.0	May		
- 2.1	+ 1.6	+ 5.4	- 3.8	- 3.7	+ 0.9	+ 0.9	+ 0.8	+ 0.0	+ 0.0	- 4.6	- 0.2	+ 0.3	+ 1.1	June		

country of domicile are regarded as a single branch. — 2 Treasury bills, Treasury discount paper and other money market paper, debt securities. — 3 Including own debt securities. — 4 Excluding

subordinated liabilities and non-negotiable debt securities. — 5 Issues of negotiable and non-negotiable debt securities and money market paper. — 6 Including subordinated liabilities.

V Minimum reserves

1 Reserve ratios

Germany

% of liabilities subject to reserve requirements

Applicable from	Sight liabilities	Time liabilities	Savings deposits
1995 Aug 1	2	2	1.5

Euro area

 % of reserve base ¹

Applicable from	Ratio
1999 Jan 1	2

¹ Article 3 of the Regulation of the European Central Bank on the application of minimum reserves (excluding liabilities to which a reserve ratio of 0% applies pursuant to Article 4 (1)).

2 Reserve maintenance in Germany up to the end of 1998

– pursuant to the Minimum Reserves Order of the Bundesbank

DM million

Monthly average ¹	Liabilities subject to reserve requirements				Required reserves ²	Actual reserves ³	Excess reserves ⁴		Deficiencies
	Total	Sight liabilities	Time liabilities	Savings deposits			Level	% of the required reserves	
1995 Dec	2,066,565	579,337	519,456	967,772	36,492	37,337	845	2.3	3
1996 Dec	2,201,464	655,483	474,342	1,071,639	38,671	39,522	851	2.2	4
1997 Dec	2,327,879	734,986	476,417	1,116,477	40,975	41,721	745	1.8	3
1998 Dec	2,576,889	865,444	564,878	1,146,567	45,805	46,432	627	1.4	4

¹ Pursuant to sections 5 to 7 of the Minimum Reserves Order. ² Amount after applying the reserve ratios to the liabilities subject to reserve requirements (section 5 (1) of the Minimum Reserves Order). — ³ Average credit

balances of the credit institutions subject to reserve requirements on their giro accounts at the Bundesbank. — ⁴ Actual reserves less required reserves.

3 Reserve maintenance in the euro area

– from 1999, pursuant to the ECB Regulation on the application of minimum reserves in accordance with Article 19.1 of the Statute of the ESCB

Maintenance period beginning in ¹	Reserve base ²	Required reserves before deduction of lump-sum allowance ³	Lump-sum allowance ⁴	Required reserves after deduction of lump-sum allowance	Current account ⁵	Excess reserves ⁶	Deficiencies ⁷
Euro area (€ billion)							
2004 Jan	6,696.7	133.9	0.5	133.4	134.1	0.7	0.0
Feb ⁸	–	–	–	–	–	–	–
Mar	6,756.2	135.1	0.5	134.6	135.3	0.7	0.0
Apr	6,747.2	134.9	0.5	134.4	135.0	0.6	0.0
May	6,847.2	136.9	0.5	136.4	137.1	0.7	0.0
June	6,925.3	138.5	0.5	138.0	138.8	0.8	0.0
July	6,949.1	139.0	0.5	138.5	139.1	0.6	0.0
Aug ^{p,9}	6,963.2	139.3	0.5	138.7	139.3	0.6	...
Sep ^p	...	...	...	138.7	...	...	...
Of which: Germany (€ million)							
2004 Jan	1,891,545	37,831	217	37,614	37,860	246	4
Feb ⁸	–	–	–	–	–	–	–
Mar	1,885,245	37,705	217	37,488	37,784	296	3
Apr	1,883,341	37,667	216	37,451	37,681	230	0
May	1,911,592	38,232	216	38,016	38,331	315	1
June	1,913,668	38,273	216	38,058	38,465	407	4
July	1,914,325	38,287	214	38,073	38,336	263	1
Aug ^p	1,890,399	37,808	213	37,595	37,860	265	1
Sep ^p	1,875,073	37,501	212	37,290	...	...	...

¹ Up to December 2003, the Eurosystem's reserve maintenance periods began on the 24th day of each month and ended on the 23rd day of the following month (with the first reserve maintenance period lasting from 1 January 1999 until 23 February 1999). From March 2004, the reserve maintenance period will start on the settlement day of the main refinancing operation immediately following the meeting of the Governing Council of the ECB for which the monthly discussion of the monetary policy stance is scheduled. For the transitional period, provision has been made for an extended reserve maintenance period lasting from 24 January until 9 March 2004. — ² Article 3 of the Regulation of the European Central Bank on the application of minimum reserves (excluding liabilities to which a reserve

ratio of 0% applies, pursuant to Article 4 (1)). — ³ Amount after applying the reserve ratios to the reserve base. — ⁴ Article 5 (2) of the Regulation of the European Central Bank on the application of minimum reserves. — ⁵ Average credit balances of the credit institutions at the national central banks. — ⁶ Average credit balances less required reserves after deduction of the lump-sum allowance. — ⁷ Required reserves after deduction of the lump-sum allowance. — ⁸ Owing to changes in the operational framework for the monetary policy, no reserve maintenance period began in February 2004. — ⁹ The total number of deficiencies was not available when this report went to press.

VI Interest rates

1 ECB interest rates

% per annum

Applicable from	Deposit facility	Main refinancing operations 1	Marginal lending facility	Applicable from	Deposit facility	Main refinancing operations 1	Marginal lending facility
1999 Jan 1	2.00	3.00	4.50	2002 Dec 6	1.75	2.75	3.75
Jan 4	2.75	3.00	3.25				
Jan 22	2.00	3.00	4.50	2003 Mar 7	1.50	2.50	3.50
Apr 9	1.50	2.50	3.50	June 6	1.00	2.00	3.00
Nov 5	2.00	3.00	4.00				
2000 Feb 4	2.25	3.25	4.25				
Mar 17	2.50	3.50	4.50				
Apr 28	2.75	3.75	4.75				
June 9	3.25	4.25	5.25				
Sep 1	3.50	4.50	5.50				
Oct 6	3.75	4.75	5.75				
2001 May 11	3.50	4.50	5.50				
Aug 31	3.25	4.25	5.25				
Sep 18	2.75	3.75	4.75				
Nov 9	2.25	3.25	4.25				

1 Up to 21 June 2000, fixed rate tenders; from 28 June 2000, variable rate tenders at minimum bid rate. — 2 Pursuant to the Discount Rate

2 Base rates

% per annum

Applicable from	Base rate as per Discount Rate Transition Act 2	Applicable from	Base rate as per Civil Code 3
1999 Jan 1	2.50	2002 Jan 1	2.57
May 1	1.95	July 1	2.47
2000 Jan 1	2.68	2003 Jan 1	1.97
May 1	3.42	July 1	1.22
Sep 1	4.26	2004 Jan 1	1.14
2001 Sep 1	3.62	July 1	1.13
2002 Jan to Apr 3	2.71		

Act, read in conjunction with the Regulation Governing the Use of the Base Rate as a Reference Variable. — 3 Pursuant to section 247 of the Civil Code.

3 Eurosystem monetary policy operations allotted through tenders

Date of settlement	Bid amount € million	Allotment amount	Fixed rate tenders		Variable rate tenders		Running for ... days
			Fixed rate	% per annum	Minimum bid rate	Marginal rate 1		Weighted average rate
Main refinancing operations							
2004 Aug 4	342,842	255,000	—	2.00	2.01	2.02	7
Aug 11	336,449	247,500	—	2.00	2.01	2.02	7
Aug 18	332,633	246,000	—	2.00	2.01	2.02	7
Aug 25	339,539	259,000	—	2.00	2.02	2.02	7
Sep 1	343,768	254,000	—	2.00	2.02	2.02	7
Sep 8	326,708	252,500	—	2.00	2.02	2.02	7
Sep 15	332,636	253,000	—	2.00	2.02	2.02	7
Longer-term refinancing operations							
2004 May 27	45,594	25,000	—	—	2.04	2.05	91
July 1	37,698	25,000	—	—	2.06	2.08	91
July 29	40,354	25,000	—	—	2.07	2.08	91
Aug 26	37,957	25,000	—	—	2.06	2.08	91

Source: ECB. — 1 Lowest or highest interest rate at which funds were allotted or collected.

4 Money market rates, by month

% per annum

Reporting period	Money market rates reported by Frankfurt banks 1				EONIA 2	EURIBOR 3					
	Overnight money		Three-month funds			One-week funds	One-month funds	Three-month funds	Six-month funds	Nine-month funds	Twelve-month funds
	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates		Monthly averages					
2004 Feb	2.03	2.00 – 2.08	2.05	2.02 – 2.09	2.03	2.06	2.06	2.07	2.09	2.11	2.16
Mar	2.01	1.80 – 2.08	2.01	1.92 – 2.06	2.01	2.05	2.04	2.03	2.02	2.02	2.06
Apr	2.07	2.00 – 2.80	2.03	1.92 – 2.07	2.08	2.05	2.05	2.05	2.06	2.11	2.16
May	2.02	1.55 – 2.30	2.07	2.04 – 2.09	2.02	2.05	2.06	2.09	2.14	2.21	2.30
June	2.03	1.70 – 2.20	2.09	2.05 – 2.12	2.03	2.07	2.08	2.11	2.19	2.29	2.40
July	2.06	2.02 – 2.45	2.10	2.08 – 2.12	2.07	2.07	2.08	2.12	2.19	2.26	2.36
Aug	2.04	1.85 – 2.12	2.09	2.07 – 2.11	2.04	2.07	2.08	2.11	2.17	2.22	2.30

1 Money market rates are not fixed or quoted officially; the monthly averages computed from daily quotations are unweighted. — 2 Euro OverNight Index Average: weighted average overnight rate for interbank operations calculated by the European Central Bank since 4 January 1999 on the basis

of real turnover according to the act/360 method and published via Moneyline Telerate. — 3 Euro Interbank Offered Rate: unweighted average rate calculated by Moneyline Telerate since 30 December 1998 according to the act/360 method.

VI Interest rates
5 Interest rates for outstanding amounts and new business of banks (MFIs) in the European monetary union *
(a) Outstanding amounts °

 Effective interest rate % per annum ¹

End of month	Households' deposits				Non-financial corporations' deposits						Loans to households			Loans to non-financial corporations		
	with an agreed maturity of				with a maturity of						Housing loans			Consumer credit and other loans		
	up to 2 years	over 2 years	up to 2 years	over 2 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years
2003 Nov	1.98	3.44	2.13	4.43	4.97	4.90	5.17	7.98	7.09	5.82	4.52	4.18	4.67			
Dec	1.97	3.54	2.14	4.25	5.09	4.88	5.14	8.04	7.05	6.00	4.56	4.23	4.67			
2004 Jan	1.94	3.36	2.09	4.27	5.05	4.89	5.11	8.15	7.02	5.92	4.58	4.07	4.56			
Feb	1.93	3.42	2.09	4.22	5.01	4.91	5.11	8.13	7.16	5.95	4.62	4.06	4.58			
Mar	1.92	3.32	2.08	4.17	4.98	4.82	5.03	8.05	7.17	5.89	4.56	3.96	4.61			
Apr	1.90	3.35	2.09	4.16	4.90	4.75	5.01	8.03	7.08	5.85	4.51	3.91	4.59			
May	1.89	3.28	2.07	4.15	4.89	4.73	4.99	7.99	7.04	5.82	4.50	3.87	4.55			
June	1.89	3.27	2.09	4.11	4.87	4.69	4.97	7.93	6.99	5.80	4.47	3.89	4.53			
July	1.89	3.25	2.10	4.04	4.90	4.63	4.94	7.93	6.99	5.76	4.47	3.88	4.50			

(b) New business +

 Effective interest rate % per annum ¹

Reporting period	Households' deposits						Non-financial corporations' deposits						
	Overnight	with an agreed maturity of			redeemable at notice of		Overnight	with an agreed maturity of					
		up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		up to 1 year	over 1 year and up to 2 years	over 2 years			
2003 Nov	0.70	1.87	2.24	2.61	2.01	2.70	0.87	1.97	2.36	2.70			
Dec	0.69	1.89	2.40	2.41	2.02	2.68	0.86	2.00	2.42	3.35			
2004 Jan	0.69	1.91	2.37	2.74	2.03	2.65	0.93	1.99	2.07	3.12			
Feb	0.69	1.88	2.16	2.45	2.02	2.63	0.86	1.98	2.21	3.59			
Mar	0.70	1.92	2.15	2.34	2.00	2.59	0.86	1.96	2.11	3.35			
Apr	0.70	1.92	2.14	2.44	2.02	2.57	0.85	1.97	2.00	3.50			
May	0.70	1.85	2.16	2.41	2.00	2.55	0.86	1.96	2.06	3.75			
June	0.70	1.88	2.23	2.40	2.00	2.55	0.87	1.99	2.27	3.79			
July	0.70	1.91	2.21	2.53	1.99	2.55	0.86	2.00	2.56	3.72			

Reporting period	Loans to households													
	Over-drafts	Consumer loans				Housing loans					Other loans			
		Total 2	with an initial rate fixation			Total 2	with an initial rate fixation				over 10 years	floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years
			floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years		floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years and up to 10 years					
2003 Nov	9.64	7.84	7.57	6.59	7.93	4.42	3.59	4.09	4.92	4.84	4.15	5.25	5.17	
Dec	9.69	7.71	7.66	6.43	7.63	4.45	3.63	4.17	5.02	4.95	3.85	5.00	5.08	
2004 Jan	9.87	8.32	7.62	7.04	8.49	4.48	3.63	4.28	5.02	4.92	4.06	5.12	5.16	
Feb	9.81	8.16	7.43	6.91	8.44	4.34	3.55	4.21	4.97	4.84	4.10	5.07	5.05	
Mar	9.71	8.01	7.34	6.80	8.28	4.28	3.47	4.12	4.86	4.78	3.94	5.06	4.97	
Apr	9.73	7.82	7.31	6.60	8.22	4.27	3.43	4.03	4.78	4.68	3.87	4.89	4.92	
May	9.68	7.92	7.30	6.69	8.17	4.20	3.40	4.03	4.75	4.61	4.11	4.81	4.94	
June	9.55	7.99	7.18	6.70	8.30	4.20	3.42	4.11	4.81	4.69	3.93	4.94	5.01	
July	9.57	8.12	7.23	6.89	8.41	4.21	3.46	4.15	4.81	4.69	4.03	4.92	5.02	

Reporting period	Loans to non-financial corporations						
	Overdrafts	Loans up to €1 million with an initial rate fixation			Loans over €1 million with an initial rate fixation		
		floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years	floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years
2003 Nov	5.41	4.10	4.94	4.71	3.02	4.23	
Dec	5.58	4.04	4.84	4.81	3.12	4.32	
2004 Jan	5.67	4.06	4.86	4.81	3.01	4.29	
Feb	5.63	4.02	4.94	4.78	2.97	4.30	
Mar	5.56	3.94	4.79	4.77	2.91	4.41	
Apr	5.51	3.87	4.71	4.64	2.96	4.41	
May	5.46	3.98	4.58	4.57	2.95	4.24	
June	5.46	3.96	4.76	4.71	3.02	4.08	
July	5.34	4.03	4.86	4.65	3.03	4.25	

 Source: ECB. — For footnotes *, o and 1 see p 45. For footnote + see p 46. —
 2 Annual percentage rate of charge as defined in Directive 87/102/EEC,

which contains other related charges which may occur for enquiries, administration, preparation of the documents, guarantees and credit insurance.

VI Interest rates

6 Interest rates and volumes for outstanding amounts and new business of German banks (MFIs) *
(a) Outstanding amounts °

End of month	Households' deposits				Non-financial corporations' deposits			
	with an agreed maturity of							
	up to 2 years		over 2 years		up to 2 years		over 2 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2003 July	2.06	137,602	3.25	187,705	2.07	77,253	5.06	28,346
Aug	2.04	135,705	3.24	187,639	2.05	80,491	5.03	28,452
Sep	2.00	133,458	3.23	187,511	2.04	77,051	5.04	29,069
Oct	1.99	131,553	3.22	187,892	2.02	80,075	5.02	29,052
Nov	1.98	129,649	3.16	186,957	2.02	80,795	4.99	29,633
Dec	2.00	128,564	3.16	190,465	2.05	74,309	4.98	29,363
2004 Jan	1.97	126,519	3.14	191,301	2.00	65,515	4.97	29,816
Feb	1.94	124,617	3.13	191,935	1.99	72,633	4.96	29,775
Mar	1.94	122,662	3.11	192,728	1.98	71,568	4.96	29,211
Apr	1.92	119,413	3.07	192,985	1.97	71,450	4.93	29,591
May	1.90	118,543	3.05	192,822	1.98	73,261	4.93	29,523
June	1.89	115,574	3.03	193,431	1.98	71,355	4.88	29,376
July	1.91	113,814	3.03	193,676	1.99	72,644	4.86	29,729

End of month	Housing loans to households 3						Consumer credit and other loans to households 4, 5					
	with a maturity of											
	up to 1 year 6		over 1 year and up to 5 years		over 5 years		up to 1 year 6		over 1 year and up to 5 years		over 5 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2003 July	5.53	7,737	5.20	32,621	5.88	876,065	9.01	89,466	6.49	71,055	6.36	332,013
Aug	5.54	7,963	5.15	32,709	5.87	877,688	8.91	87,862	6.40	71,011	6.34	333,305
Sep	5.48	8,022	5.11	32,871	5.85	879,014	8.94	90,945	6.38	70,957	6.34	333,058
Oct	5.50	7,772	5.07	33,146	5.83	882,447	8.89	89,093	6.36	70,809	6.32	332,152
Nov	5.44	7,751	5.04	33,167	5.82	884,545	8.74	84,602	6.33	70,975	6.30	331,730
Dec	5.55	7,756	5.01	33,052	5.79	886,159	8.90	88,558	6.35	70,446	6.28	329,925
2004 Jan	5.43	7,641	4.97	32,907	5.78	885,875	8.87	84,977	6.32	69,872	6.27	328,719
Feb	5.38	7,521	4.96	32,809	5.77	884,820	8.77	83,635	6.29	69,585	6.26	328,977
Mar	5.32	7,690	4.90	32,180	5.75	880,980	8.74	84,319	6.27	69,587	6.25	331,220
Apr	5.29	7,401	4.87	32,148	5.74	881,832	8.81	82,911	6.19	70,268	6.22	331,533
May	5.27	7,501	4.84	32,268	5.73	882,795	8.74	81,301	6.15	70,586	6.21	331,611
June	5.23	7,635	4.83	33,008	5.71	886,304	8.88	83,204	6.14	70,479	6.21	331,013
July	5.24	7,579	4.77	33,071	5.69	888,750	8.81	81,262	6.10	71,135	6.21	331,665

End of month	Loans to non-financial corporations with a maturity of					
	up to 1 year 6		over 1 year and up to 5 years		over 5 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2003 July	4.92	192,725	4.58	87,735	5.42	487,473
Aug	4.89	188,935	4.54	88,871	5.40	489,036
Sep	4.88	193,086	4.51	88,151	5.39	486,570
Oct	4.83	188,707	4.48	88,246	5.37	487,573
Nov	4.75	190,666	4.48	88,462	5.36	489,132
Dec	4.84	187,742	4.46	87,966	5.33	488,777
2004 Jan	4.82	181,660	4.40	88,474	5.30	487,166
Feb	4.78	181,186	4.37	87,879	5.29	488,299
Mar	4.76	183,464	4.34	87,519	5.27	487,244
Apr	4.75	179,606	4.32	87,478	5.25	489,214
May	4.77	174,716	4.28	89,876	5.23	491,825
June	4.79	176,791	4.32	90,154	5.22	488,805
July	4.73	171,106	4.26	90,012	5.21	487,182

* The MFI interest rate statistics are based on the interest rates applied by MFIs and the related volumes of euro-denominated deposits and loans to households and non-financial corporations domiciled in the euro area. The household sector comprises individuals (including sole proprietors) and non-profit institutions serving households. Non-financial corporations include all enterprises other than insurance companies, banks and other financial institutions. The interest rate statistics gathered on a harmonised basis in the euro area from January 2003 are being collected in Germany on a sample basis. The most recent figures are in all cases to be regarded as provisional. Subsequent revisions appearing in the following *Monthly Report* are not specially marked. Further information on the new interest rate statistics can be found on the Bundesbank's website (Statistics / Reporting System / Banking statistics / EWU-Zinsstatistik). This information is currently available in German only. — ° The statistics on outstanding amounts are collected at

the end of the month. — 1 The effective interest rates may always be calculated either as annualised agreed interest rates or as narrowly defined effective rates. Both calculation methods cover all interest payments on deposits and loans but not any other related charges which may occur for enquiries, administration, preparation of the documents, guarantees and credit insurance. — 2 Data based on monthly balance sheet statistics. — 3 Secured and unsecured loans for home purchase, including building and home improvements; including loans granted by building and loan associations and interim credits as well as transmitted loans granted by the reporting agents in their own name and for their own account. — 4 Consumer credits are loans granted for the purpose of personal use in the consumption of goods and services. — 5 For the purpose of these statistics, other loans are loans granted for other purposes such as business, debt consolidation, education etc. — 6 Including overdrafts.

VI Interest rates
**6 Interest rates and volumes for outstanding amounts and new business of German banks (MFIs) * (cont'd)
(b) New business +**

Households' deposits												
Overnight		with an agreed maturity of						redeemable at notice of ⁸				
		up to 1 year		over 1 year and up to 2 years		over 2 years		up to 3 months		over 3 months		
Reporting period	Effective interest rate ¹ % pa	Volume ² € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ² € million	Effective interest rate ¹ % pa	Volume ² € million
2003 July	1.06	389,222	1.98	29,175	2.54	665	2.63	1,689	2.11	488,133	2.97	90,491
Aug	1.05	394,794	2.07	25,650	2.59	627	2.68	1,378	2.08	490,805	2.92	88,948
Sep	1.06	393,137	1.88	28,352	2.46	679	2.73	1,891	2.04	491,693	2.88	88,197
Oct	1.07	394,958	1.94	28,477	2.47	986	2.93	3,332	2.20	492,668	2.76	88,289
Nov	1.06	412,862	1.89	24,839	2.52	1,065	3.04	3,325	2.15	493,279	2.73	88,529
Dec	1.08	400,936	1.89	29,428	2.84	1,512	2.91	2,519	2.17	502,167	2.72	89,528
2004 Jan	1.10	405,052	1.92	30,791	2.78	1,542	3.15	3,852	2.18	503,431	2.68	88,506
Feb	1.10	411,617	1.95	23,387	2.41	1,056	2.86	2,340	2.12	504,560	2.66	88,115
Mar	1.12	410,717	2.03	28,021	2.31	840	2.66	2,357	2.10	504,583	2.62	87,863
Apr	1.13	412,968	2.01	32,020	2.30	1,243	2.76	2,061	2.13	505,420	2.60	86,706
May	1.13	418,859	1.88	30,506	2.33	1,097	2.74	2,404	2.10	505,649	2.58	85,838
June	1.13	419,073	1.88	25,696	2.46	838	2.71	1,725	2.13	505,366	2.57	85,480
July	1.14	418,729	1.90	25,850	2.43	1,071	2.86	2,113	2.10	505,800	2.57	85,562

Non-financial corporations' deposits										
Overnight		with an agreed maturity of								
		up to 1 year		over 1 year and up to 2 years		over 2 years				
Reporting period	Effective interest rate ¹ % pa	Volume ² € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million
2003 July	1.16	120,786	2.03	61,029	2.02	109	4.23	424		
Aug	1.16	118,994	2.00	40,582	2.52	187	3.68	2,473		
Sep	1.15	124,565	1.94	34,584	2.61	210	3.92	1,179		
Oct	1.15	127,129	1.93	40,008	2.41	156	4.02	4,523		
Nov	1.07	129,086	1.95	35,693	2.56	256	3.26	1,160		
Dec	1.05	138,713	1.96	36,247	2.76	360	4.09	1,075		
2004 Jan	1.16	136,443	1.92	35,633	2.43	174	3.90	823		
Feb	1.11	128,210	1.95	38,596	2.18	197	4.26	697		
Mar	1.11	130,095	1.92	34,914	2.28	201	3.82	1,274		
Apr	1.10	134,285	1.90	30,589	1.85	222	3.93	1,075		
May	1.10	131,703	1.92	32,753	2.44	115	4.24	1,535		
June	1.09	134,255	1.92	31,971	2.59	163	4.22	1,273		
July	1.08	131,254	1.97	34,216	3.10	334	4.28	2,661		

Loans to households													
Consumer loans with an initial rate fixation of ⁴								Other loans with an initial rate fixation of ⁵					
Total	floating rate or up to 1 year ¹⁰		over 1 year and up to 5 years		over 5 years		floating rate or up to 1 year ¹⁰		over 1 year and up to 5 years		over 5 years		
	Annual percentage rate of charge ⁹ % pa	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million	Effective interest rate ¹ % pa	Volume ⁷ € million
2003 July	7.83	5.58	1,913	6.59	5,969	8.75	4,405	3.76	9,268	4.94	1,802	5.06	2,654
Aug	7.73	5.57	1,388	6.36	4,844	8.66	3,658	3.84	7,060	4.96	1,461	5.03	2,316
Sep	7.65	5.41	1,785	6.33	5,374	8.36	4,575	3.69	9,281	4.94	1,693	5.24	2,684
Oct	7.52	5.26	2,631	6.33	5,096	8.42	4,398	3.73	11,515	5.00	3,368	5.26	2,543
Nov	7.47	5.24	1,532	6.27	5,631	8.32	3,851	3.93	7,820	5.14	1,440	5.21	2,004
Dec	6.90	5.02	1,541	5.80	5,234	7.81	3,701	3.57	12,315	4.93	2,578	5.13	3,978
2004 Jan	8.01	5.30	1,427	6.62	4,233	9.00	3,746	3.85	8,611	5.08	1,992	5.27	1,998
Feb	7.98	4.98	1,308	6.50	4,963	9.08	3,539	3.85	5,613	5.04	1,588	5.07	2,112
Mar	7.83	5.28	1,553	6.29	5,806	8.88	4,494	3.69	8,974	5.11	2,037	5.00	3,549
Apr	7.56	5.05	1,664	6.08	6,345	8.86	4,074	3.50	9,264	4.92	1,658	5.00	2,903
May	7.77	5.21	1,147	6.21	5,257	8.94	3,147	3.94	5,901	4.85	1,552	5.10	1,725
June	7.87	5.34	1,402	6.21	5,371	9.11	3,794	3.48	8,704	5.00	2,816	5.07	3,278
July	8.02	5.25	1,492	6.34	5,020	9.27	3,792	3.64	9,119	4.90	1,908	5.15	2,018

For footnotes * and 1 to 6, see p 45*. — + In the case of deposits with an agreed maturity and all loans excluding overdrafts, new business covers all new agreements between households or non-financial corporations and the bank. The interest rates are calculated as volumeweighted average rates across all new agreements concluded during the reporting month. In the case of overnight deposits, deposits redeemable at notice and overdrafts, new business is collected in the same way as outstanding amounts for the sake of simplicity. This means that all outstanding deposit and lending

business at the end of the month has to be incorporated in the calculation of average rates of interest. — ⁷ Estimated. The volume of new business is extrapolated to form the underlying total using the Horvitz-Thompson estimator. — ⁸ Including non-financial corporations' deposits; including fidelity and growth premia. — ⁹ Annual percentage rate of charge as defined in Directive 87/102/EEC, which contains other related charges which may occur for enquiries, administration, preparation of the documents, guarantees and credit insurance. — ¹⁰ Excluding overdrafts.

VI Interest rates

6 Interest rates and volumes for outstanding amounts and new business of German banks (MFIs) * (cont'd)
(b) New business +

Loans to households (cont'd)											
Overdrafts 11		Housing loans with an initial rate fixation of 3									
		Total	floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years and up to 10 years		over 10 years		
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Annual percentage rate of charge 9 % pa	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2003 July	10.44	63,287	4.69	4.58	2,805	4.16	3,589	4.70	6,864	4.85	3,973
Aug	10.38	63,305	4.79	4.73	1,695	4.25	2,701	4.81	5,441	4.91	3,600
Sep	10.47	64,592	4.90	4.63	2,033	4.52	3,166	4.96	6,143	5.03	3,584
Oct	10.41	63,212	4.90	4.44	2,463	4.48	3,292	5.00	6,201	5.08	3,200
Nov	10.27	59,790	5.00	4.68	1,866	4.62	2,903	5.07	5,368	5.12	3,108
Dec	10.48	62,675	5.06	4.63	2,878	4.75	3,710	5.14	7,473	5.19	3,380
2004 Jan	10.40	59,768	5.02	4.57	2,827	4.65	3,280	5.15	5,978	5.19	3,201
Feb	10.40	57,555	4.95	4.56	1,999	4.61	2,457	5.06	4,262	5.03	2,628
Mar	10.38	57,884	4.85	4.43	2,504	4.48	3,240	4.99	5,417	4.98	2,983
Apr	10.36	56,755	4.76	4.26	2,706	4.32	3,127	4.91	5,106	4.95	2,964
May	10.35	55,144	4.80	4.49	2,079	4.37	2,736	4.91	4,497	4.94	2,865
June	10.38	56,024	4.83	4.49	2,314	4.32	3,479	4.96	5,292	5.09	2,934
July	10.35	54,012	4.84	4.26	3,233	4.51	3,279	4.92	5,963	5.11	2,873

Loans to non-financial corporations									
Overdrafts 11		Loans up to €1 million with an initial rate fixation of 13							
		floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years			
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	
2003 July	6.51	88,185	4.39	7,881	4.88	1,575	4.90	1,620	
Aug	6.54	86,025	4.36	5,782	4.91	1,626	4.93	1,714	
Sep	6.40	88,489	4.52	7,119	5.00	1,205	5.02	1,671	
Oct	6.47	85,930	4.51	7,345	4.99	1,471	5.08	1,868	
Nov	6.36	88,429	4.47	7,001	5.20	1,146	4.95	1,215	
Dec	6.44	87,201	4.55	6,976	5.05	1,613	5.14	1,850	
2004 Jan	6.33	84,562	4.52	6,495	5.13	1,152	5.20	1,579	
Feb	6.26	86,480	4.58	6,151	5.12	1,510	5.04	1,068	
Mar	6.22	87,095	4.44	7,140	5.00	1,262	5.20	1,385	
Apr	6.11	84,844	4.43	6,733	4.89	1,419	5.04	1,211	
May	6.27	81,810	4.52	6,616	5.00	987	4.93	1,186	
June	6.23	84,291	4.54	7,185	4.98	1,268	5.19	1,509	
July	6.21	80,484	4.62	7,222	5.01	1,360	5.05	1,171	

Loans to non-financial corporations (cont'd)							
Loans over €1 million with an initial rate fixation of 13							
floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years			
		Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2003 July	3.32	33,140	3.91	2,885	4.27	6,336	
Aug	3.36	27,749	3.84	2,478	4.50	4,873	
Sep	3.24	34,013	3.84	3,239	4.72	4,921	
Oct	3.25	34,631	4.06	3,284	4.63	5,125	
Nov	3.16	35,610	3.90	3,669	4.73	4,434	
Dec	3.32	41,204	3.87	5,084	4.78	7,639	
2004 Jan	3.25	32,666	4.33	4,274	4.99	4,169	
Feb	3.24	26,802	3.60	2,681	4.58	3,317	
Mar	3.20	35,662	3.85	3,509	4.85	5,627	
Apr	3.25	30,662	3.79	3,034	4.57	5,536	
May	3.26	26,670	3.93	3,403	4.79	4,593	
June	3.26	32,704	3.93	3,754	4.63	5,444	
July	3.27	35,348	3.91	4,012	4.89	4,475	

For footnotes * and 1 to 6, see p 45*. For footnotes + and 7 to 10, see p 46*. — 11 Overdrafts are defined as debit balances on current accounts. They include all bank overdrafts regardless of whether they are within or beyond the limits agreed between customers and the bank. — 12 Estimated.

The volume of outstanding amounts reported is extrapolated to form the underlying total using the Horvitz-Thompson estimator. — 13 The amount refers to the single loan transaction considered as new business.

VII Capital market

1 Sales and purchases of debt securities and shares in Germany *

Debt securities												
Period	Sales = total purchases	Sales					Purchases					
		Domestic debt securities 1					Foreign debt securities 3	Residents				Non-residents 7
		Total	Bank debt securities	Corporate bonds	Public debt securities 2	Total 4		Credit institutions including building and loan associations 5	Non-banks 6	Bundesbank open market operations 5		
DM million												
1991	231,965	219,346	131,670	667	87,011	12,619	173,099	45,095	127,310	694	58,866	
1992	291,762	284,054	106,857	175	177,376	7,708	170,873	132,236	37,368	1,269	120,887	
1993	395,110	382,571	151,812	200	230,560	12,539	183,195	164,436	20,095	1,336	211,915	
1994	303,339	276,058	117,185	65	158,939	27,281	279,989	126,808	154,738	1,557	23,349	
1995	227,099	203,029	162,538	350	40,839	24,070	141,282	49,193	94,409	2,320	85,815	
1996	254,359	233,519	191,341	649	41,529	20,840	148,250	117,352	31,751	853	106,109	
1997	332,655	250,688	184,911	1,563	64,214	81,967	204,378	144,177	60,201	–	128,276	
1998	418,841	308,201	254,367	3,143	50,691	110,640	245,802	203,342	42,460	–	173,038	
€ million												
1999	292,663	198,068	156,399	2,184	39,485	94,595	155,766	74,728	81,038	–	136,898	
2000	226,393	157,994	120,154	12,605	25,234	68,398	151,568	91,447	60,121	–	74,825	
2001	180,227	86,656	55,918	14,473	16,262	93,572	117,119	35,848	81,271	–	63,108	
2002	178,057	124,035	47,296	14,506	62,235	54,021	83,314	13,536	69,778	–	94,743	
2003	170,154	134,455	31,404	30,262	72,788	35,699	101,553	35,748	65,805	–	68,601	
2004 May	29,126	21,890	13,759	261	7,870	7,236	21,483	18,498	2,985	–	7,643	
June	17,742	4,835	–	675	2,211	3,299	12,907	29,832	8,588	–	12,090	
July	32,535	20,006	6,888	8,716	4,402	12,529	19,582	11,753	7,829	–	12,953	

Shares									
Period	Sales = total purchases	Sales			Purchases				
		Domestic shares 8	Foreign shares 9	Foreign shares 9	Residents			Non-residents 12	
					Total 10	Credit institutions 5,11	Non-banks 6		
DM million									
1991	33,478	13,317	20,161	32,247	2,466	29,781	1,230	–	8,055
1992	32,595	17,226	15,370	40,651	2,984	37,667	8,485	–	659
1993	39,355	19,512	19,843	30,871	4,133	26,738	2,931	–	16,529
1994	55,125	29,160	25,966	54,466	1,622	52,844	2,677	–	100,352
1995	46,422	23,600	22,822	49,354	11,945	37,409	2,931	–	16,529
1996	72,491	34,212	38,280	55,962	12,627	43,335	22,677	–	100,352
1997	119,522	22,239	97,280	96,844	8,547	88,297	22,677	–	100,352
1998	249,504	48,796	200,708	149,151	20,252	128,899	100,352	–	100,352
€ million									
1999	150,013	36,010	114,005	103,136	18,637	84,499	46,877	–	24,194
2000	140,461	22,733	117,729	164,654	23,293	141,361	84,918	–	20,642
2001	81,546	17,575	63,971	3,371	14,714	11,343	84,918	–	25,268
2002	39,700	9,232	30,470	19,058	23,236	42,294	20,642	–	17,592
2003	17,382	16,838	544	7,885	7,056	14,941	25,268	–	17,592
2004 May	4,639	327	4,312	10,291	4,072	14,363	5,652	–	17,592
June	893	1,306	413	16,699	14,792	1,907	17,592	–	17,592
July	–	1,851	244	2,095	5,482	4,221	3,631	–	3,631

* Up to end-1999, debt securities in this table comprise bonds and money market paper issued by domestic banks; from January 2000, they comprise all debt securities. For mutual fund shares, see Table VII.6. — 1 Net sales at market values plus/minus changes in issuers' portfolios of their own debt securities. — 2 Including Federal Railways Fund, Federal Post Office and Treuhand agency. — 3 Net purchases or net sales (–) of foreign debt securities by residents; transaction values. — 4 Domestic and foreign debt securities. — 5 Book values; statistically adjusted. — 6 Residual; also including purchases of domestic and foreign securities by domestic mutual

funds. — 7 Net purchases or net sales (–) of domestic debt securities by non-residents; transaction values. — 8 At issue prices. — 9 Net purchases or net sales (–) of foreign shares (including direct investment) by residents; transaction values. — 10 Domestic and foreign shares. — 11 Up to end-1998, excluding syndicated shares. — 12 Net purchases or net sales (–) of domestic shares (including direct investment) by non-residents; transaction values. — The figures for the most recent date are provisional; revisions are not specially marked.

VII Capital market

2 Sales of debt securities issued by residents *

Up to end-1998, DM nominal million value; from 1999, € million nominal value

Period	Bank debt securities 1							Corporate bonds 2	Public debt securities 3	Memo item Foreign DM/euro bonds issued by German-managed syndicates
	Total	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities				
Gross sales 4										
1991	442,089	292,092	19,478	91,489	80,738	100,386	707	149,288	32,832	
1992	572,767	318,522	33,633	134,363	49,195	101,333	–	254,244	57,282	
1993	733,126	434,829	49,691	218,496	34,028	132,616	457	297,841	87,309	
1994	627,331	412,585	44,913	150,115	39,807	177,750	486	214,261	61,465	
1995	620,120	470,583	43,287	208,844	41,571	176,877	200	149,338	102,719	
1996	731,992	563,076	41,439	246,546	53,508	221,582	1,742	167,173	112,370	
1997	846,567	621,683	53,168	276,755	54,829	236,933	1,915	222,972	114,813	
1998	1,030,827	789,035	71,371	344,609	72,140	300,920	3,392	238,400	149,542	
€ million										
1999	571,269	448,216	27,597	187,661	59,760	173,200	2,570	120,483	57,202	
2000	659,148	500,895	34,528	143,107	94,556	228,703	8,114	150,137	31,597	
2001	687,988	505,646	34,782	112,594	106,166	252,103	11,328	171,012	10,605	
2002	818,725	569,232	41,496	119,880	117,506	290,353	17,574	231,923	10,313	
2003	958,917	668,002	47,828	107,918	140,398	371,858	22,510	268,406	2,850	
2004 Apr	73,207	56,797	2,134	8,277	14,799	31,587	716	15,694	7,524	
May	79,506	54,816	3,510	8,013	7,458	35,836	2,315	22,375	3,400	
June	78,494	54,369	3,268	6,264	14,324	30,513	3,566	20,560	–	
July	92,541	55,773	3,399	2,630	14,833	34,912	10,710	26,058	–	
of which: Debt securities with maturities of more than four years 5										
1991	303,326	172,171	11,911	65,642	54,878	39,741	707	130,448	22,772	
1992	430,479	211,775	28,594	99,627	40,267	43,286	–	218,703	51,939	
1993	571,533	296,779	43,365	160,055	26,431	66,923	230	274,524	82,049	
1994	429,369	244,806	36,397	109,732	29,168	69,508	306	184,255	53,351	
1995	409,469	271,763	30,454	141,629	28,711	70,972	200	137,503	85,221	
1996	473,560	322,720	27,901	167,811	35,522	91,487	1,702	149,139	92,582	
1997	563,333	380,470	41,189	211,007	41,053	87,220	1,820	181,047	98,413	
1998	694,414	496,444	59,893	288,619	54,385	93,551	2,847	195,122	139,645	
€ million										
1999	324,888	226,993	16,715	124,067	37,778	48,435	2,565	95,331	44,013	
2000	319,330	209,187	20,724	102,664	25,753	60,049	6,727	103,418	27,008	
2001	299,751	202,337	16,619	76,341	42,277	67,099	7,479	89,933	6,480	
2002	309,157	176,486	16,338	59,459	34,795	65,892	12,149	120,527	9,213	
2003	369,336	220,103	23,210	55,165	49,518	92,209	10,977	138,256	2,850	
2004 Apr	26,256	23,412	1,055	3,566	6,604	12,186	335	2,509	2,500	
May	43,733	27,078	2,717	5,780	2,931	15,650	2,150	14,505	400	
June	25,868	20,131	2,363	3,101	3,566	11,101	535	5,202	–	
July	41,977	22,990	2,893	1,222	2,377	16,498	5,401	13,586	–	
Net sales 6										
1991	227,822	139,396	4,729	22,290	65,985	46,390	558	87,868	18,583	
1992	304,751	115,786	13,104	58,235	19,585	24,864	175	189,142	34,114	
1993	403,212	159,982	22,496	122,917	–	13,156	180	243,049	43,701	
1994	270,088	116,519	18,184	54,316	–	6,897	62	153,630	21,634	
1995	205,482	173,797	18,260	96,125	3,072	56,342	354	32,039	61,020	
1996	238,427	195,058	11,909	121,929	6,020	55,199	585	42,788	69,951	
1997	257,521	188,525	16,471	115,970	12,476	43,607	1,560	67,437	63,181	
1998	327,991	264,627	22,538	162,519	18,461	61,111	3,118	60,243	84,308	
€ million										
1999	209,096	170,069	2,845	80,230	31,754	55,238	2,185	36,840	22,728	
2000	155,615	122,774	5,937	29,999	30,089	56,751	7,320	25,522	–	
2001	84,122	60,905	6,932	9,254	28,808	34,416	8,739	14,479	–	
2002	131,976	56,393	7,936	26,806	20,707	54,561	14,306	61,277	–	
2003	124,556	40,873	2,700	42,521	44,173	36,519	18,431	65,253	–	
2004 Apr	20,667	15,758	–	308	1,341	7,277	10,129	644	4,265	
May	29,454	18,525	–	1,007	1,518	3,122	12,878	1,563	9,367	
June	2,805	1,098	–	549	7,676	7,126	1	2,123	1,780	
July	28,213	6,802	–	554	8,127	3,148	11,227	10,577	–	

* For definitions, see the notes in the Statistical Supplement to Monthly Report 2, *Capital market statistics*. — 1 Excluding registered bank debt securities. — 2 Debt securities issued by enterprises. — 3 Including Federal

Railways Fund, Federal Post Office and Treuhand agency. — 4 Gross sales means only initial sales of newly issued securities. — 5 Maximum maturity according to the terms of issue. — 6 Gross sales less redemptions.

VII Capital market

3 Amounts outstanding of debt securities issued residents *

Up to end-1998, DM million nominal value; from 1999, € million nominal value

End of year or month/ Maturity in years	Bank debt securities ¹							Corporate bonds	Public debt securities	Memo item Foreign DM/euro bonds issued by German- managed syndicates
	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities					
DM million										
1991	1,686,765	1,040,374	142,757	392,190	221,031	284,396	3,161	643,230	241,760	
1992	1,991,515	1,156,162	155,862	450,424	240,616	309,259	2,983	832,370	275,873	
1993	2,394,728	1,316,142	178,357	573,341	227,463	336,981	3,163	1,075,422	319,575	
1994	2,664,814	1,432,661	196,541	627,657	219,214	389,249	3,101	1,229,053	341,210	
1995	2,870,295	1,606,459	214,803	723,781	222,286	445,589	2,746	1,261,090	402,229	
1996	3,108,724	1,801,517	226,711	845,710	228,306	500,790	3,331	1,303,877	472,180	
1997	3,366,245	1,990,041	243,183	961,679	240,782	544,397	4,891	1,371,313	535,359	
1998	3,694,234	2,254,668	265,721	1,124,198	259,243	605,507	8,009	1,431,558	619,668	
€ million										
1999	2,097,926	1,322,863	134,814	655,024	163,284	369,741	6,280	768,783	339,560	
2000	2,265,121	1,445,736	140,751	685,122	157,374	462,488	13,599	805,786	322,856	
2001	2,349,243	1,506,640	147,684	675,868	201,721	481,366	22,339	820,264	292,199	
2002	2,481,220	1,563,034	155,620	649,061	222,427	535,925	36,646	881,541	247,655	
2003	2,605,775	1,603,906	158,321	606,541	266,602	572,442	55,076	946,793	192,666	
2004 May	2,726,633	1,676,893	161,553	599,998	293,400	621,942	55,602	994,138	186,491	
June	2,729,438	1,675,796	161,005	592,321	300,527	621,943	57,725	995,918	185,037	
July	2,757,651	1,682,598	161,559	584,195	303,675	633,170	68,302	1,006,752	180,952	

Breakdown by remaining period to maturity ²

Position at end-July 2004

	975,693	645,613	53,284	234,618	92,496	265,215	18,738	311,342	56,879
less than 2	638,163	436,556	53,316	175,998	86,583	120,660	17,965	183,643	53,940
2 to less than 4	436,074	265,643	28,381	90,193	52,961	94,108	7,348	163,082	44,840
4 to less than 6	257,447	129,450	18,244	49,463	21,724	40,020	12,636	115,360	8,786
6 to less than 8	208,981	92,670	6,617	21,981	18,940	45,132	4,982	111,330	7,695
8 to less than 10	94,428	67,253	1,684	7,221	9,018	49,329	3,003	24,172	4,921
10 to less than 15	24,502	11,020	35	919	6,507	3,559	452	13,030	2,076
15 to less than 20	122,364	34,392	-	3,799	15,444	15,148	3,179	84,793	1,816
20 and more									

* Including debt securities temporarily held in the issuers' portfolios. —
1 Excluding debt securities handed to the trustee for temporary safe custody. — 2 Calculated from month under review until final maturity for

debt securities falling due en bloc and until mean maturity of the residual amount outstanding for debt securities not falling due en bloc.

4 Shares in circulation issued by residents

Up to end-1998, DM million nominal value; from 1999, € million nominal value

Period	Share capital = circulation at end of period under review	Net increase or net decrease (-) during period under review	Change in domestic public limited companies' capital due to							Memo item Share circulation at market values (market capita- lisation) level at end of period under review ²	
			cash payments and ex- change of convertible bonds ¹	issue of bonus shares	contribution of claims and other real assets	contribution of shares, mining shares, GmbH shares, etc	merger and transfer of assets	change of legal form	reduction of capital and liquidation		
DM million											
1991	151,618	6,932	3,656	610	2,416	407	-	182	411	-	386
1992	160,813	9,198	4,295	728	1,743	1,073	-	732	3,030	-	942
1993	168,005	7,190	5,224	772	387	876	-	10	707	-	783
1994	190,012	14,237	6,114	1,446	1,521	1,883	-	447	5,086	-	1,367
1995	211,231	21,217	5,894	1,498	1,421	1,421	-	623	13,739	-	2,133
1996	216,461	7,131	8,353	1,355	396	1,684	-	3,056	833	-	2,432
1997	221,575	5,115	4,164	2,722	370	1,767	-	2,423	197	-	1,678
1998	238,156	16,578	6,086	2,566	658	8,607	-	4,055	3,905	-	1,188
€ million											
1999	133,513	11,747	5,519	2,008	190	1,075	-	2,099	1,560	-	708
2000	147,629	14,115	3,620	3,694	618	8,089	-	1,986	1,827	-	1,745
2001	166,187	18,561	7,987	4,057	1,106	8,448	-	1,018	905	-	3,152
2002	168,716	2,528	4,307	1,291	486	1,690	-	868	-	-	2,224
2003	162,131	6,585	4,482	923	211	513	-	322	-	-	1,584
2004 May	162,365	-	16	76	47	3	-	162	201	-	285
June	163,175	810	420	180	0	17	-	34	294	-	67
July	163,742	567	143	199	2	92	-	287	108	-	264

o From January 1994, including the shares of east German companies (resultant increase in share circulation: DM7,771 million). — 1 Including shares issued out of company profits. — 2 Enterprises whose shares are listed on the Official Market, on the regulated market or on the Neuer Markt (stock

market segment was closed down on 24 March 2003) and enterprises whose shares are traded on the free market. Source: Bundesbank calculations based on data of the Herausgebergemeinschaft Wertpapier-Mitteilungen and the Deutsche Börse AG. — 3 Figure revised downwards by DM1,902 million.

VII Capital market

5 Yields and indices on German securities

Period	Yields on debt securities outstanding issued by residents 1									Price indices 2,3			
	Public debt securities				Bank debt securities			Corporate bonds	Memo item Foreign DM/euro bonds issued by German-managed syndicates 1,5	Debt securities		Shares	
	Total	Total	Listed Federal securities		Total	With a residual maturity of more than 9 and including 10 years 4	With a residual maturity of more than 9 and including 10 years			German bond index (REX)	iBoxx € Germany price index	CDAX share price index	German share index (DAX)
			Total	With a residual maturity of more than 9 and including 10 years 4									
% per annum										Average daily rate	End-1998 = 100	End-1987 = 100	End-1987 = 1000
1991	8.7	8.6	8.6	8.5	8.9	8.6	8.9	9.2	96.35	.	148.16	1,577.98	
1992	8.1	8.0	8.0	7.8	8.3	8.1	8.7	8.8	101.54	.	134.92	1,545.05	
1993	6.4	6.3	6.3	6.5	6.5	6.8	6.9	6.8	109.36	.	191.13	2,266.68	
1994	6.7	6.7	6.7	6.9	6.9	7.2	7.0	6.9	99.90	.	176.87	2,106.58	
1995	6.5	6.5	6.5	6.9	6.5	7.2	6.9	6.8	109.18	.	181.47	2,253.88	
1996	5.6	5.6	5.6	6.2	5.5	6.4	5.8	5.8	110.37	.	217.47	2,888.69	
1997	5.1	5.1	5.1	5.6	5.0	5.9	5.2	5.5	111.01	.	301.47	4,249.69	
1998	4.5	4.4	4.4	4.6	4.5	4.9	5.0	5.3	118.18	100.00	343.64	5,002.39	
1999	4.3	4.3	4.3	4.5	4.3	4.9	5.0	5.4	110.60	92.52	445.95	6,958.14	
2000	5.4	5.3	5.2	5.3	5.6	5.8	6.2	6.3	112.48	94.11	396.59	6,433.61	
2001	4.8	4.7	4.7	4.8	4.9	5.3	5.9	6.2	113.12	94.16	319.38	5,160.10	
2002	4.7	4.6	4.6	4.8	4.7	5.1	6.0	5.6	117.56	97.80	188.46	2,892.63	
2003	3.7	3.8	3.8	4.1	3.7	4.3	5.0	4.5	117.36	97.09	252.48	3,965.16	
2004 May	3.9	3.9	3.9	4.3	3.8	4.4	4.0	4.3	117.30	96.88	249.22	3,921.41	
June	4.0	4.0	4.0	4.3	3.9	4.5	4.0	4.3	116.96	96.84	256.55	4,052.73	
July	3.9	3.9	3.9	4.2	3.8	4.4	3.9	4.2	117.54	97.33	246.85	3,895.61	
Aug	3.7	3.8	3.8	4.1	3.6	4.3	3.7	4.0	118.53	98.30	239.67	3,785.21	

1 Bearer debt securities with maximum maturities according to the terms of issue of over 4 years if their mean residual maturities exceed 3 years. Convertible debt securities, etc. debt securities with unscheduled redemption, zero-coupon bonds, floating-rate notes and bonds not denominated in DM or euro are not included. Group yields for the various categories of securities are weighted by the amounts outstanding of the debt securities included in

the calculation. Monthly figures are calculated on the basis of the yields on all the business days in a month. The annual figures are the unweighted means of the monthly figures. — 2 End of year or month. — 3 Source: Deutsche Börse AG. — 4 Only debt securities eligible as underlying instruments for futures contracts; calculated as unweighted averages. — 5 If quoted on German stock exchanges.

6 Sales and purchases of mutual fund shares in Germany

Period	Sales of mutual fund shares								Purchases					
	Domestic mutual funds (sales receipts)								Residents					
	Sales = total purchases	Total	Mutual funds open to the general public			Specialised funds	Foreign funds 3	Total	Total	Credit institutions including building and loan associations 1		Non-banks 2		Non-residents 4
			Money market funds	Securities-based funds	Open-end real estate funds					of which Foreign mutual fund shares	of which Foreign mutual fund shares			
DM million														
1991	50,064	37,492	13,738	-	11,599	2,144	23,754	12,572	49,890	8,594	5	41,296	12,577	174
1992	81,514	20,474	3,102	-	9,189	6,087	23,575	61,040	81,518	10,495	2,152	71,023	58,888	4
1993	80,259	61,672	20,791	-	6,075	14,716	40,881	18,587	76,258	16,982	2,476	59,276	16,111	4,001
1994	130,995	108,914	63,263	31,180	24,385	7,698	45,650	22,081	125,943	9,849	689	116,094	22,770	5,052
1995	55,246	54,071	16,777	6,147	3,709	6,921	37,294	1,175	56,295	12,172	188	44,123	987	1,049
1996	83,386	79,110	16,517	4,706	7,273	13,950	62,592	4,276	85,704	19,924	1,685	65,780	2,591	2,318
1997	145,805	138,945	31,501	5,001	30,066	6,436	107,445	6,860	149,977	35,924	340	114,053	6,520	4,172
1998	187,641	169,748	38,998	5,772	27,814	4,690	130,750	17,893	190,416	43,937	961	146,479	16,507	2,775
€ million														
1999	111,282	97,197	37,684	3,347	23,269	7,395	59,513	14,086	105,521	19,862	637	85,659	14,722	5,761
2000	118,021	85,160	39,712	2,188	36,818	2,824	45,448	32,861	107,019	14,454	92	92,565	32,769	11,000
2001	97,032	76,811	35,522	12,410	9,195	10,159	41,289	20,221	96,082	10,251	2,703	85,831	17,518	951
2002	66,478	59,482	25,907	3,682	7,247	14,916	33,575	6,996	67,150	2,100	3,007	65,050	3,989	673
2003	48,195	43,943	20,079	924	7,408	14,166	23,864	4,252	49,726	2,658	734	52,384	3,518	1,530
2004 May	- 1,871	- 2,218	- 663	- 83	- 742	89	- 1,555	347	- 1,633	152	- 1,862	195	- 238	
June	88	- 432	- 886	- 200	- 1,048	365	453	520	633	- 436	153	1,069	367	- 545
July	1,623	1,493	3,550	3,834	- 970	677	- 2,056	130	- 2,036	- 1,217	- 630	- 819	760	3,659

1 Book values. — 2 Residual. — 3 Net purchases or net sales (-) of foreign fund shares by residents; transaction values. — 4 Net purchases or net sales (-) of domestic fund shares by non-residents; transaction values (up to

end-1988 recorded under shares). — The figures for the most recent date are provisional; revisions are not specially marked.

VIII Public finances in Germany

1 General government budgetary position *

Up to end-1998, DM billion; from 1999, € billion

Period	Central, state and local government 1									Social security funds 2			General government, total			
	Revenue		Expenditure							Balance	Re-venue 5	Ex-pend-iture	Balance	Re-venue	Ex-pend-iture	Balance
	Total	of which Taxes	Total 3	of which												
			Compensation of employees	Other operating expenditure	Current grants	Interest	Fixed asset formation	Financial aid 4								
1993	928.7	749.1	1,060.2	296.8	136.0	340.5	102.1	97.0	87.3	-131.5	660.8	658.7	+ 2.1	1,492.1	1,621.5	-129.4
1994	995.2	786.2	1,102.2	315.5	137.3	353.4	114.0	93.2	86.5	-106.9	694.1	693.7	+ 0.4	1,596.4	1,702.9	-106.5
1995	1,026.4	814.2	1,136.4	324.8	135.5	367.2	129.0	90.1	86.3	-110.1	731.2	743.8	-12.5	1,664.9	1,787.5	-122.6
1996	1,000.3	800.0	1,121.8	326.2	137.0	362.2	130.7	83.9	80.1	-121.5	769.4	784.0	-14.6	1,665.6	1,801.6	-136.1
1997	1,014.3	797.2	1,108.9	325.0	135.7	356.3	132.1	80.1	79.2	-94.5	797.3	794.5	+ 2.9	1,705.3	1,797.0	-91.7
1998	1,072.1	833.0	1,128.8	325.4	137.4	373.7	133.7	79.7	79.8	-56.7	812.2	808.9	+ 3.3	1,765.5	1,818.9	-53.4
1999	566.1	453.1	592.9	168.7	72.4	202.7	69.8	40.8	38.0	-26.8	429.1	425.6	+ 3.5	925.2	948.6	-23.4
2000 p	612.3	467.3	595.5	169.3	73.7	205.7	67.6	40.7	37.9	+ 16.8	433.8	434.3	- 0.5	974.6	958.2	+ 16.4
2001 6,p	555.8	446.2	599.9	169.9	69.8	213.8	66.6	40.1	39.2	-44.1	445.0	449.1	-4.1	923.5	971.7	-48.2
2002 pe	550.9	441.7	608.0	173.3	69.5	225.9	66.1	38.7	33.5	-57.1	457.9	466.4	-8.5	924.1	989.7	-65.6
2003 pe	546.6	442.2	615.2	174.0	68.8	236.4	65.7	36.3	32.5	-68.6	466.8	473.3	-6.5	924.5	999.6	-75.1
2002 Q1	118.3	98.6	150.2	39.9	15.3	57.9	24.0	6.5	6.0	-31.8	111.3	112.8	-1.5	206.4	239.8	-33.4
Q2	137.8	105.1	141.8	40.4	15.6	58.5	11.9	7.8	6.7	-4.0	113.0	115.6	-2.6	228.9	235.6	-6.6
Q3	135.3	109.4	148.7	41.4	16.5	54.7	19.2	9.7	7.8	-13.4	113.1	116.6	-3.5	228.0	244.9	-16.9
Q4	157.2	129.0	165.6	49.9	21.5	55.2	10.7	13.6	13.1	-8.5	119.3	120.0	-0.7	257.5	266.6	-9.2
2003 Q1	117.2	96.3	154.5	40.9	15.6	61.8	23.6	5.6	6.5	-37.3	116.3	116.8	-0.5	207.7	245.5	-37.8
Q2	135.8	108.9	143.8	40.9	15.5	61.3	10.8	7.5	7.5	-8.0	115.5	118.4	-2.9	228.2	239.1	-10.9
Q3	131.2	109.6	155.8	42.4	16.6	58.5	21.6	9.2	7.4	-24.6	115.1	117.8	-2.7	225.0	252.3	-27.4
Q4 p	160.7	127.4	159.8	48.1	20.5	55.2	9.5	12.9	13.7	+0.9	119.0	120.4	-1.5	261.1	261.7	-0.6

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * The budgetary definition used here differs from that employed for the government account in the national accounts and, in the case of the quarterly figures, in some respects also from the financial statistics. — 1 Including subsidiary budgets. Unlike the annual figure based on the annual accounts statistics of the Federal Statistical Office, the quarterly figures do not include municipal special purpose associations and various special accounts. For more details on revenue from the Bundesbank profit, see footnote 1 to Table VIII.2. — 2 The annual figures differ from the sum of

the quarterly figures, as the latter are all provisional. The quarterly figures for some insurance sectors are estimated. — 3 Including discrepancies in clearing transactions between central, state and local government. — 4 Expenditure on investment grants, loans and acquisition of participating interests. — 5 Including Federal Government liquidity assistance to the Federal Labour Office. — 6 Owing to modifications of the system of classification, shifts occurred, in particular, between other operating expenditure and current grants.

2 Budgetary position of central, state and local government *

Up to end-1998, DM billion; from 1999, € billion

Period	Central government		State government				Local government			
	Revenue 1	Expenditure	Western 2,3		Eastern 3		Western 3		Eastern 3	
			Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure	Revenue	Expenditure
1993	401.6	462.5	326.5	352.8	76.4	92.5	222.5	230.9	54.4	59.0
1994	439.6	478.9	328.8	357.0	79.3	95.9	228.9	235.1	53.9	59.2
1995	439.3	489.9	338.6	370.2	88.4	101.5	225.6	237.9	58.7	60.8
1996	411.9	490.4	344.8	379.7	93.7	105.5	227.7	232.9	55.0	57.7
1997	416.8	480.3	349.2	376.5	94.3	105.2	222.9	226.9	52.6	54.2
1998	439.0	495.6	360.5	380.3	96.4	104.7	231.4	226.3	51.5	52.4
1999	240.3	266.5	191.6	196.6	50.0	53.3	119.8	117.5	26.1	26.3
2000 4	292.1	265.2	193.4	200.9	50.7	53.6	122.4	120.5	25.6	25.6
2001 p	240.6	261.3	184.6	207.1	50.5	52.5	119.0	123.2	24.7	25.2
2002 pe	238.9	271.6	183.5	207.4	47.8	53.2	119.9	124.5	25.1	25.3
2003 pe	239.6	278.8	182.3	208.7	48.3	53.5	117.1	125.0	24.7	25.5
2002 Q1	47.4	68.9	42.4	49.4	10.2	12.0	24.7	29.1	5.2	5.4
Q2	56.3	62.6	43.3	48.8	11.1	11.9	28.8	29.1	5.9	5.8
Q3	62.7	70.6	45.3	49.3	11.8	12.9	29.1	30.5	6.1	6.2
Q4	72.5	69.5	52.0	59.5	14.5	16.1	37.0	35.4	7.8	7.7
2003 Q1	46.6	71.9	42.2	51.1	9.7	12.6	25.2	29.4	5.3	5.6
Q2	59.1	64.6	44.4	50.2	12.0	12.0	26.7	29.1	5.6	5.8
Q3	57.6	74.5	45.3	50.5	12.2	13.1	29.3	30.6	6.1	6.3
Q4	76.3	67.8	49.9	56.5	14.1	15.6	35.6	35.3	7.6	7.6
2004 Q1 p	44.8	73.4	42.4	51.5	11.1	12.8	.	.	.	.

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * See corresponding footnote to Table VIII.1. — 1 Up to 1994, the Bundesbank profit transfer is shown in full; from 1995 onwards, only the DM7 billion envisaged in the budget is shown. From 1995, revenue over and above the envisaged amount accrues directly to the Redemption Fund for

Inherited Liabilities. — 2 Including (eastern and western) Berlin, Bremen and Hamburg. — 3 Unlike the annual figure based on the annual accounts statistics of the Federal Statistical Office, the quarterly figures do not include various special accounts. — 4 Including proceeds from the sale of UMTS licences.

VIII Public finances in Germany

3 Government fiscal position as defined in the national accounts *

Up to end-1998, DM billion; from 1999, € billion

Item	1996	1997	1998	1999	2000 ¹	2001	2002	2003 ^{pe}
Revenue	1,704.0	1,726.8	1,775.9	943.2	965.8	951.2	954.2	961.4
<i>of which</i>								
Taxes	850.0	856.9	897.4	490.4	511.7	488.3	486.0	489.9
Social contributions	696.7	720.1	727.7	375.4	378.4	383.6	389.3	394.8
Expenditure	1,826.6	1,826.5	1,859.6	972.6	989.7	1,009.8	1,031.7	1,042.7
<i>of which</i>								
Intermediate consumption	142.7	140.2	144.1	76.2	78.0	81.0	84.5	83.9
Compensation of employees	319.6	319.0	319.3	165.4	165.9	165.7	168.0	167.9
Interest	131.7	133.2	136.4	68.9	68.4	67.7	66.0	66.7
Social benefits ²	970.7	984.7	998.4	523.1	532.7	549.2	573.1	587.1
Gross capital formation	76.4	69.4	69.9	37.8	37.0	36.8	35.9	31.9
Net lending/net borrowing	- 122.7	- 99.7	- 83.7	- 29.4	- 23.9	- 58.6	- 77.5	- 81.3
as a percentage of GDP	- 3.4	- 2.7	- 2.2	- 1.5	- 1.2	- 2.8	- 3.7	- 3.8
<i>Memo item</i>								
Debt as defined in the								
Maastricht Treaty	2,143.9	2,232.9	2,298.2	1,210.3	1,221.8	1,232.8	1,283.6	1,366.6
as a percentage of GDP	59.8	61.0	60.9	61.2	60.2	59.4	60.9	64.2

Source: Federal Statistical Office. — * Figures in accordance with ESA 95. In contrast to the figures shown by the Federal Statistical Office, totals include (without affecting net lending/net borrowing) customs duties, the EU share in VAT revenue and EU subsidies. — ¹ Adjusted for proceeds from the sale

of UMTS licences. The figures of the Federal Statistical Office record such proceeds (€50.85 billion) under "net increase in non-produced assets", with the result that government expenditure is lower and a surplus (€22.8 billion or 1.1% of GDP) is shown. — ² Including social benefits in kind.

4 Tax revenue of central, state and local government

Up to end-1998, DM million; from 1999, € million

Period	Central and state government and European Union						Local government ⁴		Balance of untransferred tax shares ⁵
	Total	Total ¹	Central government ²	State government		European Union ³	Total	<i>of which</i> Eastern Germany	
				Total	<i>of which</i> Eastern Germany				
1991	661,920	577,150	321,334	224,321	19,139	31,495	84,633	2,540	+ 137
1992	731,738	638,423	356,849	247,372	23,807	34,203	93,374	4,034	- 58
1993	749,119	653,015	360,250	256,131	27,542	36,634	95,809	5,863	+ 295
1994	786,162	688,785	386,145	261,947	32,052	40,692	97,116	7,677	+ 260
1995	814,190	719,332	390,807	288,520	.	40,005	94,498	8,460	+ 359
1996	799,998	706,071	372,390	294,232	.	39,449	94,641	7,175	- 714
1997	797,154	700,739	368,244	290,771	.	41,724	96,531	7,703	- 117
1998	833,013	727,888	379,491	306,127	.	42,271	104,960	8,841	+ 164
1999	453,068	396,734	211,727	164,724	.	20,284	56,333	4,810	+ 1
2000	467,253	410,117	219,034	169,249	.	21,833	57,241	4,895	- 104
2001	446,248	392,189	213,342	159,115	.	19,732	54,047	4,590	+ 12
2002	441,703	389,162	214,371	156,231	.	18,560	52,490	4,769	+ 51
2003	442,235	390,437	214,002	155,510	.	20,925	51,671	4,751	+ 127
2004 Q1 ^p	97,312	84,148	42,010	36,033	.	6,105	9,679	...	+ 3,486
Q2	.	97,988	53,116	40,298	.	4,574	.	.	.
2004 Mar	.	26,916	14,813	10,640	.	1,463	.	.	.
Apr	.	29,375	16,227	12,095	.	1,053	.	.	.
May	.	29,974	16,246	11,964	.	1,764	.	.	.
June	.	38,640	20,644	16,239	.	1,757	.	.	.
July	.	28,561	14,927	11,858	.	1,776	.	.	.

Source: Federal Ministry of Finance. — ¹ Including receipts from the Equalisation of Burdens levies. — ² Before deducting supplementary central government grants and shares in the revenue of mineral oil tax remitted to state government. — ³ Including the additional (GNP-related) revenue accruing to the EU from the central government tax revenue from

1988. — ⁴ Including local government taxes in Berlin, Bremen and Hamburg. — ⁵ Difference between the local government's share in the income taxes received by the state government cash offices in the period in question (see Table VIII.5) and the amounts passed on to local government during the same period.

VIII Public finances in Germany

5 Tax revenue, by type

Up to end-1998, DM million; from 1999, € million

Period	Joint taxes											Local business tax trans- fers 6,7	Central govern- ment taxes 8	State govern- ment taxes 8	EU customs duties	Memo item Local govern- ment share in income taxes 9
	Income taxes 2					Turnover taxes 5,6										
	Total 1	Total	Wage tax 3	As- sessed income tax	Corpora- tion tax	Invest- ment income taxes 4	Total	Value- added tax (VAT)	Turnover tax on imports							
1991	615,506	298,804	214,175	41,532	31,716	11,381	179,672	98,797	80,875	5,986	92,583	29,113	8,307	38,356		
1992	681,751	331,310	247,322	41,531	31,184	11,273	197,712	117,274	80,438	6,923	104,802	32,963	7,742	43,328		
1993	697,988	341,785	257,987	33,234	27,830	22,734	216,306	174,492	41,814	4,181	93,678	34,720	7,240	44,973		
1994	734,234	343,055	266,522	25,510	19,569	31,455	235,698	195,265	40,433	6,271	105,410	36,551	7,173	45,450		
1995	765,374	344,554	282,701	13,997	18,136	29,721	234,622	198,496	36,126	8,412	134,013	36,602	7,117	46,042		
1996	746,958	317,807	251,278	11,616	29,458	25,456	237,208	200,381	36,827	8,945	137,865	38,540	6,592	40,887		
1997	740,272	313,794	248,672	5,764	33,267	26,092	240,900	199,934	40,966	8,732	135,264	34,682	6,900	39,533		
1998	775,028	340,231	258,276	11,116	36,200	34,640	250,214	203,684	46,530	10,284	130,513	37,300	6,486	47,140		
1999	422,012	184,408	133,809	10,887	22,359	17,353	137,155	111,600	25,555	5,463	72,235	19,564	3,186	25,277		
2000	436,115	192,381	135,733	12,225	23,575	20,849	140,871	107,140	33,732	5,521	75,504	18,444	3,394	25,998		
2001	417,358	170,817	132,626	8,771	- 426	29,845	138,935	104,463	34,472	5,510	79,277	19,628	3,191	25,170		
2002	414,008	165,096	132,190	7,541	2,864	22,502	138,195	105,463	32,732	5,752	83,494	18,576	2,896	24,846		
2003	414,846	162,567	133,090	4,568	8,275	16,633	136,996	103,162	33,834	7,085	86,609	18,713	2,877	24,409		
2004 Q1	88,802	32,644	29,518	- 5,808	2,177	6,756	34,243	25,919	8,324	133	15,570	5,522	691	4,654		
Q2	103,712	41,892	29,560	3,054	4,481	4,797	33,673	25,023	8,650	1,317	20,979	5,097	755	5,723		
2004 Mar	27,954	9,347	8,892	- 3,642	3,475	621	9,715	6,726	2,990	5	6,795	1,848	245	1,039		
Apr	30,961	10,717	9,700	- 955	545	1,427	10,775	7,588	3,187	927	6,616	1,663	262	1,586		
May	31,566	10,305	9,859	- 1,225	46	1,626	12,109	9,289	2,821	384	6,989	1,528	251	1,592		
June	41,186	20,870	10,002	5,234	3,891	1,744	10,788	8,146	2,642	5	7,374	1,906	242	2,546		
July	30,246	10,426	10,844	- 1,430	- 350	1,362	10,750	8,329	2,421	943	6,265	1,602	261	1,686		

Source: Federal Ministry of Finance. — 1 This total, unlike that in Table VIII.4, does not include the receipts from the Equalisation of Burdens levies, local business tax on earnings and capital (less local business tax transfers to central and state government), the real property taxes and other local government taxes, or the balance of untransferred tax shares. — 2 From 1980, the revenue from wage tax and assessed income tax has been allocated to central, state and local government in the ratio of 42.5:42.5:15, and revenue from corporation tax and investment income tax has been allocated to central and state government in the ratio of 50:50. — 3 From 1996, after deducting child benefit. — 4 From February 1993, including revenue from the withholding tax on interest income, in which local government has a share of 12%. — 5 In 1998, 3.64% and from 1999, 5.63% was allocated to central government to finance the supplementary grant to

the statutory pension insurance scheme, with 2.2% of the balance accruing to local government; of the residual balance, 50.5% was allocated to central government and 49.5% to state government; in 2000 and 2001, 50.25% was allocated to central government and 49.75% to state government; since 2002 49.6% has been allocated to central government and 50.4% to state government. The EU share must also be deducted from the aforementioned central government share. — 6 Since 1991 the distribution of turnover tax and the level and distribution of local business tax transfers have been affected by the financing of the debt service of the German Unity Fund. — 7 Central government and state government 50% each. From 1998, central government 42.2%, state government 57.8%. — 8 For the breakdown, see Table VIII.6. — 9 From 1998, including the share in turnover taxes.

6 Specific taxes levied by central, state and local government

Up to end-1998, DM million; from 1999, € million

Period	Central government taxes					State government taxes					Local government taxes			
	Mineral oil tax	Tobacco tax	Spirits tax	Insur- ance tax	Electri- city tax	Other central govern- ment taxes 1	Motor vehicle tax	Wealth tax	Inheri- tance tax	Beer tax	Other state govern- ment taxes	Local busi- ness tax 2	Real property taxes	Other local govern- ment taxes 3
1991	47,266	19,592	5,648	5,862	.	14,215	11,012	6,729	2,636	1,647	7,090	41,297	9,921	1,181
1992	55,166	19,253	5,545	8,094	.	16,744	13,317	6,750	3,030	1,625	8,241	44,848	10,783	1,281
1993	56,300	19,459	5,134	9,290	.	3,495	14,059	6,784	3,044	1,769	9,065	42,266	11,663	1,383
1994	63,847	20,264	4,889	11,400	.	5,011	14,169	6,627	3,479	1,795	10,482	44,086	12,664	1,445
1995	64,888	20,595	4,837	14,104	.	29,590	13,806	7,855	3,548	1,779	9,613	42,058	13,744	1,426
1996	68,251	20,698	5,085	14,348	.	29,484	13,743	9,035	4,054	1,718	9,990	45,880	14,642	1,463
1997	66,008	21,155	4,662	14,127	.	29,312	14,418	1,757	4,061	1,698	12,749	48,601	15,503	1,509
1998	66,677	21,652	4,426	13,951	.	23,807	15,171	1,063	4,810	1,662	14,594	50,508	16,228	1,532
1999	36,444	11,655	2,233	7,116	1,816	12,973	7,039	537	3,056	846	8,086	27,060	8,636	824
2000	37,826	11,443	2,151	7,243	3,356	13,485	7,015	433	2,982	844	7,171	27,025	8,849	784
2001	40,690	12,072	2,143	7,427	4,322	12,622	8,376	290	3,069	829	7,064	24,534	9,076	790
2002	42,193	13,778	2,149	8,327	5,097	11,951	7,592	239	3,021	811	6,913	23,489	9,261	696
2003	43,188	14,094	2,204	8,870	6,531	11,722	7,336	230	3,373	786	6,989	24,146	9,658	671
2004 Q1 P	4,612	2,376	439	3,834	1,473	2,836	2,091	34	1,197	178	2,021	6,200	2,239	204
Q2	10,599	3,484	502	1,627	1,861	2,905	2,076	13	1,245	201	1,563	.	.	.
2004 Mar	3,296	1,098	161	603	506	1,131	765	9	342	54	678	.	.	.
Apr	3,320	1,326	161	524	508	777	717	4	315	62	566	.	.	.
May	3,828	1,136	169	604	464	789	652	2	329	69	475	.	.	.
June	3,452	1,022	172	499	890	1,339	707	6	601	70	522	.	.	.
July	3,195	1,130	180	420	584	756	692	9	293	76	533	.	.	.

Source: Federal Ministry of Finance. — 1 Other excise taxes and the income and corporation tax surcharge ("solidarity surcharge") levied from mid-1991

until mid-1992, and again since the beginning of 1995. — 2 On earnings and capital. — 3 Including tax-like revenue.

VIII Public finances in Germany

7 General government debt *

Up to end-1998, DM million; from 1999, € million

End of year or month	Total	Bundes- bank advances	Treasury discount paper (Bubills) 1	Treasury notes 2,3	Five-year Federal notes (Bobl) 2	Federal savings notes	Bonds 2	Direct lending by credit institu- tions 4	Loans from non-banks		Old debt		
									Social security funds	Other 4	arising from German unifica- tion 5	Equalisa- tion claims	Other 6
General government													
1998	2,280,154	.	25,631	227,536	199,774	92,698	723,403	894,456	550	26,073	1,249	88,582	202
1999	1,199,975	.	12,594	102,364	120,998	41,621	416,051	450,111	281	10,200	476	45,175	105
2000	1,211,439	.	11,616	109,951	126,276	35,991	438,888	433,443	211	10,524	285	44,146	108
2001	1,223,929	.	23,036	151,401	130,045	26,395	448,148	422,440	174	13,110	85	8,986	108
2002	1,277,630	.	30,815	203,951	137,669	17,898	456,300	404,046	137	18,844	29	7,845	97
2003 June	1,326,312	.	31,165	232,373	150,627	14,284	462,639	401,696	135	25,460	- 4	7,845	92
Sep	1,346,412	.	33,424	237,449	146,729	13,754	469,120	406,758	317	32,071	- 6	6,706	91
Dec	1,358,121	.	36,022	246,414	153,616	12,810	471,129	396,832	341	34,163	- 1	6,711	86
2004 Mar P	1,403,438	.	37,209	260,445	159,735	11,245	485,920	400,897	345	40,890	- 45	6,711	88
Central government 7,8													
1998	957,983	.	24,666	84,760	199,274	92,698	519,718	24,125	-	2,603	1,270	8,684	186
1999	714,069	.	11,553	44,335	120,498	41,621	379,808	67,872	60	2,568	476	45,175	104
2000	715,819	.	11,516	44,678	123,642	35,991	400,490	52,836	29	2,099	285	44,146	107
2001	701,077	.	21,136	59,643	119,911	26,395	416,195	47,111	26	1,481	85	8,986	107
2002	725,405	.	30,227	78,584	127,484	17,898	422,558	39,517	0	1,167	29	7,845	97
2003 June	749,920	.	30,416	82,834	140,442	14,284	428,166	43,744	-	2,102	- 4	7,845	91
Sep	766,213	.	32,892	85,526	136,544	13,754	434,085	49,360	186	7,076	- 6	6,706	90
Dec	767,697	.	35,235	87,538	143,431	12,810	436,194	38,146	223	7,326	- 1	6,711	85
2004 Mar	802,690	.	36,463	88,901	150,050	11,245	450,711	49,888	223	8,456	- 45	6,711	87
June	803,991	.	35,630	92,190	152,957	10,590	453,479	43,026	223	9,144	- 45	6,711	88
State government (western)													
1998	525,380	.	520	83,390	.	.	.	430,709	43	10,716	.	-	2
1999	274,208	.	150	43,033	.	.	.	226,022	23	4,979	.	-	1
2000	282,431	.	-	48,702	.	.	.	227,914	22	5,792	.	.	1
2001	305,788	.	1,800	67,721	.	.	.	228,270	5	7,991	.	.	1
2002	328,390	.	250	97,556	.	.	.	217,333	5	13,246	.	.	1
2003 June	345,390	.	322	116,274	.	.	.	209,820	8	18,966	.	.	1
Sep	348,006	.	322	118,815	.	.	.	208,313	3	20,552	.	.	1
Dec	355,661	.	472	125,356	.	.	.	207,880	4	21,949	.	.	1
2004 Mar P	363,202	.	222	136,105	.	.	.	200,366	4	26,504	.	.	1
State government (eastern)													
1998	98,192	.	445	27,228	.	.	.	70,289	-	230	.	.	.
1999	53,200	.	891	14,517	.	.	.	37,602	-	189	.	.	.
2000	55,712	.	100	16,092	.	.	.	39,339	-	182	.	.	.
2001	58,771	.	100	20,135	.	.	.	37,382	-	1,154	.	.	.
2002	63,782	.	338	23,838	.	.	.	37,739	-	1,867	.	.	.
2003 June	66,910	.	427	28,418	.	.	.	36,204	-	1,861	.	.	.
Sep	66,595	.	211	28,260	.	.	.	36,214	-	1,911	.	.	.
Dec	68,076	.	315	28,833	.	.	.	37,022	-	1,906	.	.	.
2004 Mar P	69,661	.	524	30,752	.	.	.	35,314	-	3,070	.	.	.

For footnotes, see end of the table.

VIII Public finances in Germany

7 General government debt * (cont'd)

Up to end-1998, DM million; from 1999, € million

End of year or month	Total	Bundes- bank advances	Treasury discount paper (Bubills) 1	Treasury notes 2,3	Five-year Federal notes (Bobl) 2	Federal savings notes	Bonds 2	Direct lending by credit institu- tions 4	Loans from non-banks		Old debt		
									Social security funds	Other 4	arising from German unifica- tion 5	Equalisa- tion claims	Other 6
Local government (western) 9													
1998	158,960	.	.	300	.	.	1,330	153,208	119	4,003	.	.	.
1999	81,511	.	.	153	.	.	680	78,726	53	1,898	.	.	.
2000	81,414	.	.	153	.	.	680	78,656	33	1,891	.	.	.
2001	82,203	.	.	153	.	.	629	79,470	29	1,922	.	.	.
2002	84,097	.	.	153	.	.	629	81,307	22	1,986	.	.	.
2003 June	88,000	.	.	153	.	.	578	85,269	20	1,980	.	.	.
Sep	89,250	.	.	153	.	.	578	86,519	20	1,980	.	.	.
Dec	90,906	.	.	77	.	.	603	87,868	19	2,339	.	.	.
2004 Mar P	92,400	.	.	77	.	.	732	89,231	20	2,340	.	.	.
Local government (eastern) 9													
1998	39,873	.	.	225	.	.	460	38,777	255	156	.	.	.
1999	20,726	.	.	51	.	.	335	20,138	124	78	.	.	.
2000	17,048	.	.	51	.	.	335	16,497	114	50	.	.	.
2001	17,005	.	.	-	.	.	284	16,581	107	33	.	.	.
2002	16,745	.	.	-	.	.	284	16,318	102	41	.	.	.
2003 June	16,750	.	.	-	.	.	284	16,326	100	40	.	.	.
Sep	16,850	.	.	-	.	.	284	16,426	100	40	.	.	.
Dec	16,951	.	.	-	.	.	131	16,601	87	132	.	.	.
2004 Mar P	16,900	.	.	-	.	.	131	16,549	90	130	.	.	.
German Unity Fund/Indemnification Fund 7													
1998	79,413	.	-	-	.	.	47,998	30,975	-	440	.	.	.
1999	40,234	.	-	275	500	.	28,978	10,292	-	189	.	.	.
2000	40,629	.	-	275	2,634	.	29,797	7,790	-	133	.	.	.
2001	39,923	.	-	3,748	10,134	.	21,577	4,315	-	149	.	.	.
2002	39,810	.	-	3,820	10,134	.	22,685	3,146	-	26	.	.	.
2003 Mar	40,422	.	-	4,694	10,134	.	23,420	2,175	-	-	.	.	.
June	39,942	.	-	4,694	10,134	.	23,443	1,672	-	-	.	.	.
Sep	40,099	.	-	4,694	10,134	.	24,005	1,266	-	-	.	.	.
Dec	39,568	.	-	4,610	10,134	.	24,032	793	-	-	.	.	.
2004 Mar	40,010	.	-	4,610	9,634	.	24,177	1,589	-	-	.	.	.
June	39,500	.	-	4,538	9,634	.	24,183	1,144	-	-	.	.	.
ERP Special Fund 7													
1998	34,159	.	.	.	.	.	11,944	20,988	-	1,227	.	.	.
1999	16,028	.	.	.	-	.	6,250	9,458	21	299	.	.	.
2000	18,386	.	.	.	-	.	7,585	10,411	13	377	.	.	.
2001	19,161	.	.	.	-	.	9,462	9,310	8	381	.	.	.
2002	19,400	.	.	.	51	.	10,144	8,686	8	512	.	.	.
2003 Mar	19,369	.	.	.	51	.	10,138	8,660	8	512	.	.	.
June	19,399	.	.	.	51	.	10,169	8,660	8	512	.	.	.
Sep	19,399	.	.	.	51	.	10,169	8,660	8	512	.	.	.
Dec	19,261	.	.	.	51	.	10,169	8,522	8	512	.	.	.
2004 Mar	18,576	.	.	.	51	.	10,169	7,960	8	389	.	.	.
June	18,525	.	.	.	51	.	10,169	7,909	8	389	.	.	.
Federal Railways Fund 7,8													
1998	77,246	.	.	-	500	.	31,648	42,488	79	2,531	.	.	.
1999 June	39,231	.	.	-	1,023	.	16,805	20,401	34	968	.	.	.
Debt Processing Fund/Redemption Fund for Inherited Liabilities 7,8													
1998	304,978	.	-	31,633	-	.	110,006	79,226	54	4,167	- 20	79,899	15
1999 June	151,097	.	-	11,127	2,000	.	58,897	36,133	27	2,015	- 9	40,902	4
Equalisation Fund for Safeguarding the Use of Coal 7,8													
1998	3,971	.	.	.	.	.	300	3,671	-	-	.	.	.
1999 June	2,302	.	.	.	.	.	153	2,148	-	-	.	.	.

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * Excluding intergovernment debt. — 1 Predominantly Treasury discount paper (Bubills). — 2 Excluding issuers' holdings of their own securities. — 3 Treasury notes issued by state government include long-term paper. — 4 Mainly loans against borrowers' notes. Including loans raised abroad. Other loans from non-banks, including loans from supplementary public pension funds and liabilities arising from the investment assistance levy. — 5 Old liabilities arising from housing construction and liabilities arising from housing construction by the former GDR's armed forces and from housing construction in connection with the return of the troops of the former USSR stationed in eastern Germany to their home country. —

6 Old debt mainly denominated in foreign currency, in accordance with the London Debts Agreement; excluding debt securities in own portfolios. — 7 In contrast to the capital market statistics, the debt incurred through the joint issuance of Federal securities is recorded here under central government and its special funds in accordance with the agreed distribution ratios. — 8 Since 1 July 1999 central government has assumed joint responsibility for the debts of the Redemption Fund for Inherited Liabilities, the Federal Railways Fund and the Equalisation Fund for Safeguarding the Use of Coal. From July, the aforementioned special funds are recorded under central government. — 9 Data other than year-end figures have been estimated. Including debt of municipal special purpose associations.

VIII Public finances in Germany

8 Change in general government debt *

Item	End of			Net borrowing ¹						
	2002	2003	Mar 2004 p	2002		2003				2004
				Total	Total	Q1	Q2	Q3	Q4	Q1 p
	€ million									
Borrowers										
Central government ²	725,405	767,697	802,690	+ 24,328	+ 42,292	+ 19,995	+ 4,520	+ 16,293	+ 1,484	+ 34,993
German Unity Fund	39,441	39,099	39,620	- 197	- 342	+ 588	- 503	+ 131	- 558	+ 520
ERP Special Fund	19,400	19,261	18,576	+ 239	- 139	- 31	+ 30	-	- 138	- 685
Indemnification Fund	369	469	391	+ 84	+ 100	+ 25	+ 23	+ 26	+ 27	- 79
State government (western)	328,390	355,661	363,202	+ 22,603	+ 27,271	+ 11,596	+ 5,404	+ 2,616	+ 7,655	+ 7,541
State government (eastern)	63,782	68,076	69,661	+ 5,011	+ 4,294	+ 1,183	+ 1,945	- 315	+ 1,481	+ 1,585
Local government (western) ³	84,097	90,906	92,400	+ 2,630	+ 7,439	+ 2,003	+ 1,739	+ 1,154	+ 2,543	+ 1,961
Local government (eastern) ³	16,745	16,951	16,900	- 242	+ 249	- 46	+ 63	+ 111	+ 121	- 30
Total	1,277,630	1,358,121	1,403,438	+ 54,455	+ 81,164	+ 35,311	+ 13,221	+ 20,015	+ 12,616	+ 45,805
Debt by category										
Treasury discount paper (Bubills) ⁴	30,815	36,022	37,209	+ 7,779	+ 5,207	- 185	+ 535	+ 2,258	+ 2,598	+ 1,187
Treasury notes ⁵	203,951	246,414	260,445	+ 52,551	+ 42,463	+ 16,486	+ 11,936	+ 5,075	+ 8,965	+ 14,031
Five-year Federal notes (Bobls) ⁵	137,669	153,616	159,735	+ 7,623	+ 15,947	+ 5,504	+ 7,455	- 3,898	+ 6,887	+ 6,119
Federal savings notes	17,898	12,810	11,245	- 8,497	- 5,088	- 2,464	- 1,150	- 530	- 944	- 1,565
Bonds ⁵	456,300	471,129	485,920	+ 8,152	+ 14,829	+ 13,266	- 6,927	+ 6,481	+ 2,008	+ 14,792
Direct lending by credit institutions ⁶	404,046	396,832	400,897	- 17,640	- 6,541	- 945	- 1,554	+ 4,977	- 9,019	+ 4,553
Loans from social security funds	137	341	345	- 37	+ 204	- 2	+ 1	+ 181	+ 24	+ 4
Other loans ⁶	18,803	34,122	40,849	+ 5,733	+ 15,319	+ 3,684	+ 2,932	+ 6,611	+ 2,092	+ 6,727
Old debt ⁷	126	85	43	- 67	- 41	- 33	- 6	- 3	+ 0	- 42
Equalisation claims	7,845	6,711	6,711	- 1,142	- 1,134	-	+ 0	- 1,139	+ 5	+ 0
Investment assistance levy	41	41	41	- 0	- 0	+ 0	- 0	- 0	+ 0	-
Total	1,277,630	1,358,121	1,403,438	+ 54,455	+ 81,164	+ 35,311	+ 13,221	+ 20,015	+ 12,616	+ 45,805
Creditors										
Banking system										
Bundesbank	4,440	4,440	4,440	-	-	-	-	-	-	-
Credit institutions	532,600	524,800	550,400	- 746	- 7,127	+ 13,319	- 8,968	+ 2,215	- 13,693	+ 26,088
Domestic non-banks										
Social security funds	137	341	345	- 37	+ 204	- 2	+ 1	+ 181	+ 24	+ 4
Other ⁸	228,653	289,840	292,653	+ 1,438	+ 61,187	+ 2,594	+ 9,788	+ 17,919	+ 30,885	+ 2,813
Foreign creditors ^{9e}	511,800	538,700	555,600	+ 53,800	+ 26,900	+ 19,400	+ 12,400	- 300	- 4,600	+ 16,900
Total	1,277,630	1,358,121	1,403,438	+ 54,455	+ 81,164	+ 35,311	+ 13,221	+ 20,015	+ 12,616	+ 45,805

Source: Bundesbank calculations based on data from the Federal Statistical Office. — * Excluding intergovernment debt. — ¹ Net borrowing differs from the change in debt, which includes the assumption and transfer of debts. — ² See Table VIII.7, footnote 8. — ³ Data other than year-end figures have been estimated. Including debt of municipal special purpose associations. — ⁴ Excluding mobilisation and liquidity paper. Predominantly Treasury discount paper (Bubills). — ⁵ Excluding issuers' holdings of their

own securities. — ⁶ Including loans raised abroad. — ⁷ Old liabilities arising from housing construction and liabilities arising from the housing construction of the former GDR's armed forces and from housing construction in connection with the return of the troops of the former USSR stationed in eastern Germany to their home country, and old debt in accordance with the London Debts Agreement. — ⁸ Ascertained as a residual.

9 Loans raised by general government against borrowers' notes

Up to end-1998, DM million; from 1999, € million

End of year or month	Total ¹	Central government ^{2,3}	German Unity Fund	ERP Special Fund	State government	Local government ^{4,5}	Federal Railways Fund ³	Redemption Fund for Inherited Liabilities ³	Equalisation Fund for Safeguarding the Use of Coal ³
1998	898,030	23,094	31,415	22,215	504,148	184,942	45,098	83,447	3,671
1999	444,031	64,704	10,481	9,778	264,158	94,909	-	-	-
2000	431,364	54,731	7,178	10,801	268,362	90,292	-	-	-
2001	416,067	44,791	4,464	9,699	267,988	89,126	-	-	-
2002	398,910	34,636	3,172	9,205	262,840	89,057	-	-	-
2003 Mar	396,685	33,202	1,585	9,180	264,827	87,892	-	-	-
June	396,008	33,375	1,329	9,180	263,083	89,041	-	-	-
Sep	398,318	38,309	793	9,180	260,264	89,773	-	-	-
Dec	399,304	38,410	793	9,042	260,046	91,013	-	-	-
2004 Mar p	396,842	38,307	793	8,357	258,808	90,578	-	-	-

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

³ See Table VIII.7, footnote 8. — ⁴ Data other than year-end figures have been estimated. Including municipal special purpose associations. — ⁵ Including contractually agreed loans.

VIII Public finances in Germany

10 Central government debt

Up to end-1998, DM million; from 1999, € million

End of year or month	Treasury discount paper (Bubills) 1			Federal Treasury notes (Schätze) 2	Five-year Federal notes (Bobs) 2	Federal savings notes	Federal bonds (Bunds) 2	Direct lending by credit institutions 3,4	Indebtedness to non-banks		Old debt		
	Total	of which Federal Treasury financing paper	Federal Treasury notes (Schätze) 2						Social security funds	Other 3,5,6	arising from German unification 7	Equalisation claims	Other 8
1996	839,883	26,789	7,166	55,289	176,164	96,391	434,295	32,988	5	7,766	1,330	8,684	183
1997	905,691	25,286	5,221	78,848	177,721	99,317	481,619	31,845	5	870	1,300	8,684	197
1998	957,983	24,666	4,558	84,760	199,274	92,698	519,718	24,125	-	2,603	1,270	8,684	186
1999 9	714,069	11,553	1,584	44,335	120,498	41,621	379,808	67,872	60	2,568	476	45,175	104
2000	715,819	11,516	1,805	44,678	123,642	35,991	400,490	52,836	29	2,099	285	44,146	107
2001	701,077	21,136	1,658	59,643	119,911	26,395	416,195	47,111	26	1,481	85	8,986	107
2002	725,405	30,227	1,618	78,584	127,484	17,898	422,558	39,517	0	1,167	29	7,845	97
2003	767,697	35,235	1,240	87,538	143,431	12,810	436,194	38,146	223	7,326	-1	6,711	85
2003 Aug	764,368	31,420	1,206	88,295	135,298	13,754	433,479	53,227	-	2,102	-7	6,706	93
Sep	766,213	32,892	1,229	85,526	136,544	13,754	434,085	49,360	186	7,076	-6	6,706	90
Oct	769,146	33,239	1,218	90,274	142,861	12,761	439,993	35,959	186	7,076	2	6,706	89
Nov	769,493	34,180	1,215	90,637	143,575	12,792	436,109	38,142	186	7,076	2	6,706	87
Dec	767,697	35,235	1,240	87,538	143,431	12,810	436,194	38,146	223	7,326	-1	6,711	85
2004 Jan	786,023	35,941	1,229	92,560	143,816	11,830	448,242	39,290	223	7,326	-1	6,711	86
Feb	789,107	35,197	1,208	92,768	144,190	11,212	453,213	38,183	223	7,326	-1	6,711	86
Mar	802,690	36,463	1,178	88,901	150,050	11,245	450,711	49,888	223	8,456	-45	6,711	87
Apr	798,786	35,616	1,128	95,468	150,031	10,786	449,577	41,875	223	8,456	-45	6,711	88
May	804,270	36,639	1,096	95,913	152,810	10,575	452,391	40,513	223	8,456	-46	6,708	88
June	803,991	35,630	1,105	92,190	152,957	10,590	453,479	43,026	223	9,144	-45	6,711	88
July	821,291	35,744	1,111	97,599	153,362	10,439	461,338	47,829	223	9,144	-45	5,572	88
Aug P	825,472	35,324	1,066	98,285	155,881	10,512	469,476	41,013	223	9,144	-45	5,572	88

1 Excluding mobilisation and liquidity paper. In November 1999, including cash bills. — 2 Excluding issuers' holdings of their own securities. — 3 Including loans raised abroad. — 4 Including money market loans. — 5 Including loans granted by supplementary pension funds for government employees. — 6 Including liabilities arising from the investment assistance levy. — 7 Assumption of liabilities arising from housing construction for the former GDR's armed forces and from housing construction in connection

with the return of the troops of the former USSR stationed in eastern Germany to their home country. — 8 Commutation and compensation debt and old debt mainly denominated in foreign currency. — 9 Since 1 July 1999 central government has assumed joint responsibility for the debts of the Redemption Fund for Inherited Liabilities, the Federal Railways Fund and the Equalisation Fund for Safeguarding the Use of Coal. From July 1999, the aforementioned special funds are included under central government.

11 Central government borrowing in the market

Up to end-1998, DM million; from 1999, € million

Period	Total new borrowing		of which						Loans against borrowers' notes		Money market loans	Change in money market deposits
	Gross 1	Net	Federal bonds (Bunds)		Five-year Federal notes (Bobs)		Other securities 2		Gross	Net		
			Gross 1	Net	Gross 1	Net	Gross 1	Net				
1996	+ 185,696	+ 83,049	+ 54,038	+ 31,988	+ 45,445	+ 5,445	+ 67,015	+ 39,586	+ 15,050	+ 1,906	+ 4,148	+ 6,548
1997	+ 250,074	+ 65,808	+ 79,323	+ 47,323	+ 59,557	+ 1,557	+ 98,275	+ 24,983	+ 12,950	- 8,009	+ 30	- 3,304
1998	+ 228,050	+ 52,292	+ 78,304	+ 38,099	+ 55,078	+ 21,553	+ 85,706	- 1,327	+ 12,023	- 2,927	- 3,065	- 5,440
1999	+ 139,865	+ 31,631	+ 53,931	+ 114,080	+ 22,229	+ 18,610	+ 44,904	- 5,836	+ 14,861	+ 52,897	+ 3,937	+ 1,832
2000	+ 122,725	+ 1,750	+ 49,395	+ 20,682	+ 26,342	+ 3,144	+ 45,278	- 5,323	+ 7,273	- 9,973	- 5,563	- 940
2001	+ 135,018	- 14,741	+ 36,511	+ 15,705	+ 19,603	- 3,730	+ 69,971	+ 14,989	+ 5,337	- 9,941	+ 3,595	- 1,495
2002	+ 178,203	+ 24,328	+ 41,378	+ 6,364	+ 36,037	+ 7,572	+ 93,853	+ 19,535	+ 4,716	- 10,155	+ 2,221	+ 22
2003	+ 227,078	+ 42,292	+ 62,535	+ 13,636	+ 42,327	+ 15,947	+ 109,500	+ 8,874	+ 11,480	+ 3,775	+ 1,236	+ 7,218
2003 Jan-Aug	+ 161,428	+ 38,963	+ 46,109	+ 10,921	+ 28,229	+ 7,815	+ 67,106	+ 6,760	+ 8,715	+ 3,375	+ 11,270	+ 524
2004 Jan-Aug P	+ 165,997	+ 57,775	+ 46,535	+ 33,282	+ 26,252	+ 12,450	+ 83,448	+ 8,538	+ 4,903	- 174	+ 4,859	+ 11,931
2003 Aug	+ 15,812	+ 3,976	+ 7,161	+ 7,161	+ 657	- 5,859	+ 6,329	+ 1,134	+ 1,440	+ 1,315	+ 225	+ 328
Sep	+ 23,605	+ 1,845	+ 6,694	+ 606	+ 1,246	+ 1,246	+ 13,693	- 1,297	+ 977	+ 298	+ 995	- 73
Oct	+ 11,968	+ 2,933	+ 8,442	+ 5,908	+ 6,317	+ 6,317	+ 10,100	+ 4,102	+ 296	- 214	- 13,187	- 188
Nov	+ 17,180	+ 347	+ 1,205	- 3,883	+ 6,680	+ 715	+ 6,311	+ 1,335	+ 394	- 408	+ 2,590	- 189
Dec	+ 12,897	- 1,796	+ 85	+ 85	- 145	- 145	+ 12,290	- 2,026	+ 1,099	+ 723	- 432	+ 7,144
2004 Jan	+ 26,811	+ 18,326	+ 12,047	+ 12,048	+ 385	+ 385	+ 11,926	+ 4,748	+ 533	- 776	+ 1,920	- 321
Feb	+ 17,553	+ 3,084	+ 4,971	+ 4,971	+ 7,849	+ 375	+ 5,535	- 1,156	+ 760	+ 456	- 1,563	- 1,186
Mar	+ 36,156	+ 13,583	+ 1,580	- 2,502	+ 5,860	+ 5,860	+ 15,425	- 2,567	+ 673	+ 217	+ 12,619	+ 6,423
Apr	+ 3,991	- 3,904	- 1,135	- 1,135	- 19	- 19	+ 11,797	+ 5,262	+ 855	- 507	- 7,507	- 5,683
May	+ 17,688	+ 5,484	+ 6,903	+ 2,815	+ 4,133	+ 2,779	+ 7,549	+ 1,257	+ 448	- 17	+ 1,345	+ 3,254
June	+ 17,741	- 279	+ 1,087	+ 1,087	+ 146	+ 146	+ 13,163	- 4,717	+ 187	+ 44	+ 3,157	+ 87
July	+ 30,551	+ 17,300	+ 12,942	+ 7,859	+ 405	+ 405	+ 11,629	+ 5,371	+ 1,111	+ 340	+ 4,464	+ 7,072
Aug P	+ 15,506	+ 4,181	+ 8,139	+ 8,139	+ 7,493	+ 2,519	+ 6,425	+ 339	+ 335	+ 70	- 6,886	+ 2,285

1 After deduction of repurchases. — 2 Federal Treasury notes (Schätze), Federal savings notes, Treasury discount paper (Bubills), Federal Treasury financing paper.

VIII Public finances in Germany

12 Revenue, expenditure and assets of the wage and salary earners' pension insurance fund

Up to end-1998, DM million; from 1999, € million

Period	Revenue 1			Expenditure 1			Balance of revenue and expenditure	Assets 5				Memo item Administrative assets	
	Total	of which		Total	of which			Total	Deposits 6	Securities	Mortgage and other loans 7		Real estate
		Contributions 2	Payments from central government		Pension payments 3	Pensioners' health insurance 4							
Germany													
1993	290,393	232,408	52,671	298,065	252,920	15,898	- 7,672	39,786	29,957	8,499	1,100	229	6,297
1994	322,335	256,662	61,891	324,323	273,880	17,751	- 1,988	33,578	24,194	8,170	909	305	6,890
1995	338,185	270,294	64,387	348,115	294,034	20,285	- 9,930	21,756	16,801	3,948	746	262	7,800
1996 8	353,672	282,616	68,388	362,667	305,780	21,660	- 8,995	14,456	9,608	2,119	2,500	229	8,863
1997	374,853	297,402	74,961	372,955	316,511	23,280	+ 1,898	14,659	10,179	1,878	2,372	230	9,261
1998	389,101	297,827	88,755	385,707	327,823	24,393	+ 3,394	18,194	14,201	1,493	2,274	226	9,573
1999	208,173	152,206	54,628	203,295	172,919	12,950	+ 4,878	13,623	11,559	824	1,127	114	4,904
2000	211,137	150,712	58,862	210,558	178,599	13,365	+ 579	14,350	11,459	1,676	1,105	110	4,889
2001 8	216,927	152,048	63,093	217,497	184,730	13,762	- 570	13,973	10,646	1,517	1,699	111	4,917
2002	221,563	152,810	66,958	225,689	191,133	14,498	- 4,126	9,826	6,943	1,072	1,685	126	4,878
2003	229,371	156,510	71,447	231,362	196,038	15,178	- 1,991	7,641	5,017	816	1,682	126	4,862
2002 Q2	54,621	37,404	16,780	55,560	47,012	3,508	- 939	10,663	7,490	1,366	1,696	111	4,954
Q3	55,043	37,938	16,614	57,105	48,276	3,704	- 2,062	8,911	5,919	1,182	1,689	121	4,947
Q4	58,392	41,409	16,585	57,549	48,441	3,898	+ 843	9,826	6,943	1,072	1,685	126	4,878
2003 Q1	55,374	37,289	17,761	57,255	48,883	3,727	- 1,881	8,686	5,649	1,230	1,685	122	4,874
Q2	56,442	38,349	17,749	57,396	48,763	3,735	- 954	7,698	4,906	980	1,686	126	4,867
Q3	57,241	39,085	17,830	58,256	49,409	3,858	- 1,015	6,348	3,822	727	1,683	116	4,855
Q4	59,796	41,772	17,703	58,269	49,363	3,916	+ 1,527	7,641	5,017	816	1,682	126	4,862
2004 Q1	55,431	37,289	17,846	58,350	49,858	3,873	- 2,919	6,196	3,693	695	1,681	127	4,866
Q2	56,665	38,446	17,873	57,794	49,437	3,416	- 1,129	3,750	1,914	28	1,682	126	4,892

Source: Federal Minister of Labour and Social Affairs and Association of German Pension Insurance Funds. — 1 The annual figures do not tally with the sum of the quarterly figures, as the latter are all provisional. From 1993, including financial compensation payments. Excluding investment spending and proceeds. — 2 Including contributions for recipients of government cash benefits. — 3 Payments by pension insurance funds to health insurance institutions under section 50 of the Social Security Code V have been

deducted from pension payments. — 4 From 1995, including long-term care insurance for pensioners. — 5 Largely corresponds to fluctuation reserves. End of year or quarter. From 1992, figures for the whole of Germany. — 6 Including cash. — 7 Excluding loans to other social security funds; including participating interests. — 8 Excluding income arising from the revaluation of participating interests.

13 Revenue and expenditure of the Federal Employment Agency

Up to end-1998, DM million; from 1999, € million

Period	Revenue			Expenditure						Balance	Grant or working capital loans from central government		
	Total 1	of which		Total	of which								
		Contributions	Levies 2		Total	Unemployment support 3,4			Job promotion 4,5			Promotion of winter construction	
						Western Germany	Eastern Germany	Total	Western Germany				Eastern Germany
Germany													
1993	85,109	79,895	1,829	109,536	48,005	34,149	13,856	36,891	15,895	20,996	1,919	- 24,426	24,419
1994	89,658	81,536	3,822	99,863	48,342	35,163	13,179	31,273	14,382	16,891	1,822	- 10,205	10,142
1995	90,211	84,354	2,957	97,103	49,254	36,161	13,094	34,441	16,745	17,696	1,586	- 6,892	6,887
1996	91,825	85,073	3,346	105,588	57,123	40,186	16,938	36,478	18,368	18,111	903	- 13,763	13,756
1997	93,149	85,793	2,959	102,723	60,273	40,309	19,964	31,418	16,117	15,301	443	- 9,574	9,574
1998	91,088	86,165	2,868	98,852	53,483	35,128	18,355	34,279	16,784	17,496	471	- 7,764	7,719
1999	47,954	45,141	1,467	51,694	25,177	16,604	8,573	20,558	10,480	10,078	279	- 3,740	3,739
2000	49,606	46,359	1,403	50,473	23,946	15,615	8,331	20,324	10,534	9,790	294	- 868	867
2001	50,682	47,337	1,640	52,613	25,036	16,743	8,294	20,713	11,094	9,619	268	- 1,931	1,931
2002	50,885	47,405	2,088	56,508	27,610	19,751	7,860	21,011	11,568	9,443	245	- 5,623	5,623
2003	50,635	47,337	2,081	56,850	29,735	21,528	8,207	19,155	10,564	8,591	272	- 6,215	6,215
2002 Q1	11,502	11,188	51	13,093	6,587	4,608	1,979	4,665	2,523	2,142	139	- 1,591	3,720
Q2	12,200	11,459	433	14,141	7,098	5,005	2,093	5,230	2,903	2,327	97	- 1,941	2,200
Q3	12,710	11,808	528	13,905	6,708	4,839	1,869	5,182	2,849	2,334	7	- 1,195	854
Q4	14,473	12,951	1,077	15,369	7,218	5,299	1,919	5,933	3,293	2,640	2	- 896	- 1,151
2003 Q1	11,617	11,281	48	14,408	7,647	5,422	2,225	4,785	2,576	2,209	180	- 2,790	5,151
Q2	12,272	11,487	536	14,667	7,975	5,708	2,267	4,721	2,623	2,098	84	- 2,395	2,408
Q3	12,828	11,797	619	13,645	7,251	5,313	1,938	4,453	2,462	1,991	7	- 817	514
Q4	13,917	12,773	878	14,131	6,863	5,086	1,777	5,196	2,903	2,293	1	- 214	- 1,858
2004 Q1	11,524	11,261	47	14,448	8,200	6,001	2,199	4,389	2,491	1,898	144	- 2,924	5,244
Q2	12,042	11,419	394	13,949	7,782	5,673	2,109	4,268	2,510	1,758	67	- 1,907	1,946

Source: Federal Employment Agency. — 1 Excluding central government liquidity assistance. — 2 Levies to promote winter construction and to pay insolvency compensation to employees. — 3 Unemployment benefit, short-time working benefit. — 4 Including contributions to the statutory health insurance funds and statutory pension insurance scheme. From 2003, the January contributions to the statutory pension insurance scheme for

recipients of wage substitutes are paid in January instead of in December. — 5 Vocational training, measures to encourage job take-up, rehabilitation, job creation measures, subsidies granted to Personnel Service Agencies (PSAs), compensation top-up payments and business start-up grants.

IX Economic conditions

1 Origin and use of domestic product, distribution of national income Germany

Item	2000	2001	2002	2003	1st half 2004	2001	2002	2003	1st half 2004	2000	2001	2002	2003
	€ billion					Annual percentage change				Percentage of total			
At 1995 prices													
I Origin of domestic product													
Production sector (excluding construction)	450.5	444.6	443.0	445.0	227.1	- 1.3	- 0.4	0.5	- 4.6	22.9	22.4	22.3	22.4
Construction	102.6	96.9	92.3	88.2	41.5	- 5.6	- 4.8	- 4.4	- 0.3	5.2	4.9	4.6	4.4
Wholesale/retail trade, hotel and restaurant services, transport and storage ¹	345.9	359.4	364.5	367.8	183.4	3.9	1.4	0.9	2.5	17.6	18.1	18.3	18.5
Financing, renting and business services ²	572.9	594.6	595.2	598.5	299.1	3.8	0.1	0.5	1.3	29.1	29.9	29.9	30.1
Public and private services ³	390.1	390.8	397.1	395.4	197.6	0.2	1.6	- 0.4	0.2	19.8	19.7	20.0	19.9
All economic sectors	1,886.5	1,910.9	1,916.2	1,918.9	960.9	1.3	0.3	0.1	2.0	95.8	96.2	96.4	96.7
<i>Memo item:</i> Enterprise sector	1,657.7	1,683.0	1,688.5	1,693.3	848.6	1.5	0.3	0.3	2.4	84.2	84.7	85.0	85.3
Economic sectors, adjusted ⁴	1,786.2	1,805.9	1,811.3	1,812.7	907.2	1.1	0.3	0.1	2.1	90.7	90.9	91.1	91.3
Gross domestic product	1,969.5	1,986.0	1,987.6	1,985.2	993.2	0.8	0.1	- 0.1	1.8	100	100	100	100
II Use of domestic product													
Private consumption ⁵	1,121.2	1,140.7	1,132.5	1,132.5	555.2	1.7	- 0.7	0.0	- 0.4	56.9	57.4	57.0	57.0
Government consumption	378.6	382.4	389.8	390.2	192.0	1.0	1.9	0.1	0.1	19.2	19.3	19.6	19.7
Machinery and equipment	176.5	167.8	153.4	151.2	70.6	- 4.9	- 8.6	- 1.4	- 1.2	9.0	8.4	7.7	7.6
Premises	242.1	230.5	217.2	210.1	98.6	- 4.8	- 5.8	- 3.2	- 0.8	12.3	11.6	10.9	10.6
Other investment ⁶	25.5	26.9	27.3	27.8	13.8	5.5	1.4	1.7	2.2	1.3	1.4	1.4	1.4
Changes in inventories ⁷	- 7.7	- 26.9	- 35.5	- 18.1	2.2	.	.	.	.	- 0.4	- 1.4	- 1.8	- 0.9
Domestic use	1,936.3	1,921.6	1,884.5	1,893.7	932.5	- 0.8	- 1.9	0.5	- 0.2	98.3	96.8	94.8	95.4
Net exports	33.2	64.5	103.1	91.5	60.8	.	.	.	.	1.7	3.2	5.2	4.6
Exports	660.4	698.1	726.6	740.0	397.7	5.7	4.1	1.8	10.1	33.5	35.2	36.6	37.3
Imports	627.3	633.7	623.5	648.5	337.0	1.0	- 1.6	4.0	5.6	31.8	31.9	31.4	32.7
Gross domestic product	1,969.5	1,986.0	1,987.6	1,985.2	993.2	0.8	0.1	- 0.1	1.8	100	100	100	100
At current prices													
III Use of domestic product													
Private consumption ⁵	1,196.8	1,237.2	1,242.2	1,255.3	623.7	3.4	0.4	1.1	1.2	59.0	59.7	58.9	59.0
Government consumption	385.8	394.2	405.4	408.5	193.9	2.2	2.8	0.8	- 0.3	19.0	19.0	19.2	19.2
Machinery and equipment	176.7	167.4	151.9	146.9	68.5	- 5.3	- 9.3	- 3.2	- 2.2	8.7	8.1	7.2	6.9
Premises	240.2	228.9	215.4	208.3	98.7	- 4.7	- 5.9	- 3.3	- 0.0	11.8	11.0	10.2	9.8
Other investment ⁶	23.2	24.3	24.5	24.5	12.0	5.0	0.6	0.2	0.3	1.1	1.2	1.2	1.2
Changes in inventories ⁷	- 0.6	- 19.3	- 26.9	- 7.6	10.5	.	.	.	.	- 0.0	- 0.9	- 1.3	- 0.4
Domestic use	2,022.0	2,032.8	2,012.5	2,036.0	1,007.3	0.5	- 1.0	1.2	0.7	99.6	98.0	95.5	95.7
Net exports	8.0	41.2	94.8	92.2	63.4	.	.	.	.	0.4	2.0	4.5	4.3
Exports	685.3	730.7	761.6	769.3	412.7	6.6	4.2	1.0	9.2	33.8	35.2	36.1	36.1
Imports	677.3	689.5	666.8	677.1	349.2	1.8	- 3.3	1.5	3.5	33.4	33.2	31.6	31.8
Gross domestic product	2,030.0	2,074.0	2,107.3	2,128.2	1,070.7	2.2	1.6	1.0	2.9	100	100	100	100
IV Prices (1995 = 100)													
Private consumption	106.7	108.5	109.7	110.8	112.3	1.6	1.1	1.0	1.6	.	.	.	.
Gross domestic product	103.1	104.4	106.0	107.2	107.8	1.3	1.5	1.1	1.1	.	.	.	.
Terms of trade	96.1	96.2	98.0	99.6	100.1	0.1	1.9	1.6	1.2	.	.	.	.
V Distribution of national income													
Compensation of employees	1,099.1	1,120.8	1,129.4	1,132.2	537.2	2.0	0.8	0.2	- 0.1	72.8	72.9	72.8	72.1
Entrepreneurial and property income	410.4	417.6	422.4	437.1	252.2	1.7	1.2	3.5	14.8	27.2	27.1	27.2	27.9
National income	1,509.5	1,538.4	1,551.9	1,569.3	789.4	1.9	0.9	1.1	4.2	100	100	100	100
<i>Memo item:</i> Gross national income	2,021.2	2,062.9	2,088.1	2,114.2	1,064.0	2.1	1.2	1.2	3.3	.	.	.	.

Source: Federal Statistical Office; figures computed in August 2004. — 1 Including communication services. — 2 Financial intermediation, real estate activities, renting and business services. — 3 Including care-at-home services. — 4 Gross value added after deduction of assumed bank charges, but ex-

cluding taxes on products (offset against subsidies on products). — 5 Including non-profit institutions serving households. — 6 Intangible fixed asset formation (inter alia, computer software and entertainment, literary or artistic originals) and cultivated assets. — 7 Including net increase in valuables.

IX Economic conditions

2 Output in the production sector
Germany

Adjusted for working-day variations ◦

Production sector, total	of which											
	Construc- tion 2	Energy 3	Industry 1									
			Total	of which: by main industrial grouping				of which: by economic sector				
			Inter- mediate goods 4	Capital goods 5	Durable goods	Non- durable goods 6	Chemicals and chemical products	Basic metals	Machinery and equipment	Motor vehicles, trailers and semi- trailers		
2000 = 100												
1999	95.3	103.7	100.2	94.0	94.5	91.1	96.2	98.5	97.2	92.4	93.3	89.8
2000	99.9	100.0	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9	99.9
2001	99.5	92.4	97.3	100.4	99.4	102.3	100.4	98.8	98.0	101.1	102.1	104.0
2002	98.3	89.0	97.4	99.3	98.9	101.1	92.0	98.2	101.7	101.8	99.5	105.4
2003	98.4	85.1	99.8	99.5	99.5	102.0	87.2	97.4	102.0	99.9	97.8	107.6
2002 Nov	105.8	96.2	103.1	107.0	104.3	110.9	103.5	105.8	102.1	105.3	105.7	119.9
Dec	92.6	63.4	106.6	93.7	84.5	105.4	83.3	92.8	88.3	81.5	118.6	90.6
2003 Jan	90.3	51.8	110.3	91.7	93.9	89.9	82.0	92.9	102.6	101.0	80.7	101.9
Feb	92.4	51.5	104.1	94.9	94.2	98.3	87.1	91.7	98.3	100.1	91.4	110.9
Mar	104.6	83.8	109.0	106.0	105.9	110.0	97.1	100.6	112.0	110.4	103.5	121.4
Apr	98.4	92.1	100.3	98.7	100.4	99.4	85.7	96.7	105.6	102.9	93.2	108.9
May	96.0	91.2	95.3	96.5	98.9	97.3	79.8	93.9	102.5	101.3	91.8	106.9
June	100.0	98.6	91.6	101.0	102.5	103.4	83.5	97.4	103.4	97.7	102.0	106.8
July	100.4	102.3	90.5	101.3	102.5	103.1	85.8	96.7	105.1	101.7	98.9	108.7
Aug	90.0	89.8	90.4	90.0	93.1	86.6	67.2	95.4	98.8	88.2	85.6	80.0
Sep	102.3	100.9	92.2	103.5	103.3	106.6	97.2	99.1	97.6	101.6	104.4	110.8
Oct	105.1	99.3	102.2	106.0	106.9	106.3	97.9	105.2	104.0	107.3	98.1	112.3
Nov	106.4	93.1	104.6	107.8	105.3	113.9	100.1	103.2	101.4	103.2	105.9	125.1
Dec	95.0	67.0	107.0	96.2	87.1	108.8	82.9	94.2	92.6	83.0	117.9	97.5
2004 Jan	92.0	49.3	115.8	93.3	96.4	90.7	83.4	94.0	101.4	104.5	82.6	98.8
Feb	94.1	56.7	105.8	96.3	98.4	97.0	86.4	92.4	101.0	103.0	87.7	111.7
Mar	7 104.8	7 74.0	109.7	107.2	107.6	111.8	96.0	99.8	107.0	110.7	106.1	123.2
Apr x	7 100.2	7 83.2	102.6	101.5	103.4	103.5	88.5	96.6	105.9	103.8	97.8	114.9
May x	7 99.3	7 84.1	97.5	100.9	102.5	103.8	86.5	95.1	101.1	104.9	98.0	115.8
June x	7 102.8	7 90.2	89.5	105.4	106.1	110.8	87.4	97.5	102.0	110.9	105.7	121.1
July +	7 102.7	7 92.6	92.2	104.7	106.2	107.7	88.4	99.1	105.6	107.4	104.3	113.2
Annual percentage change												
1999	+ 1.1	+ 0.6	+ 0.1	+ 1.2	+ 1.5	+ 1.0	- 0.4	+ 1.9	+ 3.5	- 3.6	- 2.2	+ 3.2
2000	+ 4.8	- 3.6	- 0.3	+ 6.3	+ 5.7	+ 9.7	+ 3.8	+ 1.4	+ 2.8	+ 8.1	+ 7.1	+ 11.2
2001	- 0.4	- 7.6	- 2.6	+ 0.5	- 0.5	+ 2.4	+ 0.5	- 1.1	- 1.9	+ 1.2	+ 2.2	+ 4.1
2002	- 1.2	- 3.7	+ 0.1	- 1.1	- 0.5	- 1.2	- 8.4	- 0.6	+ 3.8	+ 0.7	- 2.5	+ 1.3
2003	+ 0.1	- 4.4	+ 2.5	+ 0.2	+ 0.6	+ 0.9	- 5.2	- 0.8	+ 0.3	- 1.9	- 1.7	+ 2.1
2002 Nov	+ 2.8	- 3.0	- 0.9	+ 3.8	+ 4.1	+ 4.9	- 3.0	+ 2.5	+ 6.6	+ 7.4	+ 2.3	+ 11.4
Dec	+ 0.1	- 12.2	- 3.4	+ 1.3	+ 3.3	+ 0.9	- 8.4	+ 0.3	+ 8.3	+ 6.4	- 1.5	+ 5.2
2003 Jan	+ 0.9	- 9.9	+ 1.2	+ 1.4	+ 2.8	+ 2.3	- 8.5	- 0.9	+ 3.8	+ 3.3	+ 3.5	+ 6.7
Feb	+ 0.4	- 23.0	+ 7.3	+ 1.2	+ 0.3	+ 4.7	- 5.9	- 2.0	- 1.0	+ 1.5	+ 2.1	+ 10.0
Mar	+ 0.8	- 6.6	+ 6.3	+ 0.7	+ 1.4	+ 2.0	- 6.6	- 2.0	+ 1.5	+ 1.8	- 1.3	+ 5.1
Apr	+ 0.3	- 4.5	+ 3.5	+ 0.4	+ 1.1	- 0.3	- 4.9	+ 1.2	+ 3.0	- 1.5	- 4.0	+ 2.9
May	+ 0.4	- 3.8	+ 2.0	+ 0.5	+ 0.6	+ 2.2	- 4.4	- 1.9	± 0.0	- 0.5	- 0.2	+ 5.8
June	- 2.0	- 1.6	+ 5.3	- 2.8	- 0.5	- 5.1	- 12.1	- 0.3	- 0.3	- 8.9	- 6.6	- 7.7
July	+ 1.3	+ 0.2	+ 0.8	+ 1.5	+ 0.9	+ 2.4	+ 1.9	+ 1.1	- 0.4	- 1.8	- 1.2	+ 6.7
Aug	- 2.6	- 4.5	+ 1.2	- 2.8	- 2.4	- 3.8	- 9.2	- 0.5	- 1.1	- 7.3	+ 0.4	- 12.8
Sep	- 2.3	- 3.4	± 0.0	- 2.5	- 2.3	- 2.1	- 6.4	- 3.0	- 5.4	- 5.9	- 4.0	- 3.2
Oct	+ 1.1	- 2.6	+ 0.3	+ 1.4	+ 1.9	+ 2.1	- 2.7	± 0.0	+ 0.1	+ 0.1	- 1.1	+ 0.8
Nov	+ 0.6	- 3.2	+ 1.5	+ 0.7	+ 1.0	+ 2.7	- 3.3	- 2.5	- 0.7	- 2.0	+ 0.2	+ 4.3
Dec	+ 2.6	+ 5.7	+ 0.4	+ 2.7	+ 3.1	+ 3.2	- 0.5	+ 1.5	+ 4.9	+ 1.8	- 0.6	+ 7.6
2004 Jan	+ 1.9	- 4.8	+ 5.0	+ 1.7	+ 2.7	+ 0.9	+ 1.7	+ 1.2	- 1.2	+ 3.5	+ 2.4	- 3.0
Feb	+ 1.8	+ 10.1	+ 1.6	+ 1.5	+ 4.5	- 1.3	+ 0.8	+ 0.8	+ 2.7	+ 2.9	- 4.0	+ 0.7
Mar	7 + 0.2	7 - 11.7	+ 0.6	+ 1.1	+ 1.6	+ 1.6	- 1.1	- 0.8	- 4.5	+ 1.2	+ 2.5	+ 1.5
Apr x	7 + 1.8	7 - 9.7	+ 2.3	+ 2.8	+ 3.0	+ 4.1	+ 3.3	- 0.1	+ 0.3	+ 0.9	+ 4.9	+ 5.5
May x	7 + 3.4	7 - 7.8	+ 2.3	+ 4.6	+ 3.6	+ 6.7	+ 8.4	+ 1.3	- 1.4	+ 3.6	+ 6.8	+ 8.3
June x	7 + 2.8	7 - 8.5	- 2.3	+ 4.4	+ 3.5	+ 7.2	+ 4.7	+ 0.1	- 1.4	+ 13.5	+ 3.6	+ 13.4
July +	7 + 2.3	7 - 9.5	+ 1.9	+ 3.4	+ 3.6	+ 4.5	+ 3.0	+ 0.5	+ 0.5	+ 5.6	+ 5.5	+ 4.1

Source of the unadjusted figures: Federal Statistical Office. — ◦ Using the Census X-12-ARIMA method, version 0.2.8. — 1 Manufacturing sector, unless assigned to the main grouping energy, plus mining and quarrying. — 2 The figures refer to the economic classifications "Site preparation" and "Building of complete constructions or parts thereof; civil engineering". — 3 Electricity, gas, steam and hot water supply, and, in particular, mining of coal and lignite, extraction of crude petroleum and natural gas and manufacture of refined petroleum products. — 4 Including mining and quarrying. — 5 Including manufacture of motor vehicles, trailers and

semi-trailers. — 6 Including printing and service activities related to printing. — 7 Provisional up to adjustment to the figures of the annual overall survey in the construction sector. — x Provisional; adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the second quarter (industry: on average -2.6%). — + Provisional; adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the third quarter (industry: on average, -2.6%).

IX Economic conditions

3 Orders received by industry *

Adjusted for working-day variations ◦

Period	Industry, total		of which				of which					
			Domestic orders		Foreign orders		Intermediate goods		Capital goods 1		Consumer goods 2	
	2000=100	Annual percent-age change	2000=100	Annual percent-age change	2000=100	Annual percent-age change	2000=100	Annual percent-age change	2000=100	Annual percent-age change	2000=100	Annual percent-age change
Germany												
2000	99.9	+ 13.8	99.9	+ 8.2	100.0	+ 21.8	100.0	+ 14.2	100.0	+ 16.3	99.9	+ 4.2
2001	98.3	- 1.6	97.6	- 2.3	99.1	- 0.9	95.9	- 4.1	99.4	- 0.6	101.4	+ 1.5
2002	98.3	± 0.0	94.6	- 3.1	102.8	+ 3.7	96.4	+ 0.5	99.6	+ 0.2	99.0	- 2.4
2003	99.0	+ 0.7	94.7	+ 0.1	104.4	+ 1.6	97.8	+ 1.5	100.7	+ 1.1	95.4	- 3.6
2003 July	97.6	- 0.2	94.9	- 0.9	100.9	+ 0.6	98.1	+ 0.6	98.0	- 0.8	93.8	- 0.7
Aug	89.9	- 2.0	87.3	- 3.5	93.2	± 0.0	89.5	± 0.0	89.5	- 3.1	92.9	- 3.2
Sep	102.9	+ 1.1	98.4	+ 0.1	108.5	+ 2.2	100.9	+ 0.7	104.4	+ 2.6	102.8	- 4.3
Oct	102.7	+ 2.4	99.1	+ 1.5	107.2	+ 3.4	102.5	+ 2.8	102.9	+ 2.4	102.8	+ 0.9
Nov	102.5	+ 0.9	99.2	+ 1.8	106.6	- 0.2	102.1	+ 2.7	104.4	+ 0.8	95.6	- 4.7
Dec	98.0	+ 6.8	89.7	+ 1.5	108.5	+ 12.9	91.1	+ 5.3	106.4	+ 9.0	86.9	+ 1.5
2004 Jan	99.8	+ 1.2	93.7	+ 1.2	107.4	+ 1.1	101.9	+ 3.3	99.8	+ 0.6	93.0	- 3.5
Feb	101.2	+ 2.4	95.9	+ 0.4	107.8	+ 4.8	102.2	+ 5.6	101.2	+ 1.5	98.4	- 3.6
Mar	111.1	+ 5.2	105.2	+ 5.2	118.6	+ 5.4	110.8	+ 5.3	113.1	+ 6.7	103.7	- 1.1
Apr	104.1	+ 7.1	98.0	+ 5.4	111.8	+ 9.1	106.3	+ 9.1	105.2	+ 6.8	92.8	+ 1.6
May	103.9	+ 11.6	95.1	+ 4.5	115.0	+ 20.2	105.0	+ 12.4	107.1	+ 13.3	88.3	+ 2.3
June	105.6	+ 4.9	98.4	+ 3.5	114.6	+ 6.4	107.3	+ 8.9	108.3	+ 2.9	89.3	+ 0.1
July P	105.5	+ 8.1	99.5	+ 4.8	113.1	+ 12.1	106.6	+ 8.7	107.2	+ 9.4	95.4	+ 1.7
Western Germany												
2000	100.0	+ 13.6	99.9	+ 7.8	100.0	+ 21.4	99.9	+ 13.5	100.0	+ 16.3	99.9	+ 3.5
2001	97.8	- 2.2	97.2	- 2.7	98.6	- 1.4	95.1	- 4.8	99.2	- 0.8	101.2	+ 1.3
2002	97.3	- 0.5	93.7	- 3.6	101.6	+ 3.0	95.1	± 0.0	98.9	- 0.3	98.3	- 2.9
2003	97.6	+ 0.3	93.2	- 0.5	102.9	+ 1.3	95.7	+ 0.6	99.9	+ 1.0	94.3	- 4.1
2003 July	96.5	- 1.0	93.7	- 1.7	99.8	- 0.4	95.9	- 0.3	97.8	- 1.6	93.1	- 1.3
Aug	88.6	- 1.8	85.6	- 4.0	92.2	+ 0.9	86.7	- 1.1	89.2	- 2.0	91.9	- 3.6
Sep	101.3	+ 0.2	96.3	- 1.1	107.4	+ 1.8	98.6	- 0.2	103.4	+ 2.0	101.8	- 4.9
Oct	101.1	+ 1.7	97.1	+ 0.6	106.0	+ 3.1	100.1	+ 1.9	101.9	+ 2.0	101.5	+ 0.4
Nov	100.4	+ 0.1	97.4	+ 1.0	103.9	- 1.0	100.0	+ 1.7	102.2	+ 0.1	94.0	- 5.3
Dec	96.0	+ 6.1	88.0	+ 1.3	105.5	+ 11.4	89.7	+ 4.9	103.4	+ 7.9	85.3	+ 0.6
2004 Jan	98.1	+ 0.5	92.4	+ 0.7	105.0	+ 0.4	99.9	+ 4.1	98.4	- 1.0	91.9	- 3.8
Feb	99.8	+ 1.9	94.2	- 0.6	106.5	+ 4.7	100.2	+ 5.1	100.1	+ 1.0	97.5	- 4.1
Mar	109.6	+ 5.2	103.6	+ 4.9	116.9	+ 5.6	108.3	+ 4.7	112.4	+ 7.1	102.6	- 1.3
Apr	102.8	+ 7.2	96.3	+ 5.1	110.7	+ 9.5	103.9	+ 9.1	104.9	+ 7.2	91.3	+ 1.4
May	102.3	+ 11.3	93.0	+ 3.9	113.4	+ 19.6	102.2	+ 11.8	106.2	+ 13.0	86.6	+ 1.9
June	103.6	+ 3.9	96.3	+ 3.3	112.3	+ 4.4	104.5	+ 8.4	106.8	+ 1.5	87.8	- 0.5
July P	104.2	+ 8.0	97.9	+ 4.5	111.8	+ 12.0	104.0	+ 8.4	107.0	+ 9.4	94.1	+ 1.1
Eastern Germany												
2000	100.0	+ 18.2	100.0	+ 13.9	99.9	+ 29.7	99.9	+ 20.7	100.0	+ 16.3	100.0	+ 15.1
2001	104.9	+ 4.9	102.4	+ 2.4	110.9	+ 11.0	106.0	+ 6.1	103.4	+ 3.4	106.1	+ 6.1
2002	111.0	+ 5.8	104.0	+ 1.6	127.8	+ 15.2	111.7	+ 5.4	110.7	+ 7.1	109.4	+ 3.1
2003	117.9	+ 6.2	110.8	+ 6.5	135.1	+ 5.7	122.8	+ 9.9	114.1	+ 3.1	112.7	+ 3.0
2003 July	112.2	+ 11.0	107.5	+ 6.5	123.6	+ 21.8	124.0	+ 10.2	101.3	+ 12.9	106.0	+ 7.9
Aug	108.3	- 3.7	105.5	+ 1.2	115.0	- 13.1	121.1	+ 8.4	94.4	- 17.6	109.8	+ 2.1
Sep	124.3	+ 11.2	121.1	+ 12.3	132.1	+ 8.7	128.4	+ 10.8	121.1	+ 13.5	119.9	+ 4.4
Oct	124.9	+ 9.8	121.1	+ 10.2	134.0	+ 8.9	131.0	+ 12.7	118.7	+ 6.9	123.3	+ 7.5
Nov	132.2	+ 11.2	118.4	+ 9.8	165.3	+ 13.6	127.3	+ 13.1	139.9	+ 10.7	121.6	+ 5.2
Dec	127.3	+ 14.7	108.3	+ 3.3	173.1	+ 37.4	106.9	+ 7.9	152.5	+ 20.4	112.6	+ 14.0
2004 Jan	122.6	+ 8.9	107.8	+ 6.4	158.4	+ 13.3	125.8	- 3.3	122.4	+ 29.3	110.1	- 0.1
Feb	120.7	+ 8.7	114.3	+ 10.4	136.0	+ 5.3	125.4	+ 10.1	117.7	+ 8.0	112.6	+ 5.4
Mar	131.9	+ 6.2	122.6	+ 8.7	154.4	+ 1.7	139.7	+ 10.3	126.2	+ 2.7	121.8	+ 2.5
Apr	121.9	+ 5.9	116.0	+ 7.6	136.0	+ 2.6	135.1	+ 9.6	109.4	+ 1.9	116.0	+ 4.8
May	127.3	+ 16.7	117.6	+ 10.1	150.6	+ 31.3	136.6	+ 16.4	120.4	+ 19.1	114.7	+ 8.0
June	133.6	+ 17.3	120.7	+ 4.5	164.7	+ 49.7	139.4	+ 13.1	132.1	+ 24.9	114.1	+ 7.1
July P	124.2	+ 10.7	116.7	+ 8.6	142.2	+ 15.0	138.1	+ 11.4	111.6	+ 10.2	115.9	+ 9.3

Source of the unadjusted figures: Federal Statistical Office. — * Economic activities of the manufacturing sector, in particular excluding manufacture of food products, beverages, tobacco and refined petroleum products; results for specific operational segments; figures excluding value-added

tax. — ◦ Using the Census X-12-ARIMA method, version 0.2.8. — 1 Including manufacture of motor vehicles, trailers and semi-trailers. — 2 Including printing and service activities related to printing.

IX Economic conditions

4 Orders received by construction *

Adjusted for working-day variations ◊

Period	Germany					Western Germany					Eastern Germany				
	Total	Annual percentage change	Housing construction	Industrial construction ¹	Public sector construction	Total	Annual percentage change	Housing construction	Industrial construction ¹	Public sector construction	Total	Annual percentage change	Housing construction	Industrial construction ¹	Public sector construction
			2000 = 100	2000 = 100	2000 = 100			2000 = 100	2000 = 100	2000 = 100			2000 = 100	2000 = 100	
2000	100.0	- 8.5	100.0	99.9	100.0	99.9	- 7.0	99.9	99.9	100.0	100.0	- 13.4	100.0	99.9	100.0
2001	94.5	- 5.5	82.8	96.9	99.0	97.4	- 2.5	87.6	99.9	100.7	85.2	- 14.8	68.3	86.4	94.2
2002	88.7	- 6.1	72.8	91.5	95.6	90.9	- 6.7	79.6	93.1	95.6	81.7	- 4.1	51.9	85.8	95.7
2003	79.2	- 10.7	67.5	78.5	87.4	80.8	- 11.1	74.5	78.3	87.8	74.2	- 9.2	46.1	79.2	86.2
2003 June	94.4	- 11.3	75.7	91.8	109.0	95.9	- 11.6	83.7	92.1	108.2	89.7	- 9.8	51.4	91.1	111.2
July	90.6	- 3.4	71.2	86.6	107.3	91.1	- 5.5	79.1	85.7	105.1	89.0	+ 4.2	46.9	89.9	113.5
Aug	81.1	- 8.3	67.7	76.1	95.2	81.7	- 6.2	73.8	74.7	94.9	79.2	- 14.3	49.0	81.0	95.7
Sep	91.2	- 10.5	76.3	88.8	103.1	91.2	- 11.8	84.9	85.3	102.3	90.9	- 6.4	50.2	101.3	105.4
Oct	80.1	- 5.2	70.6	75.8	90.8	83.4	- 3.0	79.8	76.4	93.9	69.6	- 13.0	42.6	73.7	81.9
Nov	69.2	- 7.5	62.0	73.5	68.7	71.0	- 3.8	69.5	74.0	68.5	63.1	- 19.0	39.1	71.7	69.3
Dec	69.3	- 12.6	66.7	68.4	71.9	71.1	- 14.4	73.9	68.4	72.5	63.4	- 5.8	44.9	68.3	69.8
2004 Jan	53.2	- 6.2	41.5	65.7	46.6	55.3	- 5.5	47.8	67.6	45.4	46.6	- 9.0	22.1	58.6	49.7
Feb	66.2	+ 2.8	58.3	75.3	60.8	67.3	- 0.3	64.7	79.2	54.9	62.6	+ 15.3	38.8	61.8	77.7
Mar	81.9	- 7.7	70.7	72.7	99.2	83.4	- 9.1	81.0	70.8	99.8	77.0	- 2.5	39.2	79.3	97.4
Apr	77.1	- 6.4	62.8	72.4	91.2	78.7	- 7.3	71.6	73.3	89.5	71.9	- 3.5	36.1	69.4	95.9
May	75.8	- 8.3	66.7	65.2	93.4	77.0	- 5.6	73.8	64.3	94.1	71.9	- 16.6	44.9	68.3	91.5
June	89.6	- 5.1	72.8	82.6	107.9	92.0	- 4.1	82.3	83.7	107.8	82.0	- 8.6	43.9	78.6	108.1

Source of the unadjusted figures: Federal Statistical Office. — * Values exclusive of value-added tax. The figures refer to the economic classifications "Site preparation" and "Building of complete constructions or parts there-

of; civil engineering". — ◊ Bundesbank calculation. — 1 Including the railways and post office.

5 Retail trade turnover *
Germany

Adjusted for working-day variations ◊

Period	Retail trade 1										Memo item					
	of which: By enterprises' main product range										of which					
	Total		Food, beverages, tobacco ²		Cosmetic, pharmaceutical and medical products ²		Textiles, clothing, footwear and leather goods ²		Furniture and lighting equipments, domestic appliances, building materials ²		Retail trade plus retail sales of motor vehicles and motorcycles and sales of automotive fuel			Retail sales of motor vehicles ³		
2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change			
	Not adjusted	Price-adjusted ⁴								Not adjusted	Price-adjusted ⁴					
1996	96.8	- 0.2	- 1.1	96.7	- 0.5	81.6	+ 3.6	103.0	- 1.2	96.2	- 1.4	95.9	+ 0.9	+ 0.1	91.0	+ 5.7
1997	96.1	- 0.7	- 1.3	96.0	- 0.7	83.4	+ 2.2	101.4	- 1.6	95.4	- 0.8	96.0	+ 0.1	- 0.4	94.4	+ 3.7
1998	97.0	+ 0.9	+ 1.0	97.3	+ 1.4	88.1	+ 5.6	100.2	- 1.2	98.3	+ 3.0	97.5	+ 1.6	+ 1.3	98.9	+ 4.8
1999	97.5	+ 0.5	+ 0.2	97.8	+ 0.5	94.4	+ 7.2	99.9	- 0.3	97.3	- 1.0	98.3	+ 0.8	+ 0.5	102.2	+ 3.3
2000	100.0	+ 2.6	+ 1.4	99.8	+ 2.0	100.1	+ 6.0	99.9	+ 0.0	99.9	+ 2.7	100.0	+ 1.7	+ 0.4	100.0	- 2.2
2001	101.9	+ 1.9	-	104.7	+ 4.9	107.4	+ 7.3	99.5	- 0.4	96.6	- 3.3	102.0	+ 2.0	-	102.9	+ 2.9
2002	100.3	- 1.6	- 2.2	107.5	+ 2.7	111.2	+ 3.5	94.5	- 5.0	89.0	- 7.9	101.3	- 0.7	- 1.4	105.9	+ 2.9
2003	100.1	- 0.2	- 0.3	109.9	+ 2.2	114.1	+ 2.6	89.7	- 5.1	88.2	- 0.9	101.8	+ 0.5	+ 0.2	108.8	+ 2.7
2003 July	98.0	- 0.9	- 1.0	109.8	+ 2.9	116.3	+ 3.2	86.3	- 6.4	84.5	- 2.9	102.3	+ 0.8	+ 0.4	118.1	+ 5.9
Aug	93.8	- 1.5	- 1.7	108.5	+ 3.2	106.6	- 1.8	76.1	- 10.5	80.8	- 3.6	95.5	- 0.2	- 0.7	101.5	+ 4.2
Sep	97.5	- 1.9	- 2.3	105.3	+ 1.4	109.8	+ 0.2	95.4	- 5.8	84.6	- 3.4	99.1	- 0.6	- 1.2	105.6	+ 4.1
Oct	104.6	+ 0.1	- 0.3	112.3	+ 3.1	115.9	+ 2.7	105.8	- 2.3	93.4	+ 0.1	106.1	+ 0.9	+ 0.2	113.2	+ 3.3
Nov	104.5	- 0.5	- 1.1	112.4	+ 1.8	116.7	+ 3.3	89.9	- 7.6	95.9	- 1.0	105.1	- 0.1	- 1.0	109.6	+ 1.4
Dec	122.5	+ 0.2	- 0.2	130.2	+ 2.0	144.6	+ 12.4	110.4	- 6.6	104.4	- 1.2	117.5	- 0.2	- 0.9	101.1	- 1.8
2004 Jan	90.1	- 1.6	- 1.7	100.7	+ 1.7	101.0	- 7.8	74.3	- 6.3	79.0	+ 1.7	89.1	- 1.8	- 2.0	86.3	- 2.5
Feb	86.0	- 3.4	- 2.6	97.5	- 1.4	100.3	- 5.2	67.8	- 1.5	77.1	- 0.6	87.1	- 3.3	- 3.1	91.9	- 3.4
Mar	100.4	- 2.1	- 1.5	111.4	- 1.8	112.7	+ 1.2	88.0	- 6.8	92.8	- 2.4	103.1	- 3.2	- 3.1	113.9	- 6.3
Apr	100.1	- 1.8	- 1.9	110.6	- 0.6	112.5	+ 0.4	95.5	+ 3.4	91.3	- 0.9	103.4	- 1.7	- 2.2	115.9	- 1.6
May	96.1	- 2.8	- 3.4	108.6	+ 0.0	108.1	- 2.1	85.6	- 6.7	86.5	- 2.4	99.7	- 2.9	- 3.8	113.1	- 2.9
June	94.2	- 2.3	- 2.7	105.8	- 2.8	110.5	- 0.1	81.4	- 4.7	83.5	+ 0.5	97.6	- 3.2	- 3.8	110.4	- 5.7
July	96.6	- 1.4	- 1.9	108.5	- 1.2	116.3	+ 0.0	86.2	- 0.1	84.2	- 0.4	100.2	- 2.1	- 2.8	113.7	- 3.7

Source of the unadjusted figures: Federal Statistical Office. — * Excluding value-added tax; figures from 2003 provisional, partly revised and, judging by past experience, subject to considerable uncertainty in the most recent months. — 1 Excluding sales of motor vehicles and motorcycles and exclu-

ding the sale of automotive fuel. — 2 Retail sales in stores. — 3 Including motor vehicle parts and accessories.— 4 Up to (and including) 2000, at 1995 prices; from 2001, at 2000 prices.

IX Economic conditions

6 Labour market *

Period	Employed 1,2			Employees 1		Persons in employment 3		Short-time workers 2	Persons employed under employment promotion schemes 2,5	Persons undergoing vocational further training 2	Unemployed 2		Unemployment rate 2,6 in %	Vacancies, thousands 2		
	Thousands	Annual change		Thousands	Annual percentage change	Mining and manufacturing sector 2	Construction 4				Thousands	Thousands			Thousands	Annual change, thousands
		in %	Thousands													
Germany																
2001	38,923	+ 0.4	+ 172	34,843	+ 0.3	6,395	958	123	243	352	3,853	- 37	9.4	507		
2002	38,698	- 0.6	- 225	34,598	- 0.7	6,217	883	207	192	340	4,061	+ 209	9.8	452		
2003	38,316	- 1.0	- 382	34,146	- 1.3	6,136	817	195	140	260	4,377	+ 315	10.5	355		
2003 Aug	38,383	- 0.9	- 355	34,260	- 1.2	6,145	836	150	131	222	4,316	+ 296	10.4	356		
Sep	38,589	- 0.8	- 317			6,146	835	169	133	233	4,208	+ 265	10.1	330		
Oct	38,715	- 0.7	- 254			6,114	824	163	138	242	4,151	+ 220	10.0	297		
Nov	38,690	- 0.5	- 199	34,421	- 0.9	6,096	814	162	140	245	4,184	+ 157	10.0	275		
Dec	38,517	- 0.4	- 164			6,060	790	149	135	235	4,315	+ 89	10.4	258		
2004 Jan	37,714	- 0.4	- 147			6,035	737	164	123	217	4,597	+ 37	11.0	277		
Feb	37,713	- 0.3	- 131	33,519	- 0.7	6,019	711	186	117	203	4,641	+ 15	11.1	309		
Mar	37,892	- 0.3	- 105			6,018	728	197	109	200	4,547	+ 30	10.9	324		
Apr	38,097	- 0.3	- 101			6,013	745	177	102	199	4,443	+ 32	10.7	324		
May	38,183	- 0.3	- 100	33,888	- 0.7	6,004	748	171	103	197	4,293	+ 43	10.3	319		
June	38,241	- 0.3	- 122			6,006	752	162	109	184	4,233	+ 62	10.2	305		
July	...	...	...	...	...	...	...	138	116	164	4,360	+ 83	10.5	297
Aug	...	...	...	...	...	...	...	107	119	156	4,347	+ 110	10.5	287
Western Germany ¹²																
2001	.	.	.	.	.	5,769	696	94	53	202	2,321	- 60	7.2	436
2002	.	.	.	.	.	5,593	654	162	42	198	2,498	+ 178	7.7	378
2003	.	.	.	.	.	5,503	607	160	30	161	2,753	+ 255	8.4	292
2003 Aug	.	.	.	.	.	5,507	617	119	28	140	2,724	+ 246	8.3	287
Sep	.	.	.	.	.	5,507	617	139	27	149	2,653	+ 213	8.1	261
Oct	.	.	.	.	.	5,476	609	136	27	157	2,637	+ 187	8.0	237
Nov	.	.	.	.	.	5,459	603	135	26	159	2,665	+ 144	8.1	222
Dec	.	.	.	.	.	5,427	587	122	25	152	2,750	+ 102	8.4	212
2004 Jan	.	.	.	.	.	5,401	553	135	22	139	2,927	+ 71	8.9	234
Feb	.	.	.	.	.	5,386	535	151	21	131	2,945	+ 49	8.9	263
Mar	.	.	.	.	.	5,384	548	159	21	129	2,871	+ 52	8.7	275
Apr	.	.	.	.	.	5,377	559	143	21	130	2,805	+ 50	8.5	274
May	.	.	.	.	.	5,368	560	139	22	130	2,710	+ 58	8.2	265
June	.	.	.	.	.	5,368	562	133	23	122	2,669	+ 65	8.1	253
July	.	.	.	.	.	...	...	112	25	109	2,760	+ 79	8.4	247
Aug	.	.	.	.	.	...	...	84	25	103	2,764	+ 92	8.4	239
Eastern Germany ¹³																
2001	.	.	.	.	.	626	262	29	190	150	1,532	+ 23	17.3	71
2002	.	.	.	.	.	624	229	45	150	142	1,563	+ 31	17.7	74
2003	.	.	.	.	.	632	210	35	110	99	1,624	+ 61	18.5	63
2003 Aug	.	.	.	.	.	638	219	31	104	82	1,592	+ 50	18.2	69
Sep	.	.	.	.	.	639	218	30	106	83	1,554	+ 52	17.8	69
Oct	.	.	.	.	.	638	215	27	112	85	1,514	+ 34	17.3	60
Nov	.	.	.	.	.	637	211	27	113	86	1,519	+ 13	17.4	53
Dec	.	.	.	.	.	633	203	27	110	83	1,565	- 14	17.9	46
2004 Jan	.	.	.	.	.	634	183	29	101	78	1,670	- 33	19.1	43
Feb	.	.	.	.	.	633	175	35	96	72	1,696	- 33	19.4	46
Mar	.	.	.	.	.	633	181	37	89	70	1,676	- 22	19.2	49
Apr	.	.	.	.	.	637	186	34	81	69	1,639	- 18	18.8	51
May	.	.	.	.	.	637	188	32	81	67	1,583	- 15	18.3	54
June	.	.	.	.	.	638	190	29	85	62	1,565	- 3	18.1	53
July	.	.	.	.	.	...	...	26	91	55	1,600	+ 4	18.5	50
Aug	.	.	.	.	.	...	...	24	94	53	1,582	+ 18	18.3	48

Source: Federal Statistical Office; Federal Employment Agency. — * Monthly figures: end of month; employed persons and employees: averages; short-time workers: mid-month; annual and quarterly figures: averages. — 1 Work-place concept. — 2 Annual figures, calculated by the Bundesbank; deviations from the official figures are due to rounding. — 3 Including active proprietors. — 4 The figures refer to the economic classifications "Site preparation" and "Building of complete constructions or parts thereof; civil engineering". — 5 Employees involved in job creation schemes and structural adjustment measures (SAM). — 6 Relative to the total civilian labour force. — 7 The figures from March 2002 onwards are positively affected by the fact that construction firms which are required to report and which have been identified in the course of drawing up the corporate register are

included for the first time. — 8 The figures from 2003 onwards are positively affected by the fact that firms which are required to report and which have been identified in the course of drawing up the corporate register are included for the first time. — 9 From January 2004, unemployed persons excluding all those participating in occupational aptitude testing and training schemes. — 10 Provisional up to adjustment to the figures of the annual overall survey. — 11 From May 2004, calculated on the basis of new labour force figures. — 12 Excluding western Berlin; for the mining, manufacturing and construction sectors, including persons employed in western Berlin. — 13 Including western Berlin; for the mining, manufacturing and construction sectors, excluding persons employed in western Berlin. — o First preliminary estimate.

IX Economic conditions

7 Prices
Germany

Period	Consumer price index										Indices of foreign trade prices		Index of world market prices of raw materials 5	
	of which					Construction price index 2,3	Index of producer prices of industrial products sold on the domestic market 4	Index of producer prices of agricultural products 4	Exports	Imports	Energy 6	Other raw materials 7		
	Total	Food	Other durable and non-durable consumer goods excluding energy 1,2	Energy 1	Services excluding house rents 2								House rents	
	2000 = 100							1995 = 100	2000 = 100					
Index level														
1999	98.6	100.6	100.3	87.7	99.0	98.8	99.3 ²	97.0	89.9	97.0	90.8	57.6	83.1	
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	95.4	100.0	100.0	100.0	100.0	
2001	102.0	105.1	100.3	105.7	102.5	101.2	100.3	103.0	100.8	101.0	100.6	91.4	91.9	
2002	103.4	106.1	101.1	106.0	105.0	102.6	100.2	102.4	94.6	100.8	98.4	86.1	91.1	
2003	104.5	106.0	101.4	110.2	106.4	103.8	100.3	104.1	94.8	100.6	96.2	82.9	86.9	
2002 Nov	103.0	103.6	101.0	105.1	104.5	103.0	100.2	102.2	94.8	100.7	97.3	80.5	90.8	
Dec	104.0	104.0	100.9	105.6	107.9	103.0		102.4	94.4	100.7	97.9	87.2	89.6	
2003 Jan	104.0	105.3	101.4	110.7	105.1	103.2		103.8	94.8	100.9	98.2	92.2	88.3	
Feb	104.5	105.9	101.6	113.0	105.9	103.4	100.3	104.2	96.4	101.0	98.5	97.3	89.7	
Mar	104.6	106.3	101.6	113.8	105.6	103.5		104.4	94.8	101.0	98.0	89.5	88.3	
Apr	104.3	106.6	101.4	110.2	105.8	103.7		104.2	94.6	100.9	96.5	76.0	87.8	
May	104.1	106.8	101.4	108.2	105.6	103.7	100.3	103.9	93.9	100.5	95.2	72.5	83.5	
June	104.4	107.1	101.3	108.8	106.1	103.8		103.9	95.4	100.3	95.1	77.0	81.3	
July	104.6	106.3	101.1	109.2	107.4	103.8		104.1	92.4	100.3	95.2	81.5	82.7	
Aug	104.6	105.1	101.0	110.4	107.7	103.9	100.3	104.1	94.0	100.4	95.8	86.4	85.2	
Sep	104.5	105.6	101.4	109.7	106.7	103.9		104.2	97.4	100.5	95.7	78.7	87.5	
Oct	104.5	105.7	101.4	110.0	106.4	103.9		104.2	96.2	100.4	95.5	81.0	88.7	
Nov	104.3	105.5	101.4	109.5	105.8	104.1	100.3	104.2	97.6	100.4	95.5	81.7	91.0	
Dec	105.1	105.7	101.4	109.4	109.0	104.1		104.2	96.1	100.2	95.1	80.7	89.4	
2004 Jan	105.2	106.9	102.1	110.5	107.2	104.4		104.0	96.6	100.2	95.2	82.6	92.8	
Feb	105.4	106.4	101.9	110.2	108.3	104.5	100.5	104.1	97.8	100.3	95.3	82.2	96.2	
Mar	105.7	106.1	103.1	111.4	108.0	104.6		104.7	98.2	100.8	96.4	91.2	103.5	
Apr	106.0	106.3	103.3	113.1	108.1	104.7		105.1	96.8	101.1	96.9	94.9	105.1	
May	106.2	106.6	103.1	116.1	108.1	104.7	101.4	105.6 ^P	96.0	101.3	97.6	104.5	101.1	
June	106.2	106.7	103.1	114.2	108.6	104.8		105.5 ^P	97.7	101.1	97.0	100.8	99.1	
July	106.5	106.0	102.8	115.5	109.9	104.8		106.1	...	101.2	97.3	104.7	97.6	
Aug	106.7	104.9	102.8	117.3	110.3	105.0	...	...	...	...	...	114.3	94.6
Annual percentage change														
1999	+ 0.6	- 1.1	+ 0.1	+ 4.0	+ 0.3	+ 1.1	- 0.3 ²	- 1.0	- 6.0	- 0.5	- 0.5	+ 37.1	- 6.2	
2000	+ 1.4	- 0.6	- 0.3	+ 14.0	+ 1.0	+ 1.2	+ 0.7 ²	+ 3.1	+ 6.1	+ 3.1	+ 10.1	+ 73.6	+ 20.3	
2001	+ 2.0	+ 5.1	+ 0.3	+ 5.7	+ 2.5	+ 1.2	+ 0.3	+ 3.0	+ 5.7	+ 1.0	+ 0.6	- 8.6	- 8.1	
2002	+ 1.4	+ 1.0	+ 0.8	+ 0.3	+ 2.4	+ 1.4	- 0.1	- 0.6	- 6.2	- 0.2	- 2.2	- 5.8	- 0.9	
2003	+ 1.1	- 0.1	+ 0.3	+ 4.0	+ 1.3	+ 1.2	+ 0.1	+ 1.7	+ 0.2	- 0.2	- 2.2	- 3.7	- 4.6	
2002 Nov	+ 1.2	- 0.9	+ 0.3	+ 2.7	+ 2.3	+ 1.4	+ 0.1	+ 0.2	- 5.7	+ 0.1	- 0.9	+ 12.1	+ 3.9	
Dec	+ 1.2	- 1.1	+ 0.1	+ 4.1	+ 2.0	+ 1.4		+ 0.6	- 5.4	+ 0.1	- 0.1	+ 23.2	+ 2.9	
2003 Jan	+ 1.1	- 3.1	± 0.0	+ 7.0	+ 1.5	+ 1.2		+ 1.5	- 3.5	+ 0.2	- 0.1	+ 25.1	- 1.1	
Feb	+ 1.3	- 1.9	+ 0.1	+ 8.5	+ 1.5	+ 1.2	+ 0.1	+ 1.9	- 3.0	+ 0.3	- 0.3	+ 26.0	- 2.1	
Mar	+ 1.2	- 1.4	+ 0.1	+ 7.4	+ 1.2	+ 1.1		+ 1.7	- 4.9	+ 0.1	- 1.5	- 0.1	- 6.4	
Apr	+ 1.0	- 1.1	+ 0.1	+ 1.9	+ 2.2	+ 1.3		+ 1.7	- 1.5	- 0.1	- 3.2	- 19.5	- 6.2	
May	+ 0.7	- 0.8	+ 0.2	+ 1.2	+ 1.1	+ 1.2	+ 0.1	+ 1.4	- 0.6	- 0.4	- 4.0	- 20.7	- 8.0	
June	+ 1.0	+ 0.5	+ 0.2	+ 2.7	+ 1.1	+ 1.2		+ 1.4	+ 1.8	- 0.6	- 3.1	- 8.7	- 9.6	
July	+ 0.9	+ 0.4	+ 0.2	+ 3.1	+ 0.8	+ 1.1		+ 1.9	- 1.2	- 0.5	- 2.4	- 3.0	- 7.5	
Aug	+ 1.1	+ 0.4	+ 0.2	+ 4.0	+ 1.4	+ 1.1	± 0.0	+ 2.0	+ 0.6	- 0.4	- 2.1	- 1.7	- 5.2	
Sep	+ 1.1	+ 1.1	+ 0.5	+ 2.3	+ 1.3	+ 1.1		+ 2.0	+ 3.0	- 0.4	- 2.6	- 15.3	- 4.7	
Oct	+ 1.2	+ 1.5	+ 0.5	+ 2.2	+ 1.5	+ 1.0		+ 1.7	+ 2.0	- 0.4	- 2.8	- 10.5	- 3.7	
Nov	+ 1.3	+ 1.8	+ 0.4	+ 4.2	+ 1.2	+ 1.1	+ 0.1	+ 2.0	+ 3.0	- 0.3	- 1.8	+ 1.5	+ 0.2	
Dec	+ 1.1	+ 1.6	+ 0.5	+ 3.6	+ 1.0	+ 1.1		+ 1.8	+ 1.8	- 0.5	- 2.9	- 7.5	- 0.2	
2004 Jan	+ 1.2	+ 1.5	+ 0.7	- 0.2	+ 2.0	+ 1.2		+ 0.2	+ 1.9	- 0.7	- 3.1	- 10.4	+ 5.1	
Feb	+ 0.9	+ 0.5	+ 0.3	- 2.5	+ 2.3	+ 1.1	+ 0.2	- 0.1	+ 1.5	- 0.7	- 3.2	- 15.5	+ 7.2	
Mar	+ 1.1	- 0.2	+ 1.5	- 2.1	+ 2.3	+ 1.1		+ 0.3	+ 3.6	- 0.2	- 1.6	+ 1.9	+ 17.2	
Apr	+ 1.6	- 0.3	+ 1.9	+ 2.6	+ 2.2	+ 1.0		+ 0.9	+ 2.3	+ 0.2	+ 0.4	+ 24.9	+ 19.7	
May	+ 2.0	- 0.2	+ 1.7	+ 7.3	+ 2.4	+ 1.0	+ 1.1	+ 1.6 ^P	+ 2.2	+ 0.8	+ 2.5	+ 44.1	+ 21.1	
June	+ 1.7	- 0.4	+ 1.8	+ 5.0	+ 2.4	+ 1.0		+ 1.5 ^P	+ 2.4	+ 0.8	+ 2.0	+ 30.9	+ 21.9	
July	+ 1.8	- 0.3	+ 1.7	+ 5.8	+ 2.3	+ 1.0		+ 1.9	...	+ 0.9	+ 2.2	+ 28.5	+ 18.0	
Aug	+ 2.0	- 0.2	+ 1.8	+ 6.3	+ 2.4	+ 1.1	...	...	...	...	...	+ 32.3	+ 11.0

Source: Federal Statistical Office; for index of world market prices: HWWA Institute. — 1 Electricity, gas and other fuels. — 2 Bundesbank calculation based on data provided by the Federal Statistical Office. — 3 Previously: Overall construction price level. — 4 Excluding value-added tax. — 5 HWWA

index of raw material prices for the euro area based on the euro. — 6 Coal and crude oil. — 7 Food, beverages and tobacco as well as industrial raw materials.

IX Economic conditions
**8 Households' income *
Germany**

Up to end-1998 DM billion; from 1999 € billion

Period	Gross wages and salaries 1		Net wages and salaries 2		Monetary social benefits received 3		Mass income 4		Disposable income 5		Saving 6		Saving ratio 7
	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	
1991	1,355.4	.	941.4	.	426.2	.	1,367.6	.	1,917.5	.	250.1	.	13.0
1992	1,467.3	8.3	1,003.0	6.5	473.9	11.2	1,476.9	8.0	2,054.3	7.1	266.1	6.4	13.0
1993	1,505.9	2.6	1,032.7	3.0	511.2	7.9	1,543.9	4.5	2,120.6	3.2	261.3	- 1.8	12.3
1994	1,528.1	1.5	1,029.3	- 0.3	529.4	3.6	1,558.6	1.0	2,181.9	2.9	254.0	- 2.8	11.6
1995	1,577.1	3.2	1,037.9	0.8	553.7	4.6	1,591.7	2.1	2,256.4	3.4	252.1	- 0.7	11.2
1996	1,594.0	1.1	1,032.7	- 0.5	595.7	7.6	1,628.3	2.3	2,307.5	2.3	249.5	- 1.0	10.8
1997	1,591.3	- 0.2	1,015.9	- 1.6	609.6	2.3	1,625.5	- 0.2	2,356.5	2.1	244.7	- 1.9	10.4
1998	1,624.3	2.1	1,038.9	2.3	621.5	1.9	1,660.3	2.1	2,422.8	2.8	249.6	2.0	10.3
1999	855.4	3.0	549.2	3.4	327.5	3.1	876.7	3.3	1,281.1	3.4	125.1	- 1.9	9.8
2000	884.7	3.4	571.8	4.1	336.8	2.8	908.6	3.6	1,325.8	3.5	129.0	3.1	9.7
2001	904.2	2.2	592.9	3.7	348.1	3.3	941.0	3.6	1,377.6	3.9	140.4	8.8	10.2
2002	911.2	0.8	595.3	0.4	364.4	4.7	959.7	2.0	1,388.5	0.8	146.3	4.2	10.5
2003	909.8	- 0.2	590.5	- 0.8	373.9	2.6	964.4	0.5	1,406.4	1.3	151.1	3.3	10.7
2002 Q3	227.5	1.1	152.7	0.6	91.6	5.6	244.3	2.5	342.2	1.0	30.7	4.9	9.0
Q4	254.3	0.3	164.4	0.1	91.5	4.1	255.8	1.5	357.9	1.2	34.1	6.4	9.5
2003 Q1	211.2	0.3	137.0	- 0.6	94.1	3.1	231.1	0.9	352.4	2.1	50.1	5.6	14.2
Q2	218.7	- 0.1	138.9	- 1.0	92.7	2.8	231.6	0.5	349.4	1.8	35.3	3.8	10.1
Q3	227.2	- 0.1	151.6	- 0.7	93.1	1.7	244.7	0.2	346.0	1.1	32.0	4.3	9.3
Q4	252.7	- 0.6	163.0	- 0.8	94.0	2.8	257.0	0.5	358.6	0.2	33.7	- 1.1	9.4
2004 Q1	211.5	0.2	138.8	1.3	95.7	1.8	234.5	1.5	356.6	1.2	50.9	1.5	14.3
Q2	218.5	- 0.1	141.1	1.6	93.4	0.7	234.4	1.2	354.8	1.5	36.9	4.4	10.4

Source: Federal Statistical Office; figures computed in August 2004. — * Households including non-profit institutions serving households. — 1 Residence concept. — 2 After deducting the wage tax payable on gross wages and salaries and employees' contributions to the social security funds. — 3 Social security benefits in cash from the social security funds, central, state and local government and foreign countries, pension payments (net), private funded social benefits, less social contributions on social benefits, consumption-related taxes and public charges. — 4 Net wages and salaries

plus monetary social benefits received. — 5 Mass income plus operating surplus, mixed income, property income (net), other current transfers received, income of non-profit institutions serving households, less taxes (excluding wage tax and consumption-related taxes) and other current transfers paid. Including the increase in claims on company pension funds. — 6 Including the increase in claims on company pension funds. — 7 Saving as a percentage of disposable income.

**9 Pay rates and actual earnings
Germany**

Period	Overall economy						Production sector (including construction)					
	Negotiated wage and salary level 1			Wages and salaries per employee (workplace concept) 2			Negotiated wage and salary level 1			Wages and salaries per employee (workplace concept) 3		
	on an hourly basis		on a monthly basis	on an hourly basis		on a monthly basis	on an hourly basis		on a monthly basis	on an hourly basis		
	1995 = 100	Annual percentage change	1995 = 100	Annual percentage change	1995 = 100	Annual percentage change	1995 = 100	Annual percentage change	1995 = 100	Annual percentage change	1995 = 100	Annual percentage change
1995	100.0	4.9	100.0	4.6	100.0	3.2	100.0	6.1	100.0	5.5	100.0	4.1
1996	102.6	2.6	102.4	2.4	101.4	1.4	103.8	3.8	102.9	2.9	102.9	2.9
1997	104.1	1.5	103.9	1.5	101.7	0.3	105.8	1.9	104.6	1.7	104.7	1.7
1998	106.1	1.9	105.8	1.8	102.7	1.0	107.7	1.8	106.4	1.7	106.4	1.6
1999	109.1	2.9	108.7	2.7	104.3	1.5	110.9	3.0	109.4	2.9	108.3	1.8
2000	111.3	2.0	110.8	2.0	105.9	1.6	113.2	2.0	111.6	2.0	111.2	2.7
2001	113.5	2.0	113.0	2.0	107.9	1.9	115.2	1.8	113.6	1.8	113.7	2.2
2002	116.6	2.7	116.0	2.7	109.5	1.5	118.9	3.2	117.3	3.2	116.0	2.0
2003	118.9	2.0	118.5	2.1	110.8	1.1	122.0	2.6	120.3	2.5	.	.
2002 Q3	120.4	2.7	119.9	2.8	109.3	1.9	128.2	3.7	126.4	3.7	112.9	3.4
Q4	132.0	2.8	131.4	2.8	121.8	1.5	132.0	3.4	130.2	3.4	125.4	2.3
2003 Q1	109.2	2.8	108.8	3.0	104.0	1.9	109.7	3.2	108.2	3.1	.	.
Q2	110.0	2.2	109.7	2.3	106.7	1.5	112.0	2.6	110.5	2.6	.	.
Q3	122.8	2.0	122.4	2.1	110.4	1.1	131.1	2.3	129.3	2.3	.	.
Q4	133.5	1.1	133.0	1.2	122.1	0.2	135.1	2.3	133.2	2.3	.	.
2004 Q1	111.1	1.7	110.9	1.9	104.9	0.9	113.2	3.2	111.7	3.3	.	.
Q2	111.7	1.5	111.4	1.6	107.3	0.6	113.5	1.3	112.0	1.4	.	.
2004 Jan	110.8	1.9	110.6	2.1	.	.	112.3	2.3	110.8	2.4	.	.
Feb	110.8	1.9	110.6	2.1	.	.	112.4	2.4	110.9	2.5	.	.
Mar	111.7	1.4	111.5	1.6	.	.	115.0	4.8	113.5	4.9	.	.
Apr	111.3	1.1	111.1	1.3	.	.	113.1	0.8	111.6	0.8	.	.
May	112.0	1.8	111.7	2.0	.	.	114.2	2.2	112.7	2.3	.	.
June	111.7	1.4	111.5	1.6	.	.	113.3	1.0	111.8	1.1	.	.
July	147.9	0.5	147.6	0.7	.	.	169.1	1.1	166.9	1.2	.	.

1 Current data are normally revised upwards on account of additional reports. — 2 Source: Federal Statistical Office; figures computed in August 2004. — 3 Production sector, excluding electricity, gas, steam and hot water

supply, and excluding installation and building completion work. Calculated by the Bundesbank on the basis of data from the Federal Statistical Office, using the old and new classifications of the economic sectors.

X External sector

1 Major items of the balance of payments of the euro area *

€ million

Item	2001 1	2002	2003	2003	2004				
				Q4	Q1	Q2	Apr	May	June
A Current account	- 16,684	+ 54,455	+ 24,856	+ 17,338	+ 13,285	+ 8,174	+ 338	+ 3,378	+ 4,458
1 Goods									
Exports (fob) incl supplementary items	1,033,862	1,063,218	1,036,195	271,362	265,149	286,241	94,118	92,421	99,702
Imports (fob) incl supplementary items	960,211	929,666	927,716	240,683	237,083	252,393	83,458	81,183	87,752
Balance	+ 73,651	+ 133,551	+ 108,481	+ 30,680	+ 28,066	+ 33,847	+ 10,660	+ 11,237	+ 11,950
2 Services									
Receipts	321,672	329,844	325,956	84,373	75,027	84,381	25,973	28,748	29,660
Expenditure	322,038	316,728	310,311	80,060	77,615	77,785	25,434	25,058	27,293
Balance	- 369	+ 13,114	+ 15,645	+ 4,313	- 2,587	+ 6,597	+ 539	+ 3,690	+ 2,368
3 Income	- 38,582	- 44,110	- 43,418	- 4,954	- 5,232	- 15,260	- 6,696	- 5,801	- 2,763
4 Current transfers									
Transfer payments from non-residents	78,798	85,305	80,753	19,375	31,698	14,912	4,699	4,987	5,226
Transfer payments to non-residents	130,182	133,400	136,606	32,076	38,661	31,922	8,864	10,736	12,322
Balance	- 51,387	- 48,097	- 55,851	- 12,700	- 6,964	- 17,010	- 4,165	- 5,749	- 7,096
B Capital account	+ 6,574	+ 10,977	+ 13,434	+ 7,373	+ 2,940	+ 3,805	+ 669	+ 2,313	+ 823
C Financial account (net capital exports: -)	- 34,165	- 65,808	- 50,462	- 3,558	- 14,033	- 14,503	- 8,492	- 7,137	+ 1,126
1 Direct investment	- 112,440	- 4,718	- 13,125	- 9,650	- 28,862	- 13,377	- 2,922	- 1,601	- 8,854
By resident units abroad	- 316,489	- 151,328	- 118,595	- 27,248	- 25,860	- 20,486	- 7,853	- 1,004	- 11,629
By non-resident units in the euro area	+ 204,055	+ 146,610	+ 105,471	+ 17,598	- 3,002	+ 7,108	+ 4,931	- 598	+ 2,775
2 Portfolio investment	+ 67,948	+ 114,633	+ 17,608	+ 10,500	+ 5,196	+ 2,524	- 3,012	- 23,965	+ 29,501
By resident units abroad	- 281,866	- 175,759	- 283,802	- 64,325	- 89,883	- 60,999	- 29,834	- 18,741	- 12,424
Equity	- 101,583	- 40,365	- 67,741	- 26,302	- 31,309	- 21,806	- 2,503	- 4,512	- 14,791
Bonds and notes	- 155,875	- 89,592	- 172,769	- 25,429	- 46,358	- 30,631	- 8,740	- 16,661	- 5,230
Money market instruments	- 24,411	- 45,803	- 43,291	- 12,594	- 12,216	- 8,563	- 18,592	+ 2,432	+ 7,597
By non-resident units in the euro area	+ 349,814	+ 290,394	+ 301,412	+ 74,827	+ 95,080	+ 63,523	+ 26,822	- 5,224	+ 41,925
Equity	+ 232,553	+ 88,853	+ 103,619	+ 45,746	+ 19,925	+ 1,812	- 12,856	- 221	+ 14,889
Bonds and notes	+ 113,135	+ 133,670	+ 191,829	+ 34,639	+ 53,431	+ 64,784	+ 27,151	+ 12,569	+ 25,064
Money market instruments	+ 4,129	+ 67,869	+ 5,965	- 5,559	+ 21,725	- 3,072	+ 12,526	- 17,571	+ 1,973
3 Financial derivatives	- 856	- 10,785	- 13,090	- 4,075	+ 6,241	- 1,537	- 26	- 1,579	+ 68
4 Other investment	- 6,632	- 162,664	- 71,674	- 13,924	- 6,000	+ 1,005	+ 155	+ 19,344	- 18,494
Eurosysteem	+ 5,032	+ 18,185	+ 11,236	- 1,350	- 1,888	+ 2,307	+ 1,148	- 188	+ 1,347
General government	+ 2,545	- 8,160	- 4,974	- 1,862	- 6,638	- 2,426	- 1,204	+ 672	- 1,894
MFIs (excluding the Eurosysteem)	+ 3,256	- 138,175	- 18,946	- 17,625	- 30	+ 16,825	+ 2,151	+ 27,120	- 12,446
Long-term	- 24,190	+ 19,536	+ 1,293	+ 1,574	- 17,319	- 5,298	- 10,392	+ 4,721	+ 373
Short-term	+ 27,446	- 157,704	- 20,240	- 19,199	+ 17,289	+ 22,123	+ 12,543	+ 22,399	- 12,819
Other sectors 2	- 17,462	- 34,518	- 58,988	+ 6,916	+ 2,553	- 15,703	- 1,940	- 8,261	- 5,502
5 Reserve assets (Increase: -)	+ 17,815	- 2,277	+ 29,817	+ 13,589	+ 9,390	- 3,118	- 2,687	+ 664	- 1,095
D Errors and omissions	+ 44,278	+ 372	+ 12,172	- 21,153	- 2,192	+ 2,526	+ 7,486	+ 1,447	- 6,407

* Source: European Central Bank. — 1 From January 2001, including Greece. — 2 Enterprises and households.

X External sector

 2 Major items of the balance of payments of the Federal Republic of Germany
(balances)

Period	Current account						Capital transfers and acquisition/disposal of non-produced non-financial assets 7	Financial account 7	Change in the foreign reserves at transaction values 8	Balance of unclassifiable transactions	Memo item Change in the Bundesbank's net external assets at transaction values 8
	Balance on current account 1	External trade 1,2,3	Supplementary trade items 4,5	Services 6	Factor income	Current transfers					
DM million											
1990	+ 73,021	+ 105,382	- 3,833	- 26,118	+ 32,859	- 35,269	- 4,975	- 89,497	- 11,611	+ 33,062	- 10,976
1991	- 36,298	+ 21,899	- 2,804	- 30,724	+ 33,144	- 57,812	- 4,565	+ 12,614	+ 9,605	+ 18,643	- 319
1992	- 30,013	+ 33,656	- 1,426	- 44,983	+ 33,962	- 51,222	- 1,963	+ 69,792	- 52,888	+ 15,072	- 68,745
1993	- 23,062	+ 60,304	- 3,038	- 52,549	+ 27,373	- 55,151	- 1,915	+ 21,442	+ 22,795	- 19,260	+ 35,766
1994	- 46,749	+ 71,762	- 1,104	- 62,803	+ 4,852	- 59,455	- 2,637	+ 57,871	+ 2,846	- 11,332	- 12,242
1995	- 38,642	+ 85,303	- 4,722	- 63,985	+ 178	- 55,416	- 3,845	+ 63,647	- 10,355	- 10,805	- 17,754
1996	- 20,643	+ 98,538	- 5,264	- 64,743	+ 1,815	- 50,989	- 3,283	+ 23,607	+ 1,882	- 1,564	+ 1,610
1997	- 14,916	+ 116,467	- 7,360	- 68,696	- 2,588	- 52,738	+ 52	+ 31	+ 6,640	+ 8,193	+ 8,468
1998	- 20,677	+ 126,970	- 5,934	- 75,072	- 13,337	- 53,304	+ 1,289	+ 32,810	- 7,128	- 6,295	- 8,231
1999	- 43,915	+ 127,542	- 13,656	- 90,099	- 18,775	- 48,927	- 301	- 44,849	+ 24,517	+ 64,548	- 72,364
2000	- 54,471	+ 115,645	- 13,505	- 95,967	- 5,166	- 55,478	+ 13,345	+ 55,434	+ 11,429	- 25,737	+ 94,329
2001	+ 3,421	+ 186,771	- 10,499	- 98,323	- 20,889	- 53,639	- 756	- 51,306	+ 11,797	+ 36,844	+ 63,911
€ million											
1999	- 22,454	+ 65,211	- 6,982	- 46,067	- 9,599	- 25,016	- 154	- 22,931	+ 12,535	+ 33,003	- 36,999
2000	- 27,851	+ 59,128	- 6,905	- 49,067	- 2,641	- 28,366	+ 6,823	+ 28,343	+ 5,844	- 13,159	+ 48,230
2001	+ 1,749	+ 95,495	- 5,368	- 50,272	- 10,680	- 27,425	- 387	- 26,233	+ 6,032	+ 18,838	+ 32,677
2002	+ 45,670	+ 132,788	- 5,968	- 36,422	- 16,844	- 27,883	- 212	- 70,724	+ 2,065	+ 23,201	- 33,292
2003	+ 48,062	+ 132,215	- 7,335	- 35,537	- 12,515	- 28,767	+ 316	- 55,015	+ 445	+ 6,192	+ 2,658
2001 Q3	- 2,466	+ 25,547	- 1,768	- 16,479	- 3,518	- 6,250	- 446	- 2,722	- 2,165	+ 7,798	- 13,360
Q4	+ 8,737	+ 25,303	- 703	- 7,447	- 1,050	- 7,365	- 479	- 46,370	+ 2,085	+ 36,027	+ 36,688
2002 Q1	+ 9,445	+ 33,328	- 1,028	- 10,633	- 6,722	- 5,500	+ 160	+ 5,740	- 1,352	- 13,993	- 18,496
Q2	+ 10,420	+ 31,721	- 1,383	- 8,605	- 2,682	- 8,631	- 75	- 9,488	+ 2,432	- 3,289	+ 1,694
Q3	+ 9,507	+ 35,543	- 1,552	- 12,652	- 5,563	- 6,269	+ 62	- 17,554	+ 87	+ 7,899	- 17,588
Q4	+ 16,299	+ 32,195	- 2,005	- 4,532	- 1,877	- 7,483	- 359	- 49,422	+ 898	+ 32,584	+ 1,099
2003 Q1	+ 9,124	+ 29,949	- 2,049	- 8,307	- 4,690	- 5,779	- 30	- 13,099	- 1,495	+ 5,500	+ 3,444
Q2	+ 8,698	+ 30,436	- 1,860	- 8,340	- 3,649	- 7,890	+ 149	- 25,399	+ 1,505	+ 15,047	+ 22,123
Q3	+ 11,377	+ 39,533	- 1,582	- 13,275	- 4,479	- 8,820	+ 208	+ 3,279	+ 751	- 14,113	- 15,902
Q4	+ 18,863	+ 32,297	- 1,844	- 5,615	+ 303	- 6,278	- 12	- 19,796	+ 1,186	- 241	- 7,008
2004 Q1	+ 21,277	+ 41,150	- 1,483	- 8,878	- 3,942	- 5,571	+ 430	- 14,387	+ 205	- 7,526	- 6,821
Q2	+ 26,209	+ 43,042	- 2,223	- 7,566	+ 46	- 7,090	+ 206	- 67,869	- 339	+ 41,793	+ 30,993
2002 Feb	+ 2,642	+ 10,558	- 323	- 2,995	- 1,228	- 3,370	- 155	- 5,211	+ 67	+ 2,656	+ 1,535
Mar	+ 6,441	+ 12,245	- 198	- 3,814	+ 955	- 2,746	- 162	+ 1,044	+ 328	- 7,651	- 2,116
Apr	+ 2,949	+ 10,015	- 910	- 2,509	- 620	- 3,027	- 148	+ 330	+ 1,657	- 4,788	- 9,839
May	+ 3,584	+ 10,408	- 565	- 3,230	- 557	- 2,472	+ 47	+ 492	+ 1,379	- 5,501	+ 3,826
June	+ 3,887	+ 11,299	+ 92	- 2,866	- 1,506	- 3,132	+ 26	- 10,310	- 603	+ 7,000	+ 7,707
July	+ 1,110	+ 13,224	- 770	- 3,705	- 5,416	- 2,224	- 203	- 11,194	- 548	+ 10,836	- 15,567
Aug	+ 2,031	+ 10,477	- 312	- 5,856	- 921	- 1,359	+ 86	+ 4,630	+ 886	+ 1,670	+ 5,579
Sep	+ 6,367	+ 11,842	- 471	- 3,092	+ 773	- 2,686	+ 179	- 1,730	- 252	- 4,564	+ 3,559
Oct	+ 3,087	+ 11,529	- 364	- 3,826	- 966	- 3,287	- 82	- 21,706	+ 570	+ 18,132	- 5,279
Nov	+ 8,450	+ 12,283	- 632	- 1,346	+ 446	- 2,301	- 137	- 5,800	- 842	- 1,670	+ 4,265
Dec	+ 4,762	+ 8,383	- 1,009	+ 640	- 1,357	- 1,895	- 139	- 21,916	+ 1,171	+ 16,122	+ 2,112
2003 Jan	- 1,449	+ 9,184	- 1,024	- 3,327	- 5,184	- 1,098	+ 461	- 3,299	- 97	+ 4,384	+ 6,799
Feb	+ 4,067	+ 10,880	- 635	- 2,974	- 522	- 2,682	- 504	- 22,519	- 320	+ 19,276	+ 677
Mar	+ 6,507	+ 9,886	- 390	- 2,006	+ 1,016	- 2,000	+ 13	+ 12,719	- 1,078	- 18,160	- 4,032
Apr	+ 3,320	+ 9,425	- 752	- 2,310	- 339	- 2,704	- 126	- 3,365	+ 1,449	- 1,278	+ 1,477
May	+ 3,186	+ 10,416	- 549	- 2,775	- 1,379	- 2,527	+ 156	- 7,420	- 854	+ 4,932	+ 22,684
June	+ 2,191	+ 10,595	- 559	- 3,255	- 1,931	- 2,659	+ 119	- 14,614	+ 910	+ 11,393	- 2,037
July	+ 1,677	+ 14,374	- 695	- 3,648	- 5,401	- 2,953	+ 62	+ 3,144	+ 225	- 5,109	- 16,353
Aug	+ 1,792	+ 10,609	- 356	- 5,401	- 74	- 2,987	+ 224	- 7,334	- 717	+ 6,036	- 3,057
Sep	+ 7,908	+ 14,550	- 531	- 4,227	+ 997	- 2,880	- 78	+ 7,469	- 259	- 15,040	+ 3,508
Oct	+ 6,595	+ 11,061	- 510	- 3,786	+ 1,704	- 1,874	- 27	- 4,471	- 255	- 1,842	- 21,689
Nov	+ 5,254	+ 10,607	- 591	- 1,543	- 320	- 2,899	+ 49	- 4,277	+ 521	- 1,547	+ 14,870
Dec	+ 7,015	+ 10,629	- 742	- 286	- 1,081	- 1,505	- 35	- 11,048	+ 921	+ 3,148	- 190
2004 Jan	+ 1,642	+ 12,487	- 640	- 4,140	- 5,528	- 537	+ 53	- 1,592	- 206	+ 103	+ 5,619
Feb	+ 6,338	+ 12,111	- 369	- 2,318	- 471	- 2,615	- 130	+ 4,471	- 26	- 10,652	+ 556
Mar	+ 13,297	+ 16,552	- 473	- 2,420	+ 2,057	- 2,419	+ 507	- 17,265	+ 437	+ 3,024	- 12,996
Apr	+ 9,739	+ 14,278	- 524	- 3,105	+ 835	- 1,745	+ 82	- 37,457	- 628	+ 28,264	+ 315
May	+ 8,762	+ 14,084	- 889	- 1,839	- 99	- 2,495	- 29	- 12,412	+ 607	+ 10,073	+ 9,981
June	+ 7,709	+ 14,681	- 810	- 2,622	- 689	- 2,850	+ 153	- 18,000	- 318	+ 3,457	+ 20,697
July p	+ 3,060	+ 13,522	- 1,239	- 3,593	- 2,503	- 3,128	+ 183	- 475	+ 847	- 3,615	- 1,588

o From July 1990, including the external transactions of the former GDR. — 1 From the beginning of 1993, figures subject to significant uncertainty owing to changes in the method of data collection for foreign trade. — 2 Special trade according to the official foreign trade statistics: imports cif, exports fob. — 3 From January 1993, including additional estimates for external transactions which do not have to be reported and which are

included up to December 1992 in the supplementary trade items. — 4 Mainly warehouse transactions for account of residents and deduction of goods returned. — 5 See footnote 3. — 6 Excluding the expenditure on freight and insurance included in the cif import figure. — 7 Capital exports: -. — 8 Increase: -.

3 Foreign trade (special trade) of the Federal Republic of Germany,
by country and group of countries *

€ million

Country / group of countries		2001	2002	2003	2004		2004			Jul P	
					Jan / Jun	Mar	Apr	May	Jun		
All countries 1		Exports	638,268	651,320	664,185	362,510	64,931	61,738	60,683	62,903	62,549
		Imports	542,774	518,532	531,970	278,317	48,379	47,460	46,599	48,223	49,027
		Balance	+ 95,495	+ 132,788	+ 132,215	+ 84,192	+ 16,552	+ 14,278	+ 14,084	+ 14,681	+ 13,522
I European countries		Exports	461,512	470,873	490,496	268,871	48,432	45,539	45,102	46,672	...
		Imports	384,901	372,955	385,358	200,959	35,389	34,036	33,358	34,426	...
		Balance	+ 76,611	+ 97,918	+ 105,139	+ 67,912	+ 13,044	+ 11,503	+ 11,744	+ 12,246	...
1 EU member states (25)		Exports	401,887	408,286	426,298	232,380	41,916	39,269	38,850	39,980	...
		Imports	325,968	314,981	325,614	170,079	30,360	28,583	28,400	28,731	...
		Balance	+ 75,919	+ 93,304	+ 100,684	+ 62,301	+ 11,556	+ 10,686	+ 10,450	+ 11,249	...
<i>Memo item</i>											
EU member states (15)		Exports	351,611	354,813	369,763	201,160	36,119	33,666	33,483	35,047	...
		Imports	277,034	262,849	268,295	140,678	24,712	22,807	24,075	24,840	...
		Balance	+ 74,577	+ 91,964	+ 101,468	+ 60,482	+ 11,407	+ 10,859	+ 9,409	+ 10,206	...
Euro-area countries		Exports	275,384	276,270	288,458	157,598	28,316	26,348	26,306	27,596	...
		Imports	221,680	211,642	217,853	114,953	19,998	18,778	19,743	20,211	...
		Balance	+ 53,704	+ 64,628	+ 70,605	+ 42,645	+ 8,317	+ 7,570	+ 6,563	+ 7,385	...
<i>of which</i>											
Austria		Exports	33,486	33,863	35,637	18,826	3,368	3,220	3,117	3,229	...
		Imports	20,664	21,047	21,026	11,741	2,178	2,197	1,962	1,931	...
		Balance	+ 12,822	+ 12,816	+ 14,611	+ 7,085	+ 1,191	+ 1,022	+ 1,154	+ 1,298	...
Belgium and Luxembourg		Exports	35,187	34,108	38,412	21,810	4,089	3,687	3,654	3,914	...
		Imports	28,521	26,505	27,710	14,769	2,699	2,440	2,469	2,685	...
		Balance	+ 6,666	+ 7,603	+ 10,702	+ 7,041	+ 1,390	+ 1,247	+ 1,186	+ 1,229	...
France		Exports	69,601	68,721	69,413	37,504	6,775	6,367	6,179	6,619	...
		Imports	49,743	48,200	48,832	26,159	4,512	4,203	4,749	4,763	...
		Balance	+ 19,858	+ 20,521	+ 20,581	+ 11,345	+ 2,263	+ 2,164	+ 1,430	+ 1,857	...
Italy		Exports	47,119	47,335	48,597	26,608	4,759	4,309	4,394	4,621	...
		Imports	35,280	33,482	33,670	17,194	3,041	2,798	2,936	3,077	...
		Balance	+ 11,839	+ 13,853	+ 14,927	+ 9,413	+ 1,719	+ 1,511	+ 1,459	+ 1,544	...
Netherlands		Exports	40,011	40,463	41,711	21,907	3,875	3,511	3,660	3,868	...
		Imports	43,233	40,751	44,404	22,625	3,915	3,621	3,735	3,918	...
		Balance	- 3,222	- 288	- 2,694	- 718	- 40	- 109	- 75	- 51	...
Spain		Exports	27,841	29,436	32,314	18,560	3,185	3,156	3,287	3,202	...
		Imports	15,226	15,532	16,421	8,583	1,441	1,365	1,487	1,466	...
		Balance	+ 12,615	+ 13,903	+ 15,893	+ 9,977	+ 1,744	+ 1,791	+ 1,800	+ 1,736	...
Other EU member states		Exports	126,503	132,016	137,840	74,782	13,600	12,921	12,544	12,384	...
		Imports	104,288	103,339	107,761	55,126	10,361	9,805	8,658	8,520	...
		Balance	+ 22,215	+ 28,677	+ 30,079	+ 19,656	+ 3,239	+ 3,116	+ 3,887	+ 3,864	...
<i>of which</i>											
United Kingdom		Exports	52,764	53,761	55,580	30,344	5,457	5,033	4,949	5,233	...
		Imports	37,259	33,075	31,961	16,132	2,904	2,597	2,762	2,918	...
		Balance	+ 15,505	+ 20,685	+ 23,619	+ 14,212	+ 2,553	+ 2,436	+ 2,187	+ 2,315	...
2 Other European countries		Exports	59,624	62,588	64,198	36,491	6,516	6,271	6,251	6,692	...
		Imports	58,933	57,974	59,744	30,880	5,029	5,454	4,958	5,695	...
		Balance	+ 692	+ 4,614	+ 4,454	+ 5,611	+ 1,487	+ 817	+ 1,294	+ 996	...
II Non-European countries		Exports	175,203	178,818	172,236	92,980	16,394	16,097	15,498	16,088	...
		Imports	157,199	144,950	145,910	77,037	12,930	13,365	13,198	13,751	...
		Balance	+ 18,003	+ 33,869	+ 26,326	+ 15,943	+ 3,464	+ 2,732	+ 2,300	+ 2,338	...
1 Africa		Exports	12,042	11,797	12,079	6,416	1,072	1,247	1,026	1,161	...
		Imports	11,356	10,248	9,846	4,681	925	707	691	905	...
		Balance	+ 686	+ 1,549	+ 2,233	+ 1,735	+ 148	+ 540	+ 335	+ 256	...
2 America		Exports	89,801	89,081	79,617	41,865	7,326	7,451	6,849	7,202	...
		Imports	59,575	52,822	51,322	26,537	4,395	4,702	4,736	4,967	...
		Balance	+ 30,226	+ 36,259	+ 28,295	+ 15,328	+ 2,931	+ 2,749	+ 2,113	+ 2,235	...
<i>of which</i>											
United States		Exports	67,824	68,263	61,669	32,192	5,624	5,692	5,305	5,574	...
		Imports	45,982	40,376	39,046	20,165	3,161	3,669	3,697	3,820	...
		Balance	+ 21,842	+ 27,887	+ 22,624	+ 12,027	+ 2,464	+ 2,023	+ 1,608	+ 1,755	...
3 Asia		Exports	68,936	72,915	75,539	42,090	7,532	6,968	7,202	7,278	...
		Imports	84,220	79,892	82,991	44,833	7,404	7,818	7,641	7,689	...
		Balance	- 15,285	- 6,977	- 7,453	- 2,742	+ 128	- 849	- 439	- 412	...
<i>of which</i>											
Middle East		Exports	14,130	15,045	15,503	8,282	1,519	1,271	1,490	1,438	...
		Imports	5,434	4,696	4,460	2,036	344	295	411	384	...
		Balance	+ 8,696	+ 10,349	+ 11,043	+ 6,246	+ 1,175	+ 975	+ 1,080	+ 1,054	...
Japan		Exports	13,103	12,576	11,838	6,200	1,203	952	902	1,020	...
		Imports	22,910	19,896	19,139	10,514	1,892	1,889	1,757	1,715	...
		Balance	- 9,807	- 7,320	- 7,301	- 4,314	- 690	- 937	- 855	- 695	...
People's Republic of China 2		Exports	12,118	14,571	18,201	10,863	1,838	2,004	1,891	1,927	...
		Imports	19,942	21,338	25,024	13,949	2,180	2,424	2,382	2,485	...
		Balance	- 7,824	- 6,768	- 6,823	- 3,086	- 342	- 420	- 491	- 559	...
4 Oceania and polar regions		Exports	4,424	5,026	5,001	2,609	464	431	421	448	...
		Imports	2,048	1,988	1,751	987	207	139	130	189	...
		Balance	+ 2,375	+ 3,038	+ 3,250	+ 1,622	+ 257	+ 292	+ 290	+ 259	...
<i>Memo item</i>											
Emerging markets in South-East Asia 3		Exports	24,735	25,282	24,557	13,596	2,418	2,219	2,347	2,349	...
		Imports	28,351	26,660	26,581	13,938	2,256	2,409	2,379	2,383	...
		Balance	- 3,616	- 1,377	- 2,023	- 343	+ 162	- 190	- 32	- 35	...

* Source: Federal Statistical Office. Exports (fob) by country of destination, imports (cif) by country of origin. Individual countries and groups of countries according to the current position. — 1 Including fuel and other

supplies for ships and aircraft and other data not classifiable by region. — 2 Excluding Hong Kong. — 3 Brunei Darussalam, Hong Kong, Indonesia, Malaysia, Philippines, Republic of Korea, Singapore, Taiwan and Thailand.

X External sector
**4 Services and factor income of the Federal Republic of Germany
(balances)**

€ million

Period	Services							Other services			Compensation of employees ⁵	Investment income
	Total	Travel ¹	Transportation ²	Financial services	Patents and licences	Government transactions ³	Total	of which				
								Services of self-employed persons ⁴	Construction and assembly work, repairs			
1999	- 46,067	- 35,468	+ 2,882	+ 1,005	- 1,896	+ 1,997	- 14,588	- 2,245	- 403	- 756	- 8,843	
2000	- 49,067	- 37,249	+ 3,386	+ 1,668	- 3,012	+ 2,221	- 16,081	- 2,757	- 753	- 512	- 2,129	
2001	- 50,272	- 37,955	+ 4,151	+ 1,079	- 2,455	+ 3,488	- 18,581	- 2,538	- 619	- 257	- 10,424	
2002	- 36,422	- 35,445	+ 2,750	+ 1,380	- 1,461	+ 5,237	- 8,883	- 2,035	+ 403	- 144	- 16,700	
2003	- 35,537	- 36,869	+ 1,825	+ 1,529	- 882	+ 5,050	- 6,190	- 1,863	+ 1,419	- 86	- 12,428	
2002 Q4	- 4,532	- 6,677	+ 1,072	+ 425	+ 100	+ 1,253	- 704	- 465	+ 250	+ 24	- 1,901	
2003 Q1	- 8,307	- 6,921	+ 168	+ 449	- 293	+ 1,273	- 2,983	- 574	+ 473	+ 216	- 4,906	
Q2	- 8,340	- 9,127	+ 695	+ 355	- 193	+ 1,203	- 1,272	- 485	+ 177	- 85	- 3,565	
Q3	- 13,275	- 13,994	+ 453	+ 339	- 369	+ 1,316	- 1,020	- 410	+ 439	- 240	- 4,239	
Q4	- 5,615	- 6,827	+ 509	+ 386	- 26	+ 1,257	- 915	- 393	+ 330	+ 22	+ 281	
2004 Q1	- 8,878	- 7,018	+ 517	+ 351	- 188	+ 1,317	- 3,858	- 342	+ 214	+ 210	- 4,152	
Q2	- 7,566	- 8,965	+ 1,529	+ 255	- 344	+ 1,438	- 1,478	- 303	- 13	- 57	+ 103	
2003 Sep	- 4,227	- 4,490	+ 103	+ 48	- 170	+ 444	- 162	- 103	+ 97	- 84	+ 1,081	
Oct	- 3,786	- 3,904	+ 37	+ 85	- 37	+ 380	- 347	- 133	+ 100	- 0	+ 1,704	
Nov	- 1,543	- 1,778	+ 183	+ 176	+ 2	+ 383	- 509	- 99	+ 92	- 8	- 312	
Dec	- 286	- 1,144	+ 289	+ 125	+ 9	+ 494	- 58	- 161	+ 139	+ 30	- 1,111	
2004 Jan	- 4,140	- 2,378	+ 32	+ 103	- 0	+ 437	- 2,333	- 143	+ 31	+ 67	- 5,595	
Feb	- 2,318	- 1,907	+ 134	+ 112	+ 7	+ 426	- 1,091	- 93	+ 114	+ 64	- 534	
Mar	- 2,420	- 2,733	+ 351	+ 136	- 195	+ 455	- 434	- 105	+ 68	+ 80	+ 1,977	
Apr	- 3,105	- 2,689	+ 578	+ 66	- 125	+ 470	- 1,405	- 83	- 58	- 20	+ 855	
May	- 1,839	- 2,557	+ 256	+ 121	- 24	+ 453	- 88	- 107	+ 61	- 25	- 74	
June	- 2,622	- 3,719	+ 695	+ 68	- 195	+ 515	+ 14	- 113	- 17	- 12	- 677	
July	- 3,593	- 3,387	+ 307	+ 168	+ 43	+ 485	- 1,208	- 114	+ 69	- 76	- 2,427	

1 From January 2002, figures subject to significant uncertainty. — 2 Excluding the expenditure on freight included in the cif import figure. — 3 Including the receipts from foreign military agencies for goods and ser-

vices supplied. — 4 Engineering and other technical services, research and development, commercial services, etc. — 5 Wages and salaries.

**5 Current transfers of the Federal Republic of Germany
(balances)**

€ million

Period	Public ¹					Private ¹			Total ⁴	Public ¹	Private ¹
	Total	Total	International organisations ²		Other current transfers ³	Total	Remittances by foreign workers	Other current transfers			
			Total	of which European Communities							
1999	- 25,016	- 17,348	- 15,428	- 13,846	- 1,920	- 7,667	- 3,429	- 4,239	- 154	- 1,351	+ 1,197
2000	- 28,366	- 19,094	- 17,100	- 15,398	- 1,995	- 9,271	- 3,458	- 5,814	- 1,599	- 1,189	- 410
2001	- 27,425	- 16,927	- 14,257	- 12,587	- 2,670	- 10,499	- 3,520	- 6,978	- 387	- 1,361	+ 974
2002	- 27,883	- 16,207	- 13,045	- 11,214	- 3,162	- 11,676	- 3,470	- 8,206	- 212	- 1,416	+ 1,204
2003	- 28,767	- 18,793	- 15,397	- 13,732	- 3,396	- 9,974	- 3,332	- 6,642	+ 316	- 1,235	+ 1,551
2002 Q4	- 7,483	- 4,477	- 3,232	- 2,998	- 1,245	- 3,006	- 868	- 2,139	- 359	- 565	+ 207
2003 Q1	- 5,779	- 3,317	- 2,297	- 1,628	- 1,020	- 2,463	- 833	- 1,629	- 30	- 253	+ 223
Q2	- 7,890	- 5,403	- 5,375	- 4,790	- 28	- 2,487	- 833	- 1,654	+ 149	- 276	+ 425
Q3	- 8,820	- 6,017	- 4,896	- 4,650	- 1,121	- 2,803	- 833	- 1,970	+ 208	- 249	+ 457
Q4	- 6,278	- 4,057	- 2,829	- 2,665	- 1,227	- 2,222	- 833	- 1,389	- 12	- 457	+ 445
2004 Q1	- 5,571	- 3,337	- 2,466	- 1,822	- 871	- 2,233	- 795	- 1,438	+ 430	- 254	+ 684
Q2	- 7,090	- 4,404	- 4,474	- 4,187	+ 70	- 2,687	- 795	- 1,892	+ 206	- 239	+ 445
2003 Sep	- 2,880	- 1,864	- 1,662	- 1,603	- 202	- 1,016	- 278	- 738	- 78	- 91	+ 13
Oct	- 1,874	- 1,071	- 631	- 514	- 441	- 803	- 278	- 525	- 27	- 87	+ 60
Nov	- 2,899	- 2,161	- 1,684	- 1,674	- 477	- 739	- 278	- 461	+ 49	- 229	+ 278
Dec	- 1,505	- 824	- 515	- 477	- 310	- 681	- 278	- 403	- 35	- 141	+ 107
2004 Jan	- 537	+ 278	+ 501	+ 863	- 223	- 815	- 265	- 550	+ 53	- 84	+ 137
Feb	- 2,615	- 1,912	- 1,547	- 1,388	- 366	- 702	- 265	- 437	- 130	- 95	- 36
Mar	- 2,419	- 1,703	- 1,420	- 1,296	- 282	- 716	- 265	- 451	+ 507	- 75	+ 582
Apr	- 1,745	- 851	- 941	- 859	+ 90	- 894	- 265	- 629	+ 82	- 71	+ 153
May	- 2,495	- 1,475	- 1,538	- 1,422	+ 63	- 1,020	- 265	- 755	- 29	- 91	+ 62
June	- 2,850	- 2,078	- 1,995	- 1,906	- 82	- 773	- 265	- 508	+ 153	- 77	+ 230
July	- 3,128	- 2,130	- 1,617	- 1,501	- 514	- 997	- 265	- 732	+ 183	- 87	+ 270

1 The classification of "public" and "private" transfers depends on the sector to which the participating domestic body belongs. — 2 Current contributions to the budgets of international organisations and to the EU budget

(excluding capital transfers). — 3 Payments to developing countries, pension payments, tax revenue and refunds, etc. — 4 Where identifiable; in particular, debt forgiveness.

7 Financial account of the Federal Republic of Germany

€ million

Item	2001	2002	2003	2003		2004				
				Q3	Q4	Q1	Q2	May	June	July
I Net German investment abroad (Increase/capital exports: -)	- 270,632	- 249,672	- 174,719	+ 7,919	- 18,278	- 77,020	- 10,199	+ 9,811	+ 7,849	- 8,927
1 Direct investment 1	- 41,185	- 9,161	- 2,268	- 3,041	+ 1,085	+ 10,210	- 2,503	- 415	- 1,229	+ 596
Equity capital	- 70,254	- 38,266	- 13,052	- 2,297	- 2,324	+ 21,155	- 1,091	- 1,183	+ 478	+ 797
Reinvested earnings 2	+ 17,892	+ 16,224	+ 1,380	+ 345	+ 345	+ 325	+ 149	+ 108	- 68	+ 272
Credit transactions of German direct investors	+ 16,260	+ 20,639	+ 18,881	+ 939	+ 6,329	- 9,760	+ 935	+ 1,309	- 346	+ 55
Other capital	- 5,083	- 7,759	- 9,477	- 2,029	- 3,265	- 1,511	- 2,496	- 650	- 1,294	- 528
2 Portfolio investment	- 124,375	- 65,848	- 32,323	- 1,554	- 10,668	- 25,990	- 31,569	- 10,966	- 13,225	- 10,647
Equity 3	- 10,581	- 4,832	+ 7,628	- 734	- 5,969	+ 1,230	+ 926	- 3,383	+ 202	+ 2,012
Mutual fund shares 4	- 20,222	- 6,995	- 4,253	- 240	- 467	- 7,059	- 2,526	- 347	- 520	- 130
Bonds and notes 5	- 95,067	- 49,056	- 37,811	- 860	- 6,645	- 26,144	- 25,642	- 6,633	- 10,061	- 10,358
Money market instruments	+ 1,495	+ 4,965	+ 2,112	+ 280	+ 2,412	+ 5,983	- 4,327	- 603	- 2,846	- 2,171
3 Financial derivatives 6	+ 6,829	- 863	- 493	- 384	- 36	- 1,255	+ 2,236	+ 922	+ 538	- 468
4 Credit transactions	- 110,515	- 172,208	- 137,045	+ 13,575	- 7,988	- 58,969	+ 22,456	+ 20,334	+ 22,227	+ 1,802
MFIs 7,8	- 130,648	- 132,536	- 122,307	+ 29,417	- 10,941	- 36,597	- 14,365	+ 5,540	+ 3,599	+ 4,411
Long-term	- 47,636	- 33,790	- 32,556	- 8,176	- 4,882	+ 3,570	+ 5,597	+ 6,776	+ 704	- 2,825
Short-term	- 83,012	- 98,746	- 89,750	+ 37,593	- 6,059	- 40,167	- 19,962	- 1,236	+ 2,895	+ 7,236
Enterprises and households	- 19,861	- 10,830	- 16,234	- 113	+ 9,965	- 17,505	+ 4,860	+ 3,812	- 2,268	- 1,144
Long-term	- 2,502	- 1,187	- 2,729	- 565	- 888	- 669	- 480	- 38	- 194	- 472
Short-term 7	- 17,360	- 9,643	- 13,505	+ 452	+ 10,853	- 16,836	+ 5,340	+ 3,850	- 2,074	- 672
General government	+ 15,980	+ 7,168	+ 1,265	- 160	+ 1,021	+ 1,158	+ 64	+ 511	+ 333	+ 481
Long-term	+ 257	+ 218	+ 692	+ 274	+ 115	+ 305	+ 7	- 23	- 6	+ 117
Short-term 7	+ 15,723	+ 6,950	+ 572	+ 434	+ 906	+ 853	+ 57	+ 534	+ 339	+ 364
Bundesbank	+ 24,015	- 36,010	+ 230	- 15,569	- 8,033	- 6,025	+ 31,896	+ 10,471	+ 20,563	- 1,946
5 Other investment 9	- 1,385	- 1,592	- 2,590	- 677	- 670	- 1,016	- 819	- 65	- 462	- 211
II Net foreign investment in Germany (Increase/capital imports: +)	+ 244,399	+ 178,948	+ 119,704	- 4,640	- 1,518	+ 62,633	- 57,670	- 22,223	- 25,849	+ 8,452
1 Direct investment 1	+ 23,622	+ 38,269	+ 11,400	+ 5,829	- 12,994	- 32,076	- 5,025	- 37	- 1,919	- 1,809
Equity capital	+ 29,702	+ 29,311	+ 27,956	+ 3,906	+ 11,409	+ 5,014	- 2,515	+ 1,692	- 4,152	- 66
Reinvested earnings 2	- 20,520	- 13,008	- 5,484	- 1,371	- 1,371	- 6,898	- 910	- 433	- 45	+ 44
Credit transactions of foreign direct investors	+ 14,584	+ 22,162	- 10,886	+ 3,266	- 22,980	- 30,246	- 1,581	- 1,286	+ 2,287	- 1,779
Other capital	- 143	- 197	- 186	+ 27	- 52	+ 54	- 19	- 11	- 10	- 8
2 Portfolio investment	+ 150,870	+ 109,783	+ 91,276	- 4,798	+ 31,075	+ 34,063	+ 1,523	+ 1,744	+ 4,952	+ 20,237
Equity 3	+ 86,812	+ 15,712	+ 24,204	+ 2,989	+ 20,306	+ 2,793	- 11,739	- 5,661	+ 17,587	+ 3,625
Mutual fund shares	+ 951	- 673	- 1,530	- 802	+ 278	- 835	- 981	- 238	- 545	+ 3,659
Bonds and notes 5	+ 80,299	+ 83,473	+ 69,243	+ 6,343	+ 14,389	+ 42,914	+ 15,436	+ 8,682	- 13,352	+ 14,001
Money market instruments	- 17,191	+ 11,271	- 642	- 13,328	- 3,897	- 12,479	- 1,193	- 1,039	+ 1,262	- 1,049
3 Credit transactions	+ 69,859	+ 30,814	+ 17,005	- 5,676	- 19,580	+ 60,603	- 54,247	- 23,937	- 28,886	- 9,972
MFIs 7,8	+ 54,341	+ 28,453	+ 12,160	- 9,428	- 19,300	+ 57,886	- 52,845	- 23,432	- 29,308	- 7,257
Long-term	+ 4,425	+ 18,379	- 4,512	- 7,407	+ 6,012	- 8,845	- 1,543	+ 497	- 63	- 506
Short-term	+ 49,916	+ 10,075	+ 16,672	- 2,021	- 25,312	+ 66,730	- 51,302	- 23,929	- 29,245	- 6,750
Enterprises and households	+ 12,008	+ 3,332	- 820	+ 1,032	+ 1,068	+ 7,908	- 3,371	- 162	- 606	- 1,805
Long-term	+ 11,743	+ 5,250	- 1,901	+ 1,345	+ 57	+ 3,078	+ 95	- 183	+ 560	- 158
Short-term 7	+ 265	- 1,918	+ 1,081	- 314	+ 1,011	+ 4,830	- 3,467	+ 21	- 1,166	- 1,647
General government	+ 879	- 1,625	+ 3,682	+ 2,302	- 1,186	- 4,188	+ 2,534	+ 754	+ 576	- 421
Long-term	- 217	- 125	+ 4,861	- 158	+ 1,178	- 2,208	+ 1,359	+ 812	- 669	+ 596
Short-term 7	+ 1,096	- 1,500	- 1,179	+ 2,460	- 2,365	- 1,980	+ 1,176	- 58	+ 1,245	- 1,017
Bundesbank	+ 2,631	+ 653	+ 1,983	+ 418	- 161	- 1,002	- 564	- 1,097	+ 452	- 489
4 Other investment	+ 47	+ 83	+ 24	+ 6	- 19	+ 43	+ 79	+ 7	+ 5	- 4
III Balance of all statistically recorded financial movements (Net capital exports: -)	- 26,233	- 70,724	- 55,015	+ 3,279	- 19,796	- 14,387	- 67,869	- 12,412	- 18,000	- 475

1 From 1996, new definition for direct investment. — 2 Estimated. — 3 Including participation rights. — 4 From 1991, including accumulated earnings. — 5 From 1975, excluding accrued interest. — 6 Options, whether evidenced by securities or not, and financial futures contracts. — 7 The trans-

action values shown here are mostly derived from changes in stocks. Purely statistical changes have been eliminated as far as possible. — 8 Excluding the Deutsche Bundesbank. — 9 In particular, subscriptions of the Federal Government to international organisations.

X External sector

8 External position of the Bundesbank *

DM million

End of year or month	Reserve assets and other claims on non-residents						Liabilities vis-à-vis non-residents				Net external position (col 1 less col 8)
	Total	Reserve assets				Loans and other claims on non- residents 3	Total	Liabilities arising from external trans- actions 4	Liabilities arising from liquidity Treasury discount paper		
		Total	Gold	Foreign currency balances 1	Reserve position in the Inter- national Monetary Fund and special drawing rights					Claims on the ECB 2 (net)	
1	2	3	4	5	6	7	8	9	10	11	
1991	97,345	94,754	13,688	55,424	8,314	17,329	2,592	42,335	42,335	–	55,010
1992	143,959	141,351	13,688	85,845	8,199	33,619	2,608	26,506	26,506	–	117,453
1993	122,763	120,143	13,688	61,784	8,496	36,176	2,620	39,541	23,179	16,362	83,222
1994	115,965	113,605	13,688	60,209	7,967	31,742	2,360	24,192	19,581	4,611	91,774
1995	123,261	121,307	13,688	68,484	10,337	28,798	1,954	16,390	16,390	–	106,871
1996	120,985	119,544	13,688	72,364	11,445	22,048	1,441	15,604	15,604	–	105,381
1997	127,849	126,884	13,688	76,673	13,874	22,649	966	16,931	16,931	–	110,918
1998	135,085	134,005	17,109	100,363	16,533	–	1,079	15,978	15,978	–	119,107

* Valuation of the gold holdings and the claims on non-residents in accordance with section 26 (2) of the Bundesbank Act and the provisions of the Commercial Code, especially section 253. In the course of the year, valuation at the preceding year's balance sheet rates. — 1 Mainly US dollar assets. — 2 European Central Bank (up to 1993, claims on the European

Monetary Cooperation Fund (EMCF)). — 3 Including loans to the World Bank. — 4 Including liquidity paper sold to non-residents by the Bundesbank; excluding the liquidity Treasury discount paper sold to non-residents between March 1993 and March 1995, as shown in column 10.

9 External position of the Bundesbank in the euro area °

€ million

End of year or month	Reserve assets and other claims on non-residents						Other claims on non-euro- area residents 1,3	Claims within the Eurosysteem (net) 2	Other claims on residents in other euro-area member states	Liabilities vis-à-vis non- residents 3	Net external position of the Bundesbank (col 1 less col 9)
	Total	Reserve assets				Foreign currency reserves					
		Total	Gold and gold receivables	Reserve position in the Inter- national Monetary Fund and special drawing rights							
1	2	3	4	5	6	7	8	9	10		
1999 Jan 4	95,316	93,940	29,312	8,461	56,167	140	1,225	11	8,169	87,146	
1999	141,958	93,039	32,287	8,332	52,420	9,162	39,746	11	6,179	135,779	
2000	100,762	93,815	32,676	7,762	53,377	313	6,620	14	6,592	94,170	
2001	76,147	93,215	35,005	8,721	49,489	312	– 17,385	5	8,752	67,396	
2002	103,948	85,002	36,208	8,272	40,522	312	18,466	167	9,005	94,942	
2003	95,394	76,680	36,533	7,609	32,538	312	17,945	456	10,443	84,951	
2003 Mar	98,240	82,530	34,100	8,348	40,083	312	14,908	490	10,599	87,641	
Apr	93,702	79,453	33,442	8,123	37,888	312	13,496	441	9,126	84,575	
May	70,456	78,904	34,252	7,871	36,781	312	– 9,216	455	9,818	60,638	
June	73,550	78,425	33,435	8,292	36,698	312	– 5,663	476	10,537	63,014	
July	90,714	79,218	34,759	8,289	36,170	312	10,710	474	10,375	80,339	
Aug	98,605	84,197	37,546	8,583	38,068	312	13,592	504	11,060	87,545	
Sep	91,894	81,206	36,491	8,492	36,223	312	9,902	474	10,879	81,016	
Oct	113,947	81,401	36,595	8,539	36,267	312	31,794	440	11,319	102,628	
Nov	97,130	79,624	36,705	8,374	34,545	312	16,742	452	10,518	86,612	
Dec	95,394	76,680	36,533	7,609	32,538	312	17,945	456	10,443	84,951	
2004 Jan	89,895	76,992	35,834	7,726	33,432	312	12,135	456	10,522	79,374	
Feb	87,987	76,089	34,930	7,736	33,423	312	11,140	446	10,078	77,910	
Mar	104,464	79,717	38,266	7,610	33,841	312	23,981	454	9,545	94,920	
Apr	102,021	78,143	35,849	7,880	34,414	312	23,134	432	9,694	92,327	
May	89,877	76,473	35,705	7,685	33,083	312	12,641	451	8,537	81,340	
June	69,837	76,996	35,793	7,390	33,813	312	– 7,951	480	9,003	60,834	
July	70,865	76,076	35,721	7,395	32,960	312	– 6,009	486	8,545	62,320	
Aug	87,570	77,171	37,195	7,395	32,581	312	9,455	632	7,755	79,815	

° Claims and liabilities vis-à-vis all countries within and outside the euro area. Up to December 2000, the levels at the end of each quarter are shown, owing to revaluations, at market prices; within each quarter, however, the levels are computed on the basis of cumulative transaction values. From January 2001, all end-of-month levels are valued at market prices. — 1 Including loans to the World Bank. — 2 Including the balances in the

Deutsche Bundesbank's cross-border payments within the Eurosysteem. From November 2000, including the TARGET positions which were previously shown (in columns 6 and 9) as bilateral assets and liabilities vis-à-vis national central banks outside the Eurosysteem. — 3 See footnote 2. — 4 Euro opening balance sheet of the Bundesbank as at 1 January 1999.

10 Assets and liabilities of enterprises in Germany (other than banks)
vis-à-vis non-residents *

€ million

End of year or month	Claims on non-residents							Liabilities vis-à-vis non-residents						
	Total	Balances with foreign banks	Claims on foreign non-banks					Total	Loans from foreign banks	Liabilities vis-à-vis foreign non-banks				
			Total	from financial operations	from trade credits					Total	from financial operations	from trade credits		
					Total	Credit terms granted	Advance payments effected					Total	Credit terms used	Advance payments received
All countries														
2000	320,874	43,462	277,412	152,752	124,660	116,971	7,689	446,060	52,663	393,397	309,024	84,373	63,093	21,280
2001	358,120	62,434	295,686	171,939	123,747	114,857	8,890	505,266	60,132	445,134	354,561	90,573	65,988	24,585
2002 4	331,671	63,817	267,854	148,913	118,941	111,406	7,535	533,423	57,696	475,727	387,850	87,877	62,622	25,255
2003	357,399	86,627	270,772	154,953	115,819	108,515	7,304	543,186	54,822	488,364	400,431	87,933	60,464	27,469
2004 Feb	373,952	100,262	273,690	158,957	114,733	106,933	7,800	525,880	61,515	464,365	379,646	84,719	55,887	28,832
Mar	383,299	101,332	281,967	162,540	119,427	112,036	7,391	523,358	58,687	464,671	373,242	91,429	60,912	30,517
Apr	378,176	98,826	279,350	161,096	118,254	110,603	7,651	516,565	57,255	459,310	371,128	88,182	57,028	31,154
May	375,102	94,057	281,045	161,579	119,466	111,809	7,657	518,986	56,858	462,128	372,372	89,756	57,967	31,789
June	383,333	96,394	286,939	163,660	123,279	115,754	7,525	525,509	54,845	470,664	379,253	91,411	60,242	31,169
July	384,727	99,250	285,477	164,940	120,537	112,958	7,579	521,160	53,175	467,985	377,346	90,639	58,787	31,852
Industrial countries 2														
2000	262,284	42,488	219,796	132,570	87,226	81,391	5,835	407,513	50,184	357,329	294,569	62,760	51,078	11,682
2001	298,904	61,403	237,501	151,047	86,454	79,453	7,001	466,206	57,861	408,345	340,344	68,001	54,364	13,637
2002 4	278,074	62,861	215,213	133,509	81,704	75,996	5,708	493,155	55,770	437,385	372,464	64,921	50,731	14,190
2003	305,754	85,390	220,364	140,280	80,084	75,236	4,848	499,436	53,087	446,349	383,919	62,430	48,210	14,220
2004 Feb	323,349	98,758	224,591	144,333	80,258	74,980	5,278	480,772	59,120	421,652	362,647	59,005	44,087	14,918
Mar	331,633	99,757	231,876	147,990	83,886	78,987	4,899	476,713	56,284	420,429	355,947	64,482	48,285	16,197
Apr	326,684	97,406	229,278	146,701	82,577	77,612	4,965	470,049	54,973	415,076	353,847	61,229	44,745	16,484
May	333,646	92,672	240,974	151,041	89,933	84,613	5,320	480,255	54,711	425,544	358,690	66,854	48,839	18,015
June	341,730	95,129	246,601	153,095	93,506	88,252	5,254	487,219	52,718	434,501	365,438	69,063	51,545	17,518
July	342,717	97,853	244,864	154,277	90,587	85,286	5,301	482,661	51,086	431,575	363,602	67,973	50,079	17,894
EU countries 2														
2000	177,782	39,563	138,219	78,298	59,921	55,718	4,203	323,049	45,473	277,576	237,583	39,993	32,457	7,536
2001	198,118	58,039	140,079	79,205	60,874	55,371	5,503	372,937	53,683	319,254	275,749	43,505	34,716	8,789
2002 4	200,930	60,118	140,812	84,643	56,169	51,693	4,476	402,561	52,503	350,058	307,920	42,138	32,650	9,488
2003	225,973	81,430	144,543	89,392	55,151	51,459	3,692	411,811	50,304	361,507	321,010	40,497	30,855	9,642
2004 Feb	244,375	92,678	151,697	95,345	56,352	52,249	4,103	392,919	53,931	338,988	300,405	38,583	28,560	10,023
Mar	251,007	93,160	157,847	99,577	58,270	54,521	3,749	384,501	50,947	333,554	290,940	42,614	31,286	11,328
Apr	247,132	90,875	156,257	99,192	57,065	53,335	3,730	378,851	49,982	328,869	289,006	39,863	28,413	11,450
May	255,423	86,130	169,293	103,970	65,323	61,205	4,118	391,604	49,732	341,872	295,897	45,975	33,084	12,891
June	259,865	88,680	171,185	103,659	67,526	63,401	4,125	396,192	47,760	348,432	301,273	47,159	34,708	12,451
July	260,893	90,783	170,110	105,315	64,795	60,688	4,107	393,232	46,239	346,993	300,284	46,709	33,963	12,746
of which: Euro-area member states 1														
2000	120,976	22,737	98,239	52,976	45,263	42,389	2,874	247,830	33,698	214,132	185,595	28,537	23,569	4,968
2001	126,519	33,787	92,732	46,599	46,133	42,771	3,362	295,943	38,361	257,582	225,711	31,871	24,878	6,993
2002 4	129,490	32,521	96,969	54,542	42,427	39,350	3,077	331,733	37,366	294,367	263,863	30,504	22,996	7,508
2003	147,633	45,887	101,746	59,279	42,467	39,619	2,848	338,794	29,541	309,253	279,101	30,152	22,748	7,404
2004 Feb	156,892	51,807	105,085	61,008	44,077	40,823	3,254	313,682	34,891	278,791	250,138	28,653	20,953	7,700
Mar	162,182	52,802	109,380	64,168	45,212	42,367	2,845	321,381	33,888	287,493	255,488	32,005	23,105	8,900
Apr	158,519	50,134	108,385	63,943	44,442	41,615	2,827	316,676	32,987	283,689	253,466	30,223	21,163	9,060
May	157,317	47,971	109,346	64,396	44,950	42,112	2,838	321,627	32,318	289,309	258,190	31,119	21,768	9,351
June	160,788	49,919	110,869	64,454	46,415	43,462	2,953	327,205	31,976	295,229	263,503	31,726	22,679	9,047
July	161,410	50,688	110,722	66,161	44,561	41,628	2,933	325,669	30,848	294,821	263,281	31,540	22,224	9,316
Emerging economies and developing countries 3														
2000	58,590	974	57,616	20,182	37,434	35,580	1,854	38,547	2,479	36,068	14,455	21,613	12,015	9,598
2001	59,216	1,031	58,185	20,892	37,293	35,404	1,889	39,060	2,271	36,789	14,217	22,572	11,624	10,948
2002 4	53,597	956	52,641	15,404	37,237	35,410	1,827	40,268	1,926	38,342	15,386	22,956	11,891	11,065
2003	51,645	1,237	50,408	14,673	35,735	33,279	2,456	43,750	1,735	42,015	16,512	25,503	12,254	13,249
2004 Feb	50,603	1,504	49,099	14,624	34,475	31,953	2,522	45,108	2,395	42,713	16,999	25,714	11,800	13,914
Mar	51,666	1,575	50,091	14,550	35,541	33,049	2,492	46,645	2,403	44,242	17,295	26,947	12,627	14,320
Apr	51,492	1,420	50,072	14,395	35,677	32,991	2,686	46,516	2,282	44,234	17,281	26,953	12,283	14,670
May	41,456	1,385	40,071	10,538	29,533	27,196	2,337	38,731	2,147	36,584	13,682	22,902	9,128	13,774
June	41,603	1,265	40,338	10,565	29,773	27,502	2,271	38,290	2,127	36,163	13,815	22,348	8,697	13,651
July	42,010	1,397	40,613	10,663	29,950	27,672	2,278	38,499	2,089	36,410	13,744	22,666	8,708	13,958

* Including the assets and liabilities vis-à-vis non-residents of households in Germany. The assets and liabilities vis-à-vis non-residents of banks (MFIs) in Germany are shown in Table 4 of Section IV, "Banks". Statistical increases and decreases have not been eliminated; to this extent, the changes in totals are not comparable with the figures shown in Table X.7. — 1 From

January 2001, including Greece. — 2 From May 2004, including the new member states: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia. — 3 All countries that are not regarded as industrial countries. — 4 Change in the reporting population owing to an increase in the exemption limit.

X External sector

11 Deutsche Mark and euro exchange rates of selected currencies *

Yearly or monthly average	United States	Japan	Denmark	Sweden	United Kingdom	Norway	Switzerland	Canada	Australia	New Zealand
	USD	JPY	DKK	SEK	GBP	NOK	CHF	CAD	AUD 1	NZD 1
Historic spot middle rates on the Frankfurt exchange (1 or 100 currency units = DEM ...)										
1991	1.6612	1.2346	25.932	27.421	2.926	25.580	115.740	1.4501	1.2942	0.9589
1992	1.5595	1.2313	25.869	26.912	2.753	25.143	111.198	1.2917	1.1476	0.8406
1993	1.6544	1.4945	25.508	21.248	2.483	23.303	111.949	1.2823	1.1235	0.8940
1994	1.6218	1.5870	25.513	21.013	2.4816	22.982	118.712	1.1884	1.1848	0.9605
1995	1.4338	1.5293	25.570	20.116	2.2620	22.614	121.240	1.0443	1.0622	0.9399
1996	1.5037	1.3838	25.945	22.434	2.3478	23.292	121.891	1.1027	1.1782	1.0357
1997	1.7348	1.4378	26.249	22.718	2.8410	24.508	119.508	1.2533	1.2889	1.1453
1998	1.7592	1.3484	26.258	22.128	2.9142	23.297	121.414	1.1884	1.1070	0.9445
Euro reference exchange rates published by the European Central Bank (EUR 1 = currency units ...) ²										
1999	1.0658	121.32	7.4355	8.8075	0.65874	8.3104	1.6003	1.5840	1.6523	2.0145
2000	0.9236	99.47	7.4538	8.4452	0.60948	8.1129	1.5579	1.3706	1.5889	2.0288
2001	0.8956	108.68	7.4521	9.2551	0.62187	8.0484	1.5105	1.3864	1.7319	2.1300
2002	0.9456	118.06	7.4305	9.1611	0.62883	7.5086	1.4670	1.4838	1.7376	2.0366
2003	1.1312	130.97	7.4307	9.1242	0.69199	8.0033	1.5212	1.5817	1.7379	1.9438
2002 Dec	1.0183	124.20	7.4264	9.0961	0.64218	7.2948	1.4679	1.5872	1.8076	1.9947
2003 Jan	1.0622	126.12	7.4324	9.1733	0.65711	7.3328	1.4621	1.6364	1.8218	1.9648
Feb	1.0773	128.60	7.4317	9.1455	0.66977	7.5439	1.4674	1.6299	1.8112	1.9457
Mar	1.0807	128.16	7.4274	9.2265	0.68255	7.8450	1.4695	1.5943	1.7950	1.9497
Apr	1.0848	130.12	7.4255	9.1541	0.68902	7.8317	1.4964	1.5851	1.7813	1.9700
May	1.1582	135.83	7.4246	9.1559	0.71322	7.8715	1.5155	1.6016	1.7866	2.0083
June	1.1663	138.05	7.4250	9.1182	0.70224	8.1619	1.5411	1.5798	1.7552	2.0069
July	1.1372	134.99	7.4332	9.1856	0.70045	8.2893	1.5476	1.5694	1.7184	1.9386
Aug	1.1139	132.38	7.4322	9.2378	0.69919	8.2558	1.5400	1.5570	1.7114	1.9137
Sep	1.1222	128.94	7.4273	9.0682	0.69693	8.1952	1.5474	1.5330	1.6967	1.9227
Oct	1.1692	128.12	7.4301	9.0105	0.69763	8.2274	1.5485	1.5489	1.6867	1.9446
Nov	1.1702	127.84	7.4370	8.9939	0.69278	8.1969	1.5590	1.5361	1.6337	1.8608
Dec	1.2286	132.43	7.4419	9.0228	0.70196	8.2421	1.5544	1.6131	1.6626	1.8982
2004 Jan	1.2613	134.13	7.4481	9.1368	0.69215	8.5925	1.5657	1.6346	1.6374	1.8751
Feb	1.2646	134.78	7.4511	9.1763	0.67690	8.7752	1.5734	1.6817	1.6260	1.8262
Mar	1.2262	133.13	7.4493	9.2346	0.67124	8.5407	1.5670	1.6314	1.6370	1.8566
Apr	1.1985	129.08	7.4436	9.1653	0.66533	8.2976	1.5547	1.6068	1.6142	1.8727
May	1.2007	134.48	7.4405	9.1277	0.67157	8.2074	1.5400	1.6541	1.7033	1.9484
June	1.2138	132.86	7.4342	9.1430	0.66428	8.2856	1.5192	1.6492	1.7483	1.9301
July	1.2266	134.08	7.4355	9.1962	0.66576	8.4751	1.5270	1.6220	1.7135	1.8961
Aug	1.2176	134.54	7.4365	9.1861	0.66942	8.3315	1.5387	1.6007	1.7147	1.8604

* Calculated from daily quotations. — 1 Exchange rates from Australia and New Zealand; those for New Zealand calculated from rates as at the middle and end of the month. — 2 The ECB publishes daily euro reference exchange rates, which are calculated on the basis of the concertation between

central banks at 14.15. For additional euro reference exchange rates of the ECB, see Statistical Supplement to the Monthly Report 5, *Exchange rate statistics*.

12 Exchange rates for the national currencies of the euro-area member states, the Deutsche Mark value of the ECU * and euro conversion rates

Yearly average	France	Italy	Netherlands	Belgium/ Luxembourg	Austria	Spain	Finland	Ireland	Portugal	Greece GRD 100/ EUR 1 ²	ECU values ¹ ECU 1
	FRF 100	ITL 1,000	NLG 100	BEF/LUF 100	ATS 100	ESP 100	FIM 100	IEP 1	PTE 100		
Historic spot middle rates on the Frankfurt exchange in DEM											
1991	29.409	1.3377	88.742	4.857	14.211	1.597	41.087	2.671	1.149	0.9103	2.05076
1992	29.500	1.2720	88.814	4.857	14.211	1.529	34.963	2.656	1.157	0.8178	2.02031
1993	29.189	1.0526	89.017	4.785	14.214	1.303	28.915	2.423	1.031	0.7213	1.93639
1994	29.238	1.0056	89.171	4.8530	14.214	1.2112	31.108	2.4254	0.9774	0.6683	1.92452
1995	28.718	0.8814	89.272	4.8604	14.214	1.1499	32.832	2.2980	0.9555	0.6182	1.87375
1996	29.406	0.9751	89.243	4.8592	14.214	1.1880	32.766	2.4070	0.9754	0.6248	1.90954
1997	29.705	1.0184	88.857	4.8464	14.210	1.1843	33.414	2.6297	0.9894	0.6349	1.96438
1998	29.829	1.0132	88.714	4.8476	14.213	1.1779	32.920	2.5049	0.9763	0.5952	1.96913
1999	.	.	.	.	.	.	.	.	.	325.76	.
2000	.	.	.	.	.	.	.	.	.	336.63	.
Irrevocable euro conversion rates (EUR 1 = currency units ...) ³											
	6.55957	1936.27	2.20371	40.3399	13.7603	166.386	5.94573	0.787564	200.482	4	340.750
										5	1.95583

* Calculated from daily quotations. — 1 As per data from the European Commission. — 2 Up to 1998, reciprocal values of the exchange rates for the Deutsche Mark, published by the Bank of Greece; from 1999, euro reference

exchange rates of the ECB (EUR 1 = GRD ...). — 3 Applicable from 1 January 1999. — 4 Applicable from 1 January 2001. — 5 Deutsche Mark conversion rate.

13 Effective exchange rates * of the euro and selected foreign currencies

1999 Q1 = 100

Period	Effective exchange rate of the euro				Memo item Indicators of the German economy's price competitiveness 3,4				Effective nominal exchange rates of selected foreign currencies against the currencies of 19 industrial countries 3,5						
	EER-23 group 1				EER-42 group 2				19 industrial countries 5		49 countries 6		US dollar	Pound sterling	Japanese yen
	Nominal	In real terms based on the consumer prices	In real terms based on the GDP deflator 7	In real terms based on the unit labour costs of the national economy 7	Nominal	In real terms based on the consumer prices	based on the deflators of total sales 7	based on consumer prices	US dollar	Pound sterling	Japanese yen				
1999	96.0	95.9	95.8	96.1	96.5	95.8	97.8	98.0	97.6	100.8	102.3	105.1			
2000	86.1	86.0	85.7	85.3	87.9	85.8	91.7	92.6	91.1	105.4	105.2	117.9			
2001	86.7	86.8	86.7	85.2	90.4	87.0	91.9	93.0	91.4	112.0	103.6	106.7			
2002	89.3	90.3	90.2	88.2	94.8	90.8	93.0	94.0	92.5	110.7	104.2	100.8			
2003	99.9	101.7	101.6	99.3	106.6	101.6	p 96.6	97.7	97.2	97.7	99.2	99.9			
1999 Q1	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0			
Q2	96.2	96.2	96.2	96.7	96.4	96.0	98.5	98.3	97.8	102.8	102.8	99.0			
Q3	94.9	94.8	94.6	94.7	95.5	94.6	97.0	97.8	97.2	101.4	102.3	106.2			
Q4	93.0	92.7	92.5	93.0	94.3	92.8	95.6	95.9	95.5	99.1	104.1	115.2			
2000 Q1	89.5	89.3	89.0	88.3	91.0	89.1	93.6	94.8	93.5	101.5	106.4	114.9			
Q2	86.6	86.4	86.1	86.0	88.2	86.2	91.9	92.5	91.3	104.3	105.4	118.4			
Q3	85.2	85.0	84.6	84.5	87.0	84.8	91.3	92.1	90.4	106.2	103.9	119.2			
Q4	83.3	83.3	82.9	82.6	85.5	83.0	90.1	91.0	89.2	109.4	105.0	119.2			
2001 Jan	89.0	88.6	.	.	91.3	88.2	.	94.0	92.3	107.7	102.4	108.3			
Feb	88.0	87.7	88.1	86.3	90.5	87.6	92.7	93.9	92.2	108.8	102.0	109.9			
Mar	87.9	87.8	.	.	90.8	87.7	.	93.6	92.0	111.5	102.9	106.0			
Apr	87.0	87.0	.	.	90.3	87.2	.	93.1	91.5	113.0	103.7	104.9			
May	85.3	85.3	85.3	83.8	88.6	85.5	91.3	92.4	90.4	113.1	104.3	107.5			
June	83.9	83.9	.	.	87.3	84.1	.	91.9	89.8	114.1	104.4	108.3			
July	84.7	84.7	.	.	88.4	85.1	.	92.7	90.8	114.3	104.9	105.8			
Aug	87.2	87.2	86.4	84.7	91.2	87.6	91.4	93.4	91.9	111.6	103.0	106.4			
Sep	87.6	87.9	.	.	92.0	88.5	.	93.1	91.9	110.7	103.8	108.2			
Oct	87.5	87.8	.	.	92.1	88.5	.	92.7	91.5	111.8	103.7	106.2			
Nov	86.2	86.5	87.2	85.9	90.6	86.9	92.0	92.0	90.5	113.3	104.0	106.3			
Dec	86.8	87.4	.	.	91.0	87.5	.	93.5	91.7	114.1	104.3	102.1			
2002 Jan	86.5	87.4	.	.	90.7	87.2	.	93.6	91.4	116.4	104.9	98.3			
Feb	85.7	86.6	86.9	85.0	90.1	86.5	92.2	93.3	91.0	117.3	105.3	98.2			
Mar	85.8	86.8	.	.	90.3	86.7	.	93.2	90.9	116.1	104.6	99.8			
Apr	86.1	87.1	.	.	90.7	87.0	.	92.7	90.4	115.3	105.2	99.4			
May	87.8	88.8	88.7	86.7	92.8	89.0	92.6	93.2	91.3	112.0	103.5	101.2			
June	89.9	90.9	.	.	95.6	91.5	.	94.2	92.7	109.0	101.9	101.7			
July	91.3	92.4	.	.	97.5	93.4	.	95.2	94.4	106.0	103.5	104.3			
Aug	90.7	91.9	92.0	90.1	96.9	92.8	93.4	94.6	93.6	107.3	103.5	104.3			
Sep	90.8	92.1	.	.	97.2	93.1	.	94.1	93.2	107.6	104.7	102.5			
Oct	91.1	92.5	.	.	97.7	93.5	.	94.0	93.3	108.5	105.0	99.8			
Nov	91.9	93.1	93.3	91.1	98.5	94.0	93.9	94.0	93.1	106.8	104.3	100.8			
Dec	93.0	94.3	.	.	99.6	95.1	.	95.6	94.7	106.0	104.0	99.6			
2003 Jan	95.3	96.8	.	.	102.3	97.6	.	96.3	95.8	103.0	102.6	100.4			
Feb	96.7	98.2	97.6	95.6	103.7	99.0	95.6	97.0	96.6	102.2	101.2	99.2			
Mar	97.4	99.0	.	.	104.4	99.5	.	97.0	96.5	101.4	99.3	99.8			
Apr	98.0	99.5	.	.	104.6	99.5	.	96.9	96.3	101.4	98.7	98.6			
May	101.8	103.5	102.4	100.1	108.5	103.2	97.2	98.3	97.8	96.7	96.9	97.7			
June	102.3	104.2	.	.	108.8	103.7	.	98.7	98.2	96.1	98.9	96.3			
July	101.0	102.8	.	.	107.2	102.2	.	98.8	97.9	97.8	98.5	97.3			
Aug	99.8	101.8	101.9	100.1	106.0	101.2	96.8	98.1	97.1	99.1	98.1	98.3			
Sep	99.6	101.7	.	.	105.9	101.1	.	97.2	96.5	97.2	98.2	101.1			
Oct	101.3	103.3	.	.	108.0	102.9	.	97.5	97.1	93.3	98.8	103.7			
Nov	101.3	103.3	104.3	101.2	108.0	102.9	p 96.9	97.4	96.9	93.0	99.5	103.9			
Dec	104.3	106.2	.	.	111.2	105.9	.	99.3	99.3	90.6	99.5	102.9			
2004 Jan	105.5	107.4	.	.	112.5	106.9	.	100.1	99.8	88.9	101.6	102.9			
Feb	105.4	107.3	106.8	103.6	112.3	106.8	p 97.7	99.8	99.7	89.3	104.1	102.4			
Mar	103.5	105.4	.	.	110.2	104.7	.	98.9	98.5	90.9	104.2	102.1			
Apr	101.7	103.7	.	.	108.3	103.0	.	98.1	97.4	91.8	104.3	104.0			
May	102.5	104.4	...	...	109.6	104.1	p 96.7	98.4	97.9	93.4	103.7	100.0	
June	102.4	104.2	.	.	109.6	104.0	.	98.2	97.8	91.9	104.9	101.6			
July	102.9	104.7	.	.	110.1	104.3	.	98.8	98.1	90.9	105.0	101.2			
Aug	102.7	104.5	...	...	109.9	104.0	...	98.7	98.0	91.3	104.6	100.5	

* The effective exchange rate corresponds to the weighted external value of the currency concerned. — 1 ECB calculations based on the weighted averages of the effective exchange rates of the euro against the currencies of the following countries: Australia, Canada, China, Cyprus, Czech Republic, Denmark, Estonia, Hong Kong, Hungary, Japan, Latvia, Lithuania, Malta, Norway, Poland, Singapore, Slovakia, Slovenia, South Korea, Sweden, Switzerland, United Kingdom and United States. The weights used in these calculations are based on manufactured goods trade between 1999 and 2001 and capture third-market effects. Where consumer prices were not yet available, estimates have been used. For details of the methodology, see ECB, *Monthly Bulletin*, September 2004, pp 69–72 and the ECB's Occasional Paper No 2, which can be downloaded from the ECB's website (www.ecb.int). — 2 ECB calculations. In addition to the countries belonging

to the EER-23 group (see footnote 1), this group also includes the following countries: Algeria, Argentina, Brazil, Bulgaria, Croatia, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, Philippines, Romania, Russian Federation, South Africa, Taiwan, Thailand and Turkey. — 3 The method of calculation is consistent with the procedure used by the ECB to compute the effective exchange rates of the euro (see *Monthly Bulletin*, November 2001, pp 51–65). In contrast to footnote 1, the weights used are based on the relevant trade in the period from 1995 to 1997. — 4 Decline in the figures implies an increase in competitiveness. — 5 Euro-area countries as well as Canada, Denmark, Japan, Norway, Sweden, Switzerland, United Kingdom and United States. — 6 Euro-area countries and countries belonging to the EER-42 group except Bulgaria, Latvia, Lithuania and Malta. — 7 Annual and quarterly averages.



Overview of publications by the Deutsche Bundesbank

This overview provides information about selected recent economic and statistical publications by the Deutsche Bundesbank. Unless otherwise indicated, these publications are available in both English and German, in printed form and on the internet.

The publications are available free of charge from the External Communication Division. For a small fee to cover costs, a file which is updated monthly and contains approximately 40,000 time series published by the Bundesbank can be obtained on magnetic tape cassette or ZIP disk from the Division Statistical data processing, mathematical methods. Orders should be sent, in writing, to one of the addresses listed on the reverse of the title page. Selected time series can also be downloaded from the internet.

Annual Report

Monthly Report

For information on the articles published between 1990 and 2003 see the index attached to the January 2004 *Monthly Report*.

October 2003

- Germany's competitive position and foreign trade within the euro area

- The economic situation of small and medium-sized enterprises in Germany
- Development and significance of education expenditure in Germany

November 2003

- The economic scene in Germany in autumn 2003
- The monetary constitution under the Constitution for Europe

December 2003

- Report on the stability of the German financial system
- Stress testing the German banking system

January 2004

- The euro and prices two years on
- Payment system oversight – a contribution to the stability of the financial system and the efficiency of payment operations
- The new MFI interest rate statistics – methodology for collecting the German data

February 2004

- The economic scene in Germany around the turn of 2003-04

March 2004

- Public finances in crisis – the causes and the need for action
- German balance of payments in 2003

April 2004

- Recent developments in the corporate bond market
- Credit risk transfer instruments: their use by German banks and aspects of financial stability
- The significance of information and communication technology

May 2004

- Effects of eastward enlargement of the EU on the German economy
- The economic scene in Germany in spring 2004

June 2004

- Monetary policy under uncertainty
- Purchasing power parity theory as a concept for evaluating price competitiveness
- Overall financial flows in 2003

July 2004

- Financial development and outlook of the statutory health insurance scheme
- Regulation of the European securities markets
- Initial experience with the new monetary policy framework and the Bundesbank's contribution to liquidity management by the Eurosystem

August 2004

- The economic scene in Germany in summer 2004

September 2004

- The performance of German credit institutions in 2003
- Greater flexibility on the German labour market
- How the Bundesbank analyses enterprises' creditworthiness
- New capital requirements for credit institutions (Basel II)

Statistical Supplements to the Monthly Report¹

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

Special Publications

- The monetary policy of the Bundesbank, October 1995²
- Makro-ökonomisches Mehr-Länder-Modell, November 1996³
- Europäische Organisationen und Gremien im Bereich von Währung und Wirtschaft, May 1997³
- Die Zahlungsbilanz der ehemaligen DDR 1975 bis 1989, August 1999³
- The market for German Federal securities, May 2000
- Macro-Econometric Multi-Country Model: MEMMOD, June 2000
- Bundesbank Act, September 2002
- Weltweite Organisationen und Gremien im Bereich von Währung und Wirtschaft, March 2003³
- European economic and monetary union, February 2004

Special Statistical Publications

- 1 Banking statistics guidelines and customer classification, July 2003⁴

- 2 Bankenstatistik Kundensystematik Firmenverzeichnisse, September 2004^{3,5}
- 3 Aufbau der bankstatistischen Tabellen, January 2000³
- 4 Financial accounts for Germany 1991 to 2003, September 2004⁶
- 5 Annual accounts of west German enterprises 1971 to 1996, March 1999¹
- 6 Ratios from annual accounts of German enterprises between 1998 and 2000, March 2003^{1,6}
- 7 Erläuterungen zu den Leistungspositionen der Zahlungsbilanz, September 2001³
- 8 Balance of payments statistics of the Federal Republic of Germany, 2nd edition, February 1991^o
- 9 Securities deposits, September 2004
- 10 International capital links, May 2004^{1,6}
- 11 Balance of payments by region, August 2004
- 12 Technologische Dienstleistungen in der Zahlungsbilanz, June 2004³

^o Not available on the internet.

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

² Also available in French, Spanish, Russian and Chinese.

³ Available in German only.

⁴ Only the sections "Monthly Balance Sheet Statistics", "External position" and "Customer classification" ("Overall survey on sectoral classification", "Survey on breakdown by industry or activity" and "Explanatory notes on the system of customer classification by industry or activity") are available in English.

⁵ Current version only available on the internet at quarterly intervals.

⁶ Available on the internet only.

Discussion Papers*

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Banking legislation

1 Bundesbank Act and Statute of the European System of Central Banks and of the European Central Bank, June 1998

2 Gesetz über das Kreditwesen, February 2001³

2a Grundsatz I über die Eigenmittel der Institute, January 2001³

2b Grundsatz II über die Liquidität der Institute, August 1999³

7 Instruction sheet for the reporting of large exposures and loans of 3 million Deutsche Mark or more pursuant to sections 13 to 14 of the Banking Act, September 1998

* Earlier Discussion Papers are available on the internet, in some cases as abstracts.

For footnotes, see p 79*.