

## MONTHLY REPORT

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Wilhelm-Epstein-Strasse 14  
60431 Frankfurt am Main  
Germany

Postal address  
Postfach 10 06 02  
60006 Frankfurt am Main  
Germany

Tel +49 69 9566 -1

Fax +49 69 5601071

Telex 41227 within Germany  
414431 from abroad

Internet <http://www.bundesbank.de>

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## Commentaries

### Economic conditions

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#### Industry

Following a sharp improvement at the beginning of the third quarter, industrial business activity slackened somewhat in August. After adjustment for seasonal and working-day variations, new orders and output were both slightly weaker than in July. In this context, the particular timing of the summer holidays has to be taken into account, as, compared with the longer-term average, there were only relatively few school holidays in July and a large number of them in August. The seasonally and working-day-adjusted rates of change are therefore likely to have overstated the cyclical pattern somewhat in July and tended to have understated it in August.

*Underlying trends*

The average volume of incoming orders in July and August was 4½% up on the second quarter. This represented an increase of 6½% on the year in working-day-adjusted terms.

*Orders received*

After the sharp increase in July, in which some large-scale orders also played a part, there were fewer orders in August, in particular from abroad. The strongest decline was in the capital goods sector, which had expanded very sharply in July. In July and August taken together, new export orders were 6¾% up on the second-quarter level in seasonally adjusted terms.

The intake of domestic orders continued its moderate pace of expansion. In July and August, they were, on average, 2% higher

## Economic conditions in Germany \*

Seasonally adjusted

Period	New orders (volume); 2000 = 100			
	Industry 1			Con- struction
	Total	Domestic	Foreign	
2004 Q4	104.7	98.2	112.8	72.9
2005 Q1	104.4	95.1	116.0	67.3
Q2	105.2	96.9	115.7	70.6
June	107.6	99.5	117.7	71.6
July	112.0	99.6	127.5	73.9
Aug	107.8	98.4	119.6	77.9
Output; 2000 = 100				
Period	Industry 2			Con- struction
	Total	of which		
		Inter- mediate goods	Capital goods <sup>3</sup>	
2004 Q4	103.0	104.3	106.0	79.3
2005 Q1	104.9	105.3	108.0	72.7
Q2	105.5	106.2	109.3	74.1
June	106.4	106.7	111.2	75.5
July	107.4	107.6	111.5	76.1
Aug	105.6	107.6	107.6	76.9
Labour market				
Period	Em- ployed <sup>4</sup>	Vacancies	Un- employed	Un- employ- ment rate in % <sup>5</sup>
	Number in thousands			
2005 Q1	38,838	328	4,848	11.7
Q2	38,901	392	4,867	11.7
Q3	...	444	4,813	11.6
July	38,957	421	4,809	11.6
Aug	38,993	443	4,796	11.6
Sep	...	468	4,835	11.7
Period	Import prices	Producer prices of industrial prod- ucts <sup>6</sup>	Con- struction prices <sup>7</sup>	Con- sumer prices
	2000 = 100			
2005 Q1	99.0	108.6	102.5	107.2
Q2	100.3	110.0	102.5	107.9
Q3	...	111.3	102.7	108.7
July	102.3	110.9	.	108.3
Aug	102.6	111.3	.	108.6
Sep	...	111.8	.	109.3

\* 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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than in the second quarter, when they had likewise increased by 2%.

Industrial output declined by 1¼% in August. The annual growth rate slowed to 2¼%. On account of the holiday effects, the two-month average is the more informative figure. During that two-month period, production expanded by 1% compared with the second quarter and by 3% on the year. In August, capital goods producers recorded a particularly marked decline following an increase in July. Output in the consumer goods industry was also lower than in July. By contrast, intermediate goods production remained unchanged.

### Construction

In construction, there was a continuation of the slight improvement observed since mid-year. For instance, construction demand recovered noticeably in July/August and was 4% up on the year. The improvement in order books in July took place mainly in public road construction. In August, there was an increase in orders placed by commercial customers, including the railways and the post office, among which were a number of large-scale contracts. Residential construction remained almost unchanged following a slight expansion in July.

There was a further seasonally adjusted increase in construction output in August. The year-on-year fall is smaller than before but remains large. Owing to the holiday effect, the cyclical increase might still have been somewhat understated. On an average of the two-

Output

Demand

Output

month period of July and August, seasonally adjusted construction output was 3¼% higher than in the second quarter and 3¾% lower than in the same period last year.

### **Economy as a whole**

*Initial assessment for the third quarter*

The available data – in particular, on developments in industry, construction, trade and the external sector – suggest that real gross domestic product (GDP) rose significantly in the third quarter of 2005 after seasonal and working-day adjustment. Thus, the cyclical upturn in the German economy continued in the summer months following the sideways movement in the second quarter. Strong stimuli were generated by industry, where production expanded perceptibly in the wake of the surge in orders, especially from abroad. This was already reflected in a distinct rise in exports. However, net exports' mathematical contribution to growth was dampened by imports, which likewise showed a marked increase. Fixed capital formation developed positively. The pick-up in investment in machinery and equipment seems to have continued, and construction investment, too, may have been up on the second quarter. By contrast, consumer demand remained weak on the whole.

### **Labour market**

*Employment*

According to the calculations of the Federal Statistical Office, the seasonally adjusted number of persons in work in Germany in August showed a further slight increase to 38.99 million. This means that there were 113,000 more persons in employment than a

year earlier. The increase in the third quarter was due mainly to a rise in the number of seasonal workers and, particularly in August, to a sizeable number of new job opportunities with a work-related benefit bonus (known as one-euro jobs).

According to the figures of the Federal Employment Agency, there was an increase in registered unemployment in September. After adjustment for seasonal variations, 4.84 million persons were officially registered as unemployed in that month. However, the increase was due solely to the special statistical effect caused by the delayed first-time inclusion in the statistics of recipients of unemployment benefit II registered with municipalities having responsibility for the unemployed. As most of these municipalities are located in the west German federal states, the impact was felt more in western Germany than in eastern Germany. Without this effect, there would have been a further slight decline in unemployment. Consequently, the unemployment rate, as defined by the Federal Labour Office, went up to 11.7%.

*Unemployment*

According to the outcome of a telephone poll carried out by the Federal Office of Statistics based on ILO criteria, the seasonally adjusted number of unemployed persons rose to 3.98 million in August. As a result, the unemployment rate went up from 9.0% in July to 9.3%. Much of this increase is likely to be related to the relatively large number of holidays in August, which delayed new recruitments.

## Prices

*International  
oil prices*

In September, the international energy markets were affected by the hurricanes in the Gulf of Mexico. At the beginning of the month, quotations for Brent crude oil had climbed to a new record high of US\$67½ per barrel on the Rotterdam spot market. This was followed by a new interim peak of US\$65¾ in the wake of Hurricane Rita. At the end of September, a barrel was being quoted at US\$63½. In early October, a further easing was apparent. Petrol prices reacted even more strongly to the hurricanes than crude oil prices. The wholesale price of petrol quoted in Rotterdam rose from US\$646 per tonne in August to US\$704 per tonne in September. In mid-October, it was quoted at US\$560.

*Consumer  
prices*

Consumer price developments in September were heavily influenced by energy prices and the increase in tobacco tax. Tobacco cost 6.1% more than a month before, thus contributing just under 0.2 percentage point to consumer price inflation. As regards the energy component, the prices of light heating oil and fuels, which are now roughly 24½% higher than last year, showed a particularly marked rise.

Furthermore, clothing became rather more expensive in month-on-month terms, which might have been related to the changeover from the summer to autumn collection. However, clothes were still 1.9% cheaper than in the same period last year. By contrast, services prices fell somewhat in seasonally ad-

justed terms, mainly on account of less expensive package holidays.

On the whole, seasonally adjusted consumer prices rose by 0.6% in September. The year-on-year rate of increase stood at 2.5%, compared with 1.9% in August. The Harmonised Index of Consumer Prices (HICP) was up by 2.6% on the year.

## Public finances

### Indebtedness of central, state and local government

According to the most recent notification of 1 September, in 2004 the deficit of general government (ie central, state and local government plus the social security funds) as defined by the Maastricht treaty amounted to €81.2 billion, or 3.7% (2003: 4.1%) of GDP. As consolidated indebtedness totalled €1.451 trillion at the end of 2004, the general government debt ratio was 1.6 percentage points up on the year, reaching 66.4%. This overall picture confirms the huge need for consolidation which central, state and local government in Germany are facing (see box on page 9).

*Maastricht  
deficit and debt  
in 2004  
according  
to autumn  
notification*

In August, the indebtedness of central, state and local government decreased by €8.2 billion. This was due to redemptions by central government (-€11 billion), which, however, were accompanied by an even larger reduction in central government's money market deposits (-€13.1 billion). With a decline of €14.2 billion, five-year Federal notes (Bobls)

*August*



## Critical budgetary situation calls for decisive consolidation

The situation of public finances in Germany is extremely critical. In 2005 the general government deficit ratio will exceed 3% for the fourth year in succession. Moreover, the deficits are predominantly structural, rather than reflecting a temporarily unfavourable cyclical constellation. General government indebtedness rose from 59.6% of GDP in 2001 to 66.4% of GDP in 2004, or by more than €200 billion to almost €1.5 trillion. It is continuing to increase sharply.

Even in an environment of historically low interest rates, central government – but also many state governments and a large number of local governments – are finding it very difficult to comply with the national budgetary borrowing ceilings, which are relatively generous anyway. In some cases this structural new borrowing far exceeds the statutory limits, which are coupled to the level of investment expenditure. The fiscal rules have often been complied with only in formal terms by repeatedly invoking the exception clause of a macroeconomic disturbance, and not least by selling off assets or by making use of further problematic options. In the definition of the national accounts, net investment by central, state and local government is actually negative. The fiscal situation of the social security funds likewise remains tight.

Following Germany's continuous breaches of the European limits for both the deficit and debt levels since 2002 and the expiry of the original deadline for a correction of the excessive deficit in 2004, the Federal Government made a commitment to its European partner countries as recently as January this year to take all necessary measures to comply with the 3% limit in 2005. It is doubtful whether the breach of the reference value now expected for 2005 owing to the marked dilution of the Stability and Growth Pact earlier this year can be justified by citing an unexpected macroeconomic downturn.

Germany should do everything possible to bring the deficit back down below the reference value

in 2006. This is the only way to prevent precedents from being set so soon after the adoption of the changes to the Stability and Growth Pact which would allow continuous breaches of the deficit limits over many years without leading to any serious consequences. Germany's responsibility in this respect is particularly important.

The Stability and Growth Pact requires deficits to be cut by at least 0.5% of GDP per year (adjusted for cyclical and temporary effects) until a structural close-to-balance budget position is reached. If Germany is to comply with this minimum requirement, the growth of structural expenditure by central, state and local government needs to be kept around 2 percentage points below the rise in revenue for the foreseeable future.

At the same time, the necessary budgetary consolidation measures should be embedded in a consistent reform agenda that covers the social security systems, too, and be accompanied by prudent fiscal planning, not least in order to regain the lost confidence of consumers and investors alike. Growth-enhancing structural reforms – particularly those raising labour market flexibility – simultaneously need to promote employment growth, thereby supporting a reduction in the general government deficits.

Consolidating public finances is not an end in itself, but is urgently needed in order, *inter alia*, to avoid imposing an additional burden of high government debt on future generations, who will already have to bear a heavier load ensuing from demographic changes. This is the only way to prevent excessive deficits from placing long-term constraints on economic growth and employment and to widen fiscal policymakers' radius of action in the future. Fiscal discipline is not least a key adjunct to a stability-oriented monetary policy. Sound public finances are a crucial requirement for the European System of Central Banks to be able to ensure sustained price stability at relatively low interest rates.

### Net borrowing in the market

€ billion

Borrower	2004		2005	
	Total	of which Jan-Aug	Jan-Aug pe	Aug pe
Central government <sup>1</sup>	+ 43.9	+ 57.1	+ 27.9	- 11.0
State government	+ 24.9	+ 20.0	+ 18.3	+ 3.2
Local government <sup>2, pe</sup>	+ 4.6	+ 3.1	+ 2.7	+ 0.3
ERP Special Fund	- 1.1	- 0.7	- 2.0	- 0.6
<b>Central, state and local government, total</b>	<b>+ 72.3</b>	<b>+ 79.5</b>	<b>+ 46.9</b>	<b>- 8.2</b>

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

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accounted for the bulk of the reduction in capital market debt. The Bobl series 136 issued in August 2000, which still carried a coupon of 5%, was redeemed on schedule. By contrast, the volume outstanding of Federal bonds (Bunds), in particular, increased. Taking market-smoothing operations into account, their total amount outstanding rose by €7.8 billion, €5.3 billion of which was accounted for by the second topping-up of a ten-year Bund issued in May with a yield of 3.24%. Central government reduced its money market debt by €4.6 billion. State government increased its indebtedness by €3.2 billion net, raising the funds required mainly through cash advances (+€2.6 billion). Local government's total debt is likely to have increased slightly again in August. In the case of those special funds not integrated into

central government debt, the ERP Special Fund redeemed bank loans in the amount of €0.6 billion.

### Central government borrowing

In September 2005, central government expanded its indebtedness by a total of €6.3 billion. However, this was accompanied by an increase in money market deposits on a roughly equal scale (+€6.1 billion). Net borrowing was concentrated mainly on the money market (+€4.6 billion). Although central government tapped the capital market for €20.5 billion gross, it concurrently redeemed liabilities amounting to €18.8 billion. Most funds were obtained via Bobls (+€6.3 billion). The initial issue of series 147 alone raised €5.9 billion, with a yield of 2.57%. By contrast, central government reduced the volume outstanding of Federal Treasury notes (Schätze) by €4.1 billion. This was mainly due to the redemption of a maturing note issued in 2003 in the amount of €12 billion. The new issue of a two-year Treasury note yielded €7 billion for central government. While the matured paper had carried a 2.5% coupon, the new issue's yield of 2.2% enabled central government once again to refinance more cheaply. It also repaid bank loans to the value to €0.4 billion.

*In September...*

In the first three quarters of the year, central government indebtedness rose by €34.4 billion. As it took increasing recourse to the money market, the share of money market loans in the total amount of central government debt went up to more than 2%. New borrowing was almost exclusively attributable

*... and in the first three quarters*

to Bund issues, raising the share of Bunds in total debt slightly to 58%. By contrast, the relative share of Bobls, at just over 18%, went down, thus interrupting the trend observed during the past few years. Schätze continued their upward trend seen in the preceding years; their share in total debt now amounts to 12%, whereas bank loans once again lost in importance, reaching a share of 2%.

## Securities markets

### Bond market

*Sales of debt securities*

The issue volume in the German bond market declined to €82.8 billion in August after domestic borrowers had issued bonds with a market value of €113.7 billion in July. After deducting redemptions and changes in issuers' holdings of their own bonds and notes, the volume of domestic bonds outstanding fell by €4.6 billion, while securities worth €8.7 billion had been placed on the market in the previous month. Foreign paper to the amount of €5.6 billion net was sold in Germany, with the result that sales in the domestic bond market totalled €1.0 billion.

*Bank debt securities*

The main factors behind the net redemptions of German bonds and notes were the low level of new sales by credit institutions and large public sector redemption commitments. On balance, bank debt securities amounting to a mere €1.9 billion were issued. In August, mainly debt securities of specialised credit institutions were placed on the market (€5.0 billion), whereas the volume of public Pfand-

### Net borrowing in the market by central government

€ billion; 2005

Item	September		January-September	
	Gross	Net	Gross	Net
Change in money market debt	4.6	4.6	9.5	9.5
Change in capital market debt, total <sup>1</sup>	20.5	1.8	169.3	24.9
Treasury discount paper (Bubills)	6.1	0.1	55.2	1.6
Federal Treasury financing paper	0.1	-0.0	0.6	-0.0
Treasury notes (Schätze)	7.9	-4.1	42.6	6.7
Five-year Federal notes (Bobls)	6.3	6.3	22.2	-5.6
Federal savings notes	0.0	-0.1	0.9	0.2
Federal bonds (Bunds)	-0.0	-0.0	46.3	30.0
Bank loans	0.2	-0.4	1.6	-6.7
Loans from non-banks	-	-	-	-0.1
Other debt	-	-	-	-1.1
<b>Total borrowing</b>	<b>25.1</b>	<b>6.3</b>	<b>178.8</b>	<b>34.4</b>

<sup>1</sup> Memo item: Borrowing according to central government's plans for the whole of 2005: € 216.1 billion gross, € 22.0 billion net.

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briefe outstanding declined (-€3.1 billion), as it had in the previous month.

Federal and state governments reduced their capital market debt by €5.9 billion net in August. The volume of five-year Federal notes (Bobls) outstanding went down by €13.9 billion; this was due, in particular, to the redemption of the first large-scale issue, the volume of which had been increased twice to generate higher liquidity in the secondary market. Short-dated Treasury discount paper (Bubills) were redeemed worth €0.3 billion net; on balance, state governments redeemed own debt securities to the same amount. Ten-year "benchmark" Federal bonds (Bunds) were sold for €7.6 billion net, the bulk of which was accounted for by an increase in the May 2005 Federal bond issue

*Public debt securities*

### Sales and purchases of debt securities

€ billion

Item	2004		2005	
	August	July	August	July
Sales of domestic debt securities <sup>1</sup>	12.7	8.7	-4.6	
of which				
Bank debt securities	4.0	- 5.2	1.9	
Public debt securities	9.2	15.6	- 5.9	
Foreign debt securities <sup>2</sup>	5.1	- 6.1	5.6	
Purchases				
Residents	- 0.2	- 13.0	3.6	
Credit institutions <sup>3</sup>	4.9	- 5.5	3.0	
Non-banks <sup>4</sup>	- 5.1	- 7.5	0.6	
of which				
Domestic debt securities	- 7.0	- 8.6	- 1.2	
Non-residents <sup>2</sup>	18.0	15.7	- 2.6	
Total sales/purchases	17.8	2.7	1.0	

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

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totaling €6.0 billion. The volume of 30-year bonds outstanding went up by €0.8 billion, while two-year Federal Treasury notes (Schätze) were sold for €0.4 billion net.

Corporate  
bonds

In August, non-financial enterprises reduced their debt in the German bond market by €0.6 billion. On balance, they redeemed only short-dated commercial paper amounting to €1.3 billion and issued corporate bonds with maturities of more than one year for €0.7 billion.

Purchases of  
debt securities

The high net redemptions of public-sector bonds led to a shift in emphasis in investors' bond portfolios. Thus, while foreign investors purchased private sector bonds worth €2.7 billion, they reduced their holdings of public sector paper by €5.3 billion net. Domestic non-banks, too, shifted from public bonds

(-€3.3 billion) to paper issued by private (€2.1 billion) and foreign (€1.8 billion) borrowers. Only credit institutions added public debt securities totalling €2.8 billion net to their portfolios. Furthermore, they bought foreign bonds amounting to €3.8 billion and sold bank bonds for €3.9 billion.

### Equity market

Issuing activity in the German equity market remained weak in August with a market value of €0.2 billion. Sales of foreign equities reached €1.1 billion net. Shares were purchased by domestic credit institutions (€2.6 billion) and by foreign investors (€0.9 billion), whereas German non-banks sold paper worth €2.3 billion on balance.

Sales and  
purchases of  
shares

### Mutual fund shares

In August, domestic mutual funds experienced inflows of €4.0 billion, which was down by half on the previous month. Institutional investors placed €2.2 billion in specialised funds, which amount went exclusively to mixed funds. Among the investment funds open to the general public, bond-based funds and share-based funds recorded inflows of funds of €0.9 billion and €0.3 billion, respectively. Investment fund shares were mostly purchased by non-banks (€5.4 billion), which split their investments evenly into domestic and foreign fund shares.

Sales and  
purchases of  
mutual fund  
shares

## Balance of payments

### Current account

The German current account closed with a surplus of €2.5 billion in August, €5.1 billion below the previous month's figure. A decrease in the trade surplus and an increase in the deficit on invisible current transactions, which comprise services, income and current transfers, contributed to the decline.

### Foreign trade

According to provisional figures from the Federal Statistical Office, the foreign trade surplus in August went down by €2.9 billion on the month to €11.6 billion. After adjustment for seasonal variations, a €1 billion fall to €12 ½ billion was recorded. The main reason for this was the sharp rise in the value of imported goods, which rose 6% on the month, clearly exceeding that of exported goods (3 ½%). At 4%, nominal imports rose only slightly more sharply than exports (3 ½%) in a three-month comparison (June to August taken together), with the increase in import values largely being attributable to price rises.

### Invisibles

The deficit on invisible current transactions went up to €7.5 billion in August, compared with €5.6 billion in the previous month. This increase can be put down mainly to a holiday-related rise in the deficit on services, of €2.1 billion to €5.7 billion. At the same time, net cross-border income was somewhat lower in August (€0.2 billion) than in July (€0.6 billion). By contrast, the deficit on current transfers went down slightly, by €0.5 billion to €2.1 billion.

### Portfolio investment

Cross-border portfolio investment led to net capital exports in August (€11.0 billion, com-

## Major items of the balance of payments

€ billion			
Item	2004	2005	
	Aug	July	Aug
I Current account			
1 Foreign trade <sup>1</sup>			
Exports (fob)	55.9	64.5	63.4
Imports (cif)	45.0	50.0	51.9
Balance	+ 11.0	+ 14.5	+ 11.6
Memo item			
Seasonally adjusted figures			
Exports (fob)	60.8	65.0	67.3
Imports (cif)	48.5	51.6	54.7
2 Supplementary trade items <sup>2</sup>	- 1.2	- 1.3	- 1.6
3 Services			
Receipts	9.6	10.9	10.3
Expenditure	14.3	14.5	16.0
Balance	- 4.7	- 3.6	- 5.7
4 Income (net)	+ 0.3	+ 0.6	+ 0.2
5 Current transfers			
from non-residents	1.1	0.8	1.2
to non-residents	3.6	3.4	3.3
Balance	- 2.5	- 2.6	- 2.1
Balance on current account	+ 2.8	+ 7.6	+ 2.5
II Capital transfers (net) <sup>3</sup>	+ 0.1	+ 0.1	- 0.1
III Financial account (net capital exports: -)			
Direct investment	- 4.3	- 3.4	- 2.6
German investment abroad	+ 0.0	- 0.0	- 2.4
Foreign investment in Germany	- 4.4	- 3.3	- 0.2
Portfolio investment	+ 12.7	+ 20.4	- 11.0
German investment abroad	- 6.2	+ 1.7	- 10.1
of which			
Shares	+ 0.3	- 0.8	- 1.4
Bonds and notes	- 0.3	+ 6.8	- 4.0
Foreign investment in Germany	+ 18.9	+ 18.8	- 0.9
of which			
Shares	+ 0.0	+ 1.2	+ 0.9
Bonds and notes	+ 17.6	+ 13.8	- 3.4
Financial derivatives	- 1.9	+ 0.5	- 3.3
Credit transactions	- 14.8	- 23.0	+ 12.1
Monetary financial institutions <sup>4</sup>	- 0.3	- 9.1	+ 13.6
of which			
Short-term	- 4.4	- 4.0	+ 18.9
Enterprises and individuals	+ 0.4	- 1.6	+ 5.3
General government	+ 1.4	- 10.8	+ 14.4
Bundesbank	- 16.2	- 1.5	- 21.1
Other investment	- 0.2	- 0.6	- 0.2
Overall balance on financial account	- 8.4	- 6.0	- 4.9
IV Change in the reserve assets at transaction values (increase: -) <sup>5</sup>	+ 0.5	+ 0.3	+ 0.9
V Balance of unclassifiable transactions	+ 5.0	- 2.0	+ 1.6

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

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pared with large net capital imports in the months before). Acquisitions of securities by German portfolio investors amounting to €10.1 billion were a major contributory factor in this respect, whereas investments had been liquidated in July on balance (€1.7 billion). German investors focused on bonds and notes (€4.0 billion) and mutual fund shares (€3.0 billion). They also acquired sizeable amounts of shares and money market paper (€1.4 billion and €1.6 billion, respectively). By contrast, non-residents sold German securities overall (€0.9 billion). In particular, they reduced their holdings of public bonds (€6.8 billion net) but added private bonds to their portfolios (€3.4 billion).

*Direct investment*

There were also net capital exports in the area of direct investment (€2.6 billion). The main reason for this was that German parent companies provided their branches abroad with new investment capital (€2.0 billion). Funds were likewise channelled into foreign subsidiaries through internal group credit transactions (€1.3 billion). Transactions by foreign direct investors led to minor net outflows of funds (€0.2 billion). These can be attributed to, among other things, the granting

of short-term financial loans to foreign parent companies.

In August, there were net inflows of €19.7 billion through the non-securitised credit transactions of non-banks. At €14.4 billion net, the financial operations of general government played a prominent role in this respect, as they had done in July. In August, they recalled short-term funds that they had temporarily placed in foreign bank accounts in the previous month. Enterprises and individuals repatriated funds amounting to €5.3 billion in the month under review. The credit transactions of the banking system resulted in net capital exports (€7.5 billion) – essentially reflecting all other balance of payments transactions. €13.6 billion was imported through the credit institutions' cross-border transactions, whereas, at the Bundesbank, it was particularly an increase in claims in connection with the gross payment system TARGET that led to net capital exports worth €21.1 billion.

*Credit transactions*

The Bundesbank's reserve assets fell in August – at transaction values – by €0.9 billion.

*Reserve assets*

## Germany's financial linkage to the EU budget

Medium-term planning for financing the European Union between 2007 and 2013 is to be finalised by 2006. However, the situation has been changing significantly, not least because the economic strength of the majority of the recently acceded countries is far below average.

The financial planning involves decisions on the level and structure of future expenditure and on the rules governing how this expenditure is to be financed. Each country's net contribution ultimately depends on the financing rules and the expenditure agreed. Germany makes the largest financial contribution to the EU budget in absolute terms. This amounted to €8½ billion in 2004. Particularly as a result of the insignificance of agriculture in Germany relative to the EU average, Germany is also one of the major net financiers of the EU budget in terms of its economic performance as well.

This article examines Germany's financial linkage to the EU budget. It starts by providing a brief overview of EU financial developments during the past few years and the plans for this year and next before discussing the European Commission's proposals for the medium-term planning of EU financing up to 2013.



## EU budget expenditure and receipts

*Net position is result of receipts and expenditure policy*

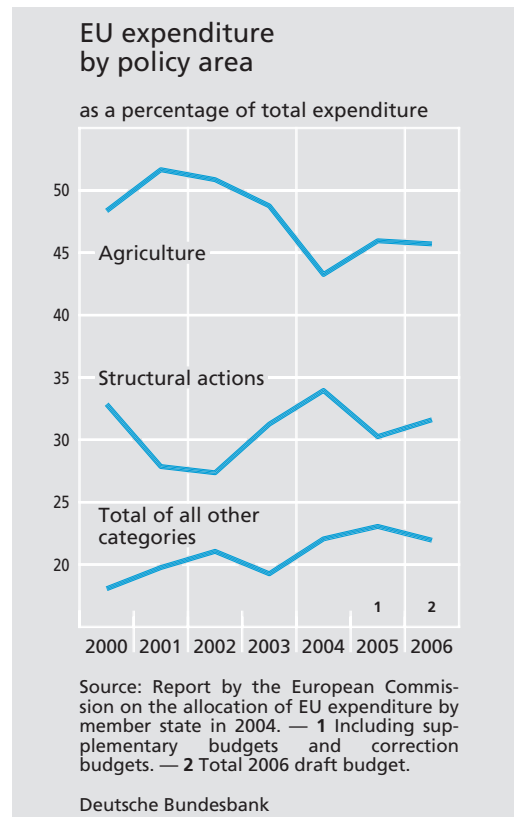
How the EU's political objectives are financed at Community level is reflected in the EU budget. On the expenditure side the agricultural subsidies and the assistance payments to the economically weaker regions predominate. On the receipts side the amount which individual member states contribute towards the financing of the budget is laid down, the amount levied being largely in line with the corresponding national economic strength. A country's net payer position is ultimately derived from the decision taken on receipts and expenditure.

### EU expenditure

*Expenditure ceiling regularly undershot*

The annual ceiling for EU budget expenditure (payment appropriations) is currently 1.24% of the gross national income (GNI) of all member states. The member states' financial contributions can be set and collected only up to this amount. In 2004 the total sum actually spent amounted to €100.1 billion, which was 0.98% of GNI, as in previous years, and therefore significantly less than the annual ceiling (see the table on page 17). While this represents a 10½% increase in expenditure compared with that of 2003, most of the increase was due to the EU enlargement on 1 May 2004. Almost 7½ percentage points of the growth of nearly 12% of the allocatable expenditure burden shared by the individual member states were due to the new member states.<sup>1</sup>

Expenditure may be subdivided into three main categories. Agriculture, despite a signifi-



cant reduction from just over 49% in 2003 to 43½% in 2004, continued to account for the largest share of total EU expenditure (€43.6 billion in 2004 compared with €44.4 billion in 2003). Rising expenditures on structural actions were also significant (just over 34%, or €34.2 billion compared with €28.5 billion a year earlier). Of the structural actions included in the budget only €0.2 billion was not taken up in 2004. In previous years the discrepancy was much greater, with the result that the budgetary commitments up to the end of the planning period (2000 to 2006) are considerable. Consequently, the funds initially budgeted for these areas might be exceeded in 2005 and 2006 because the extent

*Agricultural expenditure still largest component*

<sup>1</sup> For the statistics see European Commission, Allocation of 2004 EU expenditure by Member State, September 2005.



## Total EU expenditure and receipts

€ billion unless shown as a percentage

Item	1999	2000	2001	2002	2003	2004	2005 <sup>1</sup>	2006 <sup>2</sup>
<b>Expenditure</b>								
Agriculture	39.8	40.5	41.5	43.5	44.4	43.6	49.1	51.2
Structural actions	26.7	27.6	22.5	23.5	28.5	34.2	32.4	35.5
Internal policies	4.5	5.4	5.3	6.6	5.7	7.3	7.9	8.3
External actions	4.6	3.8	4.2	4.4	4.3	4.6	5.5	5.3
Reserves	0.3	0.2	0.2	0.2	0.1	0.2	0.4	0.5
Pre-accession strategy <sup>3</sup>	–	1.2	1.4	1.8	2.2	4.5	4.6	4.1
Administration	4.5	4.6	4.9	5.2	5.3	5.9	6.3	6.6
<b>Total</b>	<b>80.3</b>	<b>83.3</b>	<b>80.0</b>	<b>85.1</b>	<b>90.6</b>	<b>100.1</b>	<b>106.2</b>	<b>111.4</b>
Percentage change from previous year	– 0.5	3.8	– 4.0	6.4	6.4	10.6	6.1	4.9
<i>Memo item: percentage of GNI</i>	1.00	0.98	0.91	0.93	0.98	0.98	1.00	1.01
<b>Receipts</b>								
Traditional own resources <sup>4</sup>	13.9	15.3	14.6	9.2	10.9	12.3	12.4	14.2
VAT-based own resource	31.3	35.2	31.3	22.4	21.3	13.9	15.3	15.9
GNI-based own resource	37.5	37.6	34.9	45.9	51.2	69.0	77.6	81.2
Other receipts <sup>5</sup>	4.2	4.7	13.5	17.9	10.1	8.3	1.0	1.3
<b>Total</b>	<b>86.9</b>	<b>92.7</b>	<b>94.3</b>	<b>95.4</b>	<b>93.5</b>	<b>103.5</b>	<b>106.3</b>	<b>112.6</b>
Percentage change from previous year	2.8	6.7	1.7	1.2	– 2.1	10.7	2.7	5.9
Balance for the financial year	6.6	9.4	14.3	10.3	2.9	3.4	0.1	1.1

Source: European Commission and Bundesbank calculations. — <sup>1</sup> Budget (funds for payments) for the EU 25. — <sup>2</sup> Draft budget (version following the first reading in the European Council in July 2005). — <sup>3</sup> Including compensatory payments for new member states. — <sup>4</sup> Net, ie less the refund paid to member states for collection expenses. In

the financial year 2002 the lump-sum refund paid to member states for this purpose was raised from 10% to 25% of the amount member states contributed to the EU. — <sup>5</sup> Including residual surpluses from the previous financial year.

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of the projects introduced has now been increased. Just over 7% was spent on the “internal policies” – such as education, energy and environment or even trans-European networks. Pre-accession aid for the new member states accounted for 4½%.

In 2004 Germany accounted for just over €11½ billion, or 11½%, of the EU’s expenditure. This means that there was virtually no change in the share from the previous year. Just over €6 billion went into the agricultural sector while approximately €4½ billion was used for structural actions. The European Regional Development Fund (ERDF) accounted for just over half of this. Nearly one-third came from the European Social Fund (ESF). The bulk of the structural funds (almost 70%) was paid out under the “Objective 1” meas-

ures in which the federal states in eastern Germany participate.<sup>2</sup>

### Financing

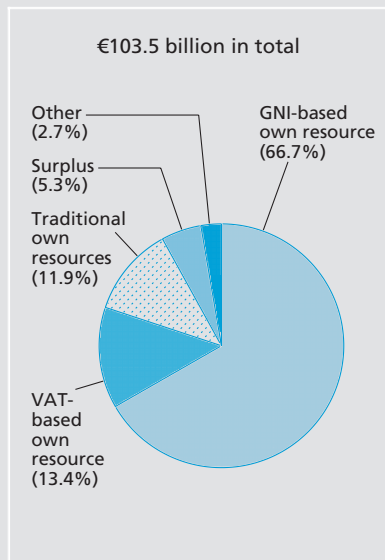
The EU’s expenditure is largely covered by its own resources. These include traditional own resources which consist primarily of customs duties (2004: just under 12% of total income), value-added tax based own resource, which is collected from the member states on the basis of a harmonised assessment base (13½%), and GNI based own resources (just

*National financing contributions geared to GNI*

*Funds returning to Germany stable*

<sup>2</sup> Objective 1 areas of the structural aid are regions in which per capita GDP (in purchasing power standards) is less than 75% of the Community average.

### Total EU receipts in 2004



Source: Report by the European Commission on the allocation of EU expenditure by member state in 2004.

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over 66½%).<sup>3</sup> While the transfer rate for funds stemming from VAT is fixed, the corresponding rate for GNI-based contributions is not determined until the EU's residual financing needs have been ascertained after all the planning has been done and any remaining income has been deducted.<sup>4</sup> Financing the EU budget through borrowing is legally forbidden. Planned receipts and expenditure must be completely matched. Any surplus is to be shown on the receipts side in the following financial year. Any unforeseen expenditure requires an amendment to the budget.

The United Kingdom receives a refund of 66% of its actual net contribution (excluding traditional own resources) as a result of an agreement which was concluded in 1985 fol-

lowing a European Council meeting held in Fontainebleau in 1984 (and which has been slightly modified over time). The contribution made by the other member states to finance this correction is again based on their national GNI. Since 2001 Germany, the Netherlands, Austria and Sweden have been paying only 25% of the resultant correction contributions with all other member states paying a correspondingly larger amount.<sup>5</sup> In absolute terms the correction in 2004 meant just over €5 billion in financial relief to the United Kingdom.

Germany paid just over €20 billion to the EU in 2004. Only just over 2½ billion of this was in the form of VAT-based own resource while GNI-based own resource made up the bulk of its contribution at almost €15 billion. These two items were the equivalent of 8% of the German government's tax revenue, from which the amounts concerned were paid. In absolute terms, Germany's contribution has fluctuated sharply in the past few years. By contrast, its share of the EU's total receipts has continually declined – primarily as a result of the gradual decrease in Germany's total economic weight within the EU. For example, Germany's share of total own resource payments fell from 31½% in 1995 to 23% in

*Germany makes major contribution to financing EU budget*

<sup>3</sup> The reduction in VAT-based own resource and the simultaneous increase in GNI-based own resource that have occurred since 2002 are the result of an agreement reached by the European Council in March 1999 (Agenda 2000). This initially lowered the maximum levy rate for VAT-based own resource from 1.0% to 0.75% (2002 and 2003) and then from 2004 to 0.5% of the harmonised VAT assessment base.

<sup>4</sup> The national contribution of each of the ten new member states was based on only two-thirds of their GNI in 2004 as their accession took place on 1 May 2004.

<sup>5</sup> Previously, Germany alone had been relieved of one-third of its actual payments under the correction agreement in favour of the United Kingdom.

*United Kingdom benefits from special regulation*

2003 and to just under 21½% last year. In the same period the German share of all EU countries' GNI declined from just under 28½% to approximately 22% and finally in 2004, primarily as a result of EU enlargement, to just under 21½%.

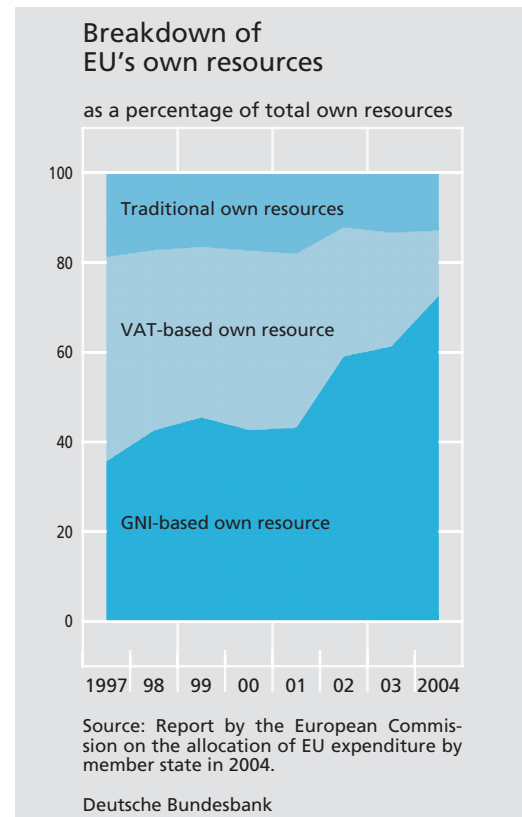
### Net contribution

*Net contribution as indicator of financial burden or relief*

A country's net position indicates the financial advantage or disadvantage which it has vis-à-vis the EU budget. It is defined as the difference between a country's financial contributions to the EU and the amount of funds that country receives from the EU. Inaccuracies arise here because not only some of the receipts (such as customs duties) but also various types of expenditure (such as expenditure on administration) cannot be attributed to specific member states with any certainty.<sup>6</sup> The EU also makes payments within the framework of its external actions which do not accrue to EU member states and therefore do not represent allocatable expenditure. Nonetheless, the net contribution is an informative factor which plays an important role, especially in the political debate.

*Germany largest net payer in absolute terms*

In 2004 Germany's net contribution amounted to approximately €8½ billion after all allocatable payments had been taken into consideration. In absolute terms, Germany is therefore the largest net contributor to the EU. If expenditure on administration – which is of little importance in the case of Germany – and traditional own resources are disregarded, however, Germany's contribution amounted to €6 billion.<sup>7</sup> On this basis Germany was the fourth-largest net financial



contributor in 2004, with a contribution of 0.3% of its GNI. The Netherlands (0.4%), Luxembourg (just under 0.4%) and Sweden (just over 0.3%) paid even larger contributions (see the explanatory notes on pp 20-21).

The accession of the ten new member states on 1 May 2004 was taken into account when the EU budget for 2004 was being drawn up.

*Financial effects of EU enlargement in 2004 moderate*

<sup>6</sup> For the informative value of net contributions see Deutsche Bundesbank, Recent developments in Germany's financial relations with the European Union, *Monthly Report*, July 1999, p 65.

<sup>7</sup> These figures deviate from those of the European Commission. The Commission regularly publishes operational budgetary balances which likewise eliminate expenditure on administration and the traditional own resources from its calculations. In addition, however, the remaining financing contributions of the individual countries are extrapolated in such a way that they match the total operational expenditure considered in the calculation. Consequently, the net contributions are larger using this method. The figure for Germany in 2004 is just over 7 billion.

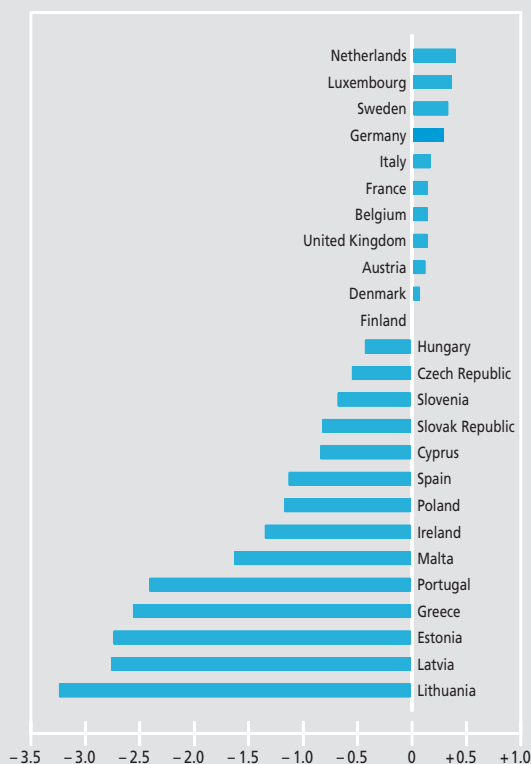
## Analysis of national net contributions to the EU budget

In 2004, Germany paid just over 0.9% of its gross national income (GNI) into the EU budget, whereas it received just over 0.5% back. The resultant net contribution amounted to 0.4% of GNI. However, the informative value of these figures should be put in perspective. For example, particularly the traditional own resources (mainly customs duties) are regarded primarily as EU revenue. In addition, they are concentrated on a few countries with major ports, especially the Netherlands and Belgium ("Antwerp-Rotterdam effect"). In respect of administrative expenditure, the concentration is even heavier in Belgium and Luxembourg. This expenditure essentially covers remuneration for the services of those (of various nationalities) working there.

If, on the receipts side, the traditional own resources and, on the expenditure side, the cost of administration are not distributed among the individual member states, there will be a net transfer of resources amounting to 0.3% of GNI in the case of Germany to the EU budget, 0.8% of which are contributions and just over 0.5% of GNI is money returned. This means that, in terms of economic strength, Germany was the fourth-largest net contributor of the EU budget after the Netherlands, Luxembourg and Sweden. The largest net recipients, on the other hand, were the Baltic states of Lithuania, Latvia and Estonia as well as Greece and Portugal.<sup>2</sup>

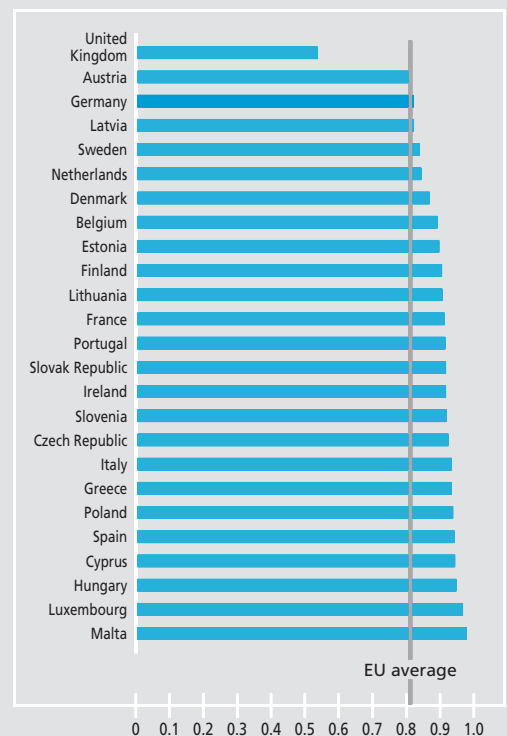
Germany's large net contribution is not a result of disproportionately large transfers of its own resources

Net contribution as a percentage of national GNI<sup>1</sup>



<sup>1</sup> Excluding traditional own resources and excluding administrative expenditure. — <sup>2</sup> As the ten new member states did not join the EU

VAT-based own resources and GNI-based own resources as a percentage of national GNI<sup>3</sup>



until 1 May 2004, only two-thirds of each member state's GNI was used in the EU budget as a basis for determining the amounts of VAT-based

paid over to the EU budget. Despite its slightly above-average prosperity since EU enlargement, Germany transfers only average levels of VAT-based own resources and GNI-based own resources to the EU. The reason for Germany's relatively low level of transfers to the EU is that Germany, together with the Netherlands, Sweden and Austria, pays only one-quarter of its normally payable contribution to finance the "British rebate". Only Austria and the United Kingdom are not as heavily burdened, relatively speaking, by financing the EU budget with their own resources.

However, disproportionately little of the EU budget is spent on Germany. Only the United Kingdom, the Netherlands and Sweden receive even less funding as a percentage of GNI. By far the biggest recipients of EU funds, however, are the Baltic states as well as Greece and Portugal. It appears that the expenditure side determines the respective net payer position, whereas EU budget revenue is raised largely proportionally to national wealth in terms of GNI.

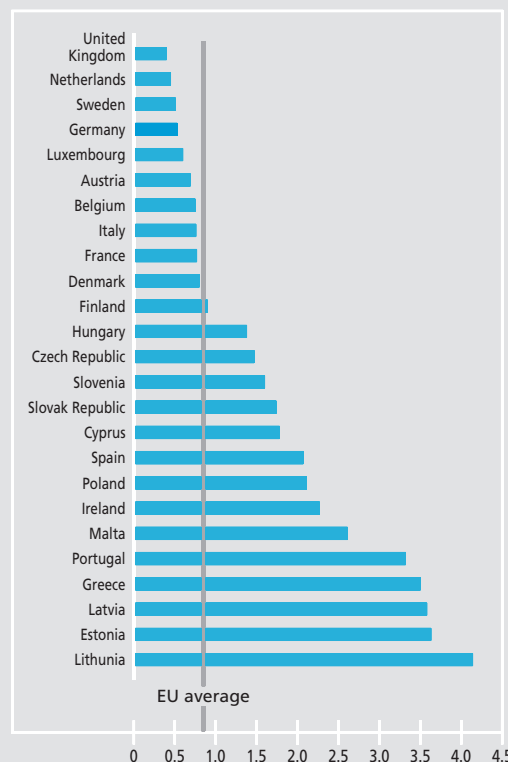
A further breakdown of the expenditure side illustrates clear differences. For example, of the old member states, the (in relative terms) largest recipients of agricultural subsidies and structural funds are still Greece, Portugal, Ireland and Spain. Ireland received 1.5% of its GNI in the form of agricultural subsidies in 2004 – surpassed only by Greece as the largest recipient. Even though Ireland is now one of the most prosperous of the EU member states in terms of GNI, it still receives far greater than the average amount of structural funds, albeit considerably less than the three southern European countries.

The advantageous net payer position of the new member states in 2004 is not so much a result of the traditional areas of EU budget expenditure but of the pre-accession bridging aid granted to the accession countries (almost 1.1% of the reduced GNI of the ten accession countries).

Given the fact that the operating expenditure returned to Germany amounts to just over 0.5% of its GNI, Germany ranks significantly below the EU average (almost

0.9%). This applies not only to the relatively insignificant expenditure on internal policies but also to both agricultural expenditure (just under 0.3%, compared with an average of just over 0.4%) and the structural assistance provided primarily to eastern Germany (0.2%, compared with just over 0.3%). As a result of EU enlargement, these disparities are likely to continue to widen. Taking into account the transitional arrangements in the area of agriculture, an increasing proportion of the funds earmarked for this will be granted to the new member states. Furthermore, east German regions receiving funds will probably "suffer" from their relative closeness to the aid limit of 75% of GDP per inhabitant. However, this is a reflection of their relative prosperity, compared with many regions in the accession countries.

Operating expenditure  
as a percentage of GNI<sup>4</sup>



taken into account here. — 3 Including adjustment in favour of the United Kingdom. — 4 Excluding administrative expenditure.

own resources and GNI-based own resources that they had to contribute. By analogy, only two-thirds of the new member states' GNI is

The own resources paid over to the EU increased by a total of just over 13½% while total receipts, mainly as a result of the lower surpluses in the previous year, increased at the slower rate of just over 10½%. Overall expenditure also increased by more than 10½%. On the one hand, the new members are achieving a below-average economic performance. In addition, their contributions to the budget have been assessed on the basis of only two-thirds of their GNI. Hence, they have contributed only just over one-fourth to the growth of EU member states' contributions. On the other hand, considerably greater weight is attached to the agriculture sector in the new member countries. However, the increase in expenditure resulting from enlargement was considerably restricted by virtue of an agreement on transition regulations. For example, a ceiling of €22 billion was set for structural aid to the new member states for the years between 2004 and 2006. Moreover, the farmers there received just 25% of the usual direct payments in the first year (30% in 2005). The full amount of financial support will not be paid until the end of a transitional period of ten years. These measures meant that net transfers to the new member states in 2004 were limited to a total of approximately €3 billion.

### EU budget in 2005 and 2006

*Budget plan will probably be exceeded in current year*

The budget plan for the current year provides for expenditure of €106.2 billion, which, according to the plans, is equal to 1.00% of the EU 25 GNI. Given an increase in total expenditure of just over 6%, expenditure on agricul-

ture and rural development is to be 12½% more than in last year's budget. This is due not only to the increase in direct assistance for the new member states but also to the effects of the reform of the Common Agricultural Policy, according to which there is to be a particularly sharp rise in the funds available for developing the countryside. In the draft of the overall budget plan for the coming year<sup>8</sup> a further rise in expenditure on agriculture of almost 4½% to €51.2 billion out of a total expenditure volume of €111.4 billion is planned. The funds allowed for structural actions in the 2005 budget plan were just under 5½% below those in the previous year. As a result of the possible increase in the funds used under the existing budgetary commitments, however, the payments initially scheduled could be exceeded. In contrast to the plan for 2005, expenditure for structural actions are again to be raised by 9½% to €35.5 billion in 2006.

An increase in Germany's contributions to the EU is to be expected in 2005. In the federal budget for 2005 payments of more than €22 billion are earmarked (compared with a sum of just over €20 billion which was paid over in 2004). Twice in the current year, however, the Commission has revised member state payments downwards. Particularly as a result of the expected lower rate of growth for Germany and the – albeit relatively small – budget surplus last year, the contributions to be made by Germany will probably remain slightly below the level estimated in the federal budget.

*Increase in German financing contribution*

<sup>8</sup> Position after the first reading in the Council in July 2005.

## Planning for the years 2007 to 2013

*Commission proposal on medium-term financial planning...*

How Germany's financial linkage to the EU budget continues to develop will depend essentially on the decision taken on the new financial perspective for 2007 to 2013.<sup>9</sup> The European Commission issued a proposal on this last year, which was based on the assumption that the EU would be further enlarged to 27 member states by the accession of Bulgaria and Romania on 1 January 2007. This proposal continues to be the basis for the negotiations on the financial perspective because during the negotiation rounds that took place under the Luxembourg presidency the European Council was unable to reach an agreement on the compromise solutions that had been proposed. Further negotiations on the financial perspective are expected to take place in December at the earliest under the British presidency or else under the Austrian presidency, which begins in January.

*... envisages significant increase in expenditure*

Although the European Commission proposes that the payment appropriations which have to be met from the member states' contributions must not exceed the current ceiling of 1.24% of GNI in any one year, it is likely that they will come much closer to the ceiling than they have done in previous years. The plan is for average annual expenditure of 1.14% of GNI. This means that the annual outgoings proposed by the commission will be far above the out-turns and plans up to 2006 (2004: 0.98%, 2005: 1.00% and 2006: 1.01%). This would mean that Germany, in line with its economic size, would have to pay about €3 billion per year more in contributions to the EU budget than it did in 2005.

Expenditure on internal policies (citizenship of the union) and external actions (EU as a global partner) are to rise between 2007 and 2013 by an annual average of almost 8½% or just under 4½% respectively. This would entail a rise of just under 2% to almost 3% in the money spent under the heading "Citizenship" (immigration policy, cooperation with the police and the judicial system, consumer protection and cultural promotion).<sup>10</sup> The planned increase in expenditure share under the heading "Europe as a global partner", namely from 8½% to almost 10%, is a reflection of the efforts to intensify the Common Foreign and Security Policy. From a financial point of view, however, these headings are of minor importance compared with the earmarked expenditure for agriculture and structural actions.

*Internal policies and external actions continue to play a minor role*

### Common agricultural policy

In the new financial forecasts, expenditure on the common agricultural policy (CAP), which still absorbs the lion's share of the EU budget, is to form the largest section under the new heading "Conservation and management of natural resources". In real terms, expenditure on CAP is to remain more or less unchanged

*Proportionally smaller future expenditure on CAP*

<sup>9</sup> The financial perspective is a multiannual financial framework for EU expenditure. It is therefore of a binding nature in that the expenditure ceilings for the individual headings are to be observed. The financial perspective is unanimously agreed by the European Parliament, the Council and the Commission ("Interinstitutional Agreement"). Detailed budgetary plans are to be approved for each of the years in question.

<sup>10</sup> The change in the wording of the heading means that in future the most important internal policies such as transport, environment, infrastructure, energy or industry appear under heading 1 (Sustainable growth) and heading 2 (Conservation and management of natural resources). Expenditure in these fields is increasing dramatically.



## Financial perspective for the EU budget, 2007 to 2013

2004 prices

	2006 <sup>1</sup>	2007	2008	2009	2010	2011	2012	2013	Total
	€ billion								
Sustainable development	46.6	58.7	61.9	64.9	67.4	69.8	72.9	76.0	471.5
Conservation and management of natural resources	56.0	57.2	57.9	58.1	58.0	57.9	57.8	57.8	404.7
Citizenship of the European Union	2.3	2.6	2.9	3.2	3.5	3.8	4.1	4.5	24.7
Europe as a global partner <sup>2</sup>	11.2	11.3	12.1	12.9	13.7	14.5	15.1	15.7	95.4
Administration <sup>3</sup>	3.4	3.7	3.8	4.0	4.1	4.2	4.4	4.5	28.6
Compensation <sup>4</sup>	1.0	0.1	0.1	0.1	–	–	–	–	0.2
Total commitment appropriations	120.7	133.6	138.7	143.1	146.7	150.2	154.3	158.5	1,025.0
Total payment appropriations	114.7	124.6	136.5	127.7	126.0	132.4	138.4	143.1	928.7
	as a percentage of GNI								
Commitment appropriations	1.15	1.23	1.25	1.26	1.26	1.26	1.27	1.27	1.26
Payment appropriations	1.09	1.15	1.23	1.12	1.08	1.11	1.14	1.15	1.14
Margin	0.15	0.09	0.01	0.12	0.16	0.13	0.10	0.09	0.10
Own resources ceiling	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24

Source: European Commission, Proposal for renewal of the interinstitutional agreement on budgetary discipline and improvement of the budgetary procedure, COM (2004) 498 final, Brussels, 14 July 2004. — <sup>1</sup> Expenditure for 2006 in accordance with the current 2000-06 financial perspective broken down for comparison in accordance with the new expenditure structure. — <sup>2</sup> It is planned to integrate the

European Development Fund into the EU budget in 2008. — <sup>3</sup> Excluding the European Commission's administrative expenditure, which is covered by the first four expenditure items. — <sup>4</sup> Amounts provided for in the European Union's common position with a view to the Accession Conference with Bulgaria (CONF-BG-27/04).

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although the direct payments to farmers in the new member states that are unrelated to output are to rise continually over the coming years. This means that from 2007 the budgeted share of expenditure on the agricultural sector would decline to less than the share of funds spent on general structural actions, which is to be extended significantly.

CAP reform

This downturn in expenditure is based on the Luxembourg resolutions on the reform of the common agricultural policy of June 2003. The key element of this is the decoupling of direct payments from production. Direct payments for, say, the production of arable crops, beef and milk are no longer linked to production or to the number of animals but, instead, are included in a "single farm payment". However, this decoupling is not complete,

and the member states still have certain options in implementing the reform.

Another element of the reform is the linking of direct payments to the observance of additional specifications ("cross-compliance"). The subsidy is paid only if the farmer maintains certain minimum standards with respect to environmental protection, food and fodder safety standards, animal health and welfare and observes the provisions on "good agricultural practice" and ecological conditions. The purpose of the strengthened rural development policy<sup>11</sup> (pillar 2) under the reformed CAP is to help to achieve these objectives.

*Linkage of subsidies to standards*

<sup>11</sup> The (new) rural development policy was excluded, by virtue of the commission's proposal on the financial perspective, from the "structural actions" and allocated to agriculture.



Furthermore, provision has been made to re-direct funds from the areas of market policy and direct payments (pillar 1) to rural development (modulation).

*Distortions remain*

The accentuated market orientation which is enshrined in the Luxembourg resolutions and which is to be achieved by changing over to direct payments that are not linked to production and by reducing intervention prices could help to weaken the misguided incentives to deploy excessive resources but without actually removing them.<sup>12</sup> However, more radical measures would be appropriate within the framework of a comprehensive reduction in subsidies even if international competition is distorted by the subsidies of other countries. A more open approach to the world market would make it easier, not least for less developed countries, to gain market access for their agricultural produce.

*Subsidy reduction advantageous for Germany*

Consequently, the expenditure which has been shifted to the European level should not be overlooked during the current debate in Germany on the desirability of reducing subsidies, especially as Germany, as the largest contributor to the EU budget, helps to finance to a considerable degree the sizeable agricultural expenditure in other countries, including some of the more prosperous. It is true that with respect to repayments Germany, with repayments of just over €6 billion in 2004, was in third place among the recipient countries – in absolute terms – after France (€9.4 billion) and Spain (€6.3 billion). In terms of national GNI (0.28%), however, only two of the other “old” member states, namely the United Kingdom (0.23%) and

Luxembourg (0.17%), received even less with regard to repaid contribution amounts.<sup>13</sup>

### Structural policy

While agricultural expenditure is expected to stagnate in real terms up to 2013, the funds earmarked for general structural actions (to be known as “sustainable growth” in future) will increase sharply. Its share of the budget is to grow from 38½% in 2006 to 48%. The funds planned for the subsection “competitiveness for growth and employment” (notably education and research promotion, and trans-European networks) are to be increased threefold compared with the amount allocated in 2006, a decision which will be seen not least in connection with the Lisbon strategy. That would mean a rise in proportion to the EU GNI from 0.08% to 0.21%. In the subsection “Cohesion for growth and employment” (formerly “Structure and cohesion fund”) 32½% more is to be spent in the coming planning period, according to the commission, than at the end of the current planning period (2006), and the corresponding share of the EU GNI is to rise from 0.36% in 2006 to 0.40% by 2013. The considerable increase in the funds for the structural policy is due mainly to the increasing integration of the ten new member states and the expected accession of Bulgaria and Romania during the

*Importance of structural policy increases significantly*

<sup>12</sup> See OECD, Analysis of the 2003 CAP Reform, Paris 2004.

<sup>13</sup> The funds which are spent on agriculture and which accrue to the member states that joined the EU in May 2004 are, in terms of GNI, still below the share paid to Germany except in the case of Latvia and Lithuania. This is due to the transitional provisions, which stipulate that the financial transfers vis-à-vis agriculture will be gradually increased to the full amount over a period of ten years.

planning period, which will mean an accentuation of the economic heterogeneity of the member states.

*Enlargement raises number of Objective 1 development regions*

EU enlargement has meant a discernible decline in the average per capita GNI. Even so, if the existing assistance criteria – especially the regional per capita GNI of less than 75% of the EU average – are applied, few of the present development regions will have to forgo payments from the structural fund. Only a relatively small number will probably exceed the 75% threshold on statistical grounds alone. However, regions in Spain and eastern Germany, in particular, could be affected.<sup>14</sup> Owing to EU enlargement, the total number of Objective 1 areas has risen significantly. Moreover, transitional regulations are planned which, on the one hand, restrict the level of subsidies to be paid to the recently acceded countries on the grounds that they presumably will have a limited absorption capability and which, on the other hand, ensure that those regions already enjoying assistance funds can expect to do so in future. Accordingly, subsidies to the “old” member states, which are to continue receiving half of the funds from the structural fund, will decline only slightly in real terms.

*Sense of stability policy questionable*

The aim of the European structural policy is to assist regions with below-average economic strength and thereby foster convergence within the EU. As in all statutory promotion measures, however, there is also the danger that undesirable incentives are created and that a transformation to a more efficient structure (with respect to the allocation of capital and labour) is thereby impeded.

Sometimes, too, there appears to be insufficient consultation on the various European development objectives, and there is the danger of assisting some regions several times over. It therefore seems sensible to submit the EU’s regional policy to a critical examination, too.

### Sharing the burden of funding

In 1999 (Agenda 2000) the European Council decided that the commission had to undertake a general review of the financing system by 1 January 2006 and suggest suitable changes. The commission based its proposal, which it submitted to the council in July 2004, on the general principle of the 1984 Fontainebleau agreement, which stated that “... any Member State sustaining a budgetary burden which is excessive in relation to its relative prosperity may benefit from a correction at the appropriate time.”<sup>15</sup> From this, the commission initially devised principal objectives for a general correction mechanism: unusually large net contributions by member states were to be avoided, the differences between net contributors with comparable wealth were to be reduced and the volume of income redistribution under the correction mechanism was to be limited to an acceptable level. The commission’s proposal for

*Correction of excessively large budget deficits*

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<sup>14</sup> See European Commission, Third report on economic and social cohesion, 2004. The federal government assumes, however, that during the next assistance period up to 2013 eastern Germany can expect to receive further structural assistance as most of the regions concerned will remain Objective 1 areas. See Bundestags-Drucksache 15/5009 of 4 March 2005.

<sup>15</sup> See the conclusion of the Fontainebleau European Council, Bulletin of the European Communities, 6–1984, paragraph 1.1.2. The operational budgetary balances calculated by the commission were used as a basis for this.

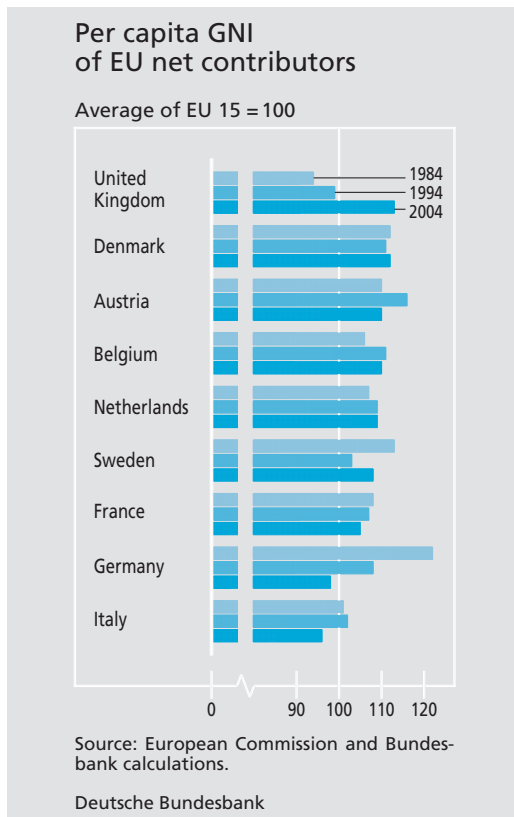


modifying the own resources system, which will probably continue to serve as a negotiating basis, essentially consists of the following elements:

- Threshold for budgetary deficits: the correction mechanism is to be applied whenever a member state's net payment exceeds a still unspecified percentage of GNI (eg 0.35%).
- Partial refund: correction consists of refunding part (eg two-thirds) of the amount exceeding the threshold.
- Limit for the total refund volume: if the sum of all corrections (eg €7.5 billion) exceeds the total predetermined volume, the refund rate is reduced accordingly.
- Financing: the sum of all corrections is financed by all member states (including those eligible for relief) in proportion to their relative prosperity as measured by GNI.

The commission has illustrated the effects of its proposal by offering the aforementioned values as examples and shown the consequent shifts in the level of burdens to be expected between member states. The calculations are based on the commission's proposals for the new financial perspective. The resultant total refund volume (€7.5 billion) would therefore be roughly equivalent to the correction amount which the United Kingdom would receive if the present correction mechanism were continued (€7 billion in 2013). If the net budgetary balances resulting

*Reform proposal entails both burdens and relief*



from this mechanism were compared with those which would arise by retaining the existing system, the United Kingdom would be the member state that would lose most. Although its refund would decline from just over €5 billion in 2004 to an estimate of just over €2 billion, it would still receive the largest compensation amount. Almost all other member states would be financially better off than before. Germany, for example, could expect to receive relief amounting to 0.06% of GNI on average between 2008 and 2013, which is equivalent to a sum of just under €1½ billion. Moreover, the balances of the largest net contributors would converge. However, the mechanism does not necessarily result in the level of the net contributions being based on economic strength.

The commission believes that the system to compensate for excessive net budgetary balances should be introduced as early as 2007. To accommodate the financial interests of the United Kingdom it has suggested transitional regulations. In addition to the compensation amount calculated in accordance with the new mechanism, the United Kingdom is to be granted lump-sum payments of €5 billion between 2008 and 2011.<sup>16</sup> In order to limit the associated increase in the overall financing costs the partial refund for the other net contributors is to be gradually raised from (initially) only 33% to the targeted level of 66% in 2011. Only the refund level for the United Kingdom would be set at 66% throughout this period.

*Transitional regulations for the United Kingdom*

## Conclusion

Together with those of other net contributors the German government has advocated, in principle, an expenditure ceiling of no more than 1.0% of EU GNI. The sum of the commitment appropriations proposed by the commission over the entire planning period would then amount (at 2004 prices) to just €815 billion instead of the previously estimated €929 billion. Negotiations broke down in June 2005. The discussions held so far have shown that a compromise can be expected only if (a) the structure of the expenditure, especially the proportion spent on agriculture,

*Still no agreement on financial perspective*

<sup>16</sup> The largest net contributors (Germany, the Netherlands, Austria and Sweden) are to continue contributing only 25% of the calculated share of financing the correction amount.

is reformed and (b) the unilateral relief enjoyed by the United Kingdom is renegotiated.

*EU subsidies are also to be critically reviewed*

The debate on EU finances has essentially raised questions about the extent of centralisation, redistribution within the European Union and the tasks to be performed at the European level. The principle of subsidiarity enshrined in Article 5 of the EC Treaty argues – in cases of doubt – in favour of the fulfilment of tasks at national level and therefore advocates restricting the volume of the EU budget. The objective of strictly reviewing individual elements of government expenditure and, in particular, of consistently limiting subsidies in order, ultimately, to achieve a consolidation of public finances and a reduction in the persistently large contribution burden within the EU should also apply to the EU budget.

*Agricultural sector needs further deregulation*

The planned curb on agricultural subsidies is a step in the right direction. However, further reforms in this area are appropriate. Making the agricultural sector more open to international competition would be a case in point. One measure that could lead to a general reduction in subsidies and further limit the extent of the EU budget could possibly be financed jointly by the member states in a regulated manner. Germany would be likely to have its financial burden eased by such a reduction.

In structural policy, too, greater attention should be paid to a transparent and efficient use of resources. With regard to supporting the catching-up process in the economically weaker member states, a strengthening of investment spending is especially important. Nevertheless, in this area, too, attention has to be paid to the risk of promoting ultimately uneconomic structures and of resources simply being rechannelled. It is also typically the case that it is very difficult to reduce subsidies once they have been granted. A stronger focus on assistance for member states with generally weaker economies might improve the targeting of resources since the other countries would no longer take the indirect course of financing via the EU budget. In the case of Germany, a greater concentration of EU structural funds resources would mainly affect the eastern regions. This would be accompanied by lower Federal government payments to the EU budget.

The Commission's proposal for a general correction mechanism for excessive budgetary deficits could help to prevent exceptionally large net contributions. However, this will not ensure that the level of such contributions is geared to economic performance. On the whole, it is welcome that this proposal represents an attempt to replace the present individual solutions with a single financing regulation.

*Simpler and more transparent structural policy desirable*

*General correction mechanism would prevent excessive net amounts*



## German enterprises' profitability and financing – an analysis based on a new dataset

The Bundesbank's annual analysis of German firms' profitability and financing, which hitherto had to rely on balance sheet data from its refinancing business, is now based on a new, wider dataset. The data pool that is now available was devised and constructed by the Bundesbank in the past few years after the number of corporate annual financial statements being submitted to it for scrutiny plummeted following the launch of European monetary union and the associated discontinuation of the Bank's rediscount business.

The evaluation of the new statistics shows that German firms' pre-tax profits improved slightly in 2003, up to when extrapolated results are available, after being strained heavily in 2002. However, their gross return on turnover was lower than during the period 1998 to 2001. The financing situation of German enterprises developed rather positively. Overall, the enterprises managed to improve their balance sheet structures significantly. This article describes and explains the underlying factors and relationships.

### Note on the Deutsche Bundesbank's Financial Statements Data Pool

Besides the annual financial statements submitted to the Bundesbank in the course of the refinancing business within the Eurosys-

*New dataset*

tem, the new data pool contains financial statements from other agencies which evaluate firms' annual accounts such as commercial banks and credit insurers (see methodological explanations on page 45ff). Another key difference compared with earlier analyses, which for statistical reasons were confined to the production, trade and transport sectors, is that part of the services sector more narrowly defined – specifically “computer and related activities”, “research and development” and “other business activities” – can now be captured by the extrapolated results. Conversely, the electricity, gas and water supply sector is now no longer included in the dataset analysed here owing to the particular extrapolation problems in sectors with a preponderance of large-scale enterprises. For the same reason the subsectors “transport via railways” and “post and telecommunications” continue to be excluded from the extrapolation.

All in all, the results based on the Bundesbank's corporate balance sheet statistics now cover a significantly larger part of the non-financial enterprise sector than was previously the case. Thus the sectors as now recorded generated almost three-quarters of the total gross value added of the business sector in 2003, compared with around 60% using the old dataset. It should be noted, however, that owing to the methodological changes the figures published in this article are not fully comparable with those of previous analyses.

## Cyclical setting

For the German economy 2003 was another difficult year. The entrenched stagnation of aggregate output which began in the second quarter of 2001 led to a noticeable decline in real GDP in the first half of 2003 after seasonal and calendar adjustment. Although the German economy began to recover in the second half of 2003, on an annual average output was ¼% below the level of 2002, which in turn was only a little higher than that in 2001. Hence in 2003 actual output in Germany once again fell distinctly short of potential output, which expanded marginally, so that the output gap widened further. The weak aggregate outturn is attested by the fact that the gross real value added of the sectors included in the corporate balance sheet statistics stagnated in 2003.

The slowdown in overall economic activity in 2003 was largely attributable to waning impulses from the external sector. Real exports, which in 2002 had expanded by over 4%, increased by only 2½%. This was partly due to the fact that in the first half of 2003 world trade was still depressed by the effect of the Iraq war and the consequences of the respiratory disease SARS, which created uncertainty in eastern Asia, in particular. In the second half of 2003, however, the global economy picked up speed again. While this was reflected in a revival of German exports, they increased more slowly than the sales markets owing above all to the sustained appreciation of the euro against the US dollar. At the same time imports grew twice as fast as a result of exchange rate effects and a slowdown in de-

*Persistent weak growth...*

*... owing to waning external impulses and...*



stocking. In the context of national accounting, the reduction in the real contribution of the external sector stunted GDP growth by  $\frac{3}{4}$  percentage point.

*... continuing sluggishness on the domestic front*

Domestic demand grew by  $\frac{1}{2}\%$  in 2003 compared with a cumulative fall of  $2\frac{1}{2}\%$  in the two preceding years. However, this rise was due very largely to the aforementioned slow-down of destocking. Investment in new machinery and equipment and in buildings fell further. In addition, households' propensity to purchase remained dulled, even though real private consumption did not decline, as it had in 2002, and instead increased marginally. The weak consumer demand was mainly due to the subdued development of incomes. Thus net wages and salaries declined by  $\frac{3}{4}\%$  owing to the sharper fall in employment and the renewed rise in social security contributions. Another factor was that households increased their saving ratio by  $\frac{1}{2}$  percentage point to  $10\frac{1}{4}\%$  of their disposable incomes owing to the considerable uncertainty concerning the course of macroeconomic development and the worsening of the outlook in the labour market.

*Moderate wage trend*

Wage policy, which has a major bearing on firms' costs, was in keeping with the difficult overall economic climate in 2003. In the aggregate, the new pay rates were lower than in 2002, with the result that average national negotiated wage and salary levels on an hourly basis rose by 2%, which was over  $\frac{1}{2}$  percentage point less than in 2002. Moreover, the increase in actual earnings of  $1\frac{1}{4}\%$  was well below the rise in negotiated pay rates. However, owing to slower productivity

growth, which was at least in part cyclically induced, aggregate unit labour costs went up by  $\frac{1}{2}\%$ . The compensation of employees, which encompasses gross wages and salaries as well as employers' social contributions, was only a little ( $+\frac{1}{4}\%$ ) higher in 2003 than it had been in 2002, whereas entrepreneurial and factor income again rose distinctly by  $3\frac{1}{2}\%$ . Consequently, the overall profit ratio – as defined in the national accounts – increased further and at  $29\frac{1}{4}\%$  of national income reached its highest share since 1998.

### Profitability

The muted momentum of business activity throughout 2003 was duly reflected in corporate profit and loss accounts. The annual result before taxes on income was only  $\frac{1}{2}\%$  above the level in 2002, when it had declined by  $6\frac{1}{2}\%$ .<sup>1</sup> It was thus again below the peak figure reached in 2001. At first sight these results seem not to match the figures contained in the national accounts on the earnings of non-financial corporations.<sup>2</sup> According to the latter, corporate profits grew by over  $1\frac{1}{2}\%$  in 2002 but fell by 5% in 2003. However, the two sets of figures are not directly comparable. Firstly, the profit as defined in the national accounts does not contain the results

*Pre-tax profits...*

<sup>1</sup> The annual result corresponds to the annual profit according to the German Commercial Code (HGB) before profit or loss transfers and provides a better indication of the profits generated by the enterprises analysed in this article. This is because numerous firms are associated through profit transfer agreements with enterprises which are not included in the corporate balance sheet statistics (eg holding companies) and to which their profits/losses are transferred.

<sup>2</sup> In the definition used in ESA 95 these include quasi-corporations, ie general partnerships and limited partnerships as well as entities with derived legal status.

of sole proprietorships. Secondly, the national accounts figures include neither extraordinary earnings nor valuation gains and losses. Yet firms' income statements contained large valuation losses in the years 2001 to 2002, in particular, which significantly affected the pre-tax result. Major factors in this connection were the share price slide during this period, the depreciation of the US dollar and the need in many cases to revalue the real estate portfolio. In 2003 the valuation losses were not as high as in the previous two years.

*... and gross  
return on  
turnover*

The profitability trend in 2003 indicated by the corporate balance sheet statistics appears in a somewhat better light if the further contraction of business volume is taken into account. The gross return on turnover, ie the ratio of the annual result before taxes on income to enterprises' turnover, remained at the relatively high level of 3 ½%, although in the years 1998 to 2001 it had been ¼ percentage point higher. It should be noted in this context, however, that the number of corporate insolvencies recorded a big jump at the beginning of the current decade. This means that many firms with predominantly poor earnings had to close down and hence dropped out of the Financial Statements Data Pool.

*Post-tax profits  
and net return  
on turnover*

The annual result after taxes in 2003 remained at the depressed level of 2002 and consequently developed a little worse than the pre-tax result. The reason for this is that taxes on income and earnings increased by 2% and thus by more than the gross annual result. This undoubtedly owed something to

the temporary raising of the corporation tax rate at the beginning of 2003 from 25% to 26.5% in order to finance the damage caused by flooding in eastern Germany, in particular. Another consequence of this is that the ratio of taxes on income to the gross annual result rose by nearly ½ percentage point to over 22 ½%. But the tax ratio thus calculated was still 3 percentage points below the level in 2000, the last year before the corporate tax reform came into force. Even so, the net return on turnover in 2003, at 2 ¾%, was no lower than in 2000 and 2001 when profitability was robust and was only a little below the peak figure reached in 1998. However, this ratio is merely suitable for depicting the development of earnings after taxes. Its level is overstated to the extent that taxes on earnings include, besides trade earnings tax, only corporation tax (including the solidarity surcharge) paid by corporations. The annual results of non-corporations (partnerships and sole proprietorships), by contrast, are taxed as part of the entrepreneurs' private income and so their income tax payments do not appear in these firms' profit and loss accounts.

The aggregated figures on corporate profitability mask some very disparate developments in the individual sectors. For example, the pre-tax annual result of manufacturing firms, which traditionally constitute the backbone of national economic activity, fell sharply again in 2003 by 9 ½%. This means it was one-fifth lower than the peak reached in 2000. The gross return on turnover deteriorated by 1 percentage point to 3 ¾%. The ongoing poorer profitability in industry in 2003

*Profit trend  
in manu-  
facturing, ...*

was due above all to the especially difficult national and international market situation in that year, when the profit margins of exporters were additionally squeezed by the appreciation of the euro. On top of that, the profit performance was dented by a decline in earnings from non-operating business. Within manufacturing, particularly producers of motor vehicles, machinery and equipment, basic metals and fabricated metal products, chemicals and textiles sustained a sharp drop in earnings. By contrast, other industries such as the manufacture of rubber and plastic products improved on their prior-year result.

... in construction, ...

In the construction sector the gross annual result improved by nearly one-tenth in the year under review, after having declined by one-fifth altogether in the two preceding years. This was assisted by the fact that the multi-year contracting trend in construction output slowed somewhat in 2003. This was due in part to speculation about a possible abolition or reduction of the home buyers' grant, which temporarily stimulated construction activities in the second half of the year, in particular. This had already been signalled by the increase in building permits granted around the turn of 2002/2003. Another cause of the improved profitability was the cost relief affecting virtually all expense items. A further factor was that the incidence of insolvencies in the construction sector was relatively high in 2003, too, with the result that many firms with poor earnings dropped out of the data sample. Thus 271 of the 10,000 construction enterprises were involved in insolvency proceedings compared with 158 insolvencies in

Selected indicators from the income statement of German enterprises



### Enterprises' income statement \*

Item	2001	2002	2003	2002	2003
	€ billion			Year-on-year change in %	
<b>Income</b>					
Turnover	3,526.7	3,475.6	3,462.0	- 1.4	- 0.4
Change in stocks of own products <sup>1</sup>	12.4	7.1	10.7	-42.5	50.3
Total output	3,539.1	3,482.7	3,472.7	- 1.6	- 0.3
Interest received	19.6	17.2	16.8	-12.4	- 2.1
Other income <sup>2</sup>	166.7	175.7	162.3	5.4	- 7.6
of which from participating interests	20.6	18.5	17.8	-10.1	- 4.1
Total income	3,725.4	3,675.5	3,651.8	- 1.3	- 0.6
<b>Costs</b>					
Cost of materials	2,205.4	2,148.5	2,143.2	- 2.6	- 0.2
Labour costs	650.5	653.5	645.8	0.5	- 1.2
Depreciation of tangible assets <sup>3</sup>	121.5	119.2	116.0	- 1.9	- 2.7
Other <sup>4</sup>	106.4	103.2	102.6	- 3.0	- 0.6
Interest paid	15.1	16.0	13.4	5.6	-16.1
Operating taxes of which	47.2	44.7	40.9	- 5.2	- 8.5
Excise taxes	55.7	65.4	71.9	17.5	9.8
Other costs <sup>5</sup>	51.2	61.6	68.0	20.4	10.4
	514.9	522.4	511.6	1.4	- 2.1
Total costs before taxes on income	3,595.2	3,553.7	3,529.4	- 1.2	- 0.7
Annual result before taxes on income <sup>6</sup>	130.2	121.8	122.4	- 6.4	0.4
	30.4	27.2	27.8	-10.3	2.0
Annual result	99.8	94.6	94.6	- 5.2	0.0
<i>Memo item</i>					
Cash flow <sup>7</sup>	224.5	223.5	218.6	- 0.5	- 2.2
Net interest paid	27.6	27.5	24.1	- 0.1	-12.5
	Percentage of turnover			Year-on-year change in percentage points	
Gross income <sup>8</sup>	37.8	38.4	38.4	0.6	0.0
Annual result	2.8	2.7	2.7	- 0.1	0.0
Annual result before taxes on income	3.7	3.5	3.5	- 0.2	0.0
Net interest paid	0.8	0.8	0.7	0.0	- 0.1

\* Extrapolated results. — <sup>1</sup> Including other capitalised production. — <sup>2</sup> Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — <sup>3</sup> Including depreciation of intangible assets. — <sup>4</sup> Predominantly write-downs of debtors, investments and participating interests. — <sup>5</sup> Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — <sup>6</sup> In the case of partnerships and sole proprietorships, trade earnings tax only. — <sup>7</sup> Annual result, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses/deferred income. — <sup>8</sup> Total output less the cost of materials.

Deutsche Bundesbank

the manufacturing sector and 110 in the wholesale/retail trade.<sup>3</sup>

The gross profits of enterprises in the wholesale/retail trade sector likewise rose (by 8%) against the background of shrinking business activity. This pushed up the traditionally low gross return on turnover further to 2½%; in 1997, ie at the start of the new data series, this ratio had stood at 2%. The improvement in 2003 was due to a lighter burden in some major expense items. The positive development of earnings was recorded in both wholesale trade and the retail trade sector. In the transport sector, which as defined here excludes both railways and communication, the gross result picked up by 2½%, after having already increased strongly in 2002. The corresponding return on turnover amounted to almost 2½%, which was a rather high value in a longer-term comparison.

*... in trade and transport and...*

The providers of business-related services, which are included in the new corporate balance sheet statistics for the first time, emerged from the most recent sluggish cyclical phase more robustly than any of the other sectors considered here. The gross profit, which had decreased by one-eighth in 2002, expanded by more than one-fifth in 2003. It is notable that the improvement in earnings was achieved despite a decline in turnover. This suggests a remarkable ability to reduce costs. The gross return on turnover improved over the year by 1½ percentage points to just over 7½%, which was by far the highest figure of all the sectors. But this

*... in the business service sectors*

<sup>3</sup> See J Angele, Insolvenzen in Deutschland im Jahr 2003, Wirtschaft und Statistik, Vol 4, 2004, p 418.

still fell almost 1 percentage point short of the return reached in 1998.

### Income and costs in detail

#### *Total output*

The total output – which, in addition to turnover, also includes changes in firms' stocks of their own products and other capitalised production – of the sectors analysed in this article fell again in 2003 owing to the cyclical slowdown in Germany by ¼%, compared with 1½% in 2002. In real terms the decline in total output was probably only a little greater in 2003. Thus while the domestic prices of industrial products went up by ¼%, prices went down by roughly the same amount in export business. The level of construction prices remained virtually unchanged. The retail trade price index edged up by just ¼% in 2003 and wholesale prices increased by merely ½%. No data are available on producer price developments in the transport sector and in the newly included business services sector. It is noticeable that total output contracted in virtually all sectors; only in the manufacturing and retail trade sectors did business activity expand slightly.

#### *Interest received, other income and total income*

Interest received and other income (which includes income from participating interests, other operating income and extraordinary income) declined far more sharply than total output in 2003. Interest received, which in 2002 had slumped by no less than 12½%, decreased by a further 2%. This was chiefly attributable to a further fall in market interest rates. By contrast, firms' annual average stock of interest-earning assets grew by 5%.

The average rate of interest on these assets of barely 3% was the lowest level since the start of the series in 1998, when it had stood at 3½%. Other income, which had gone up appreciably in the preceding years, not least on account of the extensive liquidation of hidden reserves, declined by 7½% in 2003. Total income was ½% down on 2002.

Total costs before taxes on earnings decreased a little more strongly than total income, creating scope for the small rise in the annual gross result explained above. The moderate development of costs was broadly based in that all major cost items apart from operating taxes showed a downward tendency in 2003.

The cost of inputs fell by ¼% in line with total output. Consequently, its ratio to total output remained unchanged at just over 61½%. As import prices fell again by over 2% in 2003, the cost of materials might logically have been expected to decrease by an even greater margin as past experience has shown that many inputs used in industry and in the retail trade sector are imported. On closer inspection it turns out, however, that only the prices of imported finished goods showed a marked decline – not least owing to the appreciation of the euro – whereas the prices of imported raw materials and semi-finished products tended to increase and those of imported intermediate goods remained more or less the same. In the case of raw materials, in particular, the rising quotations (in US\$) in the international commodity markets probably outweighed the

#### *Total costs*

#### *Cost of materials*

cost-dampening effect of the euro's appreciation.

*Labour costs, ...*

A greater contribution to alleviating the burden of overall corporate costs in 2003 was made by labour costs, which fell by 1¼% on the year. Their ratio to total output decreased marginally to 18½%. On the one hand, the reduction in labour costs was due to the aforementioned moderate growth of negotiated pay rates and to the even more moderate increase in actual earnings. On the other hand, job cuts also helped to push down labour costs. In the sectors analysed in this article, the number of employees went down by over 2% in 2003. The construction sector recorded the biggest fall in employment (6%), followed by manufacturing (3%) and trade (2%). The number of persons employed in the transport sector remained virtually unchanged. New jobs were created solely in the business services sector. A factor which tended to push costs up, on the other hand, was the rise of 0.4 percentage point in the contribution rate to the statutory pension insurance scheme to 19.5% at the beginning of 2003, of which employers had to pay half. At the same time the income ceiling for the assessment of contributions to the statutory pension and unemployment insurance schemes was raised significantly.

*... depreciation, ...*

Another factor helping to stabilise corporate earnings was the further marked decrease in depreciation charges, which in 2003 came to 2¾%. The depreciation of tangible and intangible assets, which make up more than nine-tenths of total depreciation costs, decreased by ½% and other depreciation by

16%. In the case of the depreciation of tangible assets the downward tendency evident in the previous two years continued, mirroring in particular the low level of investment since 2001. The principal cause of the sharp drop in other depreciation was that the write-downs on financial assets and investments, which had doubled between 2000 and 2002 and had showed a marked jump in 2001, in particular owing to the massive slump in share prices, declined by over one-fifth.

The interest expenditure of enterprises went down by 8½% during the year under review. This owed something to firms' efforts to consolidate their balance sheets, which had been distorted considerably in some cases by the (largely debt-financed) investment boom in new tangible assets and participating interests in 1999-2000 as well as by the overall economic slowdown and share price losses in subsequent years. The annual average stock of interest-bearing liabilities decreased slightly in 2003 for the first time since the late 1990s. Another factor easing the interest burden was that the average rate of interest paid by enterprises fell noticeably in 2003 to just over 4½%. This decline was signalled by the downward market trend in both short-term and long-term interest rates.

*... and interest paid*

By contrast, firms faced a higher burden from operating taxes, which include tax on land and buildings, motor vehicle tax and excise taxes; they grew by 10% during 2003. This was caused largely by the entry into force of the final stage of the "ecology tax reform" and a further increase in tobacco tax. If the increases in ecology tax and other taxes that

*Operating taxes and other costs*

came into effect in 2001 and 2002 are also taken into account, the burden of operating taxes in 2003 was one-third higher than the equivalent level in 2000. This was offset to some extent by other costs, which were 2% lower than in 2002. This item includes rentals and leases, research and development costs, advertising expense and extraordinary charges.

### Sources and uses of funds

*Total sources of funds*

The total sources of funds, which mirrors the volume of financial and non-financial asset formation, was 5½% lower in 2003 than in 2002, when it had increased distinctly.<sup>4</sup> It was more than one-third less than the peak reached in 1999. Over 90% of the decline in the inflow of funds during this period was attributable to a smaller recourse to external funding and not quite one-tenth to a lower volume of internally generated resources. In 2002 and 2003 liabilities were actually repaid on balance. This was due chiefly to the cyclically induced lower capacity utilisation and the associated smaller need for replacement investments but also to the measures taken by firms to improve their balance sheet structures. Another factor is that the internal cash flow, which comes overwhelmingly from the relatively constant level of "earned" depreciation, shows a smaller volatility over the course of the business cycle.

*Internal and external funding*

Although capital increases from retained profits (and capital contributed in the case of non-corporations) were somewhat lower in 2003, their level was nonetheless compara-

tively high. By contrast, the externally funded capital increases of corporations fell more markedly. Their share of the total inflow of resources amounted to just 1% in 2003 compared with 9½% in 2001. Two reasons for this were the smaller need for additional funds and the fact that the stock market climate for capital increases remained unfavourable. Total increases in capital from both internal and external sources in 2003 amounted to 17% of the (reduced) total inflow of resources; this was more than in the buoyant years 1999 and 2000.

As regards the uses of funds, the budgets for the formation of non-financial assets were raised by 7½ during the year under review, which contrasts with a reduction of nearly 30% in the period 2000 to 2002. This was solely due to the fact that the trend towards inventory depletion was halted and instead a small amount of stockbuilding occurred. On the other hand, the gross formation of tangible assets recorded another sizeable decline in 2003 (7½%). This was one-fifth below the level of 2000. For the first time since the start of the time series in 1998, gross expenditure on new machinery and equipment and buildings in the sectors embraced by this study failed to offset the consumption of fixed capital; in other words, the book value of the capital stock declined in 2003.

*Non-financial asset formation*

One-quarter less was invested in the acquisition of financial assets in 2003 than in 2002, which had been influenced by exceptional

*Growth of financial assets*

<sup>4</sup> The figures on the sources and uses of funds are subject to much more uncertainty than the balance sheet and income statement data.



### Enterprises' sources and uses of funds \*

€ billion

Item	2001	2002	2003	Year-on-year change	
				2002	2003
<b>Sources of funds</b>					
Capital increases from profits and capital contributed of non-corporations <sup>1</sup>	8.6	25.0	23.8	16.4	- 1.2
Depreciation (total)	121.5	119.2	116.0	- 2.3	- 3.2
Increase in provisions <sup>2</sup>	4.1	10.9	8.8	6.8	- 2.1
<b>Internal funds</b>	<b>134.2</b>	<b>155.1</b>	<b>148.6</b>	<b>20.9</b>	<b>- 6.5</b>
Capital increase of corporations <sup>3</sup>	14.4	11.6	1.3	- 2.8	-10.4
Change in liabilities	0.0	- 12.8	-4.1	-12.8	8.7
Short-term	8.4	- 4.7	-0.7	-13.1	4.1
Long-term	-8.4	- 8.1	-3.4	0.3	4.7
<b>External funds</b>	<b>14.4</b>	<b>- 1.2</b>	<b>-2.8</b>	<b>-15.6</b>	<b>- 1.6</b>
<b>Total</b>	<b>148.6</b>	<b>153.9</b>	<b>145.8</b>	<b>5.3</b>	<b>- 8.1</b>
<b>Use of funds</b>					
Gross increase in tangible assets (gross fixed capital formation) <sup>4</sup>	117.4	106.9	98.9	-10.5	- 8.0
<i>Memo item</i>					
Net increase in tangible assets <sup>4</sup>	11.0	3.7	-3.7	- 7.4	- 7.4
Depreciation of tangible assets <sup>4</sup>	106.4	103.2	102.6	- 3.2	- 0.6
Change in inventories	-9.0	- 14.2	0.7	- 5.2	14.8
<b>Non-financial asset formation</b>	<b>108.5</b>	<b>92.7</b>	<b>99.6</b>	<b>- 15.7</b>	<b>6.9</b>
Change in cash	10.6	10.6	15.1	0.0	4.5
Change in debtors <sup>5</sup>	20.4	14.6	0.9	- 5.8	-13.7
Short-term	10.8	16.3	-6.6	5.5	-22.9
Long-term	9.6	- 1.7	7.5	-11.3	9.2
Acquisition of investments	-9.5	3.0	6.9	12.5	3.9
Acquisition of participating interests	18.7	32.9	23.2	14.2	- 9.7
<b>Financial asset formation</b>	<b>40.2</b>	<b>61.1</b>	<b>46.2</b>	<b>21.0</b>	<b>- 15.0</b>
<b>Total</b>	<b>148.6</b>	<b>153.9</b>	<b>145.8</b>	<b>5.3</b>	<b>- 8.1</b>
<i>Memo item</i>					
Percentage of internal funds to gross fixed capital formation	114.2	145.1	150.2	.	.

\* Extrapolated results. — 1 Including "GmbH und Co KGs" and similar legal forms. — 2 Including change in the balance of prepaid expenses and deferred items. — 3 Increase in nominal capital through the issue of shares and transfers to capital reserves. — 4 Including intangible assets. — 5 Including unusual depreciation of current assets.

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factors. A net build-up of long-term debtors was almost matched by a depletion of short-term debtors; in 2002 the total increase in debtors had played a much bigger role. The acquisition of participating interests was likewise reduced substantially, although equity purchases still accounted for half of the total financial asset formation in the year under review. The amount of resources invested in the acquisition of investments more than doubled from 2002 to 2003. Cash holdings, too, were raised sharply; this was at least partly attributable to the low short-term interest rates, which determine the opportunity cost of holding cash.

### Balance sheet trends and key balance sheet ratios

Corporate balance sheets were shaped in 2003 by the poor macroeconomic climate as well as the lingering effects of the buoyant years 1999–2000. The balance sheet growth of 1½% was similarly weak as in the two previous years. Between 1998 and 2000 it had averaged almost 5%. The individual sectors evolved very differently, however. Manufacturing firms' assets and liabilities expanded by 4%, as against nearly 6% on an annual average from 1998 to 2000. A small increase of 1½% was registered in the retail trade sector. All other sectors saw their balance sheets contract; the construction industry's collective balance sheet shortened for the fourth year running in the context of its long-lasting adjustment process and shrank by almost one-quarter vis-à-vis the level of 1999.

*Balance sheet total*



*Non-financial  
assets*

The small overall balance sheet growth in 2003 was due to the further decrease in non-financial assets, which corresponds to the net decrease in tangible assets in the cash flow account, and to the slower accumulation of financial assets. The decline in the stock of tangible and intangible assets was partly cushioned by the stable development of inventories. The weight of tangible assets in the asset total declined further to 43½%; in 1997 its share had been almost 49%. The weight of debtors increased accordingly.

*Financial assets*

The growth of financial assets in 2003 was slowed especially by the negative change in the portfolio of short-term assets. This was caused in turn by a fall in the stock of trade debtors. Trade creditors likewise decreased. Both items tend to be very elastic to cyclical movements. In economic slowdowns this reflects not only the slower growth of business volume but also the fact that, in view of the general increase in default risk, suppliers attempt to minimise their outstanding receivables.

*Equity overall...*

Owing to the quite robust development of capital increases from retained profits described above, total equity increased in 2003 by 6%. Hence the marked increase in liable funds observable since the start of the new data series in 1997 continued. While total capital grew by one-fifth, the (vertical) equity ratio expanded more sharply by 6 percentage points to 22%. Of this, 2½ percentage points were added during the low-profit years 2001 to 2003. A key factor in this, presumably, was that the reform of overall business taxation that became effective in 2001 encouraged

**Enterprises' balance sheet \***

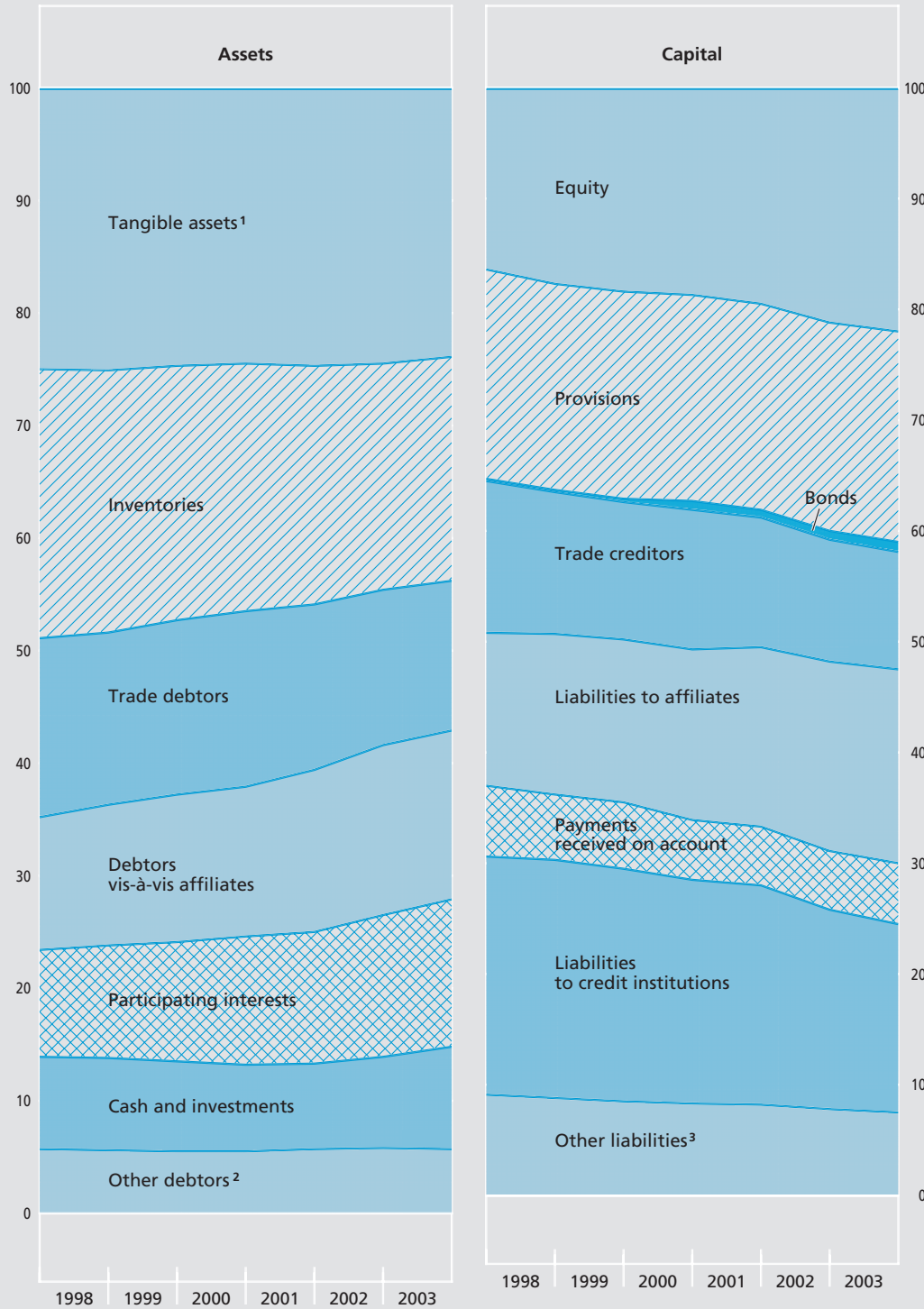
Item	2001	2002	2003	2002	2003
	€ billion			Year-on-year change in %	
<b>Assets</b>					
Intangible assets <sup>1</sup>	34.1	42.0	40.3	23.4	- 4.2
Tangible assets	452.4	448.1	446.2	- 0.9	- 0.4
Inventories	419.8	405.6	406.3	- 3.4	0.2
<b>Non-financial assets</b>	906.3	895.8	892.8	- 1.2	- 0.3
Cash	112.7	123.3	138.4	9.4	12.2
Debtors	680.8	690.2	686.2	1.4	- 0.6
<i>of which</i>					
Trade debtors vis-à-vis affiliates	291.4	277.9	272.5	- 4.6	- 1.9
Investments	285.5	304.3	306.3	6.6	0.7
Participating interests <sup>2</sup>	37.8	40.8	47.7	7.9	16.9
Financial assets	231.9	254.0	268.8	9.5	5.8
Financial assets	1,063.1	1,108.3	1,141.0	4.2	3.0
Prepaid expenses	10.1	10.7	11.2	6.4	3.8
<b>Total assets <sup>3</sup></b>	<b>1,979.5</b>	<b>2,014.9</b>	<b>2,045.0</b>	<b>1.8</b>	<b>1.5</b>
<b>Capital</b>					
Equity <sup>3, 4</sup>	385.7	422.3	447.4	9.5	5.9
<b>Liabilities</b>	1,218.1	1,205.2	1,201.1	- 1.1	- 0.3
<i>of which</i>					
to credit institutions	391.9	363.7	347.4	- 7.2	- 4.5
Trade creditors to affiliates	232.5	222.0	216.0	- 4.5	- 2.7
Payments received on account	321.2	344.9	357.4	7.4	3.6
Provisions <sup>4</sup>	104.4	107.0	113.1	2.5	5.7
<i>of which</i>					
Provisions for pensions	367.5	379.3	389.5	3.2	2.7
Borrowed funds	151.0	157.1	163.5	4.1	4.0
Borrowed funds	1,585.6	1,584.5	1,590.6	- 0.1	0.4
Deferred income	8.3	8.0	7.0	- 3.2	- 12.9
<b>Total capital <sup>3</sup></b>	<b>1,979.5</b>	<b>2,014.9</b>	<b>2,045.0</b>	<b>1.8</b>	<b>1.5</b>
<b>Memo item</b>					
Turnover	3,526.7	3,475.6	3,462.0	- 1.4	- 0.4
Ratio of turnover to balance sheet total	178.2	172.5	169.3	.	.

\* Extrapolated results. — 1 Including goodwill. — 2 Including shares in affiliates. — 3 Less adjustments to equity. — 4 Including half of the special items with equity portion.

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### Balance sheet structure of German enterprises

as a percentage of the balance sheet total



1 Including intangible assets. — 2 Including prepaid expenses. — 3 Including deferred income.

profit retention as opposed to profit distribution. Another factor is that, in the past few years, banks have exerted increasing pressure on firms with a low level of own funds to strengthen their capital base. The statistical effect of the marked increase in insolvencies mentioned above also played a part in this as many enterprises whose own funds had largely been eroded by losses dropped out of the Financial Statements Data Pool.

... and by sector

The ratio of equity to the balance sheet total rose in all sectors apart from the transport sector, whose ratio in 2003 was no higher than it had been six years earlier. Among manufacturing firms the own funds ratio reached 27%, compared with 23% in 1997. Construction firms, too, managed to raise their level of liable capital by 3½ percentage points to 6%. The biggest increases were achieved by the retail trade, which lifted its equity ratio to 15% in 2003 as against 5½% in 1997. This probably owed something to concentration processes. In the wholesale trade segment the equity ratio rose by 6 percentage points to 21½% and among providers of business services by 6½ percentage points to 16½%.

Liabilities and provisions

German firms' liabilities went down again slightly in 2003 (¼%). The main reason for this, besides the aforementioned lowering of trade creditors, was the net repayment of both short and long-term bank loans, the outstanding amount of which was 4½% less than in 2002. Corporate indebtedness to banks consequently dropped by 4 percentage points vis-à-vis the end of the 1990s, when it had made up more than one-fifth of enter-

### Balance sheet ratios \*

Item	2001	2002	2003
	Percentage of balance sheet total <sup>1</sup>		
Intangible assets <sup>2</sup>	1.7	2.1	2.0
Tangible assets	22.9	22.2	21.8
Inventories	21.2	20.1	19.9
Short-term debtors	32.0	32.0	30.9
Long-term capital <sup>3</sup>	43.2	44.1	44.8
of which Equity <sup>1</sup>	19.5	21.0	21.9
Long-term liabilities	15.4	14.7	14.4
Short-term liabilities	46.1	45.1	44.4
	Percentage of tangible assets <sup>4</sup>		
Equity <sup>1</sup>	79.3	86.2	92.0
Long-term capital <sup>3</sup>	175.8	181.3	188.3
	Percentage of fixed assets <sup>5</sup>		
Long-term capital <sup>3</sup>	109.6	109.6	109.9
	Percentage of short-term liabilities		
Liquidities <sup>6</sup> and short-term debtors	84.2	86.7	87.5
	Percentage of borrowed funds <sup>7</sup>		
Cash flow <sup>8</sup>	15.2	15.3	15.1

\* Extrapolated results. — <sup>1</sup> Less adjustments to equity. — <sup>2</sup> Including goodwill. — <sup>3</sup> Equity, provisions for pensions, long-term liabilities and the special items with equity portion. — <sup>4</sup> Including intangible assets. — <sup>5</sup> Tangible assets, intangible assets, participating interests, long-term debtors and investments held as fixed assets. — <sup>6</sup> Cash and investments held as current assets. — <sup>7</sup> Liabilities, provisions and half of the special items with equity portion less cash. — <sup>8</sup> Annual result, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses and deferred income.

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prises' total liabilities, to 17%. This presumably reflects first and foremost a lower demand for bank credit. But the Eurosystem's Bank Lending Survey also suggests that a relatively large number of banks in Germany responded to the protracted phase of weak economic growth by tightening their credit standards in the context of a more cautious approach to assessing business risks. The combined provisions of the firms increased by 2¾%, with provisions for company pensions being raised by 4%. While the share of provisions in total liabilities increased marginally in 2003 to 19%, this merely matched the 1997 level.

*Selected  
balance sheet  
ratios*

The improvement in German firms' financial base is also reflected by the fact that the ratio of long-term capital to the balance sheet total grew further to around 45% and exceeded the stock of assets by 10%. Their short-term financing situation was likewise satisfactory in 2003. Liquid funds plus short-term debtors covered 87½% of the short-term liabilities; this was the highest liquidity ratio since the data series began in 1997. The ratio of the internally generated cash flow to borrowings, which is a measure of firms' ability to service their debts, came to 15% in 2003 and was thus on a par with the high level recorded in the two preceding years.

## Summary

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*Key steps taken  
to bolster firms'  
financing and  
profitability*

Given the quite difficult macroeconomic setting in 2003, which was reflected in a down-

turn in German enterprises' business activity, the fact that the annual result before taxes rose slightly and that the gross return on turnover was held at the 2002 level must be rated as a quite positive outcome. This was achieved mainly by stringent cost management. A key contribution to this was made by the significant lowering of labour costs, which was made possible by moderate pay increases but also by cutting jobs. German firms made good headway in improving their balance sheet structures, which in many cases had been strained by the steep increase in liabilities in 1999 and 2000 and large write-downs of financial assets, in particular, at the start of the current decade. This balance sheet consolidation was facilitated, firstly, by the sharply reduced expenditure on new tangible assets and a more restrained approach to acquiring additional participating interests. Secondly, the capital base was strengthened by higher profit retention, which was doubtless also associated with the change in the business taxation regime that came into force in 2001. On the other hand, firms were able to reduce their indebtedness to banks. With this improvement in their financial situation, achieved through a tough consolidation and restructuring course, German firms have strengthened their resilience appreciably in the past few years and thus taken a major step towards improving their credit ratings in the financial markets.

## Annex

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### Methodological notes on the corporate balance sheet statistics

#### Database

The extrapolation results published in this article are based for the first time on corporate balance sheets and income statements from the Financial Statements Data Pool. This is a joint undertaking between the Deutsche Bundesbank and a number of banks and other financial institutions with the aim of voluntarily integrating their respective financial statement databases at the Bundesbank for statistical purposes. To ensure confidentiality, the data are transmitted anonymously, ie without names and addresses and only including those details required for statistical processing and analysis, such as the relevant sector and legal form. Duplicate financial statements are identified and eliminated by comparing selected items, while ensuring anonymity. In return for transmitting the data, the Bundesbank's partners receive comprehensive statistics of key ratios differentiated according to diverse corporate groups which can, for example, be used in credit assessments.

The creation of the Financial Statements Data Pool has more than offset the contraction of the Bundesbank's balance sheet database (as detailed in previous *Monthly Reports*) since the start of stage three of European monetary union.<sup>5</sup> Until 1998, the Bundesbank had requested and received more than 60,000 financial statements per year from enterprises which had signed bills of exchange purchased by the Bundesbank so as to assess their credit risk in the context of its rediscounting business. Since 1999, the Bundesbank has obtained firms' balance sheets and income statements in

order to assess the eligibility of corporate loans and bills submitted by credit institutions as collateral for refinancing from the central bank. On their own, these financial statements (currently around 20,000 per financial year) no longer provide an adequate statistical basis for extrapolations. Nevertheless, they constitute a significant input into the joint data pool.

The Financial Statements Data Pool provides the Bundesbank with a wide-ranging stock of individual company accounts from non-financial enterprises based in Germany from the 1997 financial year onwards, which lately have totalled around 105,000 a year. This is after duplicate data, which make up more than one-third of the total, have been factored out. However, not all the data in the pool are suitable for extrapolation purposes. Around 10% to 15% of the financial statements are filtered out for a variety of reasons, for example because information has not been differentiated sufficiently, no turnover was generated or certain ratios contained extreme values that might distort the extrapolation results. In addition, the extrapolation procedure is not equally applicable to all branches of the economy. Around one-quarter of the financial statements belong to sectors outside the extrapolation reporting sample. As a result, just under 70,000 annual accounts are currently used for the extrapolation per completed financial year as opposed to around 50,000 before bill rediscounting was abolished (see table on page 47).

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<sup>5</sup> See, for example Deutsche Bundesbank, West German enterprises' profitability and financing in 1999, *Monthly Report*, March 2001, p 19.

Besides the increased data volume, the available database has also improved because the data are distributed more evenly across the different industries. Far more financial statements are also now available for sectors which used to be fairly poorly represented in the Bundesbank's database because of the minor significance of trade bills in those sectors. This mainly affects construction and transport, for which there is now respectively twice and three times the data previously available. The business services sector has become so well represented, in terms of the number of firms and the degree to which turnover is captured in comparison with the turnover tax statistics, as to make extrapolation possible. Alongside "computer and related activities" and "research and development", this sector also includes "other business activities" (excluding holding companies).

The quality of the extrapolation is affected to a greater extent by how representative the data are. The fall in the volume of Bundesbank data owing to the abolition of bill rediscounting did not just result in a lack of data but also in a problem of representativeness. Because of the more rigorous eligibility criteria in the Bundesbank's refinancing operations since the start of the third stage of European monetary union, particularly firms with a low credit rating, especially those that are less well capitalised, tended to drop out of the Bundesbank's database. Since 1997-98, financial statements submitted to the Bundesbank have come increasingly from well capitalised firms. This effect is reflected largely among small enterprises. For instance, the average equity ratio for manufacturing firms in the size category of firms with a turnover of less than €2.5 million increased from 6% to 25½% between 1997 and 2003. The chart on page 48 shows the results of overlapping cylindered samples (ie those where data were available for two consecu-

tive years) and indicates that the increase among smaller firms is largely due to the different composition of the data (sample effect). If only the change in the equity ratio within cylindered samples is considered – ie if the level difference between them is disregarded – there is a net increase in the equity ratio of just 2 percentage points over the entire period under review. An (albeit weak) trend towards better capitalised firms is also apparent in the data pool material, where, amongst other things, the aforementioned structural changes in the Bundesbank data have had a similar effect. The changing data profile also mirrors the general changes in the German corporate landscape over the past few years, with more and more undercapitalised firms disappearing from the market.

### Extrapolation

The broader data volume now makes it possible to present extrapolated results once again. From 1998 until very recently, it was only possible to publish projections based on the extrapolated financial statements from the 1997 financial year owing to the considerable structural changes in the data. However, they were subject to growing uncertainty as the time gap vis-à-vis the projection baseline increased because of the cumulative estimation error. The results published here have been extrapolated using the ratio estimation procedure, whereby the aggregated balance sheet and income statement data are extrapolated – stratified by turnover size category, sector and legal form – based on the turnover figures in the Federal Statistical Office's turnover tax statistics.

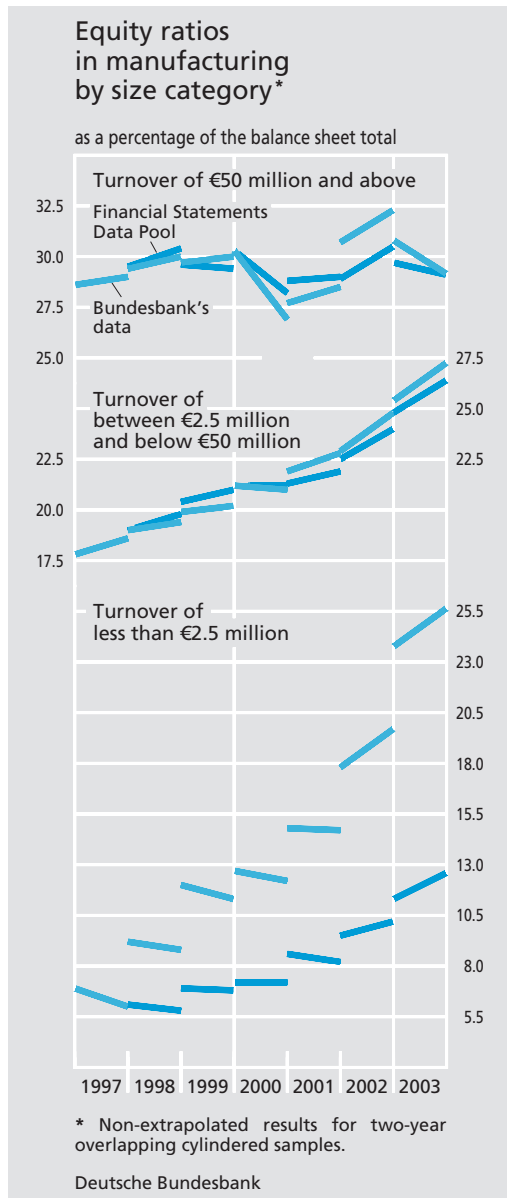
With the changeover to the Financial Statements Data Pool, the business-related services sector was included in the extrapolation reporting sample, as

Financial statements of non-financial enterprises held by the Bundesbank  
and in the Financial Statements Data Pool \*

Sector	Number of financial statements		Turnover (€ billion)		Percentage captured by the Financial Statements Data Pool 2	Percentage share of turnover of large enterprises 3 in the turnover tax statistics 1	Capital turnover 4 in the Financial Statements Data Pool
	Bundesbank database	Financial Statements Data Pool	Financial Statements Data Pool	Turnover tax statistics 1			
Extrapolated economic sectors	49,994	68,094	2,197.6	3,475.6	63.2	58.6	1.64
<i>of which</i>							
Manufacturing 5	19,687	22,751	1,210.7	1,553.2	77.9	72.7	1.30
Construction	3,946	8,060	70.4	195.5	36.0	17.1	1.27
Retail trade in and repair of motor vehicles and motorcycles 6	5,525	4,323	79.3	181.7	43.6	33.4	2.93
Wholesale trade and commission trade	12,362	13,468	491.7	724.1	67.9	62.5	3.42
Retail trade (excluding retail trade in and repair of motor vehicles and motorcycles) 7	5,772	7,417	170.4	427.2	39.9	52.1	3.02
Transport excluding railways	1,454	5,136	87.8	134.2	65.5	44.2	1.36
Business-related services 8	1,248	6,939	87.3	259.7	33.6	30.8	1.38
Non-extrapolated economic sectors	8,951	21,904	422.8	783.7	54.0	59.3	0.37
<i>of which</i>							
Electricity, gas and water supply (hitherto extrapolated)	418	1,248	128.6	178.7	71.9	87.5	0.69
Railways	26	49	12.9	12.3	104.5	96.5	0.41
Communication	22	181	70.6	108.9	64.9	96.8	0.35
Real estate, renting etc	3,270	9,961	87.0	154.3	56.4	28.6	0.27
Holding companies	1,934	2,284	40.7	75.1	54.2	86.1	0.13
All economic sectors	58,945	89,998	2,620.4	4,259.3	61.5	58.8	1.05

\* Financial statements not suitable for extrapolation have been eliminated (2002: 15,000). — 1 Partially estimated values based on data from the Federal Statistical Office. — 2 Ratio of turnover recorded in the Financial Statements Data Pool to turnover according to the turnover tax statistics. — 3 Companies with turnover above €50 mil-

lion. — 4 Ratio of turnover to balance sheet total. — 5 Including mining and quarrying. — 6 Including sale of automotive fuel. — 7 Including repair of personal and household goods. — 8 Including computer and related activities and research and development, excluding holding companies.



mentioned above. By contrast, the electricity, gas and water supply sector will no longer be extrapolated in future. This resulted in a net rise in total turnover across all extrapolated sectors of 3% (2002). The energy, gas and water supply sector was removed from the extrapolation process because of the preponderance of large enterprises. Companies with a turnover of more than €50 million account for almost 90% of total turnover in the sector. Experience has shown that sectors

where turnover is so heavily weighted towards large companies do not lend themselves to extrapolation. The different methodologies behind the turnover tax statistics and the corporate balance sheet statistics – the “single entity for tax purposes” and “smallest legal entity” respectively<sup>6</sup> – may mean that there are differences in the way economic sectors are defined which can have a considerable effect on the overall result in the sector. Much the same applies to statistical breaks in company accounts for reasons connected with accounting policy, tax law and company law which do not necessarily reflect economic phenomena. In sectors with a preponderance of large companies, these can have a strong impact on each sector's overall result. However, in sectors that predominantly include small and medium-sized enterprises, these effects tend to cancel each other out. As such, these sectors are particularly suitable for extrapolation.

The real estate sector (including renting) is not extrapolated because of the low average capital turnover, ie the relationship between turnover and the balance sheet total, as the estimation uncertainty for an extrapolation differentiated by turnover size category is considered relatively high. This sector is better suited to aggregation than extrapolation.<sup>7</sup>

Consequently, the new extrapolation includes the following sectors: manufacturing, construction, trade, transport excluding railways and business services. The mining and quarrying sector was subsumed under manufacturing because it is poorly

<sup>6</sup> See Deutsche Bundesbank, The methodological basis of the Deutsche Bundesbank's corporate balance sheet statistics, *Monthly Report*, October 1998, p 49.

<sup>7</sup> See Deutsche Bundesbank, Ratios from annual accounts of German enterprises between 2000 and 2002, Special Statistical Publication No 6, November 2004



suiting to a separate extrapolation. Certain sectors were merged within manufacturing so as to form broader aggregates and thus improve consistency between the turnover tax and corporate balance sheet statistics.<sup>8</sup> By contrast, the retail trade sector was divided into the two groups retail trade in and repair of motor vehicles and motorcycles (including the sale of automotive fuel) and other retail trade services (including repair of personal and household goods).

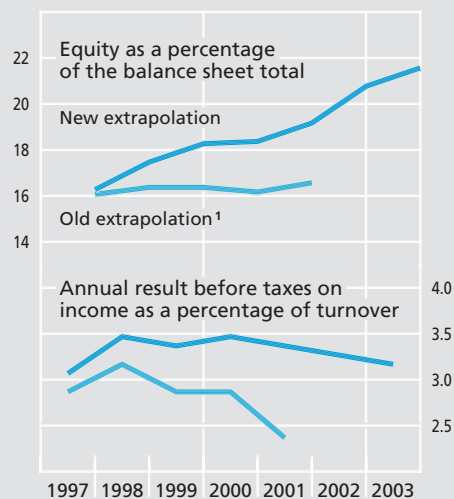
In a further change, the previous division of the extrapolation into three legal form categories (corporations, partnerships and sole proprietorships) has been superseded by a split into just two legal forms (corporations and non-corporations) because the data in many sectors are insufficient to allow an extrapolation for sole proprietorships. Thus, the non-corporations also include partnerships designated Kapitalgesellschaft & Co KG (Kap&Co). This is based on the classification of legal form in the turnover tax statistics.

To exclude extreme values, a lower bound was set for the capital turnover for each sector. The aim of the capital turnover filter is to prevent relatively large companies with a comparatively low turnover from being categorised in an unusually low size category, thereby distorting the extrapolated balance sheet aggregates via a large extrapolation factor.

#### Change in the definition of individual financial statement items

Following the approach in the national accounts, goodwill is recorded as an asset under "intangible assets" and is no longer treated as an adjustment to equity. As a result, the equity ratio is now

#### A comparison of the new and old extrapolation\*



\* Results for all firms in a comparably defined sector and for comparably defined items: all firms excluding energy, gas and water supply and business-related services. Equity adjusted for goodwill. — 1 From 1998 onwards, estimated by updating the 1997 extrapolation results.

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around ½ percentage point higher than the extrapolation results hitherto.

Because of the increasing significance of intangible assets, these will be shown as a separate item in future.

Contracts in progress will not be shown separately any more because the data in the Financial Statements Data Pool no longer permit it. They are now included in the item "semi-finished products and services".

Profit and loss transfers within corporate groups no longer appear on the income statement. The

<sup>8</sup> The results for selected manufacturing subgroups will be published in Special Statistical Publication No 5 "Extrapolated results from financial statements of German enterprises between 1994 and 2003" scheduled for publication in the second quarter of 2006.

### A comparison of the new and old extrapolation \*

Results for 1997

Item	New extrapolation 1	Old extrapolation 2	Change new/old
	€ billion		%
<b>I. Balance sheet</b>			
<b>Assets</b>			
Tangible assets <sup>3</sup>	379.3	383.7	- 1.2
Inventories	386.5	418.6	- 7.7
Non-financial assets	765.8	802.2	- 4.5
Cash	87.9	85.8	2.4
Debtors	506.6	510.9	- 0.8
Investments	37.0	31.9	15.9
Participating interests	156.8	150.7	4.1
Financial assets	788.3	779.4	1.1
Prepaid expenses	7.4	7.5	- 1.4
<b>Total assets</b>	<b>1,561.5</b>	<b>1,589.1</b>	<b>- 1.7</b>
<b>Capital</b>			
Equity (adjusted) <sup>4</sup>	255.4	257.8	- 0.9
Liabilities	1,004.8	1,030.9	- 2.5
Short-term	738.2	766.8	- 3.7
Long-term	266.6	264.0	0.9
Provisions	298.1	296.9	0.4
Borrowed funds	1,302.9	1,327.7	- 1.9
Deferred income	3.2	3.6	- 10.1
<b>Total capital</b>	<b>1,561.5</b>	<b>1,589.1</b>	<b>- 1.7</b>
<b>II. Income statement</b>			
Turnover	2,868.3	2,860.3	0.3
Change in stocks of own products	5.9	5.0	17.0
<b>Total output</b>	<b>2,874.2</b>	<b>2,865.3</b>	<b>0.3</b>
Interest received	13.9	13.5	3.1
Other income <sup>5</sup>	112.3	107.3	4.7
<b>Total income</b>	<b>3,000.4</b>	<b>2,986.1</b>	<b>0.5</b>
Cost of materials	1,790.5	1,791.9	- 0.1
Labour costs	535.9	533.5	0.5
Depreciation	98.9	100.4	- 1.5
of which of tangible assets	94.9	88.4	7.3
Interest paid	36.8	38.3	- 4.1
Operating taxes	56.6	64.5	- 12.3
of which Excise taxes	48.8	52.9	- 7.7
Other costs <sup>5</sup>	391.6	375.8	4.2
<b>Total costs</b>	<b>2,910.3</b>	<b>2,904.4</b>	<b>0.2</b>
Annual result before taxes on income	90.1	81.7	10.2
Taxes on income	22.0	23.6	- 6.7
<b>Annual result</b>	<b>68.1</b>	<b>58.1</b>	<b>17.1</b>

\* Results for all firms in a comparable sectoral sample, ie excluding the energy, gas and water supply, and business services sectors. — 1 Based on the Financial Statements Data Pool. All firms excluding business-related services. — 2 Based on the Bundesbank's data. All firms excluding the energy, gas and water supply sector. — 3 Including intangible assets but excluding goodwill. — 4 Adjustment items including goodwill. — 5 Before profit and loss transfers.

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relevant data (income from profit transfers and costs arising from loss transfers by parent companies as well as profit and loss transfers by subsidiaries) are derived from the other income or costs respectively. Therefore, the "annual result before taxes on income" can be read directly off the income statement and does not have to be computed subsequently via corresponding adjustment items as was previously the case. Taxes on earnings are only deducted once this gross profit has been derived. Other taxes are shown on the cost side under the collective item "operating taxes".

### Comparison with previous results

The new extrapolated series start with the 1997 financial year – the most recent year for which genuine extrapolation results based on Bundesbank data could be published. The 1997 financial year acts as a transitional year for linking the new data with the old extrapolation series. In a comparably defined sectoral sample, ie excluding business-related services and energy, gas and water supply, the equity ratios for the new and the old extrapolations for 1997 – defined excluding goodwill – are at the same level between 16% and 16 ½% (see the chart on page 49 and the adjacent table). In addition, the results differ by sector only slightly. The differences are greater in the sector retail trade (including the sale and repair of motor vehicles and motorcycles and automotive fuel) and in transport, where the equity ratio using the new method is respectively around 1 to 2 percentage points above and below the result obtained using the old one.

The return on turnover for the new series in a comparably defined sectoral sample (ie excluding the sectors energy, gas and water supply and business services) is less than ½ percentage point higher

than the old value for 1997. The (positive and negative) differences in individual sectors are also of this order of magnitude apart from construction, where the return on turnover was just under 1 percentage point above the old value.

As noted above, it was only possible to publish series for the period after 1997 that were based on updates to the 1997 extrapolation results because of changes in the database. As a result, adjustments to the period 1998 to 2001 are greater than those to the 1997 extrapolation. Using the new ex-

trapolation, the equity ratio increases markedly between 1998 and 2001 (the most recent year for which estimations are available), whereas the data published hitherto tend to show the ratio persisting at the 1997 level (see the chart on page 49). For 1998, a similar rise in the return on turnover is shown using both methods. Over the following three years – with comparably defined sectoral samples – the new extrapolation shows the return on turnover stabilising at that level while the old method indicates a fall of  $\frac{3}{4}$  percentage point.

The tables accompanying this article appear on the following pages.

## German enterprises' balance sheet and income statement by economic sector \*

€ billion

Item	All economic sectors <sup>1</sup>						
	1997	1998	1999	2000	2001	2002	2003
<b>I Balance sheet</b>							
Assets							
Intangible assets <sup>3</sup>	22.2	26.1	30.4	34.2	34.1	42.0	40.3
Tangible assets	400.1	414.8	429.8	441.3	452.4	448.1	446.2
of which: Land and buildings	184.6	191.6	194.1	195.9	200.2	197.5	198.3
Inventories	405.0	408.6	422.9	428.8	419.8	405.6	406.3
of which							
Semi-finished products and services <sup>4</sup>	131.7	125.3	136.0	133.9	128.7	126.1	123.4
Finished goods and goods for resale	208.5	217.0	218.1	220.8	219.0	210.0	208.9
Cash	99.6	100.4	103.3	102.1	112.7	123.3	138.4
Debtors	558.8	579.4	631.5	665.4	680.8	690.2	686.2
Short-term	521.4	542.3	592.4	626.9	632.7	643.8	632.2
of which							
Trade debtors	269.0	269.0	290.8	305.4	291.4	277.9	272.5
vis-à-vis affiliates	180.2	197.9	223.2	238.0	260.4	280.6	278.3
Long-term	37.4	37.1	39.1	38.5	48.1	46.4	53.9
of which: vis-à-vis affiliates	20.4	21.1	21.9	22.6	25.1	23.6	28.0
Investments	39.4	43.1	46.5	47.3	37.8	40.8	47.7
Participating interests <sup>5</sup>	161.5	175.9	197.7	223.3	231.9	254.0	268.8
Prepaid expenses	8.6	8.8	9.4	9.6	10.1	10.7	11.2
<b>Balance sheet total (adjusted)</b>	<b>1,695.3</b>	<b>1,757.1</b>	<b>1,871.5</b>	<b>1,952.0</b>	<b>1,979.5</b>	<b>2,014.9</b>	<b>2,045.0</b>
Capital							
Equity <sup>6</sup> (adjusted)	275.4	307.6	344.8	362.6	385.7	422.3	447.4
Liabilities	1,094.1	1,116.1	1,170.1	1,218.1	1,218.1	1,205.2	1,201.1
Short-term	801.7	808.1	848.8	904.6	913.0	908.2	907.6
of which							
to credit institutions	173.4	175.3	178.0	184.7	186.4	175.2	165.7
Trade creditors	232.7	225.3	231.3	245.7	232.5	222.0	216.0
Payments received on account	108.2	103.0	112.6	105.3	104.4	107.0	113.1
to affiliates	156.2	172.6	191.6	222.7	249.6	271.5	284.6
Long-term	292.4	308.0	321.3	313.5	305.1	297.0	293.6
of which							
to credit institutions	190.9	202.4	215.2	209.2	205.5	188.5	181.7
to affiliates	78.6	83.1	83.6	78.1	71.6	73.3	72.8
Provisions <sup>6</sup>	321.1	327.5	349.6	364.0	367.5	379.3	389.5
of which: Provisions for pensions	133.3	136.8	145.7	149.7	151.0	157.1	163.5
Deferred income	4.7	6.0	7.1	7.3	8.3	8.0	7.0
<b>Balance sheet total (adjusted)</b>	<b>1,695.3</b>	<b>1,757.1</b>	<b>1,871.5</b>	<b>1,952.0</b>	<b>1,979.5</b>	<b>2,014.9</b>	<b>2,045.0</b>
<b>II Income statement</b>							
Turnover	3,071.6	3,161.8	3,257.7	3,475.4	3,526.7	3,475.6	3,462.0
Change in stocks of own products <sup>7</sup>	6.3	8.1	15.0	16.0	12.4	7.1	10.7
<b>Total output</b>	<b>3,077.9</b>	<b>3,169.9</b>	<b>3,272.8</b>	<b>3,491.4</b>	<b>3,539.1</b>	<b>3,482.7</b>	<b>3,472.7</b>
Interest received	14.9	15.7	14.9	17.3	19.6	17.2	16.8
Other income <sup>8</sup>	122.8	132.4	144.1	154.3	166.7	175.7	162.3
of which: from participating interests	13.7	18.4	19.2	27.0	20.6	18.5	17.8
<b>Total income</b>	<b>3,215.6</b>	<b>3,318.1</b>	<b>3,431.7</b>	<b>3,663.0</b>	<b>3,725.4</b>	<b>3,675.5</b>	<b>3,651.8</b>
Cost of materials	1,860.8	1,927.8	1,990.5	2,167.9	2,205.4	2,148.5	2,143.2
Labour costs	606.0	613.4	631.5	644.9	650.5	653.5	645.8
Depreciation	109.2	114.0	115.5	121.0	121.5	119.2	116.0
of which: of tangible assets <sup>9</sup>	99.3	102.3	104.9	108.8	106.4	103.2	102.6
Interest paid	40.1	40.3	39.5	43.6	47.2	44.7	40.9
Operating taxes	57.0	53.8	55.0	53.9	55.7	65.4	71.9
of which: Excise taxes	48.8	49.6	49.9	49.2	51.2	61.6	68.0
Other costs <sup>10</sup>	436.1	448.1	479.6	503.3	514.9	522.4	511.6
<b>Total costs before taxes on income <sup>11</sup></b>	<b>3,109.1</b>	<b>3,197.4</b>	<b>3,311.6</b>	<b>3,534.5</b>	<b>3,595.2</b>	<b>3,553.7</b>	<b>3,529.4</b>
Annual result before taxes on income	106.4	120.7	120.1	128.5	130.2	121.8	122.4
Taxes on income and earnings <sup>12</sup>	24.9	30.0	32.0	33.1	30.4	27.2	27.8
<b>Annual result</b>	<b>81.6</b>	<b>90.6</b>	<b>88.2</b>	<b>95.3</b>	<b>99.8</b>	<b>94.6</b>	<b>94.6</b>
Cash flow <sup>13</sup>	.	212.4	227.7	231.1	224.5	223.5	218.6

\* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. Discrepancies in the totals due to rounding. — <sup>1</sup> Manufacturing (including mining and quarrying), construction, wholesale and retail trade and transport (excluding railways) and business-related

services. — <sup>2</sup> Including mining and quarrying. — <sup>3</sup> Including goodwill. — <sup>4</sup> Including contracts in progress. — <sup>5</sup> Including shares in affiliates. — <sup>6</sup> Including half of the special items with equity portion. — <sup>7</sup> Including own work capitalised. — <sup>8</sup> Excluding income

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Manufacturing <sup>2</sup>							Item
1997	1998	1999	2000	2001	2002	2003	
							I Balance sheet
							Assets
11.3	13.2	14.5	17.6	18.8	25.8	24.8	Intangible assets <sup>3</sup>
210.5	217.0	226.5	238.4	245.0	250.1	251.7	Tangible assets
90.0	91.4	94.2	98.3	99.2	100.1	101.0	of which: Land and buildings
171.3	176.4	182.6	194.9	191.7	189.8	194.9	Inventories
							of which
59.7	58.8	60.6	64.2	63.0	63.8	63.7	Semi-finished products and services <sup>4</sup>
62.3	66.6	68.8	72.2	72.8	71.2	73.8	Finished goods and goods for resale
45.8	44.7	43.8	43.2	49.7	58.0	71.2	Cash
284.3	297.6	327.1	350.8	369.2	383.5	385.5	Debtors
262.3	276.0	304.0	327.5	339.0	355.8	350.3	Short-term
							of which
114.9	115.0	125.9	136.6	129.5	123.8	122.7	Trade debtors
116.7	127.5	144.3	152.1	172.6	192.4	190.7	vis-à-vis affiliates
22.1	21.7	23.1	23.3	30.2	27.7	35.2	Long-term
13.5	14.1	15.0	15.7	16.0	13.8	18.8	of which: vis-à-vis affiliates
31.1	33.9	36.7	37.2	28.7	31.7	38.4	Investments
131.8	140.3	156.7	182.6	191.2	213.1	229.3	Participating interests <sup>5</sup>
2.5	2.7	2.9	3.1	3.4	3.7	4.4	Prepaid expenses
888.7	925.9	990.8	1,067.7	1,097.8	1,155.5	1,200.3	Balance sheet total (adjusted)
							Capital
202.7	221.4	248.9	259.7	275.4	306.9	321.3	Equity <sup>6</sup> (adjusted)
456.7	473.6	497.0	550.5	561.5	577.9	598.7	Liabilities
337.2	347.2	366.0	416.0	429.6	440.5	454.1	Short-term
							of which
57.5	58.5	61.1	64.1	67.4	60.9	59.1	to credit institutions
84.6	84.1	86.6	97.0	90.6	87.7	86.9	Trade creditors
39.5	39.2	41.1	41.2	40.7	46.1	51.7	Payments received on account
92.2	102.8	114.4	138.8	161.6	181.6	195.0	to affiliates
119.5	126.4	130.9	134.5	131.9	137.4	144.7	Long-term
							of which
68.1	73.7	77.9	79.2	79.7	75.2	73.5	to credit institutions
41.4	43.2	43.1	40.1	37.4	43.2	44.9	to affiliates
227.5	229.0	242.5	254.9	258.6	268.4	277.9	Provisions <sup>6</sup>
103.9	105.5	111.9	117.2	117.5	124.2	129.6	of which: Provisions for pensions
1.7	1.9	2.5	2.6	2.3	2.4	2.3	Deferred income
888.7	925.9	990.8	1,067.7	1,097.8	1,155.5	1,200.3	Balance sheet total (adjusted)
							II Income statement
1,326.3	1,381.5	1,421.0	1,541.3	1,566.7	1,553.2	1,565.7	Turnover
3.2	5.4	3.3	9.4	7.5	1.8	4.7	Change in stocks of own products <sup>7</sup>
1,329.5	1,387.0	1,424.3	1,550.7	1,574.2	1,555.0	1,570.5	Total output
9.2	9.9	9.3	10.9	12.7	11.3	11.2	Interest received
64.7	71.8	80.5	87.0	97.5	101.6	90.6	Other income <sup>8</sup>
9.0	13.4	13.6	20.9	15.1	14.3	13.8	of which: from participating interests
1,403.4	1,468.7	1,514.1	1,648.6	1,684.4	1,667.9	1,672.2	Total income
712.3	752.4	775.0	876.8	904.0	879.3	894.5	Cost of materials
302.0	308.0	316.3	323.5	320.5	326.5	326.2	Labour costs
58.5	61.8	63.0	66.7	67.1	66.2	66.7	Depreciation
53.4	54.7	56.5	59.1	58.0	56.6	58.3	of which: of tangible assets <sup>9</sup>
16.7	17.1	17.0	20.2	23.0	22.6	20.6	Interest paid
52.3	51.4	52.0	50.9	52.5	62.6	68.8	Operating taxes
48.6	49.3	49.7	49.0	50.4	60.5	67.1	of which: Excise taxes
203.5	213.1	226.1	237.5	245.0	245.6	236.4	Other costs <sup>10</sup>
1,345.4	1,403.9	1,449.3	1,575.6	1,612.1	1,602.7	1,613.2	Total costs before taxes on income <sup>11</sup>
58.0	64.8	64.7	73.0	72.3	65.1	59.0	Annual result before taxes on income
14.3	17.5	19.4	20.4	18.4	16.4	16.3	Taxes on income and earnings <sup>12</sup>
43.8	47.2	45.3	52.6	53.9	48.8	42.7	Annual result
	110.5	122.8	131.4	123.8	123.4	117.9	Cash flow <sup>13</sup>

from profit transfers (parent company) and loss transfers (subsidiary). — <sup>9</sup> Including depreciation of intangible assets. — <sup>10</sup> Excluding cost of loss transfers (parent company) and profit transfers (subsidiary). — <sup>11</sup> Taxes on income and earnings. — <sup>12</sup> In the case of

partnerships and sole proprietorships, trade earnings tax only. — <sup>13</sup> Annual result after taxes on income, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses and deferred income.

## German enterprises' balance sheet and income statement by economic sector \* (cont'd)

€ billion

Item	Construction						
	1997	1998	1999	2000	2001	2002	2003
<b>I Balance sheet</b>							
Assets							
Intangible assets 2	0.6	0.6	0.7	0.8	0.7	0.7	0.7
Tangible assets	32.4	31.9	32.5	30.8	29.7	28.0	26.4
of which: Land and buildings	15.9	16.2	16.6	15.8	15.5	14.9	14.0
Inventories	67.7	60.9	69.2	62.5	58.2	53.6	52.5
of which							
Semi-finished products and services 3	56.3	50.3	57.0	51.1	45.3	43.3	40.7
Finished goods and goods for resale	6.9	6.2	7.3	6.9	8.6	6.6	8.1
Cash	12.8	13.1	13.2	11.4	11.1	10.9	11.4
Debtors	52.4	51.2	52.4	49.2	46.3	40.7	40.0
Short-term	49.7	47.8	49.8	47.0	44.3	38.8	38.1
of which							
Trade debtors	31.5	29.8	31.2	28.9	27.1	23.4	22.0
vis-à-vis affiliates	9.4	9.5	10.5	10.4	10.4	9.4	10.4
Long-term	2.7	3.5	2.6	2.3	2.0	1.9	1.8
of which: vis-à-vis affiliates	1.5	1.7	1.4	1.0	0.9	0.8	0.8
Investments	3.4	2.9	3.6	3.3	1.5	1.7	1.6
Participating interests 4	3.1	3.4	4.1	3.8	3.4	3.1	3.3
Prepaid expenses	2.1	2.0	2.1	2.1	1.9	1.9	1.7
<b>Balance sheet total (adjusted)</b>	<b>174.5</b>	<b>166.0</b>	<b>177.9</b>	<b>163.8</b>	<b>152.9</b>	<b>140.6</b>	<b>137.5</b>
Capital							
Equity 5 (adjusted)	3.9	5.4	6.8	7.6	6.0	6.5	8.2
Liabilities	151.9	142.7	151.2	138.0	129.5	118.1	112.8
Short-term	121.0	112.0	120.2	109.7	102.8	95.6	91.4
of which							
to credit institutions	20.4	19.9	19.4	18.7	17.6	17.2	14.1
Trade creditors	25.9	23.6	25.1	23.0	21.0	18.2	17.0
Payments received on account	50.7	44.7	51.7	45.6	43.1	40.7	40.8
to affiliates	6.3	6.6	7.2	7.0	7.0	5.9	6.5
Long-term	30.8	30.6	31.0	28.3	26.8	22.5	21.3
of which							
to credit institutions	23.0	23.2	23.2	21.6	20.2	17.4	16.4
to affiliates	6.0	5.8	6.0	5.5	4.9	3.7	3.3
Provisions 5	18.6	17.7	19.8	18.1	17.1	15.9	16.4
of which: Provisions for pensions	3.8	3.6	4.2	4.1	3.6	3.5	3.9
Deferred income	0.1	0.1	0.1	0.1	0.3	0.2	0.1
<b>Balance sheet total (adjusted)</b>	<b>174.5</b>	<b>166.0</b>	<b>177.9</b>	<b>163.8</b>	<b>152.9</b>	<b>140.6</b>	<b>137.5</b>
<b>II Income statement</b>							
Turnover	232.2	223.7	228.6	218.9	208.1	195.5	186.7
Change in stocks of own products 6	2.1	1.4	9.1	4.4	3.5	4.1	4.2
<b>Total output</b>	<b>234.3</b>	<b>225.2</b>	<b>237.7</b>	<b>223.4</b>	<b>211.6</b>	<b>199.6</b>	<b>190.9</b>
Interest received	1.0	1.0	1.0	1.0	0.8	0.7	0.6
Other income 7	9.6	9.5	9.7	9.1	8.7	8.6	7.8
of which: from participating interests	1.0	0.8	0.6	0.6	0.5	0.3	0.3
<b>Total income</b>	<b>244.9</b>	<b>235.7</b>	<b>248.5</b>	<b>233.5</b>	<b>221.1</b>	<b>208.8</b>	<b>199.3</b>
Cost of materials	115.1	111.3	120.9	112.5	105.9	98.2	94.1
Labour costs	77.6	73.6	74.5	69.8	66.2	63.3	59.6
Depreciation	9.9	9.1	9.0	8.3	7.8	7.2	6.6
of which: of tangible assets 8	8.7	8.0	7.9	7.3	6.8	6.3	5.7
Interest paid	4.3	4.0	3.9	3.7	3.6	3.3	2.9
Operating taxes	0.5	0.5	0.5	0.4	0.3	0.3	0.3
of which: Excise taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other costs 9	31.8	30.6	32.7	31.0	30.9	30.5	29.1
<b>Total costs before taxes on income 10</b>	<b>239.3</b>	<b>229.1</b>	<b>241.5</b>	<b>225.8</b>	<b>214.7</b>	<b>202.7</b>	<b>192.6</b>
Annual result before taxes on income	5.7	6.6	7.0	7.7	6.3	6.1	6.7
Taxes on income and earnings 11	1.4	1.4	1.5	1.3	1.1	1.0	1.0
<b>Annual result</b>	<b>4.3</b>	<b>5.2</b>	<b>5.6</b>	<b>6.4</b>	<b>5.2</b>	<b>5.1</b>	<b>5.7</b>
Cash flow 12	.	13.7	16.6	13.2	12.3	11.0	12.8

\* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. Discrepancies in the totals due to rounding. — 1 Including the sale of automotive fuel. — 2 Including goodwill. — 3 Including contracts

in progress. — 4 Including shares in affiliates. — 5 Including half of the special items with equity portion. — 6 Including own work capitalised. — 7 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 8 Including depreciation

Deutsche Bundesbank

Retail trade in and repair of motor vehicles and motorcycles 1							Item
1997	1998	1999	2000	2001	2002	2003	
							I Balance sheet
							Assets
0.3	0.4	0.4	0.5	0.5	0.5	0.7	Intangible assets 2
15.2	16.4	17.4	17.7	18.6	18.8	19.8	Tangible assets
9.2	9.8	10.2	10.6	11.3	11.4	11.8	of which: Land and buildings
22.3	24.8	24.7	24.5	25.1	24.9	24.7	Inventories
							of which
0.4	0.3	0.4	0.6	0.5	0.4	0.4	Semi-finished products and services 3
20.9	23.6	23.3	22.9	23.4	23.4	23.1	Finished goods and goods for resale
2.4	2.7	2.9	3.1	3.3	3.5	3.6	Cash
14.8	16.4	17.2	18.0	18.5	19.3	19.7	Debtors
14.1	15.6	16.5	17.3	17.9	18.7	19.2	Short-term
							of which
9.0	9.9	10.2	10.5	10.8	10.7	10.7	Trade debtors
2.7	3.0	3.3	3.6	3.9	4.7	5.2	vis-à-vis affiliates
0.7	0.7	0.7	0.7	0.6	0.6	0.6	Long-term
0.4	0.4	0.3	0.3	0.3	0.2	0.2	of which: vis-à-vis affiliates
0.1	0.1	0.1	0.1	0.1	0.1	0.1	Investments
0.6	1.0	0.9	1.0	1.0	1.2	0.9	Participating interests 4
0.2	0.2	0.2	0.2	0.3	0.3	0.3	Prepaid expenses
55.9	62.0	63.9	65.2	67.4	68.6	69.9	Balance sheet total (adjusted)
							Capital
2.3	3.0	3.4	3.6	4.1	5.5	6.8	Equity 5 (adjusted)
49.6	54.6	55.7	56.4	58.0	57.2	57.0	Liabilities
35.4	39.4	39.9	40.8	42.3	42.0	42.3	Short-term
							of which
14.6	17.0	16.7	17.0	18.0	17.0	17.9	to credit institutions
12.4	12.7	12.7	12.6	13.0	12.8	12.2	Trade creditors
0.3	0.3	0.4	0.4	0.4	0.3	0.3	Payments received on account
4.1	4.8	5.4	6.1	6.2	7.0	7.3	to affiliates
14.1	15.2	15.8	15.6	15.7	15.1	14.8	Long-term
							of which
10.7	11.6	12.2	12.5	12.4	11.9	11.7	to credit institutions
2.4	2.6	2.8	2.4	2.4	2.3	2.3	to affiliates
3.8	4.1	4.5	4.9	5.1	5.7	5.9	Provisions 5
0.9	1.0	1.0	1.1	1.2	1.3	1.2	of which: Provisions for pensions
0.2	0.2	0.3	0.3	0.2	0.3	0.3	Deferred income
55.9	62.0	63.9	65.2	67.4	68.6	69.9	Balance sheet total (adjusted)
							II Income statement
152.3	161.2	169.3	167.8	174.7	181.7	186.2	Turnover
0.1	0.0	0.1	0.1	0.0	0.1	0.1	Change in stocks of own products 6
152.4	161.2	169.4	167.9	174.7	181.8	186.3	Total output
0.2	0.2	0.2	0.3	0.3	0.3	0.3	Interest received
3.2	3.4	3.5	4.1	4.3	4.8	4.9	Other income 7
0.1	0.1	0.2	0.2	0.1	0.1	0.1	of which: from participating interests
155.9	164.9	173.1	172.2	179.3	186.8	191.4	Total income
118.3	125.0	131.3	129.1	134.1	138.4	140.1	Cost of materials
16.7	17.3	17.9	18.8	19.4	20.4	21.3	Labour costs
2.9	3.1	3.3	3.5	3.4	3.3	3.5	Depreciation
2.7	2.9	3.1	3.2	3.1	3.1	3.3	of which: of tangible assets 8
2.2	2.2	2.3	2.5	2.6	2.5	2.4	Interest paid
0.1	0.1	0.1	0.1	0.1	0.1	0.1	Operating taxes
0.0	0.0	0.0	0.0	0.0	0.0	0.0	of which: Excise taxes
13.5	14.2	15.2	16.0	16.9	18.7	20.2	Other costs 9
153.6	162.0	170.0	169.9	176.6	183.3	187.6	Total costs before taxes on income 10
2.3	2.9	3.1	2.3	2.7	3.5	3.9	Annual result before taxes on income
0.5	0.6	0.6	0.5	0.6	0.7	0.7	Taxes on income and earnings 11
1.8	2.3	2.5	1.8	2.1	2.8	3.2	Annual result
	5.9	6.2	5.7	5.7	6.8	6.9	Cash flow 12

of intangible assets. — 9 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 10 Taxes on income and earnings. — 11 In the case of partnerships and sole proprietorships,

trade earnings tax only. — 12 Annual result after taxes on income, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses and deferred income.

## German enterprises' balance sheet and income statement by economic sector \* (cont'd)

€ billion

Item	Wholesale trade and commission trade						
	1997	1998	1999	2000	2001	2002	2003
<b>I Balance sheet</b>							
Assets							
Intangible assets 2	2.5	2.8	3.6	3.6	3.4	3.6	3.5
Tangible assets	36.3	37.0	39.3	38.5	39.5	38.0	37.1
of which: Land and buildings	21.3	21.5	21.9	22.0	22.3	21.6	21.6
Inventories	62.3	62.0	59.9	62.4	61.1	57.6	55.1
of which							
Semi-finished products and services 3	2.7	2.7	2.4	2.6	3.2	2.5	3.2
Finished goods and goods for resale	55.1	54.4	53.2	54.8	53.0	50.2	47.3
Cash	13.0	13.0	13.6	13.3	14.6	14.7	16.2
Debtors	97.2	97.2	104.1	110.3	105.3	104.9	100.4
Short-term	92.8	93.2	100.4	106.4	100.8	100.8	96.1
of which							
Trade debtors	60.6	59.3	63.3	67.1	63.1	61.0	58.4
vis-à-vis affiliates	21.5	22.4	25.2	27.2	26.3	28.0	26.7
Long-term	4.3	4.0	3.7	4.0	4.5	4.1	4.3
of which: vis-à-vis affiliates	2.0	1.7	1.7	1.8	2.3	2.0	2.0
Investments	1.1	1.5	1.2	1.2	1.2	1.1	1.3
Participating interests 4	9.8	11.6	12.1	12.7	12.4	12.1	10.6
Prepaid expenses	0.9	0.8	0.8	0.9	0.9	0.9	0.9
<b>Balance sheet total (adjusted)</b>	<b>223.1</b>	<b>225.7</b>	<b>234.7</b>	<b>242.9</b>	<b>238.5</b>	<b>232.9</b>	<b>225.1</b>
Capital							
Equity 5 (adjusted)	34.7	38.0	40.6	41.7	42.8	46.4	48.2
Liabilities	166.0	164.7	168.7	175.3	168.7	158.7	150.3
Short-term	131.6	129.4	132.3	140.6	134.9	128.1	121.9
of which							
to credit institutions	32.6	33.9	33.8	35.2	32.8	31.7	28.1
Trade creditors	51.1	47.5	46.6	49.1	46.7	44.9	43.2
Payments received on account	3.2	3.0	2.0	2.2	2.7	2.3	3.3
to affiliates	30.0	29.7	33.6	37.7	37.4	33.8	32.4
Long-term	34.4	35.3	36.4	34.7	33.8	30.6	28.4
of which							
to credit institutions	20.8	21.3	22.2	21.1	20.1	17.8	16.6
to affiliates	11.1	11.2	11.1	10.5	10.2	9.4	8.8
Provisions 5	22.1	22.3	23.8	24.6	25.1	26.5	25.5
of which: Provisions for pensions	7.7	7.7	8.1	8.2	8.8	8.8	8.7
Deferred income	0.3	0.7	1.5	1.3	2.0	1.4	1.0
<b>Balance sheet total (adjusted)</b>	<b>223.1</b>	<b>225.7</b>	<b>234.7</b>	<b>242.9</b>	<b>238.5</b>	<b>232.9</b>	<b>225.1</b>
<b>II Income statement</b>							
Turnover	671.8	673.7	680.1	740.6	745.6	724.1	708.5
Change in stocks of own products 6	0.3	0.4	0.2	0.8	0.3	0.2	0.4
<b>Total output</b>	<b>672.2</b>	<b>674.1</b>	<b>680.3</b>	<b>741.5</b>	<b>745.9</b>	<b>724.4</b>	<b>708.9</b>
Interest received	1.8	1.9	1.7	2.0	2.1	1.8	1.6
Other income 7	15.6	16.0	17.1	17.9	17.9	18.5	17.5
of which: from participating interests	1.5	1.6	1.6	1.7	1.8	1.5	1.4
<b>Total income</b>	<b>689.6</b>	<b>692.0</b>	<b>699.0</b>	<b>761.4</b>	<b>765.9</b>	<b>744.6</b>	<b>728.0</b>
Cost of materials	549.9	552.6	554.9	609.7	613.3	590.2	578.7
Labour costs	55.3	55.1	56.2	58.0	59.0	60.3	57.1
Depreciation	10.2	10.4	10.5	10.4	10.3	10.0	9.5
of which: of tangible assets 8	8.2	8.5	8.7	8.7	8.6	8.4	7.8
Interest paid	5.8	5.8	5.5	6.0	6.2	5.4	4.7
Operating taxes	2.6	0.7	1.3	1.3	1.9	1.4	1.5
of which: Excise taxes	0.2	0.3	0.2	0.2	0.7	0.8	0.6
Other costs 9	54.0	54.7	56.9	61.7	60.8	62.1	60.1
<b>Total costs before taxes on income 10</b>	<b>677.8</b>	<b>679.4</b>	<b>685.3</b>	<b>747.1</b>	<b>751.6</b>	<b>729.5</b>	<b>711.5</b>
Annual result before taxes on income	11.8	12.6	13.7	14.2	14.4	15.1	16.5
Taxes on income and earnings 11	3.4	3.5	4.0	4.0	3.8	3.6	3.7
<b>Annual result</b>	<b>8.5</b>	<b>9.0</b>	<b>9.8</b>	<b>10.2</b>	<b>10.6</b>	<b>11.6</b>	<b>12.8</b>
Cash flow 12	.	20.0	22.6	21.2	22.0	22.3	21.0

\* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. Discrepancies in the totals due to rounding. — 1 Including the repair of personal and household goods. — 2 Including goodwill. — 3 Includ-

ing contracts in progress. — 4 Including shares in affiliates. — 5 Including half of the special items with equity portion. — 6 Including own work capitalised. — 7 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 8 Including depre-

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Retail trade (excluding retail trade in and repair of motor vehicles and motorcycles 1							Item
1997	1998	1999	2000	2001	2002	2003	
							I Balance sheet
							Assets
2.6	2.8	3.9	3.6	3.1	2.8	2.6	Intangible assets 2
33.2	34.2	34.2	32.5	33.5	31.6	32.4	Tangible assets
19.9	20.7	19.7	18.4	19.4	17.8	19.1	of which: Land and buildings
61.3	63.1	62.5	61.1	59.4	56.1	56.8	Inventories
							of which
1.1	1.0	1.0	1.0	1.2	1.2	1.6	Semi-finished products and services 3
58.2	60.0	59.7	58.3	56.4	53.2	51.4	Finished goods and goods for resale
8.1	8.0	9.3	9.6	10.7	11.0	10.6	Cash
33.5	37.7	42.3	41.9	42.5	42.4	43.4	Debtors
31.4	36.0	39.5	40.2	40.8	40.2	41.5	Short-term
							of which
15.2	15.8	16.6	15.4	15.0	15.5	16.4	Trade debtors
9.7	13.4	14.9	16.7	17.2	15.0	15.2	vis-à-vis affiliates
2.1	1.7	2.8	1.7	1.8	2.2	1.9	Long-term
0.9	0.6	0.7	0.6	0.5	1.0	0.5	of which: vis-à-vis affiliates
0.3	0.4	0.4	0.5	0.7	0.7	0.8	Investments
7.4	9.1	11.2	9.4	7.9	11.8	11.8	Participating interests 4
0.8	0.9	0.9	0.8	0.9	0.9	1.0	Prepaid expenses
147.2	156.1	164.7	159.3	158.6	157.3	159.4	Balance sheet total (adjusted)
							Capital
8.2	13.4	15.7	16.0	17.2	18.0	23.5	Equity 5 (adjusted)
124.9	127.2	131.8	127.3	125.9	122.9	119.4	Liabilities
82.5	83.2	83.1	84.8	85.9	83.7	84.7	Short-term
							of which
23.5	22.3	22.2	23.8	22.1	20.7	20.2	to credit institutions
34.5	33.3	32.8	34.3	34.7	33.2	32.7	Trade creditors
1.2	1.1	1.2	1.3	1.5	1.3	1.7	Payments received on account
11.0	14.3	14.4	13.6	15.3	17.1	18.0	to affiliates
42.4	44.0	48.6	42.6	40.0	39.2	34.7	Long-term
							of which
31.5	33.4	37.1	32.3	31.4	28.3	27.3	to credit institutions
7.2	7.4	8.3	7.4	5.7	5.2	4.6	to affiliates
13.7	15.2	16.9	15.7	15.2	15.9	16.1	Provisions 5
5.1	5.9	6.7	5.2	4.9	5.1	5.0	of which: Provisions for pensions
0.4	0.3	0.3	0.3	0.4	0.4	0.4	Deferred income
147.2	156.1	164.7	159.3	158.6	157.3	159.4	Balance sheet total (adjusted)
							II Income statement
372.9	388.2	401.2	420.3	431.4	427.2	428.9	Turnover
0.2	0.2	0.3	0.2	0.2	0.2	0.3	Change in stocks of own products 6
373.1	388.4	401.5	420.5	431.6	427.4	429.2	Total output
1.1	1.2	1.1	1.2	1.3	1.1	1.2	Interest received
11.0	11.3	11.8	11.6	12.1	13.8	12.9	Other income 7
0.7	0.9	0.9	1.1	0.6	0.5	0.6	of which: from participating interests
385.2	400.8	414.4	433.2	445.0	442.4	443.3	Total income
244.4	257.5	268.0	285.2	293.1	290.1	289.8	Cost of materials
55.0	56.9	57.3	57.9	60.2	60.1	59.1	Labour costs
7.9	8.3	8.3	8.2	8.2	8.0	7.5	Depreciation
7.4	7.8	8.0	7.7	7.5	7.4	7.0	of which: of tangible assets 8
5.4	5.3	5.2	5.0	5.0	4.8	4.5	Interest paid
0.4	0.4	0.3	0.4	0.3	0.5	0.6	Operating taxes
0.0	0.0	0.0	0.0	0.0	0.3	0.3	of which: Excise taxes
61.7	61.0	65.0	64.8	64.4	66.2	68.2	Other costs 9
374.8	389.4	404.1	421.4	431.3	429.7	429.8	Total costs before taxes on income 10
10.4	11.4	10.2	11.8	13.7	12.7	13.5	Annual result before taxes on income
1.7	2.1	1.8	2.0	2.2	2.0	2.2	Taxes on income and earnings 11
8.7	9.3	8.4	9.8	11.4	10.6	11.3	Annual result
	19.1	18.5	16.9	19.1	19.3	19.0	Cash flow 12

ciation of intangible assets. — 9 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 10 Taxes on income and earnings. — 11 In the case of partnerships and sole proprietor-

ships, trade earnings tax only. — 12 Annual result after taxes on income, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses and deferred income.

## German enterprises' balance sheet and income statement by economic sector \* (cont'd)

€ billion

Item	Transport excluding railways						
	1997	1998	1999	2000	2001	2002	2003
<b>I Balance sheet</b>							
Assets							
Intangible assets 2	0.8	0.8	0.8	1.0	1.1	1.1	1.1
Tangible assets	41.3	45.0	46.7	49.7	48.5	44.9	44.9
of which: Land and buildings	13.1	15.9	16.0	16.2	15.5	14.5	14.4
Inventories	1.6	1.9	2.1	2.3	2.0	1.9	1.9
of which							
Semi-finished products and services 3	0.3	0.4	0.4	0.5	0.5	0.5	0.5
Finished goods and goods for resale	0.6	0.7	0.7	0.7	0.4	0.5	0.5
Cash	5.7	5.1	5.1	5.0	6.0	7.3	6.6
Debtors	24.4	24.4	27.3	29.8	31.1	29.5	28.1
Short-term	22.0	22.1	24.7	26.9	26.2	25.5	24.0
of which							
Trade debtors	11.2	10.8	12.0	12.8	12.3	12.0	11.7
vis-à-vis affiliates	7.3	7.1	8.5	9.7	9.9	9.5	8.5
Long-term	2.4	2.3	2.6	2.9	4.9	3.9	4.1
of which: vis-à-vis affiliates	1.4	1.4	1.7	1.9	3.9	2.9	2.6
Investments	1.0	1.6	0.9	0.9	0.9	1.0	1.0
Participating interests 4	4.0	4.7	5.0	5.9	6.0	6.0	5.8
Prepaid expenses	0.9	0.9	1.0	0.9	1.0	1.0	0.9
Balance sheet total (adjusted)	79.7	84.4	88.8	95.4	96.6	92.6	90.3
Capital							
Equity 5 (adjusted)	11.1	11.1	10.9	13.0	14.1	13.5	12.6
Liabilities	55.7	59.0	63.5	66.3	66.0	62.7	60.7
Short-term	30.4	30.4	33.0	36.0	36.3	36.4	35.9
of which							
to credit institutions	8.4	8.1	8.9	11.0	11.3	10.8	10.9
Trade creditors	10.4	9.6	10.8	11.2	9.6	9.2	8.9
Payments received on account	0.8	1.0	1.2	1.1	1.1	1.2	1.2
to affiliates	4.9	5.5	5.7	6.1	7.4	8.0	8.9
Long-term	25.3	28.6	30.5	30.3	29.7	26.4	24.9
of which							
to credit institutions	18.6	20.3	22.5	23.1	22.0	19.5	18.2
to affiliates	4.1	5.5	5.6	5.5	5.1	4.4	4.1
Provisions 5	12.4	13.8	13.8	15.4	15.9	15.8	16.3
of which: Provisions for pensions	4.7	5.1	4.9	4.7	5.0	4.8	5.2
Deferred income	0.5	0.6	0.6	0.6	0.7	0.6	0.6
Balance sheet total (adjusted)	79.7	84.4	88.8	95.4	96.6	92.6	90.3
<b>II Income statement</b>							
Turnover	112.6	116.0	123.1	134.7	137.1	134.2	133.5
Change in stocks of own products 6	0.1	0.1	0.2	0.2	0.1	0.2	0.2
Total output	112.7	116.1	123.4	134.9	137.2	134.4	133.6
Interest received	0.5	0.6	0.6	0.7	0.9	0.7	0.6
Other income 7	8.1	8.8	9.0	10.8	10.3	10.6	10.3
of which: from participating interests	0.4	0.6	0.6	0.7	0.6	0.5	0.3
Total income	121.4	125.5	133.0	146.5	148.4	145.8	144.6
Cost of materials	50.5	52.9	58.3	64.0	65.2	60.8	58.8
Labour costs	29.3	28.6	29.6	32.1	32.4	32.8	33.6
Depreciation	9.5	9.9	10.0	10.8	10.7	9.9	9.5
of which: of tangible assets 8	9.2	9.5	9.8	10.5	10.0	9.2	9.2
Interest paid	2.4	2.5	2.4	2.7	2.8	2.5	2.3
Operating taxes	0.5	0.4	0.4	0.4	0.4	0.4	0.4
of which: Excise taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other costs 9	27.1	27.5	29.5	33.8	34.7	36.2	36.8
Total costs before taxes on income 10	119.4	121.7	130.2	143.8	146.2	142.7	141.4
Annual result before taxes on income	2.0	3.8	2.8	2.7	2.2	3.1	3.2
Taxes on income and earnings 11	0.8	1.6	1.1	1.2	0.7	0.8	0.9
Annual result	1.1	2.2	1.6	1.5	1.5	2.3	2.3
Cash flow 12	.	13.5	11.7	14.3	12.5	11.9	12.3

\* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. Discrepancies in the totals due to rounding. — 1 Including computer and related activities and research and development, excluding hold-

ing companies. — 2 Including goodwill. — 3 Including contracts in progress. — 4 Including shares in affiliates. — 5 Including half of the special items with equity portion. — 6 Including own work capitalised. — 7 Excluding income from profit transfers (parent com-

Deutsche Bundesbank

Business-related services 1							Item
1997	1998	1999	2000	2001	2002	2003	
							I Balance sheet
							Assets
4.1	5.7	6.4	7.2	6.4	7.5	6.9	Intangible assets 2
31.4	33.3	33.2	33.7	37.6	36.8	33.9	Tangible assets
15.2	16.1	15.5	14.6	16.9	17.3	16.4	of which: Land and buildings
18.4	19.5	21.9	21.2	22.3	21.7	20.4	Inventories
							of which
11.2	11.8	14.2	13.9	15.1	14.4	13.3	Semi-finished products and services 3
4.6	5.6	5.1	4.9	4.5	4.9	4.7	Finished goods and goods for resale
11.7	13.7	15.5	16.6	17.3	17.9	18.7	Cash
52.2	54.9	61.1	65.4	67.8	70.0	69.1	Debtors
49.1	51.6	57.5	61.7	63.7	64.0	63.0	Short-term
							of which
26.7	28.4	31.6	34.1	33.6	31.4	30.5	Trade debtors
12.9	14.9	16.6	18.1	20.1	21.7	21.6	vis-à-vis affiliates
3.1	3.3	3.6	3.6	4.0	6.1	6.1	Long-term
0.7	1.2	1.1	1.3	1.2	2.8	3.1	of which: vis-à-vis affiliates
2.3	2.7	3.5	4.1	4.6	4.4	4.4	Investments
4.7	5.9	7.6	7.9	10.0	6.8	7.1	Participating interests 4
1.2	1.3	1.5	1.7	1.7	2.1	2.0	Prepaid expenses
126.1	137.1	150.8	157.7	167.7	167.3	162.5	Balance sheet total (adjusted)
							Capital
12.3	15.3	18.4	21.1	26.1	25.7	26.7	Equity 5 (adjusted)
89.3	94.4	102.3	104.3	108.6	107.6	102.1	Liabilities
63.5	66.4	74.2	76.6	81.3	81.9	77.3	Short-term
							of which
16.3	15.7	15.8	14.8	17.1	16.7	15.5	to credit institutions
13.9	14.4	16.5	18.6	17.0	16.0	15.2	Trade creditors
12.4	13.6	15.2	13.7	15.1	15.0	13.9	Payments received on account
7.7	8.8	11.0	13.5	14.7	18.2	16.5	to affiliates
25.9	27.9	28.1	27.6	27.3	25.7	24.8	Long-term
							of which
18.2	18.8	20.1	19.5	19.6	18.5	18.0	to credit institutions
6.3	7.4	6.7	6.8	5.9	5.2	4.8	to affiliates
22.9	25.3	28.3	30.3	30.6	31.1	31.4	Provisions 5
7.1	8.1	8.9	9.2	9.8	9.4	9.7	of which: Provisions for pensions
1.5	2.2	1.8	2.0	2.4	2.9	2.3	Deferred income
126.1	137.1	150.8	157.7	167.7	167.3	162.5	Balance sheet total (adjusted)
							II Income statement
203.3	217.5	234.3	251.8	263.0	259.7	252.6	Turnover
0.4	0.5	1.9	0.8	0.7	0.5	0.7	Change in stocks of own products 6
203.6	218.0	236.2	252.6	263.8	260.2	253.3	Total output
1.0	1.0	1.0	1.3	1.6	1.3	1.3	Interest received
10.5	11.5	12.5	13.7	15.9	17.7	18.3	Other income 7
1.0	1.1	1.8	1.8	1.9	1.3	1.2	of which: from participating interests
215.1	230.6	249.6	267.6	281.2	279.2	273.0	Total income
70.3	76.2	82.2	90.5	89.7	91.5	87.2	Cost of materials
70.1	73.9	79.6	84.8	92.7	90.2	89.0	Labour costs
10.3	11.3	11.4	13.1	14.0	14.6	12.6	Depreciation
9.7	10.8	11.0	12.2	12.4	12.3	11.3	of which: of tangible assets 8
3.3	3.2	3.2	3.5	3.8	3.7	3.5	Interest paid
0.4	0.3	0.3	0.3	0.2	0.2	0.2	Operating taxes
0.0	0.0	0.0	0.0	0.0	0.0	0.0	of which: Excise taxes
44.5	47.0	54.3	58.5	62.2	63.0	60.9	Other costs 9
198.8	212.0	231.0	250.8	262.6	263.0	253.4	Total costs before taxes on income 10
16.3	18.6	18.6	16.8	18.6	16.2	19.6	Annual result before taxes on income
2.8	3.3	3.5	3.8	3.6	2.8	3.1	Taxes on income and earnings 11
13.5	15.3	15.1	13.1	15.0	13.4	16.6	Annual result
	29.6	29.3	28.4	29.1	28.8	28.7	Cash flow 12

pany) and loss transfers (subsidiary). — 8 Including depreciation of intangible assets. — 9 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 10 Taxes on income and earnings. — 11 In the case of partnerships and sole proprietorships, trade

earnings tax only. — 12 Annual result after taxes on income, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses and deferred income.

## Selected ratios \*

Item	All economic sectors <sup>1</sup>						
	1997	1998	1999	2000	2001	2002	2003
<b>I Balance sheet ratios</b>	Percentage of balance sheet total (adjusted)						
Assets							
Intangible assets <sup>3</sup>	1.3	1.5	1.6	1.7	1.7	2.1	2.0
Tangible assets	23.6	23.6	23.0	22.6	22.9	22.2	21.8
Inventories	23.9	23.3	22.6	22.0	21.2	20.1	19.9
Cash	5.9	5.7	5.5	5.2	5.7	6.1	6.8
Debtors	33.0	33.0	33.7	34.1	34.4	34.3	33.6
Short-term	30.8	30.9	31.7	32.1	32.0	32.0	30.9
Long-term	2.2	2.1	2.1	2.0	2.4	2.3	2.6
Investments	2.3	2.5	2.5	2.4	1.9	2.0	2.3
Participating interests <sup>4</sup>	9.5	10.0	10.6	11.4	11.7	12.6	13.1
Capital							
Equity <sup>5</sup> (adjusted)	16.2	17.5	18.4	18.6	19.5	21.0	21.9
Liabilities	64.5	63.5	62.5	62.4	61.5	59.8	58.7
Short-term	47.3	46.0	45.4	46.3	46.1	45.1	44.4
Long-term	17.2	17.5	17.2	16.1	15.4	14.7	14.4
Provisions <sup>5</sup>	18.9	18.6	18.7	18.6	18.6	18.8	19.0
of which: Provisions for pensions	7.9	7.8	7.8	7.7	7.6	7.8	8.0
Memo item: Turnover	181.2	179.9	174.1	178.0	178.2	172.5	169.3
<b>II Income statement ratios</b>	Percentage of total output						
Turnover	99.8	99.7	99.5	99.5	99.7	99.8	99.7
Change in stocks of own products <sup>6</sup>	0.2	0.3	0.5	0.5	0.3	0.2	0.3
Total output	100	100	100	100	100	100	100
Interest received	0.5	0.5	0.5	0.5	0.6	0.5	0.5
Other income <sup>7</sup>	4.0	4.2	4.4	4.4	4.7	5.0	4.7
Total income	104.5	104.7	104.9	104.9	105.3	105.5	105.2
Cost of materials	60.5	60.8	60.8	62.1	62.3	61.7	61.7
Labour costs	19.7	19.4	19.3	18.5	18.4	18.8	18.6
Depreciation	3.5	3.6	3.5	3.5	3.4	3.4	3.3
Interest paid	1.3	1.3	1.2	1.2	1.3	1.3	1.2
Operating taxes	1.9	1.7	1.7	1.5	1.6	1.9	2.1
of which: Excise taxes	1.6	1.6	1.5	1.4	1.4	1.8	2.0
Other costs <sup>8</sup>	14.2	14.1	14.7	14.4	14.5	15.0	14.7
Total costs before taxes on income	101.0	100.9	101.2	101.2	101.6	102.0	101.6
Annual result before taxes on income	3.5	3.8	3.7	3.7	3.7	3.5	3.5
Taxes on income and earnings <sup>9</sup>	0.8	1.0	1.0	1.0	0.9	0.8	0.8
Annual result	2.7	2.9	2.7	2.7	2.8	2.7	2.7
Cash flow <sup>10</sup>	.	6.7	7.0	6.6	6.4	6.4	6.3
<b>III Other ratios</b>	Percentage of turnover						
Inventories	13.2	12.9	13.0	12.3	11.9	11.7	11.7
Short-term debtors	17.0	17.2	18.2	18.0	17.9	18.5	18.3
Equity (adjusted)	65.2	69.8	74.9	76.3	79.3	86.2	92.0
Long-term capital <sup>12</sup>	168.9	173.5	179.4	176.7	175.8	181.3	188.3
Long-term capital <sup>12</sup>	113.2	115.1	115.7	111.2	109.6	109.6	109.9
Liquidities <sup>14</sup> and short-term debtors	81.2	83.5	85.5	83.6	84.2	86.7	87.5
Liquidities <sup>14</sup> , short-term debtors and inventories	131.8	134.0	135.3	131.0	130.2	131.4	132.2
Cash flow <sup>10</sup>	.	15.8	16.1	15.6	15.2	15.3	15.1
Annual result and interest paid	7.2	7.4	6.8	7.1	7.4	6.9	6.6

\* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Manufacturing (including mining and quarrying), construction, wholesale and retail trade and transport (excluding railways) and business-related services. — 2 Including mining and quarrying. — 3 In-

cluding goodwill. — 4 Including shares in affiliates. — 5 Including half of the special items with equity portion. — 6 Including own work capitalised. — 7 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 8 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 9 In the case

Manufacturing <sup>2</sup>							Item
1997	1998	1999	2000	2001	2002	2003	
Percentage of balance sheet total (adjusted)							I Balance sheet ratios
1.3	1.4	1.5	1.6	1.7	2.2	2.1	Assets
23.7	23.4	22.9	22.3	22.3	21.6	21.0	Intangible assets <sup>3</sup>
19.3	19.1	18.4	18.3	17.5	16.4	16.2	Tangible assets
5.2	4.8	4.4	4.0	4.5	5.0	5.9	Inventories
32.0	32.1	33.0	32.9	33.6	33.2	32.1	Cash
29.5	29.8	30.7	30.7	30.9	30.8	29.2	Debtors
2.5	2.3	2.3	2.2	2.7	2.4	2.9	Short-term
3.5	3.7	3.7	3.5	2.6	2.7	3.2	Long-term
14.8	15.2	15.8	17.1	17.4	18.4	19.1	Investments
							Participating interests <sup>4</sup>
22.8	23.9	25.1	24.3	25.1	26.6	26.8	Capital
51.4	51.2	50.2	51.6	51.1	50.0	49.9	Equity <sup>5</sup> (adjusted)
37.9	37.5	36.9	39.0	39.1	38.1	37.8	Liabilities
13.4	13.7	13.2	12.6	12.0	11.9	12.1	Short-term
25.6	24.7	24.5	23.9	23.6	23.2	23.2	Long-term
11.7	11.4	11.3	11.0	10.7	10.7	10.8	Provisions <sup>5</sup>
149.2	149.2	143.4	144.4	142.7	134.4	130.4	of which: Provisions for pensions
							Memo item: Turnover
Percentage of total output							II Income statement ratios
99.8	99.6	99.8	99.4	99.5	99.9	99.7	Turnover
0.2	0.4	0.2	0.6	0.5	0.1	0.3	Change in stocks of own products <sup>6</sup>
100	100	100	100	100	100	100	Total output
0.7	0.7	0.7	0.7	0.8	0.7	0.7	Interest received
4.9	5.2	5.7	5.6	6.2	6.5	5.8	Other income <sup>7</sup>
105.6	105.9	106.3	106.3	107.0	107.3	106.5	Total income
53.6	54.2	54.4	56.5	57.4	56.5	57.0	Cost of materials
22.7	22.2	22.2	20.9	20.4	21.0	20.8	Labour costs
4.4	4.5	4.4	4.3	4.3	4.3	4.2	Depreciation
1.3	1.2	1.2	1.3	1.5	1.5	1.3	Interest paid
3.9	3.7	3.7	3.3	3.3	4.0	4.4	Operating taxes
3.7	3.6	3.5	3.2	3.2	3.9	4.3	of which: Excise taxes
15.3	15.4	15.9	15.3	15.6	15.8	15.1	Other costs <sup>8</sup>
101.2	101.2	101.8	101.6	102.4	103.1	102.7	Total costs before taxes on income
Percentage of turnover							III Other ratios
4.4	4.7	4.6	4.7	4.6	4.2	3.8	Inventories
1.1	1.3	1.4	1.3	1.2	1.1	1.0	Short-term debtors
3.3	3.4	3.2	3.4	3.4	3.1	2.7	Annual result before taxes on income
.	8.0	8.6	8.5	7.9	7.9	7.5	Taxes on income and earnings <sup>9</sup>
							Annual result
							Cash flow <sup>10</sup>
Percentage of turnover							III Other ratios
12.9	12.8	12.8	12.6	12.2	12.2	12.4	Inventories
19.8	20.0	21.4	21.2	21.6	22.9	22.4	Short-term debtors
Percentage of tangible assets <sup>11</sup>							Equity (adjusted)
91.4	96.2	103.3	101.5	104.4	111.2	116.2	Long-term capital <sup>12</sup>
194.9	199.7	206.8	202.4	201.3	207.9	217.1	
Percentage of fixed assets <sup>13</sup>							Long-term capital <sup>12</sup>
113.3	114.8	115.0	108.8	107.3	107.6	106.8	
Percentage of short-term liabilities							Liquidities <sup>14</sup> and short-term debtors
98.8	99.7	101.5	94.1	94.9	97.3	96.7	Liquidities <sup>14</sup> , short-term debtors and inventories
149.6	150.5	151.4	140.9	139.5	140.4	139.6	
Percentage of borrowed funds <sup>15</sup> less cash							Cash flow <sup>10</sup>
.	16.8	17.7	17.2	16.1	15.7	14.6	
Percentage of balance sheet total (adjusted)							Annual result and interest paid
6.8	7.0	6.3	6.8	7.0	6.2	5.3	

of partnerships and sole proprietorships, trade earnings tax only. — <sup>10</sup> Annual result after taxes on income, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses and deferred income. — <sup>11</sup> Including intangible assets. — <sup>12</sup> Equity, provisions for pensions, long-term liabilities and the special

items with equity portion. — <sup>13</sup> Tangible assets, intangible assets, participating interests, long-term debtors and investments held as fixed assets. — <sup>14</sup> Cash and investments held as current assets. — <sup>15</sup> Liabilities, provisions and half of the special items with equity portion.

## Selected ratios \* (cont'd)

Item	Construction						
	1997	1998	1999	2000	2001	2002	2003
<b>I Balance sheet ratios</b>	Percentage of balance sheet total (adjusted)						
Assets							
Intangible assets <sup>2</sup>	0.3	0.3	0.4	0.5	0.5	0.5	0.5
Tangible assets	18.5	19.2	18.3	18.8	19.4	19.9	19.2
Inventories	38.8	36.7	38.9	38.1	38.1	38.2	38.2
Cash	7.3	7.9	7.4	7.0	7.3	7.8	8.3
Debtors	30.0	30.9	29.4	30.1	30.3	28.9	29.1
Short-term	28.5	28.8	28.0	28.7	29.0	27.6	27.7
Long-term	1.6	2.1	1.5	1.4	1.3	1.3	1.3
Investments	1.9	1.7	2.0	2.0	1.0	1.2	1.1
Participating interests <sup>3</sup>	1.8	2.0	2.3	2.3	2.2	2.2	2.4
Capital							
Equity <sup>4</sup> (adjusted)	2.3	3.3	3.8	4.6	3.9	4.6	6.0
Liabilities	87.0	86.0	85.0	84.2	84.7	84.0	82.0
Short-term	69.3	67.5	67.5	67.0	67.2	68.0	66.5
Long-term	17.7	18.4	17.4	17.3	17.5	16.0	15.5
Provisions <sup>4</sup>	10.6	10.7	11.1	11.1	11.2	11.3	11.9
of which: Provisions for pensions	2.2	2.2	2.4	2.5	2.4	2.5	2.9
Memo item: Turnover	133.1	134.8	128.5	133.6	136.2	139.1	135.8
<b>II Income statement ratios</b>	Percentage of total output						
Turnover	99.1	99.4	96.2	98.0	98.4	97.9	97.8
Change in stocks of own products <sup>5</sup>	0.9	0.6	3.8	2.0	1.6	2.1	2.2
Total output	100	100	100	100	100	100	100
Interest received	0.4	0.4	0.4	0.4	0.4	0.3	0.3
Other income <sup>6</sup>	4.1	4.2	4.1	4.1	4.1	4.3	4.1
Total income	104.5	104.7	104.5	104.5	104.5	104.6	104.4
Cost of materials	49.1	49.4	50.9	50.4	50.1	49.2	49.3
Labour costs	33.1	32.7	31.3	31.2	31.3	31.7	31.2
Depreciation	4.2	4.0	3.8	3.7	3.7	3.6	3.5
Interest paid	1.8	1.8	1.6	1.7	1.7	1.6	1.5
Operating taxes	0.2	0.2	0.2	0.2	0.1	0.1	0.1
of which: Excise taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other costs <sup>7</sup>	13.6	13.6	13.8	13.9	14.6	15.3	15.2
Total costs before taxes on income	102.1	101.7	101.6	101.1	101.5	101.6	100.9
Annual result before taxes on income	2.4	2.9	3.1	3.5	3.0	3.1	3.6
Taxes on income and earnings <sup>8</sup>	0.6	0.6	0.6	0.6	0.5	0.5	0.5
Annual result	1.8	2.3	2.4	2.9	2.5	2.6	3.0
Cash flow <sup>9</sup>	.	6.1	7.2	6.0	5.9	5.6	6.9
<b>III Other ratios</b>	Percentage of turnover						
Inventories	29.2	27.2	30.3	28.5	27.9	27.4	28.1
Short-term debtors	21.4	21.3	21.8	21.5	21.3	19.9	20.4
Equity (adjusted)	12.0	16.8	20.6	24.1	19.8	22.5	30.4
Long-term capital <sup>11</sup>	119.9	125.3	130.1	130.2	123.6	117.5	127.4
Long-term capital <sup>11</sup>	99.8	102.3	105.9	106.6	103.7	99.4	106.4
Liquidities <sup>13</sup> and short-term debtors	53.8	56.5	54.7	55.3	55.0	53.5	55.6
Liquidities <sup>13</sup> , short-term debtors and inventories	109.8	110.9	112.3	112.3	111.6	109.7	113.0
Cash flow <sup>9</sup>	.	9.3	10.5	9.1	9.1	8.9	10.9
Annual result and interest paid	4.9	5.6	5.3	6.2	5.8	6.0	6.3

\* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Including the sale of automotive fuel. — 2 Including goodwill. — 3 Including shares in affiliates. — 4 Including half of the special items with equity portion. — 5 Including own work capitalised. — 6 Exclud-

ing income from profit transfers (parent company) and loss transfers (subsidiary). — 7 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 8 In the case of partnerships and sole proprietorships, trade earnings tax only. — 9 Annual result after

Deutsche Bundesbank

Retail trade in and repair of motor vehicles and motorcycles <sup>1</sup>							Item
1997	1998	1999	2000	2001	2002	2003	
Percentage of balance sheet total (adjusted)							I Balance sheet ratios
0.5	0.6	0.7	0.8	0.8	0.8	1.0	Assets
27.1	26.5	27.2	27.1	27.7	27.4	28.3	Intangible assets <sup>2</sup>
39.8	40.0	38.7	37.6	37.2	36.3	35.4	Tangible assets
4.4	4.4	4.6	4.8	4.8	5.0	5.1	Inventories
26.5	26.4	26.9	27.6	27.5	28.1	28.2	Cash
25.2	25.2	25.8	26.5	26.5	27.2	27.4	Debtors
1.3	1.2	1.0	1.1	1.0	0.9	0.8	Short-term
0.1	0.1	0.1	0.2	0.1	0.2	0.2	Long-term
1.1	1.6	1.4	1.6	1.5	1.8	1.3	Investments
4.1	4.9	5.4	5.5	6.1	8.0	9.7	Participating interests <sup>3</sup>
88.7	88.0	87.2	86.5	86.0	83.3	81.6	Capital
63.4	63.5	62.4	62.7	62.7	61.3	60.4	Equity <sup>4</sup> (adjusted)
25.3	24.5	24.7	23.9	23.3	22.1	21.1	Liabilities
6.9	6.7	7.0	7.5	7.6	8.3	8.4	Short-term
1.7	1.6	1.6	1.7	1.8	1.9	1.8	Long-term
272.6	260.1	264.8	257.5	259.1	264.8	266.4	Provisions <sup>4</sup>
							of which: Provisions for pensions
							Memo item: Turnover
Percentage of total output							II Income statement ratios
100.0	100.0	99.9	100.0	100.0	100.0	100.0	Turnover
0.0	0.0	0.1	0.0	0.0	0.0	0.0	Change in stocks of own products <sup>5</sup>
100	100	100	100	100	100	100	Total output
0.2	0.2	0.1	0.2	0.2	0.2	0.1	Interest received
2.1	2.1	2.1	2.4	2.5	2.6	2.6	Other income <sup>6</sup>
102.3	102.3	102.2	102.6	102.6	102.8	102.8	Total income
77.6	77.6	77.5	76.9	76.8	76.1	75.2	Cost of materials
10.9	10.7	10.6	11.2	11.1	11.2	11.4	Labour costs
1.9	1.9	2.0	2.1	2.0	1.8	1.9	Depreciation
1.4	1.4	1.3	1.5	1.5	1.4	1.3	Interest paid
0.1	0.1	0.1	0.1	0.1	0.1	0.1	Operating taxes
0.0	0.0	0.0	0.0	0.0	0.0	0.0	of which: Excise taxes
8.8	8.8	9.0	9.5	9.7	10.3	10.8	Other costs <sup>7</sup>
100.8	100.5	100.4	101.2	101.1	100.9	100.7	Total costs before taxes on income
Percentage of turnover							III Other ratios
1.5	1.8	1.8	1.4	1.5	1.9	2.1	Inventories
0.3	0.4	0.4	0.3	0.4	0.4	0.4	Short-term debtors
1.2	1.5	1.4	1.0	1.2	1.6	1.7	Equity (adjusted)
.	3.7	3.7	3.4	3.2	3.7	3.7	Long-term capital <sup>11</sup>
Percentage of turnover							Long-term capital <sup>11</sup>
14.6	15.4	14.6	14.6	14.4	13.7	13.3	Liquidities <sup>13</sup> and short-term debtors
9.3	9.7	9.8	10.3	10.2	10.3	10.3	Liquidities <sup>13</sup> , short-term debtors and inventories
Percentage of tangible assets <sup>10</sup>							Cash flow <sup>9</sup>
14.8	18.1	19.2	19.7	21.3	28.2	33.0	Cash flow <sup>9</sup>
114.4	116.2	115.4	113.5	111.9	115.2	113.5	Annual result and interest paid
Percentage of fixed assets <sup>12</sup>							
104.9	105.3	105.8	103.2	102.7	105.0	105.4	
Percentage of short-term liabilities							
46.7	46.8	48.9	50.1	50.1	52.8	54.0	
109.5	109.7	110.8	110.1	109.5	112.1	112.5	
Percentage of borrowed funds <sup>14</sup> less cash							
.	10.5	10.8	9.7	9.5	11.4	11.6	
Percentage of balance sheet total (adjusted)							
7.1	7.4	7.4	6.6	6.9	7.7	7.9	

taxes on income, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses and deferred income. — <sup>10</sup> Including intangible assets. — <sup>11</sup> Equity, provisions for pensions, long-term liabilities and the special items with equity

portion. — <sup>12</sup> Tangible assets, intangible assets, participating interests, long-term debtors and investments held as fixed assets. — <sup>13</sup> Cash and investments held as current assets. — <sup>14</sup> Liabilities, provisions and half of the special items with equity portion.

## Selected ratios \* (cont'd)

Item	Wholesale trade and commission trade						
	1997	1998	1999	2000	2001	2002	2003
<b>I Balance sheet ratios</b>	Percentage of balance sheet total (adjusted)						
Assets							
Intangible assets <sup>2</sup>	1.1	1.2	1.5	1.5	1.4	1.5	1.5
Tangible assets	16.3	16.4	16.7	15.9	16.6	16.3	16.5
Inventories	27.9	27.5	25.5	25.7	25.6	24.7	24.5
Cash	5.8	5.7	5.8	5.5	6.1	6.3	7.2
Debtors	43.5	43.1	44.4	45.4	44.2	45.0	44.6
Short-term	41.6	41.3	42.8	43.8	42.3	43.3	42.7
Long-term	1.9	1.8	1.6	1.6	1.9	1.8	1.9
Investments	0.5	0.6	0.5	0.5	0.5	0.5	0.6
Participating interests <sup>3</sup>	4.4	5.1	5.2	5.2	5.2	5.2	4.7
Capital							
Equity <sup>4</sup> (adjusted)	15.6	16.8	17.3	17.2	17.9	19.9	21.4
Liabilities	74.4	73.0	71.9	72.2	70.7	68.1	66.8
Short-term	59.0	57.3	56.4	57.9	56.5	55.0	54.2
Long-term	15.4	15.6	15.5	14.3	14.2	13.1	12.6
Provisions <sup>4</sup>	9.9	9.9	10.1	10.1	10.5	11.4	11.3
of which: Provisions for pensions	3.5	3.4	3.4	3.4	3.7	3.8	3.9
Memo item: Turnover	301.1	298.5	289.8	304.9	312.6	310.9	314.7
<b>II Income statement ratios</b>	Percentage of total output						
Turnover	100.0	99.9	100.0	99.9	100.0	100.0	99.9
Change in stocks of own products <sup>5</sup>	0.0	0.1	0.0	0.1	0.0	0.0	0.1
Total output	100	100	100	100	100	100	100
Interest received	0.3	0.3	0.2	0.3	0.3	0.2	0.2
Other income <sup>6</sup>	2.3	2.4	2.5	2.4	2.4	2.6	2.5
Total income	102.6	102.7	102.8	102.7	102.7	102.8	102.7
Cost of materials	81.8	82.0	81.6	82.2	82.2	81.5	81.6
Labour costs	8.2	8.2	8.3	7.8	7.9	8.3	8.1
Depreciation	1.5	1.5	1.5	1.4	1.4	1.4	1.3
Interest paid	0.9	0.9	0.8	0.8	0.8	0.7	0.7
Operating taxes	0.4	0.1	0.2	0.2	0.3	0.2	0.2
of which: Excise taxes	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Other costs <sup>7</sup>	8.0	8.1	8.4	8.3	8.2	8.6	8.5
Total costs before taxes on income	100.8	100.8	100.7	100.8	100.8	100.7	100.4
Annual result before taxes on income	1.8	1.9	2.0	1.9	1.9	2.1	2.3
Taxes on income and earnings <sup>8</sup>	0.5	0.5	0.6	0.5	0.5	0.5	0.5
Annual result	1.3	1.3	1.4	1.4	1.4	1.6	1.8
Cash flow <sup>9</sup>	.	3.0	3.3	2.9	3.0	3.1	3.0
<b>III Other ratios</b>	Percentage of turnover						
Inventories	9.3	9.2	8.8	8.4	8.2	8.0	7.8
Short-term debtors	13.8	13.8	14.8	14.4	13.5	13.9	13.6
Equity (adjusted)	89.3	95.6	94.8	98.9	99.6	111.5	118.9
Long-term capital <sup>11</sup>	200.2	206.1	200.8	203.0	201.2	208.7	213.0
Long-term capital <sup>11</sup>	145.4	146.9	145.1	144.3	143.5	149.2	154.7
Liquidities <sup>13</sup> and short-term debtors	80.9	82.8	86.6	85.6	86.2	90.7	92.9
Liquidities <sup>13</sup> , short-term debtors and inventories	128.2	130.7	131.9	130.0	131.5	135.7	138.1
Cash flow <sup>9</sup>	.	11.5	12.7	11.4	12.3	13.1	13.2
Annual result and interest paid	6.4	6.6	6.5	6.7	7.1	7.3	7.8

\* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Including the repair of personal and household goods. — 2 Including goodwill. — 3 Including shares in affiliates. — 4 Including half of the special items with equity portion. — 5 Including own work capital-

ised. — 6 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 7 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 8 In the case of partnerships and sole proprietorships, trade earnings tax only. — 9 An-



Retail trade (excluding retail trade in and repair of motor vehicles and motorcycles) 1							Item
1997	1998	1999	2000	2001	2002	2003	
Percentage of balance sheet total (adjusted)							I Balance sheet ratios
1.8	1.8	2.3	2.2	1.9	1.8	1.6	Assets
22.5	21.9	20.8	20.4	21.1	20.1	20.3	Intangible assets 2
41.6	40.4	37.9	38.4	37.4	35.7	35.6	Tangible assets
5.5	5.1	5.6	6.0	6.8	7.0	6.7	Inventories
22.8	24.1	25.7	26.3	26.8	26.9	27.2	Cash
21.3	23.1	24.0	25.2	25.7	25.5	26.0	Debtors
1.4	1.1	1.7	1.0	1.1	1.4	1.2	Short-term
0.2	0.2	0.3	0.3	0.4	0.5	0.5	Long-term
5.0	5.8	6.8	5.9	5.0	7.5	7.4	Investments
							Participating interests 3
5.6	8.6	9.5	10.0	10.9	11.5	14.8	Capital
84.8	81.5	80.0	79.9	79.4	78.2	74.9	Equity 4 (adjusted)
56.0	53.3	50.5	53.2	54.2	53.2	53.2	Liabilities
28.8	28.2	29.5	26.7	25.2	24.9	21.8	Short-term
9.3	9.8	10.3	9.9	9.6	10.1	10.1	Long-term
3.5	3.8	4.0	3.2	3.1	3.2	3.1	Provisions 4
253.3	248.7	243.7	263.8	271.9	271.6	269.1	of which: Provisions for pensions
							Memo item: Turnover
Percentage of total output							II Income statement ratios
100.0	100.0	99.9	100.0	99.9	99.9	99.9	Turnover
0.0	0.0	0.1	0.0	0.1	0.1	0.1	Change in stocks of own products 5
100	100	100	100	100	100	100	Total output
0.3	0.3	0.3	0.3	0.3	0.3	0.3	Interest received
2.9	2.9	3.0	2.7	2.8	3.2	3.0	Other income 6
103.2	103.2	103.2	103.0	103.1	103.5	103.3	Total income
65.5	66.3	66.8	67.8	67.9	67.9	67.5	Cost of materials
14.8	14.7	14.3	13.8	14.0	14.1	13.8	Labour costs
2.1	2.1	2.1	1.9	1.9	1.9	1.7	Depreciation
1.5	1.4	1.3	1.2	1.2	1.1	1.1	Interest paid
0.1	0.1	0.1	0.1	0.1	0.1	0.1	Operating taxes
0.0	0.0	0.0	0.0	0.0	0.1	0.1	of which: Excise taxes
16.5	15.7	16.2	15.4	14.9	15.5	15.9	Other costs 7
100.5	100.3	100.7	100.2	99.9	100.5	100.1	Total costs before taxes on income
Percentage of turnover							Annual result before taxes on income
2.8	2.9	2.6	2.8	3.2	3.0	3.1	Taxes on income and earnings 8
0.5	0.5	0.5	0.5	0.5	0.5	0.5	Annual result
2.3	2.4	2.1	2.3	2.7	2.5	2.6	Cash flow 9
.	4.9	4.6	4.0	4.4	4.5	4.4	
Percentage of turnover							III Other ratios
16.4	16.3	15.6	14.5	13.8	13.1	13.2	Inventories
8.4	9.3	9.9	9.6	9.4	9.4	9.7	Short-term debtors
Percentage of tangible assets 10							Equity (adjusted)
23.0	36.2	41.2	44.3	47.1	52.5	67.2	Long-term capital 11
158.7	173.9	189.5	179.9	173.0	184.7	184.2	
Percentage of fixed assets 12							Long-term capital 11
125.2	134.5	137.9	136.9	135.5	130.0	131.3	
Percentage of short-term liabilities							Liquidities 13 and short-term debtors
48.2	53.2	59.0	59.0	60.1	61.5	62.0	Liquidities 13, short-term debtors and inventories
122.5	129.1	134.1	131.1	129.3	128.4	129.0	
Percentage of borrowed funds 14 less cash							Cash flow 9
.	14.2	13.3	12.7	14.7	15.1	15.2	
Percentage of balance sheet total (adjusted)							Annual result and interest paid
9.6	9.4	8.3	9.3	10.4	9.8	9.9	

Annual result after taxes on income, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses and deferred income. — 10 Including intangible assets. — 11 Equity, provisions for pensions, long-term liabilities and the special items

with equity portion. — 12 Tangible assets, intangible assets, participating interests, long-term debtors and investments held as fixed assets. — 13 Cash and investments held as current assets. — 14 Liabilities, provisions and half of the special items with equity portion.

## Selected ratios \* (cont'd)

Item	Transport excluding railways						
	1997	1998	1999	2000	2001	2002	2003
<b>I Balance sheet ratios</b>	Percentage of balance sheet total (adjusted)						
Assets							
Intangible assets <sup>2</sup>	1.0	0.9	0.9	1.0	1.1	1.2	1.2
Tangible assets	51.8	53.3	52.5	52.1	50.3	48.5	49.7
Inventories	2.0	2.2	2.3	2.4	2.0	2.0	2.1
Cash	7.2	6.1	5.7	5.2	6.2	7.8	7.3
Debtors	30.6	28.9	30.7	31.2	32.2	31.8	31.1
Short-term	27.6	26.2	27.8	28.2	27.1	27.6	26.6
Long-term	3.0	2.7	2.9	3.1	5.1	4.2	4.5
Investments	1.3	1.9	1.0	0.9	0.9	1.1	1.1
Participating interests <sup>3</sup>	5.0	5.6	5.6	6.2	6.2	6.5	6.5
Capital							
Equity <sup>4</sup> (adjusted)	14.0	13.2	12.2	13.6	14.6	14.6	14.0
Liabilities	69.9	69.9	71.5	69.6	68.3	67.7	67.2
Short-term	38.2	36.0	37.2	37.8	37.5	39.3	39.7
Long-term	31.7	33.9	34.3	31.8	30.7	28.5	27.5
Provisions <sup>4</sup>	15.5	16.3	15.6	16.1	16.4	17.0	18.1
of which: Provisions for pensions	5.9	6.0	5.6	4.9	5.2	5.2	5.8
Memo item: Turnover	141.4	137.5	138.7	141.2	141.9	144.9	147.8
<b>II Income statement ratios</b>	Percentage of total output						
Turnover	99.9	99.9	99.8	99.8	99.9	99.9	99.9
Change in stocks of own products <sup>5</sup>	0.1	0.1	0.2	0.2	0.1	0.1	0.1
Total output	100	100	100	100	100	100	100
Interest received	0.5	0.5	0.5	0.5	0.6	0.6	0.5
Other income <sup>6</sup>	7.2	7.6	7.3	8.0	7.5	7.9	7.7
Total income	107.7	108.1	107.8	108.5	108.1	108.5	108.2
Cost of materials	44.8	45.6	47.2	47.4	47.5	45.2	44.0
Labour costs	26.0	24.6	24.0	23.8	23.6	24.4	25.1
Depreciation	8.4	8.5	8.1	8.0	7.8	7.4	7.1
Interest paid	2.2	2.1	2.0	2.0	2.1	1.9	1.7
Operating taxes	0.5	0.4	0.4	0.3	0.3	0.3	0.3
of which: Excise taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other costs <sup>7</sup>	24.0	23.6	23.9	25.1	25.3	27.0	27.5
Total costs before taxes on income	106.0	104.8	105.6	106.6	106.5	106.2	105.8
Annual result before taxes on income	1.7	3.3	2.2	2.0	1.6	2.3	2.4
Taxes on income and earnings <sup>8</sup>	0.7	1.4	0.9	0.9	0.5	0.6	0.6
Annual result	1.0	1.9	1.3	1.1	1.1	1.7	1.7
Cash flow <sup>9</sup>	.	11.7	9.5	10.6	9.1	8.9	9.3
<b>III Other ratios</b>	Percentage of turnover						
Inventories	1.4	1.6	1.7	1.7	1.4	1.4	1.4
Short-term debtors	19.5	19.1	20.1	19.9	19.1	19.0	18.0
Equity (adjusted)	26.5	24.2	22.9	25.7	28.4	29.3	27.4
Long-term capital <sup>11</sup>	101.4	101.1	100.7	98.8	102.1	100.8	96.3
Long-term capital <sup>11</sup>	87.7	87.4	86.5	83.8	82.8	82.6	78.9
Liquidities <sup>13</sup> and short-term debtors	93.7	94.4	92.3	90.1	89.4	92.3	87.5
Liquidities <sup>13</sup> , short-term debtors and inventories	99.0	100.5	98.6	96.4	94.9	97.4	92.7
Cash flow <sup>9</sup>	.	20.0	16.2	18.7	16.5	16.7	17.5
Annual result and interest paid	4.5	5.5	4.6	4.3	4.5	5.2	5.1

\* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Including computer and related activities and research and development, excluding holding companies. — 2 Including goodwill. — 3 Including shares in affiliates. — 4 Including half of the special items

with equity portion. — 5 Including own work capitalised. — 6 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 7 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 8 In the case of partnerships and sole proprietorships, trade earnings tax only. — 9 Annual result after

Business-related services 1							Item
1997	1998	1999	2000	2001	2002	2003	
Percentage of balance sheet total (adjusted)							I Balance sheet ratios
3.2	4.2	4.3	4.5	3.8	4.5	4.2	Assets
24.9	24.3	22.0	21.4	22.4	22.0	20.9	Intangible assets 2
14.6	14.3	14.6	13.4	13.3	13.0	12.6	Tangible assets
9.3	10.0	10.2	10.5	10.3	10.7	11.5	Inventories
41.4	40.0	40.5	41.4	40.4	41.9	42.5	Cash
39.0	37.6	38.1	39.1	38.0	38.2	38.8	Debtors
2.5	2.4	2.4	2.3	2.4	3.6	3.8	Short-term
1.9	2.0	2.3	2.6	2.7	2.7	2.7	Long-term
3.7	4.3	5.1	5.0	6.0	4.1	4.4	Investments
							Participating interests 3
9.8	11.1	12.2	13.4	15.6	15.3	16.5	Capital
70.8	68.9	67.8	66.1	64.7	64.3	62.8	Equity 4 (adjusted)
50.3	48.5	49.2	48.6	48.5	48.9	47.6	Liabilities
20.5	20.4	18.6	17.5	16.3	15.4	15.2	Short-term
18.2	18.4	18.8	19.2	18.2	18.6	19.3	Long-term
5.6	5.9	5.9	5.8	5.8	5.6	6.0	Provisions 4
161.2	158.6	155.4	159.7	156.9	155.2	155.4	of which: Provisions for pensions
							Memo item: Turnover
Percentage of total output							II Income statement ratios
99.8	99.8	99.2	99.7	99.7	99.8	99.7	Turnover
0.2	0.2	0.8	0.3	0.3	0.2	0.3	Change in stocks of own products 5
100	100	100	100	100	100	100	Total output
0.5	0.5	0.4	0.5	0.6	0.5	0.5	Interest received
5.1	5.3	5.3	5.4	6.0	6.8	7.2	Other income 6
105.6	105.8	105.7	105.9	106.6	107.3	107.8	Total income
34.5	35.0	34.8	35.8	34.0	35.2	34.4	Cost of materials
34.4	33.9	33.7	33.6	35.2	34.6	35.1	Labour costs
5.0	5.2	4.8	5.2	5.3	5.6	5.0	Depreciation
1.6	1.5	1.4	1.4	1.4	1.4	1.4	Interest paid
0.2	0.1	0.1	0.1	0.1	0.1	0.1	Operating taxes
0.0	0.0	0.0	0.0	0.0	0.0	0.0	of which: Excise taxes
21.9	21.6	23.0	23.2	23.6	24.2	24.1	Other costs 7
97.6	97.2	97.8	99.3	99.6	101.1	100.0	Total costs before taxes on income
Percentage of turnover							III Other ratios
8.0	8.5	7.9	6.7	7.1	6.2	7.8	Inventories
1.4	1.5	1.5	1.5	1.4	1.1	1.2	Short-term debtors
6.6	7.0	6.4	5.2	5.7	5.2	6.6	Equity (adjusted)
.	13.6	12.5	11.3	11.1	11.1	11.4	Long-term capital 11
Percentage of turnover							Equity (adjusted)
9.1	9.0	9.4	8.4	8.5	8.4	8.1	Long-term capital 11
24.2	23.7	24.5	24.5	24.2	24.6	24.9	Long-term capital 11
Percentage of tangible assets 10							Equity (adjusted)
34.8	39.1	46.5	51.6	59.4	57.9	65.5	Long-term capital 11
132.0	135.3	144.6	146.9	147.5	141.3	153.8	Long-term capital 11
Percentage of fixed assets 12							Long-term capital 11
104.9	106.4	108.5	110.5	107.5	105.7	112.1	Long-term capital 11
Percentage of short-term liabilities							Liquidities 13 and short-term debtors
97.4	100.2	100.4	105.1	102.5	102.9	108.8	Liquidities 13, short-term debtors and inventories
126.5	129.6	130.0	132.7	129.9	129.5	135.2	Liquidities 13, short-term debtors and inventories
Percentage of borrowed funds 14 less cash							Cash flow 9
.	27.9	25.4	24.1	23.9	23.8	25.0	Cash flow 9
Percentage of balance sheet total (adjusted)							Annual result and interest paid
13.3	13.5	12.1	10.5	11.2	10.2	12.3	Annual result and interest paid

taxes on income, depreciation, and changes in provisions, in the special items with equity portion and in prepaid expenses and deferred income. — 10 Including intangible assets. — 11 Equity, provisions for pensions, long-term liabilities and the special items with equity

portion. — 12 Tangible assets, intangible assets, participating interests, long-term debtors and investments held as fixed assets. — 13 Cash and investments held as current assets. — 14 Liabilities, provisions and half of the special items with equity portion.



## New transparency rules for credit institutions

The new IAS/IFRS accounting rules, which entered into force for publicly traded institutions in 2005, and the new Basel Capital Accord (Basel II), which will be implemented for all institutions with effect from 2007, will probably make credit institutions' activities more transparent to the general public. Risk-oriented reporting will represent the main addition to the standard disclosure requirements. Credit institutions must not only explain their assets, finances and earnings position but also outline their own risk situation and their ability to manage these risks. This shall enable the recipients of the information to make appropriate investment decisions and enable the markets to provide natural incentives for responsible governance. Improved transparency should enable market indicators to reflect a company's outlook more accurately. The analysis presented here discusses various market indicators and their suitability for ensuring market discipline.

### Transparency, market discipline and systemic stability

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The Basel Committee on Banking Supervision defines transparency as the disclosure of information that allows market participants to make an informed assessment of a bank's financial position and performance, risk exposure, risk management practices and busi-

*Framework  
condition for  
transparency*

ness strategy. However, transparency can be achieved only if the published information is timely, relevant, comprehensive and based on sound measurement principles that are applied consistently by banks.<sup>1</sup>

In the past, a greater insight into credit institutions' circumstances was the domain of a relatively small group of business analysts (besides banking supervisors). Now, the provisions of Pillar 3 of Basel II and the new accounting principles are creating the material framework for greater transparency among all market participants and other interested parties.

### Transparency and market discipline

Corporate transparency represents the fundamental condition for the effectiveness of market discipline. Market discipline denotes a cause-and-effect mechanism in which market participants – creditors, shareholders and depositors – have an incentive to monitor banks' risk-taking and, as appropriate, to react through their investment decisions. Market participants are always likely to have such incentives if they have a stake in a bank's business risk and face the prospect of losses if a bank becomes insolvent.<sup>2</sup> In direct market discipline, market participants' actions have a direct impact on firms' decisions, such as through the exercising of contractual rights (one example being a right to have a say at shareholders' meetings) or through setting the terms for the conclusion of financial contracts (through risk premiums or higher amounts of collateral to be posted). In indirect market discipline, the behaviour of mar-

ket participants influences decisions taken by third parties (eg supervisors, rating agencies) who, in turn, themselves influence the behaviour of banks through increased supervisory measures or potential rating corrections.

### Market participants and market discipline

With regard to the exercising of market discipline, the different groups of investors in a bank have varying degrees of relevance. This results from differences in incentive structures (expected returns and tolerance of risk). Another way in which market participants differ from one another is in their influence on banks' business policies.

Shareholders, as the bank's owners, can exercise a direct influence on management through the shareholders' meeting and are therefore fundamentally capable of exercising direct market discipline. However, they react to changes in the bank's business risk differently from creditors. Since shareholders may expect, on average, higher yields for more risky investments, they are less sensitive to a bank's higher-risk behaviour than, for instance, creditors, who can expect, at best, to

*Market discipline through shareholders*

*Direct and indirect market discipline*

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<sup>1</sup> Basel Committee on Banking Supervision (BCBS), Enhancing Bank Transparency, Basel, September 1998, p 8.

<sup>2</sup> An additional general condition for market discipline to be effective is that there is no guarantee, or only a limited guarantee, of government assistance to prevent bank failure. If market participants assume that major banks are "too big to fail" (see D Covitz, D Hancock and M Kwast, Market Discipline in Banking Reconsidered: The Roles of Funding Manager Decisions and Deposit Insurance Reform, Federal Reserve Board FEDS series 2004-53), this will be likely to result in moral hazard. Specifically, economic agents will neglect to take measures to reduce their own risk, as they will expect third parties to bail them out of insolvency.

receive the contractually fixed face value plus the interest on their borrowed funds.

*Market discipline through subordinated debt holders*

Holders of subordinated debt<sup>3</sup> have a particular incentive to monitor a bank's risk-taking because, as opposed to shareholders, they have only a limited stake in increased profits, yet, unlike other creditors, are fully exposed to an institution's risks. In addition, the volume of these funds is quite high relative to banks' liable capital.

*Market discipline through other banks*

The interbank market, which is used by banks for short-term refinancing, is particularly capable of exercising effective market discipline. Owing to the fact that relatively large amounts are traded on the interbank market, its participants have a considerable incentive for mutual discipline. In addition, by their very nature, banks are well predisposed to obtaining and evaluating information about their peers.

*Market discipline through depositors*

Depositors are generally unable to exert sufficient market discipline. One reason is that their stake is usually very small relative to the bank's size, which means that their influence on the bank is limited. Another is that, owing to the protective effect of deposit guarantee schemes, depositors are insufficiently motivated to monitor the deposit-taking institution's credit rating.<sup>4</sup> It is only when credit ratings plummet that private depositors react, albeit then by withdrawing massive volumes of funds, which can plunge a bank into liquidity difficulties. In addition, most depositors are non-experts who lack the experience and expertise to assess a bank accurately. This

virtually rules out depositors as enforcers of market discipline.

Despite the fundamental truth that market participants exercise discipline, it stands to reason that this disciplining effect will wane whenever a bank is under the threat of insolvency.<sup>5</sup> Because of their limited liability in such situations, shareholders potentially have an economic interest in tacitly approving or even encouraging risk-taking by the bank. Although subordinated creditors have no particular incentive for increased risk in times of crisis, their interest in minimising risk likewise vanishes, as their position in a bankruptcy comes close to that of the owners. Market discipline can counteract, but not entirely eliminate, incentives for taking inefficiently large business risks. Therefore, all that transparency and market discipline can do is to support banking supervisors. However, they are not a substitute for a governmental supervisory authority that assumes special responsibility for the stability of individual institutions as well as of the financial system at large.

The force with which market discipline measures affect banks' behaviour depends on their

*Banking supervision despite market discipline*

*Transparency not just a requirement but also an incentive*

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<sup>3</sup> Subordinated debt includes all debts which, in an insolvency case, are repaid only after all creditors have been satisfied.

<sup>4</sup> J Blum (Subordinated Debt Market Discipline and Banks' Risk Taking, *Journal of Banking and Finance*, Vol 26, No 7, pp 1427-1441) and T Cordella and E Levy-Yeyati (Public Disclosure and Bank Failures, CEPR Discussion Paper No 1886, 1998) show that banks without deposit guarantee schemes can be disciplined, whereas banks with deposit guarantee schemes tend to pursue risky strategies.

<sup>5</sup> Board of Governors of the US Federal Reserve System, Improving public disclosure in banking, *Staff Studies 173*, 2000.

internal incentive structure. Credit institutions will only be willing to bear the increased costs of more extensive disclosure requirements if economic incentives exist such as lower costs of equity capital,<sup>6</sup> lower refinancing costs and/or improved competitiveness. Firms with a strong credit rating, in particular, will thus endeavour to disclose comprehensive and complete information in a timely manner. Despite the undeniable danger of market participants punishing a weakened bank more severely than is economically justified, increased transparency may be expected, on the whole, to broadcast positive signals.

### Market discipline and the stability of the financial system

The initial effect of tightening disclosure requirements will be to give credit institutions added incentive to constantly improve their risk management and internal control system. As this applies equally to all banks and savings institutions, it will enhance the stability of the financial system at large. Secondly, the effects of market disruptions are generally less extensive if information is regularly disseminated to investors. If market participants are informed early and continuously, they can react by means of smaller, gradual adjustments, making it easier to avoid overreacting. Thirdly, transparency-enhancing information presented in a uniform structure improves the possibilities of making comparative analyses in the financial system (eg peer group analyses and analyses of overall systemic stability). This contributes to minimising the systemic effects of market disruptions because market participants are better able, in a crisis, to tell

the difference between troubled banks and stable banks. Fourthly, supervisors also consider it desirable to use the market information yielded by increased transparency in a subsidiary fashion, thereby enhancing the efficiency of supervisory activities.

It is questionable whether increased transparency has an exclusively positive effect on financial market stability. During economic slumps, even fundamentally sound institutions see their risk profile deteriorate. If market discipline is exerted by way of tightening lending terms or withdrawing deposits, a bank can suffer further disadvantages. If a bank decides in this situation to reduce its credit exposure, and other affected banks potentially follow suit, this could result in procyclical impacts on the economy.

The latest empirical research indicates that greater disclosure can significantly reduce a bank's willingness to take risks. In an international study based on corporate information provided by major private banks,<sup>7</sup> the link between the degree of disclosure of corporate information and banks' capital ratios was examined. Firstly, government guarantees and deposit guarantee schemes were found to have an adverse effect on the capital ratio. Secondly, the proportion of financial products which can exert market discipline proves to be positively correlated with banks' capital ratios. Finally, the study shows that in-

*Limits of positive stability effects*

*Effects of transparency: empirical findings*

<sup>6</sup> U Baumann and E Nier, Disclosure, Volatility, and Transparency: An Empirical Investigation into the Value of Bank Disclosure, *FRBNY Economic Policy Review*, September 2004, pp 31-45.

<sup>7</sup> U Baumann and E Nier, Market discipline and financial stability: Some empirical evidence, Bank of England, *Financial Stability Review*, June 2003, p 140.

*Transparency promotes financial stability*



creased disclosure of information on the risk-return profile leads to a distinct rise in capital ratios and thus to a lower probability of default (PD). It must be taken into account, though, that the results of this study cannot be applied to Germany wholesale because of the strong public sector presence in the German banking industry.

### Traditional approaches in the German Commercial Code (*Handelsgesetzbuch*)

*Limited information on assets, finances and earnings, ...*

Since sufficient transparency is the key condition for market discipline to work, this raises the question of how transparency rules for credit institutions were designed in the past and how they have been changed by the new accounting regulations.

*... particularly also owing to hidden reserves pursuant to section 340f of the Commercial Code...*

The rules contained in the German Commercial Code with regard to preparing annual accounts are based on the principle of prudence and serve mainly to preserve capital and protect a company's creditors. Conservative recognition and measurement rules, in a very general sense, enable a certain amount of "hidden reserves" to be accumulated. This makes it more difficult to present a company's assets, finances and earnings transparently.

Moreover, section 340f of the Commercial Code allows credit institutions to accumulate additional hidden reserves up to a maximum of 4% of certain claims and securities reported at the lower of cost or market (the liquidity reserve) to protect against risks specific to their line of business. This is done "silently" by undervaluing the relevant assets followed by cross-offsetting the resulting write-downs

### Transparency rules for credit institutions

Present	Future
<b>Accounting rules</b> Commercial Code GAS 5-10	<b>Accounting rules</b> Commercial Code GAS 5-10 IAS/IFRS  <b>Supervisory rules</b> Basel II/Pillar 3  EU Directives 2000/12/EC and 93/6/EEC  Solvency Regulation
Deutsche Bundesbank	

with other income within the profit and loss (P&L) account. The barrier to transparency that this creates is intentional. Upon conversion to IAS/IFRS to prepare account statements, hidden reserves will no longer be permitted; they will have to be dissolved in IAS/IFRS-based consolidated financial statements. This means that such reserves will be useless in single-entity financial statements as well.

The key factors for assessing a credit institution's equity value are asset quality and thus, among other things, the creditworthiness of the loans granted. Any provisions set aside to cover an increase in the probability of default, however, are not visible in the balance sheet, since both specific and general provisions are deducted from the corresponding assets in the balance sheet; in other words, recorded

*... and inadequate transparency with regard to risk provisioning*

net of specific provisions. The matching entries in the P&L account, in addition, are reported in a summary item which also includes write-downs on securities in the liquidity reserve and transfers to reserves in (off-balance-sheet) credit business. For banking supervision purposes, therefore, separate data on the quality of the bank loans are collected.

Recourse is taken to these data in an international context, such as for the IMF's consultations. However, the lack of a uniform national or international definition of impaired loans to date has made it difficult to compare such data across countries.

#### **Extended risk reporting pursuant to GAS 5-10**

Back in 2000, the German Accounting Standards Committee (GASC) published an industry-specific standard for risk reporting by credit institutions and financial services institutions (GAS 5-10) in consolidated financial statements, thereby taking on a pioneering role in this area in the development of disclosure requirements designed to increase transparency on capital markets.

GAS 5-10 requires banks to provide comprehensive information about their group's risk as well as its risk management practices. The risk is to be reported separately in the management report, independently of the anticipated developments. Industry-specific risks are to be addressed in special detail. The existing risk management systems as well as monitoring and management measures are to be presented separately by risk category.

The information must then be condensed to form an overall picture of the institution's risk exposure. The capital held to cover risk as well as balance-sheet risk provisioning are to be discussed. On the whole, GAS 5-10 has significantly improved the transparency of German financial groups.

Given the forthcoming transition of many financial services companies which issue publicly traded securities to IAS/IFRS this year, it remains to be noted that the provisions of GAS 5-10 will continue to apply to those companies, too.

For institutions listed on exchanges, in particular, capital market provisions give rise to additional national disclosure requirements. An overview of these requirements is provided on page 75.

#### **Transparency rules under IAS/IFRS**

The International Financial Reporting Standards (IFRS), which will apply under EU law<sup>8</sup> with binding effect to consolidated financial statements of credit institutions which issue publicly traded securities from 2005/2007, are geared primarily to the information needs of the readers of annual financial statements. They provide a much greater degree of transparency than statements prepared according to the German Commercial Code. Priority is given to capital market investors' need for information, and thus to the timely reporting of

*Continued  
existence under  
IAS/IFRS*

*Investor-  
oriented  
presentation  
of assets and  
earnings*

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<sup>8</sup> Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11 September 2002).

*Supplementary  
rules for credit  
and financial  
services  
institutions*

*Concept*

## Disclosure requirements under capital market law

Capital market law lays down a number of disclosure requirements in order to protect both investors and the integrity of the financial markets. The intention is to ensure that all financial market players can make their investment decisions on the basis of the same information. Pursuant to section 15 of the German Securities Trading Act (*Wertpapierhandelsgesetz*), an issuer of securities admitted to trading on a German stock exchange must immediately publish any information which is not publicly known. Persons with management responsibilities at an exchange-listed enterprise or the spouses, registered partners or relations in the first degree of such persons also have to report any own dealings in the securities of this enterprise (section 15a of the Securities Trading Act). Moreover, there is a notification requirement pursuant to section 21 of the Securities Trading Act concerning the purchase or sale of voting rights in a listed company whereby certain threshold values are reached. Regarding offers for the acquisition or takeover of securities, section 10 of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*) stipulates that the bidder must publish its decision to make an offer for the acquisition of a target company's securities without undue delay. The bidder must then, within four weeks, draw up an offer document containing, in particular, information about the type and amount of the consideration being offered as

well as the conditions upon which the effectiveness of the offer depends (section 11 of the Securities Acquisition and Takeover Act). The bidder must subsequently provide regular reports on the securities acquired as part of the takeover offer (section 23 of the Securities Acquisition and Takeover Act). Any person who attains control of a target company (30% of the voting rights) must report this without undue delay and, as a matter of course, submit an offer document unless control was acquired through a takeover offer (section 35 of the Securities Acquisition and Takeover Act). The German Stock Exchange Act (*Börsengesetz*) stipulates that, for a security to be admitted to trading on a stock exchange, the issuer must publish a public prospectus before admission (section 30 (3) number 2) and, as an issuer of shares, must regularly – at least biannually – publish an interim report which gives a true and fair view of the financial position and the general business trend (section 40 (1)). Finally, in the case of securities which are offered to the domestic public for the first time but are not admitted to trading on a German stock exchange, the issuer must, as a matter of course, publish a prospectus pursuant to the Securities Prospectus Act (*Wertpapier-Verkaufsprospektgesetz*). Most of this information can be downloaded from BaFin's (the Federal Financial Supervisory Authority's) website ([www.bafin.de](http://www.bafin.de)).

the current state of the company. The IFRS presume the complete reporting of all assets and debts – including derivatives – and that they are largely marked-to-market.

*Important rules  
for credit  
institutions*

The important rules for credit institutions in the IAS/IFRS system are, above all, those on the recognition, measurement and disclosure of financial instruments. In the past, along with IAS 39 (Financial instruments: recognition and measurement), these included the industry-specific standard IAS 30 (Disclosures in financial statements of banks and similar financial institutions) and IAS 32 (Financial instruments: disclosure and presentation), which still contain the key disclosure requirements for the accounting treatment of financial instruments.

*Limits of  
marking-to-  
market*

Whereas marking-to-market probably corresponds most closely to the IFRS's fundamental premise (ie fair presentation) in terms of transparency for those balance sheet items for which market prices actually exist, fair-value measurement has its limits in the case of those balance sheet items for which no objective market prices are available. Derived measurements (marking-to-model) run counter to the concept of transparency, particularly in cases where the value measurement approach is no longer objective.

*Impaired  
comparability*

The IAS/IFRS suffer from an additional deficit deriving from limited comparability. On the one hand, the historical comparability of the annual accounts suffers from a one-off interruption as a consequence of the change in the accounting system. On the other hand, owing to the large number of options for

measurement and the vast discretionary scope, comparability among IAS/IFRS financial statements will, in principle, only be limited.

The IAS 30 and IAS 32 disclosure requirements will, in future, be compiled largely in a single standard, IFRS 7 (Financial Instruments: Disclosures). This new standard applies a principles-based approach and is directed at all enterprises. This means that, in particular, the IAS 30 rules governing the structure of the balance sheet and P&L account will no longer apply. Instead, standard setters are confining themselves to only a very few minimum requirements derived from IAS 1 (Presentation of financial statements), leaving it largely up to companies to choose how to present the information to be disclosed. Under IFRS 7, it can be presented either in the balance sheet and P&L account or in the "Notes".

IFRS 7 is intended to provide information that enables the reader of a financial statement to independently visualise the significance of financial instruments for the company and the type and extent of the risk taken. To this end it envisages, among other things, that carrying values be given for all financial instruments, grouped according to the IAS 39 measurement categories. The significance of the financial instruments for the company's performance are also to be disclosed according to these categories. In addition, all types of financial instruments are to be disclosed at fair value, even if the relevant instruments are recorded in the balance sheet at initial recognition. In certain cases, the fair value of assets pledged as collateral is also required to be disclosed. If the measurement of own liabilities

*IFRS 7 risk  
reporting  
through...*

*... doing away  
with outlining  
rules, ...*

*... disclosure of  
fair values, ...*

at fair value results in fair value gains owing to a reduction in the reporting company's credit rating, these have to be disclosed separately.

*... details of credit risk, ...*

For a better assessment of credit risk, not only the gross credit volume (by type) is to be given but, among other things, a more detailed analysis of loans that are past due or impaired and a description of the chosen collateral. The evolution of risk provisioning during the reporting period likewise has to be disclosed; it, too, is to be broken down by type of loan.

*... details of market and liquidity risk...*

IFRS 7 envisages disclosure not only of credit risk but also of market risk and liquidity risk deriving from financial instruments. Here, market risk is to be described with the help of sensitivity analyses for all relevant types of risk (eg share price, currency, interest rate risk). Recourse may also be taken to a value-at-risk (VaR) approach if it is used in the company for internal risk management purposes. Liquidity risk is to be explained using contractual residual maturities of the firm's liabilities.

*... and information on capital*

To complete the risk assessment, the introduction of IFRS 7, through amending IAS 1, seeks to require the reporting firm to disclose its capital and capital management.

*Assessment*

On the whole, there are many similarities and no inconsistencies between the new IASB standard and GAS 5-10 or any of the disclosure requirements under Pillar 3 of Basel II described in the following section; this will probably make it easier for many firms to imple-

ment the IFRS. Given the lack of structural rules and the vast scope of companies' discretion in how they report information, it remains to be seen whether IFRS 7 disclosure will lead to major gains in transparency. The minimum information required by IFRS 7, which applies equally to banks and non-banks, will not be enough in systemic terms to assess the risks to a credit institution deriving from financial instruments. However, the standard is supplemented by more detailed application guidance from the IASB that goes above and beyond the minimum requirement and facilitates the establishment of transparency.

### Future supervisory transparency rules

In June 2004, the Basel Committee on Banking Supervision adopted a Revised Framework for the International Convergence of Capital Measurement and Capital Standards, which superseded the 1988 Basel Capital Accord. The transparency requirements for enhancing market discipline under Pillar 3 include the general semi-annual disclosure of risk information. Certain qualitative information that provides a general overview of the aims and procedures of risk management, internal reporting and definitions can also be published annually. By contrast, the Revised Framework envisages the quarterly disclosure of tier 1 and total capital adequacy ratios as well as information on risk exposures that is prone to rapid change. In certain exceptional cases in which the required disclosures may reveal proprietary and confidential information, this information can remain unpub-

*Pillar 3 of Basel II: Aim and concept*

lished. In such cases, however, the institution is required to disclose more general information on the subject matter of the requirement and a reason why the specific items of information have not been disclosed.

*Three areas of disclosure:*

The specific disclosure requirements – in terms of content – can be subdivided into three areas; a further distinction is made between qualitative and quantitative information. The first area governs the scope of application of the new Framework; in this context, disclosure requirements essentially apply to the top consolidated entity of the banking group. The disclosure of tier 1 and total capital ratios of significant bank subsidiaries (individual or subconsolidated) by the parent entity is an exception. The most important element of the additional information to be disclosed is a list of the entities within the group and the method with which these entities were included in the consolidation.

*Scope*

*Capital*

The second area encompasses information on the capital structure and capital adequacy. The focus here is on tier 1 capital and the individual components thereof, as well as the total sum of tier 2 and tier 3 capital, deductions and total eligible capital. The requirements cover, moreover, information on capital requirements for the individual types of risk and the capital ratios of the consolidated group.

*Risk exposure*

In the third area, institutions have to disclose information on their risk exposure and assessment, separately for credit risk, market risk, operational risk, equity risk and interest rate risk in the banking book. The disclosure of

credit risk initially features information on the portfolio structure and the distribution of exposures as well as information on impaired and past due loans. Moreover, institutions are requested to provide further details regarding the use of IRB approaches for managing credit risk. On that vein, for instance, the average loss given default (LGD), risk weights (RW) and exposure at default (EAD) weighted with the outstanding exposures are to be disclosed for each credit portfolio on the basis of an adequate number of probabilities of default (PD). Retail loans may instead be disclosed by meaningfully breaking down the portfolio by expected losses (EL). In order to assess the quality of the applied IRB approach, IRB estimates should be compared with actual outcomes following a transition period.

Finally, in the area of credit risk, information on the securitisation of assets and credit risk mitigation techniques also need to be relayed to market participants.

The new Basel Framework will be transposed into EU legislation by amending the Codified Banking Directive (2000/12/EC) and the Capital Adequacy Directive (93/6/EEC), thereby making the supervisory transparency rules applicable to all credit institutions and investment firms. The European rules of Pillar 3 largely correspond to those of Basel II, although there are still some minor differences in individual areas, such as terminology and disclosure frequency. Whereas Basel II generally envisages semi-annual disclosure, EU legislation envisages annual disclosure.

*European implementation  
(EU Banking Directive)*

## New transparency rules for credit institutions

In order to illustrate the disclosure requirements, the key features of GAS 5-10, IFRS 7 and Pillar 3 (with a particular focus on credit risk) are presented below.

### **GAS 5-10: Risk reporting by credit institutions and financial services institutions**

- Broken down into the categories credit risk, counterparty risk, country risk and shareholder risk: information on probabilities of default, expected risk exposure and expected returns on securities.
- Description of the procedures used to quantify and manage counterparty risk.
- Description of the methods of risk provisioning used.
- Comparable data on liquidity risk, market risk, operational risk and other risk.

### **IFRS 7 Financial Instruments: Disclosures**

- In the case of liabilities measured at fair value, disclosure of the amounts resulting from changes in an enterprise's creditworthiness.
- Information about the fair values of assets pledged as collateral if the enterprise is permitted to sell or repledge the collateral in the absence of default by the owner of the collateral.
- Description of the evolution of risk provisioning according to groups of financial instruments.
- Information about the total credit volume grouped into types of credit, description of collateral held as security and data on the credit quality of the portfolio.
- Analysis of loans that are past due or impaired, and information about the collateral held as security, including its fair value, unless impracticable.
- Description of the realisation of collateral with information about the types of collateral and their carrying values.
- Further information about and analyses of market risk, interest rate risk and liquidity risk.
- Quantitative and qualitative disclosures about the enterprise's management of capital.

### **Pillar 3**

- Presentation of the scope of application of the disclosure rules.

- Information about capital elements as well as the capital requirements for credit risk, market risk, operational risk and banking book equity holdings.
- Within credit risk: information about the capital requirements for each portfolio in the Standardised Approach, the Foundation IRB Approach and the Advanced IRB Approach as well as the capital requirements for securitisation.
- Description of credit risk management (structure, goals, strategies).
- Separately for each type of credit: information about the credit volume, the geographical breakdown, further breakdown of lines of business, customer groups and maturities (residual maturities).
- According to lines of business or customer groups: information about the amount of impaired or past due loans, specific provisions and general provisions as well as transfers to specific provisions and charge-offs.
- Presentation of changes in the specific provisions and general provisions during the period under review.
- For portfolios in the Standardised Approach: information about the type and use of external ratings, specifying the rating agencies involved; information about the credit volume after credit risk mitigation, broken down according to risk weights.
- If IRB approaches are used: breakdown of the individual credit portfolios according to their probability of default (PD) as well as information about the average loss given default (LGD), risk weights (RW) and exposure at default (EAD) weighted with the outstanding exposures.
- Disclosure of the IRB model estimates in comparison with the actual results (after a two-year transition period).
- Information about the type and use of collateral taken.
- Information about securitisation transactions; volumes and functions of the bank in the securitisation process.
- More detailed description of how market risk, interest rate risk, operational risk and banking book equity holdings are managed.
- Quantitative analyses of and information about market risk, interest rate risk and banking book equity holdings.



*National implementation*

The EU rules will be transposed into German law through a Solvency Regulation which is being “midwifed” by an expert panel on disclosure requirements, which has issued comments and presented use cases that can be found on the websites of the Bundesbank and BaFin. The legal framework for transparency is therefore now in place, so that in Germany more meaningful corporate information will be available to the financial markets. This will make market indicators increasingly more valuable as a supplementary source of information. A more effective market discipline can thus be expected to develop in future.

### Market indicators as drivers of market discipline and systemic stability

*Market indicators and market discipline*

The improved level of transparency should result in market indicators being able to represent a company’s outlook more accurately. In the following, selected market indicators will be studied to see whether they react to company news in a manner suited to exercising discipline on management behaviour. This would ensure that improved corporate transparency and the risk information to be disclosed in future would also lead to better discipline. As already discussed, only shareholders, banks and subordinated creditors have sufficient incentive and influence to monitor banks’ behaviour. For this reason, only those market indicators that can be influenced by these participants’ actions will be looked at here.

The share price is a market indicator that is generally well suited to market discipline. As one of the most liquid types of market, the equity market unites beneficial features such as the timely and adequate presentation of risk,<sup>9</sup> as well as general availability and good usability. However, Germany, of all countries, has a particularly small share of banks listed on exchanges, which renders such an indicator useless for vast segments of the German banking system.

*Shares*

Along with share prices, spreads<sup>10</sup> of interbank deposits may be regarded as potentially suitable market indicators. In Germany, this market indicator may be regarded as risk-sensitive as all banks are represented in the interbank market either directly or indirectly. Interbank price information, however, has virtually no external impact on other market participants. In general, the discipline exercised by the interbank market may be expected to be very effective owing to the large volume of transactions and interbank market spreads may be regarded as leading indicators of banks’ credit ratings. However, their public availability is insufficient, which means that this market indicator can be used only by banks themselves.

*Interbank deposits*

It can generally be assumed that a bank’s risk exposure is sufficiently reliably reflected by the issue prices of subordinated debt and

*Subordinated debt*

<sup>9</sup> However, the derivation of probabilities of default from share prices is eclipsed by other effects. The share price therefore serves in many cases as an input for other indicators, as well.

<sup>10</sup> A spread is the difference between the interest on a risky investment and that on a risk-free investment with the same residual maturity.



similar participation rights.<sup>11</sup> The post-issue trading volume of these instruments, however, is limited, thereby preventing prices from reflecting the bank's current risk situation at all times. With regard to availability, this market indicator is superior to shares in Germany; according to 2004 financial statements, around 58% of all German institutions, accounting for 94% of German banks' balance sheet total,<sup>12</sup> issued subordinated debt and comparable participation rights. This may be particularly because these instruments are already recognised by supervisors as own funds in Principle I (section 10 (5), (5a) and (7) of the Banking Act). The subordinated debt and participation rights issued by all banks amounted to €132 billion this year, or around 1.8% of the balance sheet total. However, €115 billion of this total is recognised as supervisory own funds. This corresponds to 30.7% of regulatory capital, underscoring the significance of these instruments as a source of capital and their suitability as a market indicator.

Looking at the "big four" German banks, the total volume of subordinated debt<sup>13</sup> and participation rights for 2004, at €30 billion, makes up some 43% of these institutions' total regulatory capital. The average share in eligible capital was around 21% for savings banks, at €15 billion. Only for cooperative banks does subordinated debt in the broader sense seem to have a lesser importance for obtaining capital. At €3.8 billion, it made up an average share of merely 9%.

The chart on page 82 shows clearly that both the annual number of issues and the volume

of subordinated debt<sup>14</sup> issued tended to rise in the 1990-2004 period.

On the whole, it may be stated that subordinated debt in the broader sense can play an important role as an indicator for market discipline purposes, especially where large German banks are involved. In terms of transparency, an even higher frequency of issue might be desirable for this market indicator; for supervisory purposes, however, it is also of great importance to preserve the high quality of the capital structure. Furthermore, standardising subordinated instruments could make a key contribution to increasing the liquidity of the secondary market. Increasing the liquidity of trading would reinforce the market discipline imposed by the holders of subordinated debt instruments. This has elicited occasional proposals to achieve this aim by making it mandatory for all banks to regularly issue subordinated debt.<sup>15</sup>

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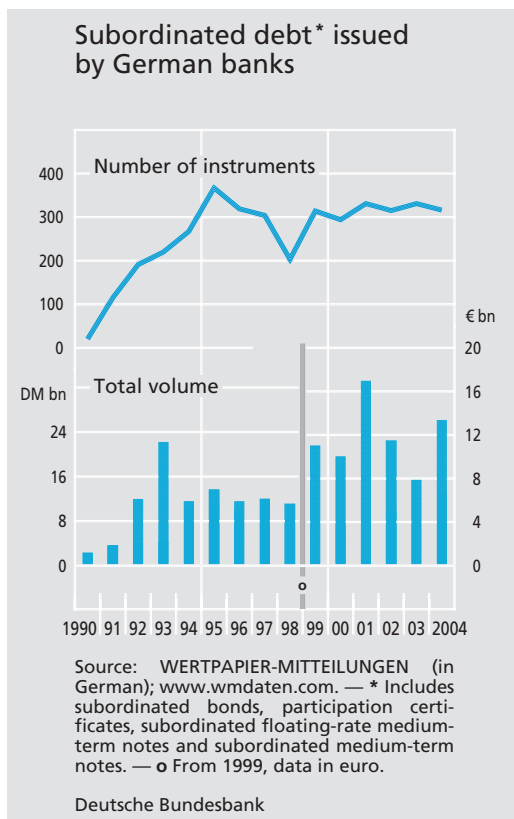
<sup>11</sup> This characteristic is also reflected in the parallel movement of the spreads of subordinated debt and other market indicators. See D Hancock and M Kwast, Using Subordinated Debt to Monitor Bank Holding Companies: Is it Feasible?, *Journal of Financial Services Research*, Vol 19, No 2/3, December 2001.

<sup>12</sup> Between 1997 and 2001, Germany was in first place throughout Europe regarding the number of issues of subordinated debt within the meaning of section 10 (5a) of the German Banking Act (*Kreditwesengesetz*) (see R Gropp and J Vesala: Markets for Bank Subordinated Debt and Equity in Basel Committee Member Countries, Basel, August 2003, BIS Working Paper No 12, p 12).

<sup>13</sup> This refers to the total volume irrespective of the fact that long-term subordinated debt is assigned to liable capital and short-term subordinated debt, as tier 3 funds, is used to calculate own funds.

<sup>14</sup> This includes subordinated bonds as well as participation certificates and rights.

<sup>15</sup> See D Evanoff and L Wall, Sub-Debt Yield Spreads as Bank Risk Measures, 2001, Working Paper 2001-11, Federal Reserve Bank of Atlanta.



*Credit default swaps*

The spreads of credit default swaps (CDS)<sup>16</sup> are an additional market indicator. CDS spreads can be regarded as the market's view of banks' creditworthiness and thus as a transparent benchmark of a bank's risk exposure.<sup>17</sup> They are, however, available only for four large German banks. It is possible, though, with the aid of rating information, to draw conclusions about the risk exposure of other similarly rated banks. For market discipline purposes, it would be desirable if the indicator were available for many more institutions. The chart on page 83 shows the development of the CDS spreads of four large German banks between January 2003 and June 2005.

*Ratings and KMV-EDF*

The advantage of ratings is that they are based on company information not yet avail-

able to other market participants. They are only indirectly based on quantitative market data. For the future, however, it can be assumed that rating agencies' information advantage will tend to decline owing to increasingly stringent transparency requirements.

Among the purely quantitative creditworthiness indicators, KMV-EDF<sup>18</sup> may be considered as a significant market indicator.<sup>19</sup> KMV-EDF generally reflects banks' risk adequately and in real time.<sup>20</sup> Since the KMV-EDF methodology is based on share prices and balance sheet data, with KMV-EDF, as with the other market indicators, it may be assumed that risk sensitivity will increase with enhanced transparency. The disadvantage, however, is that the calculation method in KMV-EDF is not completely disclosed. In addition, the market indicator is available for only some 30 listed German banks. Although it would be desirable for KMV-EDF to be available for all institutions, the currently available indicators can already help in assessing the

<sup>16</sup> A CDS is a credit derivative for trading in default risk. Five-year CDSs will be used in our analysis.

<sup>17</sup> CDS spreads represent insurance premiums against the default risk of a bond issuer. They express the bond's default risk relative to a risk-free investment. The CDS spread of a no-default-risk bond is zero.

<sup>18</sup> KMV-EDF stands for KMV-Expected Default Frequency, and is a measure of a company's probability of default. The KMV company, named after its founders, was established in 1990 and has been a part of the Moody's rating agency since 2003.

<sup>19</sup> Unlike purely statistical models (eg logit models, discriminant analysis), "Moody's KMV model" is an economic model based on option pricing theory. In the KMV model, capital is regarded as a call option on goodwill. According to option pricing theory, it is then possible to derive a probability that the option will be exercised, from which a company's probability of default can then be estimated. Additionally, in KMV-EDF the probability of default extracted in this manner is calibrated using empirical data.

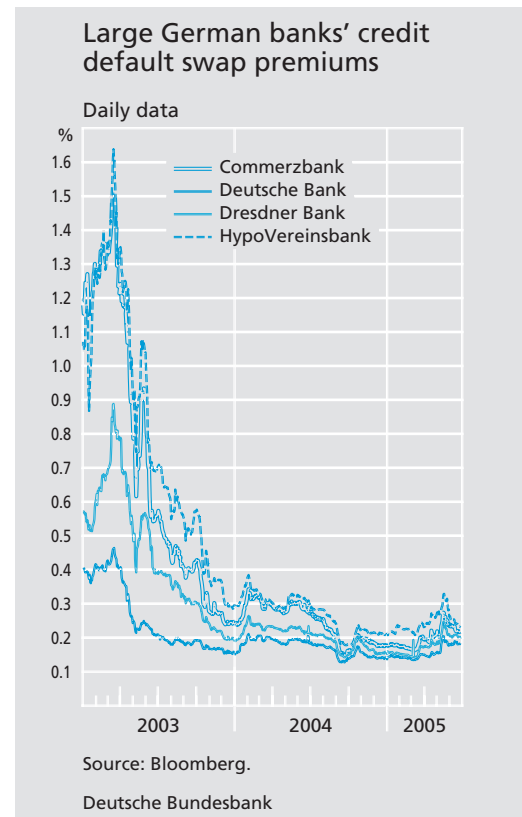
<sup>20</sup> The use of balance sheet data can occasionally lead to faulty signals in the KMV methodology.

stability of the banking system, since they still reflect the credit rating of systemically relevant institutions.

## Conclusion

In principle, any indicator is better able to measure a bank's risk exposure if there is greater transparency. In an ideal case, indicators look at all the information available on the market. Their quality can therefore only continue to increase if either the disadvantages of each market indicator are eliminated and/or the amount of available meaningful information increases. The latter is what the new transparency rules are aimed at.

At present, a definitive positive correlation between increased transparency and the meaningfulness of a market indicator cannot yet be empirically demonstrated because the proposed improvements in the area of information provisioning have not yet been implemented, even though several major credit institutions have already begun to voluntarily disclose much of the information that will later be subject to mandatory disclosure requirements.



Irrespective of empirical provability, there is no question that market participants are able to assess financial institutions' risk exposure. In Germany, too, the fundamental effectiveness of market discipline that this ensures can contribute to the stability of the financial markets as a complement to banking supervision.



## Risk appetite in a dynamic financial market environment

The risk appetite of investors is of special importance to financial stability. The willingness of market participants to take risks can provide an indication of the condition of financial markets. Particularly in the light of the current low risk premiums, the question arises as to the extent and nature of interaction between the willingness of market participants to take risks and the performance of financial markets.

This article starts by explaining how risk appetite influences the market and identifies reasons for the variance of risk appetite over time. Following this, selected indicators are discussed which are used to investigate the risk appetite of investors in the international bond and stock markets in the period from 1995 to 2005. In addition, new indicators are drawn up which are based on an explicit separation between asset price risk and investors' willingness to take this risk.

It is shown that risk appetite is often subject to cyclical fluctuations. The models for measuring such fluctuations provide a useful tool for analysing potential risks in financial markets.

### Importance of risk appetite with regard to financial stability

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Financial stability is of crucial importance for economic and monetary policy. However, rec-

ognising potential dangers at an early stage and introducing effective measures in good time poses a special challenge.<sup>1</sup> It can be concluded from the currency crises in Europe in 1992-93 and in Mexico in 1994-95, the Asia, Russia and LTCM crises in 1997-98 and most recently the Argentina crisis in 2001-2002 that the economic environment is regularly confronted with financial crises.<sup>2</sup>

What is particularly important with regard to financial crises is that they can generally not be explained solely by fundamental factors.<sup>3</sup> It is becoming increasingly recognised that at the same time the risk appetite of market participants, which is subject to fluctuations over time, also has a decisive influence. Risk appetite is defined as the willingness of investors to bear risks. While there is often no distinction made in the literature between the terms risk aversion and risk appetite, this distinction is being made here on the basis of their different variability over time.<sup>4</sup>

Risk appetite poses a threat to financial stability in particular if the yields investors expect to receive in return for bearing risk appear disproportionately high or low in relation to their historical mean. The main problem, however, is that such mismatches cannot systematically be clearly identified *ex ante*, as neither the risk nor the risk appetite prevailing among market participants can be directly observed. Hence it is virtually impossible to specify a fair valuation level for the pricing of risks, which in turn makes it considerably more difficult to identify developments posing a danger to stability.

Risk appetite seems to fluctuate around an unknown equilibrium level. As it is not possible to precisely determine this level, a long-term average is calculated on the assumption that while risk appetite may diverge significantly from this over the short term, the long-term tendency points towards this level. This phenomenon is also referred to as the *mean reversion*. Deviations from this average can also be interpreted as indicating risk potential.

A drop in risk appetite leads *ceteris paribus* to higher financing costs, as the yield expectations of investors increase despite the risk remaining unchanged. This makes it more difficult to raise capital on equity and debt capital markets in phases of low risk appetite, for instance. With regard to financial stability it is crucial that a change in market sentiment does not only give rise to varying yield expectations from just a few individual securities but that it is able to influence a large number of securities, in many cases across national bor-

*The consequences of extreme forms of risk appetite*

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1 See Deutsche Bundesbank, Report on the stability of the German financial system, *Monthly Report*, October 2004, pp 5-84 for more details.

2 This is the result of a comparative study by M Bordo and B Eichengreen (1999), *Is our current international economic environment unusually crisis prone?*, in: D Gruen and L Gower, *Capital flows and the international financial system*, Reserve Bank of Australia, Sydney.

3 For instance, the importance of non-fundamental factors is shown based on the example of exchange rate developments in P De Grauwe (2000), *Exchange rates in search of fundamentals: The case of the euro-dollar rate*, *International Finance*, pp 329-356.

4 Risk aversion is seen as a relatively time-invariable degree of aversion towards uncertainty regarding future consumption possibilities. Rather than describing risk perception within a specific financial market environment, it reflects the underlying attitude to all types of (financial) risk. By contrast, risk appetite can also be subject to sharp short-term fluctuations. See also P Gai and N Vause (2004), *Risk appetite: concept and measurement*, *Financial Stability Review*, Bank of England, London, pp 127-136.

ders owing to the international portfolio connection.<sup>5</sup>

Mostly, however, it is not a below-average but an above-average or rising degree of risk appetite that is seen as a threat to financial stability. In this case the market price of risk falls and investors demand a smaller risk premium compared with typical reference situations. This gives rise to an increased demand for risky securities and a decreasing demand for relatively secure ones.<sup>6</sup> Hence investments can appear to pay off that in normal situations do not represent an efficient return-risk combination. A high risk appetite can therefore result in risky or unprofitable projects being carried out which would be unprofitable in the case of risk propensity in line with the long-term average. As the process of mean reversion in the long term causes risk appetite to decline again, the risk of instability cannot be ruled out in such situations. The financing conditions then deteriorate, so that some of the projects implemented are perceived as potentially loss-making, thus prompting some of the capital-providers to withdraw. As a result, this could potentially give rise to an inefficient termination of the project. The strength of the decline in risk appetite and the time frame in which it takes place are the primary factors determining the risk potential.

A change in risk appetite is reflected in the risk premiums of risky assets. A look at the change in the yield spread of risky corporate bonds over low-risk government bonds shows significant changes over time (see chart on page 88).

However, the fluctuations in the yield spread cannot be simply taken to point to an equivalent variance in risk appetite as the cause even if we assume that risk aversion remains constant.<sup>7</sup> The reason can also lie in a credit risk or liquidity risk that changes over time. If corporate bonds become more risky in relation to government bonds, the yield spread will increase. The fact that the yield spreads of the different rating classes move in the same direction can also not be interpreted as a clear sign of changes in risk appetite. Joint price movements of assets with varying degrees of risk may also result from a risk change simultaneously affecting all assets under consideration. It is also conceivable, however, that they might be brought about not by a shift in the absolute risk position but in the relative risk position compared to other assets.

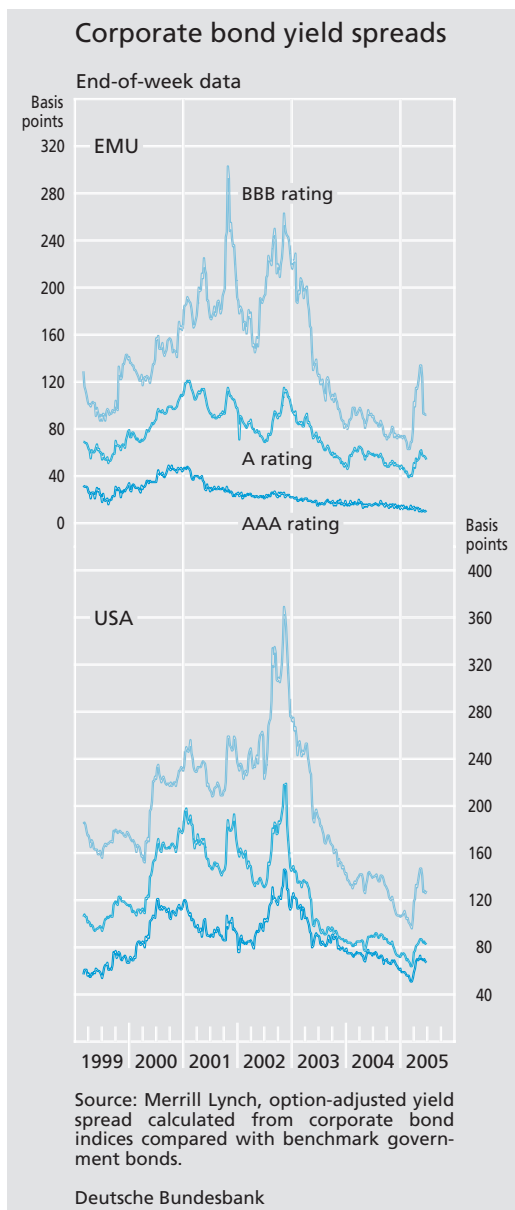
Nevertheless it can mostly be assumed that a change in the general risk appetite of market participants contributes to a similar extent to the fluctuation of the risk premium as the actual risk connected with the bonds in ques-

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<sup>5</sup> This is illustrated empirically in N Tarashev, K Tsatsaronis and D Karampatos, *Investors' attitude towards risk: what can we learn from options?*, BIS Quarterly Review, June 2003, pp 57-65.

<sup>6</sup> This basic conclusion is compatible with the Capital Asset Pricing Model (CAPM) as long as the risk-free interest rate at which all investors can borrow or invest an unlimited amount of money is no longer assumed to exist. For details see MS Kumar and A Persaud (2002), *Pure contagion and investors' shifting risk appetite: analytical issues and empirical evidence*, International Finance, pp 409-410.

<sup>7</sup> The risk associated with a bond should be reflected in its rating. If a bond remains in the same rating class, however, this does not imply per se that the risk has remained unchanged. For details, see, for instance, EI Altmann and HA Rijken (2005), *The impact of the rating agencies' through-the-cycle methodology on rating dynamics*, Economic Notes, Vol 34, No 2, pp 127-154.



tion. Hence the risk premium is determined by two factors. While it is negatively correlated to risk appetite, it has a positive correlation to the actual risk. Looking at the yield spread alone therefore does not enable any conclusions to be drawn regarding the extent of or change in risk appetite.

## The factors determining fluctuations in risk appetite

Various reasons are assumed for the sometimes sharp and protracted deviations of risk appetite from their (unknown) equilibrium. Empirical analyses show that there is a long-term positive correlation between risk appetite and economic performance.<sup>8</sup> Investors are more prepared to bear additional risk when financial markets are booming, while tense market phases often give rise to a rapid decline in risk appetite.

One reason for this behaviour by market participants is seen to lie in the fundamental limitation of human cognitive abilities, thus leading to bounded rational behaviour.<sup>9</sup> According to the theory of bounded rationality, human beings only have a limited ability to fully absorb information, process it quickly and store it for a sufficiently long period of time. Cognitive restrictions force the economic agent to use simplified rules of conduct that do not correspond with the behaviour of the customary theoretical construct of *homo oeconomicus*. However, the use of simplified heuristics in some cases leads to systematic wrong valuations and hence to deviations of risk appetite from the equilibrium path.

*Human behavioural patterns as the cause of typical fluctuations in risk appetite*

So-called availability and representativeness heuristics deserve particular mention in this

*The influence of availability and representativeness heuristics*

<sup>8</sup> For details see also BIS (2005), 75th Annual Report, pp 108.

<sup>9</sup> The concept of bounded rationality was introduced by Herbert Simon to replace the idea of utility maximisation with a more realistic view of economic behaviour. See H Simon (1957), *Models of man*, New York.



context.<sup>10</sup> The former refers to the fact that the probability of an event is rated higher the more firmly it is cognitively embedded in our consciousness. This means that in prospering markets there is a lower awareness of the risk of a downturn, while the probability of a continuation of the upturn is overestimated. This leads to a self-reinforcing process as the upswing (downturn) entails a rise (fall) in risk appetite and vice versa. The interactive enhancement continues until it is interrupted by one or more unexpected events which rekindle awareness of the existing risks and lead to a decline in risk appetite.

Representativeness heuristics exacerbate these processes by making the assessment of probabilities depend on how similar the different assets appear in the observer's eye. In this way a large number of assets can be affected by a change in risk appetite although the unexpected event was originally only relevant for a small number of them.<sup>11</sup>

In addition to the bounded rationality of market participants, there is another conceivable reason at a non-individual level for shifts in risk appetite. If the participant structure in market events changes, the risk appetite in the market generally also changes. In connection with the availability heuristics described above, a change in the composition of the investor group can therefore also trigger self-reinforcing processes.

It can be concluded from the relationship between risk appetite and fundamental factors which is explained by the concept of bounded rationality that strong deviations

from the long-term average are to be expected in the run-up to a pronounced change in the direction of risk appetite. Such changes of direction can pose a threat to financial stability as they are often followed by fundamentally non-justified price developments. An extremely high risk appetite can therefore pave the way for the emergence of financial crises. On the other hand, human behavioural patterns characterised by availability and representativeness heuristics cause negative surprises to be followed by a decline in the readiness to take risks.

In fact, some empirical investigations have proven that financial crises are often preceded by phases of extremely high risk appetite.<sup>12</sup> The successful development of reliable indicators for measuring risk appetite would enable warning signs of potential financial instabilities to be recognised at an early stage so that the necessary corrective action could be taken.

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10 See N Barberis and R Thaler (2003), *A survey of behavioral finance*, in: GM Constantinides, M Harris and R Stulz (eds), "Handbook of the economics of finance", Amsterdam, pp 1053-1123. De Grauwe adds a further heuristic factor, framing, but this is very similar to the ones mentioned here. See P De Grauwe (2000), pp 344-346.

11 For instance, the impact of risk appetite on the government bond spreads of transition countries increased as a result of the Enron scandal despite the fact that no prima facie connection can be recognised between the bonds issued by Enron and government bonds. For details, see A García-Herrero and Á Ortiz (2005), *The role of global risk aversion in explaining Latin American sovereign spreads*, Working Paper, Banco de España, Madrid.

12 See, for instance, ANR Sy (2001), *Emerging market bond spreads and sovereign credit ratings: reconciling market views with economic fundamentals*, IMF, Working Paper 01/165, pp 9 ff. See also KA Froot and PGJ O'Connell (2003), *The risk tolerance of international investors*, National Bureau of Economic Research, Working Paper 10157, Cambridge. See M Dungey, R Fry, B González-Hermosillo and V Martin (2003), *Characterizing global investors' risk appetite for emerging market debt during financial crises*, IMF, Working Paper 03/251.

## Indicators for the measurement of risk appetite

A number of financial crises occurred in the 1990s, the main examples being the Mexican peso crisis in 1994-95, the Asian economic and currency crisis in 1997, the moratorium on sovereign debt by Russia and the near-insolvency of the hedge fund LTCM in 1998. The financial literature already provided some models for explaining financial crises.<sup>13</sup> Despite this, economists and market participants failed to anticipate these events. Following this experience, efforts to improve the forecasting of financial crises were intensified.<sup>14</sup> In addition to predicting economic fundamentals, indicators for assessing the risk appetite prevailing on the financial markets were also developed. Some indicators relate directly to surveys assessing market participants' views or investor confidence. However, most indicators attempt to derive the risk appetite of investors from the development of market prices in the international financial markets. The main advantage of market prices compared with surveys is that they can be called up cheaply, are published more frequently and provide an up-to-date reflection of current developments. Furthermore, market prices reflect the actual views of market participants which were implemented in trading decisions. There are many different approaches to assessing the risk appetite of investors by means of market prices. Some of these indicators are presented below as examples.<sup>15</sup>

The Bank for International Settlements (BIS) calculates an indicator by comparing the stat-

istical likelihood of and subjective probability that market participants ascribe to future asset returns.<sup>16</sup> This concept is based on modern financial market theory, which states that asset prices reflect preferences regarding future returns and an assessment of the likelihood that these returns will be achieved. A further assumption is that the future benefits of capital gains for investors are the higher the smaller their wealth. This correlation gives rise to a preference-weighted probability above the statistical probability for low returns. The statistical probability of future returns is estimated using historic patterns in spot prices. The assessments of market participants are derived from the prices of stock options. The preference-weighted subjective probability of investors regarding future returns of the underlying of the option contracts can be estimated from a set of option prices with different strike prices. The higher the risks of losses assigned by investors to the underlying lie above the statistical probability of sharp losses, the lower the willingness of market participants to take on risks.

An indicator developed by Credit Suisse First Boston (CSFB) in 2001 draws on the correlation between risk appetite and the relative

*An index of the BIS based on option prices*

*The CSFB index is geared to the correlation between return and risk*

<sup>13</sup> See also B Eichengreen (1999), *Towards a new international financial architecture: A practical post-Asia agenda*, Institute for International Economics, Washington DC. This discusses three generations of models of the momentum of currency and financial crises.

<sup>14</sup> See M Goldstein, G Kaminsky and CM Reinhart (2000), *Assessing financial vulnerability: an early warning system for emerging markets*, Institute for International Economics, Washington DC.

<sup>15</sup> A good overview of indicators for measuring risk appetite is provided in M Illing and A Meyer, *A brief survey of risk-appetite indexes*, in: *Financial System Review*, Bank of Canada, June 2005, pp 37-43.

<sup>16</sup> See N Tarashev, K Tsatsaronis and D Karampatos (2003).

performance of riskier and less risky assets.<sup>17</sup> This approach is based on the assumption that an increasing risk preference shifts the demand from less risky investments to assets associated with higher risks, thus pushing their prices up relative to low-risk assets. In the event of lower risk appetite, however, there is a preference for risk-free assets whose prices increase as a result of the higher demand. This approach is methodologically implemented by relating the returns of 64 international stock and bond indices to their risk which is approximated by historic volatility. The value of the CSFB index is the slope of the regression line measuring the correlation between the current performance of shares and bonds in relation to their risk.

*Other indicators  
based on  
market prices*

Other examples of the broad variety of risk indicators are the indices of Goldman Sachs and JP Morgan. The indicator calculated by Goldman Sachs draws on a consumption-based Capital Asset Pricing Model for assessing the risk appetite of investors.<sup>18</sup> The Liquidity, Credit and Volatility Index (LCVI) of JP Morgan comprises seven sub-indices capturing credit risks, liquidity risks and volatility in different financial markets. The LCVI is calculated as the arithmetic average of the normalised sub-indices, thus smoothing out their fluctuations.<sup>19</sup> Furthermore, an aggregation of several individual indicators can also be used to identify risk appetite as a common factor of the individual indicators by means of a principal component analysis. This approach was selected by the Bundesbank in a previous report, for instance.<sup>20</sup>

The indicators can be used to assess the development of investors' risk appetite over time. The higher the indicator, the higher the risk appetite. However, the level of risk appetite can only be interpreted in relation to its historic development. Whether the willingness of market participants to take risks is relatively high or low can be assessed in comparison to the long-term average and the peaks and troughs reached by the indicators to date.

*How should the  
indicators be  
interpreted?*

The development of the indicators shows that risk appetite can change rapidly and that it fluctuates, at times in cyclical movements, around a long-term mean. A sudden drop in risk appetite can, for instance, be triggered

*Impact of  
financial crises*

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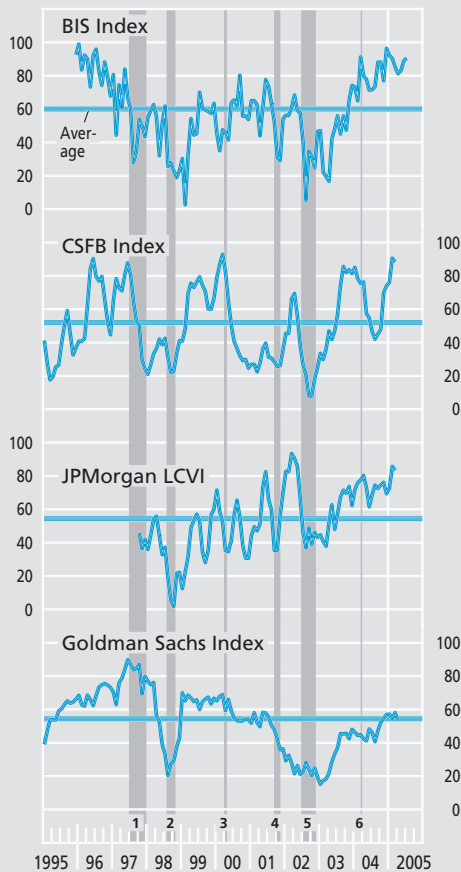
<sup>17</sup> See J Wilmot, P Mielczarski and J Sweeney, *Global risk appetite index*, in: Credit Suisse First Boston, Global Strategy Research: Market Focus, February 2004.

<sup>18</sup> See Goldman Sachs, *Risk aversion*, in: The Foreign Exchange Market, October 2003, pp 28-31. A fundamental assumption of this model is that individuals aim to smooth out their consumption over time. Hence capital investments that are profitable in times of high consumption offer them relatively little marginal utility. The relatively large difference in returns between shares and bonds is therefore said to be due to the risk aversion of market participants aiming for stable returns to keep consumption as constant as possible. The volatility of this difference in returns, which is higher than that of short-term US Treasuries and consumption, is thus explained by fluctuations in risk appetite over time.

<sup>19</sup> See L Kantor and M Caglayan (2002), *Using equities to trade fx: Introducing the LCVI*, in: JP Morgan Global Foreign Exchange Research, Investment Strategies, No 7. Liquidity risks are approximated by the difference in returns between so-called on-the-run and off-the-run US Treasuries. On-the-run Treasuries are the US Treasuries issued most recently that are normally traded the most intensively and therefore have a higher liquidity than older off-the-run Treasuries. In addition, US swap spreads are also included, as they generally expand during tense market phases. The differences in returns between US corporate bonds and government bonds of emerging countries on the one hand and US Treasuries on the other are used for assessing the credit risks. Volatility is taken into account on the basis of implied volatilities in the foreign exchange markets and in the US equity market.

<sup>20</sup> See Deutsche Bundesbank, Annex to the Report on the stability of the German financial system, *Monthly Report*, October 2004, pp 70 ff.

### Indicators for the measurement of risk appetite



All indices are scaled from 0 to 100 to enhance comparability. Higher values indicate a higher risk appetite. — 1 Asian crisis. — 2 Moratorium on sovereign debt by Russia and LTCM crisis. — 3 Burst of the dotcom bubble. — 4 Terror attacks on 11 September. — 5 Accounting scandals (Worldcom etc). — 6 Terror attacks in Madrid.

Deutsche Bundesbank

by financial crises that rekindle market participants' awareness of specific risks and thus significantly impact the risk perception of investors. Examples of this are the Asian financial and economic crisis in the second half of 1997, the events surrounding the moratorium on sovereign debt by Russia and the financial problems faced by the hedge fund LTCM in autumn 1998, and the burst of the technology and internet bubble in early

2000. On the other hand, an increase in risk appetite can also develop over a prolonged period, such as in 2003 after the end of the slump in the stock market.

A comparison of the indicators shows that they have undergone phases with similar movements over the past ten years. Periods showing varying developments are likely to be caused primarily by the different approaches to measuring risk appetite. For instance, the indicators of the BIS and Goldman Sachs are based on theoretic models while the LCVI is derived from a simple aggregation of observable individual indicators. Furthermore, the varying coverage of financial markets could also have an impact. While the BIS indicator relates exclusively to equity markets, the CSFB and Goldman Sachs indicators are based on bond and equity markets. Moreover, the LCVI also takes the foreign exchange markets into account. However, this last argument is put into perspective by the fact that integrated financial markets are influenced by investors with similar perceptions and that a change in the risk appetite of investors with diversified portfolios will probably have an impact across the financial markets.

When interpreting the indicators based on market prices it should be borne in mind that these are affected exclusively by market participants. Hence a varying composition of market participants over time could also give rise to variations in the indicators over time. For instance, an increased – often only temporary – activity of hedge funds, which are generally prepared to take on more risk than,

*Informative value of the indicators*

for example, pension funds or insurance companies, could also boost the measured risk appetite. Moreover, non-linear relationships between the development of market prices and risk appetite are also conceivable. Hence the indicators should not be considered as an accurate quantitative measure of risk appetite but rather as a qualitative assessment. Moreover, identifying risk appetite is dependent on the extent to which a separate allocation of the effects of risk appetite and risk on asset prices is possible. In this connection, risk means the risk of a negative deviation from the expected returns.

#### **New indicators for the measurement of risk appetite**

*New indicators for the measurement of risk appetite*

The indicators outlined below explicitly separate the impact of risk and risk appetite on the development of asset prices. These new indicators are based on the approach of the CSFB index, which derives risk appetite from the relative development of stocks and bonds of varying risk. The current performance of stocks and bonds is related to their volatility, which depicts the underlying investment risk. In addition, the impact of a change in the credit risks of bonds is also assessed on the basis of credit ratings. However, ratings often react with a time-lag to changes in credit risks. The stable and in part even slightly positive development of the ratings of emerging Asian countries in the years preceding the Asian crisis illustrate this phenomenon. They were only adjusted to the decline in the economic environment at the end of 1997. More recent studies have also shown that market

prices react significantly faster to new information regarding the credit risks of bonds and that upgrades and downgrades of ratings are reflected in the risk premiums of bonds several weeks beforehand.<sup>21</sup>

Although the ratings of agencies generally indicate drops in creditworthiness with a time-lag (the agencies point out above all that they only intend to depict sustained changes in solvency rather than temporary ones such as those spanning an economic cycle), their mostly ex post actions reflect a market consensus in assessment already established beforehand. They therefore do not have a forecasting character but a confirmatory one. This is the reason why we bring them forward by up to two months when including them in our estimates.

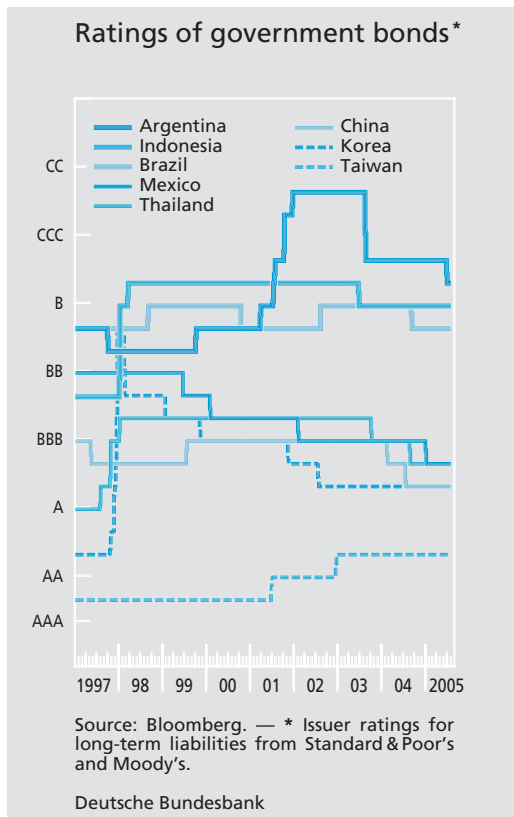
The approach presented calculates two new indicators, of which the first (Index 1) is based on 33 international corporate bonds indices and government bonds and the second (Index 2) additionally comprises a further ten stock indices. Whenever the new indicators approached values of two standard deviations above or below the mean, a trend reversal could often be observed. Reaching or exceeding these thresholds represents extreme values of investors' risk appetite by historical standards.

Index 2, which also comprises the equity markets, reaches very high values at the start of the Asian crisis in July 1997 and at the peak

*Development of alternative indicators*

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<sup>21</sup> See: Deutsche Bundesbank, Credit Default Swaps – functions, importance and information content, *Monthly Report*, December 2004, pp 43 ff.



of the bull market in February/March 2000. By contrast, the first indicator suggests that risk appetite in the bond markets during these months was at around the level of its long-term average.<sup>22</sup> As a result of the Asian crisis and the burst of the technology and internet bubble, both indicators decline sharply albeit that risk appetite in the equity markets fell to a larger extent, starting from a very high level, than in the bond markets.

In autumn 1998, the looming insolvency of the hedge fund LTCM initially boosted the decline in the risk appetite of market participants, which was already decreasing due to the moratorium on sovereign debt by Russia. The efforts of the US Federal Reserve to mitigate the crisis by coordinating financial aid and cutting interest rates several times helped

to instill market participants with renewed confidence. In an environment of improving market sentiment and rising prices, investors' risk appetite also rebounded rapidly.<sup>23</sup>

After risk appetite had picked up again in the two years following the burst of the technology bubble, a decline in the second indicator in mid-2002 coincided with stressed financial markets owing to the insolvency of Worldcom. The BIS and CSFB indicators also point towards a sharp drop in risk appetite at this time. By contrast, Index 1, which is based exclusively on the bond markets, performed relatively stably at this time and as early as autumn 2002 posted a sustained increase which in early 2003 resulted in a peak within the observation period. This development is primarily due to the fact that a global trend towards decreasing interest rates and bond spreads was already established at the end of 2002. From the end of 2002 the other indicators mentioned in this article also went up again significantly. This development in particular reflects the global recovery in the equity markets, although this would seem to be only partially attributable to an increase in risk appetite among investors. Instead, the upswing in the equity and bond markets was also driven by expectations of rising corporate profits.

The terror attacks in Madrid on 11 March 2004 and the financial problems of some

<sup>22</sup> Risk appetite was higher in the equity markets than in the bond markets at the start of 2000 in particular on account of the prevailing euphoria in the equity markets boosted by expectations of a continuing bull market.

<sup>23</sup> MS Kumar and A Persaud (2002) also come to this conclusion.



## New indicators for the measurement of risk appetite

The new indicators for the measurement of risk appetite are based on government bonds, corporate bond indices and stock indices across the world. The approach is based on the assumption that the level and development of the risk premiums is fundamentally determined by the underlying risk and the risk appetite of investors. An increase in investors' risk appetite *ceteris paribus* shifts demand in favour of riskier assets and their price rises relative to less risky assets. Conversely, decreasing risk appetite increases the demand for assets associated with low risks and triggers a price increase relative to riskier investments.

In order to implement this approach the current performance of stocks and bonds is regressed on their risk which is measured on the basis of the annualised volatility of the past twelve months. Furthermore, the effect of a change in the issuer's credit rating on bond prices is taken into account separately in the estimates by using a variable incorporating information on rating upgrades and downgrades.

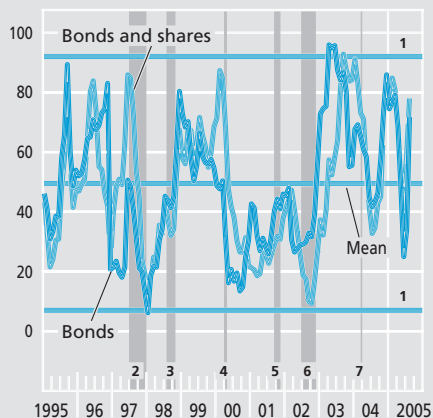
Two indicators are estimated, the first of which is based on 16 government bonds and 17 corporate bond indices and the second of which also includes another ten international stock indices. For the

period from January 1995 to mid-August 2005 the two indicators are estimated for each day using the following regression:

$$ER_i = \beta_0 + \beta_1 volatility_i + \beta_2 \Delta rating_i + \epsilon_i$$

where  $ER_i$  refers to the difference between the current six-month return of bond or stock  $i$  and short-term US Treasuries. The *volatility* variable stands for the historic volatility of the excess returns of the past 360 days.  $\Delta rating$  comprises the numerically scaled change in the issuer rating in the period from 60 days before to 30 days after a rating change. To this end the ratings have initially been ranked in increasing numerical order (from 1 for AAA to 21 for C). If in the next 60 days a rating upgrade or downgrade takes place or if this took place in the last 30 days,  $\Delta rating$  is negative (positive) and otherwise equivalent to 0. The constant  $\beta_0$  in the regression illustrates an overall market trend in bond prices on this day. The indicators for measuring risk appetite are derived from the coefficient  $\beta_1$  which measures the correlation between performance (excess return) and volatility. A positive (negative) coefficient indicates a relatively high (low) risk appetite. To facilitate the comparability with the indicators presented thus far,  $\beta_1$  has been transformed into a scale of 0 to 100 in the chart on page 96.

### New indicators for the measurement of risk appetite



Source: Thomson Financial and own calculations. Indices are scaled from 0 to 100 to enhance comparability. Higher values indicate a higher risk appetite. — 1 Interval thresholds  $\pm 2$  standard deviations from mean. — 2 Asian crisis. — 3 Moratorium on sovereign debt by Russia and LTCM crisis. — 4 Burst of the dotcom bubble. — 5 Terror attacks on 11 September. — 6 Accounting scandals (Worldcom etc). — 7 Terror attacks in Madrid.

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companies in the US automobile industry in early 2005 affected investors' risk appetite only temporarily. At present the two new indicators point to an increase in risk appetite until the start of August 2005.

### Interaction between risk appetite and financial market developments

*Interdependencies between risk appetite, returns...*

The financial markets in the USA and Europe have been dominated by decreasing interest rates and sharply declining risk premiums on bonds and stocks over the last two years, which have been reflected by rising bond and equity prices. As well as improved corporate profitability and declining default rates, investors' search for higher-yielding assets at a time of historically low interest rates will also

have contributed to the decline in risk premiums. By contrast, the high demand for low-risk government bonds seems not to represent a "flight to security" but could rather be due to other factors, such as purchases of Asian countries resulting from the large balance of payments surpluses in these countries or an expansionary monetary policy in connection with low inflation rates. The increased demand of insurance companies and pension funds for debt securities with longer maturities may also have played a role.

There is a long tradition in the finance literature of analysing the relationship between performance and volatility in the equity markets. A common explanation for the negative correlation between equity prices and their volatility is that the capital ratio decreases with declining equity prices, thereby causing the risk and volatility of the stock to increase.<sup>24</sup> The correlations calculated for the period from 1995 to 2005 between the different risk indicators and the development of equity prices and volatilities in the US financial markets show that the degree of investors' risk appetite also changes along with financial market dynamics. Whereas the interdependencies between the indicators vary, all indicators display a negative correlation with the VIX volatility index and – with the exception of Index 1 which refers solely to the bond markets – a positive correlation with the S&P 500.

*... and volatility*

<sup>24</sup> See F Black (1976), *Studies of stock price volatility changes*, Proceedings of the 1976 Meetings of the American Statistical Association, Business and Economic Statistics Section, pp 177-181.



Correlations (1995 to 2005) \*

Index	BIS	CSFB	LCVI	GS	Index 1	Index 2	S&P 500	VIX
BIS	1.00	0.39	0.66	0.27	-0.02	0.24	0.41	-0.77
CSFB	0.39	1.00	0.46	0.31	0.49	0.92	0.46	-0.58
LCVI	0.66	0.46	1.00	-0.07	0.13	0.30	0.16	-0.72
GS	0.27	0.31	-0.07	1.00	-0.21	0.21	0.52	-0.23
Index 1 <sup>1</sup>	-0.02	0.49	0.13	-0.21	1.00	0.71	-0.09	-0.25
Index 2 <sup>2</sup>	0.24	0.92	0.30	0.21	0.71	1.00	0.34	-0.48
S&P 500	0.41	0.46	0.16	0.52	-0.09	0.34	1.00	-0.37
VIX <sup>3</sup>	-0.77	-0.58	-0.72	-0.23	-0.25	-0.48	-0.37	1.00

\* Correlations based on monthly data. — **1** The new index 1 refers to risk appetite on the international bond markets. — **2** The new index 2 covers both bond and

equity markets. — **3** The Chicago Board of Options Market Volatility Index (VIX) uses option prices to depict the implicit volatility of the S&P 500.

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*Risk appetite  
and financial  
stability*

In the light of the interdependence between risk appetite, volatility and financial stability, measuring and interpreting a varying risk appetite is gaining importance. The indicators presented show that a self-reinforcing effect of declining prices for risky assets and decreasing risk appetite may occur. Such dy-

namics can be triggered by a crisis event. A trend reversal in risk appetite has often been observed after reaching historically high or low values. These findings might be helpful in assessing the future development of risk appetite.



## Statistical Section

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## Abbreviations and symbols

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- 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		
2004 Feb	10.7	6.8	6.2	6.3	5.7	5.7	6.2	2.03	2.07	4.2
Mar	11.3	6.7	6.2	5.9	5.9	5.8	7.0	2.01	2.03	4.0
Apr	10.9	6.2	5.4	5.5	5.9	5.9	7.5	2.08	2.05	4.2
May	9.4	5.5	4.9	5.2	6.0	6.0	7.6	2.02	2.09	4.4
June	9.5	5.6	5.3	5.2	6.4	6.2	7.6	2.03	2.11	4.4
July	10.0	5.9	5.5	5.5	6.3	6.3	7.5	2.07	2.12	4.3
Aug	9.2	5.7	5.6	5.7	6.1	6.0	7.5	2.04	2.11	4.1
Sep	9.7	6.2	6.0	5.8	6.1	6.3	7.9	2.05	2.12	4.1
Oct	8.9	6.3	5.8	6.0	6.1	6.6	7.8	2.11	2.15	4.0
Nov	9.7	6.6	6.1	6.2	6.0	6.8	7.8	2.09	2.17	3.9
Dec	9.0	6.7	6.6	6.5	6.1	7.1	8.3	2.05	2.17	3.7
2005 Jan	9.6	7.1	6.8	6.7	6.5	7.3	8.0	2.08	2.15	3.6
Feb	10.2	7.3	6.6	6.6	6.6	7.4	8.7	2.06	2.14	3.6
Mar	9.3	7.1	6.5	6.6	6.3	7.4	8.7	2.06	2.14	3.7
Apr	9.2	7.4	6.8	6.9	6.7	7.7	8.4	2.08	2.14	3.5
May	10.1	7.6	7.3	7.2	6.5	7.8	8.4	2.07	2.13	3.4
June	10.9	8.1	7.6	7.6	6.6	8.1	9.7	2.06	2.11	3.2
July	11.1	8.3	7.9	7.9	6.8	8.3	9.3	2.07	2.12	3.3
Aug	11.5	8.5	8.1	...	6.9	8.5	9.2	2.06	2.13	3.3
Sep	...	...	...	...	...	...	...	2.09	2.14	3.1

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.

## 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								
2004 Feb	+	6,037	+	9,504	+	22,375	+	8,896	+	17,095	-	12,212	+	8,596	1.2646	105.3	107.3
Mar	+	7,949	+	13,437	-	3,488	-	22,382	+	1,253	+	13,895	+	3,746	1.2262	103.4	105.4
Apr	-	1,790	+	9,702	-	15,587	-	2,003	-	8,496	-	2,441	-	2,647	1.1985	101.6	103.6
May	+	506	+	10,198	+	15,739	+	41	+	811	+	14,204	+	684	1.2007	102.4	104.4
June	+	4,658	+	11,479	+	11,118	-	10,140	+	33,431	-	11,349	-	824	1.2138	102.3	104.2
July	+	8,270	+	13,520	-	17,621	-	7,245	-	40,038	+	29,427	+	236	1.2266	102.8	104.8
Aug	+	3,284	+	5,162	+	6,300	+	5,067	-	1,612	-	909	+	3,754	1.2176	102.7	104.8
Sep	-	143	+	4,867	+	14,436	+	3,318	+	47,797	-	36,168	-	512	1.2218	103.0	105.1
Oct	+	3,413	+	8,441	-	30,391	-	13,434	-	5,512	-	12,373	+	928	1.2490	104.2	106.3
Nov	+	4,724	+	4,469	+	28,373	-	5,801	-	8,604	+	42,832	-	54	1.2991	105.6	107.6
Dec	+	7,646	+	7,161	-	23,370	-	24,880	+	36,623	-	36,603	+	1,489	1.3408	107.1	109.3
2005 Jan	-	6,556	+	752	+	24,433	-	9,257	-	19,187	+	54,454	-	1,577	1.3119	105.8	108.0
Feb	+	4,428	+	5,895	+	28,581	+	230	+	22,038	+	1,401	+	4,912	1.3014	105.1	107.2
Mar	+	2,893	+	7,895	-	18,601	-	15,111	-	7,656	+	2,654	+	1,512	1.3201	106.0	108.2
Apr	-	10,078	+	4,249	-	17,813	-	4,846	-	11,603	-	601	-	762	1.2938	105.1	107.2
May	-	2,989	+	6,892	+	36,267	+	3,281	+	23,065	+	7,307	+	2,613	1.2694	104.0	106.2
June	-	493	+	8,623	+	16,456	-	9,893	+	107,640	-	82,150	+	859	1.2165	101.2	103.5
July	+	178	+	9,134	-	2,857	-	80,128	+	74,158	+	770	+	2,343	1.2037	101.7	103.8
Aug	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1.2292	102.3	104.5
Sep	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1.2256	101.8	104.0

\* 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
<b>Real gross domestic product <sup>1</sup></b>													
2002	0.9	0.1	2.2	1.2	3.8	6.1	0.4	2.5	0.1	1.0	0.4	2.7	0.9
2003	1.3	- 0.2	2.4	0.8	4.6	3.7	0.3	2.9	- 0.1	1.4	- 1.1	2.9	0.7
2004	2.9	1.6	3.6	2.3	4.7	4.9	1.2	4.5	1.7	2.4	1.0	3.1	2.1
2004 Q1	3.6	2.0	3.4	2.3	4.8	6.4	0.6	6.1	1.2	0.9	1.1	2.8	1.6
Q2	2.9	2.1	3.6	3.6	4.6	5.2	1.9	4.7	1.4	2.5	2.0	3.1	2.1
Q3	2.7	1.2	3.6	1.5	4.5	5.2	1.3	3.8	2.0	3.1	1.1	3.4	1.9
Q4	2.4	1.3	3.9	1.9	4.8	2.8	1.1	3.6	2.3	3.3	0.6	3.1	1.6
2005 Q1	1.2	- 0.3	1.7	1.5	3.5	...	- 0.3	3.1	- 0.5	2.0	0.1	3.1	1.3
Q2	1.2	1.5	0.2	1.9	3.7	...	0.0	...	1.3	2.1	0.5	...	1.1
<b>Industrial production <sup>1,2</sup></b>													
2002	1.3	- 1.0	2.2	- 1.4	0.8	7.2	- 1.6	2.1	- 0.3	0.8	- 0.5	0.2	- 0.5
2003	0.8	0.4	1.2	- 0.4	0.3	4.7	- 0.6	4.8	- 2.4	2.0	0.1	1.4	0.3
2004	3.2	3.0	4.2	1.8	1.2	0.3	- 0.7	6.9	2.6	5.9	- 2.7	1.6	2.0
2004 Q1	1.8	1.6	0.7	0.4	2.2	4.3	- 0.4	6.7	1.5	2.1	- 1.4	1.4	1.0
Q2	2.0	4.0	3.7	3.2	2.3	3.2	1.0	9.1	3.4	5.8	- 1.0	2.4	3.0
Q3	5.5	4.7	6.1	1.9	0.9	0.1	- 1.0	7.0	3.2	7.4	- 3.3	2.2	2.8
Q4	3.6	2.0	6.1	1.8	- 0.7	- 5.8	- 2.2	5.1	2.6	8.2	- 5.0	0.4	1.1
2005 Q1	- 1.2	<sup>6p</sup> 3.4	0.1	0.8	- 1.8	- 2.9	- 2.8	5.0	- 1.5	5.1	- 2.1	0.3	0.7
Q2	0.0	<sup>7p</sup> 2.6	- 6.8	0.0	- 2.6	- 2.0	- 1.1	4.7	0.3	5.6	- 0.3	0.1	0.6
<b>Capacity utilisation in industry <sup>3</sup></b>													
2002	79.6	82.3	82.7	85.3	77.0	75.9	76.3	85.1	82.9	80.2	79.4	77.2	81.2
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	81.0
2004	80.4	83.2	84.5	84.1	75.6	75.6	76.4	85.6	82.7	81.3	80.4	79.0	81.5
2004 Q2	79.6	82.6	83.4	83.2	74.6	77.7	75.8	85.6	82.8	80.4	79.3	79.7	81.0
Q3	81.5	83.4	84.7	84.3	76.3	75.3	76.9	87.4	83.1	82.3	81.4	79.8	82.0
Q4	80.9	83.9	86.9	84.6	74.1	75.0	76.7	86.0	82.7	82.4	80.2	79.3	82.1
2005 Q1	80.9	83.9	85.5	84.0	71.9	72.2	76.4	84.9	82.3	82.2	81.6	80.1	81.9
Q2	79.4	81.9	87.5	84.6	72.4	69.7	76.4	83.2	82.0	81.8	79.2	80.1	81.1
Q3	78.2	82.7	82.4	84.1	71.9	78.2	75.9	79.8	81.7	81.3	79.9	80.6	81.2
<b>Unemployment rate <sup>4</sup></b>													
2002	7.3	7.7	9.1	8.9	10.3	4.3	8.6	2.8	2.8	4.2	5.0	11.5	8.3
2003	8.0	8.8	9.0	9.5	9.7	4.6	8.4	3.7	3.7	4.3	6.3	11.5	8.7
2004	7.9	<sup>8</sup> 9.2	8.8	9.7	10.5	4.5	8.0	4.8	4.6	4.8	6.7	11.0	8.9
2005 Mar	8.3	9.5	8.5	9.8	...	4.3	7.8	5.0	4.9	5.0	7.3	10.0	8.8
Apr	8.3	9.5	8.4	9.8	...	4.3	7.7	5.2	4.8	5.0	7.3	9.7	8.8
May	8.4	9.2	8.3	9.8	...	4.2	7.7	5.4	4.8	5.1	7.3	9.6	8.7
June	8.5	9.2	8.3	9.7	...	4.3	7.7	5.4	4.8	5.1	7.2	9.5	8.6
July	8.4	9.0	8.2	9.7	...	4.3	...	5.5	4.8	5.2	7.2	9.4	8.5
Aug	8.4	9.3	8.2	9.6	...	4.3	...	5.5	...	5.2	7.2	9.4	8.6
Sep	8.4	...	...	...	...	4.3	...	...	...	5.2	...	9.3	...
<b>Harmonised Index of Consumer Prices <sup>1</sup></b>													
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	1.9	1.8	0.1	2.3	3.0	2.3	2.3	3.2	1.4	2.0	2.5	3.1	2.1
2005 Mar	2.8	1.7	0.9	2.1	2.9	1.9	2.1	3.5	1.5	2.4	2.3	3.4	2.1
Apr	2.4	1.4	1.1	2.0	3.3	2.2	2.2	3.7	1.3	2.3	2.0	3.5	2.1
May	2.3	1.6	0.6	1.7	3.2	2.2	2.3	3.7	1.1	2.0	1.8	3.0	2.0
June	2.7	1.8	1.0	1.8	3.2	1.9	2.2	3.2	1.5	2.0	0.6	3.2	2.1
July	2.7	1.9	0.9	1.8	3.9	2.2	2.2	4.0	1.5	2.1	1.9	3.3	2.2
Aug	2.9	1.9	1.0	2.0	3.6	2.1	2.2	4.3	1.6	1.9	2.5	3.3	2.2
Sep	3.0	2.6	1.1	2.4	3.8	2.8	2.2	4.7	<sup>p</sup> 1.7	<sup>p</sup> 2.6	2.7	3.8	<sup>p</sup> 2.6
<b>General government financial balance <sup>5</sup></b>													
2002	0.0	- 3.8	4.3	- 3.2	- 4.9	- 0.4	- 2.7	2.1	- 2.0	- 0.4	- 2.8	- 0.3	- 2.5
2003	0.1	- 4.1	2.5	- 4.2	- 5.7	0.2	- 3.2	0.2	- 3.2	- 1.2	- 2.9	0.0	- 3.0
2004	0.0	- 3.7	2.1	- 3.6	- 6.6	1.4	- 3.2	- 0.6	- 2.1	- 1.0	- 3.0	- 0.1	- 2.7
<b>General government debt <sup>5</sup></b>													
2002	105.4	61.2	42.3	58.8	111.6	32.4	108.3	6.8	51.3	66.7	56.1	53.2	68.7
2003	100.0	64.8	45.2	63.2	108.8	31.5	106.8	6.7	52.6	65.1	57.7	49.4	70.1
2004	95.7	66.4	45.1	65.1	109.3	29.8	106.5	6.6	53.1	64.3	59.4	46.9	70.5

Sources: National data, European Commission, Eurostat, European Central Bank. Latest data are partly based on press reports and are provisional. — <sup>1</sup> Annual percentage change; GDP of Greece, Portugal and the Euro-area calculated from seasonally adjusted data. — <sup>2</sup> Manufacturing, mining and energy; adjusted for working-day variations. — <sup>3</sup> Manufacturing, in %; seasonally adjusted; data are collected in January, April, July and October. — <sup>4</sup> Standardised, as a percentage of the civilian labour force; seasonally adjusted. — <sup>5</sup> As a percentage of GDP; Maastricht Treaty definition; excluding Financial Intermediation Services Indirectly Measured (FISIM);

Euro-area aggregate: European Central Bank, member states: European Commission. — <sup>6</sup> Adjusted in advance by the Federal Statistical Office by way of estimates to the results of the Quarterly Production Survey for the first quarter (industry in Germany: on average - 2.6%). — <sup>7</sup> 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%). — <sup>8</sup> Comparability impaired owing to changeover to new method of collection and calculation.

## 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
		of which Securities	Total	of which Securities	Total								
2004 Jan	45.1	31.2	5.5	13.9	17.2	20.7	109.6	89.0	18.9	1.6	- 1.1	16.5	1.8
Feb	46.2	33.3	7.0	12.9	21.2	9.0	24.6	15.7	16.0	7.6	- 0.3	9.3	- 0.7
Mar	77.6	46.7	16.4	30.9	14.2	6.7	76.8	70.1	45.9	7.1	- 0.2	31.0	7.9
Apr	89.9	85.8	26.8	4.1	11.0	7.1	70.0	62.9	28.3	10.3	- 1.1	16.4	2.7
May	72.1	47.4	3.9	24.6	30.5	- 21.2	- 11.3	10.0	23.8	5.6	- 0.9	16.3	2.8
June	60.3	46.6	- 8.1	13.8	8.5	14.3	- 26.3	- 40.5	22.0	9.9	- 0.4	8.0	4.4
July	28.1	26.4	- 9.0	1.8	- 4.6	- 0.6	- 6.3	- 5.7	28.1	6.8	0.1	14.9	6.4
Aug	- 18.9	- 13.8	- 10.2	- 5.0	- 0.1	30.3	45.7	15.4	18.7	6.7	- 0.0	9.2	2.8
Sep	53.6	57.5	- 2.8	- 4.0	2.9	34.9	22.6	- 12.3	45.2	3.5	- 0.3	31.8	10.2
Oct	56.5	57.3	5.8	- 0.8	- 1.1	20.5	30.9	10.4	25.2	7.3	0.9	15.3	1.8
Nov	89.3	86.4	17.6	3.0	6.9	10.3	106.0	95.6	29.1	15.4	0.8	7.2	5.8
Dec	27.5	70.4	15.6	- 42.9	- 48.4	26.4	- 7.3	- 33.7	40.9	26.1	1.2	9.1	4.6
2005 Jan	96.6	54.7	15.3	41.9	38.2	- 17.4	82.3	99.7	11.9	1.9	- 0.3	10.7	- 0.4
Feb	60.3	37.1	10.2	23.2	32.5	13.6	66.0	52.4	46.3	7.5	0.5	32.6	5.7
Mar	48.2	53.7	6.6	- 5.6	- 4.5	- 22.7	37.1	59.8	46.7	15.3	- 0.1	23.7	7.8
Apr	135.2	118.7	67.9	16.5	11.9	2.1	109.5	107.4	17.2	5.4	- 0.5	15.2	- 2.9
May	53.5	59.8	0.6	- 6.3	- 3.9	- 39.4	- 6.6	32.8	26.0	0.2	- 0.4	21.5	4.7
June	77.0	71.9	- 18.1	5.1	6.5	97.1	17.4	- 79.8	83.1	18.8	- 0.7	32.6	32.2
July	48.2	48.2	- 12.3	- 0.1	- 0.6	6.5	50.5	44.0	11.4	6.6	- 1.0	4.7	1.1
Aug	- 1.4	3.7	- 3.0	- 5.1	- 6.3	- 4.7	- 8.0	- 3.3	19.1	1.5	- 1.0	12.9	5.8

#### (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
		of which Securities	Total	of which Securities	Total								
2004 Jan	- 0.6	- 6.8	1.4	6.2	6.1	20.2	32.1	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	15.0	22.0	7.0	13.0	4.5	- 1.2	6.2	3.4
May	- 10.4	- 10.6	- 8.3	0.1	6.0	11.1	- 4.9	- 16.0	5.0	4.3	- 0.9	4.9	- 3.3
June	- 9.2	- 12.4	- 12.7	3.2	8.5	21.2	- 8.5	- 29.7	7.9	4.0	- 0.3	- 1.8	6.0
July	6.4	- 4.1	- 1.5	10.5	1.5	- 3.3	- 9.4	- 6.1	8.0	1.7	0.1	2.3	3.9
Aug	- 7.4	- 8.1	- 5.4	0.8	5.4	12.1	12.3	0.2	2.8	1.9	- 0.0	5.2	- 4.3
Sep	5.3	10.7	0.6	- 5.3	- 0.8	11.1	35.0	23.9	9.9	1.1	- 0.3	9.9	- 0.7
Oct	11.7	- 0.6	1.5	12.3	7.3	18.7	8.1	- 10.6	3.9	2.7	0.6	- 0.5	1.1
Nov	6.1	11.8	1.1	- 5.7	- 1.8	3.3	41.4	38.1	0.5	2.6	0.8	- 0.9	- 2.0
Dec	- 14.0	- 1.8	9.9	- 12.2	- 8.2	10.3	- 25.6	- 36.0	2.1	3.7	1.1	- 5.2	2.5
2005 Jan	20.9	6.3	6.3	14.6	10.2	- 4.8	26.3	31.1	2.3	0.6	- 0.3	0.7	1.3
Feb	- 2.2	0.6	- 5.1	- 2.8	1.6	1.7	14.0	12.3	4.9	4.1	0.5	4.8	- 4.5
Mar	8.5	- 1.1	6.2	9.6	9.8	- 10.4	4.0	14.3	10.6	2.6	- 0.0	7.8	0.3
Apr	63.2	50.8	45.3	12.4	7.5	15.6	56.3	40.7	11.8	- 2.8	- 0.5	10.8	4.2
May	- 21.7	- 15.0	- 17.7	- 6.6	- 5.7	- 22.7	- 25.5	- 2.9	- 1.8	- 4.0	- 0.5	2.0	0.7
June	- 27.7	- 9.3	- 16.0	- 18.4	- 12.8	49.9	- 6.3	- 56.2	9.1	- 0.4	- 0.6	4.9	5.3
July	3.9	2.9	4.5	1.0	- 3.0	3.6	14.3	10.6	6.8	1.8	- 0.7	2.8	2.9
Aug	2.8	2.7	2.3	0.2	3.4	- 2.5	- 9.2	- 6.6	- 0.1	0.2	- 1.0	- 1.0	1.8

\* 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- Eurosysteem 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 circu- lation	Overnight deposits 5							
18.3	35.7	-	- 7.2	- 28.3	- 24.7	- 8.8	- 15.9	- 21.1	17.5	6.9	9.6	4.7	2004 Jan	
18.9	- 6.4	-	26.6	2.5	1.7	4.4	- 2.7	- 5.9	6.7	14.3	7.5	2.3	Feb	
- 9.2	20.6	-	27.3	33.7	40.7	6.1	34.6	- 12.3	5.2	- 9.1	5.3	- 2.6	Mar	
- 4.7	20.8	-	52.6	33.3	24.4	9.8	14.6	0.6	8.3	- 5.8	8.0	5.4	Apr	
15.5	- 16.4	-	27.7	35.8	18.7	7.3	11.5	11.0	6.0	- 3.6	- 2.1	- 2.4	May	
28.7	- 3.0	-	26.9	30.3	44.2	6.4	37.8	- 26.1	12.2	- 4.3	- 3.7	4.7	June	
- 22.2	- 5.8	-	27.5	19.7	1.4	13.3	- 11.9	10.6	7.6	6.0	3.9	- 2.2	July	
- 8.5	16.3	-	16.1	- 29.7	- 38.7	- 2.8	- 35.9	3.4	5.6	1.3	11.0	1.3	Aug	
11.1	- 1.6	-	34.2	56.6	63.1	4.6	58.5	- 8.6	2.2	- 8.3	- 13.3	- 0.9	Sep	
- 6.7	- 3.7	-	61.5	42.0	10.1	6.4	3.8	27.7	4.1	13.9	7.4	- 1.7	Oct	
- 14.6	45.9	-	39.0	43.8	50.5	4.3	46.2	- 13.5	6.7	- 5.7	- 3.2	4.2	Nov	
- 20.4	- 71.0	-	104.7	109.4	38.7	19.7	19.1	39.1	31.6	5.0	- 8.0	- 1.6	Dec	
18.2	41.0	-	8.4	- 0.3	14.6	- 8.5	23.2	- 27.8	12.8	- 0.2	12.4	- 3.5	2005 Jan	
29.5	- 12.2	-	10.3	4.9	5.0	3.7	1.3	- 5.3	5.2	- 1.7	- 1.9	8.9	Feb	
- 22.7	- 26.1	-	27.8	35.0	26.9	8.2	18.7	4.1	4.0	- 0.1	- 0.7	- 6.5	Mar	
- 6.5	43.6	-	83.5	55.9	31.9	9.3	22.6	16.7	7.3	- 0.7	13.7	14.7	Apr	
- 7.4	- 53.1	-	47.7	35.2	31.2	4.8	26.5	- 1.9	5.9	12.8	7.3	- 7.6	May	
37.3	- 7.4	-	60.8	69.8	77.1	10.7	66.4	- 11.0	3.7	- 0.5	- 14.7	6.2	June	
1.2	- 6.5	-	49.2	35.4	15.2	9.9	5.4	14.6	5.6	- 0.0	13.1	0.6	July	
- 44.4	41.8	-	23.1	- 36.4	- 52.5	- 5.5	- 46.9	11.9	4.1	10.3	3.2	- 0.2	Aug	

(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 Intra- Eurosysteem liability/ claim related to banknote issue 9,11	Total	Components of the money stock							Money market fund shares (net) 7,8	Debt securities with maturities of up to 2 years (incl money market paper)(net) 7		
				Total	Currency in circu- lation	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					
										Total				
0.0	19.7	3.5	- 5.0	- 2.7	8.3	- 14.1	1.3	2.5	- 0.5	- 0.3	0.03	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	13.0	1.9	2.7	0.4	5.8	- 5.0	0.9	- 1.0	0.1	- 0.3	Apr			
1.0	- 10.7	1.0	2.3	5.3	- 2.7	8.7	0.2	- 0.3	0.3	- 1.0	May			
2.4	10.3	0.6	2.3	- 8.6	3.3	- 9.8	- 0.3	- 0.8	- 0.1	- 0.8	June			
- 1.0	- 0.1	1.7	3.6	- 3.8	- 8.5	3.9	0.5	0.6	3.9	- 4.2	July			
2.4	- 2.9	3.0	- 0.8	2.5	1.7	0.7	0.7	- 2.5	1.3	0.7	Aug			
- 3.9	1.5	2.3	1.3	9.0	14.6	- 5.1	0.1	3.9	- 2.3	- 2.1	Sep			
- 2.6	29.4	1.4	1.0	- 0.3	- 3.5	2.3	0.5	3.1	- 1.3	- 1.4	Oct			
- 1.9	- 7.6	0.8	2.1	18.4	29.2	- 9.5	- 0.1	0.8	- 1.9	- 0.2	Nov			
0.1	4.0	0.3	4.8	- 10.0	- 29.5	23.5	9.2	- 7.2	- 3.9	- 2.2	Dec			
1.4	- 4.7	1.1	- 2.0	17.1	23.2	- 15.8	0.9	10.3	- 0.2	- 1.1	2005 Jan			
- 0.8	- 5.6	1.3	1.0	1.0	5.2	- 5.6	0.3	2.2	0.3	- 1.4	Feb			
- 3.3	- 1.7	2.1	2.5	- 7.4	0.4	- 5.5	- 1.0	1.0	1.6	- 3.9	Mar			
0.8	54.2	0.9	2.3	12.0	2.4	6.9	0.1	0.3	0.4	1.8	Apr			
- 1.3	- 50.1	2.4	1.0	9.0	9.0	3.0	- 0.4	- 0.3	- 0.5	- 1.9	May			
0.8	6.6	0.7	3.4	5.7	10.0	- 5.8	- 1.2	- 0.1	0.2	2.5	June			
0.4	- 1.0	0.6	2.2	- 0.6	0.6	1.1	- 0.1	- 1.5	1.4	- 2.0	July			
- 0.4	- 7.9	1.6	- 1.2	8.7	1.7	1.1	- 0.5	3.9	0.2	2.4	Aug			

euro-area MFIs. — 9 Up to end-2002, including national banknotes and coins still in circulation. — 10 The German contributions to the Eurosysteem'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 Eurosysteem (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										
		Lending to non-banks (non-MFIs) in the euro area									Claims on non- euro-area residents	Other assets
		Total	Enterprises and households				General government					
	Total		Loans	Debt securities 2	Shares and other equities	Total	Loans	Debt securities 3				
<b>Euro area (€ billion) <sup>1</sup></b>												
2003 July	14,369.6	10,159.9	7,986.4	6,963.0	406.9	616.4	2,173.5	825.9	1,347.6	2,942.7	1,267.0	
Aug	14,358.6	10,166.1	8,004.9	6,975.7	410.0	619.3	2,161.2	818.3	1,342.9	2,928.4	1,264.0	
Sep	14,404.9	10,211.8	8,026.2	6,996.3	415.2	614.8	2,185.5	819.8	1,365.8	2,887.0	1,306.1	
Oct	14,490.6	10,258.6	8,060.6	7,025.0	422.8	612.7	2,198.0	819.5	1,378.5	2,950.2	1,281.8	
Nov	14,604.7	10,346.8	8,121.2	7,071.6	427.1	622.5	2,225.5	828.9	1,396.6	2,953.2	1,304.7	
Dec	14,551.8	10,359.3	8,155.1	7,102.5	429.0	623.6	2,204.3	840.1	1,364.1	2,885.7	1,306.8	
2004 Jan	14,761.7	10,408.0	8,179.7	7,118.1	429.0	632.7	2,228.3	836.6	1,391.7	3,014.2	1,339.5	
Feb	14,858.3	10,452.6	8,208.5	7,140.0	434.7	633.9	2,244.1	828.3	1,415.8	3,033.5	1,372.2	
Mar	15,060.2	10,531.7	8,257.4	7,172.3	435.7	649.4	2,274.3	843.9	1,430.5	3,151.8	1,376.6	
Apr	15,223.0	10,621.9	8,342.9	7,230.4	440.4	672.1	2,279.0	838.2	1,440.8	3,228.3	1,372.8	
May	15,251.5	10,685.1	8,383.8	7,270.0	444.5	669.3	2,301.3	832.4	1,468.9	3,196.2	1,370.2	
June	15,323.7	10,752.3	8,433.7	7,321.8	449.0	662.9	2,318.6	838.1	1,480.6	3,179.1	1,392.3	
July	15,346.7	10,782.1	8,460.8	7,356.4	451.2	653.3	2,321.3	844.4	1,477.0	3,182.6	1,382.0	
Aug	15,379.8	10,760.9	8,441.9	7,347.8	450.7	643.3	2,319.1	839.4	1,479.7	3,222.8	1,396.0	
Sep	15,481.9	10,807.7	8,494.4	7,401.9	449.3	643.1	2,313.3	832.3	1,481.1	3,211.4	1,462.8	
Oct	15,580.2	10,862.2	8,549.2	7,450.2	452.1	647.0	2,313.0	832.4	1,480.6	3,216.4	1,501.6	
Nov	15,772.1	10,946.8	8,630.8	7,513.3	457.4	660.1	2,316.0	828.3	1,487.8	3,279.3	1,546.0	
Dec	15,719.1	10,963.8	8,689.9	7,556.8	466.9	666.2	2,273.9	834.0	1,439.9	3,234.5	1,520.8	
2005 Jan	15,987.2	11,068.5	8,746.5	7,597.1	471.2	678.1	2,322.1	838.7	1,483.4	3,368.5	1,550.2	
Feb	16,099.2	11,127.9	8,784.2	7,623.3	481.1	679.8	2,343.7	829.4	1,514.3	3,416.6	1,554.8	
Mar	16,260.4	11,175.2	8,836.7	7,669.9	482.8	683.9	2,338.5	828.1	1,510.4	3,478.9	1,606.3	
Apr	16,564.9	11,312.6	8,954.5	7,720.7	493.4	740.4	2,358.2	832.8	1,525.4	3,598.0	1,654.3	
May	16,751.9	11,379.6	9,023.4	7,784.9	499.1	739.4	2,356.2	830.7	1,525.6	3,656.7	1,715.6	
June	17,050.1	11,513.1	9,142.2	7,918.2	508.3	715.6	2,370.9	829.5	1,541.4	3,713.4	1,823.6	
July	17,104.8	11,556.7	9,188.9	7,975.6	506.5	706.7	2,367.8	830.0	1,537.8	3,752.9	1,795.2	
Aug	17,082.5	11,555.6	9,191.3	7,981.0	505.2	705.2	2,364.3	831.2	1,533.1	3,738.5	1,788.3	
<b>German contribution (€ billion)</b>												
2003 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	883.7	171.1	
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	3,372.7	2,619.4	2,292.9	70.7	255.8	753.4	465.2	288.2	937.4	169.1	
Aug	4,477.2	3,362.1	2,608.0	2,286.8	69.1	252.1	754.2	460.6	293.6	949.3	165.8	
Sep	4,507.8	3,365.6	2,616.9	2,294.9	69.5	252.6	748.6	455.9	292.7	974.8	167.4	
Oct	4,522.7	3,376.3	2,615.4	2,291.9	69.3	254.3	760.9	460.8	300.0	976.6	169.8	
Nov	4,559.3	3,380.9	2,626.0	2,301.2	68.5	256.2	754.9	456.8	298.2	1,005.9	172.4	
Dec	4,511.9	3,363.1	2,620.3	2,285.7	68.7	265.9	742.9	453.1	289.7	969.6	179.2	
2005 Jan	4,562.3	3,381.7	2,623.9	2,283.1	68.7	272.0	757.7	457.7	300.1	1,009.8	170.8	
Feb	4,569.3	3,376.7	2,622.0	2,286.5	69.6	266.0	754.7	452.6	301.5	1,018.7	173.9	
Mar	4,580.5	3,384.2	2,619.8	2,278.0	71.6	270.1	764.4	453.1	311.4	1,029.4	166.9	
Apr	4,706.9	3,446.9	2,670.0	2,283.0	74.7	312.2	776.9	458.0	318.9	1,087.9	172.2	
May	4,682.9	3,426.6	2,656.1	2,286.6	76.1	293.4	770.5	457.3	313.2	1,078.6	177.8	
June	4,650.4	3,397.3	2,644.9	2,291.2	80.8	272.9	752.4	451.9	300.5	1,080.5	172.5	
July	4,665.0	3,400.1	2,646.8	2,288.6	80.4	277.9	753.2	455.8	297.4	1,091.8	173.1	
Aug	4,654.8	3,402.2	2,648.8	2,288.2	80.1	280.4	753.4	452.6	300.8	1,079.7	172.9	

\* 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

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							At agreed notice of 6	
			Total	Overnight	With agreed maturities of			over 3 months	over 3 months		
					up to 1 year	over 1 year and up to 2 years	over 2 years				
<b>Euro area (€ billion) 1</b>											
361.5	6,093.3	5,739.0	5,770.2	2,090.1	944.5	72.1	1,194.4	1,376.3	92.8	2003 July	
362.7	6,089.2	5,741.0	5,779.2	2,078.5	951.1	72.2	1,203.8	1,382.4	91.2	Aug	
364.8	6,118.0	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	
379.1	6,179.9	5,818.3	5,851.8	2,151.0	927.4	75.5	1,215.5	1,391.5	90.8	Nov	
397.9	6,239.4	5,912.6	5,934.1	2,188.8	921.8	74.9	1,232.2	1,424.6	91.8	Dec	
389.1	6,244.5	5,889.6	5,923.5	2,177.7	904.4	75.1	1,235.3	1,440.2	90.8	2004 Jan	
393.5	6,263.6	5,891.4	5,924.9	2,171.7	899.4	74.6	1,242.6	1,446.1	90.5	Feb	
399.6	6,290.5	5,920.7	5,966.5	2,210.4	892.2	73.1	1,250.4	1,450.2	90.3	Mar	
409.4	6,322.1	5,947.9	5,997.9	2,225.0	894.2	71.7	1,261.1	1,456.8	89.2	Apr	
416.6	6,366.8	5,980.0	6,023.2	2,235.3	900.5	71.2	1,266.1	1,461.7	88.3	May	
423.0	6,433.1	6,021.8	6,060.1	2,275.7	875.9	71.3	1,276.3	1,472.9	88.0	June	
436.2	6,417.4	6,028.2	6,069.2	2,260.8	887.0	70.7	1,283.1	1,479.4	88.0	July	
433.4	6,384.5	6,000.9	6,045.8	2,223.8	892.2	69.3	1,289.6	1,482.9	88.0	Aug	
438.0	6,444.1	6,051.3	6,088.9	2,275.5	881.2	67.8	1,293.0	1,483.7	87.7	Sep	
444.4	6,476.5	6,087.4	6,126.5	2,275.2	906.3	69.7	1,300.1	1,486.6	88.6	Oct	
448.7	6,504.0	6,128.7	6,165.8	2,305.9	893.7	69.4	1,315.4	1,492.0	89.4	Nov	
468.4	6,589.6	6,245.0	6,274.3	2,321.0	925.0	71.6	1,344.8	1,521.5	90.5	Dec	
459.9	6,624.1	6,248.9	6,284.3	2,340.9	901.5	71.4	1,347.7	1,532.6	90.2	2005 Jan	
463.6	6,661.4	6,255.0	6,292.4	2,340.9	900.0	70.9	1,354.9	1,534.9	90.8	Feb	
471.8	6,684.8	6,295.3	6,344.2	2,367.7	905.4	70.7	1,370.4	1,538.7	91.2	Mar	
481.1	6,730.1	6,346.8	6,396.1	2,391.1	922.5	71.6	1,375.9	1,544.3	90.7	Apr	
485.8	6,759.5	6,372.4	6,427.8	2,418.3	920.4	72.2	1,377.1	1,549.5	90.3	May	
496.6	6,912.2	6,487.7	6,538.3	2,644.1	906.1	78.1	1,429.5	1,390.1	90.5	June	
506.4	6,936.5	6,503.9	6,570.2	2,652.8	922.7	77.7	1,433.4	1,394.2	89.5	July	
500.9	6,860.4	6,466.5	6,536.0	2,604.3	934.5	77.5	1,435.0	1,396.2	88.4	Aug	
<b>German contribution (€ billion)</b>											
99.4	2,183.0	2,107.8	2,071.3	591.1	225.3	17.3	658.5	488.3	90.8	2003 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	2,113.7	629.2	197.9	16.2	678.5	506.0	85.9	July	
116.7	2,232.2	2,153.1	2,119.1	630.6	199.7	16.0	680.3	506.6	85.8	Aug	
118.0	2,238.1	2,162.0	2,126.3	644.8	191.9	15.9	681.5	506.7	85.5	Sep	
119.0	2,237.6	2,164.0	2,132.6	642.0	197.5	16.0	684.1	507.0	86.1	Oct	
121.1	2,258.0	2,187.6	2,153.3	668.5	188.1	15.7	687.1	507.0	86.9	Nov	
125.9	2,264.6	2,193.8	2,158.6	639.4	208.7	15.7	690.9	516.0	88.0	Dec	
123.9	2,275.5	2,203.9	2,167.3	661.1	193.9	15.7	691.8	517.0	87.8	2005 Jan	
124.9	2,278.8	2,208.6	2,170.9	664.8	189.0	15.7	695.8	517.3	88.3	Feb	
127.4	2,272.0	2,204.8	2,169.7	666.7	183.6	15.5	698.0	517.2	88.7	Mar	
129.7	2,279.1	2,210.9	2,177.8	669.1	192.2	15.7	695.3	517.3	88.2	Apr	
130.7	2,285.8	2,217.2	2,182.7	677.7	193.6	15.7	691.4	516.7	87.7	May	
134.1	2,288.9	2,220.6	2,182.8	686.7	186.4	16.1	691.0	515.4	87.1	June	
136.3	2,289.1	2,221.5	2,185.0	688.3	189.1	16.0	690.0	515.3	86.4	July	
135.2	2,290.5	2,224.1	2,185.3	689.5	189.8	15.7	690.5	514.4	85.4	Aug	

includes the volume of euro banknotes put into circulation by the 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.

## II Overall monetary survey in the euro area

## 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) <sup>3</sup>	Total	of which denominated in euro
	Central governments	Total	Overnight	With agreed maturities of			At agreed notice of <sup>2</sup>						
				up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months					
<b>Euro area (€ billion) <sup>1</sup></b>													
2003 July	173.0	150.1	75.2	46.4	0.9	24.5	2.8	0.3	219.9	216.4	584.9	1,852.3	1,519.4
Aug	163.0	147.0	73.4	45.7	0.9	23.9	2.8	0.3	217.1	214.2	587.1	1,864.5	1,516.1
Sep	183.9	144.9	74.8	42.0	1.0	23.9	2.8	0.3	211.5	207.9	576.9	1,860.0	1,519.5
Oct	165.8	145.9	78.1	39.9	0.9	23.9	2.8	0.4	224.7	221.1	582.3	1,896.0	1,541.0
Nov	180.4	147.7	80.0	39.6	0.9	24.0	2.9	0.3	224.7	220.9	585.2	1,904.4	1,554.1
Dec	155.7	149.6	79.7	41.5	0.9	24.3	2.9	0.4	208.7	206.4	581.5	1,878.0	1,537.6
2004 Jan	174.1	146.9	78.4	41.2	0.9	23.2	2.9	0.3	213.4	210.7	591.7	1,903.5	1,551.5
Feb	193.0	145.7	76.7	41.3	0.9	23.5	3.0	0.4	227.7	224.4	599.2	1,913.6	1,561.0
Mar	183.8	140.3	73.5	39.1	0.9	23.3	3.1	0.4	218.6	215.0	602.6	1,951.3	1,578.4
Apr	179.6	144.7	77.7	39.2	1.0	23.1	3.2	0.4	224.8	221.8	611.0	1,975.9	1,588.7
May	195.1	148.5	78.3	42.5	1.0	23.1	3.3	0.4	221.2	217.8	609.0	1,986.4	1,591.7
June	223.7	149.2	81.1	40.6	1.0	22.8	3.3	0.4	216.9	213.4	609.2	1,999.9	1,601.1
July	201.5	146.8	77.6	41.3	1.0	22.9	3.4	0.4	223.0	219.5	613.0	2,017.2	1,610.1
Aug	193.0	145.7	78.0	40.7	1.0	22.1	3.5	0.5	224.3	220.2	624.1	2,026.0	1,618.9
Sep	204.1	151.0	81.5	42.8	1.0	21.8	3.5	0.5	215.9	212.5	609.5	2,048.9	1,637.5
Oct	197.4	152.6	83.7	41.9	1.2	21.6	3.7	0.5	229.7	226.7	617.1	2,057.4	1,643.1
Nov	182.8	155.4	89.2	39.2	1.2	21.6	3.7	0.5	223.9	220.9	613.4	2,059.7	1,646.8
Dec	162.4	152.9	84.8	42.0	1.3	20.3	3.8	0.5	228.8	225.9	604.9	2,060.3	1,654.9
2005 Jan	180.6	159.3	92.4	41.0	1.4	20.3	3.8	0.5	228.7	225.5	616.4	2,085.6	1,663.7
Feb	210.1	158.9	92.4	40.6	1.4	20.2	3.9	0.4	227.0	224.2	615.4	2,122.8	1,693.3
Mar	187.4	153.3	87.4	40.0	1.4	20.3	3.8	0.5	227.0	223.3	614.6	2,144.9	1,702.7
Apr	180.9	153.2	88.2	39.0	1.5	20.3	3.8	0.5	226.3	222.5	627.8	2,176.8	1,714.0
May	173.5	158.2	90.6	41.3	1.5	20.4	4.0	0.5	239.2	235.2	634.8	2,202.9	1,721.3
June	210.8	163.1	94.0	42.9	1.5	20.4	3.9	0.4	238.8	234.3	621.1	2,244.6	1,742.7
July	212.0	154.3	87.3	40.9	1.6	20.2	3.9	0.5	238.7	235.4	635.1	2,249.0	1,741.5
Aug	168.0	156.5	89.4	40.9	1.5	19.9	4.2	0.4	249.1	245.2	638.8	2,260.7	1,745.1
<b>German contribution (€ billion)</b>													
2003 July	45.3	66.3	14.0	27.9	0.6	21.9	1.6	0.3	10.9	10.9	36.9	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	35.4	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	34.5	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	38.4	860.1	692.4
Aug	52.1	61.0	15.7	22.8	0.6	19.5	2.0	0.5	14.2	14.2	39.6	865.1	696.9
Sep	48.1	63.6	15.8	25.4	0.6	19.3	2.0	0.5	18.1	18.1	37.5	869.5	699.7
Oct	45.6	59.4	15.0	21.9	0.7	19.2	2.1	0.5	21.2	21.2	36.2	865.5	691.2
Nov	43.7	61.1	16.7	21.8	0.7	19.3	2.0	0.5	22.0	22.0	34.3	860.8	687.5
Dec	43.8	62.2	16.0	24.8	0.6	18.1	2.2	0.5	14.8	14.8	30.5	850.2	678.1
2005 Jan	45.2	63.0	17.9	23.9	0.6	18.0	2.0	0.5	25.1	25.1	30.2	854.7	673.7
Feb	44.3	63.5	19.2	23.2	0.6	18.0	2.1	0.4	27.3	27.3	30.5	856.4	671.1
Mar	41.0	61.2	17.5	22.7	0.6	18.0	2.0	0.5	28.3	28.3	32.1	862.2	671.6
Apr	41.8	59.4	17.5	20.9	0.6	18.0	1.9	0.5	28.6	28.6	32.6	875.9	676.5
May	40.5	62.5	18.4	22.8	0.7	18.1	2.1	0.5	28.3	28.3	32.1	880.9	676.1
June	41.3	64.9	19.6	23.9	0.7	18.1	2.2	0.4	28.3	28.3	32.4	890.3	681.5
July	41.7	62.4	18.5	22.4	0.6	18.1	2.3	0.5	26.7	26.7	33.8	892.6	682.4
Aug	41.6	63.6	19.1	23.1	0.6	17.7	2.6	0.4	30.6	30.6	34.0	893.0	678.4

\* 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). — <sup>1</sup> Source: ECB. — <sup>2</sup> In Germany, only savings deposits. — <sup>3</sup> Excluding holdings of MFIs; for the German contribution, excluding German MFIs' portfolios of securities issued by MFIs in the euro area. — <sup>4</sup> 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. — <sup>5</sup> Excluding liabilities arising from securities issued. — <sup>6</sup> After deduction of inter-MFI participations. — <sup>7</sup> 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. — <sup>8</sup> From 2003, including DM banknotes still in circulation (see also footnote 4 on p 10\*). — <sup>9</sup> For the German contribution, the difference



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issued (net) <sup>3</sup>										Memo item					End of year/month
With maturities of			Liabilities to non-euro-area residents <sup>5</sup>	Capital and reserves <sup>6</sup>	Excess of inter-MFI liabilities	Other liability items		Monetary aggregates <sup>7</sup> (From 2002, German contribution excludes currency in circulation)			Monetary capital formation <sup>13</sup>	Monetary liabilities of central governments (Post Office, Treasury) <sup>14</sup>			
up to 1 year <sup>4</sup>	over 1 year and up to 2 years	over 2 years				Total <sup>8</sup>	of which Intra-Eurosystem-liability/claim related to banknote issue <sup>9</sup>	M1 <sup>10</sup>	M2 <sup>11</sup>	M3 <sup>12</sup>			Monetary capital formation <sup>13</sup>	Monetary liabilities of central governments (Post Office, Treasury) <sup>14</sup>	
<b>Euro area (€ billion) <sup>1</sup></b>															
...	...	1,753.4	2,678.5	994.9	5.3	1,577.3	-	2,584.8	5,124.2	6,027.9	4,060.3	154.4	2003 July		
...	...	1,767.7	2,677.3	1,009.5	- 3.2	1,552.8	-	2,573.2	5,126.0	6,027.0	4,096.3	156.2	2003 Aug		
...	...	1,768.0	2,642.2	1,011.7	5.6	1,612.6	-	2,615.6	5,137.0	6,017.4	4,097.9	156.3	2003 Sep		
...	...	1,791.9	2,690.5	1,009.3	9.6	1,587.3	-	2,620.4	5,157.9	6,069.0	4,124.4	157.3	2003 Oct		
...	...	1,800.7	2,685.2	1,009.3	4.9	1,631.2	-	2,667.8	5,206.0	6,119.7	4,140.7	158.1	2003 Nov		
...	...	1,785.4	2,634.0	1,004.7	8.9	1,598.3	-	2,727.1	5,295.8	6,178.7	4,138.7	162.9	2003 Dec		
...	...	1,807.9	2,749.4	1,003.5	16.4	1,649.8	-	2,702.9	5,271.7	6,172.4	4,161.1	161.8	2004 Jan		
...	...	1,816.6	2,765.3	1,002.8	21.6	1,670.5	-	2,703.3	5,273.5	6,197.5	4,176.3	166.4	2004 Feb		
...	...	1,856.8	2,856.2	1,020.6	21.2	1,699.3	-	2,745.5	5,310.2	6,225.9	4,241.8	168.2	2004 Mar		
...	...	1,876.4	2,936.8	1,016.5	16.2	1,710.0	-	2,770.7	5,344.5	6,279.8	4,266.8	166.4	2004 Apr		
...	...	1,890.2	2,930.9	1,014.0	17.2	1,689.1	-	2,788.6	5,377.4	6,303.8	4,282.1	167.0	2004 May		
...	...	1,899.8	2,892.7	1,018.9	16.1	1,713.5	-	2,833.4	5,408.0	6,334.2	4,306.2	163.2	2004 June		
...	...	1,919.4	2,897.7	1,026.3	17.4	1,697.9	-	2,834.8	5,428.5	6,362.3	4,340.2	170.8	2004 July		
...	...	1,926.8	2,902.7	1,033.0	20.4	1,729.9	-	2,795.7	5,398.0	6,345.6	4,359.8	173.2	2004 Aug		
...	...	1,948.7	2,861.6	1,039.4	14.6	1,808.9	-	2,857.1	5,451.1	6,376.7	4,391.0	176.0	2004 Sep		
...	...	1,958.5	2,847.5	1,041.7	20.8	1,843.5	-	2,866.0	5,490.4	6,436.1	4,410.9	177.7	2004 Oct		
...	...	1,956.1	2,904.7	1,050.4	44.1	1,921.4	-	2,913.7	5,528.9	6,469.7	4,433.4	185.9	2004 Nov		
...	...	1,958.0	2,842.2	1,047.0	33.6	1,842.9	-	2,948.9	5,632.2	6,568.2	4,461.2	192.8	2004 Dec		
...	...	1,986.4	2,993.4	1,049.8	29.3	1,899.0	-	2,966.0	5,637.3	6,581.7	4,495.0	192.6	2005 Jan		
...	...	2,008.8	3,029.0	1,054.0	21.9	1,903.3	-	2,970.7	5,643.9	6,600.4	4,529.2	195.5	2005 Feb		
...	...	2,038.8	3,110.4	1,062.9	0.4	1,943.0	-	2,998.1	5,681.0	6,628.6	4,584.1	194.2	2005 Mar		
...	...	2,055.9	3,224.7	1,063.5	15.5	2,019.1	-	3,030.4	5,737.7	6,712.7	4,606.8	194.8	2005 Apr		
...	...	2,089.4	3,310.2	1,076.1	- 12.0	2,054.5	-	3,064.5	5,778.9	6,766.4	4,653.8	195.3	2005 May		
...	...	2,125.8	3,251.3	1,140.5	- 13.2	2,157.1	-	3,305.1	5,854.0	6,832.6	4,807.1	196.8	2005 June		
...	...	2,129.7	3,286.9	1,138.7	- 16.6	2,129.3	-	3,319.9	5,888.6	6,881.8	4,811.9	201.1	2005 July		
...	...	2,141.4	3,278.3	1,144.7	3.5	2,145.1	-	3,267.2	5,851.6	6,858.7	4,829.9	202.0	2005 Aug		
<b>German contribution (€ billion)</b>															
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	-	2003 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	-	2003 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	-	2003 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	-	2003 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	-	2003 Nov		
30.0	31.3	765.1	625.4	279.6	- 67.8	464.3	44.6	631.9	1,395.2	1,505.9	1,818.7	-	2003 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	1,502.9	1,819.0	-	2004 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	-	2004 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	-	2004 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	-	2004 May		
29.5	29.7	799.9	642.5	276.7	- 54.5	474.3	53.9	653.5	1,395.1	1,504.8	1,860.1	-	2004 June		
27.2	27.7	805.2	638.2	280.6	- 59.0	478.3	55.6	644.8	1,391.0	1,501.1	1,871.1	-	2004 July		
29.2	26.5	809.4	636.6	278.9	- 69.5	480.2	58.6	646.4	1,394.0	1,503.5	1,874.5	-	2004 Aug		
27.5	26.1	815.9	654.3	277.5	- 80.2	493.1	60.9	660.7	1,403.1	1,512.3	1,880.2	-	2004 Sep		
27.2	25.1	813.3	639.6	278.9	- 58.8	502.5	62.3	656.9	1,402.1	1,511.7	1,882.2	-	2004 Oct		
29.5	22.7	808.7	669.7	277.1	- 73.6	510.9	63.1	685.2	1,420.6	1,529.0	1,879.6	-	2004 Nov		
27.5	22.5	800.2	627.6	277.6	- 69.5	516.2	63.4	655.4	1,423.3	1,518.6	1,875.2	-	2004 Dec		
27.6	21.2	805.8	667.8	279.2	- 76.0	506.0	64.5	679.0	1,432.3	1,536.4	1,883.1	-	2005 Jan		
27.2	26.5	802.8	676.7	275.0	- 77.0	501.8	65.8	684.0	1,431.9	1,543.3	1,880.3	-	2005 Feb		
23.6	26.1	812.6	695.2	276.1	- 95.6	510.3	67.9	684.1	1,425.8	1,535.8	1,893.9	-	2005 Mar		
24.9	26.6	824.5	737.1	281.0	- 43.8	516.5	68.8	686.6	1,435.3	1,547.9	1,907.4	-	2005 Apr		
25.1	24.4	831.5	745.4	282.5	- 89.5	517.3	71.3	696.1	1,447.7	1,557.5	1,911.5	-	2005 May		
27.0	25.0	838.4	693.3	290.0	- 95.1	522.3	72.0	706.3	1,451.0	1,563.7	1,925.0	-	2005 June		
25.2	24.8	842.6	702.5	291.6	- 98.3	526.9	72.6	706.8	1,452.5	1,563.0	1,929.1	-	2005 July		
26.6	25.7	840.7	694.6	292.3	- 111.5	531.3	74.1	708.5	1,454.8	1,571.7	1,927.1	-	2005 Aug		

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). — <sup>10</sup> 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. — <sup>11</sup> 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. — <sup>12</sup> M2 plus repo transactions, money market fund shares, money market paper and debt securities up to 2 years. — <sup>13</sup> 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. — <sup>14</sup> Non-existent in Germany.

## II Overall monetary survey in the euro area

 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					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	Deposit facility				Other liquidity-absorbing operations		
<b>Eurosystem 2</b>												
2003 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	–	–	–	–	–	–	–	–	–	–	–	–
Mar	303.3	219.4	56.7	0.4	–	0.2	–	418.0	48.6	– 21.1	134.1	552.3
Apr	301.4	217.9	67.1	0.4	–	0.4	–	425.3	51.5	– 25.7	135.3	561.0
May	310.7	213.2	75.0	0.1	–	0.1	0.4	436.4	46.0	– 18.9	135.0	571.5
June	311.3	224.7	75.0	0.1	–	0.5	–	442.5	52.2	– 21.1	137.1	580.1
July	308.2	245.4	75.0	0.3	–	0.1	–	449.1	65.0	– 24.1	138.8	588.1
Aug	300.8	253.6	75.0	0.0	–	0.2	–	460.9	61.1	– 31.8	139.1	600.1
Sep	299.4	251.6	75.0	0.1	–	0.2	–	462.8	56.3	– 32.4	139.3	602.3
Oct	298.8	256.4	75.0	0.3	–	0.0	–	465.1	58.2	– 32.1	139.3	604.4
Nov	298.3	257.9	75.0	0.1	0.2	0.3	–	469.7	55.1	– 32.1	138.4	608.4
Dec	298.0	265.7	75.0	0.1	–	0.1	0.5	475.4	60.2	– 36.0	138.5	614.1
2005 Jan	290.3	272.9	75.0	0.2	0.2	0.1	–	496.0	45.3	– 41.9	139.1	635.2
Feb	280.6	276.6	78.0	0.1	0.1	0.1	–	487.1	63.8	– 55.5	140.0	627.2
Mar	280.2	277.8	82.2	0.1	–	0.1	0.1	489.5	68.5	– 59.2	141.3	630.9
Apr	282.1	278.2	86.9	0.2	–	0.1	–	498.6	67.4	– 62.1	143.3	642.0
May	287.0	276.5	90.0	0.1	–	0.1	–	505.5	62.9	– 58.9	144.0	649.7
June	286.8	273.1	90.0	0.1	–	0.2	0.1	512.8	53.5	– 62.0	145.5	658.5
July	293.3	297.6	90.0	0.1	–	0.2	0.3	522.6	67.4	– 57.3	147.9	670.6
Aug	305.5	309.5	90.0	0.0	–	0.3	0.0	532.6	67.4	– 45.0	149.8	682.7
Sep	304.8	303.5	90.0	0.0	0.3	0.1	–	531.5	63.1	– 46.2	150.2	681.8
<b>Deutsche Bundesbank</b>												
2003 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	–	–	–	–	–	–	–	–	–	–	–	–
Mar	72.4	109.7	41.3	0.2	–	0.2	–	113.5	0.1	72.0	37.9	151.5
Apr	72.9	97.9	48.7	0.2	–	0.3	–	115.8	0.1	65.7	37.8	153.9
May	75.4	100.7	51.8	0.0	–	0.0	0.1	119.3	0.1	70.9	37.7	157.0
June	75.6	115.6	49.4	0.1	–	0.3	–	121.2	0.1	80.9	38.3	159.9
July	74.6	127.9	49.6	0.2	–	0.0	–	122.7	0.1	91.1	38.5	161.1
Aug	72.1	136.9	50.3	0.0	–	0.1	–	126.2	0.1	94.7	38.3	164.6
Sep	72.2	131.7	50.3	0.1	–	0.1	–	127.5	0.1	88.8	37.9	165.4
Oct	72.1	129.8	48.1	0.2	–	0.0	–	127.7	0.1	84.8	37.5	165.3
Nov	72.2	136.0	46.1	0.1	0.0	0.2	–	128.3	0.1	88.4	37.5	166.0
Dec	72.2	142.4	46.5	0.1	–	0.1	0.1	129.9	0.1	93.4	37.6	167.5
2005 Jan	70.2	144.7	46.9	0.1	0.0	0.1	–	135.2	0.1	89.1	37.4	172.7
Feb	67.7	137.7	49.4	0.0	0.1	0.0	–	133.2	0.1	83.8	37.9	171.1
Mar	67.6	145.3	52.0	0.0	–	0.0	0.0	134.0	0.1	93.5	37.5	171.5
Apr	68.1	133.3	53.0	0.2	–	0.1	–	136.6	0.0	79.8	38.0	174.7
May	69.3	140.3	52.7	0.1	–	0.1	–	138.4	0.1	85.9	38.1	176.5
June	69.5	139.3	52.5	0.1	–	0.1	0.1	141.2	0.1	81.5	38.5	179.7
July	71.1	149.5	53.0	0.1	–	0.0	0.1	142.6	0.1	92.0	38.9	181.6
Aug	74.1	155.6	53.9	0.0	–	0.1	0.0	145.2	0.0	98.9	39.4	184.7
Sep	74.0	148.4	52.6	0.0	0.2	0.0	–	145.2	0.0	90.9	39.0	184.3

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%



II Overall monetary survey in the euro area

Flows

Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) <sup>5</sup>	Base money <sup>6</sup>	Reserve maintenance period ending in <sup>1</sup>
Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation <sup>3</sup>	Central government deposits	Other factors (net) <sup>4</sup>			
	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations								
<b>Eurosystem <sup>2</sup></b>												
- 15.1	- 0.1	- 0.0	- 0.1	-	+ 0.1	-	+ 10.7	- 7.0	- 20.1	+ 1.0	+ 11.8	2003 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
- 1.4	- 2.0	- 0.0	+ 0.1	-	+ 0.0	-	+ 1.9	- 4.8	- 0.6	+ 0.2	+ 2.2	Aug
- 0.6	+ 4.8	+ 0.0	+ 0.2	-	- 0.2	-	+ 2.3	+ 1.9	+ 0.3	- 0.0	+ 2.1	Sep
- 0.5	+ 1.5	+ 0.0	- 0.2	+ 0.2	+ 0.3	-	+ 4.6	- 3.1	- 0.0	- 0.9	+ 4.0	Oct
- 0.3	+ 7.8	+ 0.0	+ 0.0	- 0.2	- 0.2	+ 0.5	+ 5.7	+ 5.1	- 3.9	+ 0.1	+ 5.7	Nov
- 7.7	+ 7.2	+ 0.0	+ 0.1	-	+ 0.2	- 0.5	+ 20.6	- 14.9	- 5.9	+ 0.6	+ 21.1	Dec
- 9.7	+ 3.7	+ 3.0	- 0.1	-	- 0.1	- 0.0	- 8.9	+ 18.5	- 13.6	+ 0.9	- 8.0	2005 Jan
- 0.4	+ 1.2	+ 4.2	- 0.0	-	- 0.1	- 0.0	+ 2.4	+ 4.7	- 3.7	+ 1.3	+ 3.7	Feb
+ 1.9	+ 0.4	+ 4.7	+ 0.1	-	+ 0.0	- 0.1	+ 9.1	- 1.1	- 2.9	+ 2.0	+ 11.1	Mar
+ 4.9	- 1.7	+ 3.1	- 0.1	-	+ 0.0	-	+ 6.9	- 4.5	+ 3.2	+ 0.7	+ 7.7	Apr
- 0.2	- 3.4	+ 0.0	+ 0.0	-	+ 0.1	+ 0.1	+ 7.3	- 9.4	- 3.1	+ 1.5	+ 8.8	May
+ 6.5	+ 24.5	+ 0.0	- 0.0	-	- 0.0	+ 0.2	+ 9.8	+ 13.9	+ 4.7	+ 2.4	+ 12.1	June
+ 12.2	+ 11.9	- 0.0	- 0.1	-	+ 0.1	- 0.3	+ 10.0	- 0.0	+ 12.3	+ 1.9	+ 12.1	July
- 0.7	- 6.0	- 0.0	+ 0.0	+ 0.3	- 0.2	- 0.0	- 1.1	- 4.3	- 1.2	+ 0.4	- 0.9	Aug
<b>Deutsche Bundesbank</b>												
- 2.8	+ 5.6	- 2.6	- 0.1	-	+ 0.1	-	+ 3.2	+ 0.0	- 3.5	+ 0.3	+ 3.6	2003 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
+ 0.1	- 5.2	- 0.1	+ 0.1	-	- 0.0	-	+ 1.3	+ 0.0	- 6.0	- 0.5	+ 0.8	Aug
- 0.1	- 1.9	- 2.2	+ 0.1	-	- 0.0	-	+ 0.2	+ 0.0	- 3.9	- 0.3	- 0.1	Sep
+ 0.1	+ 6.2	- 2.0	- 0.1	+ 0.0	+ 0.2	-	+ 0.6	- 0.0	+ 3.6	- 0.0	+ 0.7	Oct
- 0.0	+ 6.3	+ 0.4	- 0.0	- 0.0	- 0.2	+ 0.1	+ 1.6	+ 0.0	+ 5.0	+ 0.1	+ 1.6	Nov
- 2.0	+ 2.3	+ 0.3	+ 0.1	+ 0.0	+ 0.0	- 0.1	+ 5.3	- 0.0	- 4.3	- 0.2	+ 5.1	Dec
- 2.5	- 6.9	+ 2.6	- 0.1	+ 0.1	- 0.0	- 0.0	- 2.0	+ 0.0	- 5.3	+ 0.4	- 1.6	2005 Jan
- 0.0	+ 7.6	+ 2.6	- 0.0	- 0.1	+ 0.0	+ 0.0	+ 0.7	- 0.0	+ 9.7	- 0.4	+ 0.4	Feb
+ 0.4	- 12.0	+ 0.9	+ 0.1	-	+ 0.0	- 0.0	+ 2.7	- 0.0	- 13.7	+ 0.5	+ 3.2	Mar
+ 1.3	+ 7.0	- 0.2	- 0.1	-	- 0.0	-	+ 1.7	+ 0.0	+ 6.1	+ 0.1	+ 1.8	Apr
+ 0.1	- 1.0	- 0.2	+ 0.0	-	+ 0.0	+ 0.1	+ 2.9	+ 0.0	- 4.4	+ 0.4	+ 3.3	May
+ 1.7	+ 10.2	+ 0.5	- 0.0	-	- 0.0	+ 0.0	+ 1.4	- 0.0	+ 10.5	+ 0.4	+ 1.8	June
+ 3.0	+ 6.1	+ 0.9	- 0.0	-	+ 0.1	- 0.1	+ 2.6	- 0.0	+ 6.9	+ 0.5	+ 3.1	July
- 0.2	- 7.2	- 1.3	+ 0.0	+ 0.2	- 0.1	- 0.0	+ 0.0	+ 0.0	- 8.0	- 0.4	- 0.4	Aug
												Sep

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
<b>Eurosystem <sup>2</sup></b>									
2005 Jan 28	894.8	125.6	154.4	23.7	130.7	17.6	6.7	6.7	–
Feb 4	899.5	125.5	155.2	23.6	131.6	17.1	6.5	6.5	–
11	897.1	125.4	151.3	23.7	127.7	18.8	7.7	7.7	–
18	900.3	125.3	152.6	23.7	128.9	16.8	8.2	8.2	–
25	913.8	125.2	151.1	23.4	127.7	17.2	8.3	8.3	–
Mar 4	906.9	125.2	151.8	23.1	128.6	18.2	7.9	7.9	–
11	905.4	125.1	151.9	22.9	129.0	18.3	7.6	7.6	–
18	912.7	125.0	151.8	22.4	129.4	19.3	8.1	8.1	–
24	926.4	124.9	150.1	22.4	127.7	18.8	8.9	8.9	–
Apr 1	3 927.2	3 128.1	3 155.9	3 22.9	3 133.0	3 19.1	9.3	9.3	–
8	927.2	128.0	156.5	22.8	133.7	19.6	8.7	8.7	–
15	922.2	128.0	154.9	22.7	132.2	20.0	8.7	8.7	–
22	934.5	128.0	154.6	22.6	132.0	20.5	9.1	9.1	–
29	934.5	127.4	155.9	22.5	133.4	20.5	9.7	9.7	–
May 6	927.1	127.4	155.1	22.2	132.8	21.3	8.9	8.9	–
13	922.9	127.4	155.7	22.4	133.3	20.3	8.9	8.9	–
20	929.8	127.3	156.2	22.3	133.9	20.1	8.8	8.8	–
27	927.8	127.3	155.1	22.3	132.8	20.2	9.0	9.0	–
2005 June 3	940.2	127.1	155.6	22.3	133.3	20.1	9.4	9.4	–
10	938.0	127.0	155.2	22.2	133.0	20.4	9.0	9.0	–
17	940.8	126.8	152.4	21.3	131.0	20.9	9.3	9.3	–
24	967.9	126.7	153.0	21.3	131.6	20.3	9.0	9.0	–
July 1	3 988.4	3 138.5	3 162.6	3 22.2	3 140.4	3 21.0	9.2	9.2	–
8	988.7	138.4	162.5	22.2	140.3	20.9	8.8	8.8	–
15	979.5	138.3	161.6	22.0	139.6	21.6	9.6	9.6	–
22	989.7	138.1	161.0	20.5	140.5	21.2	10.4	10.4	–
29	996.8	138.1	159.6	20.5	139.1	21.5	9.6	9.6	–
Aug 5	994.9	138.0	160.4	20.2	140.2	21.5	9.5	9.5	–
12	987.8	137.9	159.3	20.2	139.1	21.6	9.5	9.5	–
19	984.1	137.8	159.9	20.2	139.7	21.6	9.6	9.6	–
26	992.3	137.8	159.5	20.1	139.4	21.6	9.5	9.5	–
Sep 2	977.0	137.8	159.7	19.9	139.8	22.0	9.4	9.4	–
9	979.0	137.8	158.1	19.8	138.2	21.9	9.0	9.0	–
16	964.2	137.8	159.4	19.8	139.6	21.0	9.2	9.2	–
23	974.2	137.8	160.7	19.6	141.1	21.2	9.1	9.1	–
30	3 996.0	3 149.9	3 160.0	3 19.4	3 140.6	3 22.0	9.0	9.0	–
<b>Deutsche Bundesbank</b>									
2003 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	–	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	–	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	–	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	–
Sep	283.6	3 36.7	3 39.1	7.0	32.1	–	0.3	0.3	–
Oct	293.7	36.7	38.2	7.0	31.3	–	0.3	0.3	–
Nov	298.6	36.7	38.4	6.9	31.5	–	0.3	0.3	–
Dec	3 293.5	3 35.5	3 35.8	6.5	3 29.3	–	0.3	0.3	–
2005 Jan	287.9	35.5	36.2	6.5	29.7	–	0.3	0.3	–
Feb	300.1	35.5	35.7	6.4	29.3	–	0.3	0.3	–
Mar	3 294.6	3 36.4	3 37.4	6.1	3 31.3	–	0.3	0.3	–
Apr	299.0	36.4	37.0	6.1	30.9	–	0.3	0.3	–
May	304.6	36.4	37.2	6.2	31.0	–	0.3	0.3	–
June	3 310.7	3 39.8	3 38.9	5.8	3 33.1	–	0.3	0.3	–
July	317.5	39.8	38.6	5.0	33.5	–	0.3	0.3	–
Aug	315.3	39.8	37.6	5.0	32.6	–	0.3	0.3	–
Sep	3 325.0	3 43.3	3 39.5	5.0	3 34.5	–	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					
<b>Eurosystem <sup>2</sup></b>											
353.0	273.0	80.0	-	-	0.0	0.0	3.6	72.6	41.3	120.0	2005 Jan 28
357.5	277.5	80.0	-	-	-	0.0	3.4	72.8	41.3	120.1	Feb 4
355.5	275.5	80.0	-	-	-	0.0	3.1	73.5	41.3	120.6	11
356.7	276.5	80.0	-	-	0.2	0.0	3.5	74.8	41.3	121.2	18
369.5	284.5	85.0	-	-	0.0	0.0	3.3	75.4	41.3	122.6	25
360.0	275.0	85.0	-	-	0.0	0.0	3.2	76.4	41.3	123.0	Mar 4
357.5	272.5	85.0	-	-	-	0.0	3.2	77.7	41.3	122.9	11
361.5	276.5	85.0	-	-	0.0	0.0	3.5	78.8	41.3	123.4	18
376.1	291.0	85.0	-	-	0.1	0.0	2.9	79.7	41.3	123.7	24
366.8	276.0	90.0	-	-	0.7	0.0	2.7	79.7	41.2	124.4	Apr 1
365.0	275.0	90.0	-	-	0.0	0.0	3.0	80.7	41.2	124.5	8
360.5	270.5	90.0	-	-	0.0	0.0	3.1	80.7	41.2	125.2	15
372.0	282.0	90.0	-	-	0.0	0.0	3.0	80.1	41.2	126.0	22
370.5	280.5	90.0	-	-	0.0	0.0	2.9	79.8	41.2	126.5	29
363.2	273.0	90.0	-	-	0.2	0.0	3.0	80.1	41.2	126.9	May 6
357.5	267.5	90.0	-	-	0.0	0.0	2.8	81.1	41.2	128.1	13
362.5	272.5	90.0	-	-	0.0	0.0	3.0	82.4	41.2	128.3	20
361.2	271.0	90.0	-	-	0.2	0.0	2.8	82.9	41.2	128.1	27
372.0	281.5	90.0	-	-	0.5	0.0	2.5	83.2	41.2	129.0	2005 June 3
369.0	279.0	90.0	-	-	0.0	0.0	2.5	84.0	41.2	129.7	10
373.6	283.5	90.0	-	-	0.1	0.0	2.9	83.4	41.2	130.3	17
400.1	310.0	90.0	-	-	0.0	0.1	3.1	84.2	41.2	130.3	24
398.2	308.0	90.0	-	-	0.2	0.0	3.2	85.7	40.7	129.3	July 1
397.5	307.5	90.0	-	-	0.0	0.0	2.9	87.4	40.7	129.6	8
388.5	298.5	90.0	-	-	0.0	0.0	3.2	85.6	40.7	130.5	15
398.5	308.5	90.0	-	-	0.0	0.0	3.4	85.9	40.7	130.4	22
407.0	317.0	90.0	-	-	0.0	0.0	3.3	85.7	40.8	131.3	29
404.0	314.0	90.0	-	-	0.0	0.0	3.1	85.9	40.8	131.6	Aug 5
398.0	308.0	90.0	-	-	0.0	0.0	2.8	86.5	40.8	131.5	12
393.0	303.0	90.0	-	-	0.0	0.0	3.3	86.3	40.8	131.8	19
400.0	310.0	90.0	-	-	0.0	0.0	3.2	87.6	40.8	132.2	26
383.0	293.0	90.0	-	-	0.0	0.0	3.3	88.7	40.8	132.4	Sep 2
384.5	294.5	90.0	-	-	0.0	0.0	3.4	89.9	40.8	133.6	9
369.5	279.5	90.0	-	-	0.0	0.0	3.6	89.6	40.8	133.5	16
377.6	287.5	90.0	-	-	0.0	0.0	3.6	90.1	40.8	133.5	23
384.0	293.5	90.0	-	-	0.5	0.0	3.4	90.9	40.7	136.2	30
<b>Deutsche Bundesbank</b>											
145.4	115.0	30.4	-	-	0.0	-	0.0	-	4.4	23.3	2003 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
173.6	127.4	45.6	-	-	0.6	-	0.0	-	4.4	29.5	Sep
195.1	148.1	46.9	-	-	-	-	0.0	-	4.4	19.0	Oct
199.8	153.5	46.0	-	-	0.3	-	0.0	-	4.4	19.0	Nov
190.4	143.0	47.3	-	-	0.1	-	0.0	-	4.4	26.9	Dec
185.1	134.3	50.9	-	-	0.0	-	0.0	-	4.4	26.3	2005 Jan
205.2	151.7	53.5	-	-	0.0	-	0.0	-	4.4	18.9	Feb
184.4	129.9	52.1	-	-	2.4	-	0.0	-	4.4	31.7	Mar
201.7	148.2	53.5	-	-	-	-	0.0	-	4.4	19.1	Apr
190.8	139.3	51.4	-	-	0.0	-	0.0	-	4.4	35.6	May
208.1	151.2	55.6	-	-	1.3	-	0.0	-	4.4	19.2	June
215.3	163.4	51.9	-	-	0.0	-	0.0	-	4.4	19.1	July
194.5	142.6	51.9	-	-	0.0	-	0.1	-	4.4	38.6	Aug
211.2	156.0	54.8	-	-	0.4	-	0.1	-	4.4	26.1	Sep

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	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
<b>Eurosystem 4</b>													
2005 Jan 28	894.8	486.1	139.7	139.6	0.0	-	-	0.0	0.1	-	69.8	63.3	6.5
Feb 4	899.5	490.0	138.6	138.6	0.1	-	-	-	0.1	-	71.8	65.3	6.6
11	897.1	489.8	142.2	142.2	0.0	-	-	-	0.1	-	68.1	61.0	7.1
18	900.3	488.2	145.1	145.1	0.0	-	-	0.0	0.1	-	69.9	62.5	7.4
25	913.8	488.2	140.9	140.8	0.1	-	-	0.0	0.1	-	88.0	81.0	7.0
Mar 4	906.9	493.6	142.4	142.3	0.1	-	-	0.0	0.1	-	72.4	65.5	6.9
11	905.4	494.6	144.6	144.5	0.0	-	-	0.0	0.1	-	67.6	60.8	6.8
18	912.7	495.5	147.1	146.7	0.4	-	-	-	0.1	-	69.8	62.9	6.8
24	926.4	501.7	144.0	144.0	0.0	-	-	-	0.1	-	81.9	74.9	7.1
Apr 1	927.2	500.9	142.2	142.1	0.1	-	-	-	0.1	-	75.1	68.1	7.0
8	927.2	502.9	142.2	142.1	0.1	-	-	0.0	0.1	-	72.4	65.4	7.0
15	922.2	502.3	143.4	143.3	0.0	-	-	0.0	0.1	-	67.7	60.6	7.0
22	934.5	502.1	143.7	143.6	0.0	-	-	-	0.1	-	79.6	72.5	7.1
29	934.5	507.0	139.3	138.9	0.4	-	-	0.0	0.1	-	77.6	70.6	7.0
May 6	927.1	512.7	146.5	146.1	0.3	-	-	-	0.1	-	56.6	49.6	6.9
13	922.9	513.5	141.8	141.8	0.0	-	-	-	0.1	-	57.2	50.2	7.0
20	929.8	510.9	148.0	147.9	0.0	-	-	0.0	0.1	-	59.3	52.5	6.9
27	927.8	511.9	144.3	144.2	0.1	-	-	0.0	0.1	-	61.0	54.3	6.6
2005 June 3	940.2	517.1	146.0	145.9	0.1	-	-	-	0.1	-	66.1	59.2	6.9
10	938.0	519.1	144.9	144.9	0.0	-	-	0.0	0.1	-	62.7	55.7	7.1
17	940.8	519.7	147.5	147.5	0.0	-	-	0.0	0.1	-	62.9	55.8	7.1
24	967.9	520.4	146.6	146.6	0.0	-	-	-	0.1	-	90.8	83.8	6.9
July 1	988.4	526.0	154.0	154.0	0.0	-	-	0.0	0.2	-	75.7	68.6	7.1
8	988.7	530.3	148.1	147.9	0.2	-	-	-	0.3	-	77.8	70.7	7.0
15	979.5	531.4	149.7	149.6	0.0	-	-	0.0	0.2	-	65.6	58.6	7.0
22	989.7	530.2	150.8	150.8	0.0	-	-	-	0.3	-	75.2	68.3	6.9
29	996.8	533.8	145.2	145.0	0.2	-	-	0.0	0.1	-	84.9	77.9	6.9
Aug 5	994.9	537.5	152.4	152.4	0.0	-	-	0.0	0.1	-	71.2	64.2	7.0
12	987.8	536.8	150.9	150.8	0.0	-	-	-	0.1	-	67.9	61.0	6.9
19	984.1	532.5	149.5	149.5	0.0	-	-	-	0.1	-	68.5	61.4	7.1
26	992.3	527.7	150.4	150.3	0.0	-	-	-	0.1	-	80.4	73.4	7.0
Sep 2	977.0	530.9	146.7	146.7	0.0	-	-	-	0.1	-	63.5	56.4	7.1
9	979.0	532.0	151.5	151.5	0.0	-	-	0.0	0.1	-	61.5	54.6	6.9
16	964.2	530.4	151.4	151.4	0.0	-	-	0.0	0.1	-	47.0	39.5	7.5
23	974.2	528.9	148.1	148.1	0.0	-	-	0.0	0.1	-	60.2	52.9	7.4
30	996.0	533.2	145.2	145.1	0.1	-	-	-	0.1	-	65.4	57.9	7.6
<b>Deutsche Bundesbank</b>													
2003 Nov	254.4	112.7	36.4	36.4	0.0	-	-	-	-	-	0.6	0.1	0.5
Dec	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	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	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
Sep	283.6	126.5	40.1	40.1	0.0	-	-	-	-	-	0.5	0.1	0.4
Oct	293.7	128.2	35.5	35.5	0.0	-	-	-	-	-	0.5	0.1	0.4
Nov	298.6	129.5	48.3	48.3	0.0	-	-	-	-	-	0.7	0.3	0.4
Dec	293.5	136.3	41.3	41.2	0.1	-	-	-	0.2	-	0.4	0.0	0.4
2005 Jan	287.9	132.3	40.8	40.8	0.0	-	-	-	-	-	0.4	0.0	0.4
Feb	300.1	133.0	40.2	40.2	0.0	-	-	-	-	-	0.4	0.0	0.4
Mar	294.6	136.1	38.1	38.1	0.0	-	-	-	-	-	0.4	0.0	0.3
Apr	299.0	137.9	39.8	39.8	0.0	-	-	-	-	-	0.4	0.0	0.4
May	304.6	139.4	41.3	41.3	0.0	-	-	-	-	-	0.4	0.0	0.4
June	310.7	142.6	34.6	33.7	0.8	-	-	-	-	-	0.4	0.0	0.4
July	317.5	145.2	39.7	39.7	0.0	-	-	-	-	-	0.4	0.0	0.4
Aug	315.3	143.5	39.0	39.0	0.0	-	-	-	-	-	0.4	0.0	0.4
Sep	325.0	145.0	38.8	38.7	0.0	-	-	-	-	-	0.4	0.1	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 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 counterpart of this adjustment is disclosed as an "Intra-Eurosystem liability related to euro-

III Consolidated financial statement of the Eurosystem

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 <sup>3</sup>	Intra-Eurosystem liability related to euro-banknote issue <sup>2</sup>	Revaluation accounts	Capital and reserves	On reporting date/ End of month <sup>1</sup>		
		Total	Deposits, balances and other liabilities	Liabilities arising from the credit facility under ERM II								
<b>Eurosystem <sup>4</sup></b>												
8.3	0.2	11.3	11.3	—	5.6	50.9	—	64.8	57.8	2005 Jan 28		
8.0	0.3	11.6	11.6	—	5.6	50.7	—	64.8	57.8	Feb 4		
8.2	0.3	9.3	9.3	—	5.6	50.8	—	64.8	57.8	11		
8.2	0.3	8.4	8.4	—	5.6	51.1	—	64.8	58.6	18		
8.5	0.3	7.5	7.5	—	5.6	51.6	—	64.8	58.3	25		
8.3	0.3	9.4	9.4	—	5.6	51.6	—	64.8	58.3	Mar 4		
8.2	0.4	9.8	9.8	—	5.6	51.3	—	64.8	58.4	11		
8.4	0.4	11.2	11.2	—	5.6	51.6	—	64.8	58.1	18		
9.0	0.4	9.2	9.2	—	5.6	51.5	—	64.8	58.1	24		
8.9	0.2	9.8	9.8	—	5.7	54.0	—	72.0	58.2	Apr 1		
8.9	0.2	10.9	10.9	—	5.7	53.7	—	72.0	58.2	8		
8.9	0.3	9.6	9.6	—	5.7	54.0	—	72.0	58.2	15		
8.9	0.3	10.0	10.0	—	5.7	54.0	—	72.0	58.2	22		
9.2	0.4	10.9	10.9	—	5.7	54.2	—	72.0	58.2	29		
9.4	0.4	10.9	10.9	—	5.7	54.7	—	72.0	58.2	May 6		
9.3	0.3	10.4	10.4	—	5.7	54.3	—	72.0	58.2	13		
9.5	0.3	10.7	10.7	—	5.7	55.1	—	72.0	58.2	20		
10.4	0.2	9.8	9.8	—	5.7	54.0	—	72.0	58.3	27		
10.2	0.2	10.3	10.3	—	5.7	54.2	—	72.0	58.3	2005 June 3		
9.8	0.2	10.4	10.4	—	5.7	54.7	—	72.0	58.3	10		
10.1	0.3	8.8	8.8	—	5.7	55.5	—	72.0	58.3	17		
9.9	0.4	8.5	8.5	—	5.7	55.1	—	72.0	58.3	24		
9.7	0.3	5	9.1	—	5.9	56.9	—	92.3	58.3	July 1		
9.9	0.3	8.9	8.9	—	5.9	56.6	—	92.3	58.3	8		
10.0	0.4	8.7	8.7	—	5.9	57.0	—	92.3	58.3	15		
10.0	0.2	9.0	9.0	—	5.9	57.4	—	92.3	58.3	22		
10.1	0.2	8.0	8.0	—	5.9	57.9	—	92.3	58.3	29		
10.2	0.3	8.9	8.9	—	5.9	57.8	—	92.3	58.3	Aug 5		
10.2	0.3	7.7	7.7	—	5.9	57.3	—	92.3	58.3	12		
10.3	0.4	8.1	8.1	—	5.9	58.3	—	92.3	58.3	19		
10.3	0.2	8.0	8.0	—	5.9	58.7	—	92.3	58.3	26		
11.3	0.5	8.4	8.4	—	5.9	59.0	—	92.3	58.4	Sep 2		
10.7	0.2	7.2	7.2	—	5.9	59.2	—	92.3	58.4	9		
10.6	0.3	7.7	7.7	—	5.9	60.1	—	92.3	58.4	16		
10.3	0.3	9.5	9.5	—	5.9	60.0	—	92.3	58.4	23		
11.1	0.2	10.4	10.4	—	5.9	62.3	—	103.7	58.4	30		
<b>Deutsche Bundesbank</b>												
7.4	0.0	3.2	3.2	—	1.5	12.9	44.4	30.2	5.0	2003 Nov		
7.7	0.0	2.8	2.8	—	1.4	5	10.5	44.6	5	Dec		
7.3	0.0	3.1	3.1	—	1.4	11.4	48.1	29.1	5.0	2004 Jan		
7.0	0.0	3.0	3.0	—	1.4	12.7	49.2	29.1	5.0	Feb		
6.5	0.0	3.1	3.1	—	1.5	10.8	50.4	5	32.2	5.0	Mar	
6.2	0.0	3.4	3.4	—	1.5	10.9	52.3	32.2	5.0	Apr		
5.8	0.0	2.7	2.7	—	1.5	11.5	53.3	32.2	5.0	May		
5.6	0.0	3.4	3.4	—	1.5	32.2	53.9	5	29.3	5.0	June	
5.9	0.0	2.6	2.6	—	1.5	30.3	55.6	29.3	5.0	July		
5.8	0.0	2.0	2.0	—	1.5	15.2	58.6	29.3	5.0	Aug		
5.6	0.0	2.0	2.0	—	1.4	12.0	60.9	29.6	5.0	Sep		
5.9	0.0	1.3	1.3	—	1.4	24.1	62.3	29.6	5.0	Oct		
5.6	0.0	1.5	1.5	—	1.4	13.9	63.1	29.6	5.0	Nov		
5.9	0.0	2.0	2.0	—	1.4	5	9.7	63.4	5	27.8	5.0	Dec
3.5	0.0	2.7	2.7	—	1.4	9.5	64.5	27.8	5.0	2005 Jan		
3.4	0.0	2.1	2.1	—	1.4	21.0	65.8	27.8	5.0	Feb		
3.2	0.0	3.1	3.1	—	1.4	9.4	67.9	5	30.1	5.0	Mar	
3.4	0.0	2.7	2.7	—	1.4	9.5	68.8	30.1	5.0	Apr		
3.5	0.0	2.6	2.6	—	1.4	9.6	71.3	30.1	5.0	May		
3.3	0.0	2.5	2.5	—	1.5	13.0	72.0	5	35.9	5.0	June	
3.5	0.0	3.0	3.0	—	1.5	10.8	72.6	35.9	5.0	July		
3.4	0.0	2.1	2.1	—	1.5	10.5	74.1	35.9	5.0	Aug		
3.5	0.0	4.1	4.1	—	1.5	11.0	76.4	5	39.2	5.0	Sep	

bank-note issue". The remaining 92 % of the value of the euro banknote 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". — <sup>3</sup> For the Deutsche Bundesbank: including DM banknotes still in circulation. — <sup>4</sup> Source: ECB. — <sup>5</sup> 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	Enterprises and house- holds	
End of year or month													
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
2004	6,617.4	15.1	2,174.3	1,750.2	1,122.9	627.3	424.2	306.3	117.9	3,358.7	3,083.4	2,479.7	2,223.8
2003 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
2003 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
2004 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
2004 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
2004 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
2004 May	6,583.5	13.8	2,163.3	1,771.6	1,127.6	644.0	391.7	289.0	102.7	3,367.9	3,101.0	2,497.0	2,229.7
2004 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
2004 July	6,574.9	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
2004 Aug	6,567.5	13.2	2,167.2	1,759.6	1,126.4	633.2	407.6	301.7	105.9	3,357.7	3,086.1	2,470.3	2,221.8
2004 Sep	6,597.6	13.2	2,165.1	1,759.6	1,123.8	635.8	405.6	295.9	109.6	3,361.1	3,091.0	2,478.1	2,229.6
2004 Oct	6,627.7	13.9	2,178.3	1,759.5	1,128.1	631.4	418.7	306.4	112.4	3,371.9	3,094.1	2,475.6	2,226.8
2004 Nov	6,683.4	13.3	2,197.3	1,771.7	1,137.6	634.1	425.6	310.6	115.1	3,376.5	3,098.8	2,482.9	2,233.7
2004 Dec	6,617.4	15.1	2,174.3	1,750.2	1,122.9	627.3	424.2	306.3	117.9	3,358.7	3,083.4	2,479.7	2,223.8
2005 Jan	6,672.1	13.2	2,182.9	1,749.0	1,124.6	624.4	433.9	312.6	121.4	3,377.2	3,092.4	2,478.8	2,216.8
2005 Feb	6,717.4	12.8	2,220.8	1,752.4	1,124.4	628.1	468.3	339.6	128.7	3,372.3	3,080.6	2,474.4	2,219.9
2005 Mar	6,723.0	13.6	2,215.6	1,757.1	1,123.7	633.4	458.5	325.4	133.0	3,379.8	3,084.0	2,475.2	2,216.6
2005 Apr	6,908.4	13.1	2,275.5	1,814.0	1,174.8	639.1	461.6	325.9	135.6	3,442.4	3,127.8	2,518.2	2,217.5
2005 May	6,892.0	13.8	2,284.9	1,808.0	1,167.1	640.9	477.0	338.3	138.6	3,422.1	3,107.1	2,500.9	2,220.6
2005 June	6,851.3	13.6	2,279.3	1,788.0	1,141.2	646.8	491.4	348.5	142.8	3,392.9	3,073.3	2,482.3	2,222.8
2005 July	6,871.3	14.0	2,282.1	1,797.8	1,149.9	647.8	484.3	342.6	141.7	3,395.6	3,082.2	2,488.3	2,224.4
2005 Aug	6,849.5	13.5	2,270.8	1,787.5	1,143.7	643.8	483.3	338.5	144.8	3,397.7	3,085.8	2,491.0	2,225.3
<b>Changes <sup>1</sup></b>													
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
2004	207.5	- 2.1	68.9	22.5	9.5	13.1	46.3	15.8	30.5	44.1	17.5	- 0.4	- 1.2
2003 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
2004 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
2004 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
2004 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
2004 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
2004 June	- 33.2	- 0.7	- 13.0	- 25.2	- 14.9	- 10.3	12.2	10.6	1.7	- 9.2	- 10.1	- 13.2	0.2
2004 July	21.8	0.1	23.4	18.8	17.7	1.2	4.6	3.7	0.9	6.4	3.3	- 5.7	- 3.8
2004 Aug	- 5.3	- 0.1	- 7.0	- 5.5	- 4.0	- 1.5	- 1.5	- 4.3	2.9	- 7.4	- 6.8	- 6.4	- 2.9
2004 Sep	39.6	0.0	- 1.7	0.3	- 2.6	2.9	- 1.9	- 5.8	3.8	5.3	6.3	9.2	9.4
2004 Oct	36.3	0.7	13.2	0.0	4.3	- 4.3	13.2	10.4	2.7	11.7	3.9	- 1.8	- 2.0
2004 Nov	67.8	- 0.6	19.3	12.2	9.5	2.7	7.1	4.2	2.9	6.1	5.7	8.3	7.9
2004 Dec	- 55.0	1.9	- 19.2	- 17.8	- 11.2	- 6.6	- 1.4	- 4.2	2.9	- 14.0	- 12.4	0.2	- 6.6
2005 Jan	40.4	- 2.0	8.2	- 1.2	1.7	- 2.9	9.4	6.2	3.2	20.9	11.7	1.9	- 4.1
2005 Feb	50.7	- 0.4	38.0	3.6	- 0.2	3.8	34.5	27.1	7.4	- 2.2	- 9.4	- 2.0	5.4
2005 Mar	- 0.5	0.8	- 4.9	4.9	- 0.6	5.6	- 9.9	- 14.2	4.3	8.5	4.8	2.2	- 1.9
2005 Apr	183.0	- 0.5	59.4	56.8	51.1	5.7	2.6	0.5	2.1	63.2	44.4	43.7	1.4
2005 May	- 32.5	0.7	9.2	- 6.1	- 7.7	1.6	15.3	12.4	2.9	- 21.7	- 21.4	- 18.0	2.6
2005 June	- 46.3	- 0.2	- 5.5	- 19.8	- 25.9	6.1	14.4	10.2	4.2	- 27.7	- 32.1	- 16.7	4.4
2005 July	22.1	0.4	2.9	10.0	8.8	1.2	- 7.0	- 5.9	- 1.1	3.9	10.0	7.0	2.7
2005 Aug	- 21.8	- 0.5	- 11.3	- 10.5	- 6.2	- 4.3	- 0.9	- 3.6	2.7	2.8	4.4	3.5	1.4

\* 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

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
<b>End of year or month</b>													
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	806.4	645.6	163.6	2003
255.9	603.8	423.0	180.8	275.3	140.6	61.9	134.7	25.7	109.0	897.8	730.4	171.4	2004
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	2003 Nov
256.2	585.6	439.6	146.1	250.2	133.5	62.7	116.6	25.9	90.7	806.4	645.6	163.6	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
248.4	615.8	429.9	186.0	271.6	137.7	65.0	133.9	26.2	107.6	871.6	696.5	157.9	Aug
248.5	612.9	425.8	187.1	270.1	138.8	65.3	131.3	25.7	105.6	898.6	725.5	159.6	Sep
248.7	618.5	430.9	187.7	277.8	139.9	65.1	137.9	25.5	112.4	901.8	727.5	161.9	Oct
249.1	615.9	426.6	189.3	277.7	143.1	67.5	134.6	25.7	108.9	931.8	756.6	164.6	Nov
255.9	603.8	423.0	180.8	275.3	140.6	61.9	134.7	25.7	109.0	897.8	730.4	171.4	Dec
262.0	613.6	427.5	186.2	284.9	145.2	66.3	139.7	25.8	113.9	935.8	762.7	163.1	2005 Jan
254.5	606.2	422.2	184.0	291.7	147.6	66.6	144.1	26.5	117.5	945.4	771.9	166.2	Feb
258.6	608.8	420.7	188.2	295.8	144.6	61.4	151.2	28.0	123.2	955.0	780.7	159.1	Mar
300.7	609.6	422.8	186.8	314.6	151.8	65.5	162.9	30.7	132.1	1,013.1	835.4	164.2	Apr
280.3	606.2	421.7	184.5	315.0	155.2	66.0	159.8	31.1	128.7	1,001.3	821.1	169.8	May
259.5	591.0	416.2	174.7	319.6	162.6	68.4	157.0	31.2	125.8	1,001.0	815.4	164.5	June
263.9	593.9	418.9	175.0	313.4	158.5	64.2	154.9	32.4	122.5	1,014.5	830.9	165.1	July
265.8	594.8	417.0	177.8	311.9	157.7	62.9	154.2	31.1	123.0	1,002.5	815.0	164.9	Aug
<b>Changes 1</b>													
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	116.2	98.5	- 41.5	2003
0.9	17.8	- 17.0	34.9	26.6	8.2	3.1	18.4	0.0	18.4	111.4	100.5	- 14.7	2004
- 1.7	- 12.4	- 2.9	- 9.5	3.6	1.4	- 1.4	2.2	0.5	1.7	16.2	9.4	- 4.5	2003 Dec
2.1	3.6	0.6	3.0	0.4	- 2.3	- 1.6	2.7	- 0.4	3.1	31.9	32.1	- 16.1	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	3.1	1.6	1.2	1.5	0.8	0.8	- 8.2	- 9.8	0.1	July
- 3.6	- 0.3	- 4.5	4.2	- 0.6	- 1.7	0.1	1.1	- 0.1	1.2	12.6	10.6	- 3.6	Aug
- 0.2	- 2.9	- 4.1	1.1	- 0.9	1.5	0.6	- 2.4	- 0.5	- 1.9	34.9	36.0	0.9	Sep
0.2	5.7	5.1	0.6	7.9	1.3	- 0.0	6.6	- 0.1	6.7	9.0	7.5	1.7	Oct
0.4	- 2.6	- 4.2	1.6	0.4	3.5	2.7	- 3.1	0.3	- 3.4	41.1	38.9	1.9	Nov
6.8	- 12.5	- 4.1	- 8.4	- 1.7	- 2.0	- 5.1	0.3	0.0	0.3	- 26.1	- 19.1	2.4	Dec
6.0	9.8	4.4	5.4	9.1	4.4	4.1	4.8	- 0.0	4.8	25.6	21.0	- 12.4	2005 Jan
- 7.4	- 7.4	- 5.2	- 2.2	7.2	2.6	0.4	4.6	0.8	3.8	14.6	13.6	0.7	Feb
4.1	2.6	- 1.6	4.2	3.7	- 3.3	- 5.4	7.0	1.4	5.6	4.1	3.7	- 9.0	Mar
42.2	0.8	2.2	- 1.4	18.8	7.2	4.1	11.6	2.8	8.9	56.7	53.5	4.2	Apr
- 20.6	- 3.4	- 1.2	- 2.3	- 0.3	2.9	0.1	- 3.2	0.3	- 3.5	- 25.7	- 27.2	5.0	May
- 21.0	- 15.4	- 5.7	- 9.8	4.4	7.3	2.3	- 2.9	0.1	- 3.0	- 5.5	- 10.6	- 7.4	June
4.3	3.0	2.7	0.3	- 6.1	- 4.1	- 4.2	- 2.0	1.2	- 3.2	15.0	16.9	- 0.2	July
2.1	0.9	- 1.9	2.8	- 1.5	- 0.8	- 1.0	- 0.7	- 1.3	0.5	- 12.1	- 15.3	- 0.7	Aug

from the flow figures (see also footnote \* in Table II.1). — 2 Including debt securities arising from the exchange of equalisation claims.



**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 <sup>2</sup>		At agreed notice <sup>3</sup>		Total	Over-night
								Total	of which up to 2 years <sup>4</sup>	Total	of which up to 3 months		
<b>End of year or month</b>													
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	1,202.1	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
2004	6,617.4	1,528.4	1,270.8	257.6	2,264.2	2,148.5	646.2	898.9	239.9	603.5	515.5	71.9	8.8
2003 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
2003 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
2004 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
2004 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
2004 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
2004 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
2004 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
2004 July	6,574.9	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
2004 Aug	6,567.5	1,510.2	1,259.4	250.8	2,231.7	2,105.7	636.2	878.2	228.9	591.3	505.6	74.0	9.8
2004 Sep	6,597.6	1,495.3	1,242.0	253.3	2,237.6	2,113.6	645.8	876.6	225.6	591.2	505.7	76.0	14.4
2004 Oct	6,627.7	1,534.8	1,277.0	257.7	2,237.1	2,118.1	646.8	879.0	225.7	592.3	506.3	73.5	9.6
2004 Nov	6,683.4	1,536.2	1,285.2	250.9	2,257.3	2,140.2	672.5	874.6	218.3	593.0	506.2	73.4	11.9
2004 Dec	6,617.4	1,528.4	1,270.8	257.6	2,264.2	2,148.5	646.2	898.9	239.9	603.5	515.5	71.9	8.8
2005 Jan	6,672.1	1,524.6	1,258.7	265.9	2,275.1	2,155.3	665.1	886.0	225.7	604.1	516.4	74.7	13.5
2005 Feb	6,717.4	1,552.6	1,282.7	269.8	2,278.4	2,160.3	670.4	885.0	220.6	605.0	516.7	73.7	13.2
2005 Mar	6,723.0	1,524.3	1,255.2	269.1	2,271.6	2,159.7	672.3	882.2	214.5	605.2	516.5	70.9	11.5
2005 Apr	6,908.4	1,630.5	1,328.3	302.2	2,278.7	2,170.3	675.5	890.0	220.1	604.8	516.6	66.5	10.7
2005 May	6,892.0	1,593.7	1,303.3	290.5	2,285.4	2,177.0	683.3	889.6	223.2	604.1	516.4	67.9	12.4
2005 June	6,851.3	1,577.1	1,301.4	275.7	2,288.5	2,179.8	691.4	885.7	218.6	602.7	515.6	67.4	14.5
2005 July	6,871.3	1,581.0	1,311.5	269.5	2,288.7	2,185.9	694.8	889.3	220.8	601.9	515.5	61.1	11.6
2005 Aug	6,849.5	1,557.4	1,290.4	267.0	2,290.1	2,188.2	697.1	890.7	221.6	600.4	515.0	60.2	11.0
<b>Changes <sup>1</sup></b>													
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
2004	207.5	62.3	42.9	19.5	53.5	64.9	26.3	25.5	- 8.3	13.1	14.7	- 9.3	- 0.4
2003 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
2004 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
2004 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
2004 Apr	57.9	21.5	23.2	- 1.7	4.7	8.7	8.6	0.3	- 5.1	- 0.2	0.9	- 3.5	- 2.6
2004 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
2004 June	- 33.2	4.8	5.5	- 0.7	- 0.7	- 4.0	0.3	- 3.7	- 7.7	- 0.6	- 0.3	0.8	3.0
2004 July	21.8	22.3	17.8	4.6	- 3.3	1.5	- 5.7	6.6	4.3	0.7	0.5	- 3.9	- 2.7
2004 Aug	- 5.3	- 13.5	- 15.0	1.4	7.3	3.7	1.5	1.5	0.2	0.7	0.7	1.2	0.1
2004 Sep	39.6	- 13.1	- 16.8	3.6	6.5	8.2	9.9	- 1.5	- 3.2	- 0.1	0.1	2.2	4.7
2004 Oct	36.3	41.0	35.4	5.6	- 0.1	4.8	1.3	2.4	0.1	1.1	0.5	- 2.3	- 4.8
2004 Nov	67.8	3.5	8.9	- 5.4	20.9	22.6	26.6	- 4.8	- 7.2	0.8	- 0.1	0.2	2.4
2004 Dec	- 55.0	- 5.9	- 13.7	7.8	8.5	9.6	- 26.1	25.3	21.7	10.4	9.3	- 1.3	- 3.1
2005 Jan	40.4	- 6.2	- 12.9	6.7	10.0	6.2	18.6	- 13.0	- 14.4	0.7	0.9	2.4	4.6
2005 Feb	50.7	28.8	24.3	4.5	3.6	5.3	5.4	- 0.9	- 5.1	0.8	0.3	- 0.8	- 0.2
2005 Mar	- 0.5	- 29.7	- 28.1	- 1.5	- 6.9	- 0.5	2.3	- 1.7	- 5.5	- 1.0	- 1.0	- 3.0	- 1.8
2005 Apr	183.0	105.9	73.0	32.9	7.0	10.6	3.2	7.7	5.6	- 0.3	0.1	- 4.4	- 0.8
2005 May	- 32.5	- 39.7	- 26.1	- 13.6	5.8	6.1	7.4	- 0.5	2.9	- 0.8	- 0.3	1.0	1.6
2005 June	- 46.3	- 17.7	- 2.2	- 15.5	2.8	2.6	7.9	- 4.0	- 4.6	- 1.4	- 0.8	- 0.6	2.0
2005 July	22.1	4.3	10.2	- 6.0	3.0	6.2	3.4	3.6	2.2	- 0.8	- 0.1	- 3.6	- 2.8
2005 Aug	- 21.8	- 23.6	- 21.0	- 2.5	0.9	2.2	2.2	1.4	0.8	- 1.5	- 0.5	- 0.8	- 0.6

\* 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. — <sup>1</sup> Statistical breaks have been eliminated

from the flow figures (see also footnote \* in Table II.1). — <sup>2</sup> For the German contribution: from 1999, including deposits under savings and loan contracts (see Table IV.12). — <sup>3</sup> For the German contribution: up to the end of 1998, including deposits under savings and loan contracts (see also



IV Banks

in other member states <sup>5</sup>				Deposits of central governments		Liabilities arising from repos with non-banks in the euro area <sup>6</sup>	Money market fund shares issued <sup>7</sup>	Debt securities issued <sup>7</sup>		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 <sup>7</sup>				
Total	of which up to 2 years <sup>4</sup>	Total	of which up to 3 months			Total	of which domestic central governments			Total	of which with maturities of up to 2 years <sup>7</sup>	Total	of which with maturities of up to 2 years <sup>7</sup>
<b>End of year or month</b>													
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
59.8	9.8	3.3	2.7	43.8	41.4	14.8	31.5	1,554.8	116.9	577.1	329.3	317.2	2004
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	2003 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	332.1	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	576.6	339.4	293.9	July
60.6	10.2	3.6	3.0	52.1	47.6	14.2	41.1	1,562.9	120.7	577.2	336.9	293.3	Aug
58.0	8.2	3.5	2.9	48.1	46.0	18.1	38.7	1,575.0	119.7	595.6	335.1	302.2	Sep
60.4	10.3	3.5	2.9	45.6	42.6	21.2	37.4	1,569.6	118.0	582.7	335.5	309.3	Oct
58.1	8.0	3.4	2.8	43.7	41.3	22.0	35.6	1,569.6	116.1	616.1	332.3	314.4	Nov
59.8	9.8	3.3	2.7	43.8	41.4	14.8	31.5	1,554.8	116.9	577.1	329.3	317.2	Dec
58.0	8.5	3.2	2.7	45.2	41.8	25.1	31.3	1,559.9	110.2	615.0	333.1	308.1	2005 Jan
57.3	8.0	3.2	2.7	44.3	41.5	27.3	31.6	1,570.4	117.3	623.3	332.7	301.2	Feb
56.3	8.0	3.1	2.6	41.0	40.5	28.3	34.0	1,585.3	114.8	639.3	334.6	305.7	Mar
52.8	9.3	3.1	2.5	41.8	39.4	28.6	34.4	1,606.5	117.7	680.0	341.0	308.7	Apr
52.5	9.5	2.9	2.5	40.5	39.2	28.3	33.9	1,614.2	115.8	686.9	343.8	305.7	May
50.4	8.5	2.5	2.1	41.3	39.7	28.3	34.2	1,637.1	118.2	636.2	343.9	306.0	June
47.0	7.4	2.5	2.1	41.7	41.4	26.7	35.7	1,640.1	116.2	645.0	346.2	307.9	July
46.8	7.7	2.4	2.0	41.6	40.5	30.6	35.8	1,639.3	117.7	640.3	344.3	311.6	Aug
<b>Changes <sup>1</sup></b>													
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	38.0	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	0.1	49.8	- 2.2	4.6	- 3.9	- 26.3	2003
- 8.3	- 1.4	- 0.6	- 0.4	- 2.1	- 2.8	0.8	- 5.2	72.9	- 14.8	21.5	- 10.5	12.2	2004
- 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	2003 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	6.1	3.5	7.7	Apr
2.6	2.1	- 0.0	- 0.0	1.0	- 0.4	- 0.3	0.3	12.0	- 3.0	- 16.7	2.8	- 4.6	May
- 2.1	- 2.1	- 0.0	- 0.0	2.4	1.3	- 0.8	- 0.1	- 5.8	- 8.6	- 31.0	1.1	- 0.6	June
- 1.1	- 0.5	- 0.0	- 0.0	- 1.0	0.0	0.6	3.9	3.8	- 3.6	- 7.0	1.8	- 0.4	July
1.1	0.5	- 0.0	- 0.0	2.4	0.4	- 2.5	1.2	5.2	0.6	2.1	- 3.3	- 1.8	Aug
- 2.5	- 1.9	- 0.0	- 0.0	- 4.0	- 1.6	3.9	- 2.4	15.6	- 1.0	23.8	- 1.2	6.4	Sep
- 2.5	2.2	- 0.1	- 0.1	- 2.6	- 3.4	3.1	- 1.3	- 3.2	- 1.7	- 9.2	0.8	5.3	Oct
- 2.1	- 2.3	- 0.1	- 0.1	- 1.9	- 1.3	0.8	- 1.8	3.8	- 1.9	40.6	- 2.6	2.6	Nov
1.9	1.9	- 0.1	- 0.1	0.1	0.2	- 7.2	- 4.1	- 11.3	0.7	- 33.4	- 2.4	0.7	Dec
- 2.1	- 1.4	- 0.0	- 0.0	1.4	0.3	10.3	- 0.2	- 0.1	- 6.6	29.6	- 2.9	- 5.9	2005 Jan
- 0.6	- 0.5	- 0.0	- 0.0	- 0.8	- 0.2	2.2	0.3	12.3	0.9	11.5	- 0.0	- 7.9	Feb
- 1.2	- 0.0	- 0.1	- 0.0	- 3.3	- 1.0	1.0	2.4	12.9	- 2.5	12.2	1.5	6.0	Mar
- 3.6	1.3	- 0.1	- 0.1	0.8	- 1.1	0.3	0.4	20.1	- 3.0	39.7	5.7	3.9	Apr
- 0.5	0.1	- 0.1	- 0.1	- 1.3	- 0.2	- 0.3	- 0.5	2.4	- 1.9	- 3.1	1.7	1.1	May
- 2.2	- 1.1	- 0.4	- 0.4	0.8	0.5	- 0.1	0.3	21.0	2.4	- 54.2	- 0.3	1.9	June
- 0.7	- 1.1	- 0.0	- 0.0	0.4	1.7	- 1.5	1.5	1.5	- 2.1	10.0	- 2.5	0.8	July
- 0.2	0.3	- 0.0	- 0.0	- 0.4	- 1.2	3.9	0.1	- 0.8	1.5	- 4.7	- 1.8	4.1	Aug

footnote 2). — 4 Up to December 1998, with maturities of less 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
<b>All categories of banks</b>													
2005 Mar	2,141	6,767.3	52.9	2,653.6	1,899.4	741.1	3,663.2	460.3	2,546.0	3.1	646.3	137.2	260.5
Apr	2,140	6,952.1	53.1	2,740.8	1,977.2	748.8	3,749.8	492.7	2,550.2	3.0	694.5	142.8	265.6
May	2,136	6,935.7	55.2	2,746.7	1,977.1	756.0	3,720.3	480.8	2,555.1	2.9	674.0	142.4	271.1
June	2,129	6,892.6	50.5	2,756.9	1,974.7	767.6	3,678.9	462.6	2,558.7	2.8	648.4	142.6	263.7
July	2,118	6,910.8	55.7	2,759.6	1,979.9	764.4	3,687.8	463.4	2,566.1	3.0	649.8	143.7	264.0
Aug	2,110	6,890.4	53.3	2,735.2	1,956.1	762.2	3,693.0	457.6	2,568.1	2.9	657.5	143.5	265.5
<b>Commercial banks <sup>5</sup></b>													
2005 July	250	1,958.0	18.5	773.7	634.8	136.2	987.1	261.8	550.5	1.6	169.8	76.1	102.6
Aug	249	1,931.7	17.2	760.3	622.8	134.4	976.8	256.4	546.0	1.5	168.2	76.3	101.1
<b>Big banks <sup>6</sup></b>													
2005 July	5	1,245.7	10.8	487.8	411.9	73.5	606.4	173.9	307.5	1.2	121.5	63.5	77.3
Aug	5	1,246.9	9.3	490.0	415.7	71.5	609.2	175.2	306.7	1.2	122.6	63.8	74.6
<b>Regional banks and other commercial banks</b>													
2005 July	162	604.6	7.0	224.0	164.5	59.3	338.9	67.6	223.7	0.4	46.1	12.6	22.1
Aug	161	583.7	7.3	216.5	157.4	58.8	324.1	60.9	218.6	0.3	43.1	12.4	23.4
<b>Branches of foreign banks</b>													
2005 July	83	107.6	0.7	61.8	58.4	3.4	41.8	20.3	19.3	0.0	2.2	0.1	3.2
Aug	83	101.0	0.7	53.7	49.7	4.0	43.5	20.3	20.6	0.0	2.5	0.1	3.1
<b>Landesbanken</b>													
2005 July	12	1,357.4	4.4	763.5	587.6	166.9	520.1	64.5	364.2	0.3	89.9	27.9	41.4
Aug	12	1,371.4	3.4	766.6	590.2	166.6	531.4	66.0	371.0	0.3	92.7	27.4	42.7
<b>Savings banks</b>													
2005 July	466	997.1	18.3	235.4	79.8	155.0	707.2	66.7	540.9	0.7	99.0	15.6	20.5
Aug	463	995.5	18.0	232.7	77.0	155.0	708.5	65.3	542.4	0.7	100.1	15.7	20.6
<b>Regional institutions of credit cooperatives</b>													
2005 July	2	229.0	1.1	158.1	109.0	48.0	50.9	11.8	20.5	0.0	18.4	11.7	7.3
Aug	2	225.7	1.1	155.0	105.0	48.6	50.4	11.4	19.2	0.0	19.6	11.7	7.5
<b>Credit cooperatives</b>													
2005 July	1,321	577.8	12.1	149.7	61.9	85.9	393.0	39.1	309.9	0.4	43.2	6.1	16.9
Aug	1,317	578.2	12.0	148.8	60.7	86.4	394.3	38.5	311.2	0.3	44.0	6.1	16.9
<b>Mortgage banks</b>													
2005 July	25	893.1	0.9	247.5	150.1	97.4	626.6	10.9	473.4	-	142.3	0.8	17.3
Aug	25	888.5	1.0	240.7	143.4	97.3	628.3	11.6	472.0	-	144.7	0.8	17.7
<b>Building and loan associations</b>													
2005 July	26	189.2	0.0	47.5	33.8	13.6	122.8	1.4	103.3	.	18.1	0.4	18.5
Aug	26	189.3	0.0	47.6	34.1	13.4	122.7	1.4	103.1	.	18.2	0.4	18.5
<b>Special purpose banks</b>													
2005 July	16	709.2	0.3	384.3	322.8	61.4	280.0	7.2	203.5	-	69.0	5.1	39.5
Aug	16	710.1	0.6	383.5	322.9	60.5	280.5	6.9	203.2	-	70.1	5.1	40.5
<b>Memo item: Foreign banks <sup>7</sup></b>													
2005 July	125	464.9	3.7	208.6	157.8	50.6	239.0	43.2	141.4	0.2	54.2	0.9	12.8
Aug	125	446.2	4.0	188.4	137.0	51.3	241.2	42.6	144.0	0.2	54.4	0.9	11.8
<b>of which: Banks majority-owned by foreign banks <sup>8</sup></b>													
2005 July	42	357.3	2.9	146.7	99.4	47.3	197.2	22.9	122.2	0.2	52.0	0.8	9.6
Aug	42	345.2	3.4	134.6	87.4	47.2	197.7	22.3	123.4	0.2	51.8	0.8	8.7

\* 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 <sup>4</sup>	Bank savings bonds	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month
Total	of which		Total	of which			Memo item Liabilities arising from repos <sup>2</sup>	Savings deposits <sup>3</sup>						
	Sight deposits	Time deposits		Sight deposits	Time deposits <sup>1</sup>	for up to and including 1 year		for more than 1 year <sup>1</sup>	Total					
<b>All categories of banks</b>														
1,912.7	280.8	1,631.8	2,551.9	741.1	323.5	769.7	110.5	614.6	524.1	102.9	1,631.0	286.4	385.4	2005 Mar
2,035.5	317.8	1,717.6	2,583.3	749.4	352.2	764.8	132.3	614.2	524.1	102.7	1,653.6	291.4	388.2	Apr
2,007.7	319.3	1,688.3	2,587.8	754.4	354.7	763.2	121.0	613.3	523.7	102.3	1,662.5	292.8	384.9	May
1,962.1	299.6	1,662.4	2,569.0	759.7	329.4	766.3	104.0	611.4	522.5	102.3	1,684.4	294.2	382.9	June
1,967.2	263.8	1,703.3	2,575.2	760.5	335.9	766.6	106.7	610.5	522.4	101.6	1,687.4	296.7	384.4	July
1,945.1	271.8	1,673.3	2,574.0	759.7	339.1	765.4	107.7	608.9	521.8	100.7	1,684.7	296.9	389.6	Aug
<b>Commercial banks<sup>5</sup></b>														
746.2	144.4	601.7	769.6	359.8	168.1	125.5	86.3	107.4	98.2	8.7	213.0	91.8	137.4	2005 July
732.1	146.5	585.5	759.4	355.0	169.7	120.6	85.5	105.3	96.6	8.7	210.3	91.9	138.1	Aug
<b>Big banks<sup>6</sup></b>														
481.9	106.5	375.4	459.4	181.2	121.8	84.7	80.8	71.3	69.3	0.4	161.3	50.7	92.5	2005 July
481.7	107.3	374.3	460.7	179.5	125.6	84.1	80.8	71.2	69.2	0.4	160.5	50.8	93.3	Aug
<b>Regional banks and other commercial banks</b>														
184.7	22.8	161.8	288.7	165.5	39.7	39.1	5.5	36.1	28.8	8.3	51.7	38.3	41.2	2005 July
176.7	25.6	151.1	277.9	163.4	37.2	34.8	4.7	34.1	27.4	8.3	49.8	38.2	41.1	Aug
<b>Branches of foreign banks</b>														
79.6	15.1	64.5	21.5	13.1	6.5	1.7	–	0.0	0.0	0.1	0.0	2.9	3.7	2005 July
73.7	13.6	60.1	20.7	12.1	6.9	1.7	–	0.0	0.0	0.1	0.0	2.9	3.7	Aug
<b>Landesbanken</b>														
438.9	62.1	376.9	318.7	50.7	39.5	212.8	10.6	15.1	14.3	0.6	484.3	57.6	57.8	2005 July
444.9	67.2	377.7	329.5	53.2	43.4	215.5	13.1	16.7	15.8	0.6	480.8	58.4	57.9	Aug
<b>Savings banks</b>														
219.0	4.0	215.0	638.3	205.6	47.0	12.0	–	305.6	253.1	68.1	43.0	49.5	47.3	2005 July
217.1	3.8	213.3	638.5	206.8	47.0	12.1	–	305.0	252.8	67.5	42.8	49.6	47.6	Aug
<b>Regional institutions of credit cooperatives</b>														
134.6	36.0	98.6	40.8	8.8	13.8	17.0	9.8	–	–	1.1	32.7	10.2	10.8	2005 July
133.4	37.2	96.2	37.5	7.7	11.6	17.1	9.1	–	–	1.1	33.4	10.2	11.1	Aug
<b>Credit cooperatives</b>														
76.6	2.5	74.1	412.9	132.1	50.9	25.3	–	182.1	156.4	22.4	31.0	32.3	25.0	2005 July
76.8	2.0	74.9	413.0	133.0	51.0	25.2	–	181.5	156.2	22.2	30.9	32.4	25.1	Aug
<b>Mortgage banks</b>														
171.0	5.3	165.7	154.2	1.2	5.4	147.5	–	–	–	0.2	523.4	22.0	22.5	2005 July
162.1	6.5	155.6	155.5	1.1	5.6	148.6	–	–	–	0.1	525.0	22.0	23.8	Aug
<b>Building and loan associations</b>														
28.2	1.6	26.7	120.5	0.3	0.9	118.7	–	0.4	0.4	0.3	6.3	7.4	26.8	2005 July
28.0	1.4	26.6	120.8	0.3	0.9	119.0	–	0.4	0.4	0.3	6.2	7.4	26.8	Aug
<b>Special purpose banks</b>														
152.5	8.0	144.6	120.2	2.0	10.3	107.7	–	–	–	0.2	353.8	25.7	56.9	2005 July
150.7	7.2	143.5	119.8	2.5	9.8	107.3	–	–	–	0.2	355.3	25.1	59.2	Aug
<b>Memo item: Foreign banks<sup>7</sup></b>														
165.3	26.7	138.5	161.8	102.5	19.1	29.9	0.1	6.9	6.7	3.5	101.3	14.7	21.8	2005 July
146.7	26.1	120.6	161.5	101.8	19.1	30.3	0.1	6.9	6.7	3.5	101.0	15.4	21.7	Aug
<b>of which: Banks majority-owned by foreign banks<sup>8</sup></b>														
85.7	11.6	74.0	140.3	89.4	12.6	28.1	0.1	6.9	6.7	3.4	101.3	11.9	18.1	2005 July
73.0	12.5	60.5	140.8	89.7	12.2	28.6	0.1	6.9	6.7	3.4	101.0	12.5	17.9	Aug

securities; excluding non-negotiable bearer debt securities. — <sup>5</sup> Commercial banks comprise the sub-groups "Big banks", "Regional banks and other commercial banks" and "Branches of foreign banks". — <sup>6</sup> Deutsche Bank AG, Dresdner Bank AG, Commerzbank AG, Bayerische Hypo- und Vereinsbank AG and Deutsche Postbank AG. — <sup>7</sup> 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". — <sup>8</sup> 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
<b>End of year or month *</b>													
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
2004	14.9	41.2	1,676.3	1,075.8	0.0	7.4	592.9	2.1	3,001.3	2,644.0	2.7	2.6	351.0
2004 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
Aug	12.8	41.6	1,679.0	1,075.6	0.0	7.4	596.0	2.3	3,001.8	2,648.6	3.0	5.9	343.3
Sep	12.9	41.4	1,680.5	1,073.4	0.0	7.9	599.2	2.1	3,006.1	2,652.3	2.9	3.9	345.9
Oct	13.5	37.0	1,686.4	1,083.4	0.0	6.5	596.4	2.2	3,009.8	2,654.8	2.8	4.5	346.7
Nov	12.8	47.5	1,688.7	1,083.2	0.0	6.7	598.8	2.2	3,014.6	2,657.4	2.8	3.9	349.4
Dec	14.9	41.2	1,676.3	1,075.8	0.0	7.4	592.9	2.1	3,001.3	2,644.0	2.7	2.6	351.0
2005 Jan	12.9	44.6	1,671.9	1,075.0	0.0	7.2	589.7	2.2	3,009.9	2,641.6	2.6	2.6	362.1
Feb	12.5	44.1	1,676.1	1,075.3	0.0	7.7	593.0	2.2	3,000.5	2,639.5	2.5	2.5	355.0
Mar	13.2	39.3	1,684.2	1,077.9	0.0	8.5	597.7	2.2	3,003.9	2,634.7	2.5	1.4	364.2
Apr	12.7	39.9	1,739.1	1,127.1	0.1	8.8	603.1	2.2	3,042.4	2,637.8	2.5	1.9	399.2
May	13.3	41.4	1,732.2	1,118.4	0.1	8.1	605.7	2.1	3,022.1	2,639.8	2.4	2.2	376.7
June	13.1	36.9	1,716.9	1,097.2	0.0	8.3	611.4	2.1	2,988.9	2,636.7	2.3	1.5	347.5
July	13.5	41.7	1,719.7	1,100.0	0.0	8.7	611.0	2.1	2,998.0	2,640.9	2.5	2.1	352.6
Aug	13.0	39.7	1,712.2	1,095.9	0.0	9.8	606.5	2.1	3,001.1	2,639.8	2.4	2.0	356.9
<b>Changes *</b>													
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
2004	- 2.1	- 5.5	+ 35.9	+ 15.1	+ 0.0	- 1.4	+ 22.1	- 0.2	+ 3.3	- 35.0	- 1.0	+ 1.1	+ 39.2
2004 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
Aug	- 0.0	+ 1.7	- 8.1	- 6.6	- 0.0	+ 0.4	- 1.9	- 0.0	- 5.7	- 7.8	- 0.0	- 0.9	+ 3.1
Sep	+ 0.0	- 0.2	+ 1.8	- 2.2	-	+ 0.6	+ 3.4	- 0.2	+ 4.1	+ 3.7	- 0.1	- 0.0	+ 0.4
Oct	+ 0.7	- 4.5	+ 5.9	+ 10.0	+ 0.0	- 1.4	- 2.8	+ 0.1	+ 3.8	+ 2.4	- 0.1	+ 0.6	+ 0.8
Nov	- 0.7	+ 10.5	+ 2.3	- 0.2	+ 0.0	+ 0.2	+ 2.4	- 0.0	+ 4.8	+ 2.7	+ 0.0	- 0.6	+ 2.7
Dec	+ 2.1	- 6.3	- 9.0	- 3.9	- 0.0	+ 0.7	- 5.8	- 0.1	- 15.4	- 15.5	- 0.1	- 1.3	+ 1.6
2005 Jan	- 2.1	+ 3.4	- 4.4	- 0.9	-	- 0.2	- 3.2	+ 0.1	+ 8.6	- 2.4	- 0.1	- 0.0	+ 11.1
Feb	- 0.3	- 0.5	+ 4.2	+ 0.4	-	+ 0.5	+ 3.3	- 0.0	- 9.3	- 2.1	- 0.1	- 0.1	- 7.1
Mar	+ 0.7	- 4.8	+ 8.1	+ 2.6	+ 0.0	+ 0.8	+ 4.6	- 0.0	+ 3.3	- 4.8	- 0.0	- 1.1	+ 9.2
Apr	- 0.5	+ 0.7	+ 54.9	+ 49.2	+ 0.0	+ 0.3	+ 5.5	- 0.0	+ 38.5	+ 3.1	- 0.0	+ 0.5	+ 35.0
May	+ 0.6	+ 1.5	- 6.9	- 8.7	-	- 0.7	+ 2.5	- 0.0	- 20.2	+ 2.0	- 0.0	+ 0.3	- 22.5
June	- 0.2	- 4.5	- 15.2	- 21.3	- 0.0	+ 0.2	+ 5.9	- 0.0	- 33.4	- 3.2	- 0.1	- 0.7	- 29.3
July	+ 0.4	+ 4.8	+ 2.8	+ 2.8	+ 0.0	+ 0.4	- 0.5	- 0.0	+ 9.1	+ 4.2	+ 0.1	+ 0.6	+ 5.1
Aug	- 0.6	- 2.0	- 7.5	- 4.1	-	+ 1.1	- 4.5	+ 0.0	+ 3.1	- 1.0	- 0.0	- 0.1	+ 4.3

\* 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-positions 13	Time deposits 15,18	Savings de-positions 19	Bank savings bonds 20		Memo item Fiduciary loans 7
End of year or month *														
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
1.0	61.8	99.6	1,271.2	119.7	1,151.4	0.1	30.3	2,200.0	646.9	851.2	603.5	98.4	43.7	2004
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	2004 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
1.0	55.8	102.2	1,260.2	122.4	1,137.7	0.1	29.4	2,161.3	639.1	832.2	591.3	98.7	38.6	Aug
1.0	57.0	102.6	1,243.1	124.4	1,118.6	0.1	30.7	2,169.7	649.5	830.4	591.2	98.6	38.5	Sep
1.0	59.9	101.8	1,278.0	129.8	1,148.1	0.1	30.5	2,172.9	647.2	834.6	592.3	98.8	41.8	Oct
1.0	60.2	101.8	1,286.4	148.4	1,137.9	0.1	30.4	2,195.4	673.0	830.7	593.1	98.7	42.1	Nov
1.0	61.8	99.6	1,271.2	119.7	1,151.4	0.1	30.3	2,200.0	646.9	851.2	603.5	98.4	43.7	Dec
1.0	61.7	100.9	1,259.0	141.3	1,117.6	0.1	30.2	2,209.2	665.9	841.3	604.1	97.8	43.7	2005 Jan
1.0	61.3	98.3	1,282.7	130.4	1,152.2	0.1	29.7	2,216.1	670.9	843.1	605.0	97.2	43.7	Feb
1.0	60.9	98.0	1,255.8	131.3	1,124.4	0.1	29.6	2,218.8	673.0	845.1	605.2	95.5	43.4	Mar
1.0	60.7	103.6	1,328.8	163.2	1,165.5	0.1	29.5	2,226.4	675.9	850.4	604.9	95.2	43.3	Apr
1.0	60.7	103.2	1,303.9	151.6	1,152.3	0.1	29.7	2,232.9	683.9	850.1	604.1	94.8	43.0	May
1.0	58.5	102.8	1,301.6	139.3	1,162.3	0.1	27.0	2,238.9	692.5	849.3	602.7	94.5	43.5	June
0.0	58.2	104.0	1,312.0	121.9	1,190.0	0.1	26.9	2,245.4	695.2	854.4	601.9	93.8	43.4	July
0.0	58.2	103.7	1,290.1	128.7	1,161.3	0.1	27.3	2,250.3	698.1	858.8	600.4	93.0	43.5	Aug
Changes *														
+ 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
- 1.1	+ 3.0	- 9.6	+ 41.3	+ 2.9	+ 38.5	- 0.1	+ 2.4	+ 62.0	+ 24.4	+ 25.9	+ 13.1	- 1.5	+ 1.2	2004
+ 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	2004 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
+ 0.0	- 0.2	- 1.4	- 15.0	- 3.4	- 11.7	- 0.0	- 0.1	+ 1.9	+ 1.5	- 0.4	+ 0.7	+ 0.1	- 0.1	Aug
-	+ 1.2	+ 0.4	- 17.1	+ 2.0	- 19.1	- 0.0	+ 1.3	+ 8.3	+ 10.4	- 1.8	- 0.1	- 0.2	- 0.1	Sep
-	+ 3.0	- 0.8	+ 34.9	+ 5.4	+ 29.5	- 0.0	- 0.2	+ 3.2	- 2.3	+ 4.2	+ 1.1	+ 0.2	+ 0.1	Oct
-	+ 0.3	+ 0.1	+ 8.4	+ 18.6	- 10.2	- 0.0	- 0.1	+ 22.5	+ 26.4	- 4.5	+ 0.8	- 0.1	+ 0.3	Nov
- 0.1	- 0.3	- 2.2	- 15.3	- 28.8	+ 13.5	- 0.0	- 0.1	+ 5.6	- 26.0	+ 21.5	+ 10.4	- 0.3	- 0.4	Dec
-	- 0.1	+ 1.3	- 12.1	+ 21.7	- 33.8	- 0.0	- 0.1	+ 9.2	+ 19.0	- 9.9	+ 0.7	- 0.6	+ 0.1	2005 Jan
-	- 0.2	- 2.6	+ 23.7	- 10.9	+ 34.6	- 0.0	- 0.2	+ 7.0	+ 5.0	+ 1.8	+ 0.8	- 0.6	- 0.0	Feb
+ 0.0	- 0.5	- 0.4	- 27.1	+ 0.9	- 28.0	- 0.0	- 0.2	+ 3.1	+ 2.7	+ 2.0	- 1.0	- 0.5	- 0.3	Mar
-	- 0.2	+ 5.6	+ 72.9	+ 31.8	+ 41.1	- 0.0	- 0.1	+ 7.6	+ 2.9	+ 5.3	- 0.3	- 0.3	- 0.1	Apr
-	+ 0.0	- 0.3	- 24.8	- 11.6	- 13.2	- 0.0	+ 0.3	+ 6.5	+ 8.0	- 0.3	- 0.8	- 0.4	- 0.3	May
- 0.0	- 2.3	- 0.4	- 2.3	- 12.3	+ 10.0	+ 0.0	- 2.7	+ 6.1	+ 8.6	- 0.8	- 1.4	- 0.3	+ 0.5	June
- 1.0	- 0.2	+ 1.2	+ 10.6	- 17.4	+ 28.0	+ 0.0	- 0.1	+ 6.4	+ 2.7	+ 5.1	- 0.8	- 0.7	- 0.1	July
-	- 0.0	- 0.2	- 21.9	+ 6.8	- 28.6	+ 0.0	+ 0.4	+ 4.5	+ 2.4	+ 4.4	- 1.5	- 0.8	+ 0.0	Aug

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

Memo item Fiduciary loans 6	Participating interests in foreign banks and enter- prises 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				
<b>End of year or month *</b>															
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	
9.8	39.3	603.3	87.0	516.2	403.2	113.0	0.5	311.2	36.6	274.7	123.4	151.2	0.8	2004	
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	2004 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	
9.7	39.3	594.3	106.8	487.5	371.5	116.0	0.5	318.7	57.2	261.5	102.7	158.8	0.9	Aug	
9.7	38.8	609.9	128.7	481.2	366.3	115.0	0.5	325.3	64.8	260.5	98.6	161.9	0.8	Sep	
9.6	38.8	602.8	118.6	484.2	368.7	115.5	0.5	323.3	55.1	268.2	108.7	159.5	0.8	Oct	
9.7	38.1	617.6	140.9	476.7	363.1	113.6	0.5	333.5	62.3	271.2	114.8	156.4	0.8	Nov	
9.8	39.3	603.3	87.0	516.2	403.2	113.0	0.5	311.2	36.6	274.7	123.4	151.2	0.8	Dec	
9.9	39.4	626.8	143.8	483.0	367.2	115.8	0.6	345.9	67.1	278.7	124.8	153.9	0.8	2005 Jan	
10.8	39.2	630.3	131.4	498.9	385.2	113.6	0.6	353.5	73.3	280.2	127.3	153.0	1.8	Feb	
10.8	39.2	656.8	149.4	507.4	393.9	113.5	0.6	333.1	68.1	264.9	111.9	153.0	1.8	Mar	
10.7	39.3	706.7	154.6	552.1	436.1	116.0	0.6	356.9	73.5	283.4	137.5	145.9	1.7	Apr	
10.6	39.2	703.7	167.7	536.0	419.3	116.7	0.7	354.9	70.5	284.4	136.9	147.5	1.6	May	
10.5	39.8	660.4	160.3	500.1	373.2	126.9	0.6	330.1	67.2	262.9	112.7	150.2	1.5	June	
10.4	39.8	655.2	141.9	513.3	387.5	125.8	0.8	329.8	65.2	264.6	115.8	148.8	1.1	July	
10.7	39.8	655.0	143.1	511.9	385.9	126.0	0.7	323.7	61.7	262.0	115.5	146.5	1.0	Aug	
<b>Changes *</b>															
- 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	
+ 0.7	- 1.5	+ 19.8	- 6.1	+ 25.9	+ 21.1	+ 4.8	+ 0.1	+ 13.0	+ 5.4	+ 7.6	+ 22.8	- 15.2	- 0.3	2004	
+ 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	2004 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	
- 0.0	+ 0.1	- 3.4	- 16.9	+ 13.5	+ 12.4	+ 1.1	+ 0.0	+ 9.6	+ 3.1	+ 6.4	+ 6.2	+ 0.2	- 0.0	Aug	
+ 0.0	- 0.2	+ 19.5	+ 22.5	- 3.0	- 2.8	- 0.2	- 0.0	+ 9.3	+ 7.9	+ 1.4	- 3.3	+ 4.7	- 0.1	Sep	
- 0.1	+ 0.3	- 3.8	- 9.5	+ 5.6	+ 4.0	+ 1.6	- 0.0	- 0.4	- 9.4	+ 9.0	+ 10.5	- 1.4	- 0.0	Oct	
+ 0.0	- 0.4	+ 19.8	+ 23.2	- 3.4	- 2.6	- 0.8	+ 0.0	+ 13.6	+ 7.6	+ 6.0	+ 7.2	- 1.2	+ 0.0	Nov	
+ 0.2	+ 1.5	- 10.2	- 53.1	+ 42.8	+ 42.6	+ 0.2	+ 0.0	- 19.3	- 25.4	+ 6.1	+ 9.5	- 3.4	+ 0.0	Dec	
+ 0.1	- 0.3	+ 17.4	+ 55.9	- 38.4	- 40.0	+ 1.5	+ 0.1	+ 30.7	+ 30.2	+ 0.5	+ 0.1	+ 0.4	+ 0.0	2005 Jan	
+ 0.9	- 0.1	+ 5.6	- 11.9	+ 17.5	+ 19.2	- 1.7	-	+ 9.0	+ 6.3	+ 2.7	+ 2.9	- 0.2	+ 0.9	Feb	
- 0.0	- 0.2	+ 23.7	+ 17.5	+ 6.2	+ 7.0	- 0.8	- 0.0	- 22.3	- 5.3	- 16.9	- 15.4	- 1.6	+ 0.0	Mar	
- 0.1	- 0.0	+ 49.2	+ 5.0	+ 44.2	+ 41.8	+ 2.4	- 0.0	+ 23.4	+ 5.4	+ 18.0	+ 25.5	- 7.5	- 0.0	Apr	
- 0.1	- 0.6	- 10.1	+ 12.0	- 22.1	- 21.3	- 0.8	+ 0.1	- 6.9	- 3.5	- 3.3	- 2.4	- 0.9	- 0.1	May	
- 0.1	+ 0.4	- 46.0	- 8.1	- 37.9	- 47.6	+ 9.7	- 0.0	- 26.5	- 3.6	- 22.9	- 24.8	+ 1.9	- 0.1	June	
- 0.1	+ 0.1	- 4.5	+ 18.2	+ 13.7	+ 14.7	- 1.0	+ 0.1	+ 3.1	- 1.9	+ 5.0	+ 3.2	+ 1.8	- 0.4	July	
+ 0.2	+ 0.1	+ 0.7	+ 1.4	- 0.7	- 1.1	+ 0.4	- 0.1	- 5.7	- 3.5	- 2.2	- 0.1	- 2.1	- 0.0	Aug	

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	
<b>End of year or month *</b>											
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
2004	3,001.3	2,646.7	320.9	283.8	283.0	0.8	37.1	35.3	1.8	2,680.4	2,114.2
2004 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
Aug	3,001.8	2,651.6	324.8	281.2	280.5	0.6	43.6	38.4	5.2	2,677.0	2,105.5
Sep	3,006.1	2,655.2	325.1	287.2	286.7	0.5	37.9	34.5	3.4	2,681.0	2,106.8
Oct	3,009.8	2,657.6	330.2	283.5	282.9	0.6	46.8	42.8	3.9	2,679.6	2,108.6
Nov	3,014.6	2,660.3	335.0	293.1	292.0	1.1	41.9	39.0	2.8	2,679.6	2,106.4
Dec	3,001.3	2,646.7	320.9	283.8	283.0	0.8	37.1	35.3	1.8	2,680.4	2,114.2
2005 Jan	3,009.9	2,644.2	323.6	279.1	278.5	0.6	44.4	42.5	2.0	2,686.3	2,117.7
Feb	3,000.5	2,642.1	325.2	285.2	284.6	0.6	40.0	38.1	1.9	2,675.3	2,109.7
Mar	3,003.9	2,637.2	325.3	287.8	286.8	1.0	37.5	37.1	0.4	2,678.5	2,107.7
Apr	3,042.4	2,640.3	328.8	285.7	284.6	1.1	43.1	42.3	0.8	2,713.6	2,147.6
May	3,022.1	2,642.3	331.0	286.3	285.1	1.2	44.7	43.7	1.0	2,691.2	2,130.1
June	2,988.9	2,639.0	325.7	289.1	288.2	1.0	36.5	36.0	0.5	2,663.3	2,109.2
July	2,998.0	2,643.3	323.1	284.0	283.0	1.0	39.1	38.0	1.1	2,674.9	2,120.4
Aug	3,001.1	2,642.3	318.5	280.5	279.3	1.3	37.9	37.2	0.7	2,682.7	2,126.2
<b>Changes *</b>											
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
2004	+ 3.3	- 36.0	- 31.7	- 30.5	- 29.7	- 0.8	- 1.2	- 3.2	+ 1.9	+ 35.0	+ 15.6
2004 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
Aug	- 5.7	- 7.9	- 10.9	- 6.4	- 6.5	+ 0.1	- 4.5	- 3.6	- 0.9	+ 5.3	+ 1.1
Sep	+ 4.1	+ 3.7	+ 2.2	+ 6.0	+ 6.2	- 0.1	- 3.8	- 3.9	+ 0.1	+ 1.8	+ 1.1
Oct	+ 3.8	+ 2.3	+ 5.2	- 3.7	- 3.8	+ 0.1	+ 8.9	+ 8.3	+ 0.6	- 1.4	+ 1.9
Nov	+ 4.8	+ 2.7	+ 4.7	+ 9.6	+ 9.2	+ 0.5	- 4.9	- 3.8	- 1.1	+ 0.0	- 2.2
Dec	- 15.4	- 15.6	- 14.1	- 9.3	- 9.0	- 0.2	- 4.8	- 3.7	- 1.0	- 1.4	+ 6.2
2005 Jan	+ 8.6	- 2.5	+ 2.7	- 4.7	- 4.5	- 0.2	+ 7.4	+ 7.2	+ 0.2	+ 5.9	+ 3.4
Feb	- 9.3	- 2.2	+ 1.6	+ 6.1	+ 6.1	- 0.0	- 4.4	- 4.4	- 0.1	- 11.0	- 8.0
Mar	+ 3.3	- 4.8	+ 0.1	+ 2.6	+ 2.2	+ 0.4	- 2.5	- 1.0	- 1.5	+ 3.2	- 2.0
Apr	+ 38.5	+ 3.0	+ 3.5	- 2.1	- 2.2	+ 0.1	+ 5.6	+ 5.2	+ 0.4	+ 35.0	+ 39.8
May	- 20.2	+ 2.0	+ 2.2	+ 0.5	+ 0.5	+ 0.1	+ 1.6	+ 1.4	+ 0.2	- 22.4	- 17.4
June	- 33.4	- 3.3	+ 5.3	+ 2.9	+ 3.1	- 0.2	- 8.1	- 7.7	- 0.5	- 28.1	- 20.9
July	+ 9.1	+ 4.3	- 2.6	- 5.1	- 5.2	+ 0.1	+ 2.5	+ 2.0	+ 0.6	+ 11.6	+ 11.2
Aug	+ 3.1	- 1.1	- 4.6	- 3.5	- 3.7	+ 0.2	- 1.1	- 0.8	- 0.3	+ 7.8	+ 5.8

\* 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			Securities 6,10	Equalisation claims 11	Memo item Fiduciary loans 9	
Total	Medium-term 7	Long-term 8				Total	Medium-term 7	Long-term 8				
End of year or month *												
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
1,940.8	194.3	1,746.5	173.5	55.3	566.1	387.7	32.9	354.8	177.5	1.0	6.5	2004
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	2004 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
1,941.3	200.2	1,741.1	164.2	49.1	571.5	391.3	33.9	357.4	179.1	1.0	6.7	Aug
1,942.9	199.2	1,743.7	163.9	50.3	574.2	391.2	34.5	356.7	182.0	1.0	6.7	Sep
1,944.0	198.0	1,746.0	164.7	53.3	571.0	387.9	32.9	354.9	182.0	1.0	6.7	Oct
1,941.7	195.6	1,746.1	164.7	53.5	573.2	387.5	32.9	354.6	184.7	1.0	6.7	Nov
1,940.8	194.3	1,746.5	173.5	55.3	566.1	387.7	32.9	354.8	177.5	1.0	6.5	Dec
1,938.3	194.0	1,744.3	179.4	55.3	568.6	385.0	32.1	352.8	182.7	1.0	6.4	2005 Jan
1,935.3	193.0	1,742.3	174.4	54.9	565.6	384.1	30.9	353.2	180.6	1.0	6.4	Feb
1,929.8	192.3	1,737.5	178.0	54.6	570.8	383.5	31.7	351.8	186.3	1.0	6.3	Mar
1,932.9	191.0	1,741.8	214.7	54.5	566.0	380.5	31.9	348.7	184.5	1.0	6.2	Apr
1,935.5	191.0	1,744.5	194.6	54.5	561.1	378.0	31.2	346.8	182.1	1.0	6.2	May
1,934.6	190.9	1,743.7	174.6	52.5	554.1	380.2	32.1	348.1	172.9	1.0	6.0	June
1,941.4	192.5	1,748.9	179.0	52.3	554.5	380.9	32.6	348.3	173.5	0.0	5.9	July
1,946.0	195.4	1,750.6	180.2	52.3	556.5	379.8	33.1	346.6	176.7	0.0	5.9	Aug
Changes *												
+ 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
+ 10.7	+ 0.2	+ 10.5	+ 4.9	+ 3.6	+ 19.4	- 13.8	- 0.9	- 12.9	+ 34.3	- 1.1	- 0.6	2004
- 2.7	+ 0.3	- 3.0	+ 9.8	- 1.7	+ 0.1	- 0.1	+ 1.5	- 1.5	+ 0.1	+ 0.0	- 0.0	2004 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
+ 3.1	+ 0.8	+ 2.3	- 2.1	- 0.1	+ 4.2	- 0.9	- 0.2	- 0.7	+ 5.1	+ 0.0	- 0.0	Aug
+ 1.6	- 0.9	+ 2.6	- 0.5	+ 1.2	+ 0.7	- 0.2	+ 0.6	- 0.8	+ 0.9	-	- 0.0	Sep
+ 1.1	- 0.9	+ 2.0	+ 0.8	+ 3.0	- 3.2	- 3.3	- 1.6	- 1.7	+ 0.0	-	- 0.0	Oct
- 2.2	- 2.0	- 0.2	+ 0.0	+ 0.3	+ 2.3	- 0.4	- 0.2	- 0.2	+ 2.7	-	+ 0.0	Nov
- 2.5	- 1.3	- 1.2	+ 8.8	- 0.1	- 7.6	- 0.3	+ 0.0	- 0.3	- 7.2	- 0.1	- 0.2	Dec
- 2.5	- 0.3	- 2.2	+ 5.9	- 0.0	+ 2.5	- 2.7	- 0.8	- 1.9	+ 5.2	-	- 0.1	2005 Jan
- 3.0	- 1.0	- 2.0	- 4.9	- 0.1	- 3.0	- 0.9	- 1.2	+ 0.3	- 2.1	-	- 0.0	Feb
- 5.5	- 0.8	- 4.7	+ 3.5	- 0.4	+ 5.2	- 0.6	+ 0.8	- 1.3	+ 5.7	+ 0.0	- 0.1	Mar
+ 3.1	+ 0.1	+ 2.9	+ 36.7	- 0.1	- 4.8	- 3.0	+ 0.1	- 3.1	- 1.8	-	- 0.1	Apr
+ 2.7	+ 0.2	+ 2.5	- 20.1	+ 0.0	- 4.9	- 2.5	- 0.7	- 1.8	- 2.4	-	- 0.0	May
- 0.7	- 0.1	- 0.6	- 20.2	- 2.0	- 7.2	+ 2.0	+ 0.9	+ 1.1	- 9.2	- 0.0	- 0.2	June
+ 6.8	+ 1.6	+ 5.2	+ 4.4	- 0.2	+ 0.4	+ 0.8	+ 0.7	+ 0.1	+ 0.6	- 1.0	- 0.1	July
+ 4.6	+ 2.9	+ 1.7	+ 1.2	- 0.0	+ 2.0	- 1.2	+ 0.5	- 1.7	+ 3.2	-	- 0.0	Aug

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 *
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	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 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
Sep	2,229.9	1,129.0	1,087.8	869.9	217.9	1,226.6	326.8	142.3	37.7	56.2	144.6	32.7	56.6	56.1
Dec	2,224.2	1,127.7	1,086.0	869.7	216.3	1,211.6	320.4	136.7	37.1	53.0	141.4	31.9	56.1	60.0
2005 Mar	2,216.9	1,120.6	1,081.3	867.0	214.3	1,209.7	316.5	135.7	37.0	53.1	137.9	31.1	57.0	67.3
June	2,223.1	1,133.4	1,082.7	880.1	202.6	1,210.8	314.3	135.8	36.6	52.0	136.5	31.5	58.2	70.1
Short-term lending														
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	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 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
Sep	287.0	-	12.0	-	12.0	241.9	7.0	43.0	3.8	12.6	52.1	4.4	6.5	23.3
Dec	283.4	-	12.5	-	12.5	239.3	7.6	40.9	3.5	11.1	52.9	3.6	5.9	26.4
2005 Mar	287.1	-	11.9	-	11.9	245.0	7.3	41.7	3.9	12.1	51.0	3.7	5.9	33.3
June	288.4	-	11.6	-	11.6	246.2	6.9	42.4	3.5	11.4	50.1	3.9	6.4	35.1
Medium-term lending														
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	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 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
Sep	199.2	-	39.2	-	39.2	124.2	12.2	17.6	2.7	5.8	11.7	3.3	11.8	7.2
Dec	194.3	-	38.8	-	38.8	119.9	11.8	16.4	2.5	5.6	11.1	3.2	11.3	7.6
2005 Mar	192.3	-	38.3	-	38.3	118.9	11.7	16.0	2.1	5.4	11.0	3.0	11.4	7.9
June	190.9	-	36.0	-	36.0	118.4	10.9	16.0	2.0	5.4	11.2	3.1	11.4	8.2
Long-term lending														
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	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 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
Sep	1,743.7	1,129.0	1,036.5	869.9	166.7	860.5	307.6	81.6	31.2	37.8	80.8	24.9	38.3	25.7
Dec	1,746.5	1,127.7	1,034.7	869.7	165.0	852.4	301.0	79.4	31.2	36.2	77.3	25.0	38.9	26.0
2005 Mar	1,737.5	1,120.6	1,031.1	867.0	164.1	845.7	297.6	78.0	31.0	35.6	75.9	24.4	39.6	26.0
June	1,743.7	1,133.4	1,035.1	880.1	155.0	846.1	296.5	77.4	31.1	35.1	75.2	24.6	40.4	26.9
Lending, total														Change during quarter *
2004 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
Q3	+ 0.2	+ 4.5	+ 6.1	+ 5.2	+ 1.0	- 8.6	- 2.3	- 3.6	- 0.1	- 1.3	- 2.3	+ 0.4	- 0.6	+ 1.9
Q4	- 7.4	+ 0.6	+ 0.6	+ 1.7	- 1.2	- 10.2	- 4.3	- 5.0	- 0.6	- 2.7	- 1.4	- 0.9	- 0.8	+ 3.6
2005 Q1	- 7.3	- 9.2	- 4.6	- 4.4	- 0.2	- 2.0	- 3.9	- 1.0	- 0.1	+ 0.1	- 3.5	- 0.7	+ 0.9	+ 6.4
Q2	+ 6.4	+ 3.3	+ 1.4	+ 3.7	- 2.3	+ 1.1	- 2.2	+ 0.1	- 0.4	- 1.1	- 1.5	+ 0.5	+ 1.2	+ 2.7
Short-term lending														
2004 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
Q3	- 7.5	-	- 0.3	-	- 0.3	- 8.1	- 0.3	- 1.8	- 0.3	- 0.5	- 0.6	+ 0.1	- 0.5	- 0.8
Q4	- 3.6	-	- 0.2	-	- 0.2	- 2.6	- 0.1	- 2.1	- 0.3	- 1.5	+ 0.8	- 0.8	- 0.6	+ 3.1
2005 Q1	+ 3.7	-	- 0.6	-	- 0.6	+ 5.7	- 0.3	+ 0.8	+ 0.4	+ 1.0	- 1.9	+ 0.0	+ 0.1	+ 6.9
Q2	+ 1.3	-	- 0.3	-	- 0.3	+ 1.1	- 0.4	+ 0.6	- 0.4	- 0.7	- 0.9	+ 0.2	+ 0.4	+ 1.8
Medium-term lending														
2004 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
Q3	+ 0.7	-	+ 0.5	-	+ 0.5	+ 0.0	+ 0.0	+ 0.2	- 0.2	- 0.1	- 0.2	+ 0.0	+ 0.2	- 0.1
Q4	- 4.3	-	- 0.5	-	- 0.5	- 3.5	- 0.5	- 1.2	- 0.3	- 0.3	- 0.6	- 0.1	- 0.5	+ 0.5
2005 Q1	- 2.1	-	- 0.5	-	- 0.5	- 1.0	- 0.1	- 0.4	- 0.4	- 0.2	- 0.2	- 0.2	+ 0.1	- 0.1
Q2	+ 0.2	-	- 0.8	-	- 0.8	- 0.5	- 0.7	- 0.0	- 0.1	- 0.0	+ 0.3	+ 0.0	- 0.0	+ 0.1
Long-term lending														
2004 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
Q3	+ 7.1	+ 4.5	+ 6.0	+ 5.2	+ 0.8	- 0.5	- 2.0	- 2.0	+ 0.4	- 0.7	- 1.6	+ 0.3	- 0.4	+ 2.8
Q4	+ 0.5	+ 0.6	+ 1.3	+ 1.7	- 0.5	- 4.1	- 3.8	- 1.7	- 0.0	- 0.9	- 1.6	+ 0.0	+ 0.2	+ 0.0
2005 Q1	- 8.9	- 9.2	- 3.5	- 4.4	+ 0.9	- 6.7	- 3.5	- 1.5	- 0.2	- 0.7	- 1.4	- 0.5	+ 0.7	- 0.4
Q2	+ 4.8	+ 3.3	+ 2.5	+ 3.7	- 1.3	+ 0.5	- 1.1	- 0.5	+ 0.1	- 0.4	- 0.9	+ 0.3	+ 0.8	+ 0.8

\* 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. —

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 <sup>4</sup>	Lending to craft enterprises	Total	Housing loans	Total	of which		Total	of which Housing loans	Period		
	Housing enterprises	Holding companies	Other real estate enterprises						Instalment loans <sup>5</sup>	Debit balances on wage, salary and pension accounts					
<b>End of year or quarter *</b>													<b>Lending, total</b>		
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		
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	2003		
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	2004 June		
700.4	166.5	43.9	203.0	426.8	64.6	989.9	757.8	232.1	122.5	20.4	13.4	3.2	Sep		
695.5	163.7	42.5	204.2	419.0	61.7	999.4	762.4	237.0	129.2	19.9	13.2	3.2	Dec		
690.5	161.6	42.3	201.1	413.7	61.5	994.2	761.7	232.5	129.2	18.7	13.1	3.0	2005 Mar		
690.1	161.2	41.6	201.5	412.7	60.9	999.3	765.3	234.0	131.7	18.9	13.0	3.1	June		
													<b>Short-term lending</b>		
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		
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	2003		
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	2004 June		
96.2	16.8	12.3	27.5	45.8	12.4	43.7	5.0	38.7	2.3	20.4	1.4	0.0	Sep		
95.0	15.8	11.5	27.6	44.4	11.4	43.0	4.9	38.0	2.3	19.9	1.1	0.0	Dec		
93.3	15.2	10.9	26.1	43.3	12.0	41.0	4.6	36.4	2.4	18.7	1.1	0.0	2005 Mar		
93.4	15.3	10.7	25.9	42.3	11.4	41.2	4.7	36.5	2.3	18.9	1.0	0.0	June		
													<b>Medium-term lending</b>		
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		
62.7	5.7	5.6	18.0	30.4	4.5	73.2	26.2	47.0	37.1	-	0.6	0.1	2003		
63.7	6.8	6.4	17.5	30.0	4.1	73.7	26.5	47.2	38.1	-	0.5	0.1	2004 June		
63.9	6.7	6.7	17.7	30.0	4.0	74.5	26.9	47.6	38.3	-	0.5	0.1	Sep		
62.3	6.5	6.5	17.2	29.6	3.9	73.8	26.9	46.9	37.7	-	0.5	0.1	Dec		
62.1	6.3	6.8	16.4	29.2	3.8	72.8	26.6	46.2	37.4	-	0.5	0.1	2005 Mar		
61.2	6.1	6.2	16.1	30.5	3.8	72.0	25.0	46.9	38.6	-	0.5	0.1	June		
													<b>Long-term lending</b>		
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		
540.0	137.1	23.8	158.0	357.2	50.4	856.5	713.4	143.1	79.1	-	11.9	3.4	2003		
539.6	141.5	24.0	155.8	352.0	49.3	864.1	717.8	146.3	80.6	-	11.7	3.2	2004 June		
540.3	143.0	24.9	157.8	351.1	48.2	871.7	725.8	145.8	82.0	-	11.5	3.1	Sep		
538.2	141.5	24.5	159.5	345.0	46.4	882.6	730.6	152.0	89.2	-	11.5	3.1	Dec		
535.2	140.0	24.6	158.6	341.3	45.7	880.4	730.5	149.8	89.4	-	11.5	3.0	2005 Mar		
535.5	139.8	24.6	159.6	340.0	45.6	886.1	735.6	150.5	90.8	-	11.5	3.0	June		
<b>Change during quarter *</b>													<b>Lending, total</b>		
+ 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	2004 Q2		
- 2.8	+ 1.8	- 1.4	+ 1.2	- 1.8	- 1.6	+ 8.7	+ 8.5	+ 0.2	+ 1.7	+ 0.2	+ 0.1	- 0.1	Q3		
- 2.4	- 2.2	- 1.3	+ 1.8	- 4.8	- 1.6	+ 3.1	+ 4.9	- 1.9	- 0.4	- 0.5	- 0.2	- 0.1	Q4		
- 4.2	- 2.2	- 0.7	- 1.5	- 5.3	- 0.2	- 5.2	- 0.6	- 4.6	- 0.4	- 1.2	- 0.1	- 0.1	2005 Q1		
- 0.4	- 0.5	- 0.8	+ 0.3	- 2.5	- 0.5	+ 5.3	+ 3.6	+ 1.7	+ 2.3	+ 0.2	- 0.0	+ 0.1	Q2		
													<b>Short-term lending</b>		
- 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	2004 Q2		
- 3.7	- 0.5	- 2.6	+ 0.1	- 0.7	- 0.3	+ 0.2	- 0.0	+ 0.3	+ 0.0	+ 0.2	+ 0.3	+ 0.0	Q3		
- 1.2	- 1.0	- 0.8	+ 0.1	- 1.4	- 1.0	- 0.7	- 0.1	- 0.6	+ 0.0	- 0.5	- 0.3	-	Q4		
- 1.7	- 0.6	- 0.6	- 1.5	- 1.1	+ 0.6	- 2.0	- 0.3	- 1.6	+ 0.1	- 1.2	- 0.0	- 0.0	2005 Q1		
+ 0.1	+ 0.0	- 0.2	- 0.3	- 1.0	- 0.6	+ 0.2	+ 0.1	+ 0.1	- 0.0	+ 0.2	- 0.0	+ 0.0	Q2		
													<b>Medium-term lending</b>		
+ 2.2	+ 1.3	+ 0.7	- 0.4	+ 0.3	- 0.0	+ 1.4	+ 0.9	+ 0.5	+ 0.8	-	- 0.0	+ 0.0	2004 Q2		
+ 0.1	- 0.1	+ 0.3	+ 0.2	- 0.3	- 0.1	+ 0.7	+ 0.5	+ 0.2	+ 0.3	-	- 0.0	- 0.0	Q3		
- 1.1	- 0.3	- 0.2	- 0.2	- 0.6	- 0.1	- 0.8	- 0.0	- 0.7	- 0.7	-	+ 0.0	+ 0.0	Q4		
+ 0.3	- 0.1	+ 0.0	+ 0.2	- 0.4	- 0.1	- 1.0	- 0.3	- 0.7	- 0.4	-	- 0.0	- 0.0	2005 Q1		
- 0.8	- 0.2	- 0.6	- 0.2	- 0.0	+ 0.1	+ 0.7	- 0.0	+ 0.7	+ 0.9	-	- 0.0	+ 0.0	Q2		
													<b>Long-term lending</b>		
+ 1.1	+ 1.0	+ 0.6	+ 0.7	- 0.4	+ 0.0	+ 6.1	+ 5.1	+ 1.0	+ 1.3	-	- 0.1	+ 0.0	2004 Q2		
+ 0.7	+ 2.3	+ 0.9	+ 0.9	- 0.8	- 1.1	+ 7.8	+ 8.1	- 0.3	+ 1.5	-	- 0.2	- 0.1	Q3		
- 0.2	- 0.9	- 0.3	+ 1.9	- 2.8	- 0.5	+ 4.6	+ 5.1	- 0.5	+ 0.2	-	+ 0.0	- 0.1	Q4		
- 2.7	- 1.5	- 0.0	- 0.2	- 3.8	- 0.7	- 2.2	+ 0.1	- 2.3	- 0.1	-	- 0.1	- 0.1	2005 Q1		
+ 0.3	- 0.3	- 0.0	+ 0.8	- 1.5	- 0.0	+ 4.4	+ 3.5	+ 0.8	+ 1.4	-	+ 0.0	+ 0.1	Q2		

1 Excluding fiduciary loans. — 2 Including quarrying. — 3 Including 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	
<b>Domestic non-banks, total</b>											<b>End of year or month *</b>		
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	
2004	2,200.0	646.9	851.2	235.0	616.2	8.0	608.2	603.5	98.4	43.7	32.2	10.1	
2004 Sep	2,169.7	649.5	830.4	222.1	608.3	8.0	600.3	591.2	98.6	38.5	32.0	10.2	
Oct	2,172.9	647.2	834.6	223.8	610.8	8.1	602.6	592.3	98.8	41.8	32.1	12.3	
Nov	2,195.4	673.0	830.7	216.9	613.8	8.1	605.6	593.1	98.7	42.1	32.1	14.0	
Dec	2,200.0	646.9	851.2	235.0	616.2	8.0	608.2	603.5	98.4	43.7	32.2	10.1	
2005 Jan	2,209.2	665.9	841.3	223.1	618.1	8.1	610.1	604.1	97.8	43.7	32.1	12.2	
Feb	2,216.1	670.9	843.1	220.4	622.7	8.1	614.6	605.0	97.2	43.7	32.1	14.4	
Mar	2,218.8	673.0	845.1	219.3	625.8	7.5	618.3	605.2	95.5	43.4	31.5	18.7	
Apr	2,226.4	675.9	850.4	222.4	628.0	7.5	620.5	604.9	95.2	43.3	31.5	16.7	
May	2,232.9	683.9	850.1	225.3	624.8	7.5	617.3	604.1	94.8	43.0	31.8	16.7	
June	2,238.9	692.5	849.3	223.9	625.4	7.6	617.7	602.7	94.5	43.5	32.2	19.5	
July	2,245.4	695.2	854.4	227.3	627.1	7.7	619.5	601.9	93.8	43.4	32.4	18.1	
Aug	2,250.3	698.1	858.8	230.7	628.1	7.6	620.5	600.4	93.0	43.5	32.2	21.7	
											<b>Changes *</b>		
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	
2004	+ 62.0	+ 24.4	+ 25.9	- 3.7	+ 29.7	- 0.3	+ 29.9	+ 13.1	- 1.5	+ 1.2	+ 1.7	+ 0.9	
2004 Sep	+ 8.3	+ 10.4	- 1.8	- 2.5	+ 0.7	+ 0.0	+ 0.7	- 0.1	- 0.2	- 0.1	+ 0.1	+ 2.1	
Oct	+ 3.2	- 2.3	+ 4.2	+ 1.7	+ 2.4	+ 0.1	+ 2.3	+ 1.1	+ 0.2	+ 3.3	+ 0.1	+ 2.0	
Nov	+ 22.5	+ 26.4	- 4.5	- 6.9	+ 2.4	+ 0.0	+ 2.4	+ 0.8	- 0.1	+ 0.3	+ 0.1	+ 1.7	
Dec	+ 5.6	- 26.0	+ 21.5	+ 18.1	+ 3.4	- 0.1	+ 3.5	+ 10.4	- 0.3	- 0.4	+ 0.0	- 3.8	
2005 Jan	+ 9.2	+ 19.0	- 9.9	- 11.9	+ 2.0	+ 0.1	+ 1.9	+ 0.7	- 0.6	+ 0.1	- 0.1	+ 2.1	
Feb	+ 7.0	+ 5.0	+ 1.8	- 2.7	+ 4.5	+ 0.0	+ 4.5	+ 0.8	- 0.6	- 0.0	+ 0.0	+ 2.2	
Mar	+ 3.1	+ 2.7	+ 2.0	- 0.8	+ 2.8	- 0.3	+ 3.1	- 1.0	- 0.5	- 0.3	- 0.3	+ 4.3	
Apr	+ 7.6	+ 2.9	+ 5.3	+ 3.1	+ 2.2	+ 0.1	+ 2.1	- 0.3	- 0.3	- 0.1	+ 0.1	- 2.0	
May	+ 6.5	+ 8.0	- 0.3	+ 2.9	- 3.2	- 0.0	- 3.2	- 0.8	- 0.4	- 0.3	+ 0.2	+ 0.0	
June	+ 6.1	+ 8.6	- 0.8	- 1.4	+ 0.6	+ 0.1	+ 0.5	- 1.4	- 0.3	+ 0.5	+ 0.4	+ 2.8	
July	+ 6.4	+ 2.7	+ 5.1	+ 3.4	+ 1.7	+ 0.0	+ 1.7	- 0.8	- 0.7	- 0.1	+ 0.2	- 1.4	
Aug	+ 4.5	+ 2.4	+ 4.4	+ 3.4	+ 1.0	- 0.0	+ 1.1	- 1.5	- 0.8	+ 0.0	- 0.2	+ 3.6	
<b>Domestic government</b>											<b>End of year or month *</b>		
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	-	
2004	103.6	16.8	82.5	30.5	52.0	0.9	51.1	2.7	1.5	34.6	1.1	-	
2004 Sep	109.5	19.6	85.8	32.5	53.4	0.9	52.5	2.5	1.6	33.0	1.1	-	
Oct	101.9	15.4	82.4	28.7	53.7	1.0	52.7	2.6	1.5	32.9	1.0	-	
Nov	102.1	17.0	81.0	27.4	53.6	1.0	52.6	2.6	1.6	33.1	1.1	-	
Dec	103.6	16.8	82.5	30.5	52.0	0.9	51.1	2.7	1.5	34.6	1.1	-	
2005 Jan	104.7	18.7	81.9	30.0	51.9	0.9	51.0	2.6	1.5	34.5	1.1	-	
Feb	105.0	19.7	81.2	29.4	51.8	0.9	50.8	2.5	1.5	34.5	1.1	-	
Mar	101.7	18.2	79.5	29.4	50.2	0.5	49.6	2.4	1.5	34.2	1.1	-	
Apr	98.8	18.0	76.9	27.1	49.8	0.5	49.2	2.4	1.5	34.1	1.1	-	
May	101.7	19.0	78.5	28.8	49.7	0.5	49.1	2.6	1.6	33.8	1.1	-	
June	104.5	20.7	79.6	30.4	49.2	0.5	48.6	2.7	1.6	34.0	1.1	-	
July	103.7	19.0	80.4	31.6	48.8	0.5	48.3	2.8	1.6	33.7	1.1	-	
Aug	104.0	20.1	79.3	31.2	48.1	0.5	47.6	3.0	1.6	33.8	1.0	-	
											<b>Changes *</b>		
2003	- 4.8	+ 1.2	- 5.7	- 1.6	- 4.1	- 0.4	- 3.7	- 0.1	- 0.2	- 1.6	- 0.1	-	
2004	- 1.9	- 1.0	- 1.5	+ 1.4	- 2.8	+ 0.4	- 3.2	+ 0.7	- 0.1	- 2.2	- 0.1	-	
2004 Sep	+ 1.3	+ 0.9	+ 0.3	+ 1.3	- 1.0	+ 0.0	- 1.0	+ 0.1	+ 0.0	+ 0.0	+ 0.0	-	
Oct	- 7.6	- 4.2	- 3.4	- 3.7	+ 0.3	+ 0.1	+ 0.2	+ 0.1	- 0.1	- 0.1	- 0.0	-	
Nov	+ 0.1	+ 1.6	- 1.4	- 1.3	- 0.1	+ 0.0	- 0.1	- 0.1	+ 0.0	+ 0.2	+ 0.0	-	
Dec	+ 2.9	- 0.1	+ 2.9	+ 3.1	- 0.2	- 0.1	- 0.1	+ 0.1	- 0.0	- 0.4	+ 0.0	-	
2005 Jan	+ 1.1	+ 1.9	- 0.6	- 0.5	- 0.1	+ 0.0	- 0.1	- 0.1	- 0.0	- 0.2	+ 0.0	-	
Feb	+ 0.3	+ 1.0	- 0.7	- 0.6	- 0.2	- 0.0	- 0.1	- 0.0	+ 0.0	- 0.0	+ 0.0	-	
Mar	- 3.3	- 1.5	- 1.7	- 0.1	- 1.6	- 0.4	- 1.2	- 0.1	- 0.0	- 0.3	- 0.0	-	
Apr	- 2.9	- 0.3	- 2.6	- 2.2	- 0.4	+ 0.0	- 0.4	- 0.0	+ 0.0	- 0.1	- 0.0	-	
May	+ 2.9	+ 1.1	+ 1.6	+ 1.7	- 0.1	- 0.0	- 0.1	+ 0.2	+ 0.0	- 0.3	+ 0.0	-	
June	+ 2.8	+ 1.6	+ 1.1	+ 1.6	- 0.5	+ 0.0	- 0.5	+ 0.1	- 0.0	+ 0.3	- 0.0	-	
July	- 0.8	+ 1.6	+ 0.8	+ 1.2	- 0.4	- 0.0	- 0.3	+ 0.1	- 0.0	- 0.3	+ 0.0	-	
Aug	- 0.0	+ 0.8	+ 1.1	+ 0.4	- 0.7	+ 0.0	- 0.7	+ 0.3	- 0.0	+ 0.1	+ 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 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							
<b>Domestic enterprises and households</b>													<b>End of year or month *</b>	
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		
2004	2,096.4	630.1	768.7	204.5	564.2	7.1	557.1	600.8	96.9	9.0	31.1	10.1		
2004 Sep	2,060.2	629.9	744.6	189.6	555.0	7.1	547.9	588.7	97.0	5.5	30.9	10.2		
Oct	2,070.9	631.8	752.2	195.1	557.1	7.2	550.0	589.6	97.3	8.9	31.0	12.3		
Nov	2,093.4	656.0	749.7	189.5	560.2	7.1	553.1	590.5	97.1	9.0	31.1	14.0		
Dec	2,096.4	630.1	768.7	204.5	564.2	7.1	557.1	600.8	96.9	9.0	31.1	10.1		
2005 Jan	2,104.5	647.2	759.4	193.1	566.2	7.1	559.1	601.6	96.3	9.2	31.0	12.2		
Feb	2,111.2	651.2	761.9	191.0	570.9	7.2	563.7	602.4	95.7	9.3	31.0	14.4		
Mar	2,117.1	654.8	765.6	190.0	575.6	6.9	568.7	602.8	94.0	9.2	30.4	18.7		
Apr	2,127.6	658.0	773.5	195.3	578.2	7.0	571.2	602.4	93.7	9.2	30.4	16.7		
May	2,131.2	664.9	771.6	196.5	575.1	7.0	568.1	601.5	93.2	9.2	30.7	16.7		
June	2,134.5	671.8	769.7	193.5	576.2	7.1	569.1	600.0	92.9	9.5	31.1	19.5		
July	2,141.6	676.2	774.0	195.7	578.3	7.2	571.2	599.1	92.2	9.7	31.3	18.1		
Aug	2,146.3	678.0	779.5	199.5	580.0	7.1	572.9	597.4	91.4	9.7	31.2	21.7		
<b>Changes *</b>														
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		
2004	+ 63.9	+ 25.3	+ 27.4	- 5.1	+ 32.5	- 0.7	+ 33.1	+ 12.5	- 1.3	+ 3.4	+ 1.8	+ 0.9		
2004 Sep	+ 7.1	+ 9.6	- 2.1	- 3.7	+ 1.6	-	+ 1.6	- 0.2	- 0.2	- 0.1	+ 0.0	+ 2.1		
Oct	+ 10.8	+ 1.9	+ 7.6	+ 5.5	+ 2.1	+ 0.1	+ 2.1	+ 1.0	+ 0.3	+ 3.3	+ 0.1	+ 2.0		
Nov	+ 22.4	+ 24.8	- 3.1	- 5.6	+ 2.5	- 0.0	+ 2.5	+ 0.8	- 0.1	+ 0.1	+ 0.1	+ 1.7		
Dec	+ 2.7	- 25.9	+ 18.6	+ 15.0	+ 3.6	- 0.0	+ 3.6	+ 10.3	- 0.2	+ 0.0	+ 0.0	- 3.8		
2005 Jan	+ 8.0	+ 17.1	- 9.3	- 11.4	+ 2.1	+ 0.0	+ 2.0	+ 0.8	- 0.5	+ 0.2	- 0.1	+ 2.1		
Feb	+ 6.7	+ 3.9	+ 2.5	- 2.2	+ 4.7	+ 0.0	+ 4.6	+ 0.9	- 0.6	+ 0.0	+ 0.0	+ 2.2		
Mar	+ 6.3	+ 4.1	+ 3.7	- 0.7	+ 4.4	+ 0.1	+ 4.3	- 0.9	- 0.5	- 0.0	- 0.3	+ 4.3		
Apr	+ 10.5	+ 3.2	+ 7.9	+ 5.3	+ 2.6	+ 0.1	+ 2.5	- 0.3	- 0.3	- 0.0	+ 0.1	- 2.0		
May	+ 3.6	+ 6.9	- 1.9	+ 1.2	- 3.2	- 0.0	- 3.1	- 1.0	- 0.4	+ 0.0	+ 0.2	+ 0.0		
June	+ 3.3	+ 7.0	- 1.9	- 3.0	+ 1.1	+ 0.1	+ 1.0	- 1.5	- 0.3	+ 0.2	+ 0.5	+ 2.8		
July	+ 7.2	+ 4.4	+ 4.3	+ 2.2	+ 2.1	+ 0.1	+ 2.0	- 0.9	- 0.7	+ 0.2	+ 0.2	- 1.4		
Aug	+ 4.6	+ 1.7	+ 5.5	+ 3.8	+ 1.7	- 0.0	+ 1.8	- 1.8	- 0.8	- 0.0	- 0.1	+ 3.6		
<b>of which: Domestic enterprises</b>													<b>End of year or month *</b>	
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		
2004	762.3	202.0	533.4	110.2	423.1	1.7	421.5	5.1	21.8	8.7	18.3	10.1		
2004 Sep	753.0	212.1	513.9	95.7	418.2	1.9	416.4	5.2	21.8	5.3	18.1	10.2		
Oct	759.4	210.3	522.0	101.9	420.1	1.8	418.3	5.2	21.9	8.6	18.2	12.3		
Nov	769.4	221.5	520.9	97.3	423.6	1.7	421.9	5.1	21.9	8.7	18.3	14.0		
Dec	762.3	202.0	533.4	110.2	423.1	1.7	421.5	5.1	21.8	8.7	18.3	10.1		
2005 Jan	771.2	218.2	525.9	101.4	424.5	1.8	422.8	5.2	21.9	8.8	18.3	12.2		
Feb	772.7	217.3	528.5	99.6	428.9	1.9	427.0	5.2	21.8	8.8	18.3	14.4		
Mar	778.8	218.4	533.3	100.2	433.2	1.9	431.2	5.3	21.8	8.8	18.9	18.7		
Apr	787.2	218.7	541.4	106.0	435.5	2.0	433.4	5.4	21.7	8.8	18.9	16.7		
May	791.5	222.4	541.8	107.3	434.5	2.0	432.5	5.4	21.9	8.8	19.2	16.7		
June	792.6	224.5	541.0	105.6	435.4	2.0	433.3	5.2	22.0	9.0	19.6	19.5		
July	799.3	226.0	545.9	108.3	437.5	2.1	435.4	5.5	22.0	9.3	19.8	18.1		
Aug	807.6	229.5	551.0	112.1	439.0	2.0	436.9	5.3	21.8	9.2	19.8	21.7		
<b>Changes *</b>														
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		
2004	+ 31.1	- 2.3	+ 33.0	+ 7.3	+ 25.7	+ 0.0	+ 25.7	+ 0.2	+ 0.1	+ 3.3	+ 1.0	+ 0.9		
2004 Sep	+ 6.6	+ 8.3	- 1.8	- 3.0	+ 1.3	+ 0.1	+ 1.2	+ 0.0	+ 0.0	- 0.1	+ 0.0	+ 2.1		
Oct	+ 6.2	- 1.8	+ 7.9	+ 6.2	+ 1.6	- 0.1	+ 1.7	+ 0.0	+ 0.0	+ 3.3	+ 0.1	+ 2.0		
Nov	+ 10.0	+ 11.7	- 1.7	- 4.6	+ 2.9	- 0.1	+ 3.0	- 0.1	+ 0.0	+ 0.1	+ 0.1	+ 1.7		
Dec	- 7.4	- 19.4	+ 12.1	+ 12.9	- 0.8	- 0.0	- 0.8	- 0.1	- 0.1	+ 0.0	+ 0.0	- 3.8		
2005 Jan	+ 9.0	+ 16.2	- 7.4	- 8.8	+ 1.4	+ 0.1	+ 1.3	+ 0.1	+ 0.1	+ 0.1	- 0.0	+ 2.1		
Feb	+ 1.5	- 1.0	+ 2.5	- 1.8	+ 4.3	+ 0.1	+ 4.2	+ 0.0	- 0.1	+ 0.0	+ 0.1	+ 2.2		
Mar	+ 5.3	+ 1.1	+ 4.1	+ 0.6	+ 3.5	+ 0.1	+ 3.5	+ 0.1	- 0.0	- 0.0	- 0.2	+ 4.3		
Apr	+ 8.4	+ 0.3	+ 8.1	+ 5.8	+ 2.3	+ 0.1	+ 2.2	+ 0.1	- 0.1	- 0.0	+ 0.1	- 2.0		
May	+ 4.4	+ 3.8	+ 0.3	+ 1.3	- 1.0	- 0.0	- 0.9	+ 0.1	+ 0.2	+ 0.0	+ 0.3	+ 0.0		
June	+ 1.1	+ 2.1	- 0.8	- 1.7	+ 0.9	+ 0.0	+ 0.9	- 0.3	+ 0.1	+ 0.2	+ 0.5	+ 2.8		
July	+ 6.6	+ 1.5	+ 4.9	+ 2.7	+ 2.2	+ 0.0	+ 2.1	+ 0.3	- 0.0	+ 0.2	+ 0.2	- 1.4		
Aug	+ 8.2	+ 3.4	+ 5.2	+ 3.7	+ 1.4	- 0.1	+ 1.5	- 0.2	- 0.2	- 0.1	- 0.1	+ 3.6		

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	
<b>End of year or month *</b>												
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	1,334.2	428.1	414.8	71.7	283.5	59.6	13.2	235.3	216.9	25.7	175.1	16.2
2005 Mar	1,338.3	436.4	421.6	71.8	289.9	59.8	14.8	232.3	215.3	25.1	174.8	15.4
Apr	1,340.4	439.3	425.3	73.9	291.8	59.6	14.0	232.1	215.0	24.7	174.9	15.4
May	1,339.6	442.4	427.7	74.5	293.3	59.9	14.7	229.8	212.6	23.8	174.4	14.4
June	1,341.8	447.4	432.0	75.1	296.3	60.7	15.3	228.7	211.7	23.2	174.2	14.3
July	1,342.4	450.2	435.7	76.2	298.1	61.4	14.5	228.2	211.2	23.2	173.8	14.2
Aug	1,338.7	448.5	433.7	76.9	295.5	61.3	14.8	228.5	211.0	23.2	173.7	14.1
<b>Changes *</b>												
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	+ 32.8	+ 27.6	+ 26.7	+ 4.8	+ 19.2	+ 2.7	+ 0.9	- 5.6	- 5.1	- 3.5	+ 0.6	- 2.2
2005 Mar	+ 1.0	+ 3.0	+ 2.5	- 1.5	+ 3.4	+ 0.7	+ 0.5	- 0.4	- 0.0	- 0.2	+ 0.4	- 0.2
Apr	+ 2.1	+ 2.9	+ 3.7	+ 2.1	+ 0.9	+ 0.7	- 0.8	- 0.2	- 0.3	- 0.4	+ 0.0	+ 0.0
May	- 0.8	+ 3.1	+ 2.4	+ 0.6	+ 1.5	+ 0.3	+ 0.7	- 2.3	- 2.4	- 1.0	- 0.4	- 1.0
June	+ 2.2	+ 4.9	+ 4.3	+ 0.6	+ 3.0	+ 0.8	+ 0.6	- 1.1	- 0.9	- 0.5	- 0.3	- 0.1
July	+ 0.5	+ 2.9	+ 3.7	+ 1.1	+ 1.9	+ 0.7	- 0.8	- 0.5	- 0.5	- 0.1	- 0.3	- 0.1
Aug	- 3.6	- 1.8	- 2.1	+ 0.7	- 2.6	- 0.1	+ 0.3	+ 0.3	- 0.2	+ 0.0	- 0.1	- 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 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				
<b>End of year or month *</b>															
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	103.6	41.4	0.8	5.8	34.8	0.0	12.9	15.1	2.7	2.2	10.2	0.1	21.5		
2005 Mar	101.7	40.5	0.8	6.8	33.0	0.0	12.8	18.5	4.4	4.0	10.1	0.1	21.1		
Apr	98.8	39.4	0.5	6.4	32.6	0.0	12.8	17.8	4.2	3.5	10.0	0.1	21.0		
May	101.7	39.2	0.6	6.1	32.4	0.0	12.7	16.3	3.4	2.8	10.1	0.1	20.7		
June	104.5	39.7	1.1	6.6	31.9	0.0	12.8	19.8	4.8	4.9	10.0	0.1	21.0		
July	103.7	41.4	0.6	9.3	31.5	0.0	12.9	19.1	4.6	4.4	10.0	0.1	20.5		
Aug	104.0	40.5	1.1	8.2	31.2	0.0	12.9	17.9	3.8	4.1	9.9	0.2	20.5		
<b>Changes *</b>															
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	- 1.9	- 2.8	- 1.2	+ 0.6	- 2.1	+ 0.0	+ 0.2	- 1.0	- 0.4	+ 0.9	- 1.6	- 0.0	- 2.4		
2005 Mar	- 3.3	- 1.0	+ 0.2	+ 0.4	- 1.6	- 0.0	- 0.0	+ 0.0	- 0.5	+ 0.5	- 0.0	+ 0.0	- 0.2		
Apr	- 2.9	- 1.1	- 0.3	- 0.4	- 0.4	-	- 0.0	- 0.7	- 0.2	- 0.5	- 0.0	-	- 0.1		
May	+ 2.9	- 0.2	+ 0.1	- 0.2	- 0.2	-	- 0.0	- 1.4	- 0.8	- 0.7	+ 0.0	+ 0.0	- 0.3		
June	+ 2.8	+ 0.5	+ 0.5	+ 0.5	- 0.5	-	+ 0.0	+ 3.4	+ 1.4	+ 2.1	- 0.1	- 0.0	+ 0.2		
July	- 0.8	+ 1.7	+ 0.6	+ 2.6	- 0.3	-	+ 0.1	- 0.7	- 0.2	- 0.5	- 0.1	+ 0.0	- 0.4		
Aug	- 0.0	- 1.2	+ 0.2	- 1.1	- 0.3	- 0.0	+ 0.1	- 1.1	- 0.8	- 0.3	- 0.1	+ 0.1	- 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 <sup>3</sup>			Memo item				
by maturity					Total	Domestic households	Domestic non-profit institutions	Bank savings bonds <sup>4</sup>	Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities) <sup>5</sup>	Included in time deposits: liabilities arising from repos	Period
Domestic non-profit institutions	up to and including 1 year	more than 1 year <sup>2</sup>										
		Total	of which									
		up to and including 2 years	more than 2 years									
<b>End of year or month *</b>												
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
18.4	94.3	141.0	5.5	135.6	595.7	586.3	9.5	75.1	0.3	12.8	-	2004
17.0	89.8	142.5	5.0	137.5	597.5	587.7	9.8	72.2	0.4	11.5	-	2005 Mar
17.1	89.3	142.8	4.9	137.8	597.1	587.3	9.8	72.0	0.4	11.5	-	Apr
17.2	89.2	140.6	5.0	135.6	596.1	586.2	9.9	71.3	0.4	11.5	-	May
17.0	87.9	140.9	5.1	135.8	594.8	584.9	9.9	71.0	0.4	11.5	-	June
17.0	87.4	140.8	5.1	135.7	593.7	583.8	9.9	70.3	0.4	11.5	-	July
17.5	87.4	141.1	5.1	136.0	592.1	582.0	10.1	69.7	0.5	11.4	-	Aug
<b>Changes *</b>												
- 0.7	- 21.6	+ 4.7	- 0.2	+ 4.9	+ 14.7	+ 14.4	+ 0.3	- 4.6	+ 0.0	+ 0.6	-	2003
- 0.5	- 12.3	+ 6.7	- 0.7	+ 7.4	+ 12.2	+ 12.0	+ 0.2	- 1.4	+ 0.1	+ 0.8	-	2004
- 0.4	- 1.3	+ 0.8	+ 0.0	+ 0.8	- 1.0	- 1.1	+ 0.0	- 0.5	- 0.0	- 0.0	-	2005 Mar
+ 0.1	- 0.5	+ 0.3	- 0.1	+ 0.4	- 0.4	- 0.4	+ 0.0	- 0.2	-	+ 0.0	-	Apr
+ 0.1	- 0.1	- 2.2	+ 0.0	- 2.2	- 1.0	- 1.1	+ 0.1	- 0.6	- 0.0	- 0.0	-	May
- 0.2	- 1.3	+ 0.2	+ 0.1	+ 0.2	- 1.2	- 1.3	+ 0.1	- 0.4	- 0.0	- 0.0	-	June
- 0.0	- 0.5	- 0.1	+ 0.0	- 0.1	- 1.1	- 1.1	- 0.0	- 0.7	- 0.0	- 0.0	-	July
+ 0.5	+ 0.1	+ 0.3	+ 0.0	+ 0.3	- 1.6	- 1.8	+ 0.2	- 0.6	+ 0.0	- 0.0	-	Aug

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

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

Local government and local government associations (including municipal special-purpose associations)						Social security funds						
Total	Sight deposits	Time deposits <sup>3</sup>		Savings deposits and bank savings bonds <sup>2,4</sup>	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds <sup>2</sup>	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			
<b>End of year or month *</b>												
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
25.7	10.5	9.6	2.3	3.3	0.3	21.4	2.9	12.9	4.8	0.8	0.0	2004
24.4	9.5	9.3	2.4	3.2	0.3	18.3	3.5	9.3	4.8	0.7	0.0	2005 Mar
24.3	9.8	8.8	2.4	3.2	0.3	17.3	3.4	8.5	4.8	0.7	0.0	Apr
26.5	11.1	9.7	2.4	3.3	0.3	19.6	3.9	10.2	4.8	0.8	0.0	May
25.3	10.6	9.0	2.4	3.3	0.3	19.7	4.1	9.9	4.9	0.8	0.0	June
25.0	10.4	8.9	2.4	3.4	0.3	18.2	3.5	9.0	4.9	0.9	0.0	July
27.4	11.5	10.0	2.4	3.5	0.3	18.2	3.7	8.9	4.6	0.9	0.0	Aug
<b>Changes *</b>												
- 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
+ 0.8	+ 0.5	- 0.5	+ 0.4	+ 0.5	+ 0.0	+ 1.1	+ 0.1	+ 0.4	+ 0.5	+ 0.1	- 0.0	2004
- 0.6	- 0.8	+ 0.2	+ 0.0	- 0.1	- 0.0	- 1.7	- 0.4	- 1.2	- 0.0	- 0.0	-	2005 Mar
- 0.2	+ 0.3	- 0.5	+ 0.0	- 0.0	+ 0.0	- 0.9	- 0.1	- 0.8	- 0.0	- 0.0	-	Apr
+ 2.3	+ 1.3	+ 0.9	+ 0.0	+ 0.1	+ 0.0	+ 2.3	+ 0.4	+ 1.7	+ 0.0	+ 0.1	-	May
- 1.2	- 0.5	- 0.7	- 0.0	+ 0.1	+ 0.0	+ 0.1	+ 0.3	+ 0.3	+ 0.1	+ 0.0	-	June
- 0.3	- 0.2	- 0.1	- 0.0	+ 0.0	-	- 1.5	- 0.7	- 0.9	+ 0.0	+ 0.1	-	July
+ 2.4	+ 1.1	+ 1.1	+ 0.0	+ 0.2	-	- 0.1	+ 0.3	- 0.1	- 0.3	+ 0.0	-	Aug

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

liabilities arising from non-negotiable bearer debt securities. — <sup>3</sup> Including deposits under savings and loan contracts. — <sup>4</sup> 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 <sup>1</sup>								Memo item Interest credited on savings deposits	Bank savings bonds, <sup>3</sup> 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 <sup>2</sup>	Total	of which Special savings facilities <sup>2</sup>							
End of year or month *													
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	613.0	603.5	515.5	397.9	88.0	76.7	9.6	7.7	14.2	105.8	98.4	85.2	7.4
2005 Apr	614.2	604.9	516.7	402.2	88.2	77.8	9.3	7.5	0.3	102.7	95.2	82.0	7.5
May	613.3	604.1	516.4	402.2	87.7	77.3	9.2	7.4	0.3	102.3	94.8	81.7	7.5
June	611.4	602.7	515.6	401.7	87.1	76.6	8.7	6.9	0.3	102.3	94.5	81.3	7.8
July	610.5	601.9	515.5	402.2	86.4	76.1	8.6	6.9	0.4	101.6	93.8	80.6	7.8
Aug	608.9	600.4	515.0	401.9	85.4	75.1	8.5	6.8	0.3	100.7	93.0	79.9	7.7
Changes *													
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	+ 12.6	+ 13.1	+ 14.7	+ 20.1	- 1.5	+ 0.2	- 0.5	- 0.3	.	- 1.0	- 1.5	+ 1.3	+ 0.4
2005 Apr	- 0.5	- 0.3	+ 0.1	+ 0.9	- 0.5	- 0.4	- 0.1	- 0.1	.	- 0.2	- 0.3	- 0.4	+ 0.1
May	- 0.9	- 0.8	- 0.3	- 0.0	- 0.5	- 0.4	- 0.1	- 0.1	.	- 0.4	- 0.4	- 0.4	+ 0.0
June	- 1.9	- 1.4	- 0.8	- 0.4	- 0.6	- 0.7	- 0.5	- 0.4	.	- 0.1	- 0.3	- 0.4	+ 0.3
July	- 0.9	- 0.8	- 0.1	+ 0.5	- 0.7	- 0.5	- 0.1	- 0.1	.	- 0.6	- 0.7	- 0.7	+ 0.1
Aug	- 1.6	- 1.5	- 0.5	- 0.3	- 1.0	- 1.0	- 0.1	- 0.1	.	- 0.9	- 0.8	- 0.8	- 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 <sup>6</sup>					Subordinated	
	Total <sup>1</sup>	of which						Total	of which with maturities of			negotiable debt securities		
		Floating rate bonds <sup>2</sup>	Zero coupon bonds <sup>2,3</sup>	Foreign currency bonds <sup>4,5</sup>	Certifi- cates of deposit	with maturities of			up to and including 1 year	more than 1 year including 2 years	more than 2 years			
						up to and including 1 year <sup>1</sup>	more than 1 year including 2 years <sup>1</sup>						more than 2 years <sup>1</sup>	
End of year or month *														
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	1,550.0	382.6	22.9	214.6	36.5	62.1	94.2	1,393.7	2.4	0.5	0.5	1.5	43.3	3.7
2005 Apr	1,608.5	402.3	24.5	251.5	44.0	70.7	95.0	1,442.8	2.3	0.4	0.4	1.4	45.1	2.5
May	1,617.2	403.9	24.3	258.7	42.3	69.5	95.5	1,452.3	2.5	0.6	0.4	1.5	45.3	2.5
June	1,638.3	410.8	24.8	261.8	42.4	71.1	95.3	1,471.9	2.3	0.4	0.5	1.5	46.1	2.5
July	1,641.5	414.3	25.2	263.3	38.5	69.5	94.5	1,477.4	2.0	0.4	0.5	1.1	45.9	2.5
Aug	1,639.4	410.2	26.5	267.2	38.4	71.9	91.7	1,475.8	1.9	0.3	0.5	1.1	45.3	2.5
Changes *														
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	+ 57.4	+ 27.9	+ 1.8	+ 34.7	- 7.9	- 8.0	- 11.0	+ 76.4	+ 0.0	- 0.2	- 0.1	+ 0.2	+ 3.1	+ 0.5
2005 Apr	+ 21.2	+ 11.4	- 0.1	+ 10.1	+ 2.8	+ 2.4	+ 2.0	+ 16.8	- 0.1	- 0.0	- 0.0	- 0.1	+ 1.5	-
May	+ 9.0	+ 1.9	- 0.2	+ 7.1	- 1.6	- 1.2	+ 0.5	+ 9.8	+ 0.3	+ 0.3	- 0.0	+ 0.0	+ 0.2	+ 0.0
June	+ 21.1	+ 6.9	+ 0.5	+ 3.1	+ 0.1	+ 1.6	- 0.1	+ 19.6	- 0.2	- 0.2	+ 0.0	+ 0.0	+ 0.9	+ 0.0
July	+ 0.2	+ 2.3	+ 0.4	+ 1.6	- 3.8	- 1.6	- 0.8	+ 2.5	+ 0.0	+ 0.1	+ 0.0	- 0.1	- 0.2	+ 0.0
Aug	- 2.1	- 5.0	+ 1.3	+ 3.9	- 0.1	+ 2.4	- 2.8	- 1.6	- 0.2	- 0.2	- 0.0	- 0.0	- 0.7	- 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 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								
<b>All building and loan associations</b>																
2004	27	183.9	32.9	0.1	11.6	34.5	63.8	9.3	14.2	0.4	27.5	113.2	4.6	6.8	7.4	96.4
2005 June	27	189.3	34.0	0.1	13.7	32.5	63.0	9.4	17.8	0.4	27.8	115.9	4.8	6.4	7.5	7.8
July	26	189.2	33.8	0.1	13.7	32.2	63.0	9.5	18.1	0.4	27.8	115.7	4.8	6.3	7.4	7.4
Aug	26	189.3	34.1	0.0	13.5	31.7	63.4	9.5	18.2	0.4	27.6	116.0	4.8	6.2	7.4	7.8
<b>Private building and loan associations</b>																
2005 June	16	138.5	26.4	0.0	6.4	20.5	45.3	8.6	13.0	0.3	20.4	78.4	4.6	6.4	4.8	4.9
July	15	138.2	26.0	0.0	6.4	20.4	45.4	8.6	13.3	0.3	20.4	78.3	4.5	6.3	4.8	4.6
Aug	15	138.5	26.3	0.0	6.3	20.0	45.8	8.7	13.3	0.3	20.5	78.5	4.6	6.2	4.8	4.9
<b>Public building and loan associations</b>																
2005 June	11	50.8	7.6	0.0	7.3	11.9	17.7	0.8	4.8	0.1	7.4	37.4	0.2	-	2.7	2.9
July	11	51.0	7.8	0.0	7.3	11.9	17.6	0.9	4.9	0.1	7.4	37.4	0.2	-	2.7	2.8
Aug	11	50.8	7.8	0.0	7.2	11.7	17.5	0.9	4.9	0.1	7.2	37.5	0.2	-	2.7	2.8

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						
<b>All building and loan associations</b>																
2004	26.0	3.1	5.4	42.0	28.3	40.3	17.1	4.2	7.8	3.5	15.4	10.4	7.7	13.3	11.0	0.6
2005 June	2.1	0.1	0.5	3.7	2.4	3.3	1.4	0.3	0.6	0.3	1.3	10.9	7.8	1.2	2.8	0.0
July	2.0	0.1	0.5	4.0	2.8	3.6	1.7	0.5	0.7	0.4	1.2	10.9	7.8	1.1	2.8	0.0
Aug	2.0	0.1	0.5	3.2	2.0	2.9	1.3	0.3	0.4	0.2	1.2	10.9	7.8	1.2	2.8	0.0
<b>Private building and loan associations</b>																
2005 June	1.3	0.0	0.3	2.4	1.4	2.3	0.9	0.2	0.3	0.2	1.0	6.5	3.8	0.8	1.8	0.0
July	1.3	0.1	0.3	2.7	1.7	2.6	1.1	0.4	0.4	0.3	1.0	6.5	3.8	0.8	1.8	0.0
Aug	1.3	0.1	0.3	2.1	1.1	2.0	0.8	0.2	0.3	0.1	1.0	6.5	3.7	0.7	1.8	0.0
<b>Public building and loan associations</b>																
2005 June	0.7	0.0	0.2	1.2	1.0	1.0	0.5	0.1	0.2	0.1	0.2	4.4	4.1	0.4	0.9	0.0
July	0.7	0.0	0.2	1.3	1.0	1.0	0.5	0.2	0.3	0.1	0.2	4.4	4.1	0.4	0.9	0.0
Aug	0.7	0.0	0.2	1.1	0.8	0.9	0.5	0.1	0.2	0.1	0.2	4.5	4.0	0.4	0.9	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 <sup>1</sup> and/or foreign subsidiaries		Total	Credit balances and loans			Money market paper, securities <sup>2,3</sup>	Total	Loans			Money market paper, securities <sup>2</sup>		
					Total	German banks	Foreign banks			Total	to German non-banks	to foreign non-banks			
End of year or month *															
<b>Foreign branches</b>															
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
2004	52	203	1,452.7	681.0	595.7	170.2	425.6	85.2	671.0	477.3	17.1	15.8	460.2	193.7	100.7
2004 Oct	53	206	1,454.2	667.4	577.6	171.6	405.9	89.9	693.2	492.1	16.5	15.1	475.6	201.1	93.6
Nov	53	205	1,483.9	691.7	602.1	176.7	425.4	89.6	692.1	492.1	16.9	15.6	475.1	200.1	100.1
Dec	52	203	1,452.7	681.0	595.7	170.2	425.6	85.2	671.0	477.3	17.1	15.8	460.2	193.7	100.7
2005 Jan	52	203	1,499.6	692.2	607.9	174.9	433.0	84.3	698.6	501.7	18.9	17.5	482.8	196.9	108.9
Feb	52	203	1,512.5	690.2	609.9	171.0	438.9	80.3	713.4	510.9	18.9	17.6	492.0	202.5	108.8
Mar	52	202	1,522.7	701.4	623.9	181.3	442.6	77.5	709.6	503.3	18.4	17.3	485.0	206.2	111.7
Apr	52	202	1,568.7	709.0	633.2	191.0	442.1	75.8	744.9	532.5	20.1	18.8	512.4	212.5	114.8
May	54	204	1,613.0	722.6	646.7	194.8	452.0	75.9	772.9	556.7	21.4	20.0	535.3	216.3	117.4
June	54	205	1,658.5	762.2	686.0	194.7	491.3	76.3	779.0	556.1	21.6	20.4	534.4	223.0	117.2
July	54	207	1,626.1	726.3	653.1	176.3	476.8	73.2	779.8	562.8	21.5	20.4	541.3	217.0	120.0
<b>Changes *</b>															
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
2004	- 3	+ 1	+207.5	+100.7	+ 90.1	- 15.4	+105.5	+ 10.6	+ 64.2	+ 57.8	- 1.9	- 1.0	+ 59.7	+ 6.4	+ 42.7
2004 Oct	-	+ 1	+ 16.5	- 11.0	- 15.0	- 8.1	- 6.9	+ 4.0	+ 20.7	+ 14.0	- 1.2	- 1.2	+ 15.2	+ 6.7	+ 6.8
Nov	-	- 1	+ 53.8	+ 33.4	+ 32.9	+ 5.1	+ 27.8	+ 0.5	+ 13.1	+ 10.1	+ 0.5	+ 0.6	+ 9.6	+ 3.0	+ 7.3
Dec	- 1	- 2	- 13.4	- 3.6	+ 0.2	- 6.5	+ 6.7	- 3.8	- 11.1	- 7.6	+ 0.1	+ 0.2	- 7.7	- 3.6	+ 1.3
2005 Jan	-	-	+ 16.2	- 0.9	+ 0.9	+ 4.7	- 3.8	- 1.8	+ 10.5	+ 12.1	+ 1.8	+ 1.7	+ 10.4	- 1.7	+ 6.7
Feb	-	-	+ 23.7	+ 2.2	+ 5.9	- 3.9	+ 9.8	- 3.7	+ 21.2	+ 13.6	+ 0.0	+ 0.1	+ 13.6	+ 7.5	+ 0.4
Mar	-	- 1	- 3.0	+ 6.1	+ 9.3	+ 10.3	- 1.0	- 3.2	- 11.4	- 13.2	- 0.6	- 0.3	- 12.6	+ 1.7	+ 2.3
Apr	-	-	+ 42.1	+ 6.2	+ 8.0	+ 9.7	- 1.8	- 1.8	+ 33.1	+ 27.4	+ 1.7	+ 1.5	+ 25.7	+ 5.7	+ 2.8
May	+ 2	+ 2	+ 7.3	+ 1.3	+ 2.0	+ 3.7	- 1.8	- 0.6	+ 8.7	+ 10.1	+ 1.3	+ 1.3	+ 8.8	- 1.5	- 2.7
June	-	+ 1	+ 32.3	+ 34.7	+ 34.7	- 0.1	+ 34.7	+ 0.0	- 1.5	- 6.3	+ 0.2	+ 0.4	- 6.5	+ 4.7	- 0.9
July	-	+ 2	- 27.2	- 34.1	- 31.2	- 18.4	- 12.8	- 2.9	+ 3.6	+ 9.0	- 0.2	- 0.0	+ 9.2	- 5.4	+ 3.3
<b>Foreign subsidiaries</b>															
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
2004	45	170	647.7	304.4	236.1	117.1	119.0	68.3	282.1	211.9	38.6	35.0	173.3	70.2	61.2
2004 Oct	45	170	636.6	294.8	228.1	116.1	112.0	66.7	280.4	210.4	36.5	34.9	173.9	70.0	61.4
Nov	45	170	644.4	297.7	230.2	114.9	115.3	67.5	284.4	212.6	37.8	35.0	174.8	71.8	62.3
Dec	45	170	647.7	304.4	236.1	117.1	119.0	68.3	282.1	211.9	38.6	35.0	173.3	70.2	61.2
2005 Jan	45	170	648.0	299.9	229.9	110.3	119.6	70.0	284.9	211.1	37.4	34.7	173.7	73.9	63.2
Feb	45	171	658.3	305.7	233.5	112.6	120.9	72.1	285.2	207.3	37.0	35.2	170.3	78.0	67.4
Mar	45	174	667.6	312.1	238.8	113.7	125.1	73.3	288.4	207.0	37.3	35.5	169.7	81.4	67.1
Apr	44	172	664.9	306.6	234.1	112.5	121.6	72.6	289.6	206.7	37.5	35.8	169.2	82.9	68.7
May	44	168	679.1	305.3	233.2	118.4	114.8	72.2	302.0	213.3	38.1	35.5	175.2	88.7	71.8
June	44	165	700.5	321.3	247.9	126.2	121.7	73.3	310.1	215.2	37.2	35.1	178.0	94.9	69.2
July	44	165	689.8	314.1	241.4	125.4	116.0	72.7	308.3	212.5	37.4	35.4	175.0	95.9	67.4
<b>Changes *</b>															
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
2004	- 1	- 9	+ 9.3	+ 0.8	- 8.1	- 10.2	+ 2.0	+ 9.0	+ 8.3	+ 1.3	- 2.9	- 2.8	+ 4.2	+ 7.0	+ 0.1
2004 Oct	-	- 1	+ 4.8	+ 3.2	+ 2.5	+ 2.1	+ 0.4	+ 0.7	+ 1.5	+ 0.7	- 1.4	- 0.6	+ 2.1	+ 0.8	+ 0.2
Nov	-	-	+ 11.9	+ 5.1	+ 3.5	- 1.2	+ 4.7	+ 1.6	+ 5.7	+ 3.9	+ 1.4	+ 0.1	+ 2.6	+ 1.8	+ 1.1
Dec	-	-	+ 6.8	+ 8.5	+ 7.1	+ 2.2	+ 4.9	+ 1.4	- 0.8	+ 0.7	+ 0.7	+ 0.0	+ 0.0	- 1.5	- 1.0
2005 Jan	-	-	- 4.8	- 7.4	- 8.1	- 6.8	- 1.3	+ 0.7	+ 0.9	- 2.7	- 1.2	- 0.4	- 1.6	+ 3.6	+ 1.7
Feb	-	+ 1	+ 12.1	+ 6.8	+ 4.3	+ 2.3	+ 2.0	+ 2.5	+ 0.9	- 3.2	- 0.4	+ 0.5	- 2.8	+ 4.1	+ 4.4
Mar	-	+ 3	+ 6.9	+ 5.1	+ 4.4	+ 1.1	+ 3.4	+ 0.6	+ 2.4	- 1.0	+ 0.4	+ 0.3	- 1.4	+ 3.4	- 0.5
Apr	- 1	- 2	- 3.3	- 5.9	- 5.0	- 1.2	- 3.8	- 0.8	+ 1.0	- 0.6	+ 0.2	+ 0.4	- 0.8	+ 1.5	+ 1.6
May	-	- 4	+ 8.5	- 4.6	- 2.9	+ 5.9	- 8.9	- 1.7	+ 10.4	+ 4.6	+ 0.5	- 0.3	+ 4.1	+ 5.8	+ 2.7
June	-	- 3	+ 19.4	+ 14.7	+ 14.1	+ 7.8	+ 6.3	+ 0.6	+ 7.4	+ 1.3	- 0.9	- 0.4	+ 2.1	+ 6.2	- 2.7
July	-	-	- 9.9	- 6.7	- 6.2	- 0.8	- 5.4	- 0.4	- 1.5	- 2.5	+ 0.3	+ 0.3	- 2.8	+ 1.0	- 1.7

\* 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 <sup>5</sup>	Working capital and own funds	Other liabilities <sup>6</sup>	Period
of banks (MFIs)				of non-banks (non-MFIs)						Foreign non-banks							
Total	Total	German banks	Foreign banks	Total	German non-banks <sup>4</sup>												
					Total	Short-term		Medium and long-term									
							of which enterprises and households		of which enterprises and households								
End of year or month *														Foreign branches			
1,116.0	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			
1,226.9	798.4	295.2	503.2	428.4	61.8	55.7	52.4	6.1	5.8	366.6	139.9	21.7	64.3	2004			
1,217.4	797.9	280.9	516.9	419.6	71.8	64.9	62.1	6.9	6.6	347.8	144.6	27.2	65.0	2004 Oct			
1,251.2	804.4	280.2	524.3	446.8	64.4	58.2	55.2	6.2	5.9	382.3	139.4	27.2	66.2	Nov			
1,226.9	798.4	295.2	503.2	428.4	61.8	55.7	52.4	6.1	5.8	366.6	139.9	21.7	64.3	Dec			
1,266.5	814.2	293.4	520.8	452.3	70.0	63.8	60.6	6.3	5.9	382.3	143.6	21.8	67.7	2005 Jan			
1,288.0	815.9	294.8	521.1	472.2	70.6	64.5	61.3	6.2	5.9	401.5	136.5	22.9	65.1	Feb			
1,300.8	828.8	311.2	517.6	472.0	71.8	66.2	63.0	5.6	5.3	400.2	135.3	22.2	64.4	Mar			
1,339.7	848.9	331.7	517.2	490.8	69.8	64.2	60.9	5.6	5.3	421.0	137.9	22.3	68.8	Apr			
1,375.9	866.6	333.4	533.1	509.3	69.3	63.7	60.1	5.6	5.3	440.0	145.8	22.5	68.8	May			
1,416.1	914.2	359.0	555.1	502.0	68.9	63.5	60.2	5.4	5.1	433.0	150.0	22.8	69.6	June			
1,379.8	900.1	350.5	549.6	479.7	69.1	63.9	60.9	5.2	4.9	410.6	148.8	22.8	74.8	July			
Changes *														Foreign subsidiaries			
+ 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			
+ 186.4	+ 93.2	+ 28.1	+ 65.1	+ 93.3	- 4.4	- 4.8	- 4.4	+ 0.5	+ 0.4	+ 97.7	+ 0.4	- 8.7	+ 29.4	2004			
+ 17.0	+ 2.0	+ 0.6	+ 1.4	+ 15.1	+ 2.9	+ 3.1	+ 3.0	- 0.2	- 0.2	+ 12.2	- 3.0	+ 0.1	+ 2.4	2004 Oct			
+ 53.0	+ 18.4	- 0.8	+ 19.2	+ 34.6	- 7.4	- 6.7	- 7.0	- 0.7	- 0.7	+ 42.0	- 5.3	- 0.0	+ 6.1	Nov			
- 10.1	+ 2.6	+ 15.0	- 12.4	- 12.7	- 2.6	- 2.5	- 2.8	- 0.1	- 0.1	- 10.1	+ 0.5	- 5.4	+ 1.6	Dec			
+ 15.8	+ 1.5	- 1.8	+ 3.3	+ 14.3	+ 8.2	+ 8.1	+ 8.3	+ 0.1	+ 0.1	+ 6.0	+ 3.7	+ 0.1	- 3.4	2005 Jan			
+ 29.7	+ 6.7	+ 1.4	+ 5.3	+ 23.0	+ 0.6	+ 0.7	+ 0.7	- 0.1	- 0.1	+ 22.4	- 7.1	+ 1.0	+ 0.0	Feb			
+ 1.9	+ 6.5	+ 16.4	- 9.9	- 4.7	+ 1.1	+ 1.7	+ 1.7	- 0.5	- 0.5	- 5.8	- 1.3	- 0.6	- 3.0	Mar			
+ 35.9	+ 18.7	+ 20.5	- 1.8	+ 17.3	- 2.0	- 1.9	- 2.1	- 0.1	- 0.0	+ 19.2	+ 2.6	+ 0.0	+ 3.6	Apr			
+ 10.4	+ 3.1	+ 1.7	+ 1.4	+ 7.4	- 0.6	- 0.5	- 0.8	- 0.0	- 0.0	+ 7.9	+ 8.0	+ 0.2	- 11.3	May			
+ 29.7	+ 41.7	+ 25.6	+ 16.1	- 12.0	- 0.3	- 0.2	+ 0.1	- 0.1	- 0.1	- 11.7	+ 4.1	+ 0.3	- 1.8	June			
- 32.4	- 12.1	- 8.5	- 3.6	- 20.2	+ 0.2	+ 0.4	+ 0.6	- 0.2	- 0.2	- 20.4	- 1.2	- 0.0	+ 6.4	July			
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			
462.3	277.5	83.4	194.1	184.9	31.8	27.3	26.5	4.5	4.3	153.1	73.5	39.1	72.7	2004			
455.8	276.8	82.8	194.1	179.0	26.6	22.2	21.3	4.4	4.4	152.3	71.2	39.5	70.1	2004 Oct			
458.7	279.8	83.1	196.7	178.9	26.3	21.9	21.0	4.4	4.3	152.6	72.5	39.0	74.2	Nov			
462.3	277.5	83.4	194.1	184.9	31.8	27.3	26.5	4.5	4.3	153.1	73.5	39.1	72.7	Dec			
460.0	272.0	74.9	197.1	188.0	28.9	24.4	23.0	4.6	4.4	159.0	73.8	39.5	74.7	2005 Jan			
470.1	283.8	79.7	204.1	186.3	28.7	24.1	22.5	4.6	4.4	157.6	73.7	40.3	74.2	Feb			
477.1	289.7	79.8	209.9	187.4	29.5	24.8	23.4	4.7	4.5	157.9	74.8	40.7	74.9	Mar			
479.4	292.8	80.7	212.1	186.6	28.7	23.0	21.0	5.6	5.5	157.9	72.2	40.7	72.6	Apr			
489.8	298.0	89.1	209.0	191.8	28.3	22.6	20.7	5.6	5.5	163.5	74.3	40.8	74.2	May			
508.5	308.6	91.5	217.1	199.9	28.5	22.7	20.9	5.7	5.6	171.5	75.7	41.4	74.9	June			
501.2	305.7	92.1	213.6	195.6	27.3	21.5	19.9	5.8	5.7	168.2	75.4	41.4	71.8	July			
Changes *																	
- 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			
+ 1.4	- 0.7	- 16.4	+ 15.7	+ 2.1	+ 1.9	+ 1.4	+ 2.6	+ 0.5	+ 0.4	+ 0.2	+ 5.4	- 2.2	+ 4.7	2004			
+ 3.9	- 1.5	- 1.3	- 0.2	+ 5.3	- 1.3	- 1.4	- 2.1	+ 0.1	+ 0.1	+ 6.7	- 0.4	+ 0.2	+ 1.2	2004 Oct			
+ 6.6	+ 5.3	+ 0.3	+ 4.9	+ 1.3	- 0.3	- 0.3	- 0.3	- 0.0	- 0.0	+ 1.6	+ 1.3	- 0.5	+ 4.6	Nov			
+ 6.6	- 0.4	+ 0.3	- 0.7	+ 7.0	+ 5.5	+ 5.4	+ 5.5	+ 0.1	- 0.0	+ 1.5	+ 1.0	+ 0.1	- 1.1	Dec			
- 6.7	- 8.1	- 8.4	+ 0.3	+ 1.4	- 2.9	- 3.0	- 3.5	+ 0.1	+ 0.1	+ 4.3	+ 0.2	+ 0.4	+ 1.4	2005 Jan			
+ 11.6	+ 12.8	+ 4.8	+ 8.0	- 1.1	- 0.2	- 0.3	- 0.5	+ 0.1	- 0.0	- 0.9	- 0.1	+ 0.9	- 0.3	Feb			
+ 5.0	+ 4.6	+ 0.1	+ 4.6	+ 0.3	+ 0.8	+ 0.7	+ 0.9	+ 0.1	+ 0.1	- 0.5	+ 1.1	+ 0.4	+ 0.5	Mar			
+ 1.9	+ 2.9	+ 0.9	+ 2.0	- 1.0	- 0.9	- 1.8	- 2.3	+ 0.9	+ 1.0	- 0.1	- 2.6	- 0.0	- 2.6	Apr			
+ 5.3	+ 1.9	+ 8.4	- 6.5	+ 3.4	- 0.4	- 0.4	- 0.3	+ 0.0	+ 0.0	+ 3.8	+ 2.0	+ 0.1	+ 1.1	May			
+ 16.8	+ 9.4	+ 2.4	+ 7.0	+ 7.3	+ 0.2	+ 0.1	+ 0.1	+ 0.1	+ 0.1	+ 7.2	+ 1.4	+ 0.6	+ 0.6	June			
- 6.7	- 2.6	+ 0.6	- 3.2	- 4.1	- 1.1	- 1.2	- 1.0	+ 0.1	+ 0.1	- 3.0	- 0.3	- 0.0	- 2.9	July			

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 <sup>1</sup>

Applicable from	Ratio
1999 Jan 1	2

<sup>1</sup> 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 <sup>1</sup>	Liabilities subject to reserve requirements				Required reserves <sup>2</sup>	Actual reserves <sup>3</sup>	Excess reserves <sup>4</sup>		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

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

balances of the credit institutions subject to reserve requirements on their giro accounts at the Bundesbank. — <sup>4</sup> 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 <sup>1</sup>	Reserve base <sup>2</sup>	Required reserves before deduction of lump-sum allowance <sup>3</sup>	Lump-sum allowance <sup>4</sup>	Required reserves after deduction of lump-sum allowance	Current account <sup>5</sup>	Excess reserves <sup>6</sup>	Deficiencies <sup>7</sup>
<b>Euro area (€ billion)</b>							
2005 Feb	7,051.8	141.0	0.5	140.5	141.3	0.8	0.0
Mar	7,157.8	143.2	0.5	142.6	143.3	0.6	0.0
Apr	7,180.2	143.6	0.5	143.1	144.0	0.9	0.0
May	7,255.5	145.1	0.5	144.6	145.5	0.9	0.0
June	7,385.1	147.7	0.5	147.2	147.9	0.7	0.0
July	7,483.7	149.7	0.5	149.2	149.8	0.6	0.0
Aug	7,509.3	150.2	0.5	149.7	150.2	0.6	0.0
Sep <sup>p,8</sup>	7,560.8	151.2	0.5	150.7	151.4	0.7	...
Oct <sup>p</sup>	...	...	...	149.5	...	...	...
<b>Of which: Germany (€ million)</b>							
2005 Feb	1,870,260	37,405	209	37,196	37,467	271	0
Mar	1,896,128	37,923	209	37,713	37,981	268	6
Apr	1,894,850	37,897	209	37,688	38,059	371	0
May	1,914,823	38,296	209	38,088	38,463	375	2
June	1,938,803	38,776	209	38,567	38,897	330	2
July	1,969,869	39,397	208	39,190	39,418	228	3
Aug	1,951,162	39,023	205	38,818	39,047	229	2
Sep <sup>p</sup>	1,945,542	38,911	205	38,706	39,015	309	0
Oct <sup>p</sup>	1,939,827	38,797	204	38,593	...	...	...

<sup>1</sup> 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. — <sup>2</sup> 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)). — <sup>3</sup> Amount after applying the reserve ratios to the

reserve base. — <sup>4</sup> Article 5 (2) of the Regulation of the European Central Bank on the application of minimum reserves. — <sup>5</sup> Average credit balances of the credit institutions at the national central banks. — <sup>6</sup> Average credit balances less required reserves after deduction of the lump-sum allowance. — <sup>7</sup> Required reserves after deduction of the lump-sum allowance. — <sup>8</sup> The total number of deficiencies was not available when this report went to press.

VI Interest rates

1 ECB interest rates

2 Base rates

% per annum

Applicable from	Deposit facility	Main refinancing operations <sup>1</sup>	Marginal lending facility
1999 Jan 1	2.00	3.00	4.50
Jan 4	2.75	3.00	3.25
Jan 22	2.00	3.00	4.50
Apr 9	1.50	2.50	3.50
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

% per annum

Applicable from	Base rate as per Discount Rate Transition Act <sup>2</sup>	Applicable from	Base rate as per Civil Code <sup>3</sup>
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 1	2.71	2005 Jan 1	1.21
to Apr 3		July 1	1.17

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 Transition

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 <sup>1</sup>	Weighted average rate	
<b>Main refinancing operations</b>							
2005 Sep 7	447,874	294,500	—	2.00	2.05	2.06	7
Sep 14	435,111	279,500	—	2.00	2.06	2.06	7
Sep 21	396,280	287,500	—	2.00	2.06	2.06	7
Sep 28	364,417	293,500	—	2.00	2.06	2.07	7
Oct 5	382,662	288,000	—	2.00	2.06	2.07	7
Oct 12	380,299	281,000	—	2.00	2.07	2.07	7
<b>Longer-term refinancing operations</b>							
2005 June 30	47,181	30,000	—	—	2.06	2.07	91
July 28	46,758	30,000	—	—	2.07	2.08	92
Sep 1	62,563	30,000	—	—	2.08	2.09	91
Sep 29	52,795	30,000	—	—	2.09	2.10	84

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 <sup>1</sup>				EONIA <sup>2</sup>	EURIBOR <sup>3</sup>					
	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					
2005 Mar	2.06	1.97 – 2.15	2.12	2.10 – 2.14	2.06	2.09	2.10	2.14	2.19	2.26	2.33
Apr	2.08	2.05 – 2.45	2.12	2.09 – 2.14	2.08	2.09	2.10	2.14	2.17	2.21	2.27
May	2.07	1.98 – 2.12	2.11	2.09 – 2.12	2.07	2.10	2.10	2.13	2.14	2.16	2.19
June	2.07	1.70 – 2.20	2.09	2.06 – 2.12	2.06	2.10	2.10	2.11	2.11	2.10	2.10
July	2.07	1.92 – 2.12	2.10	2.07 – 2.12	2.07	2.10	2.11	2.12	2.13	2.15	2.17
Aug	2.08	1.40 – 2.10	2.11	2.09 – 2.13	2.06	2.10	2.11	2.13	2.16	2.19	2.22
Sep	2.09	2.07 – 2.25	2.12	2.09 – 2.17	2.09	2.11	2.12	2.14	2.17	2.19	2.22

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 <sup>1</sup>

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
2004 Dec	1.92	3.24	2.16	3.77	4.78	4.50	4.83	7.94	7.01	5.80	4.34	3.97	4.44			
2005 Jan	1.91	3.23	2.12	3.73	4.78	4.45	4.79	8.07	6.97	5.77	4.41	3.90	4.41			
Feb	1.92	3.26	2.11	3.70	4.74	4.45	4.76	8.06	7.03	5.76	4.39	3.92	4.46			
Mar	1.92	3.22	2.09	3.70	4.75	4.41	4.78	8.07	6.97	5.77	4.38	3.91	4.40			
Apr	1.93	3.22	2.10	3.57	4.69	4.38	4.74	8.02	6.94	5.76	4.34	3.86	4.37			
May	1.92	3.19	2.10	3.50	4.63	4.36	4.71	8.00	6.87	5.74	4.33	3.85	4.35			
June	1.92	3.22	2.11	3.55	4.63	4.33	4.67	7.92	6.93	5.72	4.32	3.85	4.35			
July	1.91	3.18	2.11	3.49	4.58	4.29	4.63	7.89	6.86	5.70	4.30	3.82	4.29			
Aug	1.92	3.18	2.10	3.51	4.55	4.24	4.60	7.96	6.86	5.73	4.25	3.80	4.28			

**(b) New business +**

 Effective interest rate % per annum <sup>1</sup>

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		
2004 Dec	0.73	1.95	2.19	2.32	2.00	2.52	0.90	2.08	2.70	3.51		
2005 Jan	0.74	1.95	2.29	2.54	1.98	2.49	0.93	2.04	2.25	3.26		
Feb	0.74	1.95	2.19	2.33	1.97	2.49	0.93	2.04	2.25	3.47		
Mar	0.74	1.93	2.16	2.40	1.96	2.47	0.94	2.00	2.35	3.15		
Apr	0.74	2.01	2.09	2.32	1.95	2.45	0.95	2.01	2.23	2.92		
May	0.75	1.94	2.01	2.20	1.97	2.43	0.95	2.01	2.12	3.31		
June	0.69	1.95	2.21	2.20	2.17	2.38	0.91	2.01	2.05	3.57		
July	0.68	1.94	2.01	2.19	2.15	2.34	0.94	2.02	2.21	3.11		
Aug	0.69	1.95	2.07	2.32	2.03	2.31	0.96	2.03	2.22	2.90		

Reporting period	Loans to households													
	Over-drafts	Consumer credit					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					
2004 Dec	9.53	7.59	6.73	6.60	7.67	4.07	3.43	3.95	4.49	4.41	3.82	4.59	4.65	
2005 Jan	9.60	8.01	6.97	6.83	8.33	4.07	3.44	3.97	4.43	4.45	3.96	4.64	4.62	
Feb	9.65	7.77	6.20	6.83	8.18	3.98	3.40	3.94	4.39	4.33	4.00	4.73	4.49	
Mar	9.60	7.83	6.62	6.72	8.12	3.97	3.40	3.89	4.35	4.27	3.84	4.60	4.57	
Apr	9.62	7.81	6.60	6.64	8.19	3.95	3.40	3.89	4.36	4.28	3.97	4.71	4.62	
May	9.64	7.82	6.96	6.56	8.00	3.93	3.38	3.85	4.28	4.20	3.86	4.68	4.61	
June	9.61	7.72	6.62	6.49	7.90	3.89	3.32	3.76	4.13	4.09	3.84	4.60	4.50	
July	9.52	7.80	6.67	6.61	7.96	3.87	3.33	3.70	4.06	4.05	3.89	4.54	4.29	
Aug	9.58	7.99	6.99	6.70	8.10	3.91	3.33	3.73	4.04	4.03	3.80	4.59	4.44	

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	
2004 Dec	5.26	3.97	4.67	4.46	3.05	3.55	4.10	
2005 Jan	5.38	3.97	4.69	4.47	3.02	3.30	4.10	
Feb	5.30	3.91	4.76	4.36	3.02	3.34	3.81	
Mar	5.28	3.89	4.51	4.32	3.02	3.48	4.11	
Apr	5.22	3.88	4.51	4.34	3.00	3.54	3.99	
May	5.14	3.91	4.45	4.24	2.99	3.61	3.80	
June	5.12	3.87	4.45	4.14	2.92	3.44	3.88	
July	5.12	3.86	4.40	4.11	2.96	3.56	3.77	
Aug	5.04	3.91	4.45	4.13	2.87	3.53	3.80	

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
2004 Aug	1.91	112,858	3.03	194,631	2.00	70,573	4.82	29,760
Sep	1.90	111,909	2.97	194,950	2.00	69,114	4.81	29,936
Oct	1.91	111,286	2.96	195,397	2.01	72,291	4.74	28,853
Nov	1.90	110,334	2.95	194,704	2.01	69,413	4.71	29,239
Dec	1.94	112,266	2.92	199,018	2.07	73,428	4.62	29,684
2005 Jan	1.94	109,623	2.91	198,936	2.05	71,982	4.61	28,809
Feb	1.92	109,099	2.89	198,918	2.01	70,218	4.56	28,550
Mar	1.98	107,152	2.88	198,059	2.03	69,433	4.57	28,190
Apr	1.98	106,627	2.87	198,127	2.03	71,680	4.42	23,890
May	1.99	106,379	2.83	195,384	2.03	71,741	4.42	23,881
June	1.98	105,056	2.83	195,073	2.03	69,719	4.33	24,559
July	1.98	104,577	2.82	194,330	2.03	72,105	4.23	25,296
Aug	1.97	104,573	2.80	194,000	2.04	74,925	4.20	24,961

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
2004 Aug	5.24	7,478	4.75	33,203	5.68	890,887	8.77	80,999	6.07	71,478	6.20	331,010
Sep	5.27	7,597	4.72	33,360	5.67	894,787	8.83	83,016	6.04	70,960	6.20	329,461
Oct	5.14	7,649	4.67	33,775	5.66	895,414	8.79	80,415	5.95	71,660	6.18	330,628
Nov	5.12	7,586	4.65	33,278	5.65	896,510	8.72	77,971	5.94	70,561	6.17	328,982
Dec	5.25	7,637	4.63	33,190	5.63	897,826	8.72	80,598	5.91	70,109	6.23	331,682
2005 Jan	5.20	7,201	4.60	32,930	5.61	896,162	8.72	79,153	5.88	69,565	6.21	330,629
Feb	5.14	7,107	4.58	32,852	5.60	895,869	8.77	77,215	5.91	69,138	6.20	329,691
Mar	5.14	7,152	4.56	33,789	5.59	894,877	8.80	77,975	5.89	69,157	6.20	327,558
Apr	5.07	7,116	4.58	31,177	5.56	897,746	8.70	76,047	5.86	70,598	6.19	329,222
May	4.99	6,983	4.56	30,996	5.54	898,416	8.76	75,999	5.83	71,128	6.19	328,707
June	4.99	7,118	4.53	30,947	5.52	899,575	8.77	77,156	5.83	71,357	6.18	328,311
July	4.93	7,032	4.49	30,817	5.49	902,650	8.70	75,090	5.79	71,644	6.16	328,183
Aug	4.95	6,790	4.46	30,944	5.47	904,547	8.73	74,731	5.76	71,856	6.15	328,917

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
2004 Aug	4.68	170,136	4.21	90,723	5.19	487,903
Sep	4.75	171,070	4.25	89,980	5.25	485,483
Oct	4.68	169,423	4.18	87,915	5.23	485,720
Nov	4.61	174,233	4.14	87,256	5.20	486,256
Dec	4.64	166,976	4.15	87,044	5.19	483,878
2005 Jan	4.65	163,146	4.12	86,960	5.15	483,211
Feb	4.69	164,658	4.09	86,165	5.14	483,024
Mar	4.66	164,367	4.06	85,401	5.12	480,353
Apr	4.59	163,098	4.04	84,101	5.09	481,216
May	4.61	162,342	4.06	83,456	5.07	481,891
June	4.63	164,192	4.02	83,350	5.05	478,638
July	4.56	160,600	3.99	84,654	5.01	481,158
Aug	4.55	156,384	3.96	86,614	5.00	479,790

\* 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 credit is defined as 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
2004 Aug	1.16	416,996	1.96	24,546	2.50	701	3.12	2,459	2.11	506,415	2.56	85,491
Sep	1.17	418,189	1.89	23,981	2.50	913	2.78	2,724	2.13	506,492	2.55	85,177
Oct	1.17	421,839	1.92	22,905	2.67	960	3.03	2,649	2.13	506,856	2.54	85,738
Nov	1.15	434,898	1.92	23,384	2.41	856	3.04	2,839	2.16	506,807	2.54	86,549
Dec	1.17	428,606	1.90	25,470	2.39	929	2.59	2,791	2.13	515,840	2.55	87,804
2005 Jan	1.19	429,342	1.93	26,734	2.72	1,647	2.89	4,284	2.09	516,803	2.51	87,540
Feb	1.20	434,050	1.93	22,719	2.52	1,089	2.69	1,796	2.11	517,068	2.51	88,103
Mar	1.21	436,542	1.91	24,402	2.53	958	2.76	4,236	2.06	516,937	2.49	88,481
Apr	1.21	439,717	1.88	21,835	2.31	743	2.61	4,268	2.05	517,005	2.47	88,013
May	1.23	442,889	1.89	22,796	2.20	1,067	2.49	1,225	2.12	516,455	2.45	87,517
June	1.22	448,210	1.89	25,674	2.72	994	2.25	1,031	2.10	515,200	2.40	86,665
July	1.17	450,961	1.88	22,781	2.22	1,060	2.35	2,043	2.08	515,042	2.36	85,918
Aug	1.18	449,145	1.88	24,877	2.37	1,061	2.18	1,477	1.98	514,260	2.33	84,891

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
2004 Aug	1.08	135,739	1.94	30,356	2.56	102	4.29	1,823		
Sep	1.11	138,157	1.95	30,538	2.51	274	3.94	2,033		
Oct	1.13	137,992	1.97	29,266	2.56	258	4.13	1,151		
Nov	1.13	142,752	1.95	29,259	2.24	176	4.04	2,678		
Dec	1.14	144,569	2.02	51,843	2.39	211	3.81	2,215		
2005 Jan	1.19	140,648	2.03	39,113	2.50	181	3.50	1,526		
Feb	1.20	140,178	1.97	33,053	2.24	134	3.93	1,055		
Mar	1.22	140,864	1.96	36,334	2.57	236	3.58	996		
Apr	1.24	144,016	1.97	35,595	2.35	314	3.56	907		
May	1.24	144,622	1.98	35,025	2.27	194	3.87	636		
June	1.24	148,194	1.97	48,861	2.08	235	4.10	1,211		
July	1.25	149,050	1.98	36,761	2.20	128	3.38	1,113		
Aug	1.27	151,278	1.99	41,341	2.35	98	3.58	596		

Loans to households													
Consumer credit 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		
Reporting period	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
2004 Aug	8.13	5.42	1,090	6.44	5,187	9.16	3,038	3.52	8,837	5.07	1,379	5.17	1,365
Sep	8.03	5.09	1,365	6.41	4,878	9.19	3,058	3.42	9,097	4.88	1,474	5.07	2,577
Oct	7.95	4.77	1,210	6.30	4,579	9.17	2,927	3.74	7,395	4.80	1,590	4.90	1,415
Nov	7.70	4.86	1,251	6.20	4,159	8.88	3,133	3.46	8,436	4.84	1,164	4.75	1,989
Dec	7.18	4.90	1,550	5.95	4,551	8.04	2,846	3.44	10,026	4.54	2,853	4.68	2,967
2005 Jan	7.94	4.98	1,347	6.38	4,289	9.05	2,847	3.68	9,059	4.64	1,578	4.67	2,251
Feb	7.92	4.85	1,531	6.35	3,720	8.98	2,743	3.66	4,633	4.68	1,182	4.38	1,653
Mar	7.82	4.73	1,648	6.26	4,173	8.90	3,353	3.71	7,213	4.72	1,700	4.58	2,224
Apr	7.84	4.90	1,405	6.15	4,809	8.94	3,627	3.70	7,385	4.79	1,415	4.61	2,157
May	7.87	5.47	1,324	6.04	3,972	8.93	3,085	3.61	8,078	4.75	1,488	4.58	1,620
June	7.86	5.35	1,515	6.09	4,707	8.73	3,779	3.65	8,095	4.69	2,177	4.60	2,597
July	7.94	5.37	1,180	6.19	4,978	8.74	3,699	3.65	8,413	4.62	1,941	4.44	2,397
Aug	7.98	5.55	1,090	6.23	4,074	8.70	3,488	3.63	8,487	4.65	1,563	4.54	2,487

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 volume-weighted 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
2004 Aug	10.33	53,601	4.88	4.37	2,071	4.59	2,291	5.04	3,844	4.99	2,648
Sep	10.33	55,219	4.87	4.44	2,058	4.53	2,371	4.96	4,139	4.97	2,551
Oct	10.26	53,107	4.78	4.30	3,091	4.48	2,343	4.89	4,077	4.88	2,730
Nov	10.22	50,788	4.72	4.45	1,887	4.40	2,131	4.78	3,961	4.76	3,164
Dec	10.30	52,435	4.61	4.37	2,292	4.29	2,682	4.63	5,217	4.67	3,598
2005 Jan	10.32	50,978	4.55	4.37	2,467	4.20	2,321	4.56	4,631	4.62	3,507
Feb	10.30	50,158	4.49	4.35	1,668	4.20	1,962	4.51	3,504	4.48	2,816
Mar	10.36	50,933	4.49	4.34	2,078	4.13	2,210	4.47	4,901	4.52	3,655
Apr	10.37	48,690	4.50	4.28	2,786	4.13	2,376	4.50	5,023	4.58	3,484
May	10.46	48,565	4.40	4.33	2,075	4.08	2,204	4.39	4,412	4.40	3,324
June	10.38	49,871	4.27	4.25	2,196	4.01	2,449	4.22	5,527	4.26	4,262
July	10.35	47,624	4.22	4.15	3,353	3.94	2,699	4.17	6,315	4.23	4,226
Aug	10.40	48,289	4.24	4.30	2,022	3.90	2,536	4.15	6,280	4.26	5,120

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	
2004 Aug	6.25	77,547	4.42	6,177	5.08	1,030	5.00	1,098	
Sep	6.25	81,220	4.51	7,522	4.92	1,207	4.97	1,216	
Oct	6.11	79,457	4.55	7,213	4.96	1,238	4.92	1,200	
Nov	5.96	80,969	4.61	6,218	4.83	1,336	4.62	1,141	
Dec	6.01	76,804	4.50	6,458	4.75	1,520	4.64	2,147	
2005 Jan	5.89	74,567	4.44	5,388	4.82	1,205	4.59	1,497	
Feb	5.88	78,066	4.34	5,232	4.84	1,094	4.58	1,160	
Mar	5.99	74,692	4.36	7,033	4.67	1,298	4.71	1,341	
Apr	5.92	71,303	4.44	6,588	4.64	1,121	4.68	1,329	
May	5.95	71,559	4.38	6,289	4.56	1,065	4.38	1,835	
June	5.97	72,936	4.41	7,080	4.50	1,346	4.43	1,308	
July	5.95	69,329	4.37	6,987	4.54	1,242	4.41	1,542	
Aug	5.96	67,928	4.29	6,320	4.54	1,741	4.42	1,356	

Loans to non-financial corporations (cont'd)							
Loans over €1 million with an initial rate fixation of 13							
Reporting period		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
2004 Aug	3.26	28,221	3.60	3,766	4.70	3,971	
Sep	3.31	31,752	3.65	4,204	4.41	5,135	
Oct	3.26	30,755	3.85	3,246	4.51	4,502	
Nov	3.16	30,886	3.68	3,855	4.46	4,913	
Dec	3.34	43,091	3.95	7,061	4.33	8,560	
2005 Jan	3.35	34,508	3.75	4,041	4.27	4,889	
Feb	3.40	26,543	3.66	3,928	3.99	5,083	
Mar	3.23	44,390	3.59	5,771	4.28	6,314	
Apr	3.12	49,798	3.76	4,657	4.28	5,827	
May	3.11	42,311	3.68	5,578	3.94	5,733	
June	3.15	45,170	3.67	5,302	4.05	6,020	
July	3.15	42,996	3.82	4,692	4.09	5,191	
Aug	3.17	40,536	3.72	4,520	4.08	5,374	

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												
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	68,399	151,568	91,447	60,121	–	74,825	
2001	180,227	86,656	55,918	14,473	16,262	93,571	111,281	35,848	75,433	–	68,946	
2002	175,219	124,035	47,296	14,506	62,235	51,184	63,734	13,536	50,198	–	111,485	
2003	185,193	134,455	31,404	30,262	72,788	50,738	95,252	35,748	59,504	–	89,941	
2004	240,861	133,711	64,231	10,778	58,703	107,150	107,071	121,841	– 14,770	–	133,790	
2005 June	45,750	24,791	23,869	– 4,621	5,542	20,959	11,848	7,670	4,178	–	33,902	
July	2,654	8,728	– 5,198	– 1,673	15,599	– 6,074	– 13,000	– 5,507	– 7,493	–	15,654	
Aug	1,008	– 4,624	1,868	– 634	– 5,857	5,632	3,602	3,648	– 46	–	– 2,594	

Shares									
Period	Sales = total purchases	Sales			Purchases				
		Domestic shares 8		Foreign shares 9	Residents				Non-residents 12
		Total 10	Credit institutions 5,11		Non-banks 6	Total 10			
DM million									
1992	32,595	17,226	15,370	40,651	2,984	37,667	–	8,055	
1993	39,355	19,512	19,843	30,871	4,133	26,738	–	8,485	
1994	55,125	29,160	25,966	54,466	1,622	52,844	–	659	
1995	46,422	23,600	22,822	49,354	11,945	37,409	–	2,932	
1996	72,491	34,212	38,280	55,962	12,627	43,335	–	16,529	
1997	119,522	22,239	97,280	96,844	8,547	88,297	–	22,678	
1998	249,504	48,796	200,708	149,151	20,252	128,899	–	100,353	
€ million									
1999	150,013	36,010	114,003	103,136	18,637	84,499	–	46,877	
2000	140,461	22,733	117,728	164,654	23,293	141,361	–	24,193	
2001	82,665	17,575	65,090	– 2,252	– 14,714	12,462	–	84,917	
2002	37,404	9,232	28,172	16,472	– 23,236	39,708	–	20,932	
2003	14,046	16,838	– 2,791	– 14,631	7,056	21,687	–	28,678	
2004	3,157	10,157	– 7,002	7,783	5,045	2,738	–	4,627	
2005 June	– 388	702	– 1,090	– 34,782	– 23,504	– 11,278	–	34,394	
July	513	428	85	662	2,164	2,826	–	1,175	
Aug	1,225	163	1,062	360	2,647	2,287	–	865	

\* 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 Excluding shares of public limited investment companies; 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				
<b>Gross sales 4</b>										
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	
<b>€ million</b>										
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	990,399	688,844	33,774	90,815	162,353	401,904	31,517	270,040	12,344	
2005 May	76,638	53,580	2,050	4,609	11,778	35,143	3,062	19,996	400	
June	116,419	85,669	1,667	15,010	19,458	49,535	1,673	29,077	–	
July	94,505	64,022	3,202	7,988	13,493	39,339	3,172	27,311	–	
Aug	63,458	47,147	968	7,781	12,340	26,058	710	15,602	–	
<b>of which: Debt securities with maturities of more than four years 5</b>										
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	19,168	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	
<b>€ million</b>										
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	424,769	275,808	20,060	48,249	54,075	153,423	20,286	128,676	4,320	
2005 May	34,771	19,220	1,473	1,593	2,609	13,545	2,272	13,278	400	
June	57,114	41,201	1,055	10,085	6,736	23,326	935	14,978	–	
July	45,080	28,579	1,897	6,449	4,779	15,454	2,250	14,251	–	
Aug	24,399	15,695	662	5,467	3,550	6,016	675	8,029	–	
<b>Net sales 6</b>										
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	27,721	180	243,049	43,701	
1994	270,088	116,519	18,184	54,316	6,897	50,914	–	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	
<b>€ million</b>										
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	–	16,705
2001	84,122	60,905	6,932	9,254	28,808	34,416	8,739	14,479	–	30,657
2002	131,976	56,393	7,936	26,806	20,707	54,561	14,306	61,277	–	44,546
2003	124,556	40,873	2,700	42,521	44,173	36,519	18,431	65,253	–	54,990
2004	167,233	81,860	1,039	52,615	50,142	83,293	18,768	66,605	–	22,124
2005 May	3,985	5,996	573	2,724	697	7,450	2,095	4,105	–	1,013
June	31,033	26,231	–	496	1,815	20,531	–	6,980	–	5,887
July	25,718	6,862	–	675	–	8,632	–	357	–	1,749
Aug	–	4,836	–	786	–	2,358	–	685	–	3,908

\* 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 <sup>1</sup>							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										
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	2,773,007	1,685,766	159,360	553,927	316,745	655,734	73,844	1,013,397	170,543	
2005 June	2,904,711	1,781,176	162,431	542,748	350,108	725,889	77,124	1,046,411	146,207	
July	2,930,429	1,788,038	163,106	538,056	352,354	734,521	77,481	1,064,911	144,458	
Aug	2,925,594	1,789,906	162,320	533,966	324,314	769,307	78,166	1,057,522	140,550	

#### Breakdown by remaining period to maturity <sup>2</sup>

#### Position at end-August 2005

	992,886	653,237	61,271	209,128	107,229	275,611	20,559	319,089	39,440
less than 2	697,449	461,541	50,637	159,377	92,072	159,457	12,339	223,569	62,028
2 to less than 4	463,910	281,607	23,386	104,534	52,572	101,117	16,283	166,020	22,196
4 to less than 6	256,220	128,737	21,630	31,601	19,201	56,306	8,687	118,796	4,300
6 to less than 8	235,448	110,983	5,178	16,656	18,266	70,884	12,257	112,209	5,149
8 to less than 10	111,553	100,121	134	7,425	9,240	83,323	1,754	9,676	3,948
10 to less than 15	25,787	13,464	85	1,448	8,656	3,274	245	12,078	1,743
15 to less than 20	142,343	40,215	-	3,799	17,078	19,337	6,041	96,087	1,747
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 <sup>2</sup>	
			cash payments and ex- change of convertible bonds <sup>1</sup>	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											
1992	160,813	9,198	4,295	728	1,743	1,073	-	732	3,030	942	364,548
1993	168,005	7,190	5,224	772	387	876	10	707	707	783	533,920
1994	190,012	14,237	6,114	1,446	1,521	1,883	-	447	5,086	1,367	519,280
1995	211,231	21,217	5,894	1,498	1,421	1,421	-	623	13,739	2,133	553,110
1996	216,461	7,131	8,353	1,355	396	1,684	-	3,056	833	2,432	723,077
1997	221,575	5,115	4,164	2,722	370	1,767	-	2,423	197	1,678	1,040,769
1998	238,156	16,578	6,086	2,566	658	8,607	-	4,055	3,905	1,188	1,258,042
€ million											
1999	133,513	11,747	5,519	2,008	190	1,075	-	2,099	1,560	708	1,603,304
2000	147,629	14,115	3,620	3,694	618	8,089	-	1,986	1,827	1,745	1,353,000
2001	166,187	18,561	7,987	4,057	1,106	8,448	-	1,018	905	3,152	1,205,613
2002	168,716	2,528	4,307	1,291	486	1,690	-	868	2,152	2,224	647,492
2003	162,131	6,585	4,482	923	211	513	-	322	10,806	1,584	851,001
2004	164,802	2,669	3,960	1,566	276	696	-	220	1,760	2,286	887,217
2005 June	164,702	136	186	72	64	1	-	134	167	221	943,114
July	164,727	25	192	281	18	7	-	292	44	137	964,930
Aug	165,037	307	120	78	15	7	-	83	340	170	957,320

\* Excluding shares of public limited investment companies. — 0 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 <sup>1</sup>									Price indices <sup>2,3</sup>				
	Public debt securities				Bank debt securities			Corporate bonds	Memo item Foreign DM/euro bonds issued by German-managed syndicates <sup>1,5</sup>	Debt securities		Shares		
	Total	Total	Listed Federal securities		Total	With a residual maturity of more than 9 and including 10 years <sup>4</sup>	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 <sup>4</sup>										
% per annum											Average daily rate	End-1998 = 100	End-1987 = 100	End-1987 = 1000
1992	8.1	8.0	8.0	7.8	8.3	8.1	8.7	8.8	101.54	.	134.92	1,545.05		
1993	6.4	6.3	6.3	6.5	6.5	6.8	6.9	6.8	109.36	.	191.13	2,266.68		
1994	6.7	6.7	6.7	6.9	6.8	7.2	7.0	6.9	99.90	.	176.87	2,106.58		
1995	6.5	6.5	6.5	6.9	6.5	7.2	6.9	6.8	109.18	.	181.47	2,253.88		
1996	5.6	5.6	5.6	6.2	5.5	6.4	5.8	5.8	110.37	.	217.47	2,888.69		
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	3.7	3.7	3.7	4.0	3.6	4.2	4.0	4.0	120.19	99.89	268.32	4,256.08		
2005 June	2.9	2.9	2.9	3.1	2.8	3.3	3.6	3.0	123.30	103.01	286.15	4,586.28		
July	2.9	3.0	3.0	3.2	2.8	3.3	3.5	3.0	122.52	102.14	304.73	4,886.50		
Aug	3.0	3.0	3.0	3.2	2.9	3.4	3.5	3.0	122.90	102.81	302.19	4,829.69		
Sep	2.9	2.9	2.9	3.1	2.8	3.2	3.3	2.9	122.50	102.33	315.92	5,044.12		

<sup>1</sup> Bearer debt securities with maximum maturities according to the terms of issue of over 4 years if their mean residual maturities exceed 3 years. Convertible debt securities, etc. 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. — <sup>2</sup> End of year or month. — <sup>3</sup> Source: Deutsche Börse AG. — <sup>4</sup> Only debt securities eligible as underlying instruments for futures contracts; calculated as unweighted averages. — <sup>5</sup> If quoted on German stock exchanges.

6 Sales and purchases of mutual fund shares in Germany

Period	Sales							Purchases							
	Domestic mutual funds <sup>1</sup> (sales receipts)							Residents							
	Sales = total purchases	Total	Mutual funds open to the general public				Specialised funds	Foreign funds <sup>4</sup>	Total	Total	Credit institutions including building and loan associations <sup>2</sup>		Non-banks <sup>3</sup>		Non-residents <sup>5</sup>
			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															
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	11,002	
2001	97,077	76,811	35,522	12,410	9,195	10,159	41,289	20,266	96,127	10,251	2,703	85,876	17,563	951	
2002	66,571	59,482	25,907	3,682	7,247	14,916	33,575	7,089	67,251	2,100	3,007	65,151	4,082	- 680	
2003	48,016	43,943	20,079	- 924	7,408	14,166	23,864	4,073	49,860	- 2,658	734	52,518	3,339	- 1,844	
2004	13,404	1,453	- 3,978	- 6,160	- 1,246	3,245	5,431	11,951	8,340	8,446	3,796	- 106	8,155	5,064	
2005 June	9,458	5,714	1,635	108	1,179	291	4,079	3,744	9,231	1,261	1,060	7,970	2,684	227	
July	10,864	7,235	4,009	1,122	2,382	311	3,226	3,629	8,923	1,610	444	7,313	3,185	1,941	
Aug	7,009	3,962	1,717	141	1,205	39	2,245	3,047	6,228	862	404	5,366	2,643	781	

<sup>1</sup> Including public limited investment companies. — <sup>2</sup> Book values. — <sup>3</sup> Residual. — <sup>4</sup> Net purchases or net sales (-) of foreign fund shares by residents; transaction values. — <sup>5</sup> 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	554.0	446.2	598.2	169.9	69.8	212.5	66.6	40.1	39.2	-44.2	445.1	449.1	-4.0	921.9	970.1	-48.2
2002 pe	550.7	441.7	607.8	173.3	69.5	225.7	66.1	38.7	33.5	-57.0	457.7	466.0	-8.3	923.7	989.1	-65.4
2003 pe	547.5	442.2	615.0	174.0	68.8	236.2	65.7	36.3	34.8	-67.5	467.8	474.4	-6.6	925.9	1,000.0	-74.1
2004 pe	543.7	443.0	610.1	173.5	68.5	237.9	64.8	34.4	29.9	-66.4	470.1	468.7	+1.4	925.1	990.1	-65.0
2004 Q1 p	116.3	96.9	158.5	41.7	15.7	63.0	25.3	5.4	6.3	-42.1	116.4	116.8	-0.4	206.4	248.9	-42.5
Q2 p	132.9	112.9	141.5	41.5	15.5	59.4	10.0	6.8	6.3	-8.6	115.8	116.4	-0.6	226.0	235.2	-9.2
Q3 p	133.6	107.8	152.1	41.9	16.1	57.5	20.4	8.5	6.3	-18.6	114.0	116.0	-2.1	226.5	247.1	-20.6
Q4 p	159.7	125.6	157.3	46.6	20.7	56.1	8.7	12.6	10.7	+2.4	121.6	118.7	+2.9	263.6	258.3	+5.3
2005 Q1 p	121.7	99.2	159.9	41.1	15.2	66.3	25.2	4.6	6.6	-38.2	117.1	117.5	-0.4	211.3	249.9	-38.6

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
			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	50.4	52.6	119.5	123.2	24.8	25.2
2002 pe	238.9	271.6	183.5	207.5	48.0	53.3	119.9	124.5	25.1	25.3
2003 pe	239.6	278.8	182.9	208.8	49.1	53.5	117.1	125.0	24.7	25.5
2004 pe	233.8	273.6	186.4	207.8	48.4	52.1	120.8	124.7	25.0	25.1
2004 Q1 p	44.8	73.4	42.7	52.1	11.1	12.8	25.8	29.7	5.4	5.5
Q2 p	56.4	62.3	46.3	51.0	11.3	11.5	28.8	29.0	5.7	5.8
Q3 p	58.3	71.2	45.2	49.9	12.5	12.5	29.9	30.5	6.2	6.2
Q4 p	74.4	66.7	51.7	54.3	13.1	15.0	35.9	34.9	7.6	7.5
2005 Q1 p	46.0	74.9	45.8	52.9	10.8	12.5	25.7	29.4	5.6	5.5
Q2 p	61.4	66.0	47.0	50.2	11.6	11.5	...	...	...	...

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	1997	1998	1999	2000 <sup>1</sup>	2001	2002	2003	2004 <sup>pe</sup>
Revenue	1,731.7	1,779.3	945.0	967.0	952.6	955.2	963.7	958.7
<i>of which</i>								
Taxes	857.2	897.3	490.5	511.7	488.3	485.4	489.6	487.2
Social contributions	720.2	727.8	375.4	378.4	383.7	389.2	394.4	395.3
Expenditure	1,830.7	1,862.9	974.3	990.7	1,012.2	1,034.7	1,050.3	1,039.9
<i>of which</i>								
Intermediate consumption	150.6	154.3	83.5	82.4	85.2	88.7	89.2	89.5
Compensation of employees	319.4	319.8	165.6	166.1	166.2	169.1	169.0	168.7
Interest	126.7	129.0	63.2	65.1	64.5	62.9	64.6	62.9
Social benefits <sup>2</sup>	984.7	998.4	523.1	532.7	551.2	574.1	588.1	586.6
Gross capital formation	69.0	69.4	37.6	36.8	36.8	35.5	32.9	30.7
Net lending/net borrowing	- 99.0	- 83.6	- 29.3	- 23.7	- 59.6	- 79.6	- 86.6	- 81.2
<i>Memo item</i>								
As defined in the Maastricht Treaty								
Deficit as % of GDP <sup>3,4</sup>	2.7	2.2	1.5	1.2	2.9	3.8	4.1	3.7
Debt level	2,234.9	2,317.6	1,224.3	1,231.0	1,241.5	1,293.0	1,381.0	1,451.0
as % of GDP <sup>3</sup>	60.6	61.2	61.9	60.4	59.6	61.2	64.8	66.4

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. — <sup>1</sup> Adjusted for proceeds from the sale of UMTS licences. The figures of the Federal Statistical Office record such proceeds (€50.8 billion) under "net increase in non-produced assets", with the result that government expenditure is lower and a surplus (€27.1 billion or 1.3% of GDP) is shown. — <sup>2</sup> Including social benefits in kind. — <sup>3</sup> In the European budgetary surveillance procedure, GDP excluding financial

intermediation services indirectly measured (FISIM) is still being used as the basis for calculating the deficit and debt ratios for the current year. Accordingly, the ratios listed here are therefore higher than those calculated based on August 2005 GDP figures published by the Federal Statistical Office (deficit ratio: up to 0.1 percentage point higher, debt ratio: up to 1 percentage point higher). — <sup>4</sup> Unlike the net lending/net borrowing balance as shown in the national accounts, the deficit ratio as defined in the Maastricht Treaty includes interest payments arising from swap transactions and forward rate agreements.

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 <sup>4</sup>		Balance of untransferred tax shares <sup>5</sup>
	Total	Total <sup>1</sup>	State government		European Union <sup>3</sup>	Total	<i>of which</i> Eastern Germany		
			Central government <sup>2</sup>	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	442,966	386,459	208,919	157,900	.	19,641	56,365	5,243	+ 142
2005 Q1	100,046	85,690	42,005	35,976	.	7,708	10,952	1,164	+ 3,405
Q2	...	96,535	52,716	39,438	.	4,381	...	...	...
2005 Apr	.	27,255	15,040	10,963	.	1,253	.	.	.
May	.	31,333	16,961	12,805	.	1,566	.	.	.
June	.	37,947	20,715	15,671	.	1,562	.	.	.
July	.	29,328	15,851	11,909	.	1,568	.	.	.
Aug	.	28,609	15,801	11,172	.	1,635	.	.	.

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

1988. — <sup>4</sup> Including local government taxes in Berlin, Bremen and Hamburg. — <sup>5</sup> 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	409,517	159,104	123,896	5,394	13,123	16,691	137,366	104,715	32,651	5,661	84,554	19,774	3,059	23,058	
2005 Q1	90,403	34,325	27,867	- 3,761	4,416	5,804	34,909	28,031	6,878	222	15,206	5,005	736	4,713	
Q2	102,224	40,747	29,030	3,359	2,715	5,643	33,009	25,180	7,829	1,454	20,556	5,673	786	5,689	
2005 Apr	28,803	9,432	9,485	- 924	- 810	1,681	9,902	7,434	2,468	987	6,503	1,706	272	1,547	
May	32,980	11,304	9,777	- 779	- 440	2,747	12,070	9,108	2,962	462	6,765	2,121	259	1,648	
June	40,441	20,011	9,769	5,062	3,965	1,216	11,037	8,638	2,399	5	7,288	1,846	255	2,494	
July	30,997	10,336	10,355	- 1,093	- 191	1,265	11,078	8,721	2,358	1,091	6,587	1,645	261	1,669	
Aug	30,150	8,443	9,192	- 1,004	- 586	841	12,522	9,867	2,655	483	6,750	1,647	305	1,541	

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	Inherit- ance 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	41,782	13,630	2,195	8,750	6,597	11,601	7,740	80	4,284	788	6,883	28,373	9,939	797
2005 Q1	4,407	2,499	335	3,854	1,200	2,912	2,149	6	905	168	1,777	7,367	2,275	223
Q2	9,916	3,610	562	1,627	2,010	2,832	2,342	80	1,413	202	1,635	...	...	...
2005 Apr	3,156	1,246	207	504	679	712	787	7	288	62	561	.	.	.
May	3,447	1,220	165	637	468	828	776	5	744	67	529	.	.	.
June	3,313	1,143	191	486	863	1,292	779	68	381	73	545	.	.	.
July	3,368	1,264	186	430	570	769	724	1	303	77	540	.	.	.
Aug	3,241	1,292	159	886	501	672	702	3	280	70	593	.	.	.

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 \*

€ million

End of year or month	Total	Treasury discount paper (Bubills) 1	Treasury notes 2,3	Five-year Federal notes (Bobls) 2	Federal savings notes	Bonds 2	Direct lending by credit institu- tions 4	Loans from non-banks		Old debt		
								Social security funds	Other 4	arisng from German unifica- tion 5	Equalisa- tion claims	Other 6
<b>General government</b>												
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	1,358,121	36,022	246,414	153,616	12,810	471,129	396,832	341	34,163	- 1	6,711	86
2004 June	1,411,658	37,307	269,972	162,642	10,590	488,668	391,296	371	44,057	- 45	6,711	88
Sep	1,429,216	37,494	276,918	166,711	10,568	494,621	390,436	413	46,434	- 38	5,572	87
Dec	1,430,413	35,722	279,796	168,958	10,817	495,418	379,984	430	53,672	- 38	5,572	82
2005 Mar	1,457,149	37,489	290,175	162,644	11,037	506,670	387,456	474	55,586	- 36	5,572	84
June	1,465,358	37,214	295,608	170,389	11,180	507,071	381,150	501	56,623	- 36	5,572	87
<b>Central government 7,8,9</b>												
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	767,697	35,235	87,538	143,431	12,810	436,194	38,146	223	7,326	- 1	6,711	85
2004 June	803,991	35,630	92,190	152,957	10,590	453,479	43,026	223	9,144	- 45	6,711	88
Sep	814,356	35,866	95,200	157,026	10,568	459,482	39,864	268	10,463	- 38	5,572	86
Dec	812,083	34,440	95,638	159,272	10,817	460,380	34,835	333	10,751	- 38	5,572	81
2005 Mar	870,368	36,393	102,959	162,592	11,037	495,478	45,119	373	10,798	- 36	5,572	83
June	874,015	36,021	105,227	170,338	11,180	495,879	38,778	408	10,562	- 36	5,572	86
<b>State government (western)</b>												
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	355,661	472	125,356	.	.	.	207,880	4	21,949	.	.	1
2004 June	368,240	900	141,270	.	.	.	197,032	4	29,033	.	.	1
Sep	374,415	900	145,136	.	.	.	198,760	0	29,618	.	.	1
Dec	376,697	750	148,219	.	.	.	193,216	3	34,508	.	.	1
2005 Mar	382,341	250	154,965	.	.	.	190,360	3	36,762	.	.	1
June	384,373	0	157,226	.	.	.	189,139	3	38,005	.	.	1
<b>State government (eastern)</b>												
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	68,076	315	28,833	.	.	.	37,022	-	1,906	.	.	.
2004 June	71,252	777	31,897	.	.	.	35,530	27	3,021	.	.	.
Sep	71,512	729	31,967	.	.	.	35,295	27	3,495	.	.	.
Dec	71,975	533	31,400	.	.	.	35,428	-	4,614	.	.	.
2005 Mar	73,190	846	32,251	.	.	.	35,866	-	4,227	.	.	.
June	74,898	1,193	33,154	.	.	.	36,142	-	4,409	.	.	.

For footnotes, see end of the table.

## VIII Public finances in Germany

## 7 General government debt \* (cont'd)

€ million

End of year or month	Total	Treasury discount paper (Bubills) 1	Treasury notes 2,3	Five-year Federal notes (Bobl's) 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
<b>Local government (western) 10</b>												
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	90,906	.	77	.	.	603	87,868	19	2,339	.	.	.
2004 June	93,250	.	77	.	.	707	90,106	20	2,340	.	.	.
Sep	93,800	.	77	.	.	656	90,707	20	2,340	.	.	.
Dec	95,057	.	—	.	.	552	91,317	13	3,174	.	.	.
2005 Mar	95,600	.	—	.	.	591	91,819	15	3,175	.	.	.
June	97,250	.	—	.	.	591	93,469	15	3,175	.	.	.
<b>Local government (eastern) 10</b>												
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	16,951	.	—	.	.	131	16,601	87	132	.	.	.
2004 June	16,900	.	—	.	.	131	16,549	90	130	.	.	.
Sep	17,000	.	—	.	.	131	16,649	90	130	.	.	.
Dec	17,353	.	—	.	.	131	16,914	73	235	.	.	.
2005 Mar	17,250	.	—	.	.	131	16,809	75	235	.	.	.
June	17,250	.	—	.	.	131	16,809	75	235	.	.	.
<b>ERP Special Fund 7</b>												
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	19,261	.	—	51	.	10,169	8,522	8	512	.	.	.
2004 June	18,525	.	—	51	.	10,169	7,909	8	389	.	.	.
Sep	18,525	.	—	51	.	10,169	7,909	8	389	.	.	.
Dec	18,200	.	—	51	.	10,169	7,584	8	389	.	.	.
2005 Mar	18,098	.	—	51	.	10,169	7,482	8	389	.	.	.
June	17,270	.	—	51	.	10,169	6,812	—	238	.	.	.
<b>Indemnification Fund</b>												
1999	132	.	—	—	.	132	—	—	—	.	.	.
2000	204	.	—	—	.	204	—	—	—	.	.	.
2001	285	.	—	—	.	285	—	—	—	.	.	.
2002	369	.	—	—	.	369	—	—	—	.	.	.
2003	469	.	—	—	.	469	—	—	—	.	.	.
2004 June	396	.	—	—	.	396	—	—	—	.	.	.
Sep	398	.	—	—	.	398	—	—	—	.	.	.
Dec	400	.	—	—	.	400	—	—	—	.	.	.
2005 Mar	302	.	—	—	.	302	—	—	—	.	.	.
June	302	.	—	—	.	302	—	—	—	.	.	.
<b>German Unity Fund 7,9</b>												
1999	40,102	—	275	500	.	28,846	10,292	—	189	.	.	.
2000	40,425	—	275	2,634	.	29,593	7,790	—	133	.	.	.
2001	39,638	—	3,748	10,134	.	21,292	4,315	—	149	.	.	.
2002	39,441	—	3,820	10,134	.	22,315	3,146	—	26	.	.	.
2003	39,099	—	4,610	10,134	.	23,563	793	—	—	.	.	.
2004 June	39,103	.	4,538	9,634	.	23,787	1,144	—	—	.	.	.
Sep	39,210	.	4,538	9,634	.	23,787	1,251	—	—	.	.	.
Dec	38,650	.	4,538	9,634	.	23,787	690	—	—	.	.	.

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 On 1 July 1999 central government 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. As from July, the aforementioned special funds are recorded under central government. — 9 On 1 January 2005 central government assumed joint responsibility for the debts of the German Unity Fund. As from January, the aforementioned special fund is recorded under central government. — 10 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 \*

€ million

Item	End of		Net borrowing 1							
			2004					2005		
	2004	June 2005	Total	Q1	Q2	Q3	Q4	1st hf	Q1	Q2
<b>Borrowers</b>										
Central government 2	812,083	874,015	+ 44,386	+ 34,993	+ 1,301	+ 10,365	- 2,273	+ 23,279	+ 19,633	+ 3,646
German Unity Fund 2	38,650	-	- 450	+ 520	- 516	+ 107	- 561	-	-	-
ERP Special Fund	18,200	17,270	- 1,061	- 685	- 51	-	- 325	- 931	- 102	- 828
Indemnification Fund	400	302	- 69	- 79	+ 6	+ 1	+ 2	- 98	- 98	+ 0
State government (western)	376,697	384,373	+ 21,036	+ 7,541	+ 5,038	+ 6,175	+ 2,282	+ 7,676	+ 5,644	+ 2,033
State government (eastern)	71,975	74,898	+ 3,899	+ 1,585	+ 1,592	+ 260	+ 462	+ 2,923	+ 1,216	+ 1,707
Local government (western) 3	95,057	97,250	+ 4,805	+ 1,961	+ 1,114	+ 491	+ 1,239	+ 3,431	+ 1,180	+ 2,251
Local government (eastern) 3	17,353	17,250	+ 373	- 30	+ 4	+ 110	+ 289	- 25	- 103	+ 78
<b>Total</b>	<b>1,430,413</b>	<b>1,465,358</b>	<b>+ 72,917</b>	<b>+ 45,805</b>	<b>+ 8,487</b>	<b>+ 17,509</b>	<b>+ 1,115</b>	<b>+ 36,260</b>	<b>+ 27,373</b>	<b>+ 8,888</b>
<b>Debt by category</b>										
Treasury discount paper (Bubills) 4	35,722	37,214	- 299	+ 1,187	+ 99	+ 187	- 1,772	+ 1,491	+ 1,766	- 275
Treasury notes 5	279,796	295,608	+ 33,382	+ 14,031	+ 9,528	+ 6,946	+ 2,878	+ 15,812	+ 10,379	+ 5,433
Five-year Federal notes (Bobl) 5	168,958	170,389	+ 15,342	+ 6,119	+ 2,907	+ 4,070	+ 2,246	+ 1,431	- 6,314	+ 7,745
Federal savings notes	10,817	11,180	- 1,993	- 1,565	- 656	- 22	+ 249	+ 362	+ 219	+ 143
Bonds 5	495,418	507,071	+ 24,289	+ 14,792	+ 2,748	+ 5,953	+ 796	+ 11,653	+ 11,252	+ 401
Direct lending by credit institutions 6	379,984	381,150	- 16,223	+ 4,553	- 9,333	- 910	- 10,534	+ 2,482	+ 8,109	- 5,627
Loans from social security funds	430	501	+ 89	+ 31	-	+ 42	+ 17	+ 71	+ 44	+ 27
Other loans 6	53,632	56,583	+ 19,509	+ 6,700	+ 3,194	+ 2,377	+ 7,238	+ 2,951	+ 1,913	+ 1,038
Old debt 7	44	51	- 41	- 42	+ 0	+ 6	- 4	+ 6	+ 4	+ 3
Equalisation claims	5,572	5,572	- 1,138	+ 0	+ 0	- 1,139	+ 1	-	-	-
Investment assistance levy	41	41	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,430,413</b>	<b>1,465,358</b>	<b>+ 72,917</b>	<b>+ 45,805</b>	<b>+ 8,487</b>	<b>+ 17,509</b>	<b>+ 1,115</b>	<b>+ 36,260</b>	<b>+ 27,373</b>	<b>+ 8,888</b>
<b>Creditors</b>										
<b>Banking system</b>										
Bundesbank	4,440	4,440	-	-	-	-	-	-	-	-
Credit institutions	541,900	528,200	+ 17,725	+ 26,088	+ 3,768	+ 3,451	- 15,582	- 12,384	+ 7,637	- 20,021
<b>Domestic non-banks</b>										
Social security funds	430	501	+ 89	+ 31	-	+ 42	+ 17	+ 71	+ 44	+ 27
Other 8	263,943	260,317	- 11,697	- 6,914	+ 3,219	- 10,384	+ 2,380	- 3,627	- 5,208	+ 1,582
Foreign creditors pe	619,700	671,900	+ 66,800	+ 26,600	+ 1,500	+ 24,400	+ 14,300	+ 52,200	+ 24,900	+ 27,300
<b>Total</b>	<b>1,430,413</b>	<b>1,465,358</b>	<b>+ 72,917</b>	<b>+ 45,805</b>	<b>+ 8,487</b>	<b>+ 17,509</b>	<b>+ 1,115</b>	<b>+ 36,260</b>	<b>+ 27,373</b>	<b>+ 8,888</b>

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 3	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	399,304	38,410	793	9,042	260,046	91,013	-	-	-
2004 June	397,237	37,827	690	8,305	259,854	90,560	-	-	-
2004 Sep	399,706	38,664	690	8,305	261,515	90,531	-	-	-
2004 Dec	399,250	36,791	690	7,981	262,070	91,719	-	-	-
2005 Mar	399,064	36,069	-	7,878	264,478	90,639	-	-	-
2005 June	394,063	31,898	-	7,050	264,757	90,358	-	-	-

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) <sup>1</sup>			Federal Treasury notes (Schätze) <sup>2</sup>	Five-year Federal notes (Bobs) <sup>2</sup>	Federal savings notes	Federal bonds (Bunds) <sup>2</sup>	Direct lending by credit institutions <sup>3,4</sup>	Indebtedness to non-banks		Old debt		
	Total	of which Federal Treasury financing paper	Total						Social security funds	Other <sup>3,5,6</sup>	arising from German unification <sup>7</sup>	Equalisation claims	Other <sup>8</sup>
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 <sup>9</sup>	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
2004	812,083	34,440	1,074	95,638	159,272	10,817	460,380	34,835	333	10,751	- 38	5,572	81
2004 Sep	814,356	35,866	1,091	95,200	157,026	10,568	459,482	39,864	268	10,463	- 38	5,572	86
Oct	827,013	35,341	1,087	102,894	161,759	10,570	460,206	39,892	268	10,463	- 38	5,572	86
Nov	820,571	34,819	1,085	104,060	160,102	10,731	460,112	34,399	268	10,463	- 38	5,572	83
Dec	812,083	34,440	1,074	95,638	159,272	10,817	460,380	34,835	333	10,751	- 38	5,572	81
2005 Jan <sup>10</sup>	874,505	34,968	1,090	106,345	169,269	10,895	490,938	45,389	333	10,751	- 38	5,572	83
Feb	876,329	34,936	1,099	107,310	162,504	10,951	495,304	48,593	363	10,751	- 38	5,572	83
Mar	870,368	36,393	1,113	102,959	162,592	11,037	495,478	45,119	373	10,798	- 36	5,572	83
Apr	878,471	36,543	1,122	109,471	168,826	11,067	496,610	39,139	398	10,798	- 36	5,572	84
May	875,543	36,089	1,121	110,280	166,045	11,119	492,031	43,152	408	10,798	- 36	5,572	85
June	874,015	36,021	1,111	105,227	170,338	11,180	495,879	38,778	408	10,562	- 36	5,572	86
July	889,814	36,128	1,091	110,360	171,179	11,186	506,393	39,106	408	10,562	- 36	4,443	86
Aug	878,779	35,886	1,095	110,935	156,950	11,125	514,177	34,243	408	10,562	- 36	4,443	86
Sep <sup>p</sup>	885,104	35,983	1,067	106,836	163,266	11,035	514,173	38,349	408	10,562	- 36	4,443	86

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 On 1 July 1999 central government assumed joint responsibility for the debts of the Redemptio Fund for Inherited Liabilities, the Federal Railways Fund and the Equalisation Fund for Safeguarding the Use of Coal. — 10 On 1 January 2005 central government assumed joint responsibility for the debts of the German Unity Fund.

## 11 Central government borrowing in the market

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

Period	Total new borrowing		of which								Money market loans	Change in money market deposits
			Federal bonds (Bunds)		Five-year Federal notes (Bobs)		Other securities <sup>2</sup>		Loans against borrowers' notes			
	Gross <sup>1</sup>	Net	Gross <sup>1</sup>	Net	Gross <sup>1</sup>	Net	Gross <sup>1</sup>	Net	Gross	Net		
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
2004	+ 228,122	+ 44,389	+ 52,701	+ 24,185	+ 35,589	+ 15,842	+ 130,801	+ 5,313	+ 7,186	+ 1,620	+ 1,844	+ 802
2004 Jan-Sep	+ 183,843	+ 46,659	+ 46,704	+ 23,288	+ 27,397	+ 13,595	+ 99,216	+ 6,050	+ 5,880	+ 254	+ 4,646	+ 827
2005 Jan-Sep <sup>p</sup>	+ 178,823	+ 34,367	+ 46,336	+ 30,007	+ 22,172	- 5,641	+ 99,242	+ 8,420	+ 1,564	- 6,805	+ 9,510	+ 3,970
2004 Sep	+ 18,757	- 10,204	+ 1,200	- 8,964	+ 1,175	+ 1,175	+ 15,619	- 2,637	+ 977	+ 428	- 213	- 11,104
Oct	+ 20,064	+ 12,657	+ 724	+ 724	+ 4,733	+ 4,733	+ 13,443	+ 7,172	+ 303	- 834	+ 861	+ 8,203
Nov	+ 11,485	- 6,442	+ 5,004	- 94	+ 4,289	- 1,657	+ 6,808	+ 804	+ 640	- 237	- 5,256	- 8,455
Dec	+ 12,730	- 8,485	+ 269	+ 268	- 830	- 830	+ 11,333	- 8,714	+ 365	- 803	+ 1,593	+ 226
2005 Jan	+ 37,004	+ 23,768	+ 13,043	+ 6,772	+ 362	+ 362	+ 12,951	+ 6,774	+ 285	- 502	+ 10,362	+ 4,588
Feb	+ 14,998	+ 1,824	+ 4,366	+ 4,366	+ 213	- 6,765	+ 7,107	+ 990	+ 177	+ 100	+ 3,134	- 1,756
Mar	+ 13,233	- 5,961	+ 174	+ 174	+ 89	+ 89	+ 15,149	- 2,809	+ 224	- 1,014	- 2,404	- 7,798
Apr	+ 16,692	+ 8,103	+ 1,132	+ 1,131	+ 6,233	+ 6,233	+ 12,766	+ 6,693	+ 95	- 2,422	+ 3,533	+ 5,598
May	+ 20,117	- 2,928	+ 5,478	- 4,579	+ 3,205	- 2,780	+ 6,442	+ 406	+ 250	- 718	- 4,742	- 4,800
June	+ 17,505	- 1,528	+ 3,848	+ 3,848	+ 4,292	+ 4,292	+ 12,895	- 5,059	+ 50	- 1,031	- 3,579	+ 694
July	+ 23,703	+ 15,799	+ 10,514	+ 10,514	+ 841	+ 841	+ 11,298	+ 5,246	+ 236	- 487	+ 814	+ 14,482
Aug	+ 10,517	- 11,035	+ 7,785	+ 7,785	+ 620	- 14,229	+ 6,622	+ 273	+ 70	- 283	- 4,581	- 13,116
Sep <sup>p</sup>	+ 25,054	+ 6,325	- 4	- 4	+ 6,316	+ 6,316	+ 14,012	- 4,092	+ 176	- 449	+ 4,554	+ 6,078

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 German 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							
<b>Germany</b>													
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 <sup>8</sup>	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 <sup>8</sup>	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
2004 <sup>9,p</sup>	231,684	156,535	71,680	233,011	198,587	14,258	- 1,327	5,171	4,984	19	41	127	4,904
2004 Q1	55,431	37,289	17,846	58,350	49,858	3,873	- 2,919	5,879	3,375	696	1,681	127	4,862
Q2	56,665	38,446	17,873	57,794	49,437	3,416	- 1,129	3,752	1,914	28	1,682	128	4,877
Q3	56,766	38,664	17,779	58,107	49,719	3,456	- 1,341	2,561	731	22	1,681	127	4,889
Q4 <sup>9</sup>	62,336	42,126	17,807	58,350	49,824	3,484	+ 3,986	5,171	4,984	19	41	127	4,904
2005 Q1	55,160	36,897	17,996	58,001	50,031	3,390	- 2,841	2,607	2,432	16	41	118	4,827
Q2	56,913	38,647	17,911	58,286	49,929	3,413	- 1,373	1,195	1,019	16	42	118	4,874

Source: Federal Minister of Labour and Social Affairs and Association of German Pension Insurance Funds. — \* Excluding German pension insurance for the mining, railroad and maritime industries. — 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 the sustainability reserves. End of year or quarter. — 6 Including cash. — 7 Excluding loans to other social security funds; including participating interests. — 8 Excluding income arising from the revaluation of participating interests. — 9 Revenue includes proceeds from the disposal of equity 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 3	of which									
		Contributions	Levies 2		Total	Unemployment support 4,5			Job promotion 5,6					Promotion of winter construction
						Western Germany	Eastern Germany	Total	Western Germany	Eastern Germany				
<b>Germany</b>														
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	
2004	50,314	47,211	1,674	54,490	29,746	21,821	7,925	16,843	9,831	7,011	217	- 4,176	4,175	
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	
Q3	12,516	11,709	481	12,818	7,044	5,189	1,855	3,919	2,309	1,610	4	- 303	166	
Q4	14,233	12,821	753	13,275	6,721	4,958	1,762	4,267	2,522	1,745	3	+ 958	- 3,181	
2005 Q1	11,934	11,072	40	14,775	7,983	5,805	2,178	3,332	2,083	1,249	139	- 2,842	5,532	
Q2	13,283	11,449	324	13,697	7,394	5,376	2,018	3,062	1,956	1,105	97	- 414	223	
Q3	12,924	11,618	420	12,662	6,357	4,720	1,637	2,576	1,670	906	5	+ 262	- 458	

Source: Federal Employment Agency. — 1 Excluding central government liquidity assistance. — 2 Levies to promote winter construction and to pay insolvency compensation to employees. — 3 From 2005, including a compensatory amount to central government. — 4 Unemployment benefit, short-time working benefit. — 5 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. — 6 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	2002			2003			2004			2005				
	2002	2003	2004	2002	2003	2004	2003	2004	2005	2005	2005	2005	2005	
	Index 2000=100			Annual percentage change			Q4	Q1	Q2	Q3	Q4	Q1	Q2	
<b>At constant prices, chained</b>														
<b>I Origin of domestic product</b>														
Production sector (excluding construction)	99.5	100.5	105.0	- 1.6	1.0	4.4	1.9	3.8	6.3	4.2	3.4	1.1	4.5	
Construction	90.5	86.4	85.1	- 4.1	- 4.5	- 1.6	- 2.5	2.3	- 0.5	- 4.2	- 3.1	- 11.7	- 1.7	
Wholesale/retail trade, hotel and restaurant services, transport and storage 1	103.7	102.3	104.2	0.7	- 1.3	1.9	- 1.1	2.0	2.4	1.0	2.2	1.2	2.1	
Financing, renting and business services 2	104.6	105.2	107.1	1.5	0.6	1.8	1.1	1.4	2.7	1.4	1.7	1.5	1.3	
Public and private services 3	102.4	102.1	102.4	2.0	- 0.3	0.4	- 0.4	0.7	0.6	0.1	0.1	- 1.0	- 0.1	
Gross value added	101.8	101.7	103.9	0.3	- 0.1	2.1	0.4	2.1	3.0	1.5	1.7	0.2	1.7	
Gross domestic product 4	101.3	101.1	102.8	0.1	- 0.2	1.6	0.3	2.0	2.1	1.2	1.3	- 0.3	1.5	
<b>II Use of domestic product</b>														
Private consumption 5	101.3	101.5	102.0	- 0.5	0.1	0.6	- 0.3	0.9	- 0.1	- 0.1	1.5	- 0.8	0.5	
Government consumption	102.0	102.1	100.5	1.4	0.1	- 1.6	- 0.6	- 0.9	- 1.3	- 1.0	- 3.0	- 1.4	- 0.3	
Machinery and equipment	89.1	88.9	91.3	- 7.5	- 0.2	2.6	0.4	- 1.3	0.9	5.1	5.1	3.7	7.5	
Premises	89.8	88.4	86.3	- 5.8	- 1.6	- 2.3	1.0	1.2	- 2.0	- 4.4	- 3.3	- 10.9	- 1.8	
Other investment 6	107.6	111.1	113.1	1.3	3.3	1.8	4.2	1.9	2.0	1.6	1.7	2.2	2.2	
Changes in inventories 7 8	.	.	.	- 0.6	0.5	0.5	0.9	- 0.1	- 0.1	1.7	0.5	0.5	0.9	
Domestic use	97.6	98.1	98.7	- 1.9	0.6	0.6	0.9	0.3	- 0.5	1.4	1.0	- 1.0	1.5	
Net exports 8	.	.	.	1.9	- 0.7	1.1	- 0.6	1.7	2.6	- 0.1	0.3	0.6	0.1	
Exports	111.0	113.6	124.2	4.2	2.4	9.3	2.7	8.0	13.7	7.3	8.4	4.1	5.4	
Imports	99.9	104.9	112.3	- 1.4	5.1	7.0	5.1	3.5	7.1	8.7	8.5	2.8	6.2	
Gross domestic product 4	101.3	101.1	102.8	0.1	- 0.2	1.6	0.3	2.0	2.1	1.2	1.3	- 0.3	1.5	
<b>At current prices (€ billion)</b>														
<b>III Use of domestic product</b>														
Private consumption 5	1,266.7	1,287.6	1,312.5	0.6	1.7	1.9	1.2	1.9	1.4	1.4	2.9	0.4	1.6	
Government consumption	412.3	415.5	412.8	3.0	0.8	- 0.6	- 0.9	0.3	0.6	- 1.1	- 2.1	- 0.1	0.5	
Machinery and equipment	151.9	146.9	149.4	- 9.3	- 3.2	1.7	- 2.0	- 2.4	0.1	4.3	4.0	2.8	6.3	
Premises	216.5	213.0	210.7	- 6.1	- 1.6	- 1.1	1.1	1.3	- 0.8	- 2.7	- 1.5	- 9.0	- 1.0	
Other investment 6	24.5	24.5	24.9	- 1.5	- 0.2	1.6	0.0	0.5	1.8	2.0	2.2	1.7	1.2	
Changes in inventories 7	- 24.0	- 11.6	- 4.0	.	.	.	.	.	.	.	.	.	.	
Domestic use	2,047.9	2,075.8	2,106.2	- 1.1	1.4	1.5	1.4	0.9	0.6	2.2	2.1	0.1	2.4	
Net exports	97.1	87.6	109.5	.	.	.	.	.	.	.	.	.	.	
Exports	765.6	772.7	842.8	4.1	0.9	9.1	0.1	6.1	13.0	7.7	9.6	5.1	6.1	
Imports	668.5	685.1	733.4	- 3.6	2.5	7.0	1.8	0.2	6.7	10.0	11.1	4.9	8.2	
Gross domestic product 4	2,145.0	2,163.4	2,215.7	1.5	0.9	2.4	0.8	3.0	3.1	1.7	1.9	0.5	1.9	
<b>IV Prices (2000 = 100)</b>														
Private consumption	103.0	104.5	106.0	1.2	1.5	1.4	1.5	1.0	1.5	1.5	1.4	1.2	1.1	
Gross domestic product	102.7	103.7	104.5	1.4	1.0	0.8	0.6	1.0	1.0	0.5	0.6	0.8	0.4	
Terms of trade	102.0	103.0	102.8	2.1	1.0	- 0.2	0.6	1.5	- 0.2	- 0.8	- 1.3	- 1.0	- 1.2	
<b>V Distribution of national income</b>														
Compensation of employees	1,128.7	1,131.1	1,134.5	0.7	0.2	0.3	- 0.1	0.8	0.7	- 0.1	- 0.1	- 0.2	- 0.3	
Entrepreneurial and property income	452.5	468.9	523.8	2.8	3.6	11.7	5.1	12.1	17.4	8.0	9.8	4.3	8.7	
National income	1,581.2	1,600.0	1,658.3	1.3	1.2	3.6	1.2	4.3	5.6	2.4	2.4	1.3	2.6	
<i>Memo item:</i> Gross national income	2,120.9	2,147.3	2,216.0	1.4	1.2	3.2	1.5	3.6	4.3	2.5	2.5	0.9	2.2	

Source: Federal Statistical Office; figures computed in August 2005. — 1 Including communication services. — 2 Financial intermediation, real estate activities, renting and business services. — 3 Including care-at-home services. — 4 Gross value added plus taxes on products (netted with 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. — 8 Contribution of growth to GDP.

IX Economic conditions

2 Output in the production sector  
Germany

Adjusted for working-day variations ◦

Period	of which											
	Production sector, total	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												
2000	99.9	100.0	99.9	99.9	99.9	99.9	99.9	99.9	99.9	100.0	99.9	99.9
2001	99.5	92.5	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	101.9	87.2	97.4	102.0	99.9	97.8	107.6
2004	100.8	80.4	102.6	102.5	103.4	105.7	87.4	97.9	104.5	103.7	101.2	111.9
2003 Dec	95.0	67.1	107.0	96.2	87.1	108.8	82.9	94.2	92.7	83.0	117.8	97.5
2004 Jan	92.0	49.3	116.2	93.3	96.6	90.6	83.4	93.6	101.9	104.6	82.5	97.4
Feb	94.1	56.7	106.4	96.2	98.7	96.9	86.5	92.0	101.6	103.1	87.7	110.1
Mar	105.1	76.2	110.2	107.2	107.9	111.7	96.0	99.5	107.3	111.6	106.2	121.6
Apr	100.6	85.9	101.0	101.9	104.4	103.8	88.1	96.3	107.6	104.1	98.5	114.3
May	99.8	86.8	97.6	101.3	103.5	104.0	86.2	94.8	102.5	105.4	98.5	115.3
June	103.5	93.0	91.0	105.9	107.2	111.0	87.0	97.2	103.4	111.3	106.4	120.6
July	103.3	95.5	92.6	105.2	107.1	108.3	87.0	99.1	105.7	106.6	105.4	112.1
Aug	93.8	85.5	90.7	94.9	98.6	93.5	68.1	95.8	103.6	94.0	89.5	90.6
Sep	106.8	95.0	95.3	109.1	109.1	114.6	96.8	101.3	105.9	107.3	112.8	120.7
Oct	108.2	93.3	104.9	109.9	113.8	109.9	96.6	105.4	108.0	106.8	104.0	127.0
Nov	106.7	85.7	110.0	108.3	107.7	112.2	94.4	104.9	107.5	105.2	104.2	120.4
Dec	95.9	61.9	115.5	96.9	89.5	107.9	78.8	95.4	99.0	84.3	118.3	92.9
2005 Jan +	95.5	49.3	112.8	97.8	102.3	95.0	83.5	96.9	112.7	105.1	86.4	103.0
Feb +	95.7	43.5	108.4	99.1	100.7	100.1	87.3	96.2	111.1	101.9	92.9	108.6
Mar +	7 107.3	7 60.0	112.3	111.1	109.9	117.3	97.8	104.3	117.8	109.7	113.7	122.4
Apr x	7 102.7	7 79.7	100.6	105.0	107.0	108.3	88.0	98.4	110.8	106.1	100.5	118.3
May x	7 100.6	7 79.6	97.9	102.8	106.2	103.7	80.5	99.1	111.7	102.1	98.2	108.2
June x	7 106.6	7 88.1	92.6	109.8	110.7	116.3	91.3	99.6	111.5	106.9	115.1	117.7
July z	7 106.6	7 91.3	97.1	109.1	110.6	112.9	84.6	103.9	115.0	107.9	106.3	117.7
Aug z	7 95.7	7 82.8	93.7	97.1	102.1	93.6	70.8	99.2	109.6	96.8	90.5	86.5
Annual percentage change												
2000	+ 4.8	- 3.5	- 0.3	+ 6.3	+ 5.7	+ 9.7	+ 3.8	+ 1.4	+ 2.8	+ 8.2	+ 7.1	+ 11.2
2001	- 0.4	- 7.5	- 2.6	+ 0.5	- 0.5	+ 2.4	+ 0.5	- 1.1	- 1.9	+ 1.1	+ 2.2	+ 4.1
2002	- 1.2	- 3.8	+ 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	+ 0.8	- 5.2	- 0.8	+ 0.3	- 1.9	- 1.7	+ 2.1
2004	+ 2.4	- 5.5	+ 2.8	+ 3.0	+ 3.9	+ 3.7	+ 0.2	+ 0.5	+ 2.5	+ 3.8	+ 3.5	+ 4.0
2003 Dec	+ 2.7	+ 5.3	+ 0.4	+ 2.8	+ 3.2	+ 3.3	- 0.5	+ 1.5	+ 4.9	+ 1.8	- 0.6	+ 7.7
2004 Jan	+ 1.9	- 4.8	+ 5.3	+ 1.7	+ 2.9	+ 0.8	+ 1.7	+ 0.8	- 0.6	+ 3.7	+ 2.1	- 4.4
Feb	+ 1.8	+ 10.1	+ 2.2	+ 1.4	+ 4.8	- 1.4	- 0.7	+ 0.3	+ 3.4	+ 3.1	- 4.0	- 0.7
Mar	+ 0.5	- 9.2	+ 1.1	+ 1.1	+ 1.9	+ 1.6	- 1.1	- 1.1	- 4.3	+ 1.0	+ 2.7	+ 0.2
Apr	+ 2.2	- 6.7	+ 0.7	+ 3.2	+ 4.0	+ 4.4	+ 2.8	- 0.4	+ 1.9	+ 1.2	+ 5.6	+ 5.0
May	+ 4.0	- 4.7	+ 2.4	+ 5.0	+ 4.7	+ 6.9	+ 8.0	+ 1.0	+ 0.1	+ 4.0	+ 7.2	+ 7.9
June	+ 3.5	- 5.8	- 0.7	+ 4.9	+ 4.7	+ 7.5	+ 4.2	- 0.2	- 0.1	+ 13.8	+ 4.4	+ 13.0
July	+ 2.9	- 6.6	+ 2.3	+ 3.8	+ 4.5	+ 5.0	+ 1.4	+ 0.5	+ 0.7	+ 4.8	+ 6.6	+ 3.1
Aug	+ 4.2	- 5.0	+ 0.3	+ 5.4	+ 5.9	+ 8.1	+ 1.3	+ 0.4	+ 4.8	+ 6.6	+ 4.7	+ 13.3
Sep	+ 4.4	- 5.8	+ 3.4	+ 5.4	+ 5.6	+ 7.4	- 0.4	+ 2.1	+ 8.5	+ 5.7	+ 7.9	+ 8.9
Oct	+ 2.9	- 6.0	+ 2.6	+ 3.7	+ 2.8	+ 7.1	- 1.3	+ 0.2	+ 3.8	- 0.4	+ 5.9	+ 13.0
Nov	+ 0.3	- 8.0	+ 5.2	+ 0.5	+ 2.3	- 1.4	- 5.7	+ 1.7	+ 6.0	+ 1.8	- 1.5	- 3.7
Dec	+ 0.9	- 7.7	+ 7.9	+ 0.7	+ 2.8	- 0.8	- 4.9	+ 1.3	+ 6.8	+ 1.6	+ 0.4	- 4.7
2005 Jan +	+ 3.8	± 0.0	- 2.9	+ 4.8	+ 5.9	+ 4.9	+ 0.1	+ 3.5	+ 10.6	+ 0.5	+ 4.7	+ 5.7
Feb +	+ 1.7	- 23.3	+ 1.9	+ 3.0	+ 2.0	+ 3.3	+ 0.9	+ 4.6	+ 9.4	- 1.2	+ 5.9	- 1.4
Mar +	7 + 2.1	7 - 21.3	+ 1.9	+ 3.6	+ 1.9	+ 5.0	+ 1.9	+ 4.8	+ 9.8	- 1.7	+ 7.1	+ 0.7
Apr x	7 + 2.1	7 - 7.2	- 0.4	+ 3.0	+ 2.5	+ 4.3	- 0.1	+ 2.2	+ 3.0	+ 1.9	+ 2.0	+ 3.5
May x	7 + 0.8	7 - 8.3	+ 0.3	+ 1.5	+ 2.6	- 0.3	- 6.6	+ 4.5	+ 9.0	- 3.1	- 0.3	- 6.2
June x	7 + 3.0	7 - 5.3	+ 1.8	+ 3.7	+ 3.3	+ 4.8	+ 4.9	+ 2.5	+ 7.8	- 4.0	+ 8.2	- 2.4
July z	7 + 3.2	7 - 4.4	+ 4.9	+ 3.7	+ 3.3	+ 4.2	- 2.8	+ 4.8	+ 8.8	+ 1.2	+ 0.9	+ 5.0
Aug z	7 + 2.0	7 - 3.2	+ 3.3	+ 2.3	+ 3.5	+ 0.1	+ 4.0	+ 3.5	+ 5.8	+ 3.0	+ 1.1	- 4.5

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 prin-

ting. — 7 Adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the annual overall survey in the construction sector (average +3%). — + Provisional; adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the first quarter (industry: on average -2.6%). — 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%). — z 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 \*  
 Germany

Adjusted for working-day variations ◦

Period	Industry		of which									
			Intermediate goods		Capital goods <sup>1</sup>		Consumer goods <sup>2</sup>		of which			
	2000=100	Annual percent- age change	2000=100	Annual percent- age change	2000=100	Annual percent- age change	2000=100	Annual percent- age change	Durable goods	Annual percent- age change	Non-durable goods <sup>2</sup>	Annual percent- age change
<b>total</b>												
2001	98.3	- 1.7	95.9	- 4.1	99.4	- 0.6	101.4	+ 1.5	99.8	- 0.1	102.4	+ 2.5
2002	98.2	- 0.1	96.4	+ 0.5	99.6	+ 0.2	99.0	- 2.4	95.7	- 4.1	101.0	- 1.4
2003	99.0	+ 0.8	97.8	+ 1.5	100.7	+ 1.1	95.4	- 3.6	89.9	- 6.1	98.9	- 2.1
2004	104.8	+ 5.9	104.9	+ 7.3	107.2	+ 6.5	94.7	- 0.7	89.1	- 0.9	98.2	- 0.7
2004 Aug	95.9	+ 6.7	98.9	+ 10.6	94.5	+ 5.6	91.8	- 1.2	73.8	+ 1.0	102.9	- 2.1
Sep	108.4	+ 5.3	108.1	+ 7.1	110.4	+ 5.7	100.8	- 1.9	94.0	- 4.3	105.0	- 0.8
Oct	108.1	+ 5.3	108.9	+ 6.2	109.7	+ 6.6	99.4	- 3.4	96.4	- 4.6	101.4	- 2.5
Nov	105.3	+ 2.8	106.8	+ 4.6	106.1	+ 1.6	97.2	+ 1.7	95.2	- 2.2	98.5	+ 4.2
Dec	108.2	+ 10.4	95.0	+ 4.3	124.0	+ 16.5	86.5	- 0.5	78.0	- 4.3	91.8	+ 1.8
2005 Jan	106.6	+ 6.9	109.2	+ 7.3	107.1	+ 7.3	96.5	+ 3.8	88.1	- 2.5	101.6	+ 7.4
Feb	105.0	+ 3.8	104.4	+ 2.3	106.1	+ 4.8	102.3	+ 4.1	87.8	- 1.8	111.1	+ 6.8
Mar	116.9	+ 5.1	114.5	+ 3.2	120.9	+ 6.8	108.2	+ 4.3	97.3	- 0.2	114.9	+ 6.8
Apr	105.1	+ 0.9	105.6	- 0.7	107.1	+ 1.8	95.4	+ 2.9	90.7	+ 1.7	98.3	+ 3.5
May	105.5	+ 1.5	106.6	+ 1.6	108.1	+ 0.9	91.3	+ 3.4	85.8	- 2.3	94.7	+ 6.9
June	113.3	+ 7.3	110.7	+ 3.1	119.7	+ 10.4	95.5	+ 6.9	92.8	+ 3.6	97.1	+ 9.0
July	114.5	+ 8.6	114.1	+ 6.6	118.1	+ 10.7	100.7	+ 5.8	89.0	+ 0.9	107.9	+ 8.3
Aug p	101.5	+ 5.8	102.2	+ 3.3	101.9	+ 7.8	97.8	+ 6.5	79.1	+ 7.2	109.4	+ 6.3
<b>from the domestic market</b>												
2001	97.6	- 2.4	96.4	- 3.5	98.0	- 2.0	99.9	± 0.0	99.5	- 0.4	100.2	+ 0.4
2002	94.6	- 3.1	94.6	- 1.9	94.6	- 3.5	94.6	- 5.3	92.0	- 7.5	96.3	- 3.9
2003	94.6	± 0.0	95.0	+ 0.4	95.9	+ 1.4	90.0	- 4.9	86.7	- 5.8	92.1	- 4.4
2004	98.3	+ 3.9	100.5	+ 5.8	100.0	+ 4.3	86.9	- 3.4	83.3	- 3.9	89.2	- 3.1
2004 Aug	92.3	+ 5.7	97.1	+ 9.6	90.1	+ 4.9	85.1	- 2.6	70.4	+ 0.3	94.2	- 4.0
Sep	99.9	+ 1.5	102.7	+ 6.4	99.9	- 0.7	92.2	- 5.1	86.1	- 7.2	96.0	- 4.1
Oct	102.3	+ 3.2	105.0	+ 4.6	103.2	+ 4.6	92.3	- 4.7	89.7	- 7.6	94.0	- 2.8
Nov	99.9	+ 0.8	104.0	+ 3.9	99.4	- 1.4	89.6	- 2.5	89.2	- 4.9	89.9	- 0.8
Dec	98.9	+ 10.3	89.5	+ 5.0	115.3	+ 19.0	79.3	- 3.8	72.5	- 6.2	83.6	- 2.3
2005 Jan	96.8	+ 3.3	102.9	+ 6.4	94.1	+ 1.0	87.4	+ 1.0	82.5	- 5.6	90.4	+ 5.2
Feb	95.8	- 0.1	97.6	+ 1.2	95.2	- 2.7	92.3	+ 3.7	83.1	- 1.9	97.9	+ 6.6
Mar	106.6	+ 1.2	107.1	+ 0.2	108.4	+ 1.3	99.7	+ 3.9	92.3	- 1.5	104.2	+ 6.9
Apr	98.0	± 0.0	99.8	- 1.7	99.7	+ 0.7	88.0	+ 3.4	85.6	+ 3.1	89.5	+ 3.3
May	96.0	+ 1.1	100.2	+ 0.1	96.1	+ 1.2	83.8	+ 3.6	80.3	- 1.1	86.0	+ 6.6
June	104.0	+ 5.7	103.8	+ 1.9	110.1	+ 9.1	86.9	+ 6.2	86.1	+ 5.1	87.5	+ 7.1
July	103.8	+ 4.3	108.2	+ 3.5	103.5	+ 3.8	91.9	+ 8.1	84.4	+ 5.5	96.7	+ 9.6
Aug p	95.9	+ 3.9	98.7	+ 1.6	95.6	+ 6.1	89.1	+ 4.7	75.1	+ 6.7	97.8	+ 3.8
<b>from abroad</b>												
2001	99.1	- 0.9	95.1	- 4.9	100.7	+ 0.7	104.8	+ 4.8	100.5	+ 0.5	107.5	+ 7.6
2002	102.8	+ 3.7	99.1	+ 4.2	104.1	+ 3.4	108.6	+ 3.6	103.9	+ 3.4	111.5	+ 3.7
2003	104.4	+ 1.6	102.3	+ 3.2	105.1	+ 1.0	107.5	- 1.0	97.2	- 6.4	113.9	+ 2.2
2004	112.9	+ 8.1	111.6	+ 9.1	113.8	+ 8.3	112.2	+ 4.4	102.4	+ 5.3	118.1	+ 3.7
2004 Aug	100.4	+ 7.7	101.8	+ 12.4	98.6	+ 6.1	106.9	+ 1.6	81.6	+ 2.3	122.2	+ 1.2
Sep	119.0	+ 9.7	116.6	+ 8.2	120.1	+ 11.3	120.1	+ 4.1	111.9	+ 1.4	125.1	+ 5.6
Oct	115.4	+ 7.6	115.0	+ 8.6	115.7	+ 8.4	115.5	- 0.7	111.7	+ 1.4	117.9	- 1.8
Nov	112.0	+ 5.2	111.2	+ 5.8	112.2	+ 4.1	114.2	+ 9.8	108.9	+ 3.3	117.5	+ 13.9
Dec	119.9	+ 10.5	103.6	+ 3.3	132.1	+ 14.8	102.6	+ 5.9	90.5	- 0.8	110.0	+ 9.6
2005 Jan	118.9	+ 10.8	119.1	+ 8.4	119.0	+ 12.5	116.9	+ 8.7	101.0	+ 3.9	126.4	+ 11.1
Feb	116.5	+ 8.1	115.0	+ 3.6	116.1	+ 11.3	124.6	+ 4.4	98.6	- 1.5	140.5	+ 7.3
Mar	129.8	+ 9.5	126.0	+ 7.4	132.5	+ 11.3	127.2	+ 5.1	108.6	+ 2.4	138.6	+ 6.7
Apr	114.0	+ 1.9	114.7	+ 0.7	114.0	+ 2.8	112.0	+ 2.0	102.3	- 1.1	117.9	+ 3.7
May	117.3	+ 1.9	116.6	+ 3.6	119.1	+ 0.8	108.0	+ 3.0	98.3	- 4.4	113.9	+ 7.3
June	124.9	+ 8.9	121.4	+ 4.7	128.5	+ 11.4	114.7	+ 8.0	108.2	+ 0.9	118.6	+ 12.4
July	127.8	+ 13.3	123.3	+ 11.1	131.6	+ 16.4	120.3	+ 1.9	99.6	- 6.7	132.9	+ 6.5
Aug p	108.5	+ 8.1	107.6	+ 5.7	107.7	+ 9.2	117.4	+ 9.8	88.2	+ 8.1	135.2	+ 10.6

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. — <sup>1</sup> Including manufacture of motor vehicles, trailers and semi-trailers. — <sup>2</sup> 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 1					Eastern Germany 2				
	Total	Annual percentage change	Housing construction	Industrial construction 3	Public sector construction	Total	Annual percentage change	Housing construction	Industrial construction 3	Public sector construction	Total	Annual percentage change	Housing construction	Industrial construction 3	Public sector construction
			2000 = 100	2000 = 100	2000 = 100			2000 = 100	2000 = 100	2000 = 100			2000 = 100	2000 = 100	
2001	94.6	- 5.4	82.9	97.0	99.1	98.9	- 1.1	88.6	102.2	101.6	82.6	- 17.3	67.2	81.9	92.4
2002	88.8	- 6.1	72.8	91.5	95.7	92.1	- 6.9	80.5	94.8	96.4	79.6	- 3.6	51.6	82.0	94.0
2003	79.3	- 10.7	67.5	78.6	87.5	82.0	- 11.0	75.6	79.6	88.7	72.0	- 9.5	45.2	75.4	84.3
2004	74.3	- 6.3	61.3	72.8	84.2	77.0	- 6.1	70.5	74.6	83.8	67.1	- 6.8	35.7	67.7	85.2
2004 July	78.9	- 12.8	63.5	71.8	96.6	82.1	- 10.0	71.6	73.6	98.8	70.2	- 20.8	41.0	66.8	91.1
Aug	77.5	- 4.4	60.5	74.2	91.8	78.1	- 5.4	69.9	73.9	88.2	75.8	- 1.6	34.7	74.9	101.2
Sep	85.9	- 5.7	71.3	80.2	101.4	89.1	- 3.7	84.0	81.8	100.9	76.8	- 12.0	36.2	75.3	102.6
Oct	74.5	- 6.4	59.0	72.1	86.9	78.9	- 6.8	70.1	75.1	88.8	62.5	- 5.0	28.4	63.4	82.0
Nov	61.8	- 11.6	51.3	62.3	67.7	64.2	- 12.1	59.2	64.7	66.9	55.0	- 10.1	29.6	55.6	69.5
Dec	69.5	+ 0.3	56.1	78.7	67.3	71.8	- 0.7	64.1	79.8	67.4	63.0	+ 3.3	33.9	75.8	67.1
2005 Jan	46.6	- 12.7	39.7	50.4	46.8	50.1	- 7.7	46.8	54.8	46.6	37.2	- 26.6	20.2	37.6	47.1
Feb	52.1	- 21.3	45.3	54.4	53.7	55.2	- 18.2	54.6	53.8	57.3	43.4	- 30.4	19.7	55.8	44.5
Mar	78.9	- 3.2	64.6	82.2	84.2	83.3	- 1.0	74.7	86.8	84.6	67.1	- 9.6	36.9	68.9	83.1
Apr	70.9	- 8.0	56.3	70.2	80.8	74.3	- 7.0	65.8	74.2	79.9	61.5	- 11.4	30.2	58.7	83.1
May	77.9	+ 2.6	62.3	70.7	95.6	81.9	+ 3.7	71.0	73.8	98.2	66.8	- 1.2	38.4	61.7	89.0
June	88.6	- 1.4	66.7	86.2	105.0	93.7	- 0.7	79.0	91.3	105.7	74.6	- 3.7	32.8	71.3	103.0
July	81.4	+ 3.2	59.1	74.2	103.5	84.2	+ 2.6	68.5	74.2	105.6	74.0	+ 5.4	33.1	74.1	98.3

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". — ◦ Using the Census X-12-ARIMA method, version 0.2.8. — 1 Excluding West Berlin. — 2 Including West Berlin. — 3 Including the railways and post office.

5 Retail trade turnover \*  
Germany

Adjusted for working-day variations ◦

Period	Retail trade 1										Memo item					
	Total	of which: By enterprises' main product range									of which					
		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			
2003 = 100	Annual percentage change	Not adjusted	Price-adjusted 4	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Not adjusted	Price-adjusted 4	2003 = 100	Annual percentage change		
1997	96.3	- 0.6	- 1.3	87.8	- 0.7	73.2	+ 2.2	113.4	- 1.6	108.2	- 0.9	94.7	+ 0.1	- 0.4	87.4	+ 3.7
1998	97.3	+ 1.0	+ 1.1	89.1	+ 1.5	77.3	+ 5.6	112.1	- 1.1	111.7	+ 3.2	96.3	+ 1.7	+ 1.5	91.6	+ 4.8
1999	97.8	+ 0.5	+ 0.3	89.7	+ 0.7	82.9	+ 7.2	111.8	- 0.3	110.6	- 1.0	97.2	+ 0.9	+ 0.4	94.6	+ 3.3
2000	100.2	+ 2.5	+ 1.3	91.5	+ 2.0	87.8	+ 5.9	111.7	- 0.1	113.4	+ 2.5	98.7	+ 1.5	+ 0.3	92.6	- 2.1
2001	102.1	+ 1.9		95.7	+ 4.6	94.3	+ 7.4	111.3	- 0.4	109.6	- 3.4	100.7	+ 2.0		95.3	+ 2.9
2002	100.5	- 1.6	- 1.3	98.3	+ 2.7	97.6	+ 3.5	105.7	- 5.0	100.9	- 7.9	99.9	- 0.8	- 0.8	98.1	+ 2.9
2003 5	100.1	- 0.4	- 0.4	100.2	+ 1.9	100.1	+ 2.6	100.1	- 5.3	100.2	- 0.7	100.2	+ 0.3	± 0.0	100.5	+ 2.4
2004 6	100.7	+ 0.6	+ 0.7	102.5	+ 2.3	99.0	- 1.1	102.7	+ 2.6	102.9	+ 2.7	101.0	+ 0.8	+ 0.5	102.1	+ 1.6
2004 Aug	96.4	+ 2.0	+ 1.7	100.8	+ 2.2	96.3	+ 0.3	93.1	+ 7.5	96.4	+ 2.4	95.8	+ 1.2	+ 0.6	92.1	- 2.0
Sep	98.4	+ 0.2	+ 0.1	97.6	+ 1.1	97.9	+ 0.6	106.0	- 0.1	99.7	+ 1.8	98.2	- 0.2	- 0.5	97.2	- 1.7
Oct	105.9	+ 0.8	+ 0.8	103.6	+ 0.5	105.0	+ 1.9	120.3	+ 1.6	110.2	+ 4.6	105.6	+ 0.9	+ 0.6	104.7	+ 0.9
Nov	106.9	+ 0.7	+ 0.8	105.8	+ 1.1	102.9	- 1.2	110.4	+ 8.8	110.7	+ 2.2	107.2	+ 2.0	+ 1.9	109.9	+ 7.9
Dec	123.8	+ 2.0	+ 1.8	122.4	+ 3.5	119.5	- 1.0	129.4	+ 4.3	121.6	+ 4.0	117.7	+ 2.1	+ 1.8	97.4	+ 3.4
2005 Jan	95.1	+ 4.5	+ 4.6	97.8	+ 4.4	95.3	+ 10.4	88.2	+ 1.4	95.2	+ 4.5	92.7	+ 3.3	+ 3.2	84.1	- 1.5
Feb	89.6	+ 2.2	+ 1.6	96.6	+ 5.6	95.3	+ 8.9	73.2	- 6.8	88.3	- 1.7	88.8	+ 0.7	+ 0.1	86.4	- 4.5
Mar	104.7	+ 1.7	+ 1.3	108.4	+ 3.2	105.0	+ 5.5	102.7	+ 0.3	108.7	- 0.5	106.7	+ 2.0	+ 1.4	114.6	+ 2.6
Apr	101.5	- 0.6	- 0.9	104.6	+ 0.6	99.7	+ 1.5	114.1	+ 3.9	102.5	- 4.3	104.2	- 0.1	- 0.6	113.6	+ 1.2
May	102.5	+ 5.0	+ 4.7	108.3	+ 6.6	102.7	+ 8.7	102.2	+ 4.4	102.0	+ 1.0	104.7	+ 4.7	+ 4.2	111.9	+ 3.8
June	97.7	+ 0.9	+ 0.5	103.9	+ 3.7	101.1	+ 2.7	94.8	- 1.0	97.3	- 1.5	100.7	+ 1.2	+ 0.6	111.0	+ 1.7
July	99.4	± 0.0	- 0.2	101.7	- 2.0	107.1	+ 4.6	100.1	- 1.3	100.1	+ 1.1	102.4	+ 1.1	+ 0.6	112.1	+ 4.6
Aug	96.2	- 0.2	- 0.7	98.1	- 2.7	98.5	+ 2.3	95.9	+ 3.0	96.9	+ 0.5	96.4	+ 0.6	- 0.2	95.3	+ 3.5

Source of the unadjusted figures: Federal Statistical Office. — \* Excluding value-added tax. — ◦ Using the Census X-12-ARIMA method, version 0.2.8. — 1 Excluding sales of motor vehicles and motorcycles and excluding 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. — 5 Unadjusted figures from January 2003 are provisional as they do not include Lower Saxony. — 6 Results from January 2004 revised in some cases and, as experience has shown, especially uncertain in the most recent months.

## IX Economic conditions

### 6 Labour market \*

Period	Employed 1			Employees 1		Persons in employment 2		Short-time workers 5	Persons employed under employment promotion schemes 6 7	Persons undergoing vocational further training 7	Unemployed 7 r		Unemployment rate 7 8 in %	Vacancies, 7 thousands			
	Thousands	Annual change		Thousands	Annual percentage change	Mining and manufacturing sector 3	Construction 4				Thousands	Thousands			Thousands	Annual change, thousands	Unemployment rate 7 8 in %
		in %	Thousands														
<b>Germany</b>																	
2002	39,092	- 0.6	- 224	35,090	- 0.7	6,217	883	207	193	340	4,061	+ 209	9.8	452			
2003	38,723	- 0.9	- 369	34,650	- 1.3	6,136	817	195	143	260	4,377	+ 315	10.5	355			
2004	38,868	+ 0.4	+ 145	34,652	+ 0.0	6,019	769	151	117	184	4,381	+ 93	10.5	286			
2004 Sep	39,211	+ 0.6	+ 252			6,049	788	115	124	166	4,257	+ 160	10.3	269			
Oct	39,359	+ 0.6	+ 254			6,024	778	125	122	167	4,207	+ 187	10.1	245			
Nov	39,338	+ 0.6	+ 236	34,998	+ 0.2	6,008	768	133	114	163	4,258	+ 208	10.3	229			
Dec	39,100	+ 0.5	+ 186			5,978	744	133	100	149	4,464	+ 244	10.8	225			
2005 Jan	38,356	+ 0.1	+ 49			5,949	684	148	85	135	5,040	+ 442	11.1	268			
Feb	38,391	+ 0.1	+ 46	34,114	- 0.4	5,930	660	168	77	122	5,217	+ 575	12.6	333			
Mar	38,512	+ 0.1	+ 21			5,925	668	174	67	116	5,176	+ 628	12.5	394			
Apr	38,721	+ 0.1	+ 24			5,919	696	159	59	113	4,968	+ 524	12.0	434			
May	38,867	+ 0.1	+ 31	34,471	- 0.4	5,915	703	142	53	112	4,807	+ 513	11.6	442			
June	38,972	+ 0.1	+ 47			5,911	708	137	50	109	4,704	+ 471	11.3	439			
July	38,966	+ 0.2	+ 83			5,918	708	109	49	99	4,772	+ 412	11.5	447			
Aug	39,031	+ 0.3	+ 113			5,946	...	89	51	95	4,729	+ 382	11.4	464			
Sep	...	...	...	...	...	...	...	...	15	50	4,650	+ 393	11.2	467			
<b>Western Germany °</b>																	
2002	.	.	.	.	.	5,593	639	162	45	198	2,498	+ 178	7.7	378			
2003	.	.	.	.	.	5,503	594	160	31	161	2,753	+ 255	8.4	292			
2004	.	.	.	.	.	5,380	562	122	24	121	2,783	+ 89	8.5	239			
2004 Sep	.	.	.	.	.	5,402	574	92	27	111	2,702	+ 120	8.2	222			
Oct	.	.	.	.	.	5,378	567	102	26	112	2,694	+ 141	8.2	204			
Nov	.	.	.	.	.	5,362	560	105	25	109	2,729	+ 151	8.3	191			
Dec	.	.	.	.	.	5,337	546	105	23	99	2,862	+ 174	8.7	192			
2005 Jan	.	.	.	.	.	5,234	505	118	19	89	3,269	+ 341	10.0	228			
Feb	.	.	.	.	.	5,215	490	133	18	80	3,423	+ 476	10.4	279			
Mar	.	.	.	.	.	5,210	496	137	16	78	3,397	+ 524	10.3	320			
Apr	.	.	.	.	.	5,202	514	128	14	76	3,263	+ 457	9.9	345			
May	.	.	.	.	.	5,199	518	113	13	75	3,171	+ 460	9.7	344			
June	.	.	.	.	.	5,194	521	110	12	73	3,117	+ 447	9.5	344			
July	.	.	.	.	.	5,198	520	87	10	67	3,173	+ 412	9.6	346			
Aug	.	.	.	.	.	5,221	...	69	9	63	3,166	+ 401	9.6	359			
Sep	.	.	.	.	.	...	...	...	15	8	3,134	+ 432	9.5	357			
<b>Eastern Germany +</b>																	
2002	.	.	.	.	.	624	244	45	148	142	1,563	+ 31	17.7	74			
2003	.	.	.	.	.	632	223	35	112	99	1,624	+ 61	18.5	63			
2004	.	.	.	.	.	639	207	29	93	63	1,599	+ 4	18.4	47			
2004 Sep	.	.	.	.	.	647	215	24	98	55	1,555	+ 40	18.0	47			
Oct	.	.	.	.	.	647	211	23	96	55	1,513	+ 45	17.5	42			
Nov	.	.	.	.	.	645	208	27	89	54	1,529	+ 57	17.7	38			
Dec	.	.	.	.	.	641	199	28	77	50	1,602	+ 70	18.5	33			
2005 Jan	.	.	.	.	.	715	179	30	65	46	1,771	+ 101	20.5	40			
Feb	.	.	.	.	.	715	170	35	59	41	1,794	+ 99	20.7	54			
Mar	.	.	.	.	.	715	172	36	51	38	1,779	+ 104	20.5	74			
Apr	.	.	.	.	.	717	182	31	45	37	1,705	+ 67	19.7	89			
May	.	.	.	.	.	717	185	29	41	37	1,636	+ 54	18.9	98			
June	.	.	.	.	.	717	187	27	38	36	1,587	+ 23	18.5	96			
July	.	.	.	.	.	720	188	21	39	32	1,599	- 0	18.6	101			
Aug	.	.	.	.	.	724	...	20	41	32	1,562	- 19	18.2	106			
Sep	.	.	.	.	.	...	...	...	15	42	1,516	- 39	17.6	110			

Sources: Federal Statistical Office; Federal Employment Agency. — \* Annual and quarterly figures: averages; annual figures: calculated by the Bundesbank; deviations from the official figures are due to rounding. — ° Excluding West Berlin. — + Including West Berlin. — 1 Work-place concept; averages. — 2 Including active proprietors; monthly figures: end of month. — 3 Up to December 2004, western Germany including West Berlin and eastern Germany excluding West Berlin. — 4 The figures refer to the economic classifications "Site preparation" and "Building of complete constructions or parts thereof; civil engineering". — 5 Mid-month level. — 6 Employees involved in job creation schemes and structural adjustment measures (SAM); provisional and partly revised data. — 7 Mid-month level; end of month figures up to December 2004. — 8 Relative to the total civilian labour force. — 9 The figures from 2003 onwards are positively affected by the first-time in-

clusion of firms which are required to report and which have been identified in the course of drawing up the corporate register. — 10 From January 2004, unemployed persons excluding all those participating in occupational aptitude testing and training schemes. — 11 From January 2005, unemployed persons including recipients of social assistance who are able to work. — 12 From January 2005, including offers of job opportunities. — 13 Provisional up to adjustment to the figures of the annual overall survey. — 14 From June 2005, calculated on the basis of new labour force figures. — 15 Annualised data from the Federal Employment Agency based on information received so far. — 16 Initial preliminary estimate by the Federal Statistical Office. — 17 From September 2005, unemployed persons including recipients of social assistance who are able to work registered with municipalities having separate responsibility for the unemployed.

IX Economic conditions

7 Prices  
Germany

Period	Consumer price index						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	Indices of foreign trade prices		HWWA Index of World Market Prices of Raw Materials 5	
	Total	of which								Exports	Imports	Energy 6	Other raw materials 7
		Food	Other durable and non-durable consumer goods excluding energy 1,2	Energy 1	Services excluding house rents 2	House rents							
2000 = 100													
2000	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2001	102.0	105.1	100.3	105.7	102.4	101.2	100.3	103.0	107.3	101.0	100.6	91.4	91.9
2002	103.4	106.1	101.1	106.0	104.9	102.6	100.2	102.4	100.4	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	101.4	100.6	96.2	82.9	86.9
2004	106.2	105.7	102.9	114.8	108.9	104.8	101.4	105.8	99.9	101.1	97.2	101.4	96.3
2003 Dec	105.1	105.7	101.4	109.4	109.0	104.1		104.2	103.2	100.2	95.1	80.7	89.4
2004 Jan	105.2	106.9	102.1	110.5	107.2	104.4		104.0	103.8	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	105.3	100.3	95.3	82.2	96.2
Mar	105.7	106.1	103.1	111.4	108.0	104.6		104.7	105.3	100.8	96.4	91.2	103.5
Apr	106.0	106.3	103.3	113.1	108.1	104.7		105.1	104.6	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	104.3	101.3	97.6	104.5	101.1
June	106.2	106.7	103.1	114.2	108.6	104.8		105.5	107.4	101.1	97.0	100.8	99.1
July	106.5	106.0	102.8	115.5	109.9	104.8		106.1	105.1	101.2	97.3	104.7	97.6
Aug	106.7	104.9	102.8	117.3	110.3	105.0	101.8	106.4	99.9	101.5	98.2	114.3	94.6
Sep	106.4	104.3	102.9	116.6	109.2	105.0		106.6	99.4	101.5	98.3	112.7	93.5
Oct	106.6	104.2	102.9	120.4	108.9	105.1		107.6	97.6	101.7	99.4	123.0	92.0
Nov	106.2	104.1	103.0	117.2	108.4	105.2	102.0	107.1	98.9	101.6	98.1	108.1	91.4
Dec	107.3	105.3	103.7	114.5	111.7	105.2		107.2	99.0	101.2	97.2	96.8	89.2
2005 Jan	106.9	105.7	103.5	116.4	109.8	105.4		108.1	97.9	101.5	98.0	107.5	95.7
Feb	107.3	106.3	103.6	117.5	110.5	105.6	102.5	108.5	99.0	101.8	98.8	111.4	99.2
Mar	107.6	106.6	103.7	120.7	110.3	105.6		109.1	100.3	102.1	100.1	125.3	103.1
Apr	107.7	106.4	103.7	123.3	109.7	105.7		109.9	98.7	102.1	100.1	128.2	103.1
May	108.0	107.1	103.6	123.0	110.9	105.8	102.5	109.9	98.7	102.0	99.7	124.3	102.3
June	108.1	107.0	103.5	125.8	110.6	105.9		110.4	98.8	102.2	101.3	144.6	106.6
July	108.6	105.9	103.2	129.0	112.1	106.0		111.0	<sup>p</sup> 97.9	102.4	101.9	151.8	107.0
Aug	108.7	104.9	103.1	130.9	112.5	106.0	102.7	111.3	...	102.4	102.8	160.9	105.9
Sep	109.1	104.8	104.2	135.1	111.3	106.0		111.8	...	...	...	160.5	105.8
Annual percentage change													
2000	+ 1.4	- 0.6	- 0.3	+ 14.0	+ 1.0	+ 1.2	+ 0.7	<sup>2</sup> + 3.1	+ 5.9	+ 3.1	+ 10.1	+ 73.6	+ 20.3
2001	+ 2.0	+ 5.1	+ 0.3	+ 5.7	+ 2.4	+ 1.2	+ 0.3	+ 3.0	+ 7.3	+ 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	- 6.4	- 0.2	- 2.2	- 5.8	- 0.9
2003	+ 1.1	- 0.1	+ 0.3	+ 4.0	+ 1.4	+ 1.2	+ 0.1	+ 1.7	+ 1.0	- 0.2	- 2.2	- 3.7	- 4.6
2004	+ 1.6	- 0.3	+ 1.5	+ 4.2	+ 2.3	+ 1.0	+ 1.1	+ 1.6	- 1.5	+ 0.5	+ 1.0	+ 22.3	+ 10.8
2003 Dec	+ 1.1	+ 1.6	+ 0.5	+ 3.6	+ 1.2	+ 1.1		+ 1.8	+ 4.0	- 0.5	- 2.9	- 7.5	- 0.2
2004 Jan	+ 1.2	+ 1.5	+ 0.7	- 0.2	+ 2.0	+ 1.2		+ 0.2	+ 4.0	- 0.7	- 3.1	- 10.4	+ 5.1
Feb	+ 0.9	+ 0.5	+ 0.3	- 2.5	+ 2.5	+ 1.1	+ 0.2	- 0.1	+ 3.8	- 0.7	- 3.2	- 15.5	+ 7.2
Mar	+ 1.1	- 0.2	+ 1.5	- 2.1	+ 2.3	+ 1.1		+ 0.3	+ 5.7	- 0.2	- 1.6	+ 1.9	+ 17.2
Apr	+ 1.6	- 0.3	+ 1.9	+ 2.6	+ 2.2	+ 1.0		+ 0.9	+ 4.6	+ 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	+ 6.0	+ 0.8	+ 2.5	+ 44.1	+ 21.1
June	+ 1.7	- 0.4	+ 1.8	+ 5.0	+ 2.4	+ 1.0		+ 1.5	+ 5.7	+ 0.8	+ 2.0	+ 30.9	+ 21.9
July	+ 1.8	- 0.3	+ 1.7	+ 5.8	+ 2.3	+ 1.0		+ 1.9	+ 6.8	+ 0.9	+ 2.2	+ 28.5	+ 18.0
Aug	+ 2.0	- 0.2	+ 1.8	+ 6.3	+ 2.4	+ 1.1	+ 1.5	+ 2.2	- 0.9	+ 1.1	+ 2.5	+ 32.3	+ 11.0
Sep	+ 1.8	- 1.2	+ 1.5	+ 6.3	+ 2.3	+ 1.1		+ 2.3	- 5.2	+ 1.0	+ 2.7	+ 43.2	+ 6.9
Oct	+ 2.0	- 1.4	+ 1.5	+ 9.5	+ 2.3	+ 1.2		+ 3.3	- 5.4	+ 1.3	+ 4.1	+ 51.9	+ 3.7
Nov	+ 1.8	- 1.3	+ 1.6	+ 7.0	+ 2.5	+ 1.1	+ 1.7	+ 2.8	- 5.7	+ 1.2	+ 2.7	+ 32.3	+ 0.4
Dec	+ 2.1	- 0.4	+ 2.3	+ 4.7	+ 2.5	+ 1.1		+ 2.9	- 4.1	+ 1.0	+ 2.2	+ 20.0	- 0.2
2005 Jan	+ 1.6	- 1.1	+ 1.4	+ 5.3	+ 2.4	+ 1.0		+ 3.9	- 5.7	+ 1.3	+ 2.9	+ 30.1	+ 3.1
Feb	+ 1.8	- 0.1	+ 1.7	+ 6.6	+ 2.0	+ 1.1	+ 2.0	+ 4.2	- 6.0	+ 1.5	+ 3.7	+ 35.5	+ 3.1
Mar	+ 1.8	+ 0.5	+ 0.6	+ 8.3	+ 2.1	+ 1.0		+ 4.2	- 4.7	+ 1.3	+ 3.8	+ 37.4	- 0.4
Apr	+ 1.6	+ 0.1	+ 0.4	+ 9.0	+ 1.5	+ 1.0		+ 4.6	- 5.6	+ 1.0	+ 3.3	+ 35.1	- 1.9
May	+ 1.7	+ 0.5	+ 0.5	+ 5.9	+ 2.6	+ 1.1	+ 1.1	+ 4.1	- 5.4	+ 0.7	+ 2.2	+ 18.9	+ 1.2
June	+ 1.8	+ 0.3	+ 0.4	+ 10.2	+ 1.8	+ 1.0		+ 4.6	- 8.0	+ 1.1	+ 4.4	+ 43.5	+ 7.6
July	+ 2.0	- 0.1	+ 0.4	+ 11.7	+ 2.0	+ 1.1		+ 4.6	<sup>p</sup> - 6.9	+ 1.2	+ 4.7	+ 45.0	+ 9.6
Aug	+ 1.9	± 0.0	+ 0.3	+ 11.6	+ 2.0	+ 1.0	+ 0.9	+ 4.6	...	+ 0.9	+ 4.7	+ 40.8	+ 11.9
Sep	+ 2.5	+ 0.5	+ 1.3	+ 15.9	+ 1.9	+ 1.0		+ 4.9	...	...	...	+ 42.4	+ 13.2

Source: Federal Statistical Office; HWWA Index of World Market Prices. — 1 Electricity, gas and other fuels. — 2 Bundesbank calculation based on data provided by the Federal Statistical Office. — 3 Previously: Overall construc-

tion price level. — 4 Excluding value-added tax. — 5 For the euro area, in 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	.	940.9	.	426.1	.	1,367.0	.	1,975.5	.	254.7	.	12.9
1992	1,466.6	8.2	1,001.9	6.5	473.9	11.2	1,475.8	8.0	2,120.2	7.3	268.8	5.6	12.7
1993	1,504.2	2.6	1,030.5	2.9	511.2	7.9	1,541.7	4.5	2,194.0	3.5	264.5	- 1.6	12.1
1994	1,526.0	1.4	1,026.6	- 0.4	529.3	3.5	1,555.9	0.9	2,275.7	3.7	259.1	- 2.1	11.4
1995	1,575.1	3.2	1,034.9	0.8	553.5	4.6	1,588.4	2.1	2,344.9	3.0	257.6	- 0.6	11.0
1996	1,592.5	1.1	1,029.9	- 0.5	599.0	8.2	1,629.0	2.6	2,386.5	1.8	251.7	- 2.3	10.5
1997	1,589.7	- 0.2	1,012.9	- 1.7	613.2	2.4	1,626.1	- 0.2	2,427.6	1.7	245.4	- 2.5	10.1
1998	1,623.0	2.1	1,036.3	2.3	625.0	1.9	1,661.3	2.2	2,474.2	1.9	249.4	1.7	10.1
1999	854.6	3.0	547.5	3.3	330.5	3.4	878.0	3.4	1,297.7	2.6	122.7	- 3.8	9.5
2000	883.4	3.4	569.6	4.0	339.9	2.8	909.5	3.6	1,337.4	3.1	123.2	0.4	9.2
2001	902.0	2.1	590.0	3.6	353.8	4.1	943.9	3.8	1,389.5	3.9	130.9	6.2	9.4
2002	908.4	0.7	591.5	0.2	368.7	4.2	960.1	1.7	1,406.1	1.2	139.4	6.5	9.9
2003	907.7	- 0.1	587.5	- 0.7	379.0	2.8	966.5	0.7	1,435.5	2.1	147.9	6.1	10.3
2004	912.0	0.5	600.3	2.2	379.3	0.1	979.6	1.4	1,466.4	2.1	153.8	4.0	10.5
2003 Q3	226.3	- 0.0	150.4	- 0.6	94.4	1.9	244.7	0.3	354.3	1.3	30.9	0.7	8.7
2003 Q4	252.1	- 0.4	162.2	- 0.4	95.7	3.1	257.9	0.9	365.6	1.2	32.1	1.4	8.8
2004 Q1	213.5	0.9	140.2	2.2	96.7	1.7	236.9	2.0	367.1	1.7	50.8	0.2	13.8
2004 Q2	219.9	1.0	142.4	3.4	94.0	0.2	236.4	2.1	360.6	1.7	35.6	4.2	9.9
2004 Q3	226.5	0.1	153.0	1.7	93.7	- 0.7	246.6	0.8	360.5	1.7	32.4	4.7	9.0
2004 Q4	252.1	- 0.0	164.7	1.5	95.0	- 0.8	259.7	0.7	378.2	3.4	35.1	9.2	9.3
2005 Q1	213.3	- 0.1	141.0	- 0.5	95.5	- 1.3	236.4	- 0.2	370.3	0.9	52.6	3.7	14.2
2005 Q2	219.2	- 0.3	142.1	- 0.2	93.9	- 0.0	236.0	- 0.2	367.1	1.8	37.0	3.8	10.1

Source: Federal Statistical Office; figures computed in August 2005. — \* 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		2000 = 100	Annual percentage change	on an hourly basis		on a monthly basis		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		
1995	89.8	4.9	90.2	4.6	94.8	3.1	88.3	6.1	89.5	5.5	89.9	4.1
1996	92.1	2.6	92.3	2.4	96.2	1.4	91.6	3.8	92.0	2.9	92.5	2.9
1997	93.4	1.5	93.7	1.5	96.3	0.2	93.4	1.9	93.6	1.7	94.2	1.7
1998	95.2	1.9	95.3	1.8	97.2	0.9	95.1	1.8	95.1	1.7	95.7	1.6
1999	98.0	2.9	98.1	2.8	98.6	1.4	98.0	3.1	98.0	3.0	97.4	1.8
2000	100.0	2.0	100.0	2.0	100.0	1.5	100.0	2.0	100.0	2.0	100.0	2.7
2001	101.9	1.9	101.9	1.9	101.8	1.8	101.8	1.8	101.7	1.7	102.2	2.2
2002	104.7	2.7	104.6	2.7	103.2	1.4	105.0	3.2	104.8	3.1	104.3	2.0
2003	106.7	2.0	106.7	2.0	104.4	1.2	107.6	2.5	107.4	2.4	.	.
2004	108.0	1.2	108.2	1.4	104.9	0.5	109.6	1.8	109.3	1.8	.	.
2003 Q3	110.2	1.9	110.2	2.0	104.1	1.1	115.6	2.2	115.3	2.1	.	.
2003 Q4	119.9	1.1	120.0	1.2	115.0	0.4	119.4	2.3	119.1	2.2	.	.
2004 Q1	99.8	1.8	100.0	1.9	99.2	1.3	99.9	3.2	99.7	3.2	.	.
2004 Q2	100.2	1.5	100.3	1.6	101.4	0.9	100.1	1.4	99.9	1.4	.	.
2004 Q3	111.2	1.0	111.4	1.1	104.0	- 0.0	116.6	0.8	116.3	0.8	.	.
2004 Q4	120.8	0.7	121.1	1.0	114.7	- 0.2	121.8	2.0	121.5	2.0	.	.
2005 Q1	101.1	1.3	101.4	1.4	99.5	0.3	101.4	1.6	101.2	1.5	.	.
2005 Q2	101.2	1.1	101.6	1.3	101.4	0.1	101.3	1.2	101.1	1.2	.	.
2005 Feb	100.7	1.2	101.0	1.3	.	.	100.3	1.3	100.1	1.2	.	.
2005 Mar	101.8	1.5	102.2	1.7	.	.	103.8	2.3	103.5	2.2	.	.
2005 Apr	101.6	1.7	101.9	1.9	.	.	101.2	1.6	101.0	1.6	.	.
2005 May	101.1	0.6	101.4	0.8	.	.	101.4	0.6	101.2	0.6	.	.
2005 June	101.1	0.9	101.4	1.1	.	.	101.4	1.5	101.1	1.5	.	.
2005 July	134.1	1.3	134.5	1.4	.	.	151.9	1.5	151.5	1.5	.	.
2005 Aug	101.5	0.9	101.8	1.1	.	.	101.7	1.7	101.5	1.7	.	.

1 Current data are normally revised upwards on account of additional reports. — 2 Source: Federal Statistical Office; figures computed in August 2005. — 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	2002	2003	2004	2004		2005			
				Q4	Q1	Q2	May	June	July
A Current account	+ 64,483	+ 20,409	+ 46,760	+ 15,783	+ 765	- 13,560	- 2,989	- 493	+ 178
1 Goods									
Exports (fob)	1,062,129	1,039,689	1,129,631	298,848	278,291	306,568	100,863	106,462	103,464
Imports (fob)	933,580	936,951	1,026,923	278,777	263,751	286,804	93,971	97,839	94,330
Balance	+ 128,548	+ 102,736	+ 102,708	+ 20,071	+ 14,542	+ 19,764	+ 6,892	+ 8,623	+ 9,134
2 Services									
Receipts	332,095	329,269	355,467	92,126	82,953	89,456	28,898	32,122	35,245
Expenditure	315,711	309,619	327,777	85,476	80,187	81,112	26,113	28,908	31,858
Balance	+ 16,381	+ 19,653	+ 27,689	+ 6,651	+ 2,766	+ 8,344	+ 2,785	+ 3,215	+ 3,386
3 Income	- 31,876	- 45,833	- 27,955	+ 3,068	- 4,362	- 25,954	- 7,378	- 6,059	- 6,734
4 Current transfers									
Transfer payments from non-residents	85,358	80,830	79,989	18,018	32,366	16,485	5,482	5,466	5,087
Transfer payments to non-residents	133,930	136,978	135,669	32,025	44,546	32,198	10,769	11,738	10,695
Balance	- 48,571	- 56,146	- 55,682	- 14,007	- 12,181	- 15,713	- 5,287	- 6,272	- 5,608
B Capital account	+ 10,166	+ 13,110	+ 17,425	+ 5,949	+ 1,222	+ 3,894	+ 1,651	+ 1,918	+ 870
C Financial account (net capital exports: -)	- 43,935	- 5,942	- 5,476	- 25,388	+ 34,413	+ 34,910	+ 36,267	+ 16,456	- 2,857
1 Direct investment	+ 618	+ 5,398	- 78,065	- 44,115	- 24,138	- 11,458	+ 3,281	- 9,893	- 80,128
By resident units abroad	- 179,948	- 136,003	- 155,391	- 82,662	- 36,427	- 29,498	+ 5,049	- 22,285	- 82,481
By non-resident units in the euro area	+ 180,568	+ 141,400	+ 77,328	+ 38,548	+ 12,289	+ 18,039	- 1,768	+ 12,391	+ 2,353
2 Portfolio investment	+ 127,765	+ 43,396	+ 72,780	+ 27,262	+ 2,640	+ 114,253	+ 22,661	+ 102,552	+ 73,667
By resident units abroad	- 176,158	- 276,701	- 283,535	- 71,032	- 123,487	- 82,468	- 36,053	- 20,314	- 34,761
Equity	- 38,795	- 67,002	- 74,104	- 20,817	- 48,338	+ 8,400	- 4,251	+ 4,369	- 14,658
Bonds and notes	- 88,690	- 182,318	- 151,874	- 42,408	- 74,922	- 75,836	- 22,427	- 29,089	- 18,874
Money market instruments	- 48,671	- 27,382	- 57,557	- 7,808	- 227	- 15,032	- 9,375	+ 4,406	- 1,229
By non-resident units in the euro area	+ 303,924	+ 320,099	+ 356,314	+ 98,293	+ 126,128	+ 196,721	+ 58,714	+ 122,866	+ 108,428
Equity	+ 86,237	+ 117,235	+ 123,106	+ 68,105	+ 35,983	+ 36,456	+ 25,874	+ 57,327	+ 104,794
Bonds and notes	+ 157,873	+ 170,415	+ 211,412	+ 31,991	+ 45,566	+ 162,506	+ 29,652	+ 75,808	+ 1,204
Money market instruments	+ 59,815	+ 32,451	+ 21,799	- 1,802	+ 44,579	- 2,242	+ 3,187	- 10,269	+ 2,430
3 Financial derivatives	- 10,954	- 12,175	- 1,724	- 4,755	- 7,445	+ 4,849	+ 404	+ 5,088	+ 491
4 Other investment	- 159,089	- 72,521	- 10,799	- 6,144	+ 58,509	- 75,444	+ 7,307	- 82,150	+ 770
Eurosystem	+ 18,443	+ 9,145	+ 7,448	+ 5,131	+ 5,220	- 560	- 1,015	+ 323	- 1,090
General government	- 8,203	- 4,469	- 4,548	+ 1,756	+ 4,769	- 10,697	+ 243	- 3,110	- 240
MFIs (excluding the Eurosystem)	- 142,185	- 18,536	- 13,100	- 14,692	+ 67,208	- 55,325	+ 37,898	- 87,725	+ 7,569
Long-term	+ 17,128	+ 4,559	- 19,342	- 139	- 12,950	+ 3,149	+ 6,219	+ 7,131	- 6,931
Short-term	- 159,316	- 23,094	+ 6,242	- 14,554	+ 80,158	- 58,473	+ 31,680	- 94,856	+ 14,500
Other sectors 1	- 27,143	- 58,662	- 598	+ 1,662	- 18,688	- 8,861	- 29,819	+ 8,362	- 5,468
5 Reserve assets (Increase: -)	- 2,277	+ 29,957	+ 12,332	+ 2,363	+ 4,847	+ 2,710	+ 2,613	+ 859	+ 2,343
D Errors and omissions	- 30,714	- 27,576	- 58,707	+ 3,657	- 36,400	- 25,246	- 34,930	- 17,881	+ 1,810

\* Source: European Central Bank. — 1 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	Income	Current transfers					
DM million											
1991	- 40,182	+ 21,899	- 2,804	- 30,724	+ 29,260	- 57,812	- 4,565	+ 12,715	+ 9,605	+ 22,427	- 319
1992	- 35,363	+ 33,656	- 1,426	- 44,983	+ 28,611	- 51,222	- 1,963	+ 69,462	- 52,888	+ 20,753	- 68,745
1993	- 31,162	+ 60,304	- 3,038	- 52,549	+ 19,272	- 55,151	- 1,915	+ 20,652	+ 22,795	- 10,370	+ 35,766
1994	- 49,143	+ 71,762	- 1,104	- 62,803	+ 2,457	- 59,455	- 2,637	+ 57,861	+ 2,846	- 8,927	- 12,242
1995	- 42,682	+ 85,303	- 4,722	- 63,985	+ 3,863	- 55,416	- 3,845	+ 60,472	- 10,355	+ 3,590	- 17,754
1996	- 21,263	+ 98,538	- 5,264	- 64,743	+ 1,195	- 50,989	- 3,283	+ 22,407	+ 1,882	+ 256	+ 1,610
1997	- 16,463	+ 116,467	- 7,360	- 68,692	- 4,139	- 52,738	+ 52	+ 31	+ 6,640	+ 9,740	+ 8,468
1998	- 26,738	+ 126,970	- 7,315	- 75,053	- 18,036	- 53,304	+ 1,289	+ 32,810	+ 7,128	- 234	- 8,231
1999	- 46,941	+ 127,542	- 14,355	- 90,036	- 21,215	- 48,877	- 301	- 44,849	+ 24,517	+ 67,574	- 72,364
2000	- 63,909	+ 115,645	- 14,019	- 95,848	- 14,232	- 55,456	+ 13,345	+ 55,434	+ 11,429	- 16,299	+ 94,329
2001	+ 6,486	+ 186,771	- 10,615	- 97,521	- 18,529	- 53,621	- 756	- 34,865	+ 11,797	+ 17,338	+ 63,911
€ million											
1999	- 24,001	+ 65,211	- 7,340	- 46,035	- 10,847	- 24,990	- 154	- 22,931	+ 12,535	+ 34,550	- 36,999
2000	- 32,676	+ 59,128	- 7,168	- 49,006	- 7,276	- 28,354	+ 6,823	+ 28,343	+ 5,844	- 8,333	+ 48,230
2001	+ 3,316	+ 95,495	- 5,427	- 49,862	- 9,474	- 27,416	- 387	- 17,826	+ 6,032	+ 8,865	+ 32,677
2002	+ 48,155	+ 132,788	- 6,357	- 35,473	- 14,742	- 28,061	- 212	- 42,825	+ 2,065	- 7,184	- 33,292
2003	+ 45,172	+ 129,921	- 8,310	- 33,970	- 13,784	- 28,684	+ 312	- 46,207	+ 445	+ 279	+ 2,658
2004	+ 83,510	+ 155,119	- 12,340	- 30,964	+ 117	- 28,423	+ 430	- 112,628	+ 1,470	+ 27,218	- 3,906
2002 Q3	+ 11,552	+ 35,543	- 1,780	- 12,417	- 3,523	- 6,271	+ 62	- 13,331	+ 87	+ 1,630	- 17,588
Q4	+ 15,536	+ 32,195	- 2,126	- 4,296	- 2,737	- 7,501	- 359	- 35,738	+ 898	+ 19,662	+ 1,099
2003 Q1	+ 10,971	+ 29,835	- 2,170	- 8,008	- 2,933	- 5,752	- 30	- 4,626	- 1,495	- 4,820	+ 3,444
Q2	+ 5,598	+ 29,841	- 2,001	- 8,008	- 6,452	- 7,782	+ 149	- 25,579	+ 1,505	+ 18,327	+ 22,123
Q3	+ 12,208	+ 38,430	- 1,671	- 13,364	- 2,388	- 8,800	+ 208	+ 3,006	- 751	- 14,671	- 15,902
Q4	+ 16,395	+ 31,815	- 2,469	- 4,590	- 2,010	- 6,351	- 16	- 19,007	+ 1,186	+ 1,442	- 7,008
2004 Q1	+ 25,142	+ 40,955	- 2,552	- 7,088	- 463	- 5,711	+ 280	+ 5,742	+ 205	- 31,370	- 6,821
Q2	+ 24,112	+ 42,847	- 2,835	- 5,945	- 2,401	- 7,553	+ 177	- 57,329	+ 339	+ 33,379	+ 30,993
Q3	+ 14,356	+ 36,458	- 3,567	- 11,400	+ 1,471	- 8,605	+ 191	- 31,833	+ 1,568	+ 15,719	- 31,266
Q4	+ 19,899	+ 34,859	- 3,387	- 6,531	+ 1,511	- 6,554	- 218	- 29,208	+ 37	+ 9,491	+ 3,189
2005 Q1	+ 27,946	+ 43,229	- 3,414	- 6,322	+ 1,781	- 7,328	+ 1,493	- 24,033	- 181	- 2,238	- 6,813
Q2	+ 23,744	+ 41,543	- 3,400	- 5,636	- 2,276	- 6,488	+ 105	- 21,536	+ 1,230	- 3,543	+ 15,846
2003 Mar	+ 5,155	+ 9,898	- 426	- 1,962	- 361	- 1,995	+ 13	+ 20,159	- 1,078	- 24,250	- 4,032
Apr	+ 1,000	+ 9,111	- 830	- 2,178	- 2,484	- 2,620	- 126	- 4,367	+ 1,449	+ 2,044	+ 1,477
May	+ 2,130	+ 10,400	- 560	- 2,644	- 2,541	- 2,524	+ 156	- 7,732	- 854	+ 6,301	+ 22,684
June	+ 2,469	+ 10,330	- 610	- 3,186	- 1,427	- 2,638	+ 119	- 13,480	+ 910	+ 9,982	+ 2,037
July	+ 5,712	+ 13,844	- 762	- 3,796	- 631	- 2,943	+ 62	+ 5,113	+ 225	- 11,113	- 16,353
Aug	+ 418	+ 10,170	- 341	- 5,423	- 1,005	- 2,983	+ 224	- 8,318	- 717	+ 8,393	- 3,057
Sep	+ 6,078	+ 14,416	- 568	- 4,144	- 753	- 2,873	- 78	+ 6,211	- 259	- 11,951	+ 3,508
Oct	+ 4,415	+ 10,996	- 581	- 3,529	- 619	- 1,853	- 27	- 4,414	- 255	+ 281	- 21,689
Nov	+ 4,499	+ 10,235	- 702	- 1,150	- 986	- 2,898	+ 49	+ 3,866	+ 521	+ 1,204	+ 14,870
Dec	+ 7,480	+ 10,584	- 1,187	+ 88	- 406	- 1,600	- 38	- 10,728	+ 921	+ 2,365	- 190
2004 Jan	+ 6,295	+ 12,424	- 1,089	- 3,842	- 639	- 560	+ 13	+ 5,532	- 206	- 11,635	+ 5,619
Feb	+ 6,630	+ 12,051	- 729	- 1,939	- 76	- 2,677	- 179	+ 8,034	- 26	- 14,459	+ 556
Mar	+ 12,217	+ 16,480	- 734	- 1,307	+ 251	- 2,474	+ 447	+ 7,824	+ 437	- 5,277	- 12,996
Apr	+ 8,204	+ 14,231	- 737	- 2,183	- 1,252	- 1,855	+ 84	- 34,452	- 628	+ 26,792	+ 315
May	+ 7,812	+ 14,012	- 991	- 1,419	- 1,091	- 2,699	- 30	- 8,942	+ 607	+ 553	+ 9,981
June	+ 8,096	+ 14,604	- 1,107	- 2,343	- 59	- 2,999	+ 123	- 13,935	- 318	+ 6,034	+ 20,697
July	+ 6,587	+ 13,504	- 1,398	- 2,439	+ 277	- 3,356	+ 164	+ 2,177	+ 847	- 9,775	- 1,588
Aug	+ 2,844	+ 10,977	- 1,249	- 4,731	+ 314	- 2,467	+ 80	- 8,407	+ 517	+ 4,966	- 15,748
Sep	+ 4,924	+ 11,977	- 920	- 4,230	+ 880	- 2,782	- 53	- 25,603	+ 204	+ 20,527	- 13,931
Oct	+ 6,513	+ 12,502	- 1,164	- 2,643	+ 342	- 2,524	- 22	+ 620	+ 839	- 7,951	+ 23,124
Nov	+ 7,164	+ 11,821	- 1,231	- 1,498	+ 453	- 2,380	- 186	- 19,795	- 182	+ 12,999	- 10,787
Dec	+ 6,221	+ 10,537	- 992	- 2,389	+ 716	- 1,650	- 10	- 10,032	- 621	+ 4,442	- 9,147
2005 Jan	+ 6,812	+ 13,333	- 1,464	- 2,652	+ 215	- 2,621	- 1,218	+ 11,994	- 353	- 17,234	- 1,641
Feb	+ 9,086	+ 13,571	- 944	- 1,796	+ 618	- 2,363	- 106	- 9,437	+ 494	- 37	+ 18,279
Mar	+ 12,049	+ 16,324	- 1,006	- 1,873	+ 947	- 2,344	- 169	- 26,590	- 322	+ 15,032	- 23,451
Apr	+ 7,176	+ 12,719	- 1,073	- 936	- 2,055	- 1,479	- 199	- 20,838	+ 404	+ 13,457	+ 13,005
May	+ 5,541	+ 12,079	- 993	- 2,460	- 1,021	- 2,063	+ 273	+ 10,620	- 141	- 16,293	- 16,881
June	+ 11,027	+ 16,746	- 1,334	- 2,240	+ 800	- 2,945	+ 32	- 11,318	+ 967	- 707	+ 19,723
July	+ 7,604	+ 14,466	- 1,254	- 3,606	+ 593	- 2,595	+ 101	- 5,985	+ 324	- 2,044	- 1,210
Aug P	+ 2,459	+ 11,562	- 1,565	- 5,669	+ 215	- 2,084	- 91	- 4,937	+ 932	+ 1,637	- 20,142

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		2002	2003	2004 1	2005					
					Jan / Jul	Apr	May	Jun	Jul	Aug P
All countries 2	Exports	651,320	664,455	731,092	446,767	64,496	63,546	68,743	64,498	63,413
	Imports	518,532	534,534	575,973	347,529	51,777	51,468	51,998	50,032	51,851
	Balance	+ 132,788	+ 129,921	+ 155,119	+ 99,238	+ 12,719	+ 12,079	+ 16,746	+ 14,466	+ 11,562
I European countries	Exports	470,873	490,672	541,391	332,217	48,296	47,710	51,000	46,763	...
	Imports	372,955	384,939	409,245	249,923	37,112	37,252	37,154	35,552	...
	Balance	+ 97,918	+ 105,733	+ 132,146	+ 82,294	+ 11,184	+ 10,458	+ 13,846	+ 11,211	...
1 EU member states (25)	Exports	408,286	426,342	466,280	285,993	41,849	41,007	43,642	39,876	...
	Imports	314,981	324,043	342,694	208,654	30,738	31,108	31,095	30,238	...
	Balance	+ 93,304	+ 102,299	+ 123,587	+ 77,338	+ 11,111	+ 9,899	+ 12,547	+ 9,639	...
<i>Memo item</i>										
EU member states (15)	Exports	354,813	369,776	404,796	248,820	36,370	35,423	37,889	34,544	...
	Imports	262,849	266,404	284,564	175,813	25,983	26,205	26,143	25,367	...
	Balance	+ 91,964	+ 103,372	+ 120,232	+ 73,007	+ 10,388	+ 9,218	+ 11,746	+ 9,177	...
Euro-area countries	Exports	276,270	288,668	317,672	196,104	28,777	27,935	30,145	27,020	...
	Imports	211,642	215,705	231,020	141,968	20,992	20,987	20,161	20,453	...
	Balance	+ 64,628	+ 72,963	+ 86,652	+ 54,136	+ 7,785	+ 6,948	+ 9,084	+ 6,567	...
<i>of which</i>										
Austria	Exports	33,863	35,857	39,972	23,592	3,427	3,484	3,555	3,343	...
	Imports	21,047	21,453	24,397	14,262	2,114	2,049	2,148	2,205	...
	Balance	+ 12,816	+ 14,404	+ 15,575	+ 9,330	+ 1,313	+ 1,435	+ 1,407	+ 1,137	...
Belgium and Luxembourg	Exports	34,108	38,413	44,169	27,411	4,080	3,850	4,208	3,429	...
	Imports	26,505	26,132	29,332	19,522	2,985	2,910	2,872	2,736	...
	Balance	+ 7,603	+ 12,282	+ 14,837	+ 7,889	+ 1,095	+ 941	+ 1,337	+ 693	...
France	Exports	68,721	69,025	74,493	46,749	6,945	6,665	7,085	6,183	...
	Imports	48,200	48,545	51,451	31,143	4,903	4,571	4,765	4,320	...
	Balance	+ 20,521	+ 20,480	+ 23,042	+ 15,606	+ 2,042	+ 2,093	+ 2,320	+ 1,863	...
Italy	Exports	47,335	48,414	51,934	31,783	4,564	4,441	4,940	4,614	...
	Imports	33,482	34,259	35,178	20,763	3,146	3,121	2,994	3,029	...
	Balance	+ 13,853	+ 14,156	+ 16,756	+ 11,020	+ 1,418	+ 1,319	+ 1,947	+ 1,585	...
Netherlands	Exports	40,463	42,219	46,126	27,076	3,910	3,938	4,148	3,810	...
	Imports	40,751	42,301	46,602	29,783	3,845	4,528	4,392	4,196	...
	Balance	- 288	- 83	- 476	- 2,707	+ 65	- 590	- 244	- 386	...
Spain	Exports	29,436	32,364	36,309	23,851	3,476	3,473	3,804	3,433	...
	Imports	15,532	16,518	17,108	10,782	1,613	1,664	1,561	1,418	...
	Balance	+ 13,903	+ 15,846	+ 19,201	+ 13,069	+ 1,864	+ 1,809	+ 2,243	+ 2,015	...
Other EU member states	Exports	132,016	137,674	148,608	89,889	13,072	13,072	13,498	12,856	...
	Imports	103,339	108,337	111,673	66,686	9,746	10,121	10,034	9,785	...
	Balance	+ 28,677	+ 29,336	+ 36,935	+ 23,202	+ 3,326	+ 2,951	+ 3,464	+ 3,072	...
<i>of which</i>										
United Kingdom	Exports	53,761	55,597	60,025	36,212	5,153	4,973	5,266	5,392	...
	Imports	33,075	31,712	33,768	22,051	3,250	3,268	3,351	3,339	...
	Balance	+ 20,685	+ 23,885	+ 26,257	+ 14,161	+ 1,903	+ 1,705	+ 1,915	+ 2,053	...
2 Other European countries	Exports	62,588	64,331	75,111	46,224	6,447	6,703	7,358	6,886	...
	Imports	57,974	60,897	66,551	41,269	6,374	6,144	6,059	5,314	...
	Balance	+ 4,614	+ 3,434	+ 8,560	+ 4,955	+ 73	+ 559	+ 1,299	+ 1,572	...
II Non-European countries	Exports	178,818	172,329	188,334	113,772	16,119	15,755	17,512	17,649	...
	Imports	144,950	148,895	163,688	97,248	14,611	14,158	14,791	14,429	...
	Balance	+ 33,869	+ 23,434	+ 24,646	+ 16,524	+ 1,509	+ 1,597	+ 2,722	+ 3,221	...
1 Africa	Exports	11,797	12,072	13,603	8,410	1,197	1,210	1,299	1,317	...
	Imports	10,248	10,239	10,498	6,828	1,140	1,055	927	926	...
	Balance	+ 1,549	+ 1,832	+ 3,104	+ 1,582	+ 57	+ 155	+ 372	+ 391	...
2 America	Exports	89,081	79,629	84,514	51,503	7,403	7,079	8,154	7,971	...
	Imports	52,822	51,948	53,965	31,889	5,026	4,654	5,112	4,615	...
	Balance	+ 36,259	+ 27,681	+ 30,549	+ 19,615	+ 2,377	+ 2,425	+ 3,043	+ 3,356	...
<i>of which</i>										
United States	Exports	68,263	61,654	64,802	38,797	5,562	5,418	6,274	5,746	...
	Imports	40,376	39,231	40,265	23,359	3,712	3,357	3,768	3,264	...
	Balance	+ 27,887	+ 22,423	+ 24,538	+ 15,438	+ 1,850	+ 2,061	+ 2,506	+ 2,482	...
3 Asia	Exports	72,915	75,620	84,727	50,566	7,078	6,998	7,578	7,853	...
	Imports	79,892	84,783	97,190	57,399	8,297	8,279	8,545	8,720	...
	Balance	- 6,977	- 9,162	- 12,462	- 6,833	- 1,219	- 1,281	- 966	- 867	...
<i>of which</i>										
Middle East	Exports	15,045	15,511	17,351	11,459	1,498	1,649	1,749	1,847	...
	Imports	4,696	4,469	4,382	2,575	357	391	370	421	...
	Balance	+ 10,349	+ 11,043	+ 12,969	+ 8,884	+ 1,141	+ 1,258	+ 1,379	+ 1,426	...
Japan	Exports	12,576	11,889	12,693	7,735	1,147	940	1,062	1,106	...
	Imports	19,896	19,684	21,094	11,914	1,853	1,663	1,837	1,703	...
	Balance	- 7,320	- 7,795	- 8,401	- 4,179	- 706	- 722	- 775	- 597	...
People's Republic of China 3	Exports	14,571	18,265	20,995	11,423	1,596	1,624	1,683	1,938	...
	Imports	21,338	25,681	32,455	20,989	2,855	3,027	3,168	3,371	...
	Balance	- 6,768	- 7,417	- 11,460	- 9,567	- 1,259	- 1,403	- 1,485	- 1,433	...
4 Oceania and polar regions	Exports	5,026	5,008	5,490	3,293	442	468	481	508	...
	Imports	1,988	1,925	2,035	1,132	147	170	207	168	...
	Balance	+ 3,038	+ 3,083	+ 3,454	+ 2,161	+ 294	+ 298	+ 274	+ 340	...
<i>Memo item</i>										
Emerging markets in South-East Asia 4	Exports	25,282	24,515	26,814	15,482	2,202	2,159	2,397	2,252	...
	Imports	26,660	27,119	29,989	16,396	2,398	2,353	2,360	2,392	...
	Balance	- 1,377	- 2,603	- 3,175	- 914	- 197	- 194	+ 36	- 140	...

\* 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 The figures on "All countries" include revisions for the year 2004 which have not yet been

broken down by region for non-EU countries. — 2 Including fuel and other supplies for ships and aircraft and other data not classifiable by region. — 3 Excluding Hong Kong. — 4 Brunei Darussalam, Hong Kong, Indonesia, Malaysia, Philippines, Republic of Korea, Singapore, Taiwan and Thailand.

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

€ million

Period	Services							Other services			Compensation of employees <sup>5</sup>	Investment income
	Total	Travel <sup>1</sup>	Transportation <sup>2</sup>	Financial services	Patents and licences	Government transactions <sup>3</sup>	Total	of which				
								Services of self-employed persons <sup>4</sup>	Construction and assembly work, repairs			
2000	- 49,006	- 37,188	+ 3,386	+ 1,668	- 3,012	+ 2,221	- 16,081	- 2,757	- 753	- 651	- 6,625	
2001	- 49,862	- 37,821	+ 4,254	+ 1,080	- 2,431	+ 3,488	- 18,433	- 2,544	- 591	- 359	- 9,115	
2002	- 35,473	- 35,154	+ 2,771	+ 1,418	- 1,556	+ 5,237	- 8,188	- 2,028	+ 497	- 30	- 14,712	
2003	- 33,970	- 36,761	+ 1,719	+ 1,624	- 755	+ 5,086	- 4,884	- 1,814	+ 1,440	- 155	- 13,628	
2004	- 30,964	- 34,822	+ 4,318	+ 1,626	- 531	+ 5,316	- 6,870	- 1,342	+ 819	+ 262	- 145	
2003 Q4	- 4,590	- 6,823	+ 582	+ 443	+ 23	+ 1,266	- 81	- 344	+ 374	- 1	- 2,009	
2004 Q1	- 7,088	- 6,493	+ 590	+ 389	- 167	+ 1,275	- 2,681	- 336	+ 267	+ 308	- 771	
Q2	- 5,945	- 8,722	+ 1,532	+ 306	- 291	+ 1,442	- 213	- 368	+ 71	- 11	- 2,390	
Q3	- 11,400	- 13,584	+ 1,011	+ 464	+ 21	+ 1,425	- 738	- 294	+ 220	- 161	+ 1,632	
Q4	- 6,531	- 6,023	+ 1,184	+ 466	- 94	+ 1,174	- 3,238	- 344	+ 261	+ 127	+ 1,384	
2005 Q1	- 6,322	- 6,924	+ 1,202	+ 404	+ 1,010	+ 1,104	- 3,117	- 341	+ 91	+ 246	+ 1,534	
Q2	- 5,636	- 7,799	+ 1,470	+ 474	- 302	+ 950	- 429	- 350	+ 35	- 138	- 2,138	
2004 Oct	- 2,643	- 3,290	+ 410	+ 124	- 2	+ 381	- 266	- 77	+ 111	+ 37	+ 304	
Nov	- 1,498	- 1,852	+ 381	+ 128	- 38	+ 371	- 489	- 119	+ 5	+ 36	+ 417	
Dec	- 2,389	- 882	+ 394	+ 214	- 55	+ 421	- 2,483	- 148	+ 144	+ 54	+ 662	
2005 Jan	- 2,652	- 2,346	+ 252	+ 140	+ 1,175	+ 379	- 2,253	- 136	- 5	+ 87	+ 129	
Feb	- 1,796	- 2,104	+ 476	+ 74	+ 22	+ 343	- 608	- 89	- 76	+ 74	+ 544	
Mar	- 1,873	- 2,474	+ 473	+ 190	- 187	+ 382	- 257	- 116	+ 172	+ 85	+ 862	
Apr	- 936	- 1,692	+ 435	+ 204	- 249	+ 325	+ 42	- 101	+ 102	- 47	- 2,008	
May	- 2,460	- 2,830	+ 511	+ 138	+ 2	+ 303	- 584	- 118	- 13	- 48	- 973	
June	- 2,240	- 3,277	+ 524	+ 132	- 54	+ 322	+ 114	- 131	- 54	- 43	+ 843	
July	- 3,606	- 3,601	+ 578	- 21	- 288	+ 221	- 496	- 163	+ 31	- 92	+ 685	
Aug	- 5,669	- 5,985	+ 603	+ 110	- 9	+ 401	- 789	- 130	- 23	- 71	+ 285	

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 <sup>1</sup>					Private <sup>1</sup>			Total <sup>4</sup>	Public <sup>1</sup>	Private <sup>1</sup>
	Total	Total	International organisations <sup>2</sup>		Other current transfers <sup>3</sup>	Total	Remittances by foreign workers	Other current transfers			
			Total	of which European Communities							
2000	- 28,354	- 19,094	- 17,100	- 15,398	- 1,995	- 9,260	- 3,458	- 5,802	- 1,599	- 1,189	- 410
2001	- 27,416	- 16,927	- 14,257	- 12,587	- 2,670	- 10,489	- 3,520	- 6,969	- 387	- 1,361	+ 974
2002	- 28,061	- 16,286	- 13,045	- 11,214	- 3,241	- 11,776	- 3,470	- 8,305	- 212	- 1,416	+ 1,204
2003	- 28,684	- 18,730	- 15,426	- 13,730	- 3,304	- 9,954	- 3,332	- 6,622	+ 312	- 1,238	+ 1,550
2004	- 28,423	- 17,570	- 14,216	- 12,739	- 3,354	- 10,853	- 3,180	- 7,673	+ 430	- 1,094	+ 1,524
2003 Q4	- 6,351	- 4,099	- 2,859	- 2,662	- 1,240	- 2,251	- 833	- 1,418	- 16	- 461	+ 445
2004 Q1	- 5,711	- 3,169	- 2,316	- 1,672	- 853	- 2,541	- 795	- 1,747	+ 280	- 254	+ 535
Q2	- 7,553	- 4,457	- 4,469	- 4,162	+ 12	- 3,096	- 795	- 2,301	+ 177	- 239	+ 416
Q3	- 8,605	- 5,714	- 4,434	- 4,142	- 1,280	- 2,891	- 795	- 2,096	+ 191	- 261	+ 451
Q4	- 6,554	- 4,229	- 2,996	- 2,763	- 1,233	- 2,324	- 795	- 1,529	- 218	- 340	+ 122
2005 Q1	- 7,328	- 4,720	- 3,734	- 3,189	- 986	- 2,608	- 732	- 1,877	- 1,493	- 2,040	+ 547
Q2	- 6,488	- 3,534	- 3,771	- 3,322	+ 236	- 2,953	- 732	- 2,222	+ 105	- 315	+ 420
2004 Oct	- 2,524	- 1,739	- 1,285	- 1,224	- 454	- 785	- 265	- 520	- 22	- 95	+ 73
Nov	- 2,380	- 1,666	- 1,213	- 1,126	- 453	- 715	- 265	- 450	- 186	- 117	- 69
Dec	- 1,650	- 825	- 498	- 413	- 327	- 825	- 265	- 560	- 10	- 128	+ 118
2005 Jan	- 2,621	- 1,739	- 1,456	- 1,156	- 283	- 881	- 244	- 638	- 1,218	- 1,896	+ 678
Feb	- 2,363	- 1,484	- 1,059	- 901	- 426	- 879	- 244	- 635	- 106	- 63	- 43
Mar	- 2,344	- 1,496	- 1,219	- 1,132	- 277	- 848	- 244	- 604	- 169	- 81	- 88
Apr	- 1,479	- 591	- 1,043	- 987	+ 452	- 888	- 244	- 644	- 199	- 101	- 98
May	- 2,063	- 922	- 1,014	- 949	+ 91	- 1,141	- 244	- 897	+ 273	- 114	+ 387
June	- 2,945	- 2,021	- 1,714	- 1,386	- 307	- 924	- 244	- 680	+ 32	- 99	+ 131
July	- 2,595	- 1,687	- 1,360	- 1,232	- 328	- 908	- 244	- 664	+ 101	- 88	+ 189
Aug	- 2,084	- 1,277	- 1,208	- 1,053	- 69	- 807	- 244	- 563	- 91	- 144	+ 53

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	2002	2003	2004	2004		2005				
				Q3	Q4	Q1	Q2	June	July	Aug
<b>I Net German investment abroad</b> (Increase/capital exports: -)	- 254,047	- 199,019	- 253,924	- 111,016	- 50,233	- 150,091	- 93,010	- 12,971	- 19,010	- 2,496
<b>1 Direct investment 1</b>	- 16,120	+ 3,556	+ 5,853	- 9,741	+ 8,734	- 10,463	- 13,022	- 11,327	- 13	- 2,404
Equity capital	- 38,612	- 14,801	+ 25,938	+ 4,075	+ 1,188	- 2,741	- 4,905	- 1,699	- 51	- 1,424
Reinvested earnings 2	+ 9,740	+ 4,251	+ 899	+ 145	+ 925	- 220	+ 2,706	+ 602	+ 285	+ 573
Credit transactions of German direct investors	+ 21,345	+ 24,060	- 13,415	- 12,044	+ 8,209	- 6,713	- 9,203	- 9,204	- 111	- 1,272
Other capital	- 8,594	- 9,954	- 7,570	- 1,917	- 1,587	- 789	- 1,620	- 1,026	- 135	- 281
<b>2 Portfolio investment</b>	- 62,944	- 47,377	- 112,900	- 25,620	- 19,534	- 66,878	- 54,557	- 23,592	+ 1,664	- 10,059
Equity 3	- 4,674	+ 7,434	+ 6,199	+ 6,014	- 2,127	+ 794	+ 1,040	+ 1,111	- 780	- 1,380
Mutual fund shares 4	- 7,088	- 4,073	- 11,951	- 3,133	+ 780	- 14,506	- 7,765	- 3,744	- 3,629	- 3,047
Bonds and notes 5	- 47,456	- 54,045	- 99,938	- 20,990	- 20,222	- 55,973	- 45,813	- 19,962	+ 6,824	- 4,046
Money market instruments	- 3,726	+ 3,307	- 7,210	- 7,510	+ 2,035	+ 2,808	- 2,019	- 997	- 750	- 1,586
<b>3 Financial derivatives 6</b>	- 942	- 63	- 4,193	+ 426	- 3,427	- 3,437	- 567	+ 216	+ 540	- 3,295
<b>4 Credit transactions</b>	- 172,354	- 152,053	- 139,099	- 75,368	- 35,009	- 68,134	- 23,794	+ 22,052	- 20,670	+ 13,495
MFIs 7,8	- 132,536	- 122,305	- 121,390	- 33,208	- 37,222	- 57,496	- 46,925	- 1,541	- 8,105	+ 19,072
Long-term	- 33,790	- 32,555	+ 6,297	- 1,007	- 1,864	- 11,076	- 20,999	- 6,301	- 5,941	- 3,688
Short-term	- 98,746	- 89,750	- 127,687	- 32,201	- 35,358	- 46,420	- 25,926	+ 4,760	- 2,163	+ 22,760
Enterprises and households	- 10,976	- 31,245	- 17,436	- 11,920	- 639	- 14,492	+ 9,171	+ 4,392	- 2,888	+ 1,663
Long-term	- 1,396	- 2,880	- 3,363	- 1,040	- 845	- 1,091	- 2,506	- 1,737	- 600	- 101
Short-term 7	- 9,580	- 28,365	- 14,072	- 10,879	+ 206	- 13,401	+ 11,678	+ 6,129	- 2,288	+ 1,764
General government	+ 7,168	+ 1,267	+ 2,578	+ 1,191	+ 165	+ 8,686	- 1,488	- 109	- 7,522	+ 12,859
Long-term	+ 218	+ 694	+ 781	+ 183	+ 285	+ 2,200	+ 1,144	+ 14	+ 3,888	+ 610
Short-term 7	+ 6,950	+ 572	+ 1,798	+ 1,008	+ 120	+ 6,486	- 2,633	- 123	- 11,409	+ 12,248
Bundesbank	- 36,010	+ 230	- 2,851	- 31,431	+ 2,687	- 4,833	+ 15,449	+ 19,310	- 2,156	- 20,100
<b>5 Other investment 9</b>	- 1,686	- 3,083	- 3,586	- 713	- 996	- 1,180	- 1,071	- 320	- 532	- 232
<b>II Net foreign investment in Germany</b> (Increase/capital imports: +)	+ 211,222	+ 152,812	+ 141,296	+ 79,182	+ 21,026	+ 126,058	+ 71,474	+ 1,653	+ 13,025	- 2,441
<b>1 Direct investment 1</b>	+ 53,679	+ 23,841	- 28,054	+ 2,460	+ 1,042	- 181	+ 3,622	+ 3,910	- 3,346	- 191
Equity capital	+ 35,874	+ 40,475	+ 21,585	+ 7,235	+ 11,385	+ 941	+ 4,918	- 292	+ 426	+ 25
Reinvested earnings 2	- 7,080	- 7,668	- 6,415	- 264	- 1,152	- 621	- 2,274	- 912	- 127	+ 154
Credit transactions of foreign direct investors	+ 25,081	- 8,780	- 43,242	- 4,498	- 9,155	- 502	+ 957	+ 5,111	- 3,641	- 367
Other capital	- 197	- 186	+ 19	- 13	- 37	+ 2	+ 21	+ 4	- 4	- 3
<b>2 Portfolio investment</b>	+ 126,710	+ 112,285	+ 133,656	+ 48,341	+ 24,233	+ 55,080	+ 85,298	+ 68,534	+ 18,767	- 947
Equity 3	+ 15,907	+ 24,188	- 5,198	+ 6,557	+ 491	+ 3,534	+ 26,364	+ 34,405	+ 1,172	+ 866
Mutual fund shares	- 682	- 1,844	+ 5,064	+ 4,035	+ 1,181	+ 128	+ 821	+ 227	+ 1,941	+ 781
Bonds and notes 5	+ 82,880	+ 67,141	+ 147,724	+ 44,516	+ 22,575	+ 41,947	+ 58,932	+ 35,775	+ 13,791	- 3,416
Money market instruments	+ 28,605	+ 22,799	- 13,934	- 6,766	- 13	+ 9,472	- 819	- 1,872	+ 1,863	+ 822
<b>3 Credit transactions</b>	+ 30,751	+ 16,647	+ 35,476	+ 28,360	- 4,314	+ 71,229	- 17,444	- 70,789	- 2,353	- 1,353
MFIs 7,8	+ 28,453	+ 10,701	+ 32,357	+ 28,076	- 749	+ 64,383	- 17,797	- 73,046	- 999	- 5,495
Long-term	+ 18,379	- 5,972	- 10,060	+ 5,492	- 5,154	- 2,253	+ 4,527	+ 11,393	+ 841	- 1,636
Short-term	+ 10,075	+ 16,672	+ 42,417	+ 22,584	+ 4,405	+ 66,636	- 22,324	- 84,439	- 1,840	- 3,859
Enterprises and households	+ 3,270	+ 283	+ 7,188	- 312	- 1,990	+ 3,463	+ 510	+ 1,566	+ 1,252	+ 3,646
Long-term	+ 5,188	- 545	+ 3,919	- 490	- 325	+ 3,318	+ 8	+ 1,877	- 73	+ 528
Short-term 7	- 1,918	+ 828	+ 3,269	+ 177	- 1,665	+ 145	+ 502	+ 311	+ 1,325	+ 3,118
General government	- 1,625	+ 3,680	- 1,619	+ 1,950	- 2,044	+ 5,152	+ 533	+ 1,219	- 3,271	+ 1,499
Long-term	- 125	+ 4,859	- 385	+ 1,180	- 845	+ 3,015	- 840	- 1,708	+ 319	+ 755
Short-term 7	- 1,500	- 1,179	- 1,233	+ 770	- 1,199	+ 2,137	+ 1,374	+ 2,926	- 3,590	+ 744
Bundesbank	+ 653	+ 1,983	- 2,451	- 1,354	+ 469	- 1,769	- 690	- 528	+ 666	- 1,003
<b>4 Other investment</b>	+ 83	+ 40	+ 218	+ 21	+ 65	- 71	- 1	- 2	- 44	+ 50
<b>III Balance of all statistically recorded financial movements</b> (Net capital exports: -)	- 42,825	- 46,207	- 112,628	- 31,833	- 29,208	- 24,033	- 21,536	- 11,318	- 5,985	- 4,937

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	
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 Eurosystem (net) 2	Other claims on residents in other euro-area member states	Liabilities vis-à-vis non- residents 3	Net external position (col 1 less col 9)
	Total	Reserve assets				Other claims on non-euro- area residents 1,3					
		Total	Gold and gold receivables	Reserve position in the Inter- national Monetary Fund and special drawing rights	Foreign currency reserves						
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	
2004	93,110	71,335	35,495	6,548	29,292	312	20,796	667	7,935	85,175	
2004 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	
Sep	100,176	75,729	36,680	6,996	32,054	312	23,480	655	7,625	92,552	
Oct	76,043	74,334	36,935	6,889	30,510	312	740	656	7,128	68,915	
Nov	85,702	73,506	37,527	6,685	29,294	312	11,233	651	6,937	78,765	
Dec	93,110	71,335	35,495	6,548	29,292	312	20,796	667	7,935	85,175	
2005 Jan	94,895	73,556	35,888	6,634	31,034	312	20,327	699	6,315	88,580	
Feb	75,603	72,794	36,348	6,538	29,908	312	1,809	687	5,542	70,061	
Mar	100,452	73,813	36,399	6,143	31,271	312	25,627	699	6,322	94,131	
Apr	87,967	74,123	36,905	6,096	31,123	312	12,782	750	6,123	81,845	
May	107,063	76,431	37,282	6,340	32,809	350	29,451	831	6,292	100,771	
June	90,055	78,700	39,816	5,830	33,054	350	10,141	864	5,822	84,232	
July	90,752	77,205	38,927	5,007	33,270	350	12,291	907	6,491	84,261	
Aug	109,966	76,342	39,121	4,990	32,231	350	32,397	878	5,456	104,511	
Sep	103,805	82,825	43,325	4,994	34,506	350	19,747	883	7,580	96,225	

° 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

Bundesbank's cross-border payments within the Eurosystem. 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 Eurosystem. — 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
<b>All countries</b>														
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	362,099	86,627	275,472	159,653	115,819	108,515	7,304	543,186	54,822	488,364	400,431	87,933	60,464	27,469
2004	377,540	98,632	278,908	159,764	119,144	112,342	6,802	506,434	50,211	456,223	361,111	95,112	63,762	31,350
2005 Mar r	404,637	111,365	293,272	169,376	123,896	116,685	7,211	506,424	53,104	453,320	358,183	95,137	62,334	32,803
Apr r	399,912	104,542	295,370	171,970	123,400	116,057	7,343	501,290	53,088	448,202	352,952	95,250	61,957	33,293
May r	400,068	105,601	294,467	170,833	123,634	116,096	7,538	506,017	54,474	451,543	357,126	94,417	60,741	33,676
June r	401,908	98,045	303,863	175,661	128,202	120,921	7,281	512,106	55,859	456,247	357,804	98,443	65,458	32,985
July r	403,117	101,398	301,719	175,052	126,667	119,394	7,273	508,845	58,303	450,542	352,382	98,160	64,644	33,516
Aug	399,351	101,521	297,830	174,386	123,444	116,235	7,209	510,571	62,444	448,127	350,991	97,136	63,087	34,049
<b>Industrial countries 2</b>														
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	310,454	85,390	225,064	144,980	80,084	75,236	4,848	499,436	53,087	446,349	383,919	62,430	48,210	14,220
2004	335,809	97,485	238,324	148,649	89,675	84,903	4,772	468,592	48,304	420,288	349,293	70,995	53,480	17,515
2005 Mar r	361,754	109,928	251,826	157,854	93,972	88,895	5,077	469,315	51,298	418,017	347,601	70,416	52,030	18,386
Apr r	355,923	102,700	253,223	160,200	93,023	87,849	5,174	463,858	51,281	412,577	342,393	70,184	51,408	18,776
May r	355,273	103,922	251,351	158,681	92,670	87,342	5,328	468,917	52,550	416,367	347,184	69,183	50,327	18,856
June r	356,114	96,269	259,845	163,385	96,460	91,296	5,164	474,721	53,958	420,763	348,047	72,716	54,489	18,227
July r	357,124	99,571	257,553	162,679	94,874	89,645	5,229	471,098	56,484	414,614	342,714	71,900	53,419	18,481
Aug	353,381	99,660	253,721	161,873	91,848	86,578	5,270	472,783	60,661	412,122	341,058	71,064	52,061	19,003
<b>EU member states 2</b>														
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	230,673	81,430	149,243	94,092	55,151	51,459	3,692	411,811	50,304	361,507	321,010	40,497	30,855	9,642
2004	259,480	92,867	166,613	101,254	65,359	61,563	3,796	376,461	43,838	332,623	284,173	48,450	36,494	11,956
2005 Mar r	281,639	106,327	175,312	106,885	68,427	64,450	3,977	380,898	46,856	334,042	285,647	48,395	35,454	12,941
Apr r	277,463	98,907	178,556	110,469	68,087	64,003	4,084	376,009	46,967	329,042	280,347	48,695	35,580	13,115
May r	274,017	100,025	173,992	106,378	67,614	63,415	4,199	379,894	48,221	331,673	283,799	47,874	34,771	13,103
June r	272,034	92,713	179,321	109,810	69,511	65,428	4,083	383,723	49,519	334,204	283,937	50,267	37,484	12,783
July r	275,711	96,116	179,595	110,734	68,861	64,735	4,126	380,039	51,935	328,104	278,313	49,791	36,937	12,854
Aug	274,080	96,283	177,797	111,850	65,947	61,794	4,153	382,454	56,054	326,400	277,754	48,646	35,457	13,189
<b>of which: Euro-area member states 1</b>														
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	164,160	55,995	108,165	63,310	44,855	42,231	2,624	305,864	28,295	277,569	244,860	32,709	24,258	8,451
2005 Mar	175,685	60,865	114,820	68,111	46,709	43,953	2,756	312,147	29,092	283,055	250,656	32,399	23,270	9,129
Apr	173,153	58,239	114,914	68,253	46,661	43,833	2,828	311,548	28,801	282,747	250,293	32,454	23,288	9,166
May	170,024	59,185	110,839	64,818	46,021	43,081	2,940	314,259	29,796	284,463	253,106	31,357	22,314	9,043
June	169,344	53,639	115,705	68,377	47,328	44,490	2,838	315,953	29,801	286,152	253,133	33,019	24,049	8,970
July r	172,579	57,070	115,509	69,272	46,237	43,359	2,878	309,986	30,160	279,826	247,496	32,330	23,338	8,992
Aug	175,804	61,453	114,351	70,430	43,921	41,001	2,920	309,063	31,545	277,518	246,975	30,543	21,372	9,171
<b>Emerging economies and developing countries 3</b>														
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	41,731	1,147	40,584	11,115	29,469	27,439	2,030	37,842	1,907	35,935	11,818	24,117	10,282	13,835
2005 Mar	42,883	1,437	41,446	11,522	29,924	27,790	2,134	37,109	1,806	35,303	10,582	24,721	10,304	14,417
Apr	43,989	1,842	42,147	11,770	30,377	28,208	2,169	37,432	1,807	35,625	10,559	25,066	10,549	14,517
May	44,795	1,679	43,116	12,152	30,964	28,754	2,210	37,100	1,924	35,176	9,942	25,234	10,414	14,820
June	45,794	1,776	44,018	12,276	31,742	29,625	2,117	37,385	1,901	35,484	9,757	25,727	10,969	14,758
July	45,993	1,827	44,166	12,373	31,793	29,749	2,044	37,747	1,819	35,928	9,668	26,260	11,225	15,035
Aug	45,970	1,861	44,109	12,513	31,596	29,657	1,939	37,788	1,783	36,005	9,933	26,072	11,026	15,046

\* 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	United Kingdom	Sweden	Switzerland	Norway	Canada	Australia	New Zealand
	USD	JPY	DKK	GBP	SEK	CHF	NOK	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	2.926	27.421	115.740	25.580	1.4501	1.2942	0.9589
1992	1.5595	1.2313	25.869	2.753	26.912	111.198	25.143	1.2917	1.1476	0.8406
1993	1.6544	1.4945	25.508	2.483	21.248	111.949	23.303	1.2823	1.1235	0.8940
1994	1.6218	1.5870	25.513	2.4816	21.013	118.712	22.982	1.1884	1.1848	0.9605
1995	1.4338	1.5293	25.570	2.2620	20.116	121.240	22.614	1.0443	1.0622	0.9399
1996	1.5037	1.3838	25.945	2.3478	22.434	121.891	23.292	1.1027	1.1782	1.0357
1997	1.7348	1.4378	26.249	2.8410	22.718	119.508	24.508	1.2533	1.2889	1.1453
1998	1.7592	1.3484	26.258	2.9142	22.128	121.414	23.297	1.1884	1.1070	0.9445
Euro reference exchange rates published by the European Central Bank (EUR 1 = currency units ...) <sup>2</sup>										
1999	1.0658	121.32	7.4355	0.65874	8.8075	1.6003	8.3104	1.5840	1.6523	2.0145
2000	0.9236	99.47	7.4538	0.60948	8.4452	1.5579	8.1129	1.3706	1.5889	2.0288
2001	0.8956	108.68	7.4521	0.62187	9.2551	1.5105	8.0484	1.3864	1.7319	2.1300
2002	0.9456	118.06	7.4305	0.62883	9.1611	1.4670	7.5086	1.4838	1.7376	2.0366
2003	1.1312	130.97	7.4307	0.69199	9.1242	1.5212	8.0033	1.5817	1.7379	1.9438
2004	1.2439	134.44	7.4399	0.67866	9.1243	1.5438	8.3697	1.6167	1.6905	1.8731
2004 Feb	1.2646	134.78	7.4511	0.67690	9.1763	1.5734	8.7752	1.6817	1.6260	1.8262
Mar	1.2262	133.13	7.4493	0.67124	9.2346	1.5670	8.5407	1.6314	1.6370	1.8566
Apr	1.1985	129.08	7.4436	0.66533	9.1653	1.5547	8.2976	1.6068	1.6142	1.8727
May	1.2007	134.48	7.4405	0.67157	9.1277	1.5400	8.2074	1.6541	1.7033	1.9484
June	1.2138	132.86	7.4342	0.66428	9.1430	1.5192	8.2856	1.6492	1.7483	1.9301
July	1.2266	134.08	7.4355	0.66576	9.1962	1.5270	8.4751	1.6220	1.7135	1.8961
Aug	1.2176	134.54	7.4365	0.66942	9.1861	1.5387	8.3315	1.6007	1.7147	1.8604
Sep	1.2218	134.51	7.4381	0.68130	9.0920	1.5431	8.3604	1.5767	1.7396	1.8538
Oct	1.2490	135.97	7.4379	0.69144	9.0620	1.5426	8.2349	1.5600	1.7049	1.8280
Nov	1.2991	136.09	7.4313	0.69862	8.9981	1.5216	8.1412	1.5540	1.6867	1.8540
Dec	1.3408	139.14	7.4338	0.69500	8.9819	1.5364	8.2207	1.6333	1.7462	1.8737
2005 Jan	1.3119	135.63	7.4405	0.69867	9.0476	1.5469	8.2125	1.6060	1.7147	1.8620
Feb	1.3014	136.55	7.4427	0.68968	9.0852	1.5501	8.3199	1.6128	1.6670	1.8192
Mar	1.3201	138.83	7.4466	0.69233	9.0884	1.5494	8.1880	1.6064	1.6806	1.8081
Apr	1.2938	138.84	7.4499	0.68293	9.1670	1.5475	8.1763	1.5991	1.6738	1.7967
May	1.2694	135.37	7.4443	0.68399	9.1931	1.5449	8.0814	1.5942	1.6571	1.7665
June	1.2165	132.22	7.4448	0.66895	9.2628	1.5391	7.8932	1.5111	1.5875	1.7175
July	1.2037	134.75	7.4584	0.68756	9.4276	1.5578	7.9200	1.4730	1.6002	1.7732
Aug	1.2292	135.98	7.4596	0.68527	9.3398	1.5528	7.9165	1.4819	1.6144	1.7675
Sep	1.2256	136.06	7.4584	0.67760	9.3342	1.5496	7.8087	1.4452	1.6009	1.7515

\* 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 2.15 p.m. ECB time. 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	ECU values 1
	FRF 100	ITL 1,000	NLG 100	BEF/LUF 100	ATS 100	ESP 100	FIM 100	IEP 1	PTE 100	GRD 100 / EUR 1 2	ECU 1
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 ...) <sup>3</sup>											
	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 1,2				Effective nominal exchange rates of selected foreign currencies against the currencies of 19 industrial countries 1,3			
	EER-23 4				EER-42 5		19 industrial countries 3		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				
1999	95.9	95.9	95.7	96.4	96.5	95.8	97.7	98.2	97.7	100.8	102.3	105.1
2000	86.1	86.0	85.8	85.1	87.9	85.8	91.3	92.8	91.1	105.4	105.2	117.9
2001	86.7	86.8	86.8	84.8	90.4	87.0	91.4	93.2	91.4	112.0	103.6	106.7
2002	89.2	90.3	90.2	87.9	94.8	90.8	92.2	94.2	92.6	110.7	104.2	100.8
2003	99.9	101.7	101.5	99.0	106.6	101.6	95.8	97.8	97.2	97.7	99.2	99.9
2004	103.8	105.9	105.4	103.1	111.0	105.4	96.1	99.3	98.8	89.8	103.4	101.7
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	96.1	97.3	96.4	95.9	98.4	98.6	98.0	102.8	102.8	99.0
Q3	94.8	94.7	94.5	95.1	95.5	94.6	96.9	97.7	97.1	101.4	102.3	106.2
Q4	92.9	92.7	92.4	93.3	94.3	92.7	95.3	96.3	95.8	99.1	104.1	115.2
2000 Q1	89.5	89.4	89.2	88.1	91.0	89.2	93.4	94.8	93.4	101.5	106.4	114.9
Q2	86.5	86.3	86.3	85.8	88.2	86.1	91.5	92.7	91.4	104.3	105.4	118.4
Q3	85.1	85.1	84.9	84.2	87.0	84.8	90.7	92.1	90.3	106.2	103.9	119.2
Q4	83.2	83.3	82.9	82.3	85.5	83.0	89.7	91.4	89.5	109.4	105.0	119.2
2001 Q1	88.3	88.0	88.1	86.0	90.9	87.8	92.0	93.8	92.0	109.3	102.4	108.1
Q2	85.3	85.4	85.2	83.3	88.8	85.6	90.7	92.7	90.7	113.4	104.1	106.9
Q3	86.4	86.5	86.6	84.3	90.5	87.0	91.1	93.1	91.5	112.2	103.9	106.8
Q4	86.8	87.2	87.2	85.5	91.2	87.6	91.6	93.2	91.5	113.1	104.0	104.9
2002 Q1	86.0	86.9	86.8	84.6	90.4	86.8	91.3	93.3	91.0	116.6	104.9	98.8
Q2	87.8	88.9	88.6	86.5	93.0	89.2	91.6	93.7	91.6	112.1	103.5	100.8
2002 July	91.2	92.4	.	.	97.5	93.4	.	95.0	94.0	106.0	103.5	104.3
Aug	90.7	91.9	92.1	89.8	96.9	92.8	92.6	94.3	93.4	107.3	103.5	104.3
Sep	90.7	92.0	.	.	97.2	93.0	.	94.5	93.4	107.6	104.7	102.5
Oct	91.1	92.4	.	.	97.7	93.5	.	94.7	93.9	108.5	105.0	99.8
Nov	91.9	93.1	93.4	90.7	98.5	93.9	93.3	94.7	93.6	106.8	104.3	100.8
Dec	92.9	94.4	.	.	99.6	95.1	.	95.5	94.5	106.0	104.0	99.6
2003 Jan	95.3	96.8	.	.	102.3	97.6	.	96.2	95.5	103.0	102.6	100.4
Feb	96.6	98.2	97.5	95.3	103.7	98.9	94.7	96.8	96.3	102.2	101.2	99.2
Mar	97.4	98.9	.	.	104.4	99.5	.	97.0	96.5	101.4	99.3	99.8
Apr	97.9	99.6	.	.	104.6	99.6	.	97.3	96.5	101.4	98.7	98.6
May	101.8	103.6	102.3	99.7	108.5	103.3	96.4	98.7	98.0	96.7	96.9	97.7
June	102.2	104.1	.	.	108.8	103.7	.	99.0	98.3	96.1	98.9	96.3
July	101.0	102.9	.	.	107.2	102.3	.	98.4	97.5	97.8	98.5	97.3
Aug	99.8	101.7	102.0	99.8	106.0	101.1	95.9	97.9	96.9	99.1	98.1	98.3
Sep	99.6	101.6	.	.	105.9	101.0	.	97.5	96.8	97.2	98.2	101.1
Oct	101.3	103.3	.	.	108.0	102.9	.	98.0	97.5	93.3	98.8	103.7
Nov	101.2	103.2	104.2	101.2	108.0	102.9	96.2	98.0	97.4	93.0	99.5	103.9
Dec	104.2	106.3	.	.	111.2	106.0	.	99.2	99.1	90.6	99.5	102.9
2004 Jan	105.4	107.4	.	.	112.5	106.9	.	99.8	99.6	88.9	101.6	102.9
Feb	105.3	107.3	106.2	104.1	112.3	106.8	96.7	99.5	99.5	89.3	104.1	102.4
Mar	103.4	105.4	.	.	110.2	104.7	.	99.1	98.6	90.9	104.2	102.1
Apr	101.6	103.6	.	.	108.3	103.0	.	98.5	97.7	91.8	104.3	104.0
May	102.4	104.4	104.0	101.6	109.5	104.1	95.4	98.7	98.3	93.4	103.7	100.0
June	102.3	104.2	.	.	109.6	104.0	.	98.5	98.1	91.9	104.9	101.6
July	102.8	104.8	.	.	110.1	104.5	.	98.8	98.3	90.9	105.0	101.2
Aug	102.7	104.8	.	.	109.9	104.4	95.7	99.1	98.4	91.3	104.6	100.5
Sep	103.0	105.1	.	.	110.3	104.6	.	99.2	98.4	90.7	102.8	100.8
Oct	104.2	106.3	.	.	111.5	105.8	.	99.6	99.0	88.9	101.8	100.8
Nov	105.6	107.6	107.0	104.6	113.1	107.1	96.5	99.9	99.3	85.4	101.4	102.6
Dec	107.1	109.3	.	.	114.4	108.5	.	100.9	100.2	84.3	102.8	102.0
2005 Jan	105.8	108.0	.	.	112.9	106.9	.	100.3	99.2	85.3	101.7	103.6
Feb	105.1	107.2	107.0	104.3	111.9	105.8	p 96.3	100.1	98.7	86.1	102.9	102.4
Mar	106.0	108.2	.	.	112.9	106.8	.	100.4	98.9	85.3	103.0	101.4
Apr	105.1	107.2	.	.	111.9	105.8	.	99.9	98.5	86.8	104.0	100.4
May	104.0	106.2	104.8	102.7	110.6	104.6	p 95.1	99.6	97.9	87.8	103.2	102.0
June	101.2	103.5	.	.	107.6	101.9	.	98.6	96.6	89.6	104.4	102.0
July	101.7	103.8	.	.	108.0	102.0	.	99.0	96.8	90.7	101.6	99.8
Aug	102.3	104.5	...	...	108.7	102.7	p 94.4	99.2	97.1	89.2	102.4	99.9
Sep	101.8	104.0	.	.	108.2	102.2	.	99.0	96.7	88.8	103.4	99.5

\* The effective exchange rate corresponds to the weighted external value of the currency concerned. — 1 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 4, the weights used are based on the relevant trade in the period from 1995 to 1997. — 2 Decline in the figures implies an increase in competitiveness. — 3 Euro-area countries as well as Canada, Denmark, Japan, Norway, Sweden, Switzerland, United Kingdom and United States. — 4 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](http://www.ecb.int)). — 5 ECB calculations. In addition to the countries belonging to the EER-23 group (see footnote 4), 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. — 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 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 CD-ROM 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

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### Monthly Report

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For information on the articles published between 1990 and 2004 see the index attached to the January 2005 *Monthly Report*.

#### November 2004

- The economic scene in Germany in autumn 2004

#### December 2004

- Demographic burdens on growth and wealth in Germany

- The insurance sector as a financial intermediary
- Credit default swaps – functions, importance and information content

#### January 2005

- The relationship between money and prices
- German banks' foreign direct investment and cross-border services
- Comments on reforming the Stability and Growth Pact

#### February 2005

- The economic scene in Germany around the turn of 2004-05

#### March 2005

- Credit growth, bank capital and economic activity
- German balance of payments in 2004

#### April 2005

- The changes to the Stability and Growth Pact
- Deficit-limiting budgetary rules and a national stability pact in Germany
- Supervision of financial conglomerates in Germany

#### May 2005

- The economic scene in Germany in spring 2005

#### June 2005

- Investment and financing in 2004
- Germany's external relations with the People's Republic of China

#### July 2005

- Rapid change in paid employment
- Exchange rates and interest rate differentials: recent developments since the introduction of the euro

#### August 2005

- The economic scene in Germany in summer 2005

#### September 2005

- The performance of German credit institutions in 2004
- Recent trends in individual payments
- The role of volatility patterns in financial markets
- Potential financial risk faced by the International Monetary Fund

#### October 2005

- Germany's financial linkage to the EU budget
- German enterprises' profitability and financing – an analysis based on a new dataset
- New transparency rules for credit institutions
- Risk appetite in a dynamic financial market environment



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

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

## Special Publications

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The monetary policy of the Bundesbank,  
October 1995<sup>2</sup>

Makro-ökonomisches Mehr-Länder-Modell,  
November 1996<sup>3</sup>

Europäische Organisationen und Gremien im Be-  
reich von Währung und Wirtschaft, May 1997<sup>3</sup>

Die Zahlungsbilanz der ehemaligen DDR 1975 bis  
1989, August 1999<sup>3</sup>

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 2003<sup>3</sup>

European economic and monetary union,  
February 2004

Die Europäische Union: Grundlagen und Politik-  
bereiche außerhalb der Wirtschafts- und Wäh-  
rungsunion, April 2005<sup>3</sup>

## Special Statistical Publications

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- 1 Banking statistics guidelines and customer clas-  
sification, July 2003<sup>4</sup>

2 Bankenstatistik Kundensystematik Firmenver-  
zeichnisse, September 2005<sup>3,5</sup>

3 Aufbau der bankstatistischen Tabellen,  
January 2000<sup>3</sup>

4 Financial accounts for Germany 1991 to 2004,  
September 2005<sup>6</sup>

5 Annual accounts of west German enterprises  
1971 to 1996, March 1999<sup>1</sup>

6 Ratios from annual accounts of German enter-  
prises between 2000 and 2002, Novem-  
ber 2004<sup>6</sup>

7 Erläuterungen zum Leistungsverzeichnis für die  
Zahlungsbilanz, February 2005<sup>3</sup>

8 Balance of payments statistics of the Fed-  
eral Republic of Germany, 2nd edition,  
February 1991<sup>o</sup>

9 Securities deposits,  
August 2005

10 International capital links,  
April 2005<sup>1,6</sup>

11 Balance of payments by region,  
August 2005

12 Technologische Dienstleistungen in der Zah-  
lungsbilanz, June 2004<sup>3</sup>

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<sup>o</sup> Not available on the internet.

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

<sup>2</sup> Also available in French, Spanish, Russian and Chinese.

<sup>3</sup> Available in German only.

<sup>4</sup> Solely available on the internet, updated at half-yearly  
intervals. Only the sections "Monthly Balance Sheet Stat-  
istics", "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.

<sup>5</sup> Current version only available on the internet at quar-  
terly intervals.

<sup>6</sup> Available on the internet only.

## Discussion Papers\*

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### Series 1

#### Economic Studies

28/2005

Recursive robust estimation and control without commitment

29/2005

Asset pricing implications of Pareto optimality with private information

30/2005

Ultra high frequency volatility estimation with dependent microstructure noise

31/2005

Umstellung der deutschen VGR auf Vorjahrespreisbasis – Konzept und Konsequenzen für die aktuelle Wirtschaftsanalyse sowie die ökonometrische Modellierung

32/2005

Determinants of current account developments in the central and east European EU member states – consequences for the enlargement of the euro area

33/2005

An estimated DSGE model for the German economy within the euro area

34/2005

Rational inattention: a research agenda

35/2005

Monetary policy with model uncertainty: distribution forecast targeting

36/2005

Comparing the value relevance of R&D reporting in Germany: standard and selection effects

37/2005

European inflation expectations dynamics

### Series 2

#### Banking and Financial Studies

7/2005

Banks' regulatory capital buffer and the business cycle: evidence for German savings and cooperative banks

8/2005

German bank lending to industrial and non-industrial countries: driven by fundamentals or different treatment?

9/2005

Accounting for distress in bank mergers

10/2005

The eurosystem money market auctions: a banking perspective

11/2005

Financial integration and systemic risk

#### Banking legislation

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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 2001<sup>3</sup>

2a Grundsatz I über die Eigenmittel der Institute, January 2001<sup>3</sup>

2b Grundsatz II über die Liquidität der Institute, August 1999<sup>3</sup>

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

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\* Discussion Papers which appeared from 2000 onwards are available on the internet.

For footnotes, see p 79\*.