

## MONTHLY REPORT

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## Commentaries

### Economic conditions

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#### Economy as a whole

Growth in overall output in the second quarter was the strongest it had been since early 2001. Real gross domestic product (GDP) was up by just under 1% on the average of the previous quarter after adjustment for seasonal and working-day variations compared with  $\frac{3}{4}\%$  at the beginning of the year. Working-day adjusted growth was up by just under  $2\frac{1}{2}\%$  on the year. In particular, investment contributed to stronger growth in the second quarter. Real spending on buildings rose by just over  $4\frac{1}{2}\%$  compared with the average for the winter months when it had sunk by 3% due to inclement weather. At  $2\frac{1}{2}\%$ , investment in machinery and equipment grew slightly more strongly than in the first quarter. By contrast, the positive development in private consumption at the beginning of the year did not continue in the second quarter; it fell by just under  $\frac{1}{2}\%$  on the quarter. Overall, final domestic demand contributed just under  $\frac{1}{2}$  percentage point to growth. Positive changes in inventories contributed  $\frac{1}{2}$  percentage point to the increase in GDP. Exports expanded far less than in the preceding period. Nevertheless, they remained slightly stronger than imports, not least because of spending by foreign visitors in connection with the FIFA World Cup. Overall, though, the external sector provided only a weak stimulus.

*GDP in 2006  
Q2*

#### Industry

At the beginning of the third quarter, industrial business activity continued to move up-

*Industrial  
output*

## Economic conditions in Germany \*

Seasonally adjusted

Period	New orders (volume); 2000 = 100			
	Total	of which		Con- struction
		Domestic	Foreign	
2005 Q4	113.9	100.9	130.2	76.0
2006 Q1	115.7	100.9	134.1	72.7
Q2	117.6	104.2	134.2	76.5
May	117.2	105.0	132.4	78.7
June	117.4	103.9	134.2	74.2
July	119.5	105.1	137.6	...
Output; 2000 = 100				
Period	Total	of which		Con- struction
		Inter- mediate goods	Capital goods <sup>3</sup>	
	2005 Q4	108.8	109.5	113.4
2006 Q1	109.4	109.8	115.6	72.9
Q2	111.0	112.3	116.1	80.7
May	112.0	112.6	118.0	81.3
June	111.2	113.4	116.1	80.5
July	112.5	114.5	118.2	83.2
Labour market				
Period	Em- ployed <sup>4</sup>	Vacancies	Un- employed	Un- employ- ment rate in % <sup>5</sup>
	Number in thousands			
2005 Q4	38,877	493	4,744	11.4
2006 Q1	38,849	473	4,703	11.3
Q2	38,960	509	4,597	11.0
June	39,026	534	4,534	10.8
July	39,079	580	4,442	10.6
Aug	...	577	4,447	10.6
Period	Import prices	Producer prices of industrial prod- ucts <sup>6</sup>	Con- struction prices <sup>7</sup>	Con- sumer prices
	2000 = 100			
2005 Q4	103.9	112.7	103.0	109.3
2006 Q1	105.2	114.8	103.7	109.3
Q2	107.0	116.7	104.4	110.1
June	107.0	117.1	.	110.3
July	108.4	117.7	.	110.5
Aug	...	...	.	110.5

\* 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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wards. In July, seasonally and working-day adjusted output increased by 1¼%. The year-on-year increase therefore went up to 5¼%. All major sectors, with the exception of manufacturers of basic metals, were able to step up production; this held especially true for manufacturers of motor vehicles, trailers and semi-trailers.

Buoyant industrial activity was also reflected in the demand for industrial products. In seasonally and working-day adjusted terms, demand in July increased by 1¾% on the figure for June, which had been adjusted upwards. Nonetheless, the year-on-year increase dropped slightly to 7½%. Following practically no additional foreign demand in the first half of the year, foreign business was the primary source of growth in July. However, more trade was also done with domestic customers. Capital goods producers, in particular, profited from the stronger dynamics of demand.

In July, the seasonally adjusted value of exports of goods rose by 2¼% on the month. At the same time, nominal imports of goods were 2¾% up on their June level. Overall, the trade surplus remained virtually unchanged. If the sharper price increases in imports are taken into consideration, however, the real trade surplus was up on the month.

## Construction

In July, construction output expanded sharply: it was 3½% up on June after adjustment for seasonal and working-day variations. The year-on-year increase went up to 6¼%.

*Demand*

*Foreign trade*

*Output*

Compared with the already considerably higher second quarter average, the increase was approximately 3% after adjustment for seasonal variations. Growth was achieved in the general construction of buildings as well as in civil engineering works.

#### *Orders*

Despite increasing noticeably in April and May, new orders declined significantly in June (more recent statistical data are unavailable at present) compared with the previous month. The overall increase in the second quarter was 5¼% compared with the weak first quarter which had been marred by inclement weather. The increase on the final quarter of 2005, when normal weather conditions had prevailed, was ¾%. In June, the pace slackened perceptibly, above all in commercial orders, which had previously experienced strong growth. In residential construction, however, demand developed more favourably. Public sector orders also rose, especially in road construction.

#### **Labour market**

#### *Employment*

The economic upswing in the labour market continued. According to initial estimates by the Federal Statistical Office, the number of persons in work rose to 39.08 million in July. This was 53,000 more than in June and 310,000 more than 12 months previously. The Federal Employment Agency's estimate of the number of employees subject to social security contributions, which was revised significantly upwards for May, was even higher in June according to initial calculations. The overall second quarter increase amounted to 115,000 on the first quarter of 2006 and

50,000 on the year. Although the number of job vacancies officially registered in August was unchanged from the previous month, it was up by 155,000 on the year. The volume of government-assisted forms of employment barely changed in July. The number of persons for whom labour market reallocation grants were paid increased while the number short-time workers decreased.

According to Federal Employment Agency figures, registered unemployment in August, at 4.45 million after adjustment for seasonal variations, remained practically unchanged compared with July, when it had dropped sharply. The year-on-year decrease was thus 425,000. Persons leaving educational establishments who subsequently register as unemployed generally do so in July. Unusually, more did so in August than in July this year; therefore, a certain distortion in the July figure resulted in a weaker than usual decline in unemployment. The seasonally-adjusted unemployment rate remained at 10.6% as in the previous month.

#### *Unemployment*

#### **Prices**

Prices in the international energy markets remained at a very high level in August. At just over US\$74, the spot quotation for a barrel of Brent North Sea oil in mid-August was only about US\$½ lower than in July. Since late August and early September, a further easing has become apparent, however. At the time this report went to press (14 September 2006), the spot price stood at just under US\$64. However, mid-term (6-month) futures contracts were quoted at US\$3¼ above the

#### *International oil prices*

spot rate and long-term futures contracts (18 months) were quoted at US\$4¼ above the spot rate, indicating that the market does not expect any further falls.

*Industrial import and producer prices*

Price pressure on the upstream sectors of the economy intensified in July. After adjustment for seasonal variations, import prices increased by 1.3% owing to marked rises in the price of energy as well as metals and semi-finished products. The year-on-year increase was 6.3%. Industrial producer prices were up by 6.0% on the year. This price surge, too, was largely attributable to energy and intermediate goods.

*Consumer prices*

In seasonally adjusted terms, consumer prices remained unchanged in August. While food prices went up quite sharply yet again, fuel prices fell. Package holidays also became cheaper again. Year-on-year consumer price inflation (CPI) declined by 0.2 percentage point to 1.7%. The HICP inflation rate stood at 1.8%, compared with 2.1% in July.

## Public finances<sup>1</sup>

### Statutory health insurance scheme

*Significant surplus in statutory health insurance in second quarter*

After a deficit of just over €1 billion in the first quarter, the statutory health insurance scheme recorded a surplus of about the same amount in the second quarter. Revenue from contributions was slightly more than 1% up on the year.<sup>2</sup> While income subject to compulsory insurance contributions (basic payroll) increased by almost 1½% in the case of employees, it stagnated for pensioners. At just

over 3%, revenue grew far more sharply than in the first three months of the year, mainly due to the receipt of the first half of the Federal grant, which had increased from €2.5 billion to €4.2 billion in total.

At 2½%, expenditure increased at a much slower pace than in the first quarter (+4½%). Spending on pharmaceuticals was up only ½% on the year (after a previous increase of just over 10%). Spending on hospitals increased by just over 3%, however, this was slower than in the previous year (5½%). Expenditure on sickness benefit was again lower. However, expenditure on dental treatment and dentures, in particular, increased significantly (+9½%). This shows a clear turnaround following the sharp decline in this type of expenditure at the beginning of 2005 owing to the changeover to diagnosis-related fixed subsidies for dentures.

*Major slowdown in rise in expenditure*

As can be seen, the unfavourable financial results for the first quarter could not be mechanically extrapolated for the entire year. In particular, federal resources, which were considerably higher, contributed to an improvement in results in the second quarter. In add-

*Financial situation comparatively less tense in 2006*

<sup>1</sup> In the short report on public finances which regularly appears in the Monthly Report, the emphasis is on recent outturns. The quarterly Monthly Reports (published in February, May, August and November), by contrast, contain a detailed description of general government budget trends during the preceding quarter. For detailed statistical data on budgetary developments and public debt, see the statistical section of this report.

<sup>2</sup> In contrast to what happens in the statutory pension insurance scheme and the Federal Employment Agency, contribution receipts are recorded on an accruals basis in the statutory health insurance scheme. Consequently, the new rule stipulating the earlier transfer of social security contributions by employers, which came into force at the start of 2006, does not have a revenue-boosting effect here.



ition, the subdued growth in spending on pharmaceuticals – partly induced by the “Act improving cost-efficiency in pharmaceuticals supply” (*Gesetz zur Verbesserung der Wirtschaftlichkeit in der Arzneimittelversorgung*) that came into force on 1 May – and the comparatively favourable revenue from contributions also played a part. Nevertheless, a large number of health insurance funds will still record considerable debts at the end of the year which, under current law, will have to be eliminated by the end of 2007.

*Financial pressure will increase significantly in 2007*

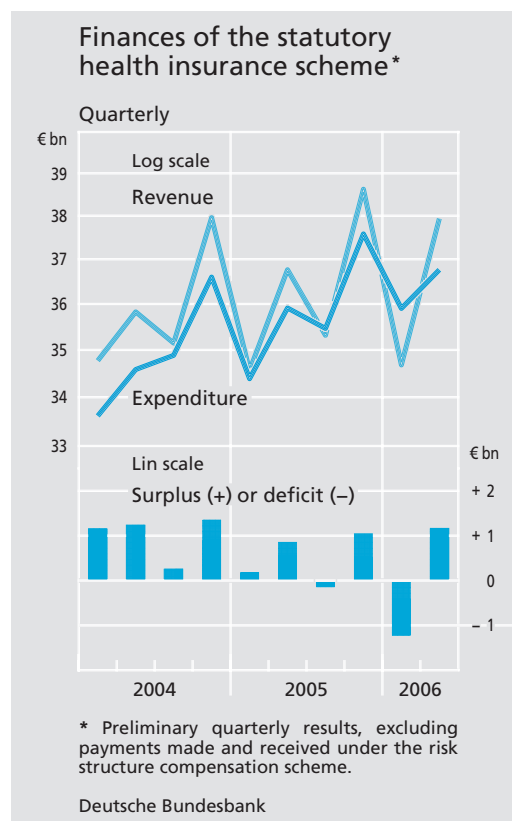
In the coming year, the cut in the Federal grant of €2.7 billion to €1.5 billion as well as additional expenditure as a result of the VAT increase (almost €1 billion) alone mean that the average contribution rate has to increase by almost 0.4 percentage point. This, along with the probable increase in the contribution rate to the statutory pension insurance scheme, will partially compensate for the cut in the contribution rate to the Federal Employment Agency.

### Long-term care insurance scheme

*Surplus in long-term care insurance scheme ...*

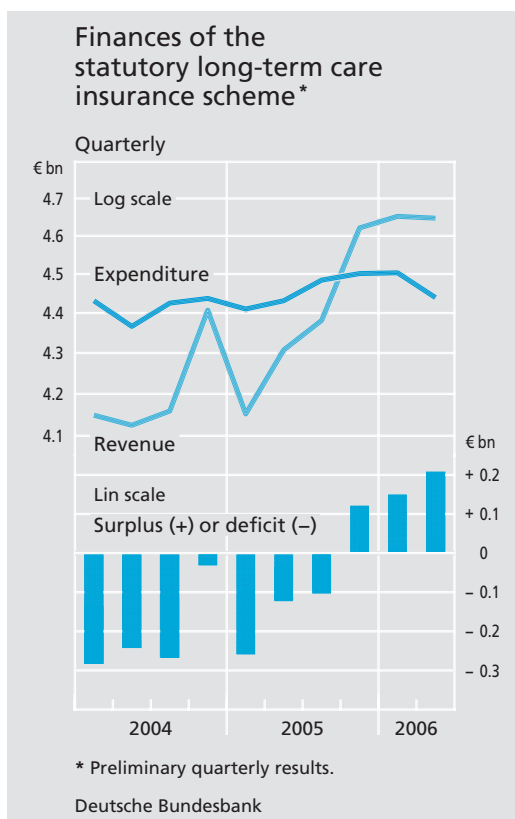
The long-term care insurance scheme recorded a surplus of almost €¼ billion again for the second quarter of 2006. Expenditure on benefits was not higher than during the same period of the previous year and this eased the financial burden. Only expenditure on nursing home care increased, namely by almost 2%. By contrast, expenditure on out-patient care and benefits in cash declined.

As in the first quarter, the significant financial improvement on the previous year is mainly



due to additional revenue resulting from bringing forward the transfer deadline for social security contributions. Since January, employers have had to transfer the social security contributions on wages and salaries paid at month-end in the same month. Therefore, in January 2006, contributions were received for December and for January in many cases. However, an exemption provision gave employers the opportunity to transfer the contributions for January equally over the following six months, which meant that the one-off additional revenue was spread over the months up to and including July. Both in the final annual accounts (financial statistics) of the long-term health insurance scheme and in the national accounts, the contributions are recorded on an accruals basis, ie in the months in which they were generated. In-

*... due predominantly to additional revenue from contributions*



stead of a surplus of almost €½ billion, these accounts will probably record a slight deficit for the first half of the year in the annual result. Overall, however, the long-term care insurance scheme is also benefiting from a more favourable development in the contribution base this year. However, even if the moderate growth in expenditure continues, the final results for the year are not likely to be much more favourable than in the previous year after adjustment for the one-off effect.

## Securities markets

### Bond market

In July, domestic borrowers issued debt securities in the German bond market to a value of

€81.5 billion, compared with €89.4 billion in June. Owing to lower redemptions and after taking due account of changes in issuers' holdings of their own bonds and notes, net sales amounted to €18.6 billion, representing a significant gain on the previous month's figure where the volume of domestic bonds outstanding had gone down by €6.7 billion. In July, net sales of foreign debt securities amounted to €5.5 billion, bringing the total amount of funds raised in the bond market to €24.1 billion.

General government was the main issuer among domestic borrowers, adding €23.5 billion to its bonded debt. Central government accounted for €22.9 billion of this amount, issuing the bulk of these funds as ten-year and thirty-year Federal bonds worth €11.3 billion and €3.8 billion respectively. In the shorter-term maturity segment, it issued two-year Federal Treasury notes (Schätze) worth €5.4 billion, Treasury discount paper (Bubills) to the value of €0.7 billion and Federal Treasury financing paper for €0.2 billion. Five-year Federal notes (Bobls) were sold for €1.5 billion net. State governments borrowed €0.6 billion on the bond market in July.

In July 2006, credit institutions redeemed their own securities in the amount of €1.5 billion after issuing bank debt securities for €4.7 billion net in the previous month. This decrease was, on balance, largely attributable to net redemptions of public Pfandbriefe (–€1.9 billion), the outstanding volume of which has tended to decline in the past few years. In July 2006, the volume of mortgage

*Public debt securities*

*Bank debt securities*

Pfandbriefe and of debt securities of specialised credit institutions also decreased, by €0.4 billion and €0.2 billion respectively. Other bank debt securities, which can be structured especially flexibly, were the only bank debt securities to be issued in July, at a net value of €1.0 billion. Their share of total bank debt securities issuance has increased from 33% to 43% over the past five years.

*Corporate bonds*

Corporate bonds and commercial paper were redeemed on balance. The volume of such paper fell by a further €3.4 billion in July, having already dropped by €2.5 billion in the previous month.

*Purchases of debt securities*

Non-residents accounted for the majority of debt security acquisitions (€17.0 billion), for the most part purchasing public sector paper (€12.8 billion). Domestic non-banks increased their holdings of German public debt securities by €10.1 billion and purchased foreign bonds to the amount of €2.7 billion. At the same time, they sold private sector paper worth €4.7 billion. Domestic credit institutions removed €3.7 billion worth of German bonds from their portfolios, while adding debt securities issued by non-residents amounting to €2.8 billion.

**Equity market**

*Sales and purchases of shares*

Issuing activity in the German equity market picked up in July. At €2.0 billion, the market value of the issues exceeded the previous month's figure of €0.4 billion. However, this shift can be attributed mainly to the capital increase of one enterprise. The stocks of foreign equities held by residents were depleted

**Sales and purchases of debt securities**

€ billion

Item	2005	2006	
	July	June	July
Sales of domestic debt securities <sup>1</sup>	8.7	- 6.7	18.6
<i>of which</i>			
Bank debt securities	- 5.2	4.7	- 1.5
Public debt securities	15.6	- 8.9	23.5
Foreign debt securities <sup>2</sup>	- 5.3	21.5	5.5
<b>Purchases</b>			
Residents	- 12.4	14.3	7.1
Credit institutions <sup>3</sup>	- 5.5	3.7	- 0.9
Non-banks <sup>4</sup>	- 6.9	10.5	8.1
<i>of which</i>			
Domestic debt securities	- 8.8	5.3	5.3
Non-residents <sup>2</sup>	15.8	0.6	17.0
<b>Total sales/purchases</b>	<b>3.4</b>	<b>14.9</b>	<b>24.1</b>

<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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by €7.0 billion. Credit institutions and foreign investors sold shares worth €7.3 billion and €4.0 billion respectively. Only non-banks purchased equities on balance (€6.3 billion). They purchased domestic securities for €10.7 billion and disposed of foreign paper in the amount of €4.4 billion.

**Mutual fund shares**

The volume of domestic mutual fund shares went down by €0.1 billion. While, above all, specialised funds reserved for institutional investors recorded inflows of new cash (€0.5 billion), investment funds open to the general public suffered outflows of funds amounting to €0.6 billion. This came from investors withdrawing €0.6 billion from money market funds, €0.3 billion from bond-based funds

*Sales of mutual fund shares*

and €0.2 billion from mixed security-based funds. After recording outflows from March to June, share-based funds were once again able to record net sales of shares totalling €0.3 billion in the month under review. Open-end real estate funds (€0.1 billion) and funds of funds (€0.1 billion) also recorded a marginally positive net inflow of resources. The volume of foreign mutual fund shares was down by €0.1 billion.

*Purchases of mutual fund shares*

Resident credit institutions invested €0.5 billion in mutual fund shares. Foreign investors put €0.4 billion into domestic mutual fund shares in July. By contrast, domestic non-banks sold domestic mutual fund shares for €0.9 billion and purchased €0.1 billion worth of foreign certificates on balance.

### Balance of payments

*Current account*

Germany's current account recorded a surplus – in unadjusted terms – of €7.3 billion in July, compared with one of €10.7 billion a month earlier. The main reason for this fall was the greater deficit in the area of invisible current transactions. These comprise services, income and current transfers. Another contributory factor was the slight decline in the trade surplus.

*Foreign trade*

According to provisional figures from the Federal Statistical Office, the foreign trade surplus fell from €13.4 billion in June to €13.1 billion in July. After adjustment for seasonal and working-day variations, the balance remained unchanged at €12 billion. At 2¾%, month-on-month growth in imports of goods

was somewhat stronger than the growth in exports of goods (2¼%); in terms of value, however, it was significantly less. In the period from April to July, seasonally adjusted exports were on average 1¾% above the level of the first quarter of 2006, a development which was due mainly to price increases. Nominal imports increased just as strongly as exports in this period although they slightly decreased in real terms.

*Invisibles*

In July, the deficit on invisible current transactions rose by €3.2 billion on the month to €4.0 billion. This was due to a deterioration in all three sub-accounts. The deficits on services and current transfers both increased by €1.1 billion to €2.5 billion and €2.6 billion respectively. At €1.1 billion, the net cross-border income was only about half as much as in June (€2.1 billion).

*Portfolio investment*

Cross-border portfolio transactions resulted in net capital imports of €19.2 billion in July, compared with €10.6 billion in June. As in the previous month, foreign investment in German securities was quite strong (€17.9 billion, compared with €28.3 billion). The emphasis was on the acquisition of domestic debt securities (€17.0 billion), which was due solely to the acquisition of bonds and notes (€18.5 billion). The focus here was on paper issued by general government (€12.4 billion). By contrast, German portfolio investors reduced their net cross-border investment by €1.4 billion in July. In particular, they sold shares (€7.1 billion) but bought debt securities in return (€5.5 billion).

*Direct  
investment*

Direct investment resulted in net capital exports of €9.2 billion in July, compared with €4.7 billion a month earlier. This was significantly influenced by two individual transactions undertaken by domestic market players. In the case of German direct investment abroad there was a major loan repayment in favour of a non-resident subsidiary, whereas in the case of foreign direct investment in Germany a German direct investment enterprise bought back some of its own shares from a foreign investor. On balance, German direct investment abroad resulted in capital exports of €4.6 billion, while foreign direct investment in Germany resulted in capital exports of €4.7 billion.

*Other  
investment*

Other investment, which comprises loans and trade credits as well as bank deposits and other assets, resulted in net capital exports of €3.8 billion in July (compared with €36.9 billion in June). Enterprises and individuals recorded inflows of funds amounting to €5.9 billion, mainly drawing on their bank deposits abroad. The activities of general government resulted in inflows of funds amounting to €2.4 billion. By contrast, the Bundesbank recorded increases in claims amounting to €10.4 billion net. These were mainly attributable to transactions in connection with the large-value payment system TARGET. In the unsecured financial transactions of German credit institutions, there were net outflows of €1.8 billion.

*Reserve assets*

The Bundesbank's reserve assets rose – at transaction values – by €0.3 billion in July.

**Major items of the balance  
of payments**

€ billion			
Item	2005	2006	
	July r	June r	July
I Current account			
1 Foreign trade <sup>1</sup>			
Exports (fob)	64.5	73.4	73.1
Imports (cif)	50.0	60.1	60.0
Balance	+ 14.5	+ 13.4	+ 13.1
Memo item			
Seasonally adjusted figures			
Exports (fob)	65.1	72.1	73.8
Imports (cif)	51.6	60.2	61.9
2 Supplementary trade items <sup>2</sup>	- 1.7	- 1.8	- 1.9
3 Services			
Receipts	11.6	12.3	12.2
Expenditure	14.5	13.7	14.7
Balance	- 2.9	- 1.4	- 2.5
4 Income (net)	+ 0.9	+ 2.1	+ 1.1
5 Current transfers from non-residents to non-residents	1.0	1.7	1.1
Balance	3.4	3.2	3.7
Balance	- 2.4	- 1.5	- 2.6
Balance on current account	+ 8.3	+ 10.7	+ 7.3
II Capital transfers (net) <sup>3</sup>	+ 0.1	+ 0.4	- 0.2
III Financial account (net capital exports: -)			
1 Direct investment	- 4.9	- 4.7	- 9.2
German investment abroad	- 1.6	- 8.0	- 4.6
Foreign investment in Germany	- 3.3	+ 3.4	- 4.7
2 Portfolio investment	+ 19.5	+ 10.6	+ 19.2
German investment abroad	+ 0.6	- 17.7	+ 1.4
of which			
Shares	- 0.8	+ 2.0	+ 7.1
Bonds and notes <sup>4</sup>	+ 6.0	- 19.1	- 4.0
Foreign investment in Germany	+ 18.9	+ 28.3	+ 17.9
of which			
Shares	+ 1.1	+ 27.8	+ 0.5
Bonds and notes <sup>4</sup>	+ 13.8	+ 5.0	+ 18.5
3 Financial derivatives	+ 1.0	+ 1.6	+ 0.0
4 Other investment <sup>5</sup>	- 21.7	+ 36.9	- 3.8
Monetary financial institutions <sup>6</sup>			
of which			
Short-term	- 9.1	- 76.1	- 1.8
Enterprises and households	- 4.0	- 68.7	+ 0.9
General government	- 0.4	+ 14.7	+ 5.9
Bundesbank	- 10.8	- 4.0	+ 2.4
Bundesbank	- 1.5	+ 28.6	- 10.4
5 Change in the reserve assets at transaction values (increase: -) <sup>7</sup>	+ 0.3	- 0.0	- 0.3
Balance on financial account <sup>8</sup>	- 5.7	- 29.3	+ 5.8
IV Errors and omissions	- 2.7	+ 18.1	- 12.9

<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 as well as goods under repair. — <sup>3</sup> Including the acquisition/disposal of non-produced non-financial assets. — <sup>4</sup> Original maturity of more than one year. — <sup>5</sup> Includes financial and trade credits, bank deposits and other assets. — <sup>6</sup> Excluding Bundesbank. — <sup>7</sup> Excluding allocation of SDRs and excluding changes due to value adjustments. — <sup>8</sup> Balance on financial account including change in the reserve assets.

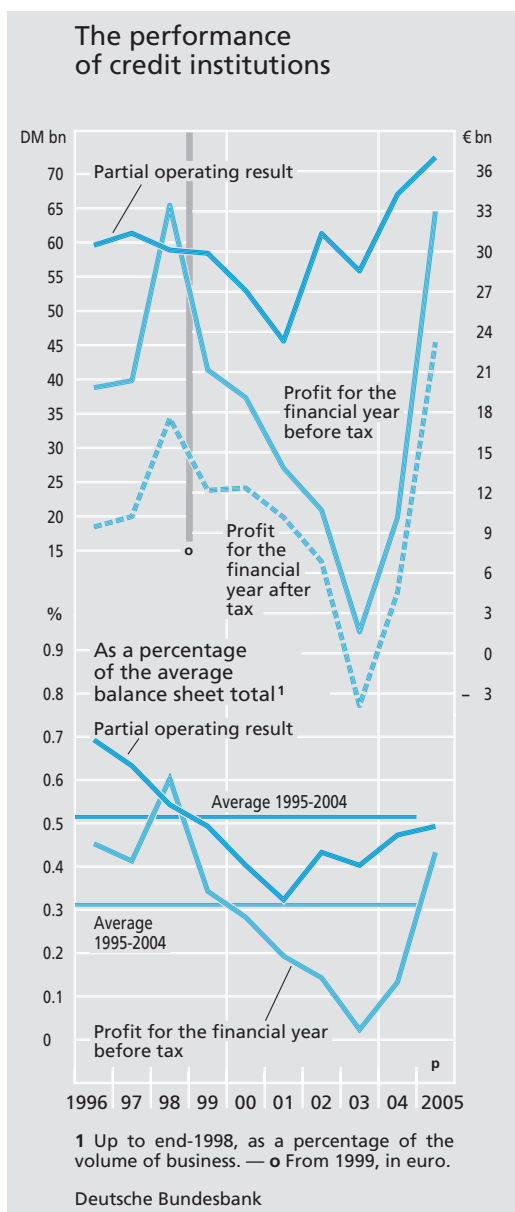
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## The performance of German credit institutions in 2005

The recovery in German banks' performance continued in 2005. Even more than in 2004, however, profit growth was concentrated on individual categories of banks and the big banks in particular. While the improvements in 2004 derived mainly from the cost side, there were supporting factors on both sides of the profit and loss account in the year under review. On the cost side, there was a further decline in risk provisioning, while administrative spending was again on the increase. On the income side, profit growth in interest business remained subdued. By contrast, substantial increases were achieved in net commissions received and particularly in own-account trading, which was, however, partly influenced by exceptional effects.

The published individual accounts drawn up in accordance with the German Commercial Code (*Handelsgesetzbuch*) indicate a marked increase in the operating result of German credit institutions. Owing to the declining burden from the balance of the "extraordinary account", the profit for the financial year before tax grew even more strongly, in fact. Even after tax, profit growth was substantial. Finally, it was notable that, unlike in previous years, German banks built up sizeable reserves in 2005. For the current financial year, a stabilisation in the level of income achieved has been emerging so far.



#### Income from interest business

*Subdued growth in net interest received*

After significantly adjusting their balance sheets and reducing their risk assets in previous years, German banks increased their stocks of risk assets again somewhat in 2005. Owing to the higher remuneration of these riskier assets, the net interest received by German credit institutions, at €88.2 billion, was €3.2 billion up on the year. Nevertheless, the

share of net interest received in income from overall operating business – which combines net interest and net commissions received, income from own-account trading, and net other operating income or charges – fell to 68.3%. This was due primarily to the significantly sharper increase in the net profit on financial operations.<sup>1</sup> The interest margin – net interest received in relation to banks' balance sheet total – also narrowed to 1.17% as the slight rise in net interest received was more than offset by a somewhat sharper expansion of the balance sheet total. The same also applies to the balance sheet total adjusted for interbank business. In this context, the interest margin likewise narrowed to 1.62%, compared with 1.63% in 2004.

As in 2004, an analysis of the result from interest business by category of banks shows that the increase was generated largely by commercial banks. Among the commercial banks, the big banks again managed to achieve a sharp increase in their net interest received to €19.4 billion after already recording a very positive result in the previous year (€17.3 billion). This was due primarily to the increase in interest received from lending and money market transactions. The expansion of interbank business, mainly with foreign banks, is likely to have been the main reason for this. Furthermore, there was an increase in big banks' earnings arising from

*Improved result from interest business, primarily at commercial banks*

<sup>1</sup> When interpreting this figure – and, incidentally, all other data involving the net profit from financial operations – it should be noted that, partly owing to an increased fair-value measurement of trading positions, the trading result of the German banks for 2005 is comparable only to a very limited extent with the previous years' figures. This affected the big banks and the Landesbanken in particular.



their markedly higher securitised lending, especially to non-residents. Owing to the positive interest rate result, the big banks' interest margin went up to 1.00%. Besides the big banks, it was mainly the regional banks that noticeably improved their interest rate result, their interest margin increasing by 0.12 percentage point to 2.17%. The recorded growth was, however, due, first and foremost, to a sharp rise in individual credit institutions' profits transferred under profit pooling and profit transfer agreements and not the result of a general expansion of lending business.

*Slight narrowing of interest margin at savings banks and credit cooperatives, however*

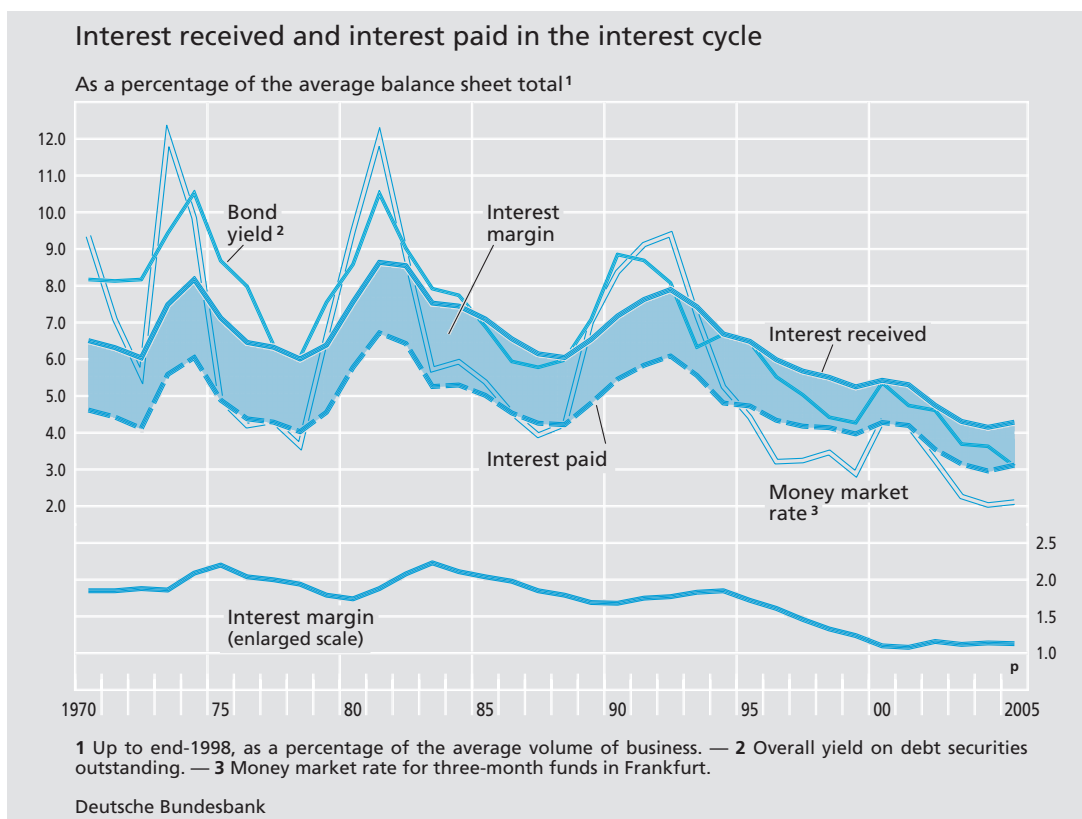
By contrast, in the case of savings banks there was a slight narrowing of the interest margin. This fell by 0.05 percentage point to 2.30% – a decline which was reinforced by the slight expansion of the balance sheet total. This is particularly notable as the share of net interest received in operating income, at 79.0%, is greater for savings banks than for all other categories of banks. Net interest received remained almost unchanged in the case of credit cooperatives, with its share of operating income falling slightly to 74.7%. Nevertheless, owing to the slight increase in the balance sheet total, the interest margin for this category of banks likewise went down, to 2.46%, during the reporting period. In the case of Landesbanken and regional institutions of credit cooperatives, which structurally have quite a small interest margin anyway owing to their focus on wholesale and interbank business, the margin fell slightly from 0.65% to 0.63% and from 0.49% to 0.47% respectively.

### Interest received by credit institutions \*

Item	2003	2004	2005
	€ billion		
Interest received (total)	308.7	303.6	329.1
from lending and money market transactions	243.6	235.9	252.6
from debt securities and Debt Register claims	50.7	49.9	54.1
Current income (total)	11.0	14.7	17.0
from shares and other variable-rate securities	6.5	9.6	12.4
from participating interests <sup>1</sup>	1.2	1.2	1.3
from shares in affiliated enterprises	3.3	3.8	3.4
Profits transferred under profit pooling and profit transfer agreements	3.5	3.2	5.3
	Year-on-year change, as a percentage <sup>2</sup>		
Interest received (total)	- 10.4	- 1.7	+ 8.4
from lending and money market transactions	- 8.4	- 3.2	+ 7.2
from debt securities and Debt Register claims	- 12.5	- 1.6	+ 8.6
Current income (total)	- 37.1	+ 33.6	+ 15.9
from shares and other variable-rate securities	- 10.0	+ 48.1	+ 28.4
from participating interests <sup>1</sup>	- 33.5	- 0.7	+ 3.2
from shares in affiliated enterprises	- 61.2	+ 17.6	- 11.5
Profits transferred under profit pooling and profit transfer agreements	+ 14.5	- 8.7	+ 66.0
	As a percentage of the average balance sheet total		
Interest received (total)	4.39	4.23	4.37
from lending and money market transactions	3.46	3.28	3.36
from debt securities and Debt Register claims	0.72	0.69	0.72
Current income (total)	0.16	0.20	0.23
from shares and other variable-rate securities	0.09	0.13	0.16
from participating interests <sup>1</sup>	0.02	0.02	0.02
from shares in affiliated enterprises	0.05	0.05	0.04
Profits transferred under profit pooling and profit transfer agreements	0.05	0.04	0.07

\* The figures for the most recent date should be regarded as provisional in all cases. — 1 Including amounts paid up on cooperative society shares. — 2 Statistical changes have been eliminated.

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## Net commissions received

*Perceptible increase in net commissions received ...*

Net commissions received by German credit institutions rose by 10.0% during the period under review and, at €27.8 billion, attained a level comparable to that of the record year 2000. In relation to the balance sheet total, which likewise showed an overall increase, net commissions received went up by 0.02 percentage point to 0.37%. The sharp rise in share turnover and the greater number of IPOs primarily contributed to this development. Compared with 2000, however, net commissions received as a ratio of the balance sheet total failed to match the importance this item had for the German banking industry during the stock market boom.

Broken down by category of banks, it was mainly commercial banks, which already generate well over half of net commissions received by German banks as a whole, which recorded a marked growth in their commissions result. In the case of big banks, this line of business has accounted for just under one-third of operating income on an average of the past ten years, and in 2005 they increased their net commissions received by 14% to €10.1 billion. This was due to quite a marked rise in commissions received combined with a simultaneous reduction in commissions paid. The regional banks and other commercial banks, too, clearly improved their result in this area. Credit cooperatives also recorded an increase, whereas net commissions received by savings banks remained nearly unchanged after a successful 2004.

*... particularly at commercial banks*

### Performance of the various categories of banks in 2004/2005 \*

€ million

Category of banks	Partial operating result 1		Operating result before valuation 2		Operating result 3		Profit for the financial year before tax 4	
	2004	2005	2004	2005	2004	2005	2004	2005
All categories of banks	34,499 (0.48)	37,261 (0.50)	39,908 (0.56)	50,391 (0.67)	22,626 (0.31)	36,335 (0.48)	10,372 (0.14)	33,237 (0.44)
Commercial banks	9,515 (0.40)	12,721 (0.50)	12,046 (0.51)	23,744 (0.93)	6,744 (0.29)	19,756 (0.77)	- 342 (- 0.01)	17,892 (0.70)
Big banks 5	3,794 (0.22)	5,649 (0.29)	5,320 (0.30)	15,578 (0.80)	2,373 (0.13)	13,865 (0.71)	- 2,067 (- 0.12)	14,867 (0.77)
Regional banks and other commercial banks 5	5,603 (0.98)	6,970 (1.16)	6,591 (1.15)	8,034 (1.33)	4,271 (0.74)	5,755 (0.96)	1,646 (0.29)	2,894 (0.48)
Branches of foreign banks	118 (0.48)	102 (0.48)	135 (0.55)	132 (0.62)	100 (0.41)	136 (0.64)	79 (0.32)	131 (0.62)
Landesbanken 6	4,944 (0.33)	4,812 (0.30)	5,787 (0.38)	4,905 (0.31)	4,988 (0.33)	4,123 (0.26)	472 (0.03)	3,030 (0.19)
Savings banks	9,847 (1.00)	9,419 (0.95)	10,212 (1.04)	9,878 (0.99)	4,329 (0.44)	4,954 (0.50)	4,400 (0.45)	4,950 (0.50)
Regional institutions of credit cooperatives	259 (0.13)	422 (0.19)	692 (0.36)	834 (0.38)	371 (0.19)	654 (0.30)	220 (0.11)	406 (0.18)
Credit cooperatives	4,971 (0.88)	4,798 (0.83)	5,915 (1.04)	5,740 (0.99)	2,873 (0.51)	2,752 (0.48)	2,977 (0.52)	4,183 (0.72)
Mortgage banks	2,420 (0.28)	2,471 (0.28)	2,590 (0.30)	2,539 (0.29)	965 (0.11)	1,411 (0.16)	566 (0.06)	161 (0.02)

\* The figures for the most recent date should be regarded as provisional in all cases. Values in brackets are percentages of the average balance sheet total. — 1 Net interest and net commissions received less general administrative spending. — 2 Partial operating result plus net profit or net loss on financial operations, and net other operating income or charges. — 3 Partial operating result plus net profit or net loss on financial operations, net other

operating income or charges and net income or net charges from the valuation of assets (other than financial fixed assets). — 4 Operating result plus net other and extraordinary income or charges. — 5 From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — 6 From 2004, NRW.BANK allocated to the category of "Special purpose banks".

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### Net profit or net loss on financial operations

*Exceptionally strong growth in profits from own-account trading also due to one-off effect*

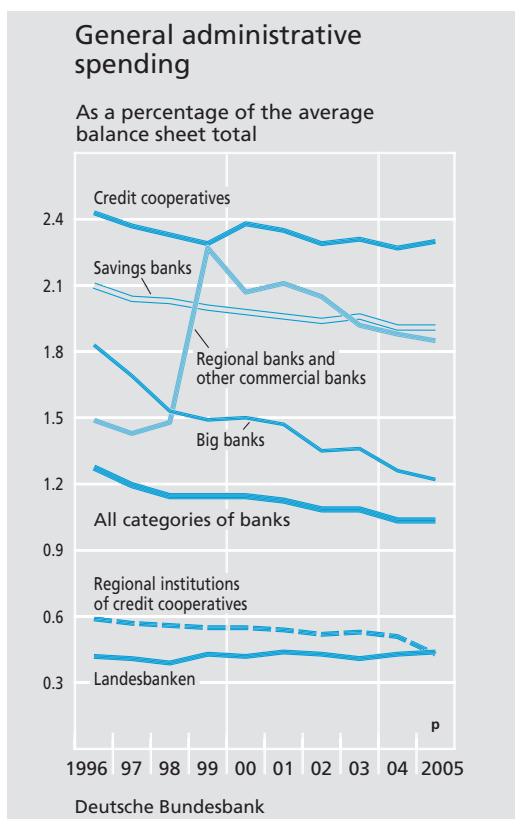
Following the quite sharp decline in 2004, the German credit institutions improved their trading result considerably in 2005, not least as a result of the recovery in the financial markets. In addition, there was also an exceptional effect in connection with the increased fair-value measurement of trading positions in some cases. The sharp rise of €10.2 billion to €11.4 billion in the net profit on financial operations was confined mainly to the big banks and – as the published individual accounts show – to no more than a small number of institutions within this category of banks. Not only the big banks, but also others, notably the credit cooperatives, increased their profits from own-account trad-

ing. In addition, the savings banks recorded perceptible growth in this line of business, whereas the net result from financial operations posed a strain on the regional banks' net result for the year. However, own-account trading is of comparatively minor importance for those institutions primarily active in retail banking.

### Administrative spending

Across all credit institutions, administrative spending in 2005 showed a slight increase for the first time in three years. It rose by €3.0 billion to €78.8 billion. Staff costs, which still account for just over half of general administrative spending, went up by €2.2 billion to €43.4 billion in the reporting period, even

*Increase in administrative spending*



though the number of persons employed in the banking industry fell by 6,300 to 672,500 in the reporting year. As well as wage and salary increases, the increase in expenditure on retirement pensions as a result of the change in the calculation method is likely to have been the reason for this. Total other administrative spending, which essentially comprises operating expenditure, expenditure on third-party services, and write-offs and write-downs of tangible fixed assets, was also up slightly in the financial year 2005. In this area, greater savings had been possible in 2004. During the period under review, general administrative spending as a ratio of the likewise slightly higher balance sheet total was stagnating at 1.05%.

As a mirror image of the income side, here, too, it was primarily the commercial banks whose general administrative spending showed a marked increase in the year under review. Staff costs went up by €1.3 billion, or 8.9%, for these institutions, despite the continued reduction in staff levels by 1,850 employees. Especially in the case of the big banks, this is likely to be the result of performance-related salary components as well as the negotiated pay rise and increasing spending on retirement pensions. Other administrative spending also went up somewhat for the category of commercial banks, too.

*Marked rise in administrative spending of commercial banks ...*

The increase in general administrative spending was not quite as marked in the case of credit cooperatives and savings banks, for which the share of administrative spending in the business volume plays a more significant role than for commercial banks. The Landesbanken also recorded a slight increase in their general administrative spending. Despite a rise in the number of employees, however, this was still below the average for the German credit institutions as a whole. Among the categories of banks considered here, only the regional institutions of credit cooperatives managed to reduce their general administrative costs slightly by making considerable savings in other administrative spending.

*... but only moderate increase at savings banks and credit cooperatives*

### Net other operating income or charges

The balance of other operating income or charges was down €2.4 billion on the year in 2005 and, at €1.7 billion, was clearly below the average of the past ten years. This decline

*Weak development of net other operating income or charges ...*

### Structural data on German credit institutions \*

Category of banks	Number of institutions 1			Number of branches 1			Number of employees 2		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
All categories of banks 3	2,294	2,229	2,169	33,753	42,659	41,394	690,350	678,800	672,500
Commercial banks 3	356	357	357	5,105	14,750	14,044	192,900	192,550	190,700
Big banks 3	4	5	5	2,221	11,962	11,446	.	.	.
Regional banks	231	224	217	2,861	2,705	2,526	.	.	.
Branches of foreign banks	121	128	135	23	83	72	.	.	.
Landesbanken 5	13	12	12	571	549	580	40,500	38,550	40,200
Savings banks	489	477	463	14,757	14,292	13,950	271,900	265,400	260,800
Regional institutions of credit cooperatives	2	2	2	12	11	11	5,400	5,050	4,950
Credit cooperatives	1,394	1,338	1,293	13,201	12,967	12,722	168,250	164,200	162,550
Mortgage banks	25	25	24	76	59	56	.	.	.
Special purpose banks 5	15	18	18	31	31	31	11,400	13,050	13,300
<i>Memo item</i>									
Building and loan associations	27	27	26	2,822	2,784	2,682	20,600	20,100	19,750
Deutsche Postbank AG 3	1	.	.	10,645	.	.	.	.	.

\* The figures for the most recent date should be regarded as provisional in all cases. — 1 Source: Bank office statistics, in Deutsche Bundesbank, *Banking statistics*, Statistical Supplement to the Monthly Report 1, p 104 (German edition). The term "credit institution" is used as in the Banking Act, resulting in divergences from data in "Balance sheet statistics" and "Statistics on the profit and loss account". — 2 Excluding Deutsche Bundesbank and Deutsche Postbank AG. Sources: Data provided by associations. Part-time employees are counted on a per capita basis. — 3 From 2004, Deutsche

Postbank AG allocated to the category of "Big banks". — 4 Employees in private banking, including mortgage banks established under private law. — 5 From 2004, NRW.BANK allocated to the category of "Special purpose banks". — 6 Only employees whose primary occupation is in banking. — 7 Employees in public mortgage banks (mortgage banks established under public law) and special purpose banks established under public law. — 8 Only office-based employees.

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was due mainly to the sharp rise in other operating charges along with a slight decline in income.

... particularly  
at big banks

Big banks, in particular, were unable to match the positive result of the previous two years and, owing to the perceptible decline in other income along with a sudden sharp rise in other charges, they recorded a negative balance of -€0.8 billion. There were very heterogeneous reasons for this development among the affected credit institutions, however. Furthermore, net other operating income or charges did not contribute as strongly as before to the profit of the Landesbanken and the regional institutions of credit cooperatives, whereas it remained virtually unchanged in the case of the credit cooperatives. It was only the regional banks and sav-

ings banks which showed an increase in this item.

### Operating result before the valuation of assets

Besides the slight improvement in the partial operating result in 2005, which ensued from the increase in net interest and net commissions received less the slight increase in general administrative spending, there was a marked growth in the net profit on financial operations. Both of these developments together easily outweighed the decline in net other operating income or charges. Consequently, the operating result before the valuation of assets increased by €10.5 billion to €50.4 billion. However, this positive develop-

*Clear increase in operating result before valuation of assets, particularly at big banks*

### Cost/income ratios, by category of banks \*

As a percentage

Category of banks	General administrative spending in relation to ...		
	2003	2004	2005
	... gross earnings <sup>1</sup>		
All categories of banks	72.9	68.7	67.9
Commercial banks	87.0	77.8	73.5
Big banks <sup>2</sup>	98.7	85.5	80.8
Regional banks and other commercial banks <sup>2</sup>	73.7	65.9	61.7
Branches of foreign banks	58.6	60.3	63.6
Landesbanken <sup>3</sup>	57.4	57.4	59.7
Savings banks	67.5	65.8	67.0
Regional institutions of credit cooperatives	86.2	79.5	69.8
Credit cooperatives	74.3	72.3	73.6
Mortgage banks	37.6	36.6	37.1
Special purpose banks <sup>3</sup>	34.7	36.5	36.4
	... income from operating business <sup>4</sup>		
All categories of banks	66.5	65.5	61.0
Commercial banks	74.0	73.5	59.7
Big banks <sup>2</sup>	79.5	80.8	60.5
Regional banks and other commercial banks <sup>2</sup>	66.9	62.2	58.3
Branches of foreign banks	53.6	57.0	57.4
Landesbanken <sup>3</sup>	53.1	53.5	59.3
Savings banks	66.4	64.9	65.9
Regional institutions of credit cooperatives	63.1	59.2	53.9
Credit cooperatives	69.6	68.7	69.9
Mortgage banks	37.8	35.0	36.5
Special purpose banks <sup>3</sup>	32.8	35.4	35.2

\* The figures for the most recent date should be regarded as provisional in all cases. — <sup>1</sup> Aggregate net interest and net commissions received. — <sup>2</sup> From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — <sup>3</sup> From 2004, NRW.BANK allocated to the category of "Special purpose banks". — <sup>4</sup> Gross earnings plus net profit or net loss on financial operations and net other operating income or charges.

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ment in the operating result before the valuation of assets was primarily attributable to the big banks and their trading result. For nearly all other categories of banks, the operating result before the valuation of assets deteriorated slightly in the reporting year.

This meant that, on balance, domestic banks – as in previous years – were able to reduce their cost/income ratio in the broader sense – which is defined as the ratio of administrative spending to the sum of net interest and net commissions received, net profit or net loss on financial operations, and net other operating income or charges. With a reduction of 4.5 percentage points, there was, in fact, again a substantial improvement on the year in 2005. Similarly, in relation to gross income – the sum of net interest and net commissions received – the cost/income ratio in the narrower sense improved slightly by 0.8 percentage point. However, for both measures of cost efficiency, it was the big banks, in particular, as well as regional banks and regional institutions of credit cooperatives that were able to achieve a significant reduction in this area. For Landesbanken and savings banks, as well as for credit cooperatives, the cost/income ratio increased slightly according to both measures, however.

*Marked reduction in cost/income ratio*

### Net income or net charges from the valuation of assets

Following the record high of €31.2 billion in 2002, German banks reduced their risk provisioning in 2005 for the third successive year. Net charges from the valuation of loans,

*Continued decline in risk provisioning*

### Relative significance of major income and cost items for individual categories of banks in 2005 \*

As a percentage of total surplus in operating business

Item	All categories of banks	Big banks	Regional banks	Landesbanken	Savings banks	Regional institutions of credit cooperatives	Credit cooperatives	Mortgage banks
Net interest received	68.4	49.2	67.9	83.2	79.0	57.3	74.6	98.4
Net commissions received	21.5	25.6	26.6	16.0	19.4	19.9	20.4	- 0.1
Net profit or net loss on financial operations	8.8	27.3	- 1.3	2.0	0.6	22.4	0.3	0.1
Net other operating income or charges	1.3	- 2.1	6.8	- 1.2	1.0	0.4	4.7	1.6
<b>Total surplus in operating business</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
General administrative spending of which	- 61.0	- 60.5	- 58.3	- 59.3	- 65.9	- 53.9	- 69.9	- 36.5
Staff costs	- 33.6	- 31.9	- 27.2	- 29.9	- 40.8	- 30.0	- 42.0	- 17.4
Other administrative spending	- 27.4	- 28.6	- 31.0	- 29.3	- 25.2	- 23.8	- 27.9	- 19.0
Net income or net charges from the valuation of assets	- 10.9	- 4.3	- 11.8	- 6.5	- 17.0	- 10.0	- 15.7	- 28.2
Net other and extraordinary income or charges	- 2.4	2.5	- 14.9	- 9.1	0.0	- 13.7	7.5	- 31.3
<i>Memo item</i>								
Profit for the financial year before tax	25.7	37.7	15.0	25.2	17.1	22.5	21.9	4.0
Taxes on income and earnings	- 7.6	- 10.2	- 5.7	- 3.4	- 7.9	- 0.6	- 7.6	- 7.8
<b>Profit for the financial year after tax</b>	<b>18.2</b>	<b>27.5</b>	<b>9.3</b>	<b>21.7</b>	<b>9.1</b>	<b>21.9</b>	<b>14.3</b>	<b>- 3.8</b>

\* The figures for the most recent date should be regarded as provisional in all cases.

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claims and securities were down 18½% to the year to €14.1 billion. In the case of banks showing net write-offs and write-downs, these fell by €1.5 billion to €17.9 billion. This was accompanied by an increase in the write-ups and the release of provisions booked by other banks to €3.9 billion.<sup>2</sup> As a ratio of the balance sheet total, the net valuation charges of all German banks amounted to 0.19% in the year under review, compared with 0.24% in 2004. The risk provisioning quota was therefore less than half its 2002 figure. Furthermore, €7.4 billion net was transferred to the fund for general banking risks (pursuant to section 340 (g) of the German Commercial Code) in 2005. However, in the performance analysis presented here, this amount is allocated to the appropriation of profit (accumu-

lation of reserves) and is not reflected in a lower profit for the financial year.

At banking group level, the percentage decline in the net valuation result was particularly marked in the case of the big banks, the regional institutions of credit cooperatives and the savings banks, which, against the general trend, had recorded an increase in the previous year. The risk provisioning of most of the other categories of banks under consideration here went down marginally. In 2005, there was also little change in the typical split trend of the burden of risk provisions in relation to the average balance sheet total. Thus, once again, savings banks (0.49%),

*Net valuation result by category of banks*

<sup>2</sup> Within these items, use had already been made of the cross-offsetting option permissible under section 340 (f) (3) of the German Commercial Code.



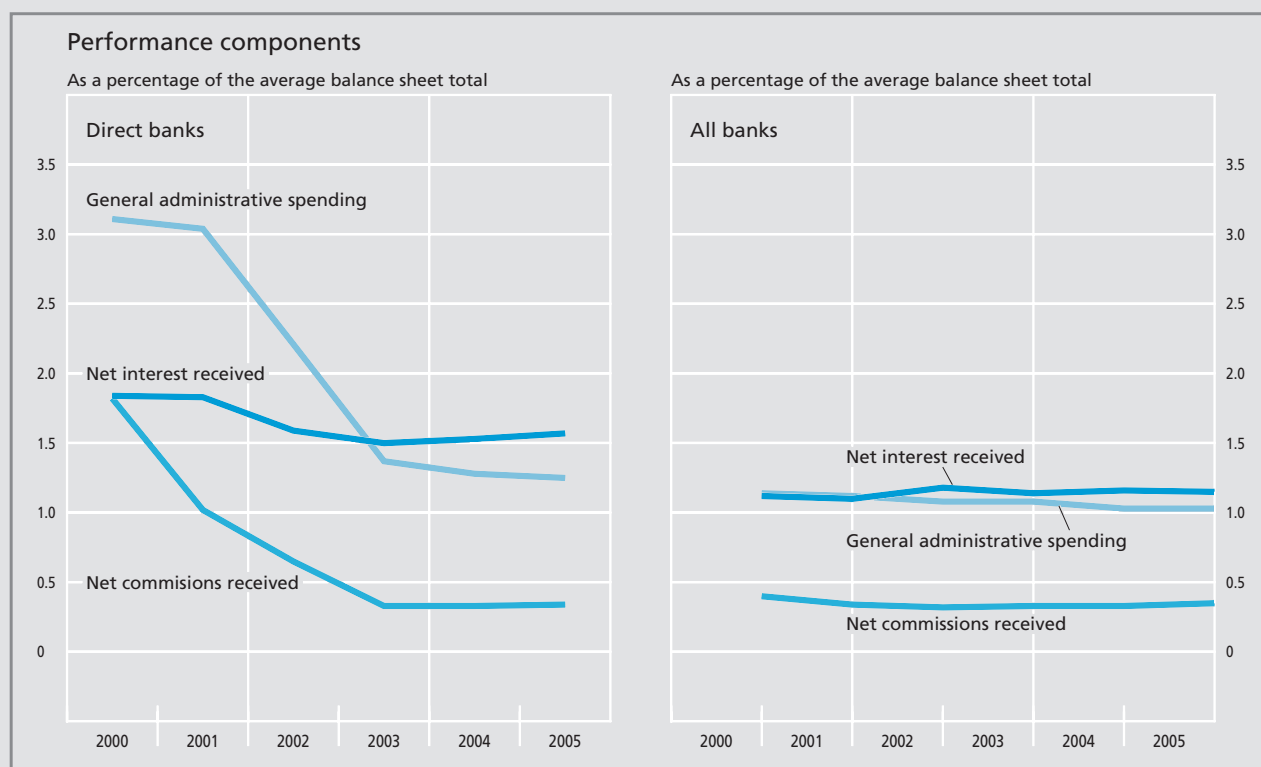
## The performance of direct banks in Germany

In recent years, Germany has seen an increase in the significance of a new type of bank – the direct bank – which does not principally sell its banking services through branches but rather, mainly, via the internet (direct banking). The business development of these banks was outlined in the May 2006 Monthly Report. This box now gives an overview of the banks' performance in the past few years based on their published individual accounts drawn up in accordance with the German Commercial Code (*Handelsgesetzbuch*).<sup>1</sup>

The performance of German direct banks is closely linked to the (re)orientation of their business model: for instance, the share of net interest received in total

operating income rose from 49% in 2000 to 80% in 2005. At the same time, the share of net commissions received – which in 2000 contributed to operating income on roughly the same scale as interest business (49%) – fell to 18% by the end of the period under review. This reflects the marked growth in German direct banks' on-balance-sheet business, which was stepped up by the banks analysed here in the wake of the developments on the stock markets in 2001.

Specifically, the German direct banks' interest margin was noticeably higher than that of the banking industry as a whole throughout the observation period from 2000 to 2005. In this regard, the direct banks' ratio of



<sup>1</sup> For a definition of the banks analysed here and information on their business development, see Deutsche Bundesbank, Development Deutsche Bundesbank

of direct banks in Germany, Monthly Report, May 2006, pp 28-29. All of the ratios examined here are considered in relation to the balance



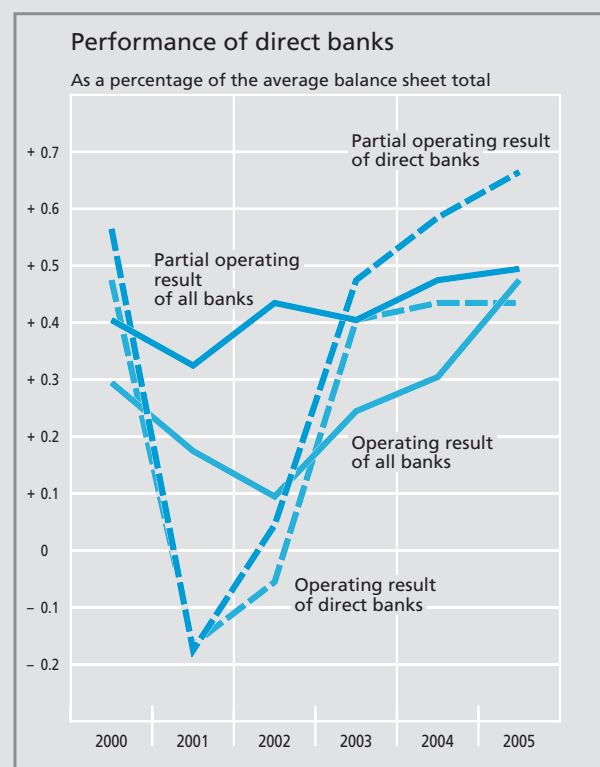
interest income to the balance sheet total differs only marginally from that of all German banks, while their interest expenditure is significantly lower than the average level for all institutions. Although a number of the direct banks under consideration here pay interest rates which are noticeably higher than the market rates for some types of deposits, the fact that these are mainly short-term and thus comparatively modestly remunerated deposits is likely to be of significance. At the start of the observation period, the direct banks' net commissions received were still distinctly higher in relation to the balance sheet total than the figure reported for all German banks. In the wake of the stock market developments in 2001, there was a sharp decline in the contribution to income from this business line, which was attributable almost entirely to losses in income. By contrast, the direct banks managed to reduce their relevant expenditure only gradually. The net commissions received by direct banks have now reached a level similar to the average for all German banks, although both income and expenditure – measured in relation to the balance sheet total – are higher in the case of the direct banks.

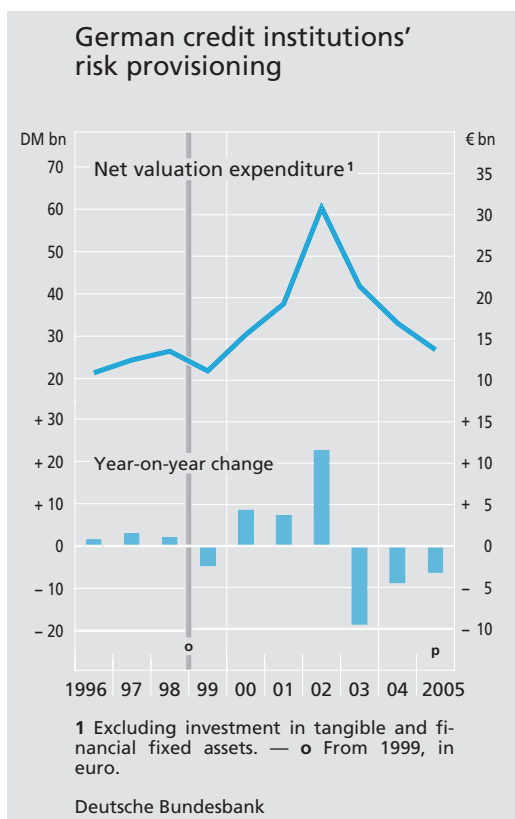
In the past five years, the direct banks have managed to reduce their (initially significantly higher) general administrative spending in relation to their (strongly increased) balance sheet total. Such spending has gone down to a level which is only slightly higher than the average for German credit institutions as a whole. This decline has affected not only staff costs but also, first and foremost, other administrative spending. In the years up to 2002, the latter was far higher than the corresponding figures for all banks. Apart from the equipment – above all, IT – costs associated with setting up new banks, marketing costs are also likely to have played a major role to begin with. As in previous years, the direct banks were again

sheet total in order to enable a comparison with all other German banks.

able to reduce their net expenditure in relation to earnings from operating business in the financial year 2005. Nevertheless, at the end of the period under review, their cost/income ratio was still 63.8% compared with the average of 61.0% for all German banks.

In summary, the direct banks' partial operating result (net interest received plus net commissions received less general administrative spending) shows that they were much more affected by the stock market developments in 2001 than the German banking industry as a whole. At present, however, their partial operating result is again higher than the average for all banks. The direct banks' operating result presents a similar development.





credit cooperatives (0.52%) and regional and other commercial banks (0.38%) – ie those institutions which are primarily engaged in retail banking – recorded comparatively high net charges from the valuation of assets. By contrast, the corresponding figures of those banks primarily engaged in wholesale banking showed a perceptibly lower level. In relation to the average balance sheet total, the big banks, regional institutions of credit cooperatives and Landesbanken allocated 0.09%, 0.08% and 0.05% respectively to their risk provisioning. They therefore clearly undershot the long-term average calculated for the years prior to 2002.

At €2.2 billion, write-downs on fixed-interest securities, which are partly recorded under the net income or net charges from the valu-

ation of assets, were clearly up on the 2004 figure of €0.6 billion. Apart from this, it is likely that the German banking industry's risk provisioning derived largely from domestic lending business in 2005, too. As in the previous year, German banks encountered a declining number of corporate insolvencies; the figure fell by 6% to just under 37,000.<sup>3</sup> At the same time, however, there was an increase of 40½% in the number of consumer insolvencies to just under 69,000. Nevertheless, since there was a continuation of the trend towards a lower loss per case of both corporate and customer insolvency – a development that had already become apparent in previous years – the level of receivables affected was 8% down on the year, despite the overall increase in the number of insolvencies in Germany. This meant that banks' profitability was much less affected by insolvencies than in 2004.

Supported by the declining burden of risk provisions, the operating result of the German banking industry as a whole improved by €13.7 billion to €36.3 billion in the year under review. The category of big banks, which benefited from the marked improvement in the trading result, accounted for by far the greatest part of the increase. Regional banks, savings banks and regional institutions of credit cooperatives also improved their operating result. By contrast, credit cooperatives recorded a slight fall and the Landesbanken a larger decline in their operating result.

*Risk provisioning in domestic lending business shaped by insolvency trend*

*Higher operating result, especially at commercial banks*

<sup>3</sup> For more information on this and insolvencies in 2005 generally, see J Angele and S von Karmainsky, *Insolvenzen 2005*, Statistisches Bundesamt, Wirtschaft und Statistik, 4/2006, pp 351-359.

**Breakdown of other and extraordinary income or charges \***

€ million			
Item	2003	2004	2005
Net other and extraordinary income or charges	- 15,452	- 12,254	- 3,098
Income (total)	3,845	3,320	8,243
from value adjustments in respect of participating interests, shares in affiliated enterprises and securities treated as fixed assets	2,188	1,070	4,967
from the release of special reserves	450	49	82
from loss transfers	96	485	53
Extraordinary income	1,111	1,716	3,141
Charges (total)	- 19,297	- 15,574	- 11,341
Write-offs and write-downs in respect of participating interests, shares in affiliated enterprises and securities treated as fixed assets	- 7,480	- 1,352	- 709
Charges incurred through loss transfers	- 2,861	- 1,427	- 1,397
Transfers to special reserves	- 63	- 37	- 36
Extraordinary charges	- 5,264	- 8,893	- 4,540
Profits transferred under profit pooling and profit transfer agreements	- 3,629	- 3,865	- 4,659

\* The figures for the most recent date should be regarded as provisional in all cases.

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**Other and extraordinary income or charges**

*Significant improvement in balance of "extraordinary account"*

The balance of other and extraordinary income or charges was again negative, but, in the year under review, showed a noticeable improvement from -€12.3 billion in 2004 to -€3.1 billion. This development was, however, confined to only a few categories of banks. Firstly, these were those groups of institutions whose "extraordinary account" had been having a particularly negative impact in the past few years. The balance of the "extraordinary account" at big banks (+€1.0 billion) bolstered the earnings situation again for the first time since 2001, with the published individual accounts showing that some of the institutions in this category earned considerable income from sales of participating interests.

In the case of the Landesbanken, which, in 2004, were still having to cope with the repayment obligations resulting from the EU investigations into the granting of state aid, there was a marked reduction in the negative balance of the "extraordinary account" (-€1.1 billion, compared with -€4.5 billion in the previous year), even though this item was still in deficit. Secondly, the credit cooperatives – for which this item does not, typically, play a major role – achieved a considerable net profit (+€1.4 billion) in connection with the transfer of shareholdings to a holding company. By contrast, the balance of the "extraordinary account" changed very little for the other categories of banks under consideration here.

### Return on capital of individual categories of banks \*

As a percentage

Category of banks	2001		2002		2003		2004		2005	
All categories of banks	6.19	(4.57)	4.49	(2.91)	0.72	(- 1.45)	4.19	(1.93)	12.68	(8.95)
Commercial banks	4.74	(4.24)	0.97	(0.04)	- 6.24	(- 6.57)	- 0.42	(- 1.42)	21.75	(15.46)
<i>of which</i>										
Big banks <sup>1</sup>	4.96	(5.69)	- 3.14	(- 3.30)	- 12.85	(- 11.99)	- 3.97	(- 3.56)	31.72	(23.12)
Regional banks and other commercial banks <sup>1</sup>	4.13	(1.26)	8.99	(6.62)	4.53	(2.25)	5.66	(2.16)	8.44	(5.25)
Landesbanken <sup>2</sup>	4.78	(4.01)	2.80	(1.94)	- 4.25	(- 5.17)	1.07	(- 0.83)	6.44	(5.56)
Savings banks	9.16	(5.06)	8.15	(4.65)	10.89	(4.00)	9.72	(5.03)	10.47	(5.61)
Regional institutions of credit cooperatives	4.43	(2.74)	4.56	(4.95)	0.66	(2.30)	2.91	(3.97)	2.91	(2.84)
Credit cooperatives	7.46	(4.41)	9.68	(6.60)	10.64	(5.24)	10.32	(5.26)	13.88	(9.04)
Mortgage banks	8.92	(6.48)	9.12	(7.36)	5.34	(3.70)	3.32	(1.39)	0.91	(- 0.86)

\* The figures for the most recent date should be regarded as provisional in all cases. Profit for the financial year before tax (in brackets: after tax) as a percentage of the average capital as shown in the balance sheet (including the fund for general banking risks, but excluding partici-

pation rights capital). — 1 From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — 2 From 2004, NRW.BANK allocated to the category of "Special purpose banks".

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Result from financial investment business positive again

Specifically, the result from German banks' financial investment business, at +€4.3 billion during the reporting year, made a significant positive contribution to the "extraordinary account" for the first time since the sharp fall in 2003. For those institutions which showed net charges from value adjustments in respect of participating interests, shares in affiliated enterprises, and securities treated as fixed assets, these halved to €0.7 billion. The sharp increase in net income recorded by the other banks to €5.0 billion, compared with €1.1 billion in the previous year, had a similar effect.<sup>4</sup> In 2005, this positive development in financial investment business was accompanied by an improvement in net extraordinary income and charges in the narrower sense (-€1.4 billion, compared with -€7.2 billion in the previous year), which had been largely affected by

the EU investigations into the granting of state aid in 2004. Furthermore, net income from the release of special reserves went up slightly to €46 million in 2005, compared with €12 million in 2004. All in all, these components did not, however, fully offset the other extraordinary sub-items, which typically show a negative balance. Thus, loss transfers totalled -€1.3 billion in 2005 (compared with -€0.9 billion in 2004) and profits had a greater overall impact than in the previous year; €4.7 billion compared with €3.9 billion.

<sup>4</sup> In the case of income or charges on financial investment business, the credit institutions made use, as usual, of the option of offsetting these two items (pursuant to section 340 (c) (2) of the German Commercial Code).

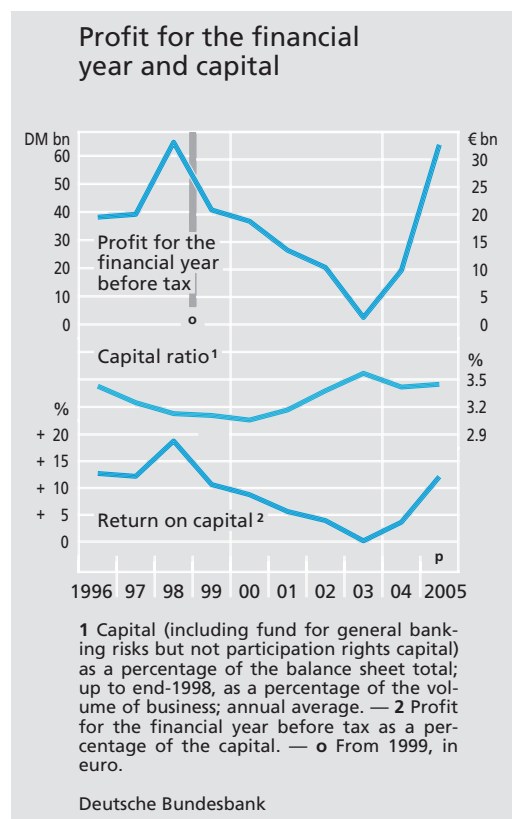
## Profit for the financial year, taxes on income and earnings

*Profit again for all categories of banks for financial year before tax*

Given the considerably weaker adverse impact of the "extraordinary account", the German banking industry's recorded profit for the year before tax rose considerably in the financial year 2005 to €33.2 billion, compared with €10.4 billion in 2004 and €1.8 billion in 2003. This increase was therefore significantly larger than the increase in the operating result. Looking at the individual banking categories, it was again the institutions which had had to cope with a very marked deterioration in profitability over the past few years which recorded substantial profit increases for the financial year before tax, ie the big banks (€14.9 billion, compared with -€2.1 billion in 2004) and the Landesbanken (€3.0 billion, compared with €0.5 billion). Owing to the balance of the "extraordinary account", credit cooperatives also achieved a perceptibly higher increase in their net profit for the year before tax. Most of the other categories of banks under consideration in this article also increased their pre-tax profit in the year under review. Mortgage banks were the only category of banks to record a drop in profit for 2005 (by €0.4 billion to €0.2 billion). Thus, all of the categories of banks considered here recorded a positive pre-tax result for the first time again.

*Further increase in return on equity*

In line with this, the German banking industry's average return on equity before tax went up to 12.68% in 2005, compared with 4.19% in 2004 and 0.72% in 2003. It therefore exceeded the average level of the period 1997-2001 prior to the sharp decline in earn-



ings. Although most of the categories of banks under consideration in this article increased their return on equity, this did not match their earlier levels in all cases.

There was a sharp rise in taxes on income and earnings in 2005, which went up from €5.6 billion in 2004 to €9.8 billion. Although the tax expenses of most categories of banks changed only slightly on the year, they were up considerably for the big banks at €4.0 billion, compared with -€0.2 billion in 2004. After tax, the German banking industry's profit for the financial year 2005 totalled €23.5 billion, compared with €4.8 billion in the previous year.

*Increase in taxes on income and earnings*

As in previous years, substantial losses carried forward, totalling €2.7 billion for the German

*Higher balance sheet profit*

banking industry as a whole, reduced the profit for the financial year after tax in 2005 as well. In addition, considerably more resources were allocated to the fund for general banking risks than in 2004. The relevant balance from additions and deductions amounted to €7.4 billion, compared with €1.4 billion in the previous year. Finally, €4.2 billion flowed to the accumulation of reserves and participation rights capital after the German banks had drawn on these provisions in the previous year to stabilise their recorded profit. On balance, there was a sharp year-on-year rise in the recorded balance sheet profit for the German banking industry as a whole; it amounted to €9.2 billion in 2005, compared with €4.0 billion in 2004 and €3.6 billion in 2003.

## Outlook

*Outlook for  
2006*

For the current financial year, a stabilisation in the achieved level of income is becoming apparent so far. German credit institutions' interest business is likely to benefit from the upturn in the German economy. Given the current interest rate environment, it is uncertain how far this will lead to an increase in

net interest received. Much as in 2005, a perceptible growth in profit is far more likely to depend on net commissions received and on the trading result, the development of which is closely linked to the situation in the capital markets. According to the figures available to date, the rise in share prices in the first quarter made a more positive contribution to profit than in the previous year. Owing to greater uncertainty in the capital markets which occurred in the second quarter, it will probably be difficult to achieve as high a level of net income in the financial year 2006 as in 2005. On the cost side, it remains to be seen to what extent general administrative spending will be further contained by the restructuring measures implemented over the past few years. As things stand at present, owing to the continued decline in the number of corporate insolvencies in the first half of the year, it is unlikely that there will be a significant increase in the German banking industry's risk provisioning. However, it is also unlikely that there will be major scope for a further significant reduction in the burden of value adjustments as, on a longer-term comparison, the level now reached by some categories of banks is already rather low.

The tables accompanying this article are printed on pages 31-41.

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

As a percentage of the average balance sheet total °

Financial year	All categories of banks	Commercial banks			Landesbanken 2	Savings banks	Regional institutions of credit co-operatives	Credit co-operatives	Mortgage banks	Special purpose banks 2
		Total	of which							
			Big banks 1	Regional banks and other commercial banks 1						
Interest received (total) 3										
1999	5.33	5.00	4.85	5.45	5.28	5.71	4.11	5.60	6.04	5.11
2000	5.51	5.32	5.24	5.58	5.63	5.72	5.04	5.69	5.81	5.03
2001	5.39	5.12	4.91	5.68	5.47	5.75	4.91	5.76	5.73	4.95
2002	4.83	4.41	4.09	5.18	4.67	5.53	4.15	5.47	5.36	4.59
2003	4.39	3.82	3.42	4.74	4.25	5.20	3.42	5.12	5.09	4.15
2004	4.23	3.60	3.30	4.57	4.39	4.92	3.28	4.88	4.85	3.97
2005	4.37	3.98	3.79	4.64	4.69	4.75	3.05	4.72	4.88	4.05
Interest paid										
1999	4.05	3.57	3.69	3.30	4.66	3.23	3.51	3.10	5.51	4.49
2000	4.36	4.15	4.30	3.85	5.07	3.39	4.26	3.24	5.35	4.46
2001	4.28	3.97	4.02	3.85	4.88	3.47	4.29	3.36	5.30	4.43
2002	3.63	3.07	2.99	3.25	4.08	3.15	3.49	2.98	4.97	4.01
2003	3.23	2.65	2.57	2.83	3.63	2.80	2.96	2.61	4.66	3.60
2004	3.04	2.35	2.31	2.48	3.74	2.57	2.79	2.37	4.41	3.47
2005	3.20	2.71	2.79	2.47	4.05	2.45	2.57	2.26	4.44	3.56
Excess of interest received over interest paid = net interest received (interest margin)										
1999	1.28	1.43	1.15	2.15	0.62	2.48	0.60	2.49	0.52	0.62
2000	1.14	1.17	0.94	1.72	0.56	2.33	0.78	2.45	0.45	0.57
2001	1.12	1.15	0.89	1.83	0.60	2.28	0.62	2.41	0.43	0.53
2002	1.20	1.34	1.10	1.93	0.59	2.38	0.66	2.49	0.40	0.59
2003	1.16	1.17	0.85	1.91	0.63	2.40	0.46	2.51	0.43	0.55
2004	1.18	1.25	0.98	2.09	0.65	2.35	0.49	2.51	0.44	0.50
2005	1.17	1.27	1.00	2.17	0.63	2.30	0.47	2.46	0.45	0.49
Excess of commissions received over commissions paid = net commissions received										
1999	0.37	0.70	0.63	0.89	0.11	0.52	0.18	0.62	-0.01	0.05
2000	0.42	0.76	0.68	0.99	0.13	0.55	0.21	0.69	-0.01	0.05
2001	0.36	0.64	0.57	0.85	0.11	0.50	0.15	0.58	-0.01	0.05
2002	0.34	0.60	0.53	0.79	0.11	0.49	0.14	0.57	-0.01	0.09
2003	0.35	0.59	0.54	0.71	0.11	0.53	0.17	0.61	-0.01	0.09
2004	0.35	0.57	0.50	0.78	0.11	0.56	0.16	0.65	0.00	0.09
2005	0.37	0.60	0.52	0.85	0.12	0.56	0.16	0.67	0.00	0.09

\* The figures for the most recent date should be regarded as provisional in all cases. — ° Excluding the balance sheet total of the foreign branches of savings banks. From 2004, excluding

the balance sheet total of the foreign branches of regional institutions of credit cooperatives. — For footnotes 1–3 see p 32.

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

As a percentage of the average balance sheet total °

Financial year	All categories of banks	Commercial banks				Landesbanken 2	Savings banks	Regional institutions of credit co-operatives	Credit co-operatives	Mortgage banks	Special purpose banks 2
		Total	of which		Regional banks and other commercial banks 1						
			Big banks 1								
<b>General administrative spending</b>											
1999	1.16	1.71	1.50	2.28	0.44	2.01	0.56	2.30	0.15	0.19	
2000	1.16	1.67	1.51	2.08	0.43	1.99	0.56	2.39	0.15	0.19	
2001	1.14	1.65	1.48	2.12	0.45	1.97	0.55	2.36	0.15	0.18	
2002	1.10	1.55	1.36	2.06	0.44	1.95	0.53	2.30	0.14	0.22	
2003	1.10	1.53	1.37	1.93	0.42	1.97	0.54	2.32	0.16	0.22	
2004	1.05	1.41	1.27	1.89	0.44	1.92	0.52	2.28	0.16	0.22	
2005	1.05	1.38	1.23	1.86	0.45	1.92	0.44	2.31	0.17	0.21	
<b>Partial operating result</b>											
1999	0.50	0.42	0.29	0.76	0.29	0.99	0.22	0.81	0.36	0.48	
2000	0.41	0.26	0.11	0.64	0.26	0.89	0.43	0.75	0.30	0.43	
2001	0.33	0.15	-0.02	0.56	0.25	0.81	0.22	0.63	0.27	0.39	
2002	0.44	0.38	0.27	0.65	0.26	0.92	0.27	0.76	0.25	0.47	
2003	0.41	0.23	0.02	0.69	0.31	0.95	0.09	0.80	0.27	0.42	
2004	0.48	0.40	0.22	0.98	0.33	1.00	0.13	0.88	0.28	0.37	
2005	0.50	0.50	0.29	1.16	0.30	0.95	0.19	0.83	0.28	0.37	
<b>Net profit or net loss on financial operations</b>											
1999	0.06	0.15	0.17	0.07	0.03	0.03	0.12	0.01	0.00	0.00	
2000	0.10	0.24	0.32	0.07	0.05	0.02	0.09	0.00	0.00	0.00	
2001	0.08	0.20	0.30	-0.03	0.04	0.00	0.06	-0.01	0.00	0.00	
2002	0.04	0.09	0.13	0.01	0.04	0.00	0.11	-0.01	0.00	0.00	
2003	0.09	0.24	0.32	0.07	0.02	0.02	0.18	0.02	0.00	0.00	
2004	0.02	0.02	0.04	-0.04	0.02	0.02	0.19	0.01	0.00	0.00	
2005	0.15	0.41	0.56	-0.04	0.02	0.02	0.18	0.01	0.00	0.00	
<b>Net income or net charges from the valuation of assets</b>											
1999	-0.19	-0.23	-0.24	-0.22	-0.11	-0.17	-0.17	-0.39	-0.10	-0.24	
2000	-0.24	-0.18	-0.16	-0.25	-0.12	-0.46	-0.47	-0.47	-0.19	-0.15	
2001	-0.28	-0.26	-0.24	-0.33	-0.20	-0.52	-0.32	-0.50	-0.12	-0.15	
2002	-0.44	-0.39	-0.38	-0.42	-0.47	-0.71	-0.42	-0.67	-0.20	-0.21	
2003	-0.31	-0.33	-0.31	-0.37	-0.23	-0.54	-0.25	-0.56	-0.13	-0.13	
2004	-0.24	-0.22	-0.17	-0.40	-0.05	-0.60	-0.17	-0.54	-0.19	-0.05	
2005	-0.19	-0.16	-0.09	-0.38	-0.05	-0.49	-0.08	-0.52	-0.13	-0.01	

\*, ° For footnotes, see p 31. — 1 From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — 2 From 2004, NRW.BANK allocated to the category of "Special purpose

banks". — 3 Interest received plus current income and profits transferred under profit pooling and profit transfer agreements.



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

As a percentage of the average balance sheet total °

Financial year	All categories of banks	Commercial banks			Landesbanken 2	Savings banks	Regional institutions of credit co-operatives	Credit co-operatives	Mortgage banks	Special purpose banks 2
		Total	of which							
			Big banks 1	Regional banks and other commercial banks 1						
Operating result										
1999	0.41	0.38	0.20	0.81	0.25	0.87	0.19	0.54	0.27	0.27
2000	0.30	0.36	0.24	0.63	0.22	0.44	0.05	0.35	0.14	0.30
2001	0.18	0.14	0.05	0.36	0.14	0.32	0.01	0.22	0.18	0.27
2002	0.10	0.15	0.00	0.50	-0.13	0.27	0.06	0.17	0.06	0.26
2003	0.25	0.21	0.04	0.58	0.14	0.46	0.06	0.46	0.14	0.33
2004	0.31	0.29	0.13	0.74	0.33	0.44	0.19	0.51	0.11	0.35
2005	0.48	0.77	0.71	0.96	0.26	0.50	0.30	0.48	0.16	0.38
Net other and extraordinary income or charges										
1999	-0.05	0.00	0.04	-0.07	-0.01	-0.27	-0.04	-0.06	-0.03	-0.02
2000	-0.01	-0.07	-0.03	-0.16	-0.03	0.11	0.30	0.05	-0.05	0.00
2001	0.02	0.04	0.13	-0.18	-0.03	0.06	0.12	0.14	-0.05	-0.07
2002	0.06	-0.11	-0.12	-0.08	0.21	0.08	0.09	0.29	0.07	-0.03
2003	-0.22	-0.47	-0.52	-0.36	-0.28	0.02	-0.04	0.07	-0.04	-0.10
2004	-0.17	-0.30	-0.25	-0.46	-0.30	0.01	-0.08	0.02	-0.05	-0.04
2005	-0.04	-0.07	0.05	-0.47	-0.07	0.00	-0.11	0.25	-0.14	-0.01
Profit for the financial year before tax										
1999	0.35	0.38	0.23	0.74	0.24	0.60	0.16	0.48	0.24	0.25
2000	0.29	0.29	0.21	0.47	0.19	0.55	0.36	0.40	0.09	0.30
2001	0.20	0.18	0.18	0.18	0.11	0.38	0.13	0.35	0.13	0.20
2002	0.15	0.04	-0.12	0.41	0.08	0.35	0.14	0.46	0.14	0.23
2003	0.03	-0.25	-0.48	0.22	-0.14	0.48	0.02	0.52	0.09	0.22
2004	0.14	-0.01	-0.12	0.29	0.03	0.45	0.11	0.52	0.06	0.31
2005	0.44	0.70	0.77	0.48	0.19	0.50	0.18	0.72	0.02	0.37
Profit for the financial year after tax										
1999	0.20	0.28	0.20	0.45	0.13	0.24	0.11	0.21	0.13	0.22
2000	0.19	0.26	0.24	0.30	0.10	0.25	0.24	0.19	0.04	0.28
2001	0.15	0.16	0.21	0.05	0.10	0.21	0.08	0.21	0.09	0.18
2002	0.10	0.00	-0.13	0.30	0.05	0.20	0.16	0.31	0.11	0.21
2003	-0.05	-0.27	-0.44	0.11	-0.17	0.18	0.08	0.26	0.07	0.21
2004	0.07	-0.05	-0.10	0.11	-0.02	0.23	0.15	0.27	0.03	0.29
2005	0.31	0.50	0.56	0.30	0.17	0.27	0.18	0.47	-0.02	0.36

For footnotes, see p 31.

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## Credit institutions' profit and loss accounts \*

Financial year	Interest business			Non-interest business			General administrative spending			Partial operating result (col 1 plus col 4 less col 7)
	Net interest received (col 2 less col 3)	Interest received (total) 1	Interest paid	Net commissions received (col 5 less col 6)	Commissions received	Commissions paid	Total (col 8 plus col 9)	Staff costs	Total other administrative spending 2	
	1	2	3	4	5	6	7	8	9	10
	DM billion									
1998	147.5	602.9	455.3	37.0	43.6	6.6	125.2	70.1	55.1	59.3
1999	152.2	631.5	479.3	43.9	52.3	8.4	137.3	75.2	62.1	58.9
	€ billion									
1999	77.8	322.9	245.0	22.5	26.8	4.3	70.2	38.4	31.8	30.1
2000	76.9	369.9	293.1	28.1	33.8	5.7	77.7	42.0	35.7	27.3
2001	79.2	382.4	303.2	25.3	31.2	5.9	81.0	43.0	38.0	23.5
2002	85.6	344.5	258.9	24.3	30.2	5.9	78.3	41.6	36.7	31.6
2003	81.7	308.7	227.0	24.4	30.6	6.3	77.3	41.6	35.7	28.8
2004	85.0	303.6	218.6	25.3	32.0	6.8	75.8	41.2	34.6	34.5
2005	88.2	329.1	240.9	27.8	35.4	7.6	78.8	43.4	35.3	37.3
	Year-on-year percentage change 5									
1999	3.0	4.7	5.2	18.7	19.9	26.4	9.6	7.2	12.8	- 1.1
2000	- 1.2	14.6	19.6	25.1	26.3	32.5	10.6	9.3	12.3	- 9.2
2001	3.0	3.4	3.5	- 9.8	- 7.6	3.3	4.3	2.5	6.6	- 13.8
2002	8.0	- 9.9	- 14.6	- 4.0	- 3.2	0.0	- 3.3	- 3.4	- 3.3	34.2
2003	- 4.5	- 10.4	- 12.3	0.4	1.7	7.2	- 1.2	0.1	- 2.5	- 9.1
2004	4.0	- 1.7	- 3.7	3.8	4.5	7.4	- 2.0	- 0.9	- 3.2	19.9
2005	3.9	8.5	10.2	10.0	10.4	12.0	4.0	5.4	2.3	8.1
	As a percentage of the average balance sheet total									
1998	1.37	5.59	4.22	0.34	0.40	0.06	1.16	0.65	0.51	0.55
1999	1.28	5.33	4.05	0.37	0.44	0.07	1.16	0.63	0.52	0.50
2000	1.14	5.51	4.36	0.42	0.50	0.08	1.16	0.63	0.53	0.41
2001	1.12	5.39	4.28	0.36	0.44	0.08	1.14	0.61	0.54	0.33
2002	1.20	4.83	3.63	0.34	0.42	0.08	1.10	0.58	0.52	0.44
2003	1.16	4.39	3.23	0.35	0.44	0.09	1.10	0.59	0.51	0.41
2004	1.18	4.23	3.04	0.35	0.45	0.09	1.05	0.57	0.48	0.48
2005	1.17	4.37	3.20	0.37	0.47	0.10	1.05	0.58	0.47	0.50

\* The figures for the most recent date should be regarded as provisional in all cases. — 1 Interest received plus current income and profits transferred under profit pooling and profit transfer agreements. — 2 Including depreciation of and adjustments for tangible and intan-

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

Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col 10 to col 13)	Net other and extraordinary income or charges	Profit for the financial year before tax (col 14 plus col 15)	Taxes on income and earnings	Profit or loss (-) for the financial year after tax (col 16 less col 17)	Memo item Balance sheet total <sup>3,4</sup>	Financial year
11	12	13	14	15	16	17	18	19	
DM billion									
7.1	5.2	-27.2	44.4	21.5	65.9	31.1	34.7	10,778.2	1998
7.0	4.8	-22.5	48.1	- 6.3	41.8	17.6	24.2	11,845.3	1999
€ billion									
3.6	2.4	- 11.5	24.6	- 3.2	21.4	9.0	12.4	6,056.4	1999
6.4	2.0	- 15.9	19.9	- 0.6	19.3	6.7	12.6	6,716.3	2000
5.4	3.5	- 19.6	12.8	1.2	14.1	3.7	10.4	7,090.8	2001
3.0	3.7	- 31.2	7.0	3.9	10.9	3.9	7.1	7,129.1	2002
6.4	3.8	- 21.8	17.3	- 15.5	1.8	5.5	- 3.7	7,038.2	2003
1.3	4.1	- 17.3	22.6	- 12.3	10.4	5.6	4.8	7,183.7	2004
11.4	1.7	- 14.1	36.3	- 3.1	33.2	9.8	23.5	7,524.7	2005
Year-on-year percentage change <sup>5</sup>									
1.7	- 7.7	17.1	8.3	.	- 36.5	- 43.6	- 30.2	9.9	1999
79.8	16.4	- 38.0	- 19.1	81.4	- 9.6	- 24.9	1.5	10.9	2000
- 16.7	73.0	23.5	- 35.6	.	- 27.3	- 45.6	- 17.5	5.6	2001
- 45.1	4.4	- 59.1	- 45.4	220.2	- 22.2	4.9	- 31.8	0.5	2002
118.6	3.1	30.3	146.1	.	- 84.7	42.9	.	- 1.3	2003
- 80.5	9.0	20.5	31.0	20.7	469.0	1.4	.	2.1	2004
807.0	- 57.7	18.6	60.9	74.7	221.1	75.4	391.0	4.8	2005
As a percentage of the average balance sheet total									
0.07	0.05	- 0.25	0.41	0.20	0.61	0.29	0.32	.	1998
0.06	0.04	- 0.19	0.41	- 0.05	0.35	0.15	0.20	.	1999
0.10	0.03	- 0.24	0.30	- 0.01	0.29	0.10	0.19	.	2000
0.08	0.05	- 0.28	0.18	0.02	0.20	0.05	0.15	.	2001
0.04	0.05	- 0.44	0.10	0.06	0.15	0.05	0.10	.	2002
0.09	0.05	- 0.31	0.25	- 0.22	0.03	0.08	- 0.05	.	2003
0.02	0.06	- 0.24	0.31	- 0.17	0.14	0.08	0.07	.	2004
0.15	0.02	- 0.19	0.48	- 0.04	0.44	0.13	0.31	.	2005

balance sheet total of the foreign branches of savings banks. From 2004, excluding the balance sheet total of the foreign branches of regional institutions of credit cooperatives. Statistical increase in the

volume of business due to the inclusion of the foreign branches: in 1998, mortgage banks + DM1.3 billion. — <sup>5</sup> Statistical changes have been eliminated.

## Credit institutions' profit and loss accounts \*

€ million

Financial year	Number of reporting institutions	Interest business			Non-interest business			General administrative spending			Partial operating result (col 2 plus col 5 less col 8)
		Net interest received (col 3 less col 4)	Interest received (total) 1	Interest paid	Net commissions received (col 6 less col 7)	Commissions received	Commissions paid	Total (col 9 plus col 10)	Staff costs	Total other administrative spending 2	
	1	2	3	4	5	6	7	8	9	10	11
<b>All categories of banks</b>											
2000	2,636	76,894	369,946	293,052	28,095	33,793	5,698	77,673	41,997	35,676	27,316
2001	2,423	79,229	382,414	303,185	25,349	31,236	5,887	81,045	43,031	38,014	23,533
2002	2,268	85,568	344,472	258,904	24,327	30,212	5,885	78,324	41,578	36,746	31,571
2003	2,128	81,709	308,742	227,033	24,356	30,645	6,289	77,296	41,585	35,711	28,769
2004	2,055	84,998	303,615	218,617	25,282	32,039	6,757	75,781	41,223	34,558	34,499
2005	1,988	88,245	329,128	240,883	27,803	35,359	7,556	78,787	43,443	35,344	37,261
<b>Commercial banks</b>											
2000	224	25,731	117,211	91,480	16,822	19,617	2,795	36,806	18,562	18,244	5,747
2001	213	27,230	120,978	93,748	15,227	18,588	3,361	38,909	19,155	19,754	3,548
2002	206	30,850	101,741	70,891	13,894	17,145	3,251	35,897	17,414	18,483	8,847
2003	193	26,334	85,993	59,659	13,250	16,612	3,362	34,451	17,024	17,427	5,133
2004	187	29,471	85,000	55,529	13,430	17,143	3,713	33,386	16,606	16,780	9,515
2005	179	32,595	102,085	69,490	15,368	19,374	4,006	35,242	17,890	17,352	12,721
<b>Big banks 6</b>											
2000	4	14,174	79,073	64,899	10,205	11,251	1,046	22,770	12,182	10,588	1,609
2001	4	14,727	81,187	66,460	9,454	11,134	1,680	24,505	12,688	11,817	- 324
2002	4	17,615	65,553	47,938	8,481	10,073	1,592	21,768	11,107	10,661	4,328
2003	4	13,035	52,461	39,426	8,223	10,191	1,968	20,992	10,957	10,035	266
2004	5	17,340	58,161	40,821	8,836	11,087	2,251	22,382	11,473	10,909	3,794
2005	5	19,419	73,595	54,176	10,076	12,189	2,113	23,846	12,564	11,282	5,649
<b>Regional banks and other commercial banks 6</b>											
2000	193	11,377	36,799	25,422	6,550	8,291	1,741	13,696	6,296	7,400	4,231
2001	188	12,341	38,240	25,899	5,701	7,376	1,675	14,248	6,399	7,849	3,794
2002	183	13,060	35,015	21,955	5,317	6,969	1,652	13,954	6,229	7,725	4,423
2003	170	13,134	32,665	19,531	4,885	6,272	1,387	13,279	5,990	7,289	4,740
2004	163	11,967	26,211	14,244	4,461	5,917	1,456	10,825	5,057	5,768	5,603
2005	155	13,061	27,936	14,875	5,127	7,015	1,888	11,218	5,241	5,977	6,970
<b>Branches of foreign banks</b>											
2000	27	180	1,339	1,159	67	75	8	340	84	256	- 93
2001	21	162	1,551	1,389	72	78	6	156	68	88	78
2002	19	175	1,173	998	96	103	7	175	78	97	96
2003	19	165	867	702	142	149	7	180	77	103	127
2004	19	164	628	464	133	139	6	179	76	103	118
2005	19	115	554	439	165	170	5	178	85	93	102
<b>Landesbanken 7</b>											
2000	13	8,386	84,761	76,375	1,943	3,185	1,242	6,479	3,364	3,115	3,850
2001	13	9,519	87,500	77,981	1,745	2,831	1,086	7,255	3,613	3,642	4,009
2002	14	9,743	76,744	67,001	1,794	2,963	1,169	7,210	3,579	3,631	4,327
2003	13	10,260	69,740	59,480	1,748	3,016	1,268	6,898	3,378	3,520	5,110
2004	12	9,886	66,634	56,748	1,718	3,010	1,292	6,660	3,342	3,318	4,944
2005	12	10,019	74,094	64,075	1,933	3,455	1,522	7,140	3,607	3,533	4,812

For footnotes, see p 38.

Deutsche Bundesbank

Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col 11 to col 14)	Net other and extraordinary income or charges	Profit for the financial year before tax (col 15 plus col 16)	Taxes on income and earnings <sup>3</sup>	Profit or loss (-) for the financial year after tax (col 17 less col 18)	Withdrawals from or transfers to (-) reserves and participation rights capital <sup>4</sup>	Balance sheet profit or loss (-) (col 19 plus col 20)	Memo item Average annual balance sheet total <sup>5</sup>	Financial year
12	13	14	15	16	17	18	19	20	21	22	
All categories of banks											
6,449	2,046	- 15,886	19,925	- 601	19,324	6,747	12,577	- 3,975	8,602	6,716,341	2000
5,370	3,540	- 19,616	12,827	1,225	14,052	3,672	10,380	- 3,797	6,583	7,090,826	2001
2,950	3,693	- 31,217	6,997	3,923	10,920	3,850	7,070	- 2,267	4,803	7,129,090	2002
6,449	3,808	- 21,751	17,275	- 15,452	1,823	5,505	- 3,682	7,270	3,588	7,038,224	2003
1,260	4,149	- 17,282	22,626	- 12,254	10,372	5,583	4,789	- 831	3,958	7,183,653	2004
11,429	1,701	- 14,056	36,335	- 3,098	33,237	9,768	23,469	- 14,301	9,168	7,524,659	2005
Commercial banks											
5,371	868	- 4,012	7,974	- 1,563	6,411	695	5,716	- 1,147	4,569	2,201,783	2000
4,719	1,245	- 6,166	3,346	905	4,251	446	3,805	- 2,040	1,765	2,362,423	2001
2,144	1,515	- 9,034	3,472	- 2,563	909	869	40	769	809	2,309,650	2002
5,363	1,633	- 7,345	4,784	- 10,472	- 5,688	302	- 5,990	5,661	- 329	2,251,587	2003
414	2,117	- 5,302	6,744	- 7,086	- 342	825	- 1,167	615	- 552	2,361,952	2004
10,549	474	- 3,988	19,756	- 1,864	17,892	5,177	12,715	- 8,488	4,227	2,563,000	2005
Big banks <sup>6</sup>											
4,761	- 327	- 2,352	3,691	- 510	3,181	- 443	3,624	- 1,325	2,299	1,508,019	2000
4,882	195	- 3,900	853	2,098	2,951	- 438	3,389	- 1,154	2,235	1,653,158	2001
2,074	- 225	- 6,119	58	- 1,989	- 1,931	96	- 2,027	2,889	862	1,601,526	2002
4,901	233	- 4,751	649	- 7,964	- 7,315	- 490	- 6,825	7,698	873	1,533,976	2003
619	907	- 2,947	2,373	- 4,440	- 2,067	- 218	- 1,849	3,337	1,488	1,764,080	2004
10,775	- 846	- 1,713	13,865	1,002	14,867	4,030	10,837	- 7,941	2,896	1,939,373	2005
Regional banks and other commercial banks <sup>6</sup>											
442	1,151	- 1,651	4,173	- 1,052	3,121	1,125	1,996	186	2,182	659,720	2000
- 192	1,035	- 2,231	2,406	- 1,197	1,209	840	369	- 883	- 514	672,803	2001
59	1,719	- 2,844	3,357	- 568	2,789	735	2,054	- 2,120	- 66	676,254	2002
451	1,382	- 2,566	4,007	- 2,506	1,501	754	747	- 2,035	- 1,288	689,268	2003
- 210	1,198	- 2,320	4,271	- 2,625	1,646	1,017	629	- 2,722	- 2,093	573,493	2004
- 248	1,312	- 2,279	5,755	- 2,861	2,894	1,094	1,800	- 547	1,253	602,475	2005
Branches of foreign banks											
168	44	- 9	110	- 1	109	13	96	- 8	88	34,044	2000
29	15	- 35	87	4	91	44	47	- 3	44	36,462	2001
11	21	- 71	57	- 6	51	38	13	0	13	31,870	2002
11	18	- 28	128	- 2	126	38	88	- 2	86	28,343	2003
5	12	- 35	100	- 21	79	26	53	0	53	24,379	2004
22	8	4	136	- 5	131	53	78	0	78	21,152	2005
Landesbanken <sup>7</sup>											
680	573	- 1,756	3,347	- 504	2,843	1,371	1,472	- 629	843	1,506,853	2000
573	859	- 3,181	2,260	- 423	1,837	296	1,541	- 637	904	1,599,330	2001
644	677	- 7,746	- 2,098	3,400	1,302	399	903	- 129	774	1,644,026	2002
345	639	- 3,754	2,340	- 4,573	- 2,233	482	- 2,715	3,619	904	1,639,615	2003
262	581	- 799	4,988	- 4,516	472	835	- 363	1,161	798	1,519,005	2004
241	- 148	- 782	4,123	- 1,093	3,030	413	2,617	- 1,715	902	1,581,453	2005

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

€ million

Financial year	Number of reporting institutions	Interest business			Non-interest business			General administrative spending			Partial operating result (col 2 plus col 5 less col 8)
		Net interest received (col 3 less col 4)	Interest received (total) 1	Interest paid	Net commissions received (col 6 less col 7)	Commissions received	Commissions paid	Total (col 9 plus col 10)	Staff costs	Total other administrative spending 2	
	1	2	3	4	5	6	7	8	9	10	11
<b>Savings banks</b>											
2000	561	21,526	52,774	31,248	5,052	5,355	303	18,335	10,993	7,342	8,243
2001	536	21,606	54,522	32,916	4,743	5,019	276	18,688	11,076	7,612	7,661
2002	519	23,234	53,932	30,698	4,784	5,065	281	19,022	11,324	7,698	8,996
2003	489	23,504	50,962	27,458	5,180	5,495	315	19,349	11,725	7,624	9,335
2004	477	23,192	48,524	25,332	5,562	5,912	350	18,907	11,587	7,320	9,847
2005	463	22,929	47,330	24,401	5,620	5,996	376	19,130	11,829	7,301	9,419
<b>Regional institutions of credit cooperatives</b>											
2000	3	1,821	11,800	9,979	499	979	480	1,323	621	702	997
2001	2	1,480	11,769	10,289	354	647	293	1,316	614	702	518
2002	2	1,414	8,865	7,451	303	565	262	1,135	540	595	582
2003	2	936	6,972	6,036	343	629	286	1,103	523	580	176
2004	2	948	6,362	5,414	317	704	387	1,006	518	488	259
2005	2	1,037	6,698	5,661	359	795	436	974	543	431	422
<b>Credit cooperatives</b>											
2000	1,791	12,887	29,920	17,033	3,601	3,988	387	12,547	7,252	5,295	3,941
2001	1,619	12,855	30,783	17,928	3,107	3,460	353	12,592	7,352	5,240	3,370
2002	1,488	13,648	29,958	16,310	3,124	3,491	367	12,615	7,442	5,173	4,157
2003	1,392	13,987	28,514	14,527	3,401	3,802	401	12,915	7,619	5,296	4,473
2004	1,336	14,249	27,687	13,438	3,685	4,184	499	12,963	7,677	5,286	4,971
2005	1,292	14,250	27,328	13,078	3,895	4,508	613	13,347	8,022	5,325	4,798
<b>Mortgage banks</b>											
2000	31	3,995	51,095	47,100	-47	187	234	1,337	689	648	2,611
2001	27	4,005	53,012	49,007	-75	182	257	1,402	694	708	2,528
2002	25	3,695	49,868	46,173	-55	208	263	1,347	664	683	2,293
2003	25	3,795	44,657	40,862	-58	256	314	1,405	663	742	2,332
2004	25	3,847	42,398	38,551	-31	247	278	1,396	663	733	2,420
2005	24	3,934	42,930	38,996	-5	331	336	1,458	697	761	2,471
<b>Special purpose banks 7</b>											
2000	13	2,548	22,385	19,837	225	482	257	846	516	330	1,927
2001	13	2,534	23,850	21,316	248	509	261	883	527	356	1,899
2002	14	2,984	23,364	20,380	483	775	292	1,098	615	483	2,369
2003	14	2,893	21,904	19,011	492	835	343	1,175	653	522	2,210
2004	16	3,405	27,010	23,605	601	839	238	1,463	830	633	2,543
2005	16	3,481	28,663	25,182	633	900	267	1,496	855	641	2,618
<b>Memo item: Banks majority-owned by foreign banks 8</b>											
2000	55	2,517	7,105	4,588	1,262	2,049	787	2,840	1,381	1,459	939
2001	51	3,019	11,676	8,657	1,426	2,233	807	3,216	1,474	1,742	1,229
2002	49	3,430	15,964	12,534	1,186	1,929	743	3,381	1,486	1,895	1,235
2003	45	3,521	14,921	11,400	1,425	1,818	393	3,325	1,443	1,882	1,621
2004	42	3,931	15,124	11,193	1,724	2,167	443	3,534	1,473	2,061	2,121
2005	41	8,220	29,497	21,277	3,385	4,242	857	7,267	3,410	3,857	4,338

\* The figures for the most recent date should be regarded as provisional in all cases. Excluding building and loan associations, institutions in liquidation and institutions with a truncated financial year. — 1 Interest received plus current income and profits transferred under profit pooling and profit transfer agreements. — 2 Including depre-

ciation of and adjustments for tangible and intangible assets, but excluding depreciation of and adjustments for assets leased ("broad" definition). — 3 In part, including taxes paid by legally dependent building and loan associations affiliated to Landesbanken. — 4 Including profit or loss brought forward and withdrawals from or transfers to the fund for general

Net profit or net loss on financial operations	Net other operating income or charges	Net income or net charges from the valuation of assets (other than tangible or financial fixed assets)	Operating result (col 11 to col 14)	Net other and extraordinary income or charges	Profit for the financial year before tax (col 15 plus col 16)	Taxes on income and earnings <sup>3</sup>	Profit or loss (-) for the financial year after tax (col 17 less col 18)	Withdrawals from or transfers to (-) reserves and participation rights capital <sup>4</sup>	Balance sheet profit or loss (-) (col 19 plus col 20)	Memo item: Average annual balance sheet total <sup>5</sup>	Financial year
12	13	14	15	16	17	18	19	20	21	22	
Savings banks											
150	- 109	- 4,229	4,055	977	5,032	2,770	2,262	- 976	1,286	922,381	2000
- 11	408	- 4,980	3,078	571	3,649	1,633	2,016	- 829	1,187	948,723	2001
- 43	615	- 6,927	2,641	786	3,427	1,471	1,956	- 676	1,280	975,490	2002
215	256	- 5,247	4,559	197	4,756	3,011	1,745	- 580	1,165	980,622	2003
159	206	- 5,883	4,329	71	4,400	2,122	2,278	- 885	1,393	985,944	2004
181	278	- 4,924	4,954	- 4	4,950	2,298	2,652	- 1,133	1,519	995,377	2005
Regional institutions of credit cooperatives											
219	17	- 1,108	125	710	835	265	570	- 465	105	234,249	2000
132	138	- 772	16	286	302	115	187	- 108	79	239,709	2001
234	209	- 905	120	189	309	- 27	336	- 259	77	213,520	2002
370	98	- 514	130	- 81	49	- 123	172	- 93	79	203,899	2003
376	57	- 321	371	- 151	220	- 80	300	- 202	98	194,244	2004
405	7	- 180	654	- 248	406	10	396	- 223	173	219,881	2005
Credit cooperatives											
23	325	- 2,445	1,844	250	2,094	1,096	998	85	1,083	525,687	2000
- 41	495	- 2,671	1,153	735	1,888	772	1,116	- 182	934	534,337	2001
- 28	503	- 3,687	945	1,572	2,517	801	1,716	- 768	948	548,026	2002
138	1,027	- 3,095	2,543	380	2,923	1,484	1,439	- 440	999	556,946	2003
40	904	- 3,042	2,873	104	2,977	1,458	1,519	- 437	1,082	567,674	2004
51	891	- 2,988	2,752	1,431	4,183	1,458	2,725	- 1,521	1,204	578,641	2005
Mortgage banks											
1	305	- 1,681	1,236	- 462	774	463	311	188	499	880,137	2000
- 1	273	- 1,121	1,679	- 495	1,184	324	860	680	1,540	924,683	2001
5	138	- 1,843	593	692	1,285	247	1,038	- 331	707	929,571	2002
2	- 26	- 1,110	1,198	- 368	830	255	575	14	589	877,381	2003
1	169	- 1,625	965	- 399	566	328	238	587	825	875,035	2004
3	65	- 1,128	1,411	- 1,250	161	313	- 152	906	754	879,136	2005
Special purpose banks <sup>7</sup>											
5	67	- 655	1,344	- 9	1,335	87	1,248	- 1,031	217	445,251	2000
- 1	122	- 725	1,295	- 354	941	86	855	- 681	174	481,621	2001
- 6	36	- 1,075	1,324	- 153	1,171	90	1,081	- 873	208	508,807	2002
16	181	- 686	1,721	- 535	1,186	94	1,092	- 911	181	528,174	2003
8	115	- 310	2,356	- 277	2,079	95	1,984	- 1,670	314	679,799	2004
- 1	134	- 66	2,685	- 70	2,615	99	2,516	- 2,127	389	707,171	2005
Memo item: Banks majority-owned by foreign banks <sup>8</sup>											
- 116	454	- 324	953	21	974	251	723	229	952	126,022	2000
- 143	327	- 422	991	- 266	725	349	376	134	510	168,517	2001
108	561	- 632	1,272	- 18	1,254	449	805	- 310	495	284,168	2002
287	292	- 799	1,401	- 837	564	274	290	390	680	291,782	2003
- 85	262	- 612	1,686	- 874	812	494	318	206	524	313,299	2004
345	163	- 2,041	2,805	- 786	2,019	720	1,299	- 481	818	649,191	2005

banking risks. — **5** Excluding the balance sheet total of the foreign branches of savings banks. From 2004, excluding the balance sheet total of the foreign branches of regional institutions of credit cooperatives. — **6** From 2004, Deutsche Postbank AG allocated to the category of "Big banks". — **7** From 2004, NRW.BANK, allocated to the category of "Special purpose

banks". — **8** Separate presentation of the (legally independent) credit institutions majority-owned by foreign banks and included in the categories "Big banks", "Regional banks and other commercial banks" and "Mortgage banks".

Credit institutions' charge and income items \*

Financial year	Number of reporting institutions	Charges										
		Total	Interest paid	Commissions paid	Net loss on financial operations	Gross loss on transactions in goods and subsidiary transactions	General administrative spending					Other administrative spending <sup>1</sup>
							Total	Wages and salaries	Social security costs and costs relating to pensions and other benefits		Total	
									Total	of which Pensions		
1997	3,359	597,592	409,914	4,960	625	0	106,781	67,097	52,182	14,915	5,563	39,684
1998	3,167	666,066	455,339	6,593	289	0	114,367	70,123	53,679	16,444	6,524	44,244
1999	2,897	696,747	479,259	8,408	1,048	0	126,396	75,174	58,217	16,957	6,902	51,221
		€ million										
1999	2,897	356,241	245,041	4,299	536	0	64,625	38,436	29,766	8,670	3,529	26,189
2000	2,636	412,264	293,052	5,698	370	0	71,853	41,997	32,772	9,225	3,843	29,856
2001	2,423	430,361	303,185	5,887	831	0	75,237	43,031	33,766	9,265	3,899	32,206
2002	2,268	400,045	258,904	5,885	884	0	72,472	41,578	32,514	9,064	3,489	30,894
2003	2,128	364,797	227,033	6,289	354	0	71,901	41,585	32,088	9,497	3,946	30,316
2004	2,055	346,700	218,617	6,757	898	0	70,989	41,223	31,626	9,597	4,028	29,766
2005	1,988	373,002	240,883	7,556	637	0	74,439	43,443	33,290	10,153	4,524	30,996

\* The figures for the most recent date should be regarded as provisional in all cases. — 1 Spending item does not include depreciation of and adjustments for tangible and intangible assets, shown net of

depreciation of assets leased ("narrow" definition). All other tables are based on a broad definition of "other administrative spending". —

Financial year	Income										
	Total	Interest received			Current income				Profits transferred under profit pooling and profit transfer agreements	Commissions received	
		Total	from lending and money market transactions	from debt securities and Debt Register claims	Total	from shares and other variable yield securities	from participating interests <sup>1</sup>	from shares in affiliated enterprises			
1997	617,995	535,553	452,798	82,755	16,737	8,301	2,900	5,536	2,184	39,056	
1998	700,804	578,663	488,258	90,405	22,551	10,627	3,628	8,296	1,640	43,603	
1999	720,993	604,647	505,191	99,456	24,546	12,969	2,789	8,788	2,275	52,338	
		€ million									
1999	368,638	309,151	258,300	50,851	12,550	6,631	1,426	4,493	1,163	26,760	
2000	424,841	351,570	290,904	60,666	16,994	7,951	2,219	6,824	1,382	33,793	
2001	440,741	363,138	298,110	65,028	17,379	9,849	2,169	5,361	1,897	31,236	
2002	407,115	323,949	266,031	57,918	17,446	7,226	1,835	8,385	3,077	30,212	
2003	361,115	294,244	243,578	50,666	10,975	6,503	1,220	3,252	3,523	30,645	
2004	351,489	285,732	235,855	49,877	14,666	9,631	1,212	3,823	3,217	32,039	
2005	396,471	306,791	252,643	54,148	16,998	12,364	1,251	3,383	5,339	35,359	

<sup>1</sup> Including amounts paid up on cooperative society shares.

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Value adjustments in respect of tangible and intangible assets		Other operating charges	Value adjustments in respect of loans and advances, and provisions for contingent liabilities and for commitments	Value adjustments in respect of participating interests, shares in affiliated enterprises and securities treated as fixed assets	Charges incurred through loss transfers	Transfers to special reserves	Extraordinary charges	Taxes on income and earnings <sup>2</sup>	Other taxes	Profits transferred under profit pooling and profit transfer agreements	Financial year
Total	of which Assets leased										
DM million											
10,564	478	6,022	28,655	596	909	609	4,258	19,838	2,016	1,845	1997
11,328	494	6,362	30,059	545	1,294	358	6,395	31,148	243	1,746	1998
11,680	792	6,122	30,339	1,078	1,013	8,479	3,237	17,579	376	1,735	1999
€ million											
5,972	405	3,130	15,512	551	518	4,335	1,655	8,988	192	887	1999
6,243	423	4,280	17,902	1,747	751	59	2,271	6,747	179	1,112	2000
5,975	167	4,237	22,327	1,827	2,785	113	2,221	3,672	215	1,849	2001
5,995	143	4,288	34,213	3,412	4,550	64	2,102	3,850	185	3,241	2002
5,520	125	5,404	23,325	7,480	2,861	63	5,264	5,505	169	3,629	2003
4,904	112	3,763	19,439	1,352	1,427	37	8,893	5,583	176	3,865	2004
4,348	0	5,905	17,923	709	1,397	36	4,540	9,768	202	4,659	2005

<sup>2</sup> In part, including taxes paid by legally dependent building and loan associations affiliated to Landesbanken.

Net profit on financial operations	Gross profit on transactions in goods and subsidiary transactions	Value re-adjustments in respect of loans and advances, and provisions for contingent liabilities and for commitments	Value re-adjustments in respect of participating interests, shares in affiliated enterprises and securities treated as fixed assets	Other operating income		Income from the release of special reserves	Extraordinary income	Income from loss transfers	Financial year
				Total	of which from leasing business				
DM million									
5,931	507	3,564	2,264	10,246	1,841	822	820	311	1997
7,368	457	2,895	15,740	11,826	988	298	15,087	676	1998
8,064	432	7,825	6,083	11,645	1,021	319	2,607	213	1999
€ million									
4,123	221	4,001	3,110	5,954	522	163	1,333	109	1999
6,819	201	2,016	2,329	6,727	536	1,840	1,025	145	2000
6,201	183	2,711	5,787	7,976	247	1,502	2,378	353	2001
3,834	170	2,996	12,040	8,139	243	889	3,586	777	2002
6,803	165	1,574	2,188	9,341	220	450	1,111	96	2003
2,158	160	2,157	1,070	8,040	239	49	1,716	485	2004
12,066	163	3,867	4,967	7,645	46	82	3,141	53	2005



## German foreign direct investment (FDI) relationships: recent trends and macroeconomic effects

Since the beginning of the 1990s, the German economy's international capital links have increased sharply. While German outward FDI stocks have risen sharply (sixfold), inward FDI has also gone up markedly in this period (fourfold). Against the backdrop of comparatively subdued investment activity in recent years and employment problems in Germany, this raises the question of what impact outward FDI by German firms will have on Germany.

The empirical studies presented here come to the conclusion that outward FDI by German enterprises will not have a detrimental effect on investment in Germany over the long term. In macroeconomic terms, the increase in employment at foreign subsidiaries does not mean a loss of jobs in Germany, either. It would appear that the increased foreign presence has made the German economy more competitive overall. Finally, it is evident that the high level of German FDI in the new EU member states has resulted in changes in trade relations with the old EU member states.

### Development and structure of German enterprises' international capital links

---

The German economy's international capital links have continued to grow in the past few years, though no longer as rapidly as at the end of the previous decade. All the same,

*Continued  
increase in  
international  
capital links*

German enterprises have invested around €134½ billion abroad since 2001, €26½ billion of it in the first half of 2006 alone. At the same time, foreign parent companies have poured €132½ billion into their German subsidiaries in the past 5½ years (€6 billion in the first half of 2006).

*Different forms of provision of capital*

Essentially, cross-border FDI flows involve using equity capital to set up and expand subsidiaries or for mergers and acquisitions. At times, however, reinvested earnings, as well as the provision of credit (which, as a substitute for capital, likewise counts as direct investment), were also important factors.<sup>1</sup> The form of financing chosen by the investing enterprise depends on various factors: not only the performance of parent companies and subsidiaries and the financing conditions in the financial markets but also tax considerations are often significant.<sup>2</sup>

*FDI stocks up sharply*

The FDI stock statistics, in an even more marked fashion than the flow statistics (which are reported in the German balance of payments), show how German enterprises' international capital links have developed in recent years. The particular advantage of using stock statistics is that, in addition to direct (or primary) participating interests, they include indirect (or secondary) participating interests, often realised via holding companies.

German FDI assets<sup>3</sup> (data are currently available up to and including 2004) most recently amounted to €677 billion. Conversely, €345 billion of foreign funds was invested in subsidiaries of foreign-owned companies in Ger-

### Composition of FDI flows

€ bn; net capital exports: -

	1991-1995	1996-2000	2001-2005	2005 H1	2006 H1
German investment abroad	- 93.1	- 319.5	- 108.2	- 33.3	- 26.4
of which					
Equity	- 91.3	- 273.5	- 167.2	- 11.4	- 16.6
Reinvested earnings	- 1.0	- 4.8	21.5	- 4.5	- 4.9
Loans	- 0.8	- 41.2	37.5	- 17.4	- 4.9
Foreign investment in Germany	17.4	305.9	126.4	8.9	6.1
of which					
Equity	14.4	158.7	156.5	7.8	0.9
Reinvested earnings	- 12.0	- 20.9	- 24.2	1.7	2.7
Loans	14.9	168.1	- 5.9	- 0.6	2.5

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many. At the beginning of the 1990s, the corresponding figures were €116 billion and €85 billion, respectively. German enterprises, in particular, have since considerably strengthened their international orientation and set up production or distribution sites abroad, as well as taken over entire enterprises. Even if the momentum of growth has slowed following the bursting of the "new economy" bubble and the fall in share prices at the begin-

<sup>1</sup> FDI always includes long-term cross-border capital investment in combination with the possibility of influence. Under an operational form of this definition and in accordance with international requirements, an equity threshold of 10% of equity or voting rights is generally used.

<sup>2</sup> See also Deutsche Bundesbank (2004), New provision on corporate borrowing and its effect on direct investment, Monthly Report, March 2004, p 49.

<sup>3</sup> The data refer to the consolidated sum of primary FDI and secondary FDI held through dependent holding companies. The original investment in the holding company is factored out of the latter to avoid double counting.



ning of the millennium, the FDI flows described above indicate a continuation of the internationalisation trend in the corporate sector up to and into the current year.<sup>4</sup>

*Regional and ...*

Germany's FDI stocks<sup>5</sup> are essentially concentrated on Europe and North America. Just under half of the overall stocks are invested in the 14 other old EU countries alone, with a further 30% in the United States. The ten countries that joined the EU in 2004 now account for as much as 6%; at the beginning of the 1990s, before the markets in central and eastern Europe opened up following the fall of the Iron Curtain, they were virtually meaningless as destinations for German FDI. By contrast, emerging Asia has so far not been a significant target of German enterprises' FDI activities. In recent years, however, some

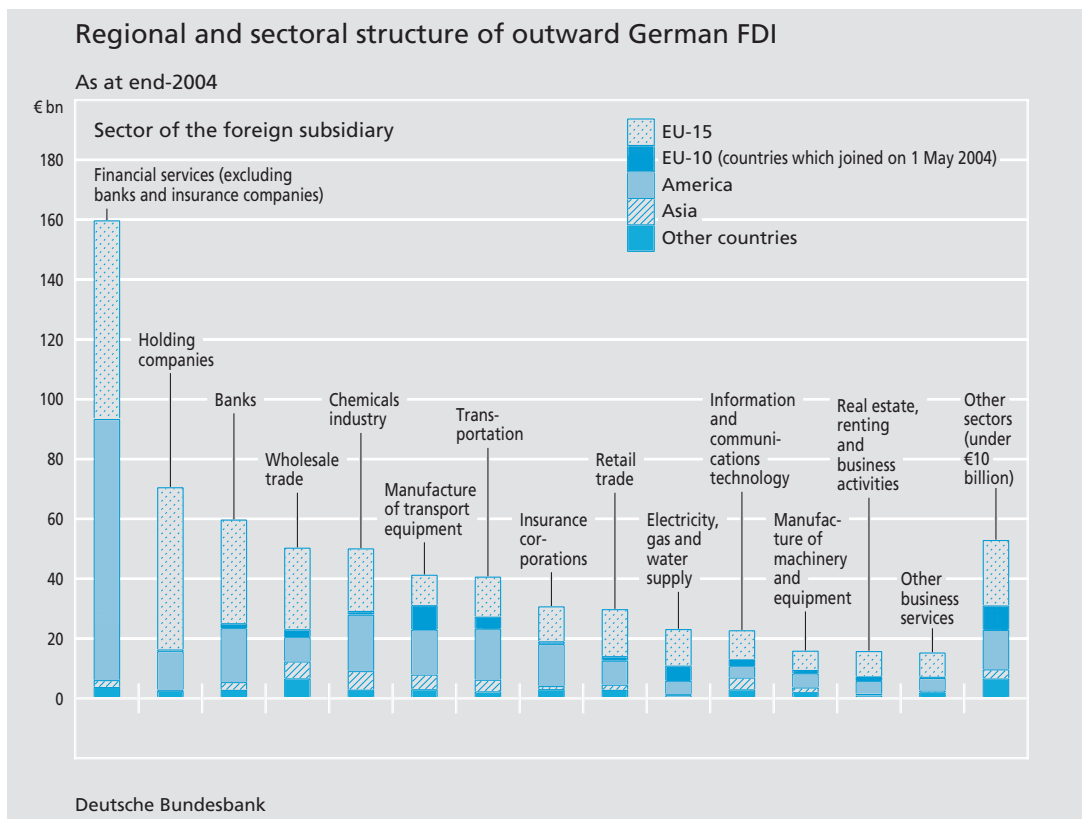
countries in the region have become preferred locations for new investment from Germany. For example, investment in the People's Republic of China increased tenfold between 1994 and 2004. At €8½ billion, it currently amounts to just over 1% of Germany's total FDI stocks.<sup>6</sup>

The dominance of the industrial countries – which account for 90% of German FDI – is even more discernible if one looks at FDI stocks held by foreigners in Germany: a total

<sup>4</sup> Differences between the changes in the stock data and the flows from the balance of payments (see table on p 44) are the result of different time definitions (financial year/calendar year) as well as valuation-related influences (including exchange-rate-related changes). Hence, stocks can fall even when flows are positive.

<sup>5</sup> The data refer to 2004.

<sup>6</sup> See also Deutsche Bundesbank, Germany's external relations with the People's Republic of China, Monthly Report, June 2005, pp 35-50.



97% of investment in Germany come from this group of countries, with the partner countries of the EU-15 (70%) and North America (15%) having the lion's share.

communication sector likewise played a key role. Manufacturing, led by the chemicals industry and the car sector, accounts for around 25%.

... sectoral structure of FDI

In the analysis of the sectoral structure, the advantage of German FDI stock data over transaction data is that secondary FDI is included in the statistics. In the case of dependent intermediary holding companies with participating interests subject to the reporting requirements, the investor's actual interest on which a direct investment is based can therefore be made visible in many cases.

In terms of amounts, German FDI activities are concentrated in the services sector (71%), mainly in the financial intermediation sector (37%). Both trade and the transportation and

With the increasing foreign presence of German firms, employment in direct investment enterprises has increased sharply. The number of persons employed in German-owned foreign subsidiaries has risen to some 4½ million in the past decade and a half, thereby almost doubling. Foreign employment peaked in 2002. According to the companies' data, the number of persons employed at foreign subsidiaries required to report has since fallen slightly, although this may also be due in part

*Employment abroad*

to statistical adjustments.<sup>7</sup> Staff numbers have therefore moved more or less in parallel with, but not quite at the same pace as, investment amounts. Differences are located mainly in the sectoral distribution. Whereas the vast majority of invested amounts is in the services sector, manufacturing accounts for the majority of persons in work (57%); of these, a large percentage are active in the manufacture of transport equipment (17%). This suggests that labour-intensive activities in these sectors are particularly important. This is more likely, however, to be a sector-specific phenomenon rather than a defining characteristic of FDI subsidiaries.

*Employment  
at domestic FDI  
enterprises*

In the German branches of foreign direct investors, changes in the number of persons employed were comparatively minor. For example, the figure stood at 2¼ million persons in 2004, only just under half a million above the figure for 1990. The sectoral structure of employment in domestic FDI enterprises is similar to that described above. Here, too, manufacturing (60%) dominates, with the manufacture of transport equipment (15%) accounting for the largest share.

### German outward FDI: effects on domestic investment and employment

*FDI in public  
debate*

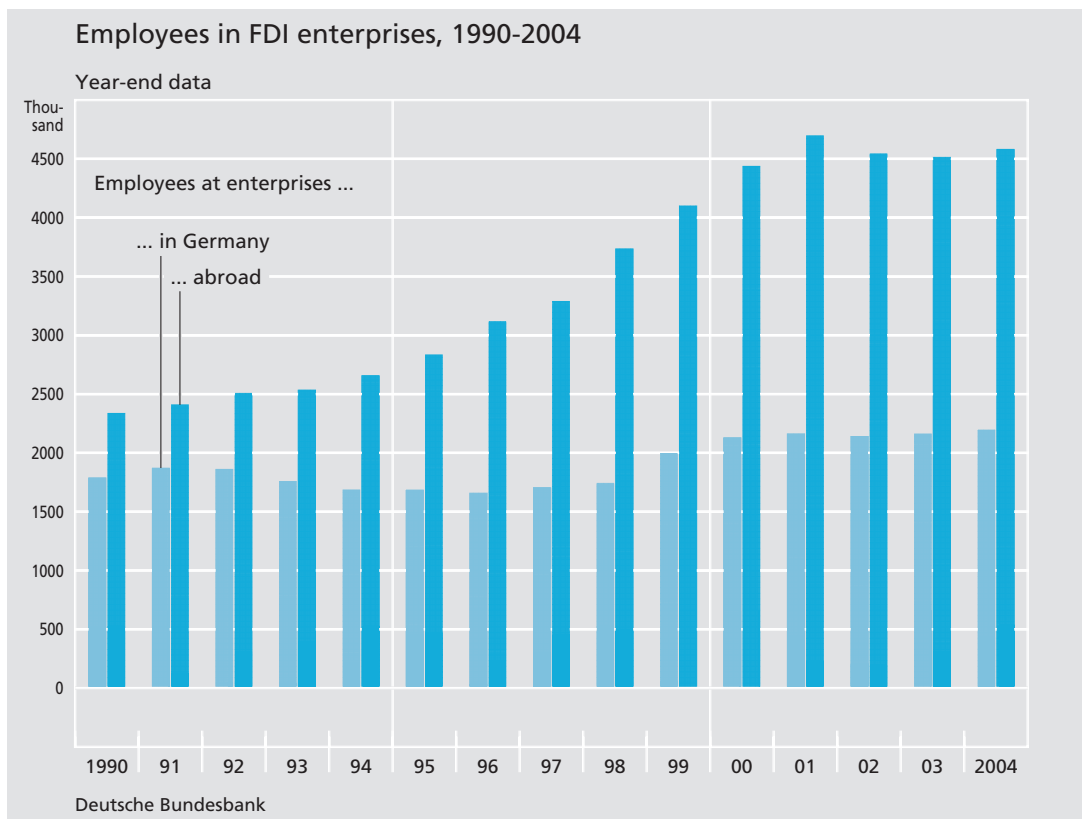
Against the backdrop of comparatively weak domestic investment activity in recent years and the problems in the domestic labour market, the high level of German FDI and the associated establishment of employment abroad have encountered some criticism from the public. This raises the question as to what

economic links exist between these phenomena at the macroeconomic level. In an initial step, a relationship can be created between FDI and employment in direct investment enterprises and the relevant domestic indicators to get an idea of the dimensions involved here. In doing so, however, it should not be overlooked that, precisely in the case of particularly high-value mergers and acquisitions, FDI is, initially, no more than the transfer of ownership, which is far different conceptually from domestic non-residential private fixed investments. Direct conclusions therefore cannot be drawn about implications for the real economy from the data on the size of the investment alone. That will be followed in a second step by an econometric analysis of the relationship.

In terms of domestic non-residential private fixed investments, the German inward and outward FDI flows are currently of fairly minor significance (both around 3% in 2005). Over a ten-year period (1996-2005), the share of German investment abroad was 9% and that of foreign investment in Germany 7½%. However, the higher figures can be attributed mainly to the boom of the last wave of mergers and acquisitions at the turn of the millennium, with some firms being noticeably overvalued. In terms of GDP, FDI made up less than 2% on an average of the last ten years

*Integration into  
the economic  
environment*

<sup>7</sup> In 2002, the reporting thresholds for cross-border capital investment were harmonised. The reporting threshold for majority stakes was raised to €3 million and, at the same time, that for minority stakes reduced to the same amount. This led to a fall in the number of units covered – and thereby also in the level of foreign employment covered. However, since predominantly smaller enterprises were affected, there was no impact on basic growth trends.



and, most recently, only about ½%. The relationships outlined suggest that the extent of FDI should not be assessed as exceptionally large. This is confirmed by an international comparison. In the ten-year period specified, Germany's share of the OECD countries' total outward FDI came to 7%, below Germany's share of the OECD countries' overall GDP, which amounted to just over 7½% in the same period.

*Econometric analysis*

Despite these caveats, a comparison of the sharp increase in German FDI (13% per year on average between 1996 and 2005 as a result of the acquisition of equity interests alone) with the developments in domestic non-residential private fixed investments, which declined slightly at the same time, could suggest a certain substitution effect.

However, an econometric study of this relationship fails to confirm this hypothesis. Instead, it appears that, in the long term, German foreign investment tends to benefit the investment of enterprises in Germany (see also the explanatory notes on p 50). According to the results of this study, the short-term effects of outward German FDI can be assessed as neutral. The overall weakness in investment in the period under review was evidently due to other factors, not least the structural problems of the German economy, as well as the decline in housing investment following the post-German reunification boom.

More difficult to judge is the significance of FDI for domestic employment. Overall, the number of employees in foreign subsidiaries



*Quantitative  
significance of  
FDI for  
domestic  
employment*

in Germany made up around 13% of domestic employees. In the manufacturing sector, foreign employment amounted to just over one-third of employment in this sector in Germany; the figure was approximately three-quarters in the chemicals industry and in the manufacture of transport equipment.<sup>8</sup>

Conversely, slightly more than 6% of all German employees were working at enterprises directly or indirectly held by foreigners in 2004. In the manufacturing sector, this share was around 18% of domestic employees, 28% of whom were in the chemicals industry and around one-third in the manufacture of transport equipment.

These data show, firstly, that FDI and employment in foreign-owned enterprises are not a one-way street, even though the level of employment at foreign branches of German firms is higher than at the branches of foreign enterprises in Germany. Secondly, a look at employment figures of individual sectors, such as the chemicals industry, shows just how different the level of cross-border integration can be.

*Motives for FDI*

It would be a mistake, however, to equate the above-mentioned rise in the number of employees in the foreign branches of German enterprises to a movement of jobs away from Germany. In the case of mergers and acquisitions, in particular, the increase in foreign employment (by the number of employees at an enterprise that has been taken over) does not allow any conclusions to be drawn regarding current or potential movements of jobs abroad. Although possible (long-term) effects

of such transactions on domestic employment cannot be ruled out, they take place only over time. The establishment of new manufacturing sites abroad, which is associated with a shift in production away from Germany, may be a different matter; however, the microeconomic and macroeconomic effects may likewise differ.

The crucial elements in assessing FDI and its effects on employment from a microeconomic point of view are the motives for deciding to engage in FDI. The academic literature differentiates between horizontal and vertical FDI. The latter includes a fragmentation of the production process and the spinning-off of parts of the production chain to foreign subsidiaries. Vertical FDI results, for example, from various factor endowments and factor costs of the countries and involves – for Germany, for example – the movement of production processes, most of which are labour-intensive, to lower-wage countries. The cost savings motive is regarded as the driving force behind vertical FDI.

In the case of horizontal FDI, the (end) product is produced in the potential distribution market. The primary purpose of horizontal FDI is to help obtain market access; as a rule, it takes place between countries with a very similar economic structure. It can be expected when proximity to buyers (in respect of transport costs, customs duties, hedging against exchange rate fluctuations or the circumvention of trade restrictions) is more important than the advantage of concentration at the

*Vertical and ...*

*... horizontal  
FDI*

<sup>8</sup> The criterion for these data is the sector to which the foreign subsidiary belongs.

## Foreign direct investment and domestic investment

It is occasionally assumed that investors decide between outward foreign direct investment (FDI) and domestic investment, thereby placing outward FDI and domestic investment in direct competition. If FDI abroad results in domestic investment projects being undertaken only to a limited extent or not undertaken at all, one could also indirectly infer potential effects on employment. There is a variety of opinions in the literature.

Feldstein (1995)<sup>1</sup> used data for selected OECD countries to calculate a negative relationship between outward FDI and domestic investment. Desai, Foley and Hines (2005)<sup>2</sup> confirm Feldstein's results, yet, in limiting the analysis to the United States and companies engaging in direct investment abroad, found a positive relationship.

Indeed, one may reasonably assume that more innovative and profitable companies will engage in FDI. This is consistent with recent theories concerning FDI decisions<sup>3</sup> and has also been confirmed by some empirical studies. The positive effect for multinationals described by Desai, Foley and Hines is therefore quite conceivable. Hence, the weak propensity of the other companies to invest is then more likely to be the result of their low profitability and not so much the fault of FDI activities.

Macroeconomically, however, both studies agree that domestic and foreign investment projects are substitutes and accordingly assume that outward FDI will tend to be associated with domestic job losses. An empirical study using exclusively German data has therefore been conducted to determine whether this also applies to Germany.

This econometric analysis seeks to calculate the extent to which a relationship exists between German outward FDI, inward FDI in Germany and German non-residential private fixed investments. The equation

$$\beta_1 \frac{PFI}{BIP} + \beta_2 \frac{FDI_{IN}}{BIP} + \beta_3 \frac{FDI_{OUT}}{BIP} + c = \varepsilon$$

is estimated as a vector error correction model (VECM).<sup>4</sup> *PFI* denotes non-residential private fixed investments, *FDI<sub>IN</sub>* and *FDI<sub>OUT</sub>* inward and outward FDI flows respectively, and *GDP* gross domestic product; *c* is a constant and  $\varepsilon$  is the error term.<sup>5</sup>

1 M S Feldstein (1995), The Effects of Outbound Foreign Direct Investment on the Domestic Capital Stock, in M S Feldstein, J R Hines and R G Hubbard (eds), The Effects of Taxation on Multinational Corporations, pp 43-66. — 2 M A Desai, C F Foley and J R Hines (2005), Foreign Direct Investment and the Domestic Capital Stock, *American Economic Review*, 95, pp 33-38. — 3 See E Helpman, M J Melitz and S R Yeaple (2004), Export Versus FDI with Heterogeneous Firms, *American Economic Review*, 94, pp 300-316. — 4 According to various unit root tests, the vari-

## Foreign direct investment and domestic non-residential private fixed investments<sup>6</sup>

Variable	Cointegrating vector	Error correction equation	Loading coefficient
$\frac{PFI}{GDP}$	$\beta_1 = 1^7$ —	$\frac{\Delta PFI}{GDP}$	- 0.62 (- 4.78)
$\frac{FDI_{IN}}{GDP}$	$\beta_2 = 2.44$ (5.07)	$\Delta \frac{FDI_{IN}}{GDP}$	- 0.39 (- 2.45)
$\frac{FDI_{OUT}}{GDP}$	$\beta_3 = -1.64$ (- 4.41)	$\Delta \frac{FDI_{OUT}}{GDP}$	0 <sup>7</sup> —
<i>c</i>	- 0.12 (- 53.24)		

It follows from the results of the estimation (see table) that, for the German data, a long-run complementary relationship exists between German outward FDI and domestic non-residential private fixed investments ( $\beta_3 < 0$ ). Moreover, causality tests reveal that outward FDI has an impact on domestic investment.<sup>8</sup> In the long run, German outward FDI is therefore associated with an increase in domestic investment. By contrast, there is a negative long-run relationship between foreign companies' FDI in Germany and domestic companies' fixed capital formation. As it is not possible to identify a causal relationship here with any certainty, it does not seem appropriate to interpret this as a displacement of German companies' investment by inward FDI. Rather, the substitutional relationship could be seen as a sign that, in both cases, investment decisions are being guided by different locational factors.

It is therefore not possible to confirm here that outward FDI has a negative effect on the domestic sector, as has been frequently alleged in the public debate. Rather, the results suggest that, in the long run, outward FDI may be expected to have a favourable impact on domestic investment.

ables are integrated of order 1. A Johansen cointegration test suggests one cointegrating relationship. — 5 The annual data are available for the 1971-2005 period. By analogy to Feldstein and to Desai, Foley and Hines, all variables are divided by GDP at constant prices. — 6 t-values in brackets. — 7 Restricted. — 8 An LR test shows that the relevant loading coefficient can be restricted to 0 (weak exogeneity). At the same time, the corresponding coefficients of the lags of  $\Delta PFI/GDP$  are insignificant (strong exogeneity).

home location (particularly through economies of scale).

*Distribution*

Another motive for FDI is the sale of domestic products. Once an export market has attained a certain level of importance, exports are followed by FDI so that, for instance, sellers can orient their distribution strategies in the foreign market more closely to their customers.

*Motive drives potential effects*

The potential effects on the domestic economy will probably vary depending on the prevailing motive. Vertical FDI, through which labour-intensive, and thus in high-wage countries cost-intensive, parts of production is generally relocated, could initially lead to a reduction in domestic employment in the investing enterprise. By contrast, FDI with the idea of tapping markets or of setting up and expanding distribution structures primarily contributes to the creation or safeguarding of domestic jobs.

*Emphasis on sales-oriented motives*

In the case of German FDI, the strong links with developed economies and the mutual interrelationships at the same sectoral level indicate that market access and distribution are the predominant motives, and not pure cost saving. However, there is evidence – particularly for the central and east European countries – that German enterprises are also increasingly engaging in vertical FDI, alongside horizontal FDI.

*Chamber of Industry and Commerce study on the motives for German FDI*

The latest survey by the German Chamber of Industry and Commerce on the investment of German enterprises abroad essentially confirms this line of thinking.<sup>9</sup> According to the

survey, German enterprises are planning to continue their major expansion of their foreign manufacturing sites as well as of their customer service and distribution structures. However, this development is now also coinciding with an upturn in domestic investment. Whereas cost savings continue to present a strong motive for foreign investment, the more sales-oriented motives of market access and distribution prevail (combined 69% of replies, up from 66% in the previous year), increasingly so, in fact, according to the findings of this study. Even for regions in which the cost advantages of production would normally be considered to be the main motive, such as the central and east European countries which joined the EU in May 2004, as well as other east and south-east European and Asian countries, FDI decisions were guided by sales-oriented considerations. At the same time, however, these are also the regions in which German enterprises, owing to locational disadvantages in Germany, prefer to invest. In total, 39% of all foreign investment projects could also be carried out in Germany in situations where locational conditions were more favourable.

At the macroeconomic level, it is in no way clear that FDI necessarily leads to negative employment effects – even if it takes place primarily for cost motives. A shift in production can result in quite positive – mostly indirect – stimuli for domestic employment. The following aspects could play a role in this re-

*Macroeconomic effects*

<sup>9</sup> German Chamber of Industry and Commerce (Deutscher Industrie- und Handelskammertag), Investitionen im Ausland, Ergebnisse einer DIHK-Umfrage bei den Industrie- und Handelskammern, spring 2006.

spect: increased productivity and competitiveness of the domestic enterprises that have transferred parts of the production chain abroad in order to cut costs, a lower price level for the end customers in some cases, increased export growth, as well as higher returns on investment, and larger real income, associated with a stimulation of domestic demand.

However, relocation of research and development units has a detrimental macroeconomic effect, as such relocation could lead to a decline in domestic innovativeness. Even if the research and development functions remain at home, there is still usually a transfer of knowledge abroad. In addition, there may be a loss of tax revenue as a result of FDI because profits are transferred to the host countries and taxed at lower rates. The regional effects of individual shifts of operations are likely to be comparatively significant, especially in the case of structurally weak regions, whereas at the macroeconomic level the effects of individual activities are normally negligible.

*Problems with identification and measurement*

Empirical studies of the employment effects of German FDI are adversely affected by the fact that measuring employment effects leads to a host of data-related problems. One fundamental problem is that, at the level of economic units relevant to FDI decisions and effects, no link can be made between the information on employment and investment in Germany or abroad using the microdata available. In addition, the international links of the production processes do not exclusively have to be via FDI; intermediate goods can also be

purchased by third-party foreign contracting parties. Although overall effects can be analysed at the aggregate level, in the absence of suitable data, not all facets of offshoring (the relocation of business processes to other countries) can be taken into consideration here, either.<sup>10</sup> The findings of econometric studies on the macroeconomic effects of FDI could therefore be biased.

Despite these limitations, various empirical studies do not find any evidence to support the popular view that outward German FDI is associated with negative employment effects in Germany. As mentioned above, German FDI has also benefited domestic investment in the long term. If a positive link between investment and the creation of jobs is assumed, outward FDI can be expected to have a favourable impact on the domestic labour market in the long term. It should be noted, however, that the shifting of labour-intensive processes to other countries is likely to be accompanied by more labour-intensive production in Germany and a higher skill level among employees.<sup>11</sup>

*Domestic investment*

However, a positive employment effect of outward FDI on Germany can also be confirmed by estimating the labour demand function using the Bundesbank's macroeconomic model. For this purpose, employment

*Domestic demand for labour*

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<sup>10</sup> In addition to FDI, this includes the order-based production abroad not captured in the statistics.

<sup>11</sup> Jäckle (2006), for example, shows that German FDI leads to an increase in the skill level in Germany. Accordingly, the demand for highly-skilled labour rises faster relative to that for low-skilled employees. This correlation applies to FDI in developed and developing countries alike. See R Jäckle (2006), The Impact of FDI on the Skill Structure in German Manufacturing, *Applied Economics Quarterly*, 52, Supplement.

at foreign branches of German firms was added to the relevant equation as an additional explanatory variable. According to this, the link between domestic demand for labour and foreign employment by German enterprises tends to be neutral in the short term. In the long term, a slightly positive effect on the demand for labour can be demonstrated.<sup>12</sup>

### Changes in the locational decisions of German enterprises following EU enlargement and their effects on German foreign trade

*New export markets and production sites*

The strategic options of domestic enterprises have increased markedly with the opening of the central and east European markets in the 1990s and the enlargement of the EU in 2004: new export markets and cost-effective potential production sites appeared right on Germany's doorstep. German enterprises have seized the available opportunities and – as described – invested heavily in the new EU member states. At the same time, German foreign trade with these countries has increased sharply. The way this has affected German FDI in, and foreign trade with, the old EU countries is examined below.

*Shift in FDI*

The setting-up of new sites in central and eastern Europe and the relocation of production processes there could have had a negative effect on the number of branches of German enterprises in the old EU countries. To find out whether the suspected geographical reorientation has indeed happened, the number of investment objects held by each individual enterprise (with affiliates abroad) in the

### Changes in the number of German foreign direct investors' affiliates between 1996 and 2004 \*

		New EU countries		
		More	Un- changed	Fewer
Old EU countries	More	39.6 (↑↑)	8.4 (↑↑)	2.2 (↑↓)
	Un- changed	11.3 (↑↑)	10.9 (↓↑)	2.0 (↑↓)
	Fewer	6.9 (↓↑)	9.2 (↓↑)	9.4 (↓↓)

\* ↑ more ↓ fewer employees in the old EU (first arrow) and new EU (second arrow) countries respectively.

Deutsche Bundesbank

old and new EU countries between 1996 and 2004 was counted using the Bundesbank's Microdatabase Direct Investment (MiDi).<sup>13</sup> Subsequently, the researchers determined whether there were more, fewer or the same number of affiliates in the old and new EU countries over time. The results are shown in the table above. The arrows indicate whether

<sup>12</sup> The findings on the effects of German FDI described here are consistent with similar findings for the United States, which likewise witnessed an intense debate on the employment effects of relocating production abroad; see N G Mankiw and P Swagel (2006), *The Politics and Economics of Offshore Outsourcing*, NBER Working Paper 12398.

<sup>13</sup> In order to eliminate the effects of the changes to the reporting thresholds over time, uniform criteria were used throughout the observation period.

## The impact of FDI on import structure

The increasing integration of the EU since the completion of the single market in 1993 and the greater involvement of the central and east European economies in the international division of labour are also reflected in the structure of German production and in German foreign trade. One example is that some old EU member states have seen a fall in their share of German imports, while there has been a sharp rise in German imports from the new EU member states in central and eastern Europe.

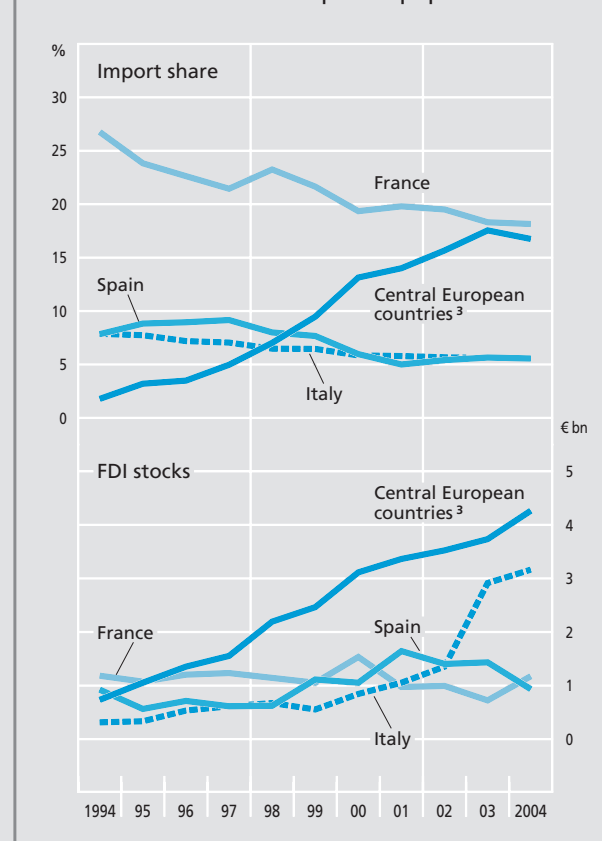
This raises the question of whether the regional shift in German imports is solely the result of direct competition between foreign sellers in the global market or whether it can also be partially attributed to German companies' strategic decisions. Indeed, it emerges that the shifts observed in the structure of German imports are partly due to German FDI.

In the following study, the manufacture of transport equipment will serve as an example. The second half of the 1990s, in particular, saw the import shares of three of Germany's most important EU trading partners (France, Italy and Spain) and those of the central European EU member states – the Czech Republic, Hungary, Poland, Slovakia and Slovenia – move in opposite directions in this sector. Whereas the old EU member states witnessed a fall in their share of German imports, the share of German imports attributable to the new EU member states jumped particularly dynamically, from 2% in 1994 to just under 16% in 2005 (at 2000 prices).

At the same time, the manufacture of transport equipment is by far the most important industrial sector for German FDI in the central European EU member states. German FDI stocks in those countries, at over €4 billion (at 2000 prices) in 2004, were nearly twice as high as

the amount of FDI in the chemicals industry, the second most important industrial sector for German investors. Moreover, German enterprises' foreign investment in the central and east European economies in the transport equipment manufacturing sector has been rising continuously in the past few years, whereas in France, Italy and Spain such activities have largely stagnated.<sup>1)</sup>

Percentages of German imports and German FDI stocks in the manufacture of transport equipment<sup>2</sup>



1 However, there was a spike in Italy in 2003 caused by a significant one-off transaction. — 2 At 2000 prices. The charts are based on the 1994-2004 period because figures for FDI stocks for 2005 are not yet available. However, the empirical study includes the year 2005 since the previous year's FDI stocks are used for the estimation. — 3 Czech Republic, Hungary, Poland, Slovakia and Slovenia. — 4 The data are from the Bundesbank's Microdatabase Direct Investment (MiDi) and the Federal Statistical Office's Foreign Trade Statistics. The variables in the equation are integrated of order 1. A panel cointegration test

according to Im, Pesaran and Shin, taking into account the corrected t-values according to MacKinnon and the aggregated probabilities using the procedure devised by Demetrescu, Hassler and Tarcolea, confirmed the existence of a cointegrating relationship at the 10% level. — 5 A complementary relationship between German FDI and imports from the host country has already been established in earlier studies. See Task Force of the Monetary Policy Committee of the European System of Central Banks, Competitiveness and the Export Performance of the Euro Area, ECB Occasional Paper Series, No 30/2005, and S Herrmann

The econometric analysis covers the manufacture of transport equipment and is based on the 1994-2005 period, and the country panel is based on bilateral data between Germany and the five central European economies (Czech Republic, Hungary, Poland, Slovakia and Slovenia), on the one hand, and the three old EU member states (France, Italy and Spain), on the other. The estimation is based on the following equation:

$$im\_eu_{t,j} = \alpha_0 + \alpha_1 im\_wt_t + \alpha_2 fdi\_eu_{t-1,j} + \alpha_3 fdi\_ce_{t-1,i}$$

where *im\_eu* denotes German imports from France, Italy or Spain in the respective year; *im\_wt* denotes total German imports in the respective year; *fdi\_ce* denotes German FDI stocks at the end of the year in the respective central European country; *fdi\_eu* denotes German FDI stocks at the end of the year in France, Italy or Spain; *i* is the index for central European countries; *j* is the index for France, Italy and Spain; and *t* is the time index. The data are the logarithms of real variables at 2000 prices.<sup>4</sup>

The estimates presented here show a direct relationship between the subdued momentum of German imports of transport equipment from France, Italy and Spain and the relative inactivity of German investors in these economies.<sup>5</sup> What this indicates is that, as a consequence of the lower amount of activity of German enterprises, fewer semifinished or finished products are exported from those countries to Germany.

Moreover, the increase in the FDI of German manufacturers of transport equipment in central Europe impacts adversely on Germany's imports from the old EU member states. As expected, this indirect relationship is not as strong as the direct relationship between FDI and imports. However, the assumption that outsourc-

and A Jochem (2005), Trade Balances of the Central and East European EU Member States and the Role of Foreign Direct Investment, Deutsche Bundesbank Discussion Paper Series 1, No 41/2005. The low value of the elasticity can be explained by the fact that a relationship has been established between stocks (of FDI) and flows (of imports). The long-run impact of FDI on foreign trade, however, results from the cumulative value throughout the lifetime of the foreign activity. — <sup>6</sup> Whereas FDI-induced imports from central Europe are thus implicitly integrated into the estimation, total imports from the five central European coun-

### Impact of German FDI on German imports of transport equipment from France, Italy and Spain

Determinants	Panel estimation
<i>im_wt</i>	0.574 (10.83)
<i>fdi_eu_1</i>	0.069 (3.02)
<i>fdi_ce_1</i>	-0.025 (-2.08)

ing elements of the production process also influences external economic relationships to third countries is also confirmed. This implies a direct competitive relationship between FDI-induced imports from the five central European countries and imports from the old EU member states.<sup>6</sup>

Finally, what the studies also clearly show is that, in the manufacture of transport equipment – irrespective of the impact of German FDI – German imports from the three old EU countries are growing more slowly than imports from the rest of the world. In other words, France, Italy and Spain are losing import shares in Germany: the elasticity of imports from these countries relative to all imports in this sector, at 0.6, is clearly smaller than 1. This indicates that there are other factors behind those countries' relatively weak export performance.

This is consistent with the observation that nearly all industrial countries have lost ground in world trade in the past 20 years to new competitors in Asia and Europe. The explicit inclusion of price competitiveness based on nominal unit wage costs<sup>7</sup> yielded no significant results. One likely reason is that price competitiveness also impacts on the host country's attractiveness for FDI and correlates strongly with the relevant variables.

tries turn out not to be statistically significant in the econometric study. This is probably attributable to the high multi-collinearity between outward FDI to central Europe and imports from central Europe. The lack of significance, however, could also be because imports not caused directly by outward FDI are not mutually competitive. — <sup>7</sup> In the production sector.



*Symmetric  
behaviour  
dominant*

employment in the old and new EU countries accordingly rose or fell.<sup>14</sup>

The largest individual group of German enterprises (just under 40%) increased its investment in both regions. These enterprises, which are expanding greatly abroad, focused on trade, the manufacture of transport equipment, the manufacture of (other) machinery and equipment, the metal-working industry, as well as on information and communications technology. According to the German Chamber of Industry and Commerce study, too, the above sectors are among those expanding the most, with – in line with the observations made here – tapping new markets or setting up distribution and customer networks being listed as the main motives for the FDI decisions. About 9½% of firms reduced the number of their branches both in the new and old member states. It can be observed that symmetric behaviour generally tends to be the dominant method of locational decisions (six out of ten enterprises). Only in the group of enterprises whose investment in the old EU countries did not change in the observation period do the enterprises with more investment objects in the new EU countries at the same time slightly outweigh the others. A general tendency to relocate branches from the old EU countries to the new EU countries cannot be inferred from these observations. On the contrary: in most cases, enterprises which invested heavily in the new EU countries between 1996 and 2004 also invested more heavily in the old EU countries at the same time.

Essentially, affiliation to an economic sector could be significant in this context for the behaviour of direct investors. Even in a sectorally disaggregated analysis, however, there are only minor differences in the choice of investment site. For example, limiting the analysis to manufacturing enterprises does not lead to a qualitatively different outcome: around 60% of enterprises still exhibit symmetric behaviour.

If the analysis is based on the change in the number of employees, a similar picture is obtained. Here, too, symmetric behaviour dominates (over 60%), and the relative trends in the number of affiliates are also reflected in the relative trends in employee figures.

Some 1,200 additional affiliates were set up or acquired in the old EU countries in the observation period, compared with “only” slightly more than 800 in the ten new EU countries. At the same time, however, the number of staff in the new EU countries rose somewhat more sharply than in the old EU countries (by 252,000, compared with 195,000). Average staff numbers evidently rose more sharply at the manufacturing sites of the new EU countries than they did in the old EU countries. Relevant factors will probably include shifts between existing manufac-

*Sectoral differences not pronounced*

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<sup>14</sup> For a further study of the restructuring in the target regions of German FDI and especially of shifts from the EU periphery to central and east European countries, see C Borrmann, R Jungnickel and D Keller (2004), Strukturwandel und Dynamik deutscher Direktinvestitionen, *Wirtschaftsdienst*, 84, pp 658-664.



turing sites<sup>15</sup> – ie without affecting the number of them – as well as the conducting of more labour-intensive processes in the new member states.

*Trade diversion effects*

FDI in general, and the shift in production processes observed here, in particular, are associated with changes in foreign trade. This applies both directly to trade with the countries with which there is an investment relationship and indirectly to trade with third countries. For example, the setting-up of manufacturing and distribution sites in a region may be associated with increased deliveries of capital goods and intermediate goods to that region from Germany. On the other hand, the on-site production associated with FDI could conceivably displace German exports to the target countries. Finally, rising imports of goods from newly established branches may lead to a substitution of imports from other countries.

*Complementary relationship between FDI and foreign trade*

Earlier studies which focused mostly on the direct effects came to the conclusion for Germany that, all in all, FDI has a positive effect on imports and exports; ie it has a complementary effect. According to these studies, the shift in production to the export markets, which tends to reduce trade, is more than offset by the stimulating effect of the setting-up of new distribution channels, the opening of markets and the vertical integration of the production processes.<sup>16</sup>

*FDI affects regional structure of foreign trade*

A more recent econometric analysis has now examined the extent to which German outward FDI has affected Germany's trade with third countries (see explanatory notes on

pp 54-55). Using the manufacture of German transport equipment, it can be shown that the subdued pace of German imports of motor vehicles and motor vehicle parts from the old EU countries (particularly from France, Italy and Spain) is associated with the German car industry's declining propensity to invest in these countries. Furthermore, these trade flows are detrimentally affected by the increasing direct investment of German manufacturers in the new EU countries. Although this indirect effect is weaker than the direct effect, it – along with other factors – is statistically significant. The significant German investment in the manufacture of transport equipment in the central and east European countries has evidently led to a rise in imports from those countries and – in some cases, at least – displaced imports from the traditional supplier countries specified.

## Summary and conclusions

German enterprises have further expanded their foreign presence in recent years. Horizontal FDI, the primary purpose of which is to help open up markets, is the dominant form. This is consistent with both the analysis of the data to hand and the findings of a recent sur-

*Horizontal FDI dominant*

<sup>15</sup> This is also apparent when looking at, among other things, changes in staff numbers for the enterprises with an unchanged number of affiliates in both regions (see table on p 53). Here, average employment fell in the old EU countries and, at the same time, rose in the new EU countries.

<sup>16</sup> See *inter alia* Deutsche Bundesbank (1997), Development and determinants of international direct investment, Monthly Report, August 1997, p 63 ff, and Task Force of the Monetary Policy Committee of the European System of Central Banks, Competitiveness and the Export Performance of the Euro Area, ECB Occasional Paper No 30/2005.

vey carried out by the German Chamber of Industry and Commerce. The international expansion can be attributed primarily to the growth of multinational enterprises and not to major shifts of production sites.

*Positive long-term effects*

Cost-driven FDI is to be seen against the backdrop of increased competitive pressure. Domestic enterprises evidently have specific qualities which make it possible for them to compete internationally. However, these advantages cannot always be exploited in Germany. Shifting production abroad is therefore necessary to ensure the competitiveness and, ultimately, the long-term survival of enterprises and jobs in Germany. Although isolated negative short-term effects of foreign investment – such as on domestic employment – cannot be ruled out, overall, the studies presented here suggest that – in the longer term, at least – the positive effects on both investment and employment will prevail.

Nevertheless, it should be borne in mind that some investment projects could also be realised in Germany with better locational conditions. However, this is fundamentally predicated on progress regarding the framework for investment in Germany. This includes reforms to the labour, wage and tax laws, as well as a significant reduction in bureaucracy.

*Further improvement in locational conditions*

The international expansion of German enterprises has also affected Germany's existing economic relationships with foreign countries. Even though there has not been a major migration of affiliates from the old EU countries to the new EU countries, the structure of foreign trade has certainly undergone a perceptible shift. In particular, imports from France, Italy and Spain appear to have been dampened in certain sectors, such as the manufacture of transport equipment, by the creation of new production capacity in neighbouring central and east European countries. This shows that FDI can also affect countries which are not directly involved.

*Effects on third countries*

## The evolution of labour market- related expenditure

Labour market developments influence government expenditure in a number of ways. They affect spending on wage substitutes, means-tested social transfers and active labour market policy as well as the level of revenue from taxes and social security contributions. Alongside cyclical developments, the most significant influences over the past ten years have been the increase in long-term unemployment and, more recently, the reduction of active labour market policy measures, which were widely considered unsuccessful. Although the HartzIV reform of the labour market entails higher spending by central government, the associated rise is much smaller for general government as a whole. The reform has made the transfer system both more transparent and more consistent. The adopted measures to restrict unemployment benefit and curb active labour market policy will ease pressure on government budgets in the future. Nevertheless, a clearer segregation of insurance benefits on the one hand and transfer payments on the other remains a key requirement. In addition, the optimisation and consistent implementation of existing policy instruments, coupled with further labour market flexibility, appear more promising than experimenting with new subsidised and minimum wage models. The contribution rate to the Federal Employment Agency should be set at a level that ensures that the system can also cope with economic downturns.

*Multiple links between government and labour market*

General government and the labour market are closely intertwined. Alongside the public sector's role as a major employer, government activities exert short, medium and long-term effects on macroeconomic developments and hence also on employment. However, the government also has a decisive impact on labour market regulation; moreover, the taxation and transfer system plays a key role in the incentives to recruit or accept a job offer. On the other hand – and this is the focus of this article – labour market developments also affect government budgets in several ways. Rising unemployment figures mean lower tax and social security revenue. Moreover, they entail higher spending, in particular, on wage substitutes or means-tested social transfers. Likewise, active labour market policy measures also have an impact on government budgets.

#### **Overview of labour market-related burdens on government budgets between 1995 and 2005**

*Determinants of labour market-related burdens on public finances*

In recent years, the development of labour market-related burdens on government budgets has been subject to both cyclical and structural influences. Thus on the one hand, the upswing around the start of the millennium led temporarily to a perceptible easing of the pressure on public finances. On the other hand, structural unemployment expanded noticeably between 1995 and 2005, which was reflected in a rise in long-term unemployment. This period was also marked by a mass of new legislation, particularly the

Hartz Acts (for a summary, see the annex on p 79).

On the expenditure side, labour market developments mainly have an impact on unemployment benefit (unemployment benefit I), unemployment assistance (unemployment benefit II since 2005) and active labour market policy measures. Social assistance and corresponding housing allowances for persons able to work and their dependants can also be included here (until the end of 2004), although they can be estimated only roughly. Total expenditure defined in this way rose from just under €81 billion in 1995 to €97 billion in 2005. As a share of GDP, it amounted to almost 4½% both at the beginning and end of the period under review, although it dipped considerably to below 4% in 2000 and 2001 (see the chart on page 61). A shift in the financing burdens towards the central government budget occurred over time, mainly in connection with the increase in long-term unemployment, the curbs on active labour market policy and the Hartz IV reform.

*Large fluctuations in labour market-related expenditure*

The fiscal burdens generated by unemployment also stem from lower tax and social security receipts. According to estimates made by the Institute for Employment Research (which are not fully comparable with the above definitions and calculations), these lost receipts amounted to around €40 billion in 2004; social security contributions accounted for roughly three-fifths and tax receipts for two-fifths of this total. Estimates for the revenue side invariably encounter greater methodological difficulties and should therefore be

*Fiscal burdens on the revenue side harder to measure*

interpreted with caution (see box on page 62f). This article will focus on developments in expenditure.

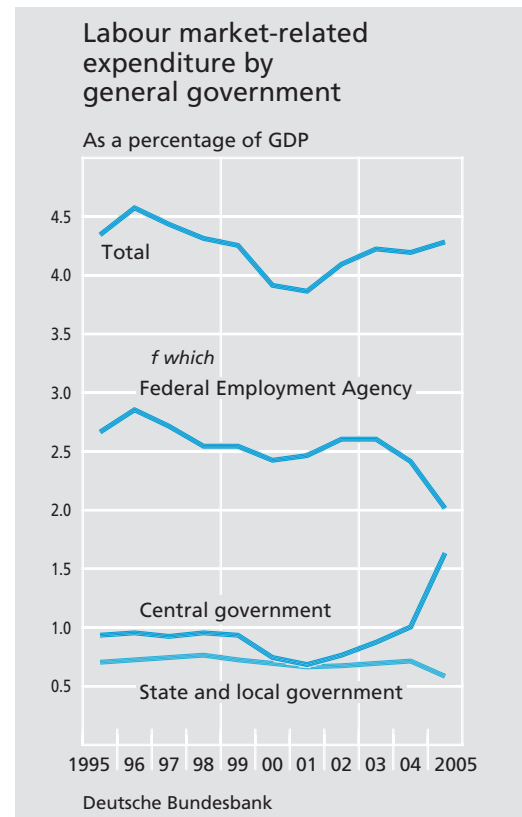
### Federal Employment Agency: financial protection against temporary unemployment

*Social insurance  
against  
temporary  
unemployment*

The Federal Employment Agency provides protection against the risk of a loss of income due to temporary unemployment, which is financed by contributions. As is typical of social security schemes, contributions are not differentiated according to an individual risk assessment. In addition, the Federal Employment Agency funds numerous labour market policy measures encompassing rehabilitation, training and job creation. It is also the public agency responsible for finding work for the unemployed.

*Federal  
Employment  
Agency's  
income and  
expenditure  
structure*

The Agency's principal source of funds is earnings-related contributions from those employees liable to them (these accounted in the past for between 80% and 90% of total revenue). They are payable in equal measure by the employee and employer. Since 1993, the contribution rate has remained at 6.5%. Additional funds come notably from central government liquidity assistance during the year, which hitherto has been converted into a grant at year-end if the Agency's financial situation precludes repayment. In the past, fluctuating income and expenditure was regularly offset by the Federal grant as the Agency had no available reserves of note. Unemployment benefit I accounts for about half of all expenditure, while active labour market



policy represents between 30% and 40%. The Agency also incurred administration costs. Among its further expenditure, it paid insolvency benefits and payments related to phased retirement (see table on page 64).

The macroeconomic trend is of crucial importance for the Agency's finances. The favourable economic climate at the turn of the century spurred a temporary marked recovery on the labour market. Accordingly, the Agency's deficit bottomed out at just under €1 billion in 2000, after it had peaked at €7 billion in 1996, and again at just over €6 billion in 2003.

*Crucial  
importance of  
macroeconomic  
development  
for finances*

### Unemployment benefit I

Unemployment benefit I is a temporary wage substitute paid to workers who lose their

## The fiscal costs of unemployment according to calculations made by the Institute for Employment Research (IAB)

The fiscal costs of unemployment are reflected in the public sector budgets both on the expenditure side (in contribution-funded insurance payments and tax-funded transfer payments) and on the revenue side (in revenue losses from taxes and social contributions). This should be differentiated from the macroeconomic costs of unemployment, which cause a reduced economic output owing to unused potential production factors. The macroeconomic costs are defined much more broadly. However, it is difficult to accurately measure these costs because this especially requires having a clear idea of the potential output that can be achieved under full employment.

Only a part of the fiscal costs are also macroeconomic costs. While taxes and social contributions are paid from labour income and a reduction in their amount ensues from the reduced deployment of the production factor labour, transfers to unemployed persons are simply a redistribution of income, although they can have a stabilising effect during an economic downswing. However, these transfers do bring about macroeconomic costs to the extent that the transfers themselves and their funding cause further underemployment.

The Institute for Employment Research (IAB; *Institut für Arbeitsmarkt- und Beschäftigungsforschung*) regularly presents calculations regarding the overall fiscal costs caused by persons registered as unemployed.<sup>1</sup> The current calculations only go up to 2004 and therefore do not include the amalgamation of unemployment assistance and social assistance to form unemployment benefit II as of 1

January 2005. The amounts spent by the Federal Employment Agency on unemployment benefit, by central government on unemployment assistance and by local government on social assistance for persons registered as unemployed are taken into account as direct costs. This is supplemented by housing allowance payments. Revenue shortfalls from taxes and social contributions are factored into the equation as indirect costs, based on the remuneration received immediately prior to unemployment. The calculation does not include the fiscal costs of benefit recipients who are not counted as unemployed (cut-off for 58 year-olds, persons with reduced earning capacity and persons unfit for work owing to sickness).

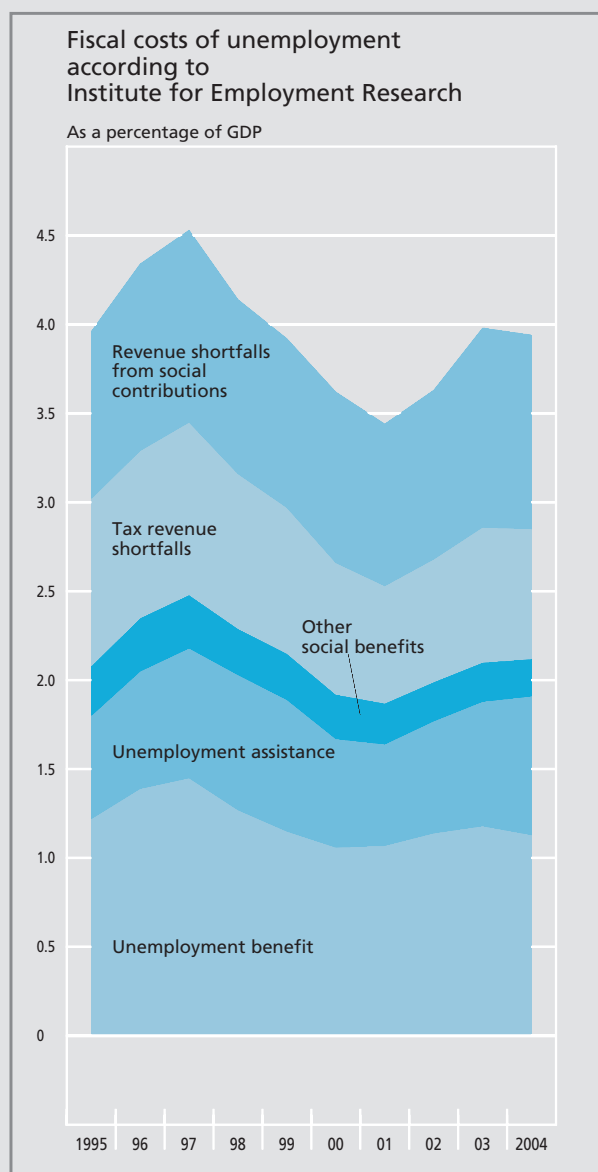
According to the calculations of the Institute for Employment Research, a person registered as unemployed in 2004 caused average expenses of €19,600 per year. Recipients of unemployment benefit accounted for the highest costs, namely about €23,000, whereas the amount for recipients of unemployment assistance was €18,900. By contrast, persons registered as unemployed who received neither unemployment benefit nor unemployment assistance caused significantly less costs (€14,700). The overall burden determined in this way amounted to just under €86 billion. About 54% of the cost was direct spending, while 46% was accounted for by revenue shortfalls – two-fifths attributable to taxes and three-fifths to social contributions.

Over time, the fiscal costs of unemployment are in line with the overall course of economic development. In 1997, they peaked at 4½% of GDP. After declining

<sup>1</sup> See Hans-Uwe Bach and Eugen Spitznagel, Was kostet uns die Arbeitslosigkeit?, in IAB Kurzbericht, No 10/2003.

to 3½% in 2001, they rose again to about 4% of GDP in 2003 and 2004. In this context, the importance of unemployment assistance, which is funded by central government, has particularly increased continuously. The revenue shortfalls from social contributions have also increased, whereas the tax revenue shortfalls have actually gone down slightly since 1997. While the course of development on the expenditure side is mainly characterised by cyclical fluctuations and a structural increase in long-term unemployment, tax and contribution rate changes are also a significant factor behind the revenue shortfalls. Rising contribution rates, such as for health insurance, have increased the revenue shortfalls. By contrast, the income tax cuts counteracted the effects of tax progression (fiscal drag) and ensured a certain stabilisation.

When interpreting the results, it should be borne in mind that some unemployed persons (in particular those above the age of 58, but also the hidden reserve labour force) are not taken into account in the calculations of the Institute for Employment Research. Furthermore, the calculation does not include the extensive expenditure on people who are not officially registered as unemployed because they are participating in employment promotion schemes or in training and qualification measures, or because as normal (part-time) employees, they receive top-up transfers owing to their low labour income. Because of this, the total cost is low. By contrast, the revenue shortfalls are set at quite a high level because it is to be expected that, on average, reemployment will only be possible at a lower labour income.



## Trend in Federal Employment Agency finances

€ billion <sup>1</sup>

Item	1995	2000	2001	2002	2003	2004	2005
<b>Revenue</b>							
Contributions	43.1	46.4	47.3	47.4	47.3	47.2	47.0
Insolvency benefit levy	0.9	1.1	1.4	1.9	1.9	1.5	1.3
European Social Fund	0.1	0.5	0.8	0.6	0.3	0.3	0.3
Other revenue <sup>2</sup>	2.0	1.7	1.1	1.0	1.1	1.3	4.1
<b>Total</b>	<b>46.1</b>	<b>49.6</b>	<b>50.7</b>	<b>50.9</b>	<b>50.6</b>	<b>50.3</b>	<b>52.7</b>
<b>Expenditure</b>							
Unemployment support	26.0	25.0	26.4	29.6	31.4	31.2	28.9
Unemployment benefit I	24.6	23.6	24.6	27.0	29.0	29.1	27.0
Short-time working benefit	0.5	0.3	0.4	0.6	0.7	0.7	0.6
Insolvency benefit	0.9	1.0	1.4	2.0	1.7	1.4	1.2
Active labour market policy measures	17.6	20.3	20.7	21.0	19.2	16.8	11.6
Vocational training <sup>3</sup>	9.6	12.8	14.2	15.1	13.8	12.2	8.5
Job creation schemes	5.9	5.0	3.8	3.2	2.3	1.7	0.4
Occupational rehabilitation	2.1	2.5	2.6	2.8	3.0	2.9	2.6
Winter construction allowance <sup>4</sup>	0.8	0.3	0.3	0.2	0.3	0.2	0.2
Benefits granted under the Partial Retirement Act	.	0.3	0.5	0.7	0.9	1.0	1.1
Compensatory payment	.	.	.	.	.	.	4.6
Other expenditure <sup>5</sup>	5.2	4.6	4.7	5.0	5.1	5.3	6.7
<b>Total</b>	<b>49.6</b>	<b>50.5</b>	<b>52.6</b>	<b>56.5</b>	<b>56.8</b>	<b>54.5</b>	<b>53.1</b>
Surplus (+), deficit (-)	-3.5	-0.9	-1.9	-5.6	-6.2	-4.2	-0.4

Source: Federal Employment Agency. — <sup>1</sup> D-Mark amounts converted to euro. — <sup>2</sup> Figure for 2005 includes reimbursement of administrative costs from central government. — <sup>3</sup> Training initiatives including maintenance assistance or unemployment benefit for people in vocational training, Personnel Service Agencies and one-person business start-ups. — <sup>4</sup> Bad weather allowances,

winter allowances, productive winter construction allowances for employers, winter compensation payments. — <sup>5</sup> Administrative costs in particular, inflated in 2005 by the switch to unemployment benefit II; in 1995 there were still significant benefits being paid under the Early Retirement Act.

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*Cyclical fluctuations in unemployment benefit I*

jobs. As a result, associated spending is subject to relatively sharp cyclical fluctuations (see the chart on page 69), reaching almost €30½ billion in 1997. In conjunction with the subsequent more favourable macroeconomic trend, payments fell to €23½ billion by 2000, then rebounded to €29 billion in 2003 and 2004, mainly as a result of the economic slowdown. In 2005, payments declined once again, by €2 billion.

*Number of recipients decoupled from the number of unemployed*

It should be noted that spending on unemployment benefit I is not directly related to the number of registered unemployed. Instead, it depends on the number of insured people who have been laid off relatively recently and on the average benefit payment. The number of recipients (see the chart on page 65) has declined rapidly, particularly

since 2004. However, this has far more to do with the expiry of individuals' eligibility for unemployment benefit I as a result of ongoing unemployment than with any brightening on the labour market. Hence, the decoupling of unemployment benefit I spending from the total unemployment figure that has been seen of late primarily reflects growing long-term unemployment.

Since 1994, unemployment benefit I has been set at 60% of the recipient's previous standardised net earnings. If the recipient is the parent or guardian of at least one child, this rises to 67%. However, there was a sharp rise in individual entitlements following a ruling by the Federal Constitutional Court in 2000 which found that bonus payments had to be included in the earnings base from which

*Unemployment benefit I rates*



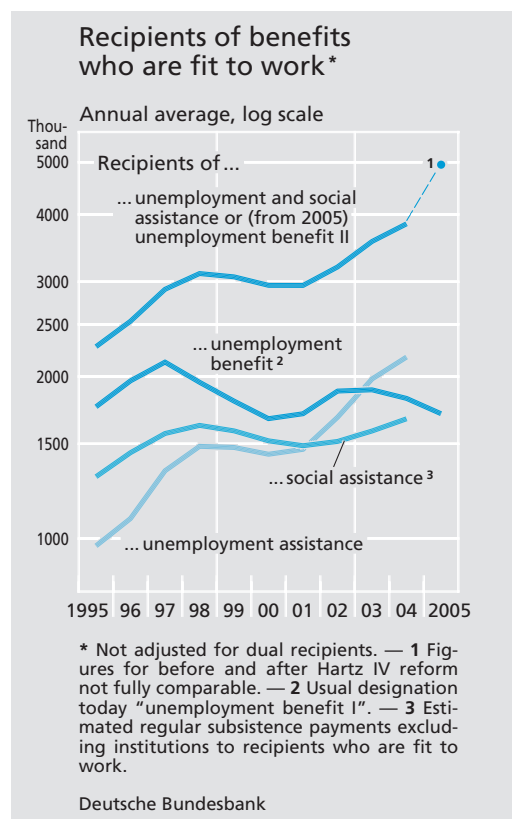
benefits are calculated.<sup>1</sup> The average monthly payment rose from €1,150 in 1995 to just over €1,300 in 2005 (including contributions to the statutory pension, health and long-term care insurance schemes). At 13%, the increase was somewhat greater than the rise in gross salaries and wages per employee. The maximum period of entitlement – which has since been reduced – was between 6 and 32 months depending on a person's age and the period they had been insured.

### Active labour market policy and the effects of Hartz IV

*Volatile expenditure on active labour market policy*

Initially, 1997 saw a significant reduction in the Federal Employment Agency's spending on labour market policy. However, this was quickly followed by an exceptionally large increase in 1998, an election year. In the following three years, spending stabilised at a high level, although this concealed a marked shift away from job creation measures towards training initiatives. Since 2003, spending on active labour market policy measures has tapered off substantially and recently stood at its lowest level since 1990. Whereas the Agency also financed labour market policy measures for recipients of unemployment assistance until the introduction of the basic allowance for job seekers (Hartz IV), responsibility for such measures was transferred to central government in 2005. However, the decline in active labour market policy spending by almost €5½ billion in 2005 exceeded that due to the Hartz IV reform.

The structure of active labour market policy has been influenced by a raft of new legisla-



tion (see box on page 66 and the annex on page 79). The first two Acts Promoting Modern Labour Market Services (Hartz I and II) from 2002 deserve special mention. While they ushered in some new instruments, such as one-person business start-up grants to unemployed persons or the personnel service agencies (PSAs), other benefits – particularly training initiatives – were significantly curtailed. Whereas barely any funds were channelled into PSAs, a total of €1½ billion was spent on one-person business start-up grants in 2005. On balance, however, these instruments accounted for less than 13% of the Federal Employment Agency's total expenditure on labour market policy measures.

*Relatively modest impact of new active labour market policy instruments*

<sup>1</sup> This equated to permanent additional annual expenditure of around €2 billion, as no compensatory measures were taken.

## Overview of active labour market policy instruments

### Vocational training

Preparatory vocational training, off-the-job training institutions and vocational training aid.

### Promotion of further professional training

Training measures to achieve occupational qualification level.

### Aptitude testing and training measures

Measures to determine aptitude for specific occupations, provide additional qualifications, verify willingness and ability to work.

### Job rotation

Assistance for replacement personnel during further training.

### Promotion of the integration of people with disabilities (occupational rehabilitation)

Improving the chances of integrating persons with physical, mental or psychological disabilities into the workforce.

### German language courses

Promoting workforce integration, especially for ethnic German immigrants and persons entitled to asylum.

### Employment creation schemes

Temporary employment for unemployed persons who are difficult to place in order to maintain their employability (job creation measures and infrastructure measures to create work).

### Job placement voucher

Engaging private employment agencies, the costs of which are borne by the Federal Employment Agency. Depending on the length of unemployment, the cost varies between €1,500 (less than six months) and €2,500 (more than nine months).

### Support for career guidance and placement

Assumption of costs of applying for jobs as well as the expense of travelling to career guidance, placement, aptitude testing and interviews.

### Measures directed towards employment in the primary labour market

- **Personnel service agencies:** subcontracted employment in conjunction with intensive training in between phases of subcontracted employment.
- **Reintegration grants:** financial compensation to employers for low productivity of job seekers.
- **Grants for start-ups hiring staff:** available to persons establishing businesses who hire unemployed persons.
- **Grants for hiring replacement staff:** available to employers who hire temporary replacements for staff on training courses.
- **Exemption from employer contributions:** employer contributions to Federal Employment Agency are waived if hiring an employee over the age of 55.
- **Combination wage for older workers:** support for persons aged 50 and over ending unemployment by taking

up a job that pays less than they earned before becoming unemployed.

- **Mobility assistance:** grants for travel, living and relocation expenses to take a job subject to social security contributions or begin dual training.
- **Bridging payments:** to secure livelihood and social security when setting up a new business as a self-employed entrepreneur if thus avoiding unemployment.
- **One-person business start-up grants (for unemployed persons):** monthly payment on a degressive scale over a maximum of three years.
- **Start-up grants:** replace bridging payments and business start-up grants from 1 August 2006. Former recipients of unemployment benefit receive assistance equivalent to their benefit entitlement plus €300 per month for social protection. Assistance is given for nine months with an option to extend only the €300 top-up for a further six months.

### Discretionary assistance

Employment agencies can use up to 10% of integration funds to develop new labour market policy instruments (performance assessed on the basis of the integration record).

### Grants for transfer measures

Paid when there is an imminent threat of job losses as a result of company restructuring provided the employer pays a significant contribution itself.

### Promotion of year-round employment

Payment of seasonal short-time working benefits to avoid seasonal unemployment in weather-dependent industries.

### Short-time working benefits

Stabilisation of employment contracts in enterprises experiencing temporary financial difficulties.

### Phased retirement

Reimbursement of the increment to the pay and to the pension insurance contribution rate, if, after the employee has entered the work-free phase, a previously unemployed person or - in the case of companies with no more than 50 employees - a trainee is hired.

### Additional assistance through the European Social Fund

To secure start-ups, occupational training and language courses for immigrants.

### Special benefits as a part of basic allowance for job seekers

- **Start-up allowance:** additional assistance when starting a job subject to social security contributions or self-employment in order to overcome need for assistance.
- **Small employment opportunities (one-euro jobs):** community service employment serving the public interest and not posing a threat to existing employment contracts. Recipients of unemployment benefit II are reimbursed (€1 to €2 per hour) for the additional effort.

*Compensatory payment levied if recipients of unemployment benefit are not found work*

In parallel with the contraction of active labour market policy, a new stipulation was introduced in 2005 as part of the Hartz IV reform compelling the Federal Employment Agency to pay compensation to central government whenever benefit recipients switch from unemployment benefit I to unemployment benefit II.<sup>2</sup> This rule is intended to motivate the employment agencies to find jobs for benefit recipients before their entitlement lapses. The number of people transferring from unemployment benefit I to II was considerably overestimated in 2005. At €4½ billion, the actual compensatory payment fell almost one-third short of the estimated amount of just over €6½ billion.

*Distribution of administrative costs affected by organisational reshuffle*

2005 also brought changes in the allocation of administrative costs. The transference of responsibility for persons formerly receiving social assistance who are capable of working to newly created joint social entities comprising employment agencies and municipalities meant that the Federal Employment Agency incurred additional administration costs. However, these went hand in hand with an easing of the burden on municipal social welfare offices. Central government reimbursed the administrative costs attributable to recipients of unemployment benefit II. This resulted in an expansion of the Federal Employment Agency's balance sheet. However, the latter was eased by the fact that the administrative costs incurred for handling recipients of insurance-related payments (such as unemployment benefit I) were considerably lower. Overall, the Federal Employment Agency's administration costs rose from €5 billion to €6½ billion in 2005. The central

government grant towards administrative costs, which was paid for the first time, amounted to around €3 billion.

### Central, state and local government: means-tested social benefits

Unlike social insurance, central, state and local government transfers to unemployed persons who do not, or no longer, claim unemployment benefit I and to low income earners do not constitute a wage substitute financed by contributions. Instead, they essentially constitute a tax-financed means-tested basic allowance. The financial burden on all sectors of government, particularly central government, has grown with the increase in long-term unemployment. Hence, tax-financed unemployment assistance based on a recipient's previous labour income was systematically inconsistent, an anomaly that was remedied with the amalgamation of unemployment assistance and social assistance for those able to work to form unemployment benefit II. However, a temporary income-linked supplement is still paid when transferring from unemployment benefit I. In 2005, the introduction of unemployment benefit II enlarged the base of recipients to include people who were previously ineligible or had never claimed. This change in the system caused a statistical break which complicates analysis of the trend over the past year.

*Tax-financed means-tested social welfare benefits*

<sup>2</sup> The compensatory amount is calculated as the number of recipients in the previous quarter transferring to unemployment benefit II within three months of the expiry of their entitlement to unemployment benefit I, multiplied by the average annual cost of an income-support household as defined in the Second Book of the Social Security Code (currently around €10,000).

### Labour market-related expenditure by central government

€ billion <sup>1</sup>

Item	1995	2000	2001	2002	2003	2004	2005
Unemployment assistance	11.0	13.4	13.0	15.0	16.7	18.9	1.5
Unemployment assistance (narrow definition)	10.5	13.2	12.8	14.8	16.5	18.8	1.5
Wage substitutes	5.8	8.7	8.9	10.3	12.3	13.8	1.1
Social insurance	4.7	4.5	3.8	4.4	4.3	4.9	0.4
Other unemployment assistance <sup>2</sup>	0.6	0.3	0.2	0.2	0.2	0.2	0.0
Basic allowance for job seekers <sup>3</sup>	.	.	.	.	.	0.5	35.2
Unemployment benefit II	.	.	.	.	.	.	25.0
Wage substitutes <sup>pe</sup>	.	.	.	.	.	.	16.3
Social insurance <sup>pe</sup>	.	.	.	.	.	.	8.8
Contributions to accommodation costs	.	.	.	.	.	.	3.5
Integration measures	.	.	.	.	.	.	3.6
Refund of Federal Employment Agency administrative costs	.	.	.	.	.	0.5	3.1
Other basic allowance expenditure <sup>4</sup>	.	.	.	.	.	.	0.0
Additional children's allowance	.	.	.	.	.	.	0.1
Other active labour market promotion measures <sup>5</sup>	5.4	1.1	0.3	0.3	0.6	1.2	0.7
Housing allowance for persons fit to work <sup>6</sup>	1.2	1.3	1.6	1.7	2.1	2.3	.
Grant to Federal Employment Agency	3.5	0.9	1.9	5.6	6.2	4.2	0.4
<b>Total</b>	<b>21.2</b>	<b>16.7</b>	<b>16.9</b>	<b>22.7</b>	<b>25.7</b>	<b>27.1</b>	<b>37.9</b>
<i>Memo item</i>							
Total, adjusted for compensatory payment	21.2	16.7	16.9	22.7	25.7	27.1	33.4

Source: Federal Ministry of Finance, own calculations. — <sup>1</sup> D-Mark amounts converted to euro. — <sup>2</sup> Integration assistance for *inter alia* ethnic German immigrants. — <sup>3</sup> In 2004, advance expenses pursuant to the Second Book of the Social Security Code. — <sup>4</sup> Expenses related to the Ombudsrat, communication and research. — <sup>5</sup> Integration

assistance and job creation schemes (transitional old-age benefits in the east German states, reintegration of the long-term unemployed and those who are difficult to place). — <sup>6</sup> Estimated assuming a constant expenditure share of 77% on people fit to work who require assistance.

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#### Trend between 1995 and 2004

*Central government: sharp rise in spending on unemployment assistance*

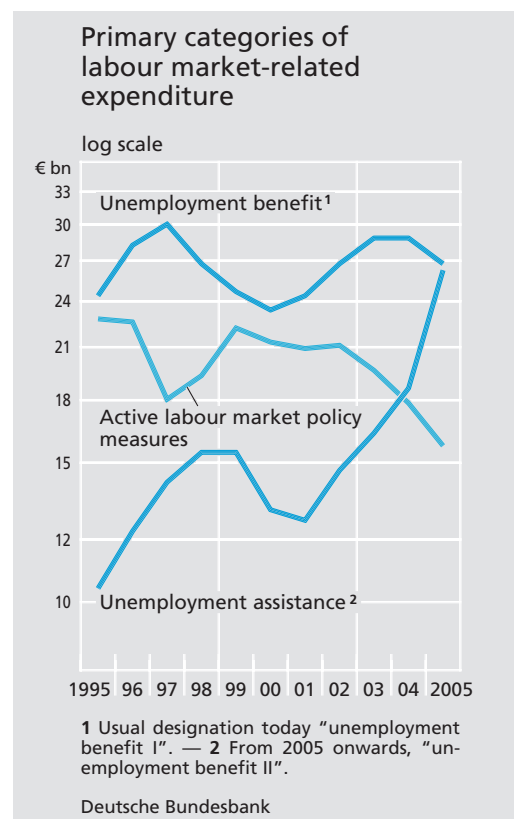
Prior to the introduction of the HartzIV reform in 2005, expenditure on unemployment assistance as narrowly defined accounted for the bulk of labour market-related spending financed directly from the central government budget (see the table above). Additional significant components of expenditure were the grant to the Federal Employment Agency and spending on housing allowances to unemployed persons who are fit to work (which is estimated here). As defined here, total labour market-related spending by central government rose from €21 billion to €27 billion between 1995 and 2004. Whereas spending on work promotion fell from €5½ billion to just over €1 billion, expenses relating to unemployment assistance nearly doubled to al-

most €19 billion. However, this trend was subject to considerable annual fluctuations (see the chart on page 69). It was constrained by the progressive tightening of the assessment base applied to social contributions transferred on behalf of recipients of unemployment assistance. Hence, the proportion of direct central government payments increased markedly compared with the social contributions paid for benefit recipients (from just over 55% to 74% of total transfers). However, easing the pressure on central government in this way led to a corresponding reduction in revenues for the statutory pension, health and long-term care insurance schemes. The increase in long-term unemployment was reflected in the statistics for recipients of unemployment assistance (see the chart on page 65). The number of recipi-

*Labour market-related spending of state and local government*

ents rose from an annual average of just under one million in 1995 to 1½ million in 1998; after stabilising for a time, it climbed to just over two million in 2004.

The labour market-related expenditure of state and local government lagged far behind that of central government and the Federal Employment Agency. This can be quantified only with difficulty, especially for earlier years.<sup>3</sup> State government spent around €4 billion net a year on labour market policy, which equates to just over 1½% of its overall budget (the comparable figure for central government was around 10%).<sup>4</sup> State government housing grants to unemployed persons able to work rose from €1 billion in 1995 to an estimated €1½ billion in 2004. On balance, labour market-related spending by state government has grown only relatively slightly since 1995. The corresponding figure for local government is likely to have been €10 billion in 2004. Spending on active labour market policy measures for recipients of social benefits able to work (promoting a return to work) has doubled to just over €1 billion since 1995. Over the same period, there was an 8% increase in additional (net) spending on the basic allowance paid to persons outside of institutions (social assistance narrowly defined). A rough estimate indicates that, in 2004, payments to social assistance recipients able to work and their dependants (under the amended Second Book of the Social Security Code) totalled just under €7 billion. These were augmented by the payments granted to such persons for assistance towards healthcare (estimated at just over €½



billion) and administrative costs (estimated at around €1 billion).

<sup>3</sup> The following rough estimates are partly based on calculations made by the Conciliation Committee in June 2004 and the Federal Ministry of Economics and Labour in its 2004 audit report published in October 2005. These assume a constant 93% share of total expenditure on social and medical assistance benefits attributable to recipients able to work and their dependants, and a 77% share of housing allowances attributable to unemployed recipients. Owing to the rise in long-term unemployment, the expenditure calculated in this way might overstate the actual spending on unemployment in the past. The estimates of the Federal Ministry of Economics and Labour concerning the administrative costs attributable to social assistance recipients who are able to work are assumed to be virtually constant.

<sup>4</sup> Federal Statistical Office, *Rechnungsergebnisse des öffentlichen Gesamthaushalts, 2003*, Fachserie 14, Reihe 3.1. These are the most recent results available. Spending between 1995 and 2003 was virtually constant. As well as labour market policy spending, this category of expenditure also includes other expenses (for instance, work safety provisions). As a result, it does not entirely match the classification of labour market-related spending generally used here.

## Hartz IV reform and the trend over the past year

*Hartz IV reform: regulations and ...*

With the entry into force of the Fourth Act Promoting Modern Labour Market Services (Hartz IV) at the beginning of 2005 unemployment assistance, broadly defined, and social assistance for persons able to work were amalgamated into the basic allowance for job seekers known as unemployment benefit II. As with the former social assistance, standard unemployment benefit II is intended to cover only basic needs.<sup>5</sup> Hence, it differs from the former unemployment assistance, which was initially linked to the recipient's previous estimated net earnings (most recently set at 53% for childless claimants and 57% for those with children). Alongside this standard benefit, the basic allowance includes a supplement, limited to two years, intended to cushion the transition from contribution-financed unemployment benefit I, contributions to the statutory pension, health and long-term care insurance schemes and the absorption of accommodation and heating costs. Moreover, benefits are envisaged for specific additional needs and integration measures.

*... financing*

The Hartz IV reform triggered considerable changes to expenditure responsibilities and financial relationships between the various levels of government. Central government took over financing of the basic allowance (standard unemployment benefit II plus a social allowance for dependants unable to work, payments for additional needs, social contributions and the temporary supplement for the transition from unemployment bene-

fit I) and the integration measures for recipients of unemployment benefit II, which had previously been provided by the Federal Employment Agency and by state and local government. Central government also refunds administrative costs and currently contributes 29.1% of the accommodation costs incurred by local government, with the aim of reducing the burden on municipalities by €2½ billion a year. This financing is in addition to funding one-off accommodation costs (eg for the first-time furnishing of a flat) and supplementary integration services (care, counselling). As already mentioned, central government receives a compensatory amount from the Federal Employment Agency.

With the Hartz IV reform in place, central government's total labour market-related expenditure increased sharply in 2005 by €11 billion to €38 billion. Adjusted for the revenue from the compensatory amount (€4½ billion) and for unemployment assistance for December 2004 (€1½ billion), the increase still amounted to just under €5 billion. This development was driven by the switch to the new basic allowance for job seekers and the growth in long-term unemployment. In 2005, expenditure on the basic allowance totalled over €35 billion, of which €25 billion was spent on unemployment benefit II, €3½ bil-

*Steep rise in labour market-related spending by central government in 2005*

<sup>5</sup> Pursuant to section 9 of the Second Book of the Social Security Code, need is defined as any person lacking adequate means to secure a livelihood (for himself and any dependants) and join the labour force. The following criteria are taken into account when assessing need: net income in excess of €100 per month and personal assets above a specific threshold (a basic allowance equivalent to €150 for each year of a person's life, up to a maximum of €9,750, plus a retirement saving allowance equivalent to €250 for each year of a person's life, up to a maximum of €16,250 per adult plus a lump sum of €3,100 per child).



lion each on labour market reintegration benefits (especially the promotion of casual work in addition to benefits – “one-euro jobs”) and contributions to accommodation costs as well as €3 billion spent on refunding administration costs. As a result, expenditure was considerably higher than envisaged (+€7½ billion). The unexpected increase in expenditure primarily reflects the high number of unemployment benefitII recipients, which actually rose further from 4.5 million at the start of the year to 5.2 million by year-end.<sup>6</sup> By contrast, the main saving compared with 2004 was the reduction in the grant to the Federal Employment Agency from €4 billion to just under €½ billion.

*Overall rise in central, state and local government spending as a result of Hartz IV*

On balance, the Hartz IV reform imposed a significant financial burden on central government. State government had agreed to pass savings on to local government although, given the available figures, the possibility cannot be ruled out that it, too, experienced some relief. Despite higher-than-anticipated accommodation costs, the burden on local government is likely to have eased perceptibly in the context of the new basic allowance owing to the abolition of the majority of social assistance subsistence benefits and active labour market policy measures (see box on p 72f for the financial repercussions of the Hartz IV reform). On balance, labour market spending by central, state and local government increased markedly in the past year. Nevertheless, the increase compared with the likely scenario had the old *status quo* been maintained was smaller than the margin by which central government missed its target (it had anticipated a decline in its

labour market-related expenditure), which has been at the centre of public debate.

## Outlook for 2006 and 2007

The development of labour market-related government expenditure in 2006 is also likely to have been shaped not least by the economic recovery. In addition, the shortening of the entitlement period for unemployment benefitI and various savings in unemployment benefitII will make themselves felt in 2007. Overall, labour market-related expenditure is likely to exert less pressure on general government budgets this year and next than in 2005.

## Federal Employment Agency

The Federal Employment Agency's expenditure will have fallen considerably by the end of 2007. A further decline is expected in spending on unemployment benefitI which, besides the favourable economic setting this year, can principally be attributed to the shortening of the maximum eligibility period that will gradually have an effect from February 2007. It was reduced as of 31 January 2006 to 12 months for the majority of recipients; an extended 18-month maximum entitlement period applies for unemployed persons aged 55 and over. However, this tightening may spark a temporary increase in the

*Noticeable decline in labour market-related expenditure*

<sup>6</sup> The total number of people receiving unemployment benefits as defined by the Second Book of the Social Security Code (unemployment benefitII and the social allowance) rose from 6.1 million to 7.1 million, while the number of income-support households increased from 3.3 million to 3.9 million.

## An estimate of the fiscal costs of the Hartz IV reform

A comprehensive evaluation of the effects of the Hartz IV reform on general government budgets requires a comparison between the actual labour market-related expenditure and the expenditure that would have resulted from a *status quo* scenario, ie the continued separate co-existence of unemployment assistance and social assistance. For this purpose, the actual trends in the labour market and in the need for assistance would have to be adjusted for the effects of the reform which cannot be clearly determined. Moreover, the limited data availability at state and local government level<sup>1</sup> complicates an accurate estimate of the impact on general government budgets. This article focuses on the purely fiscal effects of the reform, which encompass direct labour market-related expenditure but also additional welfare benefits affected by the reform, such as housing allowance, additional children's allowance and social assistance for persons able to work.

### Different calculations

At the end of 2003, the Commission for the Reform of Local Government Finances foresaw that central and local government could save €3.3 billion annually by merging unemployment assistance and social assistance for persons who are able to work. While the audit report of the Federal Ministry of Economics and Labour, completed in the autumn of 2005, shows cost savings of €2.8 billion for local government in 2005, excluding the revenue received from central government, the Municipal Data Survey (*Kommunaldatenerhebung*), which was published at the same time by the Deutsche Landkreistag, arrives at an additional cost of €1.6 billion for local government, again excluding the contribution payments received from central government. One reason for these major differences is that the audit report is based on the – now repealed – legal criteria for reviewing the cost savings for local government. According to these criteria, those recipients of unemployment benefit II who previously received neither unemployment assistance nor social assistance but who would have been entitled to social assistance under the old legal *status quo* are counted as potential recipients of social assistance. Owing to the higher number of cases, the calculation therefore results in relatively big cost savings for local government. By contrast, the Municipal Data Survey only records the costs actually incurred for former recipients of social assistance who are able to work but does not take into account a possible rise in the number of recipients of social assistance that might have occurred without the Hartz IV reform in 2005. Moreover, the payment flows published in the government cash statistics indicate that the savings made by state government on housing allowance and integration measures may not have been passed on in full to local government as was agreed. According to the most recent figures of the Federal Ministry of Labour and Social Affairs, the costs to general government of €44½ billion after the labour market reform in 2005 were €1 billion higher than they would have been had the previous *status quo* continued.<sup>2</sup>

1 For example, the payments in connection with Hartz IV for the city-states (Berlin, Bremen, Hamburg) are not listed separately in the relevant government finance statistics and can only be estimated. — 2 See Deutscher Bundestag, Ausschuss für Arbeit und Soziales, Unterrichtung durch das Bundesministerium für Arbeit und Soziales, Ausschussdrucksache 16(11)197, 2 May 2006. See also B Kaltenborn and J Schiwarov, Hartz IV: Gefühlte Kostenexplosion, Wirtschaftsdienst 7/2006, pp 430-434. — 3 The difference vis-à-vis the comparative calculation of the Federal Ministry of Labour and Social Affairs can be explained, in particular, by the fact that this calculation assumes lower extrapolation rates for unemployment assistance and social assistance and that it takes into account the (estimated) expenditure for accommodation costs of recipients of other social benefits (eg basic allowance for elderly persons), which arise for local government after the cessation of the housing allowance for this group of persons. — 4 See also Deutsche Bundesbank, Impact of the amalgamation of social assistance

The table on page 73 shows the results of the calculations for the individual levels of government. While the draft budgets for 2005 envisaged cost savings of just over €1 billion compared with 2004, the actual expenditure of central government/the Federal Employment Agency, state government and local government in connection with the Hartz IV reform was €7 billion higher than the expenditure on unemployment assistance, social assistance for people able to work and housing allowance. The additional expenditure of central government (€9½ billion) contrasted with cost savings for the Federal Employment Agency, state government and local government (2½ billion). However, compared with the likely expenditure path given a continuation of the old *status quo*, the estimated additional expenditure owing to the reform would have been “barely” €4 billion, with the balance due to the poor labour market performance, which would also have caused a rise in costs under the old *status quo*.<sup>3</sup> The draft budgets make provision for a further, albeit smaller rise in expenditure in 2006 before Hartz IV expenditure looks set to decrease for the first time in 2007 when the statutory changes agreed upon become fully effective. Taking all social security funds into account, the overall burden on general government is expected to be somewhat lower at first. The statutory pension insurance scheme and the long-term care insurance scheme, for example, achieved savings because the additional revenue from contributions for former social assistance recipients able to work and for new recipients who were not insured previously has so far been accompanied by marginal expenditure at most. In 2007, however, central government will effectively halve its pension contributions for recipients of unemployment benefit II.

### Causes of the rise in expenditure

The unexpectedly high costs of the Hartz IV reform are primarily due to inaccurate assessments about the labour market trend and adjusted behaviour on the part of those entitled to payments, start-up problems and legal shortcomings.<sup>4</sup> Already before the reform came into force, the unfavourable labour market trend led to a significant increase in the number of recipients of unemployment assistance and social assistance.<sup>5</sup> Moreover, the level of need of the recipients of unemployment assistance and their number of household members were underestimated. For example, the poor labour market situation also caused the average household income – which is offset against benefits – to decrease. When preparing the budget for 2005, the Federal Government expected an annual average of only 2.5 million income-support households and 3.4 million beneficiaries able to work. However, by the end of 2004, there were already an estimated 4.4 million recipients of social assistance and/or unemployment assistance who were able to work (including their dependants able to work). According to estimates made by the Federal Employment Agency, 1.8 million recipients of social assistance

and unemployment assistance: initial findings, Monthly Report, November 2005, pp 40-41. — 5 The number of recipients of unemployment assistance increased by 10% in the period 2003-2004, while the number of recipients of social assistance of working age increased by 11% in the period 2002-2004. — 6 See Federal Employment Agency, Der Übergang von der Arbeitslosen- und Sozialhilfe zur Grundversicherung für Arbeitsuchende, special report, August 2005, and B Kaltenborn and J Schiwarov, Hartz IV: Deutlich mehr Fürsorgeempfänger/innen, Blickpunkt Arbeit und Wirtschaft 5/2006. — 7 Studies show that almost 50% of households in need did not draw on social assistance in the past. See J Wilde and A Kubis, Nichtanspruchnahme von Sozialhilfe – Eine empirische Analyse des Unerwarteten, Jahrbücher für Nationalökonomie und Statistik 225 (3), 2005, pp 347-373. — 8 Source: Federal Ministry of Finance, Federal Ministry of Labour and Social Affairs, Federal Statistical Office, Bundesbank calculations. Expenditure trend in 2005 based on old legal status quo (projection): extrapolation rates for housing allowance 6.5%,



able to work (plus 0.9 million dependants not able to work) – this is about 96% of all recipients of ongoing subsistence benefits outside of institutions – and 1.9 million recipients of unemployment assistance who are in need (plus 1.3 million dependants, just over half of whom are able to work) switched to the new basic allowance for job-seekers (6.1 million recipients in January 2005).<sup>6</sup> The monthly total cost of €841 per income-support household on an annual average also exceeded the original budgeted figures (€819).

The further rise by 1 million in the number of recipients in the course of 2005 is not only due to the start-up problems in managing the flood of applications, but also to the increase in long-term unemployment stemming from the continued poor labour market situation and to a considerable degree also to the new legislation. Compared with the previous social assistance, the new Second Book of the Social Security Code led to an enlargement of the group of eligible recipients. For example, the defined income and asset ceilings for neediness were raised, the permitted margins to supplement benefits with earned income were improved and the housing benefit payments were structured more generously compared with the housing allowances granted previously. Many persons in need with a low level of income who had previously not applied for social assistance owing to insignificant entitlements, low limits for income and additional earnings, ignorance of statutory regulations concerning social assistance or the stigmatising effect of social assistance<sup>7</sup> are now claiming unemployment benefit II. The latter is also indicated by the fact that the number of persons receiving Hartz IV benefits in addition to their earnings (“income boosters”) doubled in the time from the start of the reform to the autumn of 2005. This number is expected to continue to rise owing to the further improved options for top-up earnings as of October 2005.

In addition, there are legal shortcomings to which Parliament has now responded. For example, the onus of proof for couples claiming to live in a state of long-term cohabitation resembling marriage has now been shifted from the Federal Employment Agency to the applicants. The previous regulation allowed “cell divisions” in which couples who were living together separated *pro forma* (eg set up flat-sharing communities) in order to create autonomous income-support households and so avoid their partner's income being offset against unemployment benefit II. Moreover, the law made it easier for young people who had reached the legal age of maturity to move out of their parents' home and claim full social benefits and accommodation costs irrespective of their parents' financial circumstances. Such behavioural reactions are indicated by the significant rise in dependent one-person households from just under 1.9 million at the beginning of 2005 to 2.4 million in April 2006, with higher numbers of recipients particularly among young people. It was primarily this margin of discretion afforded by the statutory regu-

lations, and probably only to a small extent a rise in abuse of social benefits<sup>15</sup> which, together with the general expansion of the benefit range, resulted in a substantial increase in the volume of benefits granted.

unemployment assistance 14.5%, social assistance 1.5% and assistance in cases of sickness 3% (in line with the development of previous years). The cost savings for state and local government resulting from the discontinuance of housing allowance and social assistance are determined by means of a comparison with the actual expenditure of the previous year or an extrapolation based on the old legal status quo, and not according to the – now repealed – statutory review criteria. — <sup>9</sup> Estimate based on the assumption of the Federal Ministry of Economics and Labour that about 77% of the expenditure in 2004 was attributable to persons in need with the capacity to work. — <sup>10</sup> Payments amounting to €1.5 billion made in 2005 for December 2004 were not taken into account. — <sup>11</sup> Target for 2006 and 2007 including the estimated savings from the adopted statutory changes. — <sup>12</sup> Including employment pacts for older persons (2006: €267 million, 2007: €232 million). — <sup>13</sup> Target for 2005 excluding the forwarded central government contribution towards accommodation costs according to calculations made by the

## Expenditure of central, state and local government and of the Federal Employment Agency before and after the Hartz IV reform <sup>8</sup>

€ billion

Item	Old legislation		New legislation			
	Actual	Proje- ction	Target	Actual	Target	Target
	2004	2005	2005	2005	2006	2007
<b>Central government</b>	<b>21.2</b>	<b>24.2</b>	<b>21.2</b>	<b>30.7</b>	<b>34.4</b>	<b>28.7</b>
Housing allowance (persons able to work) <sup>9</sup>	2.3	2.5	.	.	.	.
Unemployment assistance in the narrower sense <sup>10</sup>	18.8	21.5	.	.	.	.
Other unemployment assistance	0.1	0.2	0.0	0.0	.	.
Unemployment benefit II <sup>11</sup>	.	.	14.6	25.0	24.4	21.4
Contribution towards accommodation costs	.	.	3.2	3.5	3.6	2.0
Integration measures	.	.	6.5	3.6	6.5	6.5
Administrative costs	.	.	3.3	3.0	3.5	3.5
Other basic allowance <sup>12</sup>	.	.	0.0	0.0	0.3	0.2
Additional children's allowance	.	.	0.2	0.1	0.1	0.1
Compensatory amount	.	.	-6.7	-4.6	-4.0	-5.1
<b>Federal Employment Agency</b>	<b>5.2</b>	<b>5.2</b>	<b>6.7</b>	<b>4.6</b>	<b>4.0</b>	<b>5.1</b>
Integration measures	4.2	4.2	.	.	.	.
Administrative costs	1.0	1.0	.	.	.	.
Compensatory amount	.	.	6.7	4.6	4.0	5.1
<b>State government</b>	<b>1.9</b>	<b>2.0</b>	<b>2.2</b>	<b>1.9</b>	<b>1.9</b>	<b>1.9</b>
Housing allowance (persons able to work) <sup>9</sup>	1.7	1.8	.	.	.	.
Integration measures	0.2	0.2	.	.	.	.
Transfers to local government <sup>13</sup>	.	.	2.2	1.9	1.9	1.9
<b>Local government<sup>14</sup></b>	<b>10.0</b>	<b>10.0</b>	<b>7.0</b>	<b>8.1</b>	<b>8.3</b>	<b>9.9</b>
Social assistance (persons able to work)	6.9	7.0	.	.	.	.
Assistance in cases of sickness (persons able to work)	0.7	0.8	.	.	.	.
Administration	1.2	1.2	0.2	0.3	0.3	0.3
Integration measures	1.1	1.1	0.1	0.0	0.1	0.1
One-off benefits	.	.	0.2	0.2	0.2	0.2
Accommodation costs	.	.	11.0	12.1	12.4	12.4
Other social benefits	.	.	0.8	0.8	0.8	0.8
Transfers from state government	.	.	-2.2	-1.9	-1.9	-1.9
Central government's contribution towards accommodation costs	.	.	-3.2	-3.5	-3.6	-2.0
<b>Total</b>	<b>38.3</b>	<b>41.5</b>	<b>37.1</b>	<b>45.3</b>	<b>48.6</b>	<b>45.6</b>

lations, and probably only to a small extent a rise in abuse of social benefits<sup>15</sup> which, together with the general expansion of the benefit range, resulted in a substantial increase in the volume of benefits granted.

parliamentary Conciliation Committee in June 2004, otherwise estimated on the assumption of a complete forwarding of the actual cost saving compared with 2004. — <sup>14</sup> Including local government level of the city-states (Berlin, Bremen, Hamburg). The expenditure for persons able to work on social assistance (excluding integration measures – support for work) and on assistance in cases of sickness is estimated based on the assumption of the Federal Ministry of Economics and Labour that 93% of expenditure is accounted for by this group of persons; the figures for administrative costs also correspond to the estimates made by the Federal Ministry of Economics and Labour. The 2005 target is derived from the Conciliation Committee's estimate from June 2004; the target figures for 2006 and 2007, which were not derived from the Federal budget, largely remained constant at the 2005 level. — <sup>15</sup> The Federal Employment Agency estimates that less than 3% of cases involve an abuse of social benefits.

number of claimants switching to unemployment benefit II. In addition, a significant reduction in spending on active labour market policy measures was recorded in the first half of 2006.

*Favourable overall financial trend for the Federal Employment Agency in 2006 and 2007*

On balance, the Federal Employment Agency will generate a surplus in 2006 that far exceeds the figure of just under €2 billion projected in the budget. Bringing forward the deadline for transferring social contributions, a changeover which has been in place since the start of 2006, will provide a one-off boost to the budgetary balance of just over €3 billion. Along with the central government grant, which will amount to €6½ billion in 2007 and be paid regularly from next year onwards, the 2006 surplus will also help to offset the loss of revenue, totalling around €15 billion, associated with the lowering of the contribution rate from 6.5% to 4.5%. Reserves are to be set up in future so as to cushion financial volatility, as in the other social security funds. This requires significant surpluses to be generated in buoyant economic phases, as the Agency's finances – both on the revenue and on the expenditure side of the balance sheet – react immediately to volatility on the labour market. If the reserves are insufficient, (interest-free) central government loans will be still available, although instead of being converted into grants as hitherto, they will now have to be repaid at a later stage.

### Central government

The total resources earmarked for labour market policy expenditure in the central gov-

ernment budget for 2006 are about €1 billion above the 2005 outturn. Planned spending on the basic allowance amounts to just over €38 billion (€34 billion after adjustment for expenses covered by the compensatory amount), of which just under €24½ billion is allocated to unemployment benefit II. On balance, extra expenditure and savings could virtually cancel each other out during 2006 as a whole. Potential unforeseen additional expenditure on unemployment benefit II and accommodation costs is likely to be offset by a comparable fall in integration measures (budgeted amount: €6½ billion). As planned, the Federal Employment Agency will not require a grant from central government, and expenditure on other active labour market promotion measures is unlikely to exceed the 2005 figure.

*Expenditure expected to increase only marginally in 2006 as a whole*

The draft central government budget for 2007 projects a fall in overall spending on the basic allowance for job seekers to just over €33½ billion (€28½ billion after adjusting for the compensatory amount). However, the financial risks appear to be greater than in the current year. In view of the uncertainty surrounding some of the budgeted savings to be achieved through statutory changes,<sup>7</sup> which are valued at just under €4 billion, the provision of €21½ billion for unemployment bene-

*Draft 2007 budget: considerable cut in expenditure coupled with financial risks*

<sup>7</sup> The largest share (just under €2 billion) is attributable to the reduction from 2007 in contributions to the statutory pension insurance scheme for recipients of unemployment benefit II. However, this decline in central government spending is offset by a corresponding revenue shortfall for the statutory pension insurance scheme. Alongside certain legislative corrections to the range of benefits for those under 25, the remainder of the savings is principally to be achieved through imputed efficiency gains (€1.2 billion). These are set against spending increases of €0.2 billion caused by aligning contribution rates in eastern Germany with western levels.

fit II may have been set too low. Hence, €1 billion of cover for reintegration measures (another €6½ billion) has been earmarked to compensate for additional expenditure on unemployment benefit II. The budget estimate also assumes an increase in the compensatory amount due from the Federal Employment Agency (to just over €5 billion).<sup>8</sup> Moreover, central government's contribution to local government expenditure on accommodation for recipients of unemployment benefit II is scheduled to be cut to €2 billion, though this must first be approved by the Bundesrat. The draft budget also proposes an increase in central government's labour market-related spending to just over €40 billion along with its new VAT-financed grant to the Federal Employment Agency.

### Future challenges

#### *Reducing structural unemployment*

Reducing structural unemployment is a paramount economic policy requirement in Germany. This would substantially reinforce the necessary consolidation of public finances, particularly at central government level, by permanently easing the pressure on both the revenue and expenditure side of the general government budgets. A continuation of the current moderate wage trend, greater flexibility within both the labour market and the wage structure as well as further reforms to the tax and transfer system would make a significant contribution to achieving that goal.

By contrast, it will only be possible to reduce the average level of frictional and cyclical un-

employment very marginally. Cyclical developments are affecting revenues at all levels of government and are having a particular impact on Federal Employment Agency expenditure. The automatic stabilisers function smoothly if they balance out surpluses and deficits over the economic cycle while the Federal Employment Agency's contribution rate is kept stable. Given the high level of volatility, significant reserves must be built up in good times to obviate the need to borrow (as is the case in other social security schemes).<sup>9</sup>

Assuming the Federal Employment Agency's spending on administration and active labour market policy measures remains virtually unchanged at €10 billion then, at current benefit and employment levels, it would be possible to finance an average of around 1.5 million recipients of unemployment benefit I at a contribution rate of 4.5% (in 2005, this benefit was drawn by just over 1.7 million people). A fall (rise) in the average number of recipients by 100,000 would mean a reduction (increase) in the contribution rate by 0.2 per-

*Cyclical fluctuations and Federal Employment Agency finances*

<sup>8</sup> One method of achieving this will be to expand the reference value for this payment in future to include people whose entitlement under unemployment benefit I falls short of the level of unemployment benefit II and who consequently receive supplementary unemployment benefit II (currently 160,000 to 180,000 people). To date, the compensatory amount has been due only after eligibility for unemployment benefit I had expired.

<sup>9</sup> In future, it is envisaged that central government grants will only be provided in "emergencies". The aim is to prevent the Federal budget from having to bear the brunt of cyclical fluctuations. In view of the rationale behind the Federal government's budgetary rules restricting borrowing, central government loans to the Federal Employment Agency would, in future, have to be declared as something other than regular financial investment. This would prevent the constitutional threshold for new net borrowing from being systematically undermined if, as is currently standard practice, loan repayments are not concurrently booked as disinvestments.

centage point. If, for example, the number of people drawing unemployment benefit and the number of employees subject to social security contributions were to fluctuate within a margin of 500,000 people (between its cyclical high and low as in the period 1997-2000), this would require an annual surplus of around €4 billion at the cyclical peak. These surpluses would have to be accumulated over several years in order to bridge downswings of a similar duration. Given the favourable economic outlook at present, building up reserves now is essential to avoid a procyclical adjustment of the contribution rates in future. This also means that the habitual political temptation to boost spending or cut contribution rates when reserves are plentiful must be resisted.

*Need to distinguish between insurance benefits and means-tested social benefits*

The introduction of the basic allowance for job seekers has drawn a clearer distinction between insurance benefits on the one hand and the tax-financed means-tested basic allowance on the other. The latter has also been structured more systematically and more consistently. Carrying this logic further in future would necessitate reinforcing the Federal Employment Agency's insurance principle and, moreover, gearing unemployment benefit II more strongly to ensuring that tax resources are used sparingly and selectively and, at the same time, to increasing the incentive to take on regular employment.

*Reform of unemployment benefit I*

The statutory unemployment insurance scheme still entails a number of non-insurance-related benefits that should not be financed by wage-based contributions, including many active labour market policy

measures.<sup>10</sup> The additional children's allowance paid as part of unemployment benefit I (which increases the payment rate from 60% to 67%) is a particularly striking example. Another questionable feature is the (albeit now shortened) extended eligibility period applicable to claimants aged over 55. Fundamentally, there is a danger that unemployment will become more entrenched the longer a person is eligible for unemployment benefit I. Therefore, a shorter eligibility period with lower contribution rates would make better sense.

The compensatory amount that the Federal Employment Agency has to pay to central government roughly counterbalances the fact that responsibility for funding active labour market policy measures for the long-term unemployed has passed from the Agency to central government. This being so, it may appear logical to link the payment to the number of people transferring from unemployment benefit I to II. Although this provides an incentive to find work for people before their entitlement to unemployment benefit I lapses, financing the payment through contributions appears fundamentally questionable in view of the insurance principle on which the Agency is based. Hence the compensatory amount is an extraneous liability imposed on the Federal Employment Agency, yet it corresponds to the income from 0.5 percentage point of the contribution rate. Conversely, the future central government grant to the Agency should likewise be reconsidered and coupled to the financing of clearly defined non-insurance-related benefits.

*Need to reconsider the compensatory amount and the new central government grant*

<sup>10</sup> See German Council of Economic Experts, Jahresgutachten 2005/2006, pp 365ff (available only in German).

## The debate about new labour market policy instruments

Unemployment and, in particular, long-term unemployment mainly affect individuals who can earn only relatively low income in the labour market owing to their low productivity. First, laws, wage agreements and *de facto* minimum wages set by legal precedence are partly responsible for the fact that there is insufficient demand for legitimate employment in the low-wage sector. Second, the social security system guarantees a (socio-cultural) minimum subsistence level which depresses the supply of labour if claims for benefits are not consistently reduced for persons who reject job opportunities.

The framework established by the Hartz IV legislation essentially makes it possible to considerably increase incentives to work. The key to this is that of those who are able to work, only those who are willing to accept a (full-time) job offer are entitled to the full amount of social benefits. If their household income then falls below the socio-cultural minimum subsistence level and their financial circumstances place them below the poverty line, the state grants a minimum income to avoid destitution. Thus, the system already provides state-subsidised pay. To increase the incentive to work beyond this, earned income is only partly offset against social benefits. If the grant to lowly paid employees were to be extended without reducing unemployment benefit II – ie a more comprehensive form of state-subsidised pay – this would inevitably entail a considerable fiscal burden and extensive “free-rider” effects. This would also contradict the basic principle of granting social benefits to prevent poverty.

If unemployment is to be reduced to a significant extent, the restrictions on the demand for labour also need to be eased to make the low-wage segment of the labour market more flexible. Both measures together would allow employment in the primary labour market to rise as market forces take effect. Targeted government intervention would then be largely restricted to preventing destitution if individuals fall below the poverty line and this aid is provided directly to those affected. The inherent danger of (industry-specific) minimum wages is that measures to increase the supply of labour will dry up as a result of the Hartz IV reform: if productivity is too low, the unemployed will not be integrated into the primary labour market.

Another possible approach might be for employers to grant *de facto* social benefits as part of broad-based wage cost subsidies. In this alternative, the government pays a grant to employers who then pay wages including the state subsidy. This would allow minimum wages to be set which enterprises could then adjust downwards to a level appropriate to the individual’s productivity with the subsidies making up the difference. Such a process would, however, have considerable disadvantages. Greater “free-rider” effects would be likely as subsidies would no longer be granted on a needs basis. It is extremely difficult to estimate the associated fiscal burdens, which would pose a major financial risk for the government. This would also entail government intervention in the market mechanism and the creation of a considerable degree of bureaucracy.

*Basic allowance for job seekers requires further reform*

The basic allowance for job seekers can also be claimed on the basis of need as an additional transfer on top of a low earned income. As such, it is effectively a wage subsidy. The government should refrain from introducing an additional comprehensive system of state-subsidised pay components or wage subsidies, which is associated with considerable financial risks, especially given the need to make the transfer system more transparent but also to more selectively target the beneficiaries of social benefits (see box on page 77). A better alternative would be to further refine the existing system – particularly its implementation.

A possible starting point could be to modify the current progressive thresholds enabling benefit recipients to obtain additional earned income, which are currently geared heavily to small top-up earnings, since they induce benefit recipients to take on only part-time work. A strategy of making acceptance of a full-time job offer compulsory, with a refusal entailing a sharp cut in the benefit entitlement, would help to ensure that potential claimants first exhaust all available possibilities of earning an income of their own before

claiming transfers from the state.<sup>11</sup> This would increase the attractiveness of full-time employment compared with unemployment (and the associated extra leisure time or income from illicit working). To reduce the unexpectedly large burdens on the central government budget, the existing level of benefits could also be adjusted. For example, it might be well worth reviewing the temporary increment paid during the transition from unemployment benefit I to II, which is incompatible with the insurance principle on which the Federal Employment Agency is based, or the level of personal assets that are not offset against the receipt of benefits, which is generously defined compared with the level that applied to the old social assistance. Lastly, the allocation of administrative responsibilities between the Federal Employment Agency and local government also needs to be more clearly defined.

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<sup>11</sup> Another approach could be to cut the basic benefit rate across the board coupled with the compulsory provision of an employment opportunity. See German Council of Economic Experts, *Arbeitslosengeld II reformieren: Ein zielgerichtetes Kombilohnmodell*, Expertise im Auftrag des Bundesministeriums für Wirtschaft und Technologie, Wiesbaden, August 2006 (available only in German).

## Annex

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### Major legislative amendments related to labour market policy with implications for public finances since 1995

#### Growth and employment promotion act, 1996 (*Wachstums- und Beschäftigungsförderungsgesetz*)

- Vocational rehabilitation measures cease to be “obligatory” and become “possible” benefits.
- Capping of administrative costs.
- Stricter collection of outstanding debts.
- Suspension of the automatic adjustment of wage substitutes in 1997.

#### Work promotion reform act, 1996 (*Arbeitsförderungs-Reformgesetz*)

Measures which entered into force on 1 January 1997 in an amendment to the Work Promotion Act.

- The age limit for receiving unemployment benefit for a period of more than one year is gradually raised by three years.
- Stricter rules concerning work which unemployed persons may reasonably be required to accept.
- Stricter offsetting of severance payments against wage substitutes.
- The deadline for the expiry of “structural short-time working benefit” and “productive wage cost subsidies” is extended from the end of 1997 to the end of 2002.
- Grants for start-ups hiring staff.
- Integration contract for the first six months of employment with mutual right of termination,

sick-leave payment by the Federal Employment Agency.

- Abolition of basic unemployment assistance for persons who have not paid contributions.

Work Promotion Act completely revised and incorporated into the new Third Book of the Social Security Code (*Sozialgesetzbuch III*) on 1 January 1998.

- Greater individual responsibility for employment offices.
- Reduction of the compulsory insurance limit from 18 to 15 hours per week.
- Introduction of unemployment benefit for partially unemployed persons.
- Measures to increase the efficiency of job placement activities by employment offices.

#### Labour law act on the promotion of employment, 1996 (*Arbeitsrechtliches Beschäftigungsförderungsgesetz*)

Easing of employment protection rights: from 1997 applicable only to enterprises with a workforce of more than ten (instead of five as was previously the case).

#### Act introducing corrective measures in the social security system and for the safeguarding of employee rights, 1998 (*Gesetz zu Korrekturen in der Sozialversicherung und zur Sicherung der Arbeitnehmerrechte*)

- Tightening of employment protection rights: from 1999 once again applicable to enterprises with a workforce of more than five.
- Restrictions lifted on social selection in the case of compulsory redundancies.



**Act revising the promotion of year-round employment in the construction industry, 1999 (*Gesetz zur Neuregelung der Förderung der ganzjährigen Beschäftigung in der Bauwirtschaft*)**

Employee excess contribution under the winter compensation regulation reduced from 50 to 30 hours. Up to 100 working hours, loss of wages financed by the winter construction levy, after which the Federal Employment Agency takes over. In a change from the past, not only the employee's but also the employer's share in social security contributions is financed by the winter construction levy.

**Budget consolidation act, 1999 (*Haushaltssanierungsgesetz*)**

From 1 January 2000, pension and long-term care insurance contributions for recipients of unemployment assistance are no longer based on a rate of 80% of former gross pay, but on the amount of unemployment assistance paid.

**Act revising the arrangements for one-off payments, 2000 (*Einmalzahlung-Neuregelungsgesetz*)**

- Following a ruling by the Federal Constitutional Court of 24 May 2000, bonus payments (for example, Christmas or holiday bonuses) are taken into account when calculating contribution-funded benefit entitlements.
- From 1 January 2001, health insurance contributions for recipients of unemployment assistance are based on a rate of 58% rather than 80% of former gross pay.

**First act promoting modern labour market services – Hartz I, 2002 (*Erstes Gesetz für moderne Dienstleistungen am Arbeitsmarkt*)**

- Introduction of personnel service agencies.
- Relaxation of provisions concerning the hiring-out of labour.
- Stricter (geographical) requirements for jobs which the unemployed can reasonably be expected to accept.
- Obligation to register as unemployed in good time or face sanctions.
- Cuts in maintenance allowance.
- Income support for unemployed persons who have reached the aged of 55.
- Relaxation of the provisions governing short-term contracts for older employees.
- Greater offsetting of partner's income and assets when calculating entitlement to unemployment assistance.
- Reduction in the health insurance contribution for recipients of unemployment assistance (from 1 January 2003, assessment base is the amount of unemployment assistance paid instead of 58% of former gross pay).
- From 2003, the recording of pension insurance contributions to be paid in January by the Federal Employment Agency no longer brought forward to December.
- Greater capacity for performance-related bonuses for and promotion of staff at employment offices.

**Second act promoting modern labour market services – Hartz II, 2002 (*Zweites Gesetz für moderne Dienstleistungen am Arbeitsmarkt*)**

- Promotion of self-employment (one-person business start-ups).



- New arrangements for low paid part-time work (mini jobs).

**Act safeguarding the contribution rate, 2002  
(*Beitragsatzsicherungsgesetz*)**

Discretionary increase in the income ceiling for paying contributions to the Federal Employment Agency from €4,500 (western Germany) and €3,750 (eastern Germany) per month in 2002 to €5,100 and €4,250 respectively in 2003.

**Third act promoting modern labour market services – Hartz III, 2003 (*Drittes Gesetz für moderne Dienstleistungen am Arbeitsmarkt*)**

- Renaming and reorganisation of the Federal Labour Office (in future: Federal Employment Agency).
- No more special maintenance allowance during further training, instead continued payment of unemployment benefit.
- Job creation measures are exempt from contributions to the Federal Employment Agency and no longer establish new claims to wage substitute benefits.
- Tightening and legal clarification of rules on periods of ineligibility and jobs which the unemployed can reasonably be expected to accept.
- Church taxes are no longer considered as a deduction item when calculating net earnings, leading to an increase in unemployment benefit in some cases.

**Fourth act promoting modern labour market services – Hartz IV, 2003 (*Viertes Gesetz für moderne Dienstleistungen am Arbeitsmarkt*)**

Unemployment assistance and social assistance for recipients fit to work amalgamated to create unemployment benefit II (*Arbeitslosengeld II*), which is basically equivalent to the level of the former social assistance, with many individual benefits being replaced by flat-rate payments from 2005.

**Act to reform the labour market, 2003  
(*Gesetz zu Reformen am Arbeitsmarkt*)**

- Maximum period of entitlement to unemployment benefit I for individuals registering as unemployed after 31 January 2006 is shortened from 32 to 12 months or to 18 months for individuals aged 55 or over.
- Easing of job protection rights: from 2004 applicable only to enterprises with a workforce of more than ten.
- Clearer definition of the social selection criteria in the case of compulsory redundancies, option of choosing between a claim to severance payment and bringing an action for unfair dismissal.
- Extended possibilities for start-ups to employ staff on fixed-term contracts.

**Municipal option act, 2004  
(*Kommunales Optionsgesetz*)**

- Municipalities (responsible for the assumption of accommodation and heating costs) and employment offices (responsible for the payment of unemployment benefit II) are to create joint working groups for the implementation of their tasks.

- On an individual basis, municipalities may apply to perform tasks related to the basic allowance for jobseekers on behalf of the Federal Employment Agency (“municipalities with separate responsibility for the unemployed”).
- An annex to this act provides for a review process to ensure annual relief for the municipalities of €2.5 billion funded by the Hartz IV reform.

**Fourth Act amending the Third Book of the Social Security Code and other acts, 2004**  
*(Viertes Gesetz zur Änderung des SGB III und anderer Gesetze)*

- More critical examination of the viability of a proposed business venture before awarding a start-up grant to unemployed individuals.
- Introduction of an additional exemption allowance of €4,100 to protect the assets of underage children in connection with the basic allowance for job seekers.

**Fifth Act amending the Third Book of the Social Security Code and other acts, 2005**  
*(Fünftes Gesetz zur Änderung des SGB III und anderer Gesetze)*

- Extension until 31 December 2007 of temporary active labour market policy instruments and the possibility for individuals aged 58 or over to receive unemployment benefit I without being available for work.
- The arrangements concerning business start-up grants (for unemployed individuals) expire on 30 June 2006.

**Act revising the arrangements on exemption limits in Book Two of the Social Security Code, 2005**  
*(Gesetz zur Neufassung der Freibetragsregelungen im SGB II)*

Improved possibilities for top-up earnings and less offsetting of income against unemployment benefit II.

**Act amending Book Two of the Social Security Code, 2005**  
*(Gesetz zur Änderung des Zweiten Buches Sozialgesetzbuch)*

In 2006, central government again assumes a share (29.1%) in the costs of accommodation and heating as part of the basic allowance for jobseekers.

**Act to promote year-round employment, 2006**  
*(Gesetz zur Förderung der ganzjährigen Beschäftigung 2006)*

- From winter 2006/2007, the new seasonal short-time working benefit replaces the former grant to promote winter construction. It is to be paid from the first hour of lost work and financed from the contributions to the Federal Employment Agency. Previously, the first 30 hours were covered by the employees' individual working time account, after which employees received winter compensation payments funded by the winter construction levy of construction industry employers. Only thereafter, was the Federal Employment Agency responsible for financing payments.
- The reimbursement of employer social security contributions and the grant towards additional costs and the winter allowance are financed by levies. For the first time, construction industry employees also contribute to these levies.

**Act amending Book Two of the Social Security Code and other acts, 2006 (*Gesetz zur Änderung des Zweiten Buches Sozialgesetzbuch*)**

- Standard rate of unemployment benefit II in eastern Germany is raised to the level in western Germany, ie €345 per month.
- Range of benefits available to persons under the age of 25 is restricted.
- Pension insurance contribution rate for recipients of unemployment benefit II is almost halved.

**Act Accompanying the 2006 Budget (*Haushaltsbegleitgesetz 2006*)**

- Contribution rate to the Federal Employment Agency cut from 6.5% to 4.5% from 1 January 2007.
- Central government no longer obliged to pay a grant to cover the Federal Employment Agen-

cy's deficits. From 2007, rule-based Federal grants, which – as of 2010 – will be adjusted annually in accordance with the rate of change in the VAT assessment base.

- Cut in the rate of health insurance contributions paid by central government on behalf of recipients of unemployment benefit II.

**Act refining the basic allowance for job seekers, 2006 (*Gesetz zur Fortentwicklung der Grundsicherung für Arbeitsuchende*)**

- Extended mini-job opportunities for jobseekers, stricter investigation of benefit abuse cases, imposition of more targeted sanctions.
- Bridging payments and business start-up grants (for unemployed individuals) merged to form new start-up grants (*Gründungszuschuss*).



# Statistical Section

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## Abbreviations and symbols

---

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

Discrepancies in the totals are due to rounding.

I Key economic data for the euro area

1 Monetary developments and interest rates

Period	Money stock in various definitions 1,2				Determinants of the money stock 1			Interest rates		
	M1	M2	M 3 3		MFI lending, total	MFI lending to enterprises and households	Monetary capital formation 4	Eonia 5,7	3-month Euribor 6,7	Yield on European government bonds outstanding 8
				3-month moving average (centred)						
	Annual percentage change							% per annum as a monthly average		
2005 Jan	9.6	7.1	6.8	6.7	6.6	7.4	8.0	2.08	2.15	3.6
Feb	10.1	7.3	6.6	6.6	6.7	7.4	8.8	2.06	2.14	3.6
Mar	9.2	7.1	6.5	6.6	6.3	7.4	8.7	2.06	2.14	3.7
Apr	9.3	7.4	6.8	6.9	6.7	7.8	8.3	2.08	2.14	3.5
May	10.2	7.6	7.4	7.3	6.5	7.9	8.4	2.07	2.13	3.4
June	10.9	8.0	7.6	7.6	6.7	8.2	9.6	2.06	2.11	3.2
July	11.1	8.3	7.9	7.9	6.9	8.4	9.2	2.07	2.12	3.3
Aug	11.6	8.6	8.2	8.1	7.0	8.7	9.2	2.06	2.13	3.3
Sep	11.1	8.8	8.4	8.2	7.4	9.1	8.7	2.09	2.14	3.1
Oct	11.1	8.6	7.9	8.0	7.8	9.4	9.0	2.07	2.20	3.3
Nov	10.5	8.2	7.6	7.6	8.2	9.5	8.8	2.09	2.36	3.5
Dec	11.4	8.5	7.4	7.5	8.3	9.5	8.8	2.28	2.47	3.4
2006 Jan	10.3	8.4	7.7	7.7	8.5	10.0	8.7	2.33	2.51	3.4
Feb	9.9	8.7	7.9	8.0	8.7	10.7	8.8	2.35	2.60	3.5
Mar	10.1	9.0	8.5	8.4	9.5	11.5	8.7	2.52	2.72	3.7
Apr	9.8	9.3	8.7	8.7	9.6	11.8	8.9	2.63	2.79	4.0
May	10.2	9.1	8.8	8.7	9.4	11.8	8.9	2.58	2.89	4.0
June	9.3	9.1	8.5	8.3	9.1	11.5	8.1	2.70	2.99	4.1
July	7.4	8.2	7.8	...	9.2	11.8	8.7	2.81	3.10	4.1
Aug	...	...	...	...	...	...	...	2.97	3.23	4.0

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.4, p 43\*. — 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	
2005 Jan	-	6,932	+ 1,402	+ 15,864	- 12,075	- 17,728	+ 47,246	- 1,579	1.3119	105.8	108.0
Feb	+	4,847	+ 5,603	+ 24,248	- 2,841	+ 24,121	- 1,945	+ 4,913	1.3014	105.1	107.2
Mar	+	4,285	+ 8,062	- 21,291	- 8,829	- 6,748	- 7,228	+ 1,514	1.3201	106.0	108.2
Apr	-	10,455	+ 3,516	- 5,483	- 13,710	- 8,366	+ 17,417	- 825	1.2938	105.1	107.2
May	-	2,861	+ 5,732	+ 41,516	+ 6,704	+ 19,779	+ 12,482	+ 2,551	1.2694	104.0	106.2
June	+	2,162	+ 8,847	+ 13,452	- 7,712	+ 97,713	- 77,930	+ 1,380	1.2165	101.2	103.5
July	+	2,983	+ 9,525	+ 1,017	- 85,054	+ 78,470	+ 5,023	+ 2,577	1.2037	101.7	104.0
Aug	-	2,736	+ 966	+ 412	- 12,033	- 14,000	+ 26,521	- 76	1.2292	102.3	104.6
Sep	-	1,612	+ 5,487	+ 33,151	- 526	+ 24,875	+ 9,263	- 461	1.2256	101.8	104.1
Oct	-	7,523	+ 1,732	- 12,781	- 7,858	- 6,161	+ 1,014	+ 224	1.2015	101.4	103.6
Nov	-	5,579	+ 1,467	+ 2,199	- 3,867	- 44,034	+ 48,906	+ 1,194	1.1786	100.7	102.9
Dec	+	273	+ 1,746	- 13,162	- 8,485	- 7,755	- 4,278	+ 7,356	1.1856	100.7	102.9
2006 Jan	-	11,395	- 7,242	+ 4,019	+ 868	- 37,009	+ 42,303	- 2,144	1.2103	101.4	103.6
Feb	-	872	+ 428	+ 14,024	- 26,899	+ 15,822	+ 23,002	+ 2,099	1.1938	100.7	103.0
Mar	-	2,951	+ 2,196	+ 66,542	+ 11,400	+ 43,940	+ 4,553	+ 6,649	1.2020	101.5	103.8
Apr	-	7,328	+ 442	+ 4,859	- 1,911	- 10,824	+ 18,820	- 1,226	1.2271	102.7	105.0
May	-	11,501	+ 896	+ 37,058	- 367	+ 51,665	- 12,554	- 1,687	1.2770	103.8	106.0
June	+	5,490	+ 4,370	+ 15,091	- 8,653	+ 73,807	- 51,545	+ 1,482	1.2650	103.9	106.1
July	...	...	...	...	...	...	...	...	1.2684	104.3	106.5
Aug	...	...	...	...	...	...	...	...	1.2811	104.4	106.7

\* 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>													
2003	0.9	- 0.2	1.8	1.1	4.8	4.3	0.0	2.0	0.3	1.4	- 1.1	3.0	0.8
2004	2.6	1.2	3.5	2.3	4.7	4.3	1.1	4.2	1.9	2.5	1.2	3.2	1.9
2005	1.2	0.9	2.9	1.2	3.7	5.5	0.0	4.0	1.5	1.9	0.4	3.5	1.4
2005 Q1	1.2	- 0.6	3.2	1.4	3.4	4.0	- 0.4	1.9	0.4	1.1	- 0.1	3.7	1.2
Q2	1.5	1.7	2.9	1.7	3.7	5.6	0.2	3.6	1.9	2.3	0.4	4.2	1.3
Q3	1.0	1.4	3.4	1.1	3.8	5.9	0.1	5.3	2.0	2.1	0.3	3.0	1.7
Q4	1.3	1.1	2.2	0.7	3.7	6.5	0.1	7.5	1.8	2.6	1.0	3.3	1.8
2006 Q1	2.7	3.1	5.9	2.4	4.1	5.8	2.1	7.3	2.9	3.1	1.1	3.7	2.1
Q2	2.8	1.0	5.9	1.8	4.1	...	1.0	...	2.4	3.2	0.9	4.0	2.6
<b>Industrial production <sup>1,2</sup></b>													
2003	0.7	0.4	1.2	- 0.4	0.3	4.7	- 0.5	3.9	- 1.4	2.1	0.1	1.4	0.3
2004	3.2	3.0	5.0	2.0	1.2	0.3	- 0.6	3.7	2.5	6.2	- 2.7	1.6	2.0
2005	- 0.3	3.4	- 2.3	0.0	- 0.9	3.0	- 0.8	2.1	- 1.2	4.3	0.3	0.7	1.2
2005 Q1	- 1.2	2.5	0.5	0.7	- 1.5	1.2	- 2.7	- 1.1	- 0.9	4.6	- 1.7	0.3	0.6
Q2	0.5	2.3	- 6.8	0.2	- 2.6	2.0	- 1.2	0.3	- 0.1	5.0	0.0	0.1	0.6
Q3	- 1.8	3.5	- 2.1	0.2	- 0.7	3.0	0.4	6.5	- 2.3	4.0	0.7	0.7	1.4
Q4	1.1	5.1	- 0.7	- 1.0	1.3	5.8	0.5	3.1	- 1.6	3.6	2.3	1.6	2.1
2006 Q1	6.2	4.9	4.5	0.4	1.2	2.6	3.0	4.2	3.0	6.1	1.6	2.6	3.4
Q2	5.6	6p	4.9	15.0	1.7	6.6	1.3	p	4.6	0.3	p	8.4	3.8
<b>Capacity utilisation in industry <sup>3</sup></b>													
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
2005	79.4	82.9	84.9	83.2	72.1	74.2	76.4	82.3	82.0	81.7	80.0	80.2	81.3
2005 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	82.5	71.9	78.2	75.9	79.8	81.7	81.3	79.9	80.6	80.9
Q4	79.1	82.9	84.3	81.8	72.2	76.8	76.7	81.4	82.1	81.3	79.2	80.1	81.1
2006 Q1	80.4	84.2	85.2	83.6	74.2	74.0	76.8	82.8	81.5	81.9	78.7	80.7	82.0
Q2	82.8	84.4	85.1	84.5	74.6	76.1	77.3	84.0	81.9	83.2	78.0	81.1	82.5
Q3	83.9	86.4	88.1	85.2	77.2	76.3	78.0	86.7	81.4	84.0	79.4	79.4	83.6
<b>Unemployment rate <sup>4</sup></b>													
2003	8.2	9.0	9.0	9.5	9.7	4.7	8.4	3.7	3.7	4.3	6.3	11.1	8.7
2004	8.4	9.5	8.8	9.6	10.5	4.5	8.0	5.1	4.6	4.8	6.7	10.7	8.9
2005	8.4	9.5	8.4	9.7	9.8	4.3	7.7	4.5	4.7	5.2	7.6	9.2	8.6
2006 Feb	8.6	8.9	8.0	9.4	...	4.3	7.4	4.7	4.1	5.1	7.7	8.8	8.2
Mar	8.6	8.7	7.9	9.3	...	4.3	7.4	4.8	4.0	5.1	7.6	8.9	8.1
Apr	8.6	8.2	7.8	9.2	...	4.3	...	4.8	4.0	4.9	7.5	8.2	8.0
May	8.7	8.3	7.7	9.1	...	4.3	...	4.7	3.9	4.9	7.4	8.3	7.9
June	8.5	8.1	7.7	9.0	...	4.4	...	4.7	3.9	4.9	7.3	8.2	7.8
July	8.6	8.2	7.7	8.9	...	4.4	...	4.8	3.9	4.9	7.2	7.6	7.8
Aug	8.6	...	...	...	...	4.4	...	...	...	4.9	...	...	...
<b>Harmonised Index of Consumer Prices <sup>1</sup></b>													
2003	1.5	1.0	1.3	2.2	3.5	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	2.5	1.9	0.8	1.9	3.5	2.2	2.2	3.8	1.5	2.1	2.1	3.4	2.2
2006 Feb	2.8	2.1	1.3	2.0	3.2	2.7	2.2	3.9	1.4	1.5	2.9	4.1	2.3
Mar	2.2	1.9	1.2	1.7	3.3	2.8	2.2	3.7	1.4	1.3	3.0	3.9	2.2
Apr	2.6	2.3	1.5	2.0	3.5	2.7	2.3	3.5	1.8	2.1	2.9	3.9	2.4
May	2.8	2.1	1.7	2.4	3.3	3.0	2.3	3.6	1.8	2.1	2.9	4.1	2.5
June	2.5	2.0	1.5	2.2	3.5	2.9	2.4	3.9	1.8	1.9	2.8	4.0	2.5
July	2.4	2.1	1.4	2.2	3.9	2.9	2.3	3.4	1.7	p	2.0	2.2	2.4
Aug	2.4	1.8	...	2.1	3.4	3.2	e	2.3	...	p	...	3.8	e
<b>General government financial balance <sup>5</sup></b>													
2003	0.1	- 4.0	2.5	- 4.2	- 5.8	0.2	- 3.4	- 0.2	- 3.1	- 1.5	- 2.9	0.0	- 3.1
2004	0.0	- 3.7	2.3	- 3.7	- 6.9	1.5	- 3.4	- 1.1	- 1.9	- 1.1	- 3.2	- 0.1	- 2.8
2005	0.1	- 3.2	2.6	- 2.9	- 4.5	1.0	- 4.1	- 1.9	- 0.3	- 1.5	- 6.0	1.1	- 2.4
<b>General government debt <sup>5</sup></b>													
2003	98.5	63.9	44.3	62.4	107.8	31.1	104.2	6.3	51.9	64.4	57.0	48.9	69.3
2004	94.7	65.7	44.3	64.4	108.5	29.4	103.8	6.6	52.6	63.6	58.7	46.4	69.9
2005	93.3	67.9	41.1	66.8	107.5	27.6	106.4	6.2	52.9	62.9	63.9	43.2	70.7

Sources: National data, European Commission, Eurostat, European Central Bank. Latest data are partly based on press reports and are provisional. — 1 Annual percentage change; GDP of Greece, Portugal and the Euro-area calculated from seasonally adjusted data. — 2 Manufacturing, mining and energy; adjusted for working-day variations. — 3 Manufacturing, in %; seasonally adjusted; data are collected in January, April, July and October. — 4 Standardised, as a percentage of the civilian labour force; sea-

sonally adjusted. — 5 As a percentage of GDP; Maastricht Treaty definition; Euro-area aggregate: European Central Bank, member states: European Commission, referring to German deficit and GDP according to the revised national accounts of August 2006. — 6 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 - 3.7%).

## II Overall monetary survey in the euro area

### 1 The money stock and its counterparts \*

#### (a) Euro area

€ billion

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) 2	Capital and reserves 3
		Total	of which Securities	Total	of which Securities								
2004 Dec	27.6	70.6	15.7	- 43.0	- 48.4	26.1	- 7.5	- 33.7	40.2	26.0	1.2	9.1	3.9
2005 Jan	96.6	54.8	15.4	41.9	38.2	- 15.8	83.9	99.7	11.9	1.9	- 0.3	10.7	- 0.4
Feb	61.0	37.7	10.9	23.2	32.5	- 13.8	66.2	52.4	46.6	7.5	0.5	32.6	6.0
Mar	48.4	53.9	6.7	- 5.6	- 4.5	- 22.5	37.4	59.9	47.0	15.3	- 0.1	23.8	8.0
Apr	136.5	120.2	68.2	16.2	11.6	2.7	110.0	107.3	17.5	5.4	- 0.5	15.3	- 2.7
May	55.4	62.0	2.7	- 6.6	- 4.2	- 39.0	- 6.2	32.8	26.3	0.2	- 0.4	21.7	4.8
June	79.6	71.2	- 24.4	8.4	8.3	100.7	21.6	- 79.2	77.8	27.6	- 0.7	30.0	20.9
July	53.8	54.0	- 7.2	- 0.2	- 0.7	0.0	44.5	44.5	14.8	5.6	- 1.0	6.7	3.5
Aug	- 5.9	3.3	- 1.4	- 9.2	- 5.7	1.9	- 1.1	- 3.0	17.9	1.6	- 1.0	12.5	4.8
Sep	97.7	98.1	11.7	- 0.4	- 6.1	- 21.1	65.8	86.9	29.8	2.5	- 1.6	14.7	14.2
Oct	103.3	90.3	23.6	13.0	15.8	- 5.2	57.8	62.9	41.9	9.6	- 0.5	31.1	1.8
Nov	143.0	104.8	19.9	38.2	44.0	- 44.9	25.7	70.6	23.8	12.5	0.2	6.3	4.8
Dec	40.9	74.2	- 0.0	- 33.3	- 56.4	41.9	- 47.7	- 89.6	43.9	27.9	0.8	- 7.5	22.6
2006 Jan	125.7	103.6	18.5	22.1	27.0	2.7	127.1	124.4	8.3	6.2	0.7	0.7	0.7
Feb	92.6	109.4	28.0	- 16.8	- 7.2	- 19.1	25.6	44.7	56.1	12.4	0.3	25.0	18.3
Mar	141.6	129.5	44.3	12.1	8.7	- 21.5	50.8	72.3	47.7	17.6	0.8	21.6	7.7
Apr	162.6	161.7	64.2	0.9	0.2	- 6.0	89.9	95.9	28.0	14.9	0.4	17.8	- 5.1
May	44.0	72.1	4.7	- 28.1	- 17.6	17.4	50.5	33.1	30.9	10.4	1.3	21.8	- 2.6
June	55.0	51.0	- 29.1	4.0	1.7	64.3	- 58.1	- 122.4	49.0	10.8	1.3	21.2	15.7
July	65.1	88.9	13.6	- 23.8	- 20.2	- 5.3	76.9	82.3	46.9	9.0	1.2	15.4	21.3

#### (b) German contribution

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) 2	Capital and reserves 3
		Total	of which Securities	Total	of which Securities								
2004 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	3.7	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	- 3.4	- 10.4	- 7.0	- 1.3	0.2	- 1.0	- 1.0	0.6
Sep	5.1	17.1	1.9	- 12.0	- 7.2	- 0.1	16.2	16.3	- 5.6	- 0.4	- 1.5	- 2.0	- 1.7
Oct	10.3	11.0	2.7	- 0.7	- 2.3	- 4.2	2.9	7.1	3.7	- 0.7	- 0.5	0.7	4.2
Nov	4.2	1.9	5.4	2.3	10.0	- 7.0	2.3	9.3	2.5	2.0	0.2	- 2.4	2.8
Dec	- 7.7	- 3.4	11.2	- 4.3	- 6.6	16.8	- 38.3	- 55.1	- 5.0	4.0	0.7	- 10.7	0.9
2006 Jan	38.3	30.0	13.0	8.3	6.2	9.1	36.9	27.8	6.7	0.9	0.7	4.7	0.4
Feb	0.2	12.8	4.7	- 12.6	- 3.2	- 7.1	6.9	14.0	17.0	5.3	0.3	6.2	5.2
Mar	19.0	16.8	9.3	2.1	2.0	2.9	17.9	14.9	- 0.1	- 0.0	0.8	- 4.1	3.2
Apr	44.8	45.1	30.1	- 0.4	- 1.6	9.7	10.3	0.6	2.4	4.2	0.2	- 3.3	1.2
May	- 3.7	- 9.6	- 6.9	5.9	13.4	- 4.6	6.2	10.8	3.1	1.7	1.1	4.9	- 4.6
June	- 31.3	- 16.3	- 18.3	- 15.0	- 11.3	58.4	39.5	- 18.9	7.5	1.5	1.3	0.2	4.5
July	- 6.9	- 5.4	- 0.6	- 1.5	- 2.5	2.4	- 11.0	- 13.3	14.6	2.2	1.1	2.4	8.9

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

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

II Overall monetary survey in the euro area

(a) Euro area

IV De- posits of central gov- ernments	V Other factors		VI Money stock M3 (balance I plus II less III less IV less V)											Period
	Total 4	of which Intra- Eurosystem liability/ claim related to banknote issue	Total	Money stock M2							Repo transac- tions	Money market fund shares (net) 2,7,8	Debt secur- ities with maturities of up to 2 years (incl money market paper) (net) 2,7	
				Total	Money stock M1			Deposits with an agreed maturity of up to 2 years 5	Deposits at agreed notice of up to 3 months 5,6					
					Total	Currency in cir- culation	Overnight deposits 5							
- 20.4	- 70.8	-	104.8	109.5	38.7	19.7	19.1	39.2	31.6	5.0	- 8.0	-	1.6	2004 Dec
18.2	42.3	-	8.4	- 0.3	14.6	- 8.5	23.2	- 27.8	12.8	- 0.2	12.4	-	3.5	2005 Jan
29.5	- 11.2	-	9.8	4.4	4.4	3.7	0.8	- 5.3	5.2	- 1.7	- 1.9	-	8.9	Feb
- 22.7	- 26.0	-	27.5	35.0	26.9	8.2	18.7	4.1	4.0	- 0.2	- 0.8	-	6.5	Mar
- 6.5	43.2	-	85.0	57.1	33.1	9.3	23.8	16.7	7.3	- 0.6	13.8	-	14.7	Apr
- 7.4	- 49.2	-	46.7	34.1	30.1	4.8	25.4	- 1.9	5.9	12.8	7.3	-	7.6	May
38.0	5.3	-	59.2	68.1	76.8	10.7	66.1	- 12.5	3.8	- 0.3	- 14.5	-	5.9	June
- 0.7	- 12.6	-	52.2	39.0	17.8	9.9	8.0	15.6	5.6	- 0.3	12.9	-	0.7	July
- 44.3	41.4	-	19.1	- 35.6	- 52.0	- 5.5	- 46.5	12.1	4.3	- 10.6	4.1	-	1.9	Aug
15.7	- 25.0	-	56.2	78.3	53.2	6.2	47.0	23.1	2.0	- 14.8	- 6.9	-	0.4	Sep
- 3.0	20.1	-	39.1	37.0	27.2	3.4	23.8	9.5	0.2	7.0	- 6.0	-	1.1	Oct
5.7	51.8	-	16.8	23.6	28.2	4.0	24.2	- 3.5	- 1.0	- 2.1	- 9.3	-	4.6	Nov
- 11.6	- 66.8	-	117.2	149.5	91.9	18.3	73.6	38.0	19.5	- 18.2	- 14.2	-	0.2	Dec
18.0	91.1	-	11.1	- 18.6	- 27.1	- 11.9	- 15.2	- 7.9	16.4	15.2	6.6	-	7.9	2006 Jan
8.0	- 16.8	-	26.2	16.1	- 6.6	4.0	- 10.6	19.4	3.3	- 2.1	3.2	-	8.9	Feb
- 6.5	11.5	-	67.3	56.8	25.6	7.4	18.2	29.3	1.8	1.0	- 0.8	-	10.4	Mar
- 10.5	19.8	-	119.3	94.1	53.9	8.1	45.9	41.7	- 1.5	13.9	10.1	-	1.2	Apr
- 15.4	4.2	-	41.7	12.2	23.6	3.3	20.4	- 10.7	- 0.7	7.8	9.3	-	12.5	May
40.7	- 14.0	-	43.5	71.2	54.8	10.1	44.7	19.4	- 3.0	- 11.2	- 5.2	-	11.2	June
- 13.3	13.2	-	13.0	- 3.2	- 25.8	9.0	- 34.8	26.3	- 3.7	4.9	10.4	-	0.9	July

(b) German contribution

IV De- posits of central gov- ernments	V Other factors		VI Money stock M3 (balance I plus II less III less IV less V) 10											Period
	Total	of which Intra- Eurosystem liability/ claim related to banknote issue 9,11	Currency in cir- culation	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	
					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	Overnight deposits	Deposits with an agreed maturity of up to 2 years			
0.1	4.0	0.3	4.8	- 10.0	- 29.5	23.5	9.2	- 7.2	- 3.9	-	2.2	-	2.2	2004 Dec
1.4	- 4.7	1.1	2.0	17.1	23.2	- 15.8	0.9	10.3	- 0.2	-	1.1	-	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	-	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	-	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	-	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	-	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	-	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	-	2.0	July
- 0.4	- 7.9	1.6	- 1.2	9.0	1.7	1.1	- 0.5	3.9	0.2	-	2.7	-	2.7	Aug
0.5	4.1	2.3	1.0	6.0	7.1	0.1	0.1	- 2.6	0.5	-	1.8	-	1.8	Sep
- 1.2	- 3.6	0.0	1.0	7.2	3.4	2.1	- 1.1	4.3	- 2.4	-	0.9	-	0.9	Oct
- 0.3	- 17.9	- 0.1	2.1	12.8	15.5	0.8	- 1.4	0.9	- 1.0	-	1.9	-	1.9	Nov
0.9	18.5	- 1.2	4.2	- 5.3	- 8.6	10.2	6.6	- 13.6	0.0	-	0.1	-	0.1	Dec
2.0	30.8	0.7	2.9	7.9	2.7	0.3	- 1.3	7.9	- 0.6	-	1.0	-	1.0	2006 Jan
- 6.2	- 15.9	2.0	0.5	- 1.8	- 2.8	0.7	- 0.4	2.2	0.6	-	2.1	-	2.1	Feb
1.8	3.8	0.5	2.4	16.4	8.1	1.3	- 2.0	7.4	- 0.1	-	1.7	-	1.7	Mar
- 0.2	34.1	0.4	2.0	18.1	9.3	12.7	- 1.9	- 1.4	- 0.1	-	0.7	-	0.7	Apr
1.7	- 17.8	0.8	1.2	4.8	4.5	0.5	- 3.5	0.6	0.4	-	2.2	-	2.2	May
1.9	14.5	1.1	2.7	3.3	3.4	4.9	- 2.6	- 1.4	0.9	-	1.9	-	1.9	June
0.4	- 3.3	0.6	2.6	- 16.2	- 9.8	5.3	- 4.0	- 5.6	- 0.7	-	1.4	-	1.4	July

euro-area MFIs. — 9 Including national banknotes still in circulation. — 10 The German contributions to the Eurosystem's monetary aggregates should on no account be interpreted as national monetary aggregates and are therefore not comparable with the erstwhile German money stocks M1,

M2 or M3. — 11 The difference between the volume of euro banknotes actually issued by the Bundesbank and the amount disclosed in accordance with the accounting regime chosen by the Eurosystem (see also footnote 2 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	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					
Loans		Debt securities 2	Shares and other equities	Total	Loans	Debt securities 3						
<b>Euro area (€ billion) <sup>1</sup></b>												
2004 June	15,328.8	10,755.0	8,437.6	7,321.5	449.3	666.8	2,317.3	836.7	1,480.6	3,183.3	1,390.6	
July	15,351.5	10,784.6	8,464.6	7,356.2	451.5	657.0	2,320.0	843.0	1,477.0	3,185.8	1,381.0	
Aug	15,384.7	10,763.5	8,445.7	7,347.6	451.0	647.1	2,317.8	838.0	1,479.8	3,226.1	1,395.1	
Sep	15,487.1	10,810.5	8,498.5	7,401.7	449.6	647.2	2,312.0	830.9	1,481.1	3,214.6	1,461.9	
Oct	15,585.4	10,865.1	8,553.2	7,449.7	452.4	651.2	2,311.9	831.2	1,480.6	3,219.5	1,500.8	
Nov	15,777.3	10,950.1	8,634.6	7,512.7	457.8	664.0	2,315.5	827.7	1,487.8	3,282.6	1,544.6	
Dec	15,723.6	10,966.7	8,693.4	7,556.3	467.2	669.9	2,273.3	833.4	1,439.9	3,237.4	1,519.5	
2005 Jan	15,991.7	11,071.4	8,749.9	7,596.6	471.4	681.9	2,321.5	838.0	1,483.4	3,373.2	1,547.2	
Feb	16,103.5	11,130.7	8,787.6	7,622.8	481.5	683.2	2,343.1	828.7	1,514.4	3,421.3	1,551.5	
Mar	16,264.7	11,178.0	8,840.1	7,669.4	483.0	687.6	2,337.9	827.5	1,510.4	3,483.9	1,602.8	
Apr	16,571.7	11,316.7	8,959.1	7,721.5	493.6	744.1	2,357.6	832.1	1,525.4	3,603.2	1,651.7	
May	16,759.8	11,385.6	9,030.0	7,785.7	501.1	743.3	2,355.6	830.0	1,525.6	3,661.9	1,712.2	
June	17,040.5	11,519.7	9,146.7	7,924.1	508.0	714.5	2,373.0	830.4	1,542.7	3,722.2	1,798.5	
July	17,130.3	11,572.0	9,202.8	7,982.2	507.2	713.4	2,369.1	830.8	1,538.3	3,755.5	1,802.9	
Aug	17,100.6	11,566.3	9,205.2	7,984.8	506.0	714.4	2,361.1	827.2	1,533.9	3,748.6	1,785.7	
Sep	17,323.8	11,669.2	9,310.1	8,073.4	507.0	729.7	2,359.1	832.9	1,526.2	3,846.4	1,808.3	
Oct	17,462.7	11,766.5	9,370.1	8,140.3	523.6	706.2	2,396.5	830.1	1,566.4	3,905.8	1,790.4	
Nov	17,891.0	11,958.3	9,482.3	8,225.9	544.6	711.8	2,476.0	824.4	1,651.6	4,057.7	1,875.0	
Dec	17,897.4	11,991.0	9,548.5	8,288.1	551.6	708.8	2,442.5	847.5	1,595.0	4,016.0	1,890.4	
2006 Jan	18,203.7	12,126.3	9,666.6	8,386.5	556.5	723.6	2,459.7	842.5	1,617.2	4,129.7	1,947.7	
Feb	18,347.3	12,223.6	9,780.6	8,469.1	568.1	743.3	2,443.1	833.0	1,610.0	4,188.4	1,935.3	
Mar	18,479.8	12,351.6	9,907.0	8,552.9	573.9	780.1	2,444.6	836.2	1,608.4	4,203.1	1,925.1	
Apr	18,707.0	12,502.1	10,062.3	8,645.5	585.1	831.7	2,439.9	836.7	1,603.2	4,252.8	1,952.0	
May	18,786.6	12,529.8	10,124.9	8,709.3	594.0	821.6	2,405.0	826.2	1,578.8	4,284.6	1,972.2	
June	18,747.6	12,579.2	10,173.0	8,788.3	603.0	781.7	2,406.2	828.6	1,577.6	4,226.4	1,942.1	
July	18,850.7	12,644.1	10,262.5	8,861.0	613.1	788.4	2,381.7	826.5	1,555.2	4,308.4	1,898.2	
<b>German contribution (€ billion)</b>												
2004 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	453.2	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	
Sep	4,684.5	3,407.5	2,666.3	2,303.8	80.2	282.3	741.2	447.7	293.5	1,103.6	173.4	
Oct	4,699.9	3,417.0	2,676.6	2,311.6	82.1	282.9	740.4	449.3	291.1	1,106.4	176.5	
Nov	4,722.5	3,421.6	2,678.8	2,308.0	83.5	287.3	742.8	441.6	301.2	1,117.8	183.1	
Dec	4,667.4	3,412.0	2,673.6	2,291.3	87.7	294.6	738.4	443.8	294.6	1,080.6	174.8	
2006 Jan	4,754.2	3,463.2	2,717.0	2,321.5	88.4	307.1	746.2	445.9	300.3	1,120.2	170.8	
Feb	4,765.6	3,463.1	2,729.4	2,329.2	91.1	309.1	733.7	436.5	297.2	1,134.2	168.3	
Mar	4,791.8	3,478.9	2,743.5	2,334.6	93.4	315.5	735.4	436.5	298.9	1,145.0	167.9	
Apr	4,843.7	3,522.5	2,787.6	2,348.9	94.5	344.2	734.8	437.6	297.2	1,146.9	174.3	
May	4,843.9	3,518.0	2,777.3	2,346.0	95.5	335.8	740.7	430.1	310.6	1,145.4	180.5	
June	4,844.8	3,486.3	2,760.6	2,347.5	103.3	309.8	725.7	426.5	299.2	1,183.7	174.8	
July	4,829.6	3,481.0	2,755.7	2,342.0	103.9	309.7	725.3	428.3	297.0	1,174.3	174.3	

\* 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 Euro currency in circulation (see also footnote 8 on p 12\*). Excluding MFIs' cash in hand (in euro). The German contribution includes the volume of euro banknotes put into circulation by the Bundesbank in accordance with

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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			up to 3 months	over 3 months		
					up to 1 year	over 1 year and up to 2 years	over 2 years				
Euro area (€ billion) 1											
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	2004 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	
448.8	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	6,660.8	6,254.4	6,291.8	2,340.3	900.0	70.9	1,354.9	1,534.9	90.8	Feb	
471.8	6,684.3	6,294.8	6,343.6	2,367.2	905.4	70.7	1,370.4	1,538.7	91.2	Mar	
481.1	6,730.8	6,347.1	6,396.8	2,391.8	922.5	71.6	1,375.9	1,544.3	90.7	Apr	
485.8	6,760.3	6,372.7	6,428.5	2,419.0	920.4	72.2	1,377.1	1,549.5	90.3	May	
496.6	6,917.7	6,492.1	6,543.2	2,643.8	904.5	78.2	1,436.0	1,390.2	90.5	June	
506.4	6,942.6	6,510.2	6,577.6	2,654.9	922.2	77.7	1,438.9	1,394.4	89.5	July	
500.9	6,866.4	6,473.6	6,543.2	2,605.8	933.7	78.0	1,440.7	1,396.6	88.4	Aug	
507.1	6,956.1	6,545.1	6,614.2	2,653.1	950.0	83.3	1,443.5	1,397.4	86.9	Sep	
510.5	6,994.2	6,582.5	6,649.0	2,667.4	962.3	83.5	1,453.2	1,396.3	86.2	Oct	
514.5	7,028.0	6,604.5	6,672.0	2,683.8	955.2	86.9	1,465.8	1,393.8	86.4	Nov	
532.8	7,180.4	6,779.1	6,835.8	2,761.4	985.8	90.2	1,500.3	1,410.8	87.3	Dec	
520.9	7,193.2	6,763.3	6,830.0	2,745.8	974.5	91.1	1,506.0	1,424.6	87.9	2006 Jan	
524.9	7,226.9	6,775.4	6,853.2	2,734.7	990.4	94.8	1,519.2	1,426.0	88.2	Feb	
532.3	7,294.3	6,851.3	6,931.2	2,761.2	1,009.9	97.9	1,546.2	1,426.9	89.0	Mar	
540.3	7,380.8	6,944.4	7,020.7	2,802.8	1,044.5	99.7	1,560.0	1,424.4	89.3	Apr	
543.6	7,383.8	6,960.3	7,029.6	2,818.9	1,025.1	102.1	1,569.7	1,423.1	90.7	May	
553.7	7,498.4	7,034.3	7,098.0	2,861.6	1,039.2	104.7	1,580.9	1,419.7	92.0	June	
562.7	7,482.1	7,030.4	7,096.0	2,827.9	1,060.3	108.8	1,590.0	1,415.9	93.1	July	
German contribution (€ billion)											
113.8	2,229.2	2,151.6	2,114.1	636.3	193.0	16.6	676.9	505.5	85.8	2004 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	
136.2	2,296.5	2,229.3	2,191.8	697.8	189.7	15.9	690.1	514.4	83.9	Sep	
137.2	2,298.5	2,231.2	2,195.7	699.1	194.3	16.3	689.4	513.4	83.2	Oct	
139.3	2,315.7	2,249.4	2,211.4	714.1	193.8	16.6	691.3	512.2	83.5	Nov	
143.5	2,329.5	2,260.2	2,222.9	706.0	201.4	17.0	695.1	519.2	84.2	Dec	
140.6	2,334.4	2,263.0	2,225.0	709.0	199.9	17.3	695.9	518.0	84.9	2006 Jan	
141.1	2,331.8	2,266.9	2,225.6	704.7	199.3	17.6	701.3	517.5	85.2	Feb	
143.5	2,341.2	2,273.7	2,232.7	714.4	197.9	17.8	701.1	515.5	86.0	Mar	
145.5	2,365.1	2,296.3	2,255.8	723.6	209.2	18.1	705.1	513.7	86.2	Apr	
146.8	2,370.8	2,302.7	2,252.2	725.2	204.7	18.5	706.4	510.2	87.3	May	
149.5	2,381.2	2,310.1	2,255.7	727.5	205.4	18.9	707.8	507.5	88.6	June	
152.1	2,376.3	2,306.9	2,251.2	718.5	209.9	19.4	710.2	503.6	89.7	July	

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

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

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

Liabilities (cont'd)													
Deposits of non-banks (non-MFIs) in the euro area (cont'd)													
General government										Repo transactions with non-banks in the euro area		Debt securities	
End of year/month	Other general government								Total	of which Enterprises and households	Money market fund shares (net) <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>													
2004 June	223.7	149.2	81.1	40.6	1.0	22.8	3.3	0.4	216.9	213.4	609.2	2,000.3	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	2,017.6	1,610.0
Aug	193.0	145.7	78.0	40.7	1.0	22.1	3.5	0.5	224.3	220.2	624.1	2,027.5	1,618.8
Sep	204.1	151.0	81.5	42.8	1.0	21.8	3.5	0.5	215.9	212.5	609.5	2,049.8	1,637.4
Oct	197.4	152.6	83.7	41.9	1.2	21.6	3.7	0.5	229.7	226.7	617.1	2,059.0	1,643.0
Nov	182.8	155.4	89.2	39.2	1.2	21.6	3.7	0.5	223.9	220.9	613.3	2,061.5	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	2,061.7	1,654.8
2005 Jan	180.6	159.3	92.4	41.0	1.4	20.3	3.8	0.5	228.7	225.5	616.4	2,086.6	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	2,123.6	1,693.3
Mar	187.4	153.3	87.4	40.0	1.4	20.3	3.8	0.5	226.9	223.2	614.5	2,145.5	1,702.8
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	2,203.7	1,721.3
June	211.5	163.0	93.8	42.9	1.5	20.4	3.9	0.4	238.9	234.5	621.3	2,243.3	1,742.9
July	210.8	154.3	87.2	40.8	1.6	20.3	3.9	0.5	238.6	235.3	635.1	2,249.8	1,742.0
Aug	166.8	156.4	89.4	40.8	1.5	20.0	4.2	0.4	249.2	245.4	639.7	2,263.5	1,745.9
Sep	182.4	159.4	90.8	42.5	1.5	19.9	4.2	0.4	234.4	230.8	631.5	2,284.1	1,755.1
Oct	179.4	165.8	100.0	40.0	1.3	19.9	4.2	0.4	241.4	237.7	629.0	2,316.1	1,776.2
Nov	185.1	170.9	104.4	40.5	1.3	20.2	4.0	0.4	239.3	235.9	629.6	2,334.1	1,774.6
Dec	173.6	171.0	100.5	44.4	1.1	20.9	3.7	0.4	221.9	219.1	615.8	2,326.2	1,760.7
2006 Jan	191.6	171.7	101.4	44.3	1.1	20.8	3.6	0.4	237.0	233.7	608.4	2,337.6	1,772.4
Feb	199.6	174.1	103.1	45.1	1.1	20.7	3.6	0.4	235.0	231.4	610.2	2,381.2	1,799.1
Mar	193.1	170.1	94.8	49.3	1.2	20.9	3.6	0.4	235.9	231.6	603.1	2,403.2	1,826.8
Apr	182.6	177.5	99.6	51.8	1.2	21.0	3.4	0.4	249.7	246.0	613.1	2,412.7	1,836.1
May	167.2	187.0	104.2	56.2	1.3	21.4	3.5	0.4	258.2	253.7	620.9	2,437.9	1,852.2
June	207.9	192.4	106.8	59.0	1.3	21.5	3.4	0.4	247.0	243.3	615.8	2,457.6	1,866.2
July	193.6	192.4	106.2	60.0	1.2	21.4	3.2	0.4	250.5	246.7	624.4	2,469.4	1,873.2
<b>German contribution (€ billion)</b>													
2004 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	868.5	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	893.4	678.4
Sep	42.1	62.6	18.0	23.2	0.6	17.7	2.6	0.4	28.0	28.0	33.5	894.6	678.1
Oct	40.9	61.9	19.6	20.9	0.6	17.7	2.6	0.4	32.3	32.3	31.1	896.4	679.9
Nov	40.7	63.6	20.3	21.9	0.6	18.0	2.3	0.4	33.2	33.2	30.1	894.0	668.9
Dec	41.6	65.1	19.8	24.1	0.6	18.2	2.0	0.4	19.5	19.5	30.1	883.3	660.2
2006 Jan	43.6	65.8	19.2	25.4	0.7	18.3	1.9	0.4	27.4	27.4	29.4	889.1	664.7
Feb	37.5	68.7	20.9	26.5	0.7	18.3	1.9	0.4	29.6	29.6	30.0	896.4	665.8
Mar	39.3	69.2	19.1	28.9	0.7	18.4	1.8	0.4	37.0	37.0	29.9	890.1	663.4
Apr	39.1	70.2	18.9	29.8	0.8	18.5	1.8	0.4	35.6	35.6	29.8	882.1	656.5
May	40.8	77.8	21.7	34.2	0.8	18.8	1.9	0.4	37.0	37.0	30.3	886.4	657.8
June	42.7	82.9	22.8	38.0	0.9	18.9	1.9	0.4	35.7	35.7	31.2	893.5	663.3
July	43.1	82.0	22.0	38.3	0.8	18.7	1.8	0.4	30.1	30.1	30.5	894.7	662.6

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

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



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										Memo item					
issued (net) <sup>3</sup>			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>	End of year/month	
With maturities of						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>
up to 1 year <sup>4</sup>	over 1 year and up to 2 years	over 2 years													
<b>Euro area (€ billion) <sup>1</sup></b>															
72.7	27.9	1,899.7	2,892.7	1,024.0	16.1	1,713.5	–	2,833.4	5,408.0	6,334.2	4,311.3	163.2	2004	June	
72.7	25.6	1,919.3	2,897.7	1,031.2	17.4	1,697.9	–	2,834.8	5,428.5	6,362.3	4,345.1	170.8	July		
75.8	25.0	1,926.7	2,902.7	1,038.0	20.4	1,729.9	–	2,795.7	5,398.0	6,345.6	4,364.8	173.2	Aug		
75.9	25.2	1,948.7	2,861.6	1,044.6	14.6	1,808.9	–	2,857.1	5,451.1	6,376.7	4,396.2	176.0	Sep		
73.1	27.6	1,958.4	2,847.5	1,047.0	20.8	1,843.5	–	2,866.0	5,490.4	6,436.1	4,416.2	177.7	Oct		
78.3	27.0	1,956.1	2,904.7	1,055.7	44.1	1,921.4	–	2,913.7	5,528.9	6,469.7	4,438.6	185.9	Nov		
76.5	27.2	1,958.0	2,842.2	1,051.6	33.6	1,842.9	–	2,948.9	5,632.3	6,568.2	4,465.7	192.8	Dec		
74.0	26.3	1,986.4	2,993.4	1,054.4	29.3	1,899.0	–	2,966.0	5,637.3	6,581.6	4,499.5	192.6	2005	Jan	
81.0	33.9	2,008.7	3,029.0	1,058.9	21.9	1,903.2	–	2,970.1	5,643.4	6,599.9	4,534.0	195.5	Feb		
75.1	31.5	2,038.9	3,110.5	1,068.0	0.4	1,942.9	–	2,997.6	5,680.4	6,627.8	4,589.2	194.2	Mar		
89.1	31.9	2,055.8	3,224.7	1,068.8	15.5	2,020.0	–	3,031.1	5,738.4	6,713.4	4,612.0	194.8	Apr		
84.4	29.9	2,089.4	3,310.2	1,081.1	– 12.2	2,056.9	–	3,064.1	5,778.4	6,766.0	4,658.8	194.1	May		
87.2	32.5	2,123.6	3,251.9	1,133.2	– 14.7	2,152.4	–	3,304.4	5,851.9	6,830.7	4,804.1	196.6	June		
87.5	32.3	2,130.0	3,288.1	1,136.2	– 15.6	2,149.1	–	3,321.8	5,890.0	6,882.9	4,815.3	200.9	July		
87.2	34.8	2,141.5	3,279.6	1,143.0	– 1.9	2,156.3	–	3,268.6	5,852.9	6,862.8	4,834.0	201.9	Aug		
87.5	34.8	2,161.8	3,381.1	1,166.2	– 17.8	2,181.2	–	3,322.5	5,933.0	6,918.7	4,878.8	203.0	Sep		
92.7	30.1	2,193.2	3,446.6	1,163.5	– 11.2	2,172.6	–	3,349.3	5,970.3	6,962.0	4,916.5	204.7	Oct		
99.2	32.0	2,202.9	3,639.0	1,178.6	– 5.0	2,332.8	–	3,378.5	5,995.7	6,994.7	4,954.4	211.3	Nov		
98.2	32.1	2,195.8	3,545.8	1,200.6	15.0	2,258.9	–	3,479.6	6,153.3	7,120.8	5,005.3	222.6	Dec		
110.0	34.0	2,193.6	3,646.8	1,225.6	– 2.4	2,436.7	–	3,451.0	6,131.2	7,120.6	5,034.4	223.9	2006	Jan	
121.2	32.1	2,227.9	3,726.4	1,246.8	– 2.6	2,398.6	–	3,445.9	6,150.6	7,149.1	5,103.2	227.0	Feb		
130.3	33.6	2,239.3	3,764.1	1,254.9	24.3	2,367.7	–	3,469.8	6,203.4	7,206.3	5,150.8	226.4	Mar		
131.4	34.0	2,247.2	3,818.7	1,250.5	10.5	2,430.7	–	3,522.0	6,293.4	7,321.6	5,168.5	225.6	Apr		
138.7	36.2	2,263.0	3,846.2	1,239.1	5.6	2,451.3	–	3,544.5	6,302.7	7,356.7	5,184.3	224.8	May		
128.3	36.6	2,292.7	3,734.6	1,247.9	23.9	2,368.8	–	3,599.7	6,374.9	7,402.6	5,235.4	225.6	June		
122.2	40.2	2,307.0	3,813.5	1,278.4	14.5	2,355.5	–	3,573.8	6,371.6	7,408.8	5,290.3	225.4	July		
<b>German contribution (€ billion)</b>															
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	–	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	–	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	–	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	–	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	–	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	–	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	–	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	–	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	–	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	–	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	–	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	–	July		
27.0	25.7	840.7	694.3	292.3	– 111.5	531.3	74.1	708.5	1,454.8	1,572.1	1,927.1	–	Aug		
28.8	25.7	840.1	713.1	294.7	– 120.9	545.1	76.4	715.8	1,462.3	1,578.3	1,926.9	–	Sep		
28.8	26.5	841.0	720.5	298.7	– 131.6	554.0	76.5	718.8	1,466.8	1,585.5	1,930.5	–	Oct		
26.8	27.0	840.2	733.8	304.7	– 154.4	565.6	76.4	734.4	1,481.9	1,598.9	1,938.0	–	Nov		
26.2	27.7	829.4	678.1	306.9	– 134.4	554.4	75.1	725.8	1,490.1	1,593.6	1,934.2	–	Dec		
24.5	28.8	835.8	701.4	327.5	– 107.9	552.8	75.8	728.2	1,491.3	1,601.5	1,962.8	–	2006	Jan	
23.5	27.7	845.2	720.2	332.3	– 126.0	551.4	77.8	725.6	1,489.2	1,600.0	1,982.6	–	Feb		
23.8	29.2	837.2	729.6	336.7	– 134.5	561.8	78.2	733.4	1,496.1	1,616.0	1,979.6	–	Mar		
22.8	29.5	829.7	723.2	340.8	– 104.1	571.1	78.7	742.5	1,515.9	1,633.7	1,980.6	–	Apr		
23.0	31.5	831.9	729.4	336.0	– 122.8	576.7	79.5	746.9	1,517.1	1,639.0	1,980.8	–	May		
20.8	33.4	839.4	712.3	336.5	– 114.0	568.3	80.6	750.3	1,522.8	1,643.8	1,991.6	–	June		
18.5	34.2	841.9	698.6	348.4	– 118.1	569.0	81.2	740.4	1,514.2	1,627.6	2,009.3	–	July		

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

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

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### 3 Banking system's liquidity position \* Stocks

€ billion; period averages of daily positions

Reserve maintenance period ending in 1	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) 5	Base money 6
	Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation 3	Central government deposits	Other factors (net) 4		
		Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations							
<b>Eurosystem 2</b>												
2004 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	–	0.3	0.1	–	531.5	63.1	– 46.2	150.2	681.8
Oct	307.9	288.6	90.0	0.1	–	0.1	0.2	531.6	47.9	– 44.6	151.4	683.1
Nov	315.1	293.4	90.0	0.1	–	0.1	–	535.6	50.4	– 37.9	150.2	686.0
Dec	313.2	301.3	90.0	0.0	–	0.1	0.3	539.8	51.0	– 39.6	153.0	692.9
2006 Jan	317.6	316.4	89.6	0.2	0.2	0.1	–	559.2	44.2	– 33.5	154.1	713.3
Feb	325.2	310.0	96.2	0.0	0.3	0.1	–	548.4	56.6	– 28.7	155.4	703.9
Mar	324.7	299.3	104.7	0.1	–	0.2	0.1	550.8	53.3	– 34.0	158.3	709.2
Apr	327.9	290.1	113.7	0.1	0.7	0.3	–	556.4	51.6	– 35.2	159.5	716.2
May	337.0	291.3	120.0	0.2	–	0.2	0.4	569.1	51.1	– 33.5	161.2	730.5
June	336.9	287.0	120.0	0.1	–	0.1	0.1	572.0	45.5	– 37.0	163.3	735.4
July	334.3	316.5	120.0	0.2	–	0.6	0.3	578.8	67.0	– 42.1	166.3	745.7
Aug	327.6	329.7	120.0	0.2	–	0.1	0.6	588.2	73.0	– 51.5	167.1	755.4
<b>Deutsche Bundesbank</b>												
2004 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
Oct	75.1	149.4	55.1	0.0	–	0.0	0.2	145.1	0.1	95.2	39.0	184.2
Nov	77.2	145.0	54.5	0.1	–	0.1	–	145.4	0.0	92.6	38.8	184.2
Dec	77.2	140.9	54.4	0.0	–	0.1	0.2	146.9	0.0	86.0	39.3	186.3
2006 Jan	79.1	154.1	55.7	0.1	0.1	0.0	–	151.9	0.0	97.9	39.2	191.2
Feb	81.6	158.1	61.6	0.0	0.1	0.0	–	149.7	0.1	112.1	39.6	189.3
Mar	81.0	145.8	68.3	0.1	–	0.1	0.1	150.7	0.1	104.7	39.6	190.4
Apr	82.5	137.8	74.3	0.1	0.2	0.1	–	151.5	0.0	103.6	39.7	191.3
May	85.2	152.2	76.3	0.1	–	0.1	0.1	154.8	0.0	118.5	40.2	195.0
June	84.9	153.9	73.7	0.1	–	0.1	0.0	156.2	0.1	115.5	40.6	197.0
July	84.0	162.4	71.6	0.1	–	0.4	0.1	157.9	0.1	118.6	41.0	199.3
Aug	82.3	171.6	72.1	0.1	–	0.0	0.5	160.1	0.1	124.3	41.2	201.3

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>												
- 1.9	- 1.5	+ 10.4	- 0.0	-	+ 0.2	-	+ 7.3	+ 2.9	- 4.6	+ 1.2	+ 8.7	2004 Apr
+ 9.3	- 4.7	+ 7.9	- 0.3	-	- 0.3	+ 0.4	+ 11.1	- 5.5	+ 6.8	- 0.3	+ 10.5	May
+ 0.6	+ 11.5	+ 0.0	+ 0.1	-	+ 0.4	- 0.4	+ 6.1	+ 6.2	- 2.2	+ 2.1	+ 8.6	June
- 3.1	+ 20.7	- 0.0	+ 0.2	-	- 0.4	-	+ 6.6	+ 12.8	- 3.0	+ 1.7	+ 8.0	July
- 7.4	+ 8.2	± 0.0	- 0.3	-	+ 0.1	-	+ 11.8	- 3.9	- 7.7	+ 0.3	+ 12.0	Aug
- 1.4	- 2.0	- 0.0	+ 0.1	-	+ 0.0	-	+ 1.9	- 4.8	- 0.6	+ 0.2	+ 2.2	Sep
- 0.6	+ 4.8	+ 0.0	+ 0.2	-	- 0.2	-	+ 2.3	+ 1.9	+ 0.3	- 0.0	+ 2.1	Oct
- 0.5	+ 1.5	+ 0.0	- 0.2	+ 0.2	+ 0.3	-	+ 4.6	- 3.1	- 0.0	- 0.9	+ 4.0	Nov
- 0.3	+ 7.8	± 0.0	± 0.0	- 0.2	- 0.2	+ 0.5	+ 5.7	+ 5.1	- 3.9	+ 0.1	+ 5.7	Dec
- 7.7	+ 7.2	± 0.0	+ 0.1	+ 0.2	- 0.0	- 0.5	+ 20.6	- 14.9	- 5.9	+ 0.6	+ 21.1	2005 Jan
- 9.7	+ 3.7	+ 3.0	- 0.1	+ 0.1	- 0.0	-	- 8.9	+ 18.5	- 13.6	+ 0.9	- 8.0	Feb
- 0.4	+ 1.2	+ 4.2	- 0.0	- 0.1	- 0.0	+ 0.1	+ 2.4	+ 4.7	- 3.7	+ 1.3	+ 3.7	Mar
+ 1.9	+ 0.4	+ 4.7	+ 0.1	-	+ 0.0	- 0.1	+ 9.1	- 1.1	- 2.9	+ 2.0	+ 11.1	Apr
+ 4.9	- 1.7	+ 3.1	- 0.1	-	+ 0.0	-	+ 6.9	- 4.5	+ 3.2	+ 0.7	+ 7.7	May
- 0.2	- 3.4	± 0.0	+ 0.0	-	+ 0.1	+ 0.1	+ 7.3	- 9.4	- 3.1	+ 1.5	+ 8.8	June
+ 6.5	+ 24.5	± 0.0	- 0.0	-	- 0.0	+ 0.2	+ 9.8	+ 13.9	+ 4.7	+ 2.4	+ 12.1	July
+ 12.2	+ 11.9	- 0.0	- 0.1	-	+ 0.1	- 0.3	+ 10.0	- 0.0	+ 12.3	+ 1.9	+ 12.1	Aug
- 0.7	- 6.0	- 0.0	+ 0.0	+ 0.3	- 0.2	- 0.0	- 1.1	- 4.3	- 1.2	+ 0.4	- 0.9	Sep
+ 3.1	- 14.9	+ 0.0	+ 0.1	- 0.3	+ 0.0	+ 0.2	+ 0.1	- 15.2	+ 1.6	+ 1.2	+ 1.3	Oct
+ 7.2	+ 4.8	+ 0.0	+ 0.0	-	+ 0.0	- 0.2	+ 4.0	+ 2.5	+ 6.7	- 1.2	+ 2.9	Nov
- 1.9	+ 7.9	+ 0.0	- 0.1	-	+ 0.0	+ 0.3	+ 4.2	+ 0.6	- 1.7	+ 2.8	+ 6.9	Dec
+ 4.4	+ 15.1	- 0.4	+ 0.2	+ 0.2	- 0.0	- 0.3	+ 19.4	- 6.8	+ 6.1	+ 1.1	+ 20.4	2006 Jan
+ 7.6	- 6.4	+ 6.6	- 0.2	+ 0.1	+ 0.0	-	- 10.8	+ 12.4	+ 4.8	+ 1.3	- 9.4	Feb
- 0.5	- 10.7	+ 8.5	+ 0.1	- 0.3	+ 0.1	+ 0.1	+ 2.4	- 3.3	- 5.3	+ 2.9	+ 5.3	Mar
+ 3.2	- 9.2	+ 9.0	+ 0.0	+ 0.7	+ 0.1	- 0.1	+ 5.6	- 1.7	- 1.2	+ 1.2	+ 7.0	Apr
+ 9.1	+ 1.2	+ 6.3	+ 0.1	- 0.7	- 0.1	+ 0.4	+ 12.7	- 0.5	+ 1.7	+ 1.7	+ 14.3	May
- 0.1	- 4.3	+ 0.0	- 0.1	-	- 0.1	- 0.3	+ 2.9	- 5.6	- 3.5	+ 2.1	+ 4.9	June
- 2.6	+ 29.5	- 0.0	+ 0.1	-	+ 0.5	+ 0.2	+ 6.8	+ 21.5	- 5.1	+ 3.0	+ 10.3	July
- 6.7	+ 13.2	± 0.0	+ 0.0	-	- 0.5	+ 0.3	+ 9.4	+ 6.0	- 9.4	+ 0.8	+ 9.7	Aug
<b>Deutsche Bundesbank</b>												
+ 0.5	- 11.8	+ 7.4	- 0.0	-	+ 0.2	-	+ 2.4	- 0.0	- 6.3	- 0.1	+ 2.4	2004 Apr
+ 2.5	+ 2.9	+ 3.1	- 0.2	-	- 0.3	+ 0.1	+ 3.4	- 0.0	+ 5.2	- 0.1	+ 3.1	May
+ 0.2	+ 14.9	- 2.4	+ 0.1	-	+ 0.3	- 0.1	+ 1.9	+ 0.0	+ 10.0	+ 0.7	+ 2.9	June
- 1.0	+ 12.3	+ 0.1	+ 0.0	-	- 0.3	-	+ 1.5	- 0.0	+ 10.2	+ 0.1	+ 1.3	July
- 2.5	+ 9.0	+ 0.7	- 0.1	-	+ 0.0	-	+ 3.6	- 0.0	+ 3.6	- 0.1	+ 3.5	Aug
+ 0.1	- 5.2	- 0.1	+ 0.1	-	- 0.0	-	+ 1.3	+ 0.0	- 6.0	- 0.5	+ 0.8	Sep
- 0.1	- 1.9	- 2.2	+ 0.1	-	- 0.0	-	+ 0.2	+ 0.0	- 3.9	- 0.3	- 0.1	Oct
+ 0.1	+ 6.2	- 2.0	- 0.1	+ 0.0	+ 0.2	-	+ 0.6	- 0.0	+ 3.6	- 0.0	+ 0.7	Nov
- 0.0	+ 6.3	+ 0.4	- 0.0	- 0.0	- 0.2	+ 0.1	+ 1.6	+ 0.0	+ 5.0	+ 0.1	+ 1.6	Dec
- 2.0	+ 2.3	+ 0.3	+ 0.1	+ 0.0	+ 0.0	- 0.1	+ 5.3	- 0.0	- 4.3	- 0.2	+ 5.1	2005 Jan
- 2.5	- 6.9	+ 2.6	- 0.1	+ 0.1	- 0.0	-	- 2.0	+ 0.0	- 5.3	+ 0.4	- 1.6	Feb
- 0.0	+ 7.6	+ 2.6	- 0.0	- 0.1	+ 0.0	+ 0.0	+ 0.7	- 0.0	+ 9.7	- 0.4	+ 0.4	Mar
+ 0.4	- 12.0	+ 0.9	+ 0.1	-	+ 0.0	- 0.0	+ 2.7	- 0.0	- 13.7	+ 0.5	+ 3.2	Apr
+ 1.3	+ 7.0	- 0.2	- 0.1	-	- 0.0	-	+ 1.7	+ 0.0	+ 6.1	+ 0.1	+ 1.8	May
+ 0.1	- 1.0	- 0.2	+ 0.0	-	+ 0.0	+ 0.1	+ 2.9	+ 0.0	- 4.4	+ 0.4	+ 3.3	June
+ 1.7	+ 10.2	+ 0.5	- 0.0	-	- 0.0	+ 0.0	+ 1.4	- 0.0	+ 10.5	+ 0.4	+ 1.8	July
+ 3.0	+ 6.1	+ 0.9	- 0.0	-	+ 0.1	- 0.1	+ 2.6	- 0.0	+ 6.9	+ 0.5	+ 3.1	Aug
- 0.2	- 7.2	- 1.3	+ 0.0	+ 0.2	- 0.1	- 0.0	+ 0.0	+ 0.0	- 8.0	- 0.4	- 0.4	Sep
+ 1.1	+ 1.0	+ 2.5	+ 0.0	- 0.2	+ 0.0	+ 0.2	- 0.1	+ 0.0	+ 4.4	- 0.0	- 0.1	Oct
+ 2.1	- 4.4	- 0.5	+ 0.0	-	+ 0.0	- 0.2	+ 0.3	- 0.0	- 2.7	- 0.2	+ 0.1	Nov
- 0.0	- 4.1	- 0.1	- 0.1	-	+ 0.0	+ 0.2	+ 1.5	+ 0.0	- 6.6	+ 0.5	+ 2.1	Dec
+ 1.9	+ 13.2	+ 1.3	+ 0.1	+ 0.1	- 0.0	- 0.2	+ 5.0	- 0.0	+ 11.9	- 0.1	+ 4.9	2006 Jan
+ 2.5	+ 4.0	+ 5.9	- 0.1	+ 0.0	+ 0.0	-	- 2.3	+ 0.0	+ 14.2	+ 0.3	- 1.9	Feb
- 0.6	- 12.3	+ 6.7	+ 0.1	- 0.1	+ 0.1	+ 0.1	+ 1.0	+ 0.0	- 7.4	+ 0.0	+ 1.1	Mar
+ 1.5	- 8.0	+ 6.0	± 0.0	+ 0.2	- 0.0	- 0.1	+ 0.8	- 0.0	- 1.1	+ 0.1	+ 0.9	Apr
+ 2.7	+ 14.4	+ 2.0	- 0.0	- 0.2	- 0.0	+ 0.1	+ 3.3	+ 0.0	+ 14.9	+ 0.5	+ 3.7	May
- 0.2	+ 1.7	- 2.6	- 0.0	-	+ 0.0	- 0.1	+ 1.5	+ 0.0	- 3.0	+ 0.5	+ 2.0	June
- 0.9	+ 8.4	- 2.1	- 0.0	-	+ 0.3	+ 0.0	+ 1.7	+ 0.0	+ 3.1	+ 0.4	+ 2.4	July
- 1.7	+ 9.3	+ 0.5	+ 0.1	-	- 0.3	+ 0.4	+ 2.2	- 0.0	+ 5.7	+ 0.1	+ 2.0	Aug

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 Dec 30	3 1 038.2	3 163.9	3 154.1	16.4	3 137.8	23.7	9.2	9.2	–
2006 Jan 6	1 038.6	163.8	155.3	13.8	141.6	22.8	8.9	8.9	–
13	1 033.3	163.8	156.2	13.8	142.4	22.2	9.2	9.2	–
20	1 051.2	163.8	156.7	13.3	143.4	22.9	9.4	9.4	–
27	1 055.2	163.8	155.4	13.2	142.2	23.1	9.1	9.1	–
Feb 3	1 030.4	163.7	156.1	13.1	143.1	22.7	8.9	8.9	–
10	1 035.4	163.7	154.4	12.5	141.9	23.1	9.2	9.2	–
17	1 039.3	163.6	154.2	12.5	141.6	23.2	10.9	10.9	–
24	1 062.7	163.5	155.3	12.5	142.7	22.6	11.4	11.4	–
Mar 3	1 055.8	163.4	152.6	12.5	140.1	24.1	11.6	11.6	–
10	1 052.3	163.3	151.6	12.5	139.1	25.3	11.2	11.2	–
17	1 044.0	163.2	150.1	12.5	137.6	25.8	11.9	11.9	–
24	1 056.1	163.1	151.0	12.5	138.6	26.9	11.8	11.8	–
31	3 1 067.5	3 180.8	3 144.7	12.1	3 132.6	3 25.8	11.4	11.4	–
Apr 7	1 067.0	180.7	147.0	12.1	134.9	26.5	12.0	12.0	–
13	1 075.1	180.7	145.8	12.1	133.7	25.5	12.5	12.5	–
21	1 084.8	180.6	145.2	12.1	133.1	24.7	12.1	12.1	–
28	1 080.4	180.5	146.0	12.1	134.0	24.4	13.0	13.0	–
2006 May 5	1 079.3	179.6	149.5	11.7	137.9	25.2	12.4	12.4	–
12	1 075.7	179.6	147.0	11.7	135.3	25.3	12.7	12.7	–
19	1 076.4	179.5	148.2	11.7	136.5	25.9	12.8	12.8	–
26	1 084.1	179.5	147.0	11.7	135.3	25.3	13.3	13.3	–
June 2	1 084.5	179.5	148.0	11.7	136.3	26.1	13.5	13.5	–
9	1 080.5	179.5	147.6	11.7	135.9	25.5	13.2	13.2	–
16	1 087.3	179.4	149.3	11.7	137.6	25.1	12.4	12.4	–
23	1 112.5	179.4	149.7	14.1	135.6	26.2	13.3	13.3	–
30	3 1 112.8	3 175.5	3 142.1	12.9	3 129.2	3 25.7	13.5	13.5	–
July 7	1 111.4	175.3	143.1	12.9	130.2	25.1	13.3	13.3	–
14	1 107.8	175.2	142.6	12.9	129.8	24.6	13.5	13.5	–
21	1 125.2	175.2	143.8	12.8	130.9	24.8	12.9	12.9	–
28	1 128.3	175.1	142.7	12.7	130.1	24.7	13.2	13.2	–
Aug 4	1 114.6	175.1	141.1	12.9	128.2	25.7	13.7	13.7	–
11	1 112.7	175.1	142.6	12.8	129.8	25.5	13.1	13.1	–
18	1 103.9	175.1	143.4	12.8	130.6	24.9	13.1	13.1	–
25	1 113.0	175.1	143.5	12.7	130.8	24.4	12.4	12.4	–
Sep 1	1 107.3	175.0	142.7	12.7	130.0	25.3	12.0	12.0	–
<b>Deutsche Bundesbank</b>									
2004 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	–
Oct	324.6	43.3	39.3	5.0	34.3	–	0.3	0.3	–
Nov	329.2	43.3	38.2	5.0	33.2	–	0.3	0.3	–
Dec	3 344.1	3 47.9	3 38.3	4.5	3 33.7	–	0.3	0.3	–
2006 Jan	338.9	47.9	38.3	4.5	33.7	–	0.3	0.3	–
Feb	335.1	47.9	36.7	3.8	32.9	–	0.3	0.3	–
Mar	3 340.5	3 53.2	3 36.0	3.8	3 32.2	–	0.3	0.3	–
Apr	344.9	53.2	34.5	3.7	30.8	–	0.3	0.3	–
May	357.5	53.1	35.6	3.4	32.1	–	0.3	0.3	–
June	3 359.1	3 52.0	3 33.9	3.6	3 30.3	–	0.3	0.3	–
July	364.4	52.0	34.3	3.5	30.8	–	0.3	0.3	–
Aug	358.2	52.0	33.6	3.5	30.0	–	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							Credits related to margin calls	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									
<b>Eurosystem <sup>2</sup></b>														
406.0	315.0	90.0	-	-	0.9	-	3.6	<sup>3</sup>	92.4	40.1	<sup>3</sup>	145.2	2005 Dec	30
406.2	316.0	90.0	-	-	0.2	0.0	3.7		93.0	40.1		144.7	2006 Jan	6
399.1	309.0	90.0	-	-	0.1	-	4.1		93.2	40.1		145.3		13
414.1	324.0	90.0	-	-	0.1	0.0	3.9		93.7	40.1		146.5		20
416.0	316.0	100.0	-	-	0.0	-	4.0		95.2	40.1		148.4		27
390.0	290.0	100.0	-	-	0.0	0.0	3.7		95.5	40.6		149.1	Feb	3
393.5	293.5	100.0	-	-	-	-	3.9		96.4	40.6		150.7		10
395.2	295.0	100.0	-	-	0.2	0.0	4.0		94.3	40.6		153.4		17
418.4	308.0	110.0	-	-	0.4	-	3.9		94.0	40.6		153.0		24
411.5	301.5	110.0	-	-	0.0	-	3.6		95.5	40.6		153.0	Mar	3
408.0	298.0	110.0	-	-	0.0	-	4.3		94.6	40.6		153.3		10
400.6	290.5	110.0	-	-	0.0	-	5.1		93.8	40.6		152.8		17
408.0	298.0	110.0	-	-	-	0.0	5.1		95.3	40.6		154.3		24
404.1	284.0	120.0	-	-	0.1	-	5.9	<sup>3</sup>	94.8	40.6	<sup>3</sup>	159.5		31
400.0	280.0	120.0	-	-	-	-	5.3		95.8	40.6		159.3	Apr	7
408.5	288.5	120.0	-	-	0.0	-	5.4		94.9	40.6		161.3		13
418.2	298.0	120.0	-	-	0.2	-	5.3		95.1	40.6		163.1		21
411.1	291.0	120.0	-	-	0.1	-	5.7		93.8	40.6		165.4		28
406.0	286.0	120.0	-	-	0.0	-	6.1		94.0	40.6		165.9	2006 May	5
404.0	284.0	120.0	-	-	0.0	0.0	5.4		95.0	40.6		166.1		12
403.3	283.0	120.0	-	-	0.3	-	5.8		93.6	40.6		166.8		19
411.5	291.5	120.0	-	-	-	0.0	5.8		93.5	40.6		167.6		26
410.5	290.5	120.0	-	-	0.0	0.0	5.6		93.3	40.6		167.4	June	2
406.2	286.0	120.0	-	-	0.2	-	5.5		94.2	40.6		168.3		9
412.0	292.0	120.0	-	-	0.0	0.0	6.1		93.8	40.6		168.5		16
436.0	316.0	120.0	-	-	-	-	6.1		92.1	40.6		169.1		23
448.6	328.5	120.0	-	-	0.1	0.0	6.1		91.6	40.0	<sup>3</sup>	169.6		30
446.0	326.0	120.0	-	-	-	-	5.9		91.5	40.0		171.1	July	7
441.5	321.5	120.0	-	-	-	-	5.9		89.6	40.0		174.9		14
455.3	335.0	120.0	-	-	0.3	0.0	6.4		88.7	40.0		178.1		21
458.0	338.0	120.0	-	-	0.0	0.0	6.1		87.1	40.1		181.2		28
444.0	324.0	120.0	-	-	-	0.0	6.3		85.9	40.1		182.8	Aug	4
438.2	318.0	120.0	-	-	0.1	-	6.6		85.8	40.1		185.7		11
431.0	311.0	120.0	-	-	-	0.0	6.6		84.3	40.1		185.5		18
437.5	317.5	120.0	-	-	-	0.0	7.6		84.7	40.0		187.8		25
430.5	310.5	120.0	-	-	0.0	0.0	8.3		83.8	40.0		189.6	Sep	1
<b>Deutsche Bundesbank</b>														
195.1	148.1	46.9	-	-	-	-	0.0		-	4.4		19.0	2004 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	
203.0	148.6	54.2	-	-	0.2	-	0.1		-	4.4		34.2	Oct	
195.0	140.8	54.2	-	-	0.0	-	0.1		-	4.4		47.8	Nov	
203.9	146.5	56.4	-	-	0.9	-	0.1		-	4.4		49.2	Dec	
227.2	162.5	64.7	-	-	0.0	-	0.1		-	4.4		20.6	2006 Jan	
218.9	146.4	72.5	-	-	0.0	-	0.2		-	4.4		26.6	Feb	
224.5	147.1	77.4	-	-	0.1	-	0.3		-	4.4		21.7	Mar	
233.0	158.0	74.9	-	-	0.1	-	0.3		-	4.4		19.2	Apr	
227.6	152.6	74.9	-	-	0.0	-	0.3		-	4.4		36.2	May	
248.8	177.3	71.5	-	-	0.1	-	0.3		-	4.4		19.3	June	
253.8	177.9	72.8	-	-	3.2	-	0.3		-	4.4		19.3	July	
223.0	147.3	75.7	-	-	0.0	-	1.6		-	4.4		43.4	Aug	

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

for the Bundesbank: end-of month financial statement.— <sup>2</sup> Source: ECB.— <sup>3</sup> 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 <sup>1</sup>	Total liabilities	Banknotes in circulation <sup>2</sup>	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 <sup>4</sup></b>													
2005 Dec 30	5 1 038.2	565.2	155.5	155.3	0.3	–	–	–	0.2	–	41.8	34.2	7.6
2006 Jan 6	1 038.6	560.3	153.1	153.1	0.0	–	–	0.0	0.2	–	49.5	42.0	7.5
13	1 033.3	553.8	152.8	152.8	0.0	–	–	0.0	0.2	–	50.4	42.8	7.6
20	1 051.2	549.4	155.9	155.9	0.0	–	–	0.0	0.2	–	68.1	60.3	7.8
27	1 055.2	546.7	160.0	159.9	0.1	–	–	0.0	0.2	–	72.1	64.6	7.5
Feb 3	1 030.4	550.6	151.0	151.0	0.0	–	–	0.0	0.2	–	51.9	44.3	7.6
10	1 035.4	550.3	159.5	159.5	0.0	–	–	0.0	0.2	–	49.5	42.1	7.4
17	1 039.3	549.4	156.6	156.6	0.0	–	–	0.0	0.2	–	55.5	48.0	7.5
24	1 062.7	550.2	159.8	159.2	0.6	–	–	–	0.2	–	74.5	67.0	7.4
Mar 3	1 055.8	555.2	159.0	158.9	0.0	–	–	0.0	0.2	–	64.5	56.8	7.6
10	1 052.3	555.5	159.7	159.7	0.0	–	–	0.0	0.2	–	60.0	52.1	7.8
17	1 044.0	554.7	160.3	160.2	0.0	–	–	–	0.2	–	52.0	44.2	7.8
24	1 056.1	553.3	159.9	159.9	0.0	–	–	–	0.2	–	66.1	58.4	7.8
31	5 1 067.5	557.2	156.1	155.8	0.4	–	–	0.0	0.1	–	63.1	55.3	7.8
Apr 7	1 067.0	563.4	156.8	156.7	0.1	–	–	0.0	0.1	–	55.8	48.1	7.7
13	1 075.1	571.6	159.6	159.6	0.0	–	–	–	0.1	–	54.4	46.8	7.6
21	1 084.8	565.9	161.8	161.7	0.1	–	–	0.0	0.1	–	68.1	60.8	7.3
28	1 080.4	568.8	154.5	153.9	0.6	–	–	–	0.1	–	66.2	58.8	7.4
2006 May 5	1 079.3	572.7	160.5	160.5	0.1	–	–	0.0	0.1	–	51.6	44.1	7.5
12	1 075.7	570.4	167.1	167.1	0.0	–	–	0.0	0.1	–	48.0	40.5	7.5
19	1 076.4	568.6	160.0	160.0	0.1	–	–	–	0.2	–	55.3	47.8	7.5
26	1 084.1	570.3	162.5	162.5	0.0	–	–	0.0	0.2	–	59.9	52.4	7.6
June 2	1 084.5	575.9	160.4	160.4	0.0	–	–	0.0	0.2	–	55.7	47.8	7.9
9	1 080.5	576.5	160.6	159.9	0.7	–	–	–	0.1	–	52.7	44.6	8.1
16	1 087.3	576.4	165.8	165.8	0.0	–	–	0.0	0.1	–	52.2	44.4	7.8
23	1 112.5	575.2	162.6	162.5	0.0	–	–	0.0	0.1	–	83.4	75.3	8.1
30	5 1 112.8	580.1	158.5	157.4	1.2	–	–	0.0	0.1	–	94.0	86.2	7.9
July 7	1 111.4	585.3	168.6	168.5	0.1	–	–	0.0	0.1	–	77.5	69.5	7.9
14	1 107.8	586.6	168.3	168.2	0.1	–	–	0.0	0.1	–	72.9	64.9	8.0
21	1 125.2	586.2	168.3	168.3	0.1	–	–	0.0	0.1	–	87.5	79.6	7.9
28	1 128.3	588.4	162.3	162.2	0.0	–	–	–	0.1	–	94.8	86.8	8.0
Aug 4	1 114.6	593.9	167.9	167.8	0.0	–	–	–	0.1	–	70.4	62.3	8.1
11	1 112.7	594.2	167.4	167.4	0.0	–	–	–	0.1	–	66.8	58.7	8.1
18	1 103.9	590.7	169.2	169.1	0.0	–	–	–	0.1	–	61.1	53.1	8.1
25	1 113.0	584.9	166.1	166.1	0.0	–	–	–	0.1	–	78.4	70.4	8.0
Sep 1	1 107.3	587.2	170.3	170.2	0.1	–	–	–	0.1	–	65.2	57.1	8.1
<b>Deutsche Bundesbank</b>													
2004 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	5 293.5	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	5 294.6	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	5 310.7	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	5 325.0	145.0	38.8	38.7	0.0	–	–	–	–	–	0.4	0.1	0.4
Oct	324.6	146.2	37.4	37.3	0.1	–	–	–	–	–	0.5	0.0	0.5
Nov	329.2	147.3	41.9	41.7	0.2	–	–	–	–	–	0.4	0.0	0.4
Dec	5 344.1	153.7	46.3	46.3	0.0	–	–	–	0.2	–	0.4	0.0	0.4
2006 Jan	338.9	148.8	45.4	45.4	0.0	–	–	–	–	–	0.4	0.0	0.4
Feb	335.1	149.9	38.5	38.5	0.0	–	–	–	–	–	0.6	0.0	0.6
Mar	5 340.5	151.5	39.7	39.7	0.0	–	–	–	–	–	0.4	0.0	0.4
Apr	344.9	154.7	38.8	38.7	0.0	–	–	–	–	–	0.4	0.1	0.4
May	357.5	155.3	51.4	51.4	0.0	–	–	–	–	–	0.5	0.0	0.4
June	5 359.1	157.8	39.9	39.4	0.5	–	–	–	–	–	0.5	0.1	0.4
July	364.4	160.3	52.4	52.4	0.0	–	–	–	–	–	0.5	0.0	0.4
Aug	358.2	159.3	46.0	45.9	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>													
13.2	0.4	8.4	8.4	—	5.9	5	70.0	—	5	119.1	58.4	2005 Dec	30
12.6	0.4	10.1	10.1	—	5.9		69.0	—		119.1	58.4	2006 Jan	6
12.5	0.3	11.0	11.0	—	5.9		68.8	—		119.1	58.4		13
12.7	0.3	12.3	12.3	—	5.9		67.9	—		119.1	59.3		20
12.8	0.3	10.7	10.7	—	5.9		68.2	—		119.1	59.4		27
12.8	0.2	10.8	10.8	—	5.9		68.5	—		119.1	59.3	Feb	3
12.6	0.2	10.3	10.3	—	5.9		68.4	—		119.1	59.3		10
12.6	0.2	9.9	9.9	—	5.9		67.9	—		119.1	61.9		17
13.2	0.2	10.2	10.2	—	5.9		67.5	—		119.1	62.0		24
13.1	0.2	9.8	9.8	—	5.9		66.9	—		119.1	62.0	Mar	3
13.2	0.3	10.3	10.3	—	5.9		66.1	—		119.1	62.0		10
13.7	0.2	9.6	9.6	—	5.9		66.3	—		119.1	62.1		17
13.8	0.1	11.8	11.8	—	5.9		63.7	—		119.1	62.1		24
14.7	0.1	9.2	9.2	—	5.8	5	66.7	—	5	132.4	62.0		31
13.9	0.2	11.0	11.0	—	5.8		65.6	—		132.4	62.0	Apr	7
13.6	0.2	9.0	9.0	—	5.8		66.4	—		132.4	62.0		13
13.6	0.2	7.6	7.6	—	5.8		67.3	—		132.4	62.0		21
14.1	0.2	8.1	8.1	—	5.8		68.1	—		132.4	62.0		28
14.3	0.2	11.4	11.4	—	5.8		68.0	—		132.4	62.1	2006 May	5
14.1	0.2	9.2	9.2	—	5.8		65.6	—		132.4	62.8		12
14.3	0.2	10.6	10.6	—	5.8		66.1	—		132.4	62.8		19
14.8	0.2	8.9	8.9	—	5.8		66.2	—		132.4	62.8		26
14.5	0.2	10.6	10.6	—	5.8		65.9	—		132.4	62.8	June	2
14.3	0.1	9.5	9.5	—	5.8		65.7	—		132.4	62.8		9
14.5	0.1	10.9	10.9	—	5.8		66.0	—		132.4	62.8		16
14.5	0.1	10.0	10.0	—	5.8		65.7	—		132.4	62.8		23
14.5	0.1	8.7	8.7	—	5.7	5	66.2	—	5	122.0	62.8		30
14.5	0.1	9.2	9.2	—	5.7		65.6	—		122.0	62.8	July	7
14.8	0.1	8.5	8.5	—	5.7		66.0	—		122.0	62.9		14
15.3	0.1	10.3	10.3	—	5.7		66.7	—		122.0	62.9		21
15.4	0.1	9.6	9.6	—	5.7		67.0	—		122.0	62.9		28
15.3	0.1	9.1	9.1	—	5.7		67.2	—		122.0	62.9	Aug	4
15.7	0.1	10.3	10.3	—	5.7		67.5	—		122.0	62.9		11
16.0	0.1	10.3	10.3	—	5.7		64.4	—		122.0	64.4		18
16.2	0.1	9.9	9.9	—	5.7		65.3	—		122.0	64.4		25
16.2	0.1	9.9	9.9	—	5.7		66.2	—		122.0	64.4	Sep	1
<b>Deutsche Bundesbank</b>													
5.9	0.0	1.3	1.3	—	1.4		24.1	62.3		29.6	5.0	2004 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	
3.4	0.0	4.0	4.0	—	1.5		11.0	76.5		39.2	5.0	Oct	
3.4	0.0	2.9	2.9	—	1.5		11.2	76.4		39.2	5.0	Nov	
3.4	0.0	2.8	2.8	—	1.5		11.3	75.1	5	44.3	5.0	Dec	
3.4	0.0	3.0	3.0	—	1.5		11.5	75.8		44.3	5.0	2006 Jan	
3.5	0.0	2.1	2.1	—	1.5		12.0	77.8		44.3	5.0	Feb	
3.8	0.0	2.5	2.5	—	1.4		9.4	78.2	5	48.5	5.0	Mar	
3.6	0.0	1.0	1.0	—	1.4		12.7	78.7		48.5	5.0	Apr	
3.8	0.0	2.4	2.4	—	1.4		9.8	79.5		48.5	5.0	May	
3.7	0.0	2.1	2.1	—	1.4		22.3	80.6	5	45.8	5.0	June	
3.6	0.0	2.6	2.6	—	1.4		11.6	81.2		45.8	5.0	July	
3.6	0.0	1.8	1.8	—	1.4		11.1	83.9		45.8	5.0	Aug	

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	Total	Enterprises and house-holds
<b>End of year or month</b>													
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
2005	6,859.4	15.3	2,276.0	1,762.5	1,148.4	614.1	513.5	356.3	157.2	3,407.6	3,085.2	2,504.6	2,226.3
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
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
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
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
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
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
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
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
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
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
Sep	6,873.8	14.0	2,271.5	1,770.2	1,129.9	640.3	501.3	353.7	147.6	3,403.1	3,089.8	2,505.3	2,238.3
Oct	6,888.8	14.1	2,270.7	1,754.8	1,123.5	631.3	515.9	368.7	147.2	3,412.5	3,098.7	2,512.0	2,244.5
Nov	6,924.1	13.3	2,287.0	1,760.4	1,133.3	627.1	526.6	373.7	152.9	3,417.1	3,093.2	2,510.3	2,240.3
Dec	6,859.4	15.3	2,276.0	1,762.5	1,148.4	614.1	513.5	356.3	157.2	3,407.6	3,085.2	2,504.6	2,226.3
2006 Jan	6,940.6	13.3	2,275.4	1,739.2	1,128.2	610.9	536.2	374.0	162.3	3,458.7	3,123.8	2,542.5	2,251.5
Feb	6,967.7	14.1	2,289.3	1,745.9	1,132.6	613.4	543.4	376.9	166.4	3,458.7	3,117.1	2,546.9	2,255.5
Mar	7,004.8	13.3	2,302.4	1,736.7	1,123.2	613.4	565.7	392.7	172.9	3,474.5	3,127.4	2,556.8	2,258.4
Apr	7,075.7	14.5	2,320.4	1,768.4	1,156.7	611.7	552.1	379.5	172.6	3,518.0	3,161.1	2,590.8	2,264.9
May	7,102.2	14.0	2,347.5	1,787.1	1,170.6	616.5	560.4	381.7	178.7	3,513.5	3,160.4	2,584.0	2,264.5
June	7,075.1	13.8	2,316.3	1,738.4	1,130.8	607.6	577.9	391.7	186.2	3,481.8	3,122.7	2,560.2	2,265.4
July	7,040.0	13.7	2,299.7	1,733.4	1,133.2	600.1	566.3	379.1	187.2	3,476.6	3,119.5	2,555.2	2,261.1
<b>Changes <sup>1</sup></b>													
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
2005	197.2	0.1	101.8	13.2	25.7	- 12.5	88.6	50.5	38.1	59.7	14.2	37.2	15.5
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
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
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
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
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
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
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
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
Aug	- 19.9	- 0.5	- 11.3	- 10.5	- 6.2	- 4.3	- 0.9	- 3.6	2.7	2.8	4.3	3.4	1.3
Sep	20.2	0.5	0.7	- 17.3	- 13.8	- 3.5	18.0	15.2	2.8	5.1	4.0	14.0	12.8
Oct	14.7	0.1	- 0.8	- 15.4	- 6.4	- 9.0	14.6	15.1	- 0.5	10.3	9.6	7.4	6.8
Nov	29.4	- 0.8	16.6	5.9	9.8	- 3.8	10.7	4.9	5.7	4.2	- 5.7	- 1.8	- 4.0
Dec	- 64.0	2.0	- 10.8	2.3	15.2	- 12.9	- 13.1	- 17.4	4.3	- 7.7	- 6.1	- 3.9	- 11.8
2006 Jan	62.7	- 2.1	- 4.5	- 22.4	- 20.2	- 2.3	18.0	14.2	3.8	38.3	25.3	24.7	12.2
Feb	19.1	0.8	13.8	6.7	4.4	2.4	7.1	2.9	4.1	0.2	- 6.0	5.1	4.7
Mar	46.6	- 0.8	13.4	- 9.1	- 9.3	0.3	22.4	15.8	6.6	19.0	12.8	12.4	4.8
Apr	81.7	1.2	18.2	31.8	33.4	- 1.7	- 13.5	- 13.3	- 0.2	44.8	34.4	34.6	6.8
May	34.1	- 0.5	27.9	19.5	14.6	4.8	8.4	2.3	6.1	- 3.7	- 0.2	- 6.3	- 0.3
June	- 29.8	- 0.2	- 31.2	- 49.0	- 40.3	- 8.8	17.9	10.3	7.6	- 31.3	- 37.2	- 23.3	1.3
July	- 35.2	- 0.1	- 16.4	- 5.1	2.4	- 7.5	- 11.4	- 12.6	1.3	- 7.0	- 3.6	- 5.4	- 3.7

\* 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				
<b>End of year or month</b>													
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
278.2	580.7	408.7	171.9	322.4	169.1	65.0	153.3	30.7	122.6	993.8	796.8	166.7	2005
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	2004 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	815.7	164.9	Aug
267.0	584.6	410.7	173.9	313.2	161.0	65.5	152.2	32.6	119.6	1,020.0	829.8	165.2	Sep
267.5	586.7	413.2	173.6	313.8	164.6	67.0	149.2	31.7	117.5	1,023.2	832.3	168.2	Oct
270.0	582.9	406.9	176.0	324.0	168.5	67.7	155.4	30.2	125.2	1,031.7	837.8	174.9	Nov
278.2	580.7	408.7	171.9	322.4	169.1	65.0	153.3	30.7	122.6	993.8	796.8	166.7	Dec
291.0	581.2	409.8	171.4	334.9	174.4	69.9	160.5	31.6	128.9	1,030.5	831.4	162.8	2006 Jan
291.4	570.2	401.1	169.1	341.5	182.5	73.6	159.1	31.0	128.1	1,045.4	846.5	160.2	Feb
298.5	570.5	401.3	169.2	347.1	186.7	76.2	160.4	30.8	129.6	1,055.1	856.0	159.6	Mar
325.9	570.3	402.8	167.4	356.9	196.8	84.1	160.1	30.4	129.8	1,056.7	859.5	166.0	Apr
319.5	576.4	394.9	181.4	353.2	193.3	81.5	159.9	30.7	129.2	1,055.0	854.9	172.0	May
294.9	562.5	391.0	171.5	359.1	200.3	82.2	158.8	31.1	127.7	1,097.0	892.0	166.1	June
294.0	564.3	392.1	172.2	357.1	200.6	80.9	156.6	31.8	124.8	1,084.4	880.4	165.6	July
<b>Changes 1</b>													
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
21.7	- 23.0	- 14.3	- 8.6	45.5	27.4	2.1	18.2	4.6	13.5	57.7	31.6	- 22.2	2005
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	2004 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	- 10.2	- 12.8	- 0.7	Aug
1.2	- 10.0	- 6.2	- 3.9	1.2	3.1	2.4	- 2.0	1.4	- 3.4	14.3	11.1	- 0.4	Sep
0.6	2.2	2.5	- 0.3	0.7	3.6	1.6	- 2.9	- 0.9	- 2.0	3.1	2.3	1.9	Oct
2.2	- 3.9	- 6.3	2.4	9.9	3.8	0.5	6.1	- 1.5	7.6	3.2	0.7	6.3	Nov
7.9	- 2.2	1.9	- 4.0	- 1.6	0.6	- 2.7	- 2.1	0.4	- 2.6	- 37.4	- 40.5	- 10.2	Dec
12.5	0.6	0.9	- 0.3	13.0	5.3	4.8	7.7	1.2	6.5	36.8	34.4	- 5.9	2006 Jan
0.4	- 11.0	- 8.7	- 2.3	6.1	7.7	3.4	- 1.6	- 0.7	- 0.9	8.1	9.1	- 3.8	Feb
7.6	0.4	0.2	0.2	6.2	4.5	2.8	1.7	- 0.1	1.8	17.5	16.4	- 2.4	Mar
27.7	- 0.2	1.6	- 1.8	10.4	10.6	8.2	- 0.1	- 0.3	0.2	11.8	12.9	5.7	Apr
- 6.0	6.1	- 7.9	14.0	- 3.5	- 3.2	- 2.3	- 0.2	0.4	- 0.6	5.1	1.6	5.3	May
- 24.7	- 13.9	- 4.0	- 9.9	5.9	7.0	0.6	- 1.1	0.4	- 1.4	39.6	34.8	- 6.7	June
- 1.7	1.8	1.1	0.7	- 3.4	- 0.2	- 1.2	- 3.3	- 0.1	- 3.2	- 11.9	- 12.2	0.3	July

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		
End of year or month													
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
2005	6,859.4	1,569.6	1,300.8	268.8	2,329.1	2,225.4	715.8	906.2	233.4	603.4	519.1	62.2	9.6
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
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
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
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
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
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
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
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
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
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
Sep	6,873.8	1,553.7	1,290.8	262.9	2,296.1	2,192.6	703.0	890.7	221.8	598.9	515.0	61.5	12.4
Oct	6,888.8	1,553.0	1,276.7	276.3	2,298.0	2,196.8	706.7	892.9	223.8	597.2	513.9	60.3	11.6
Nov	6,924.1	1,546.0	1,273.1	272.9	2,315.2	2,213.4	722.5	894.9	224.6	596.0	512.5	61.2	11.5
Dec	6,859.4	1,569.6	1,300.8	268.8	2,329.1	2,225.4	715.8	906.2	233.4	603.4	519.1	62.2	9.6
2006 Jan	6,940.6	1,589.6	1,306.9	282.7	2,334.0	2,227.0	716.1	908.1	233.7	602.8	517.9	63.4	11.8
Feb	6,967.7	1,583.4	1,303.2	280.2	2,331.2	2,233.0	714.3	916.1	235.7	602.6	517.4	60.7	10.8
Mar	7,004.8	1,581.0	1,303.4	277.6	2,340.8	2,241.4	720.9	919.1	237.5	601.4	515.4	60.1	12.1
Apr	7,075.7	1,635.0	1,340.8	294.3	2,364.7	2,257.5	725.7	932.0	246.2	599.8	513.6	68.1	16.3
May	7,102.2	1,634.7	1,338.6	296.1	2,370.4	2,269.4	734.6	937.4	249.9	597.4	510.1	60.2	11.8
June	7,075.1	1,617.7	1,334.0	283.6	2,380.7	2,276.8	735.1	945.6	256.2	596.1	507.5	61.3	14.8
July	7,040.0	1,606.6	1,334.3	272.3	2,375.8	2,274.6	728.0	953.4	262.1	593.2	503.5	58.2	11.9
Changes <sup>1</sup>													
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
2005	197.2	32.8	26.9	5.9	65.0	75.5	69.4	7.3	- 6.9	- 1.2	2.9	- 8.0	0.5
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
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
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
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
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
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
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
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
Aug	- 19.9	- 23.2	- 21.0	- 2.3	1.0	2.3	2.3	1.5	0.8	- 1.5	- 0.5	- 0.8	- 0.6
Sep	20.2	- 4.4	0.2	- 4.5	5.8	4.2	5.8	- 0.1	0.2	- 1.5	0.1	1.2	1.4
Oct	14.7	- 0.9	- 14.2	13.3	1.9	4.2	4.2	1.6	1.5	- 1.6	- 1.1	- 1.2	- 0.8
Nov	29.4	- 8.2	- 4.1	- 4.1	16.9	16.4	15.7	1.9	0.7	- 1.2	- 1.4	0.8	- 0.1
Dec	- 64.0	23.8	27.8	- 4.0	13.9	12.0	- 6.6	11.3	8.8	7.4	6.6	1.0	- 1.9
2006 Jan	62.7	17.5	2.9	14.6	5.3	1.8	0.5	2.0	0.4	- 0.6	- 1.3	1.4	2.2
Feb	19.1	- 7.6	- 4.3	- 3.3	- 3.3	5.7	- 2.0	7.9	1.9	- 0.2	- 0.4	- 2.8	- 1.0
Mar	46.6	- 0.5	1.1	- 1.6	10.1	8.8	6.9	3.1	1.9	- 1.2	- 2.0	- 0.5	1.4
Apr	81.7	55.5	37.7	17.8	24.5	16.4	5.1	12.9	8.8	- 1.6	- 1.9	8.2	4.2
May	34.1	1.7	- 0.9	2.6	6.1	12.2	9.0	5.6	3.8	- 2.3	- 3.5	- 7.8	- 4.5
June	- 29.8	- 17.5	- 4.7	- 12.8	10.2	7.3	0.4	8.1	6.3	- 1.3	- 2.6	1.1	2.9
July	- 35.2	- 11.1	0.2	- 11.3	- 4.9	- 2.2	- 7.1	7.8	5.9	- 2.9	- 4.0	- 3.2	- 2.8

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

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

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>
End of year or month													
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
50.2	9.8	2.4	2.0	41.6	38.8	19.5	31.7	1,611.9	113.8	626.2	346.8	324.5	2005
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	2004 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	1,639.6	118.1	640.3	344.0	311.6	Aug
46.6	7.6	2.4	2.0	42.1	40.8	28.0	35.6	1,637.1	117.9	657.6	344.2	321.5	Sep
46.3	8.3	2.4	2.0	40.9	39.7	32.3	32.8	1,634.0	116.2	662.6	346.8	329.3	Oct
47.3	8.4	2.4	2.0	40.7	38.7	33.2	31.8	1,631.2	113.8	679.3	348.6	338.8	Nov
50.2	9.8	2.4	2.0	41.6	38.8	19.5	31.7	1,611.9	113.8	626.2	346.8	324.5	Dec
49.3	9.6	2.4	2.0	43.6	40.4	27.4	31.2	1,617.4	112.2	646.3	369.7	325.0	2006 Jan
47.6	8.5	2.4	2.0	37.4	35.8	29.6	31.7	1,630.9	113.9	662.9	377.3	320.6	Feb
45.6	7.8	2.4	2.0	39.3	37.0	37.0	31.6	1,632.1	119.8	667.6	384.1	330.7	Mar
49.5	11.7	2.4	2.0	39.1	37.6	35.6	31.5	1,623.9	121.1	662.7	384.6	337.5	Apr
46.0	8.3	2.3	1.9	40.8	37.0	37.0	32.1	1,632.9	125.9	667.8	386.5	340.7	May
44.2	6.9	2.3	1.9	42.6	39.3	35.7	33.0	1,641.1	126.7	652.0	387.2	327.8	June
43.9	6.3	2.3	1.9	43.1	39.7	30.1	32.4	1,641.3	124.4	640.2	388.3	325.2	July
Changes <sup>1</sup>													
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
- 7.7	- 0.4	- 0.9	- 0.7	- 2.5	- 3.0	4.7	0.2	39.3	- 9.4	22.4	14.4	18.5	2005
- 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	2004 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	0.0	1.9	- 3.6	- 2.1	4.0	Aug
- 0.2	- 0.1	- 0.0	- 0.0	0.5	0.3	- 2.6	- 0.2	- 3.9	- 0.2	15.1	0.0	10.5	Sep
- 0.3	0.7	- 0.0	- 0.0	- 1.1	- 1.1	4.3	- 2.9	- 3.2	- 1.6	4.7	2.6	8.1	Oct
0.9	0.1	- 0.0	- 0.0	- 0.3	- 1.0	0.9	- 1.0	- 4.7	- 2.7	13.1	1.5	10.8	Nov
2.9	1.3	0.0	0.0	0.9	0.0	- 13.6	- 0.1	- 19.1	- 0.1	- 52.6	- 1.7	- 14.8	Dec
- 0.8	- 0.2	- 0.0	- 0.0	2.0	1.7	7.9	- 0.5	4.4	- 1.9	24.3	5.3	- 1.5	2006 Jan
- 1.8	- 1.1	- 0.0	- 0.0	- 6.2	- 4.6	2.2	0.6	10.3	1.8	12.4	7.1	- 2.6	Feb
- 1.9	- 0.6	- 0.0	- 0.0	1.8	1.3	7.4	- 0.1	5.5	5.9	9.4	7.5	7.4	Mar
4.0	3.9	- 0.0	- 0.0	- 0.2	0.5	- 1.4	- 0.1	- 4.0	1.3	1.3	1.3	4.6	Apr
- 3.4	- 3.3	- 0.0	- 0.0	1.7	- 0.6	0.6	0.6	11.8	4.8	9.2	2.3	1.8	May
- 1.8	- 1.4	- 0.0	- 0.0	1.8	2.3	- 1.4	0.9	- 0.6	- 0.7	- 17.5	0.6	- 4.6	June
- 0.3	- 0.6	- 0.0	- 0.0	0.4	0.3	- 5.6	- 0.6	0.2	- 2.3	- 11.8	1.1	- 2.6	July

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>													
2006 Feb	2,082	7,006.4	56.5	2,784.3	2,007.3	761.7	3,760.1	456.9	2,603.9	2.5	687.7	152.6	252.8
2006 Mar	2,080	7,041.4	52.3	2,821.6	2,033.9	769.9	3,762.7	465.3	2,594.6	2.5	691.9	154.8	250.1
2006 Apr	2,081	7,112.9	54.9	2,834.5	2,047.5	767.5	3,813.3	492.9	2,591.5	2.5	716.4	153.1	257.2
2006 May	2,081	7,137.8	67.8	2,847.6	2,049.1	778.6	3,805.4	478.0	2,591.9	2.5	723.7	154.3	262.8
2006 June	2,076	7,109.3	57.2	2,867.4	2,066.4	779.1	3,774.1	473.4	2,594.9	2.5	691.9	154.1	256.5
2006 July	2,068	7,074.3	65.9	2,824.9	2,029.4	773.1	3,773.0	472.1	2,598.9	2.5	687.2	154.9	255.6
<b>Commercial banks <sup>5</sup></b>													
2006 June	254	2,030.6	15.8	824.1	684.7	135.0	1,014.2	259.0	563.8	1.4	182.0	81.6	94.9
2006 July	255	2,013.5	29.4	790.0	658.0	128.2	1,017.8	260.6	565.5	1.3	181.5	81.9	94.4
<b>Big banks <sup>6</sup></b>													
2006 June	5	1,279.4	7.7	523.5	451.1	69.8	611.8	175.4	302.3	1.1	126.3	69.8	66.7
2006 July	5	1,253.7	19.4	482.9	416.6	64.4	615.1	177.5	301.8	1.2	127.4	70.0	66.3
<b>Regional banks and other commercial banks</b>													
2006 June	160	628.0	7.4	233.2	169.0	62.4	351.0	61.6	237.6	0.2	50.2	11.8	24.7
2006 July	160	630.4	8.9	236.8	174.5	60.4	348.3	59.5	238.7	0.2	48.4	11.9	24.6
<b>Branches of foreign banks</b>													
2006 June	89	123.2	0.8	67.4	64.6	2.8	51.4	22.0	23.8	0.0	5.6	0.1	3.5
2006 July	90	129.4	1.1	70.3	66.9	3.4	54.4	23.6	24.9	0.0	5.8	0.1	3.5
<b>Landesbanken</b>													
2006 June	12	1,413.1	7.9	778.2	588.3	176.0	557.6	75.8	381.1	0.3	98.0	26.1	43.4
2006 July	12	1,410.8	2.3	779.0	588.1	175.9	559.3	77.3	382.0	0.3	96.9	26.2	44.2
<b>Savings banks</b>													
2006 June	458	1,005.4	18.3	229.0	81.6	146.9	722.5	65.4	548.4	0.6	108.1	15.7	19.8
2006 July	458	1,006.2	19.7	229.1	81.7	146.9	721.7	64.5	549.7	0.6	106.9	15.9	19.8
<b>Regional institutions of credit cooperatives</b>													
2006 June	2	233.9	1.0	155.0	102.0	52.6	57.0	13.8	19.0	0.0	23.9	12.4	8.5
2006 July	2	233.5	0.4	158.1	105.6	52.3	54.1	11.2	18.6	0.0	24.3	12.5	8.3
<b>Credit cooperatives</b>													
2006 June	1,285	594.1	12.2	147.7	61.8	83.8	407.3	37.9	319.8	0.3	48.9	9.4	17.5
2006 July	1,276	594.5	12.4	147.3	61.0	84.0	408.1	37.3	321.2	0.3	49.0	9.4	17.4
<b>Mortgage banks</b>													
2006 June	23	883.0	1.3	259.7	159.1	100.4	599.3	11.8	443.3	-	144.1	2.5	20.2
2006 July	23	870.1	0.8	249.1	147.2	101.5	597.5	11.1	440.7	-	145.6	2.5	20.2
<b>Building and loan associations</b>													
2006 June	26	193.6	0.0	55.0	42.0	13.0	120.2	1.3	103.0	.	15.9	0.4	18.0
2006 July	26	193.4	0.0	55.4	43.0	12.4	119.9	1.3	103.1	.	15.4	0.4	17.7
<b>Special purpose banks</b>													
2006 June	16	755.7	0.7	418.7	347.0	71.5	296.0	8.4	216.5	-	70.9	6.0	34.3
2006 July	16	752.2	1.0	416.9	344.8	71.9	294.6	8.8	218.1	-	67.5	6.0	33.6
<b>Memo item: Foreign banks <sup>7</sup></b>													
2006 June	136	750.7	5.2	281.3	218.5	60.5	428.4	66.5	274.6	0.4	86.8	12.2	23.6
2006 July	137	759.7	5.6	289.3	227.5	59.9	429.8	67.9	275.2	0.3	85.9	12.1	22.8
<b>of which: Banks majority-owned by foreign banks <sup>8</sup></b>													
2006 June	47	627.4	4.4	213.8	153.8	57.7	377.0	44.5	250.8	0.3	81.2	12.1	20.1
2006 July	47	630.3	4.5	219.0	160.6	56.5	375.5	44.3	250.3	0.3	80.2	12.1	19.3

\* 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 Germany; from January 1999, the assets and 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

IV Banks

Deposits of banks (MFIs)			Deposits of non-banks (non-MFIs)								Bearer debt securities outstanding <sup>4</sup>	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month
Total	of which		Total	Sight deposits	Time deposits <sup>1</sup>		Memo item Liabilities arising from repos <sup>2</sup>	Savings deposits <sup>3</sup>		Bank savings bonds				
	Sight deposits	Time deposits			for up to and including 1 year	for more than 1 year <sup>1</sup>		Total	of which At three months' notice					
<b>All categories of banks</b>														
1,993.4	252.0	1,741.3	2,614.1	794.7	342.1	766.9	120.6	611.1	524.2	99.4	1,679.5	327.2	392.2	2006 Feb
2,002.2	255.0	1,747.1	2,624.7	803.6	347.0	764.6	126.8	609.8	522.2	99.8	1,684.8	329.7	400.0	Mar
2,052.4	279.2	1,773.1	2,646.3	803.4	367.2	767.2	125.9	608.2	520.3	100.3	1,676.7	330.2	407.4	Apr
2,053.4	297.1	1,756.3	2,656.9	830.3	353.0	767.3	137.3	605.8	516.8	100.6	1,685.4	332.4	409.6	May
2,022.6	281.9	1,740.6	2,663.7	831.2	354.3	773.0	130.4	604.5	514.2	100.8	1,692.8	334.0	396.2	June
1,992.9	269.2	1,723.6	2,660.1	814.7	366.6	776.0	128.9	601.6	510.2	101.2	1,690.7	337.4	393.1	July
<b>Commercial banks<sup>5</sup></b>														
759.0	153.7	605.3	804.3	404.8	172.9	118.2	106.3	99.4	90.7	8.9	226.1	101.2	140.1	2006 June
743.5	153.9	589.5	798.3	391.5	180.7	118.3	102.5	98.6	89.6	9.2	227.2	103.4	141.2	July
<b>Big banks<sup>6</sup></b>														
483.8	108.3	375.5	481.0	210.8	128.3	75.6	101.1	66.0	64.1	0.3	162.9	57.8	93.9	2006 June
459.5	103.3	356.2	476.9	201.9	133.3	76.1	97.7	65.2	63.3	0.3	163.3	59.6	94.5	July
<b>Regional banks and other commercial banks</b>														
184.0	27.8	156.1	299.4	178.3	39.5	39.6	5.3	33.4	26.5	8.6	63.2	40.2	41.3	2006 June
186.7	28.9	157.7	297.3	173.7	42.1	39.3	4.9	33.3	26.3	8.8	64.0	40.5	42.1	July
<b>Branches of foreign banks</b>														
91.1	17.5	73.6	24.0	15.7	5.2	3.0	0.0	0.0	0.0	0.1	0.0	3.2	5.0	2006 June
97.3	21.8	75.5	24.2	15.9	5.2	3.0	0.0	0.0	0.0	0.1	0.0	3.3	4.6	July
<b>Landesbanken</b>														
495.0	71.7	423.3	334.2	62.1	49.8	205.2	14.2	16.4	15.7	0.6	461.2	61.5	61.2	2006 June
491.5	66.2	425.2	337.6	61.8	53.5	205.4	18.6	16.3	15.6	0.7	461.1	61.8	58.8	July
<b>Savings banks</b>														
214.8	6.7	208.1	647.5	210.3	51.6	12.8	–	305.5	249.9	67.3	43.8	51.4	47.8	2006 June
214.0	5.4	208.6	647.7	210.6	52.5	12.8	–	304.3	248.2	67.5	44.0	51.8	48.7	July
<b>Regional institutions of credit cooperatives</b>														
133.5	33.8	99.7	42.8	10.1	13.5	17.9	9.6	–	–	1.3	36.0	10.7	10.9	2006 June
134.9	29.6	105.3	39.9	7.2	13.5	18.0	7.5	–	–	1.3	36.6	11.1	10.9	July
<b>Credit cooperatives</b>														
77.7	2.7	75.0	421.4	137.7	53.6	26.2	–	181.9	156.7	22.0	33.7	34.8	26.4	2006 June
78.3	2.8	75.6	420.0	137.7	53.1	26.0	–	181.2	155.6	22.0	34.0	35.0	27.2	July
<b>Mortgage banks</b>														
161.6	5.0	156.6	172.2	2.6	5.4	163.3	–	0.9	0.8	0.1	499.9	24.2	25.0	2006 June
153.5	5.2	148.4	174.0	2.2	5.6	165.3	–	0.9	0.8	0.1	494.1	24.2	24.3	July
<b>Building and loan associations</b>														
29.7	2.3	27.4	126.6	0.3	1.1	124.5	–	0.4	0.4	0.4	3.8	7.4	26.0	2006 June
30.0	2.0	28.0	126.4	0.3	1.1	124.2	–	0.4	0.4	0.4	3.8	7.4	25.8	July
<b>Special purpose banks</b>														
151.2	6.1	145.1	114.7	3.2	6.5	104.8	0.3	–	–	0.2	388.3	42.8	58.7	2006 June
147.1	4.0	143.1	116.2	3.4	6.7	106.0	0.3	–	–	0.2	389.8	42.8	56.3	July
<b>Memo item: Foreign banks<sup>7</sup></b>														
236.9	44.8	192.0	277.5	152.9	31.2	67.7	7.7	21.7	21.3	4.0	156.2	30.3	49.7	2006 June
245.7	51.2	194.5	277.2	148.5	35.1	68.0	8.4	21.2	20.9	4.3	156.1	30.7	50.1	July
<b>of which: Banks majority-owned by foreign banks<sup>8</sup></b>														
145.7	27.3	118.4	253.6	137.2	26.1	64.6	7.6	21.7	21.3	3.9	156.2	27.2	44.8	2006 June
148.4	29.4	119.0	253.0	132.6	29.9	65.0	8.3	21.2	20.9	4.2	156.1	27.4	45.5	July

negotiable bearer debt 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 other banking categories.

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) 3,6					
			Total	Credit balances and loans	Bills 4	Negotiable money market paper issued by banks	Securities issued by banks	Memo item Fiduciary loans 5	Total	Loans	Bills 4	Treasury bills and negotiable money market paper issued by non-banks	Securities issued by non-banks 7
End of year or month *													
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
2005	15.1	47.9	1,684.5	1,096.8	0.0	6.7	580.9	2.1	2,995.1	2,632.7	2.4	2.4	357.6
2005 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
Sep	13.6	40.7	1,693.9	1,081.2	0.1	10.5	602.2	2.1	3,004.7	2,646.6	2.3	1.1	354.5
Oct	13.7	37.7	1,684.9	1,081.2	0.0	9.9	593.8	2.1	3,012.9	2,655.3	2.4	4.2	351.0
Nov	12.8	42.1	1,687.2	1,087.7	0.0	9.8	589.7	2.1	3,004.8	2,644.9	2.3	3.5	354.0
Dec	15.1	47.9	1,684.5	1,096.8	0.0	6.7	580.9	2.1	2,995.1	2,632.7	2.4	2.4	357.6
2006 Jan	13.0	45.5	1,663.1	1,079.4	0.0	8.1	575.6	2.0	3,032.2	2,659.1	2.3	2.7	368.2
Feb	13.7	42.4	1,672.9	1,086.9	0.0	8.5	577.5	2.0	3,023.3	2,654.5	2.1	1.5	365.1
Mar	12.9	39.0	1,667.9	1,081.2	0.0	10.0	576.7	1.9	3,030.2	2,657.6	2.1	1.5	369.1
Apr	14.1	40.3	1,698.4	1,113.6	0.0	10.9	573.9	2.7	3,066.0	2,665.6	2.1	1.9	396.5
May	13.5	53.7	1,703.5	1,113.6	-	10.5	579.3	2.0	3,065.4	2,657.3	2.1	1.4	404.6
June	13.4	43.3	1,665.7	1,085.0	-	9.7	571.0	1.9	3,028.2	2,654.0	2.1	2.0	370.0
July	13.3	52.2	1,652.0	1,078.6	-	9.5	563.8	1.9	3,024.4	2,651.1	2.1	2.0	369.2
Changes *													
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
2005	+ 0.2	+ 6.7	+ 8.4	+ 21.0	- 0.0	- 0.8	- 11.9	- 0.0	- 6.7	- 11.8	- 0.3	- 0.2	+ 6.6
2005 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
Sep	+ 0.6	+ 1.0	- 18.3	- 14.8	+ 0.0	+ 0.8	- 4.3	- 0.0	+ 3.1	+ 6.4	- 0.1	- 0.8	- 2.3
Oct	+ 0.2	- 2.9	- 9.0	+ 0.0	- 0.0	- 0.6	- 8.4	+ 0.0	+ 8.3	+ 8.6	+ 0.1	+ 3.1	- 3.5
Nov	- 0.9	+ 4.4	+ 2.3	+ 6.5	- 0.0	- 0.1	- 4.0	- 0.0	- 8.1	- 10.4	- 0.1	- 0.7	+ 3.1
Dec	+ 2.3	+ 5.8	- 2.8	+ 9.2	-	- 3.1	- 8.8	+ 0.0	- 9.7	- 12.2	+ 0.1	- 1.1	+ 3.6
2006 Jan	- 2.1	- 2.4	- 21.4	- 17.5	+ 0.0	+ 1.4	- 5.4	- 0.1	+ 19.6	+ 8.9	- 0.1	+ 0.3	+ 10.5
Feb	+ 0.7	- 3.1	+ 9.8	+ 7.5	- 0.0	+ 0.4	+ 1.9	- 0.1	- 8.9	- 4.6	- 0.1	- 1.2	- 3.1
Mar	- 0.7	- 3.4	- 5.0	- 5.6	- 0.0	+ 1.5	- 0.8	- 0.0	+ 6.9	+ 3.1	- 0.0	- 0.1	+ 4.0
Apr	+ 1.2	+ 1.3	+ 30.5	+ 32.3	- 0.0	+ 0.9	- 2.8	+ 0.7	+ 35.3	+ 7.5	+ 0.0	+ 0.4	+ 27.4
May	- 0.6	+ 13.4	+ 5.8	+ 0.7	- 0.0	- 0.4	+ 5.4	- 0.7	- 1.4	- 9.0	+ 0.0	- 0.4	+ 8.1
June	- 0.2	- 10.4	- 38.2	- 29.0	-	- 0.8	- 8.4	- 0.1	- 37.2	- 3.3	- 0.0	+ 0.6	- 34.6
July	- 0.1	+ 8.9	- 13.7	- 6.5	-	- 0.2	- 7.1	- 0.0	- 3.8	- 3.0	+ 0.0	- 0.0	- 0.8

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



IV Banks

Equalisation claims 8	Memo item Fiduciary loans 5	Participating interests in domestic banks and enterprises	Deposits of domestic banks (MFIs) 3,9,10					Deposits of domestic non-banks (non-MFIs) 3,15					Period	
			Total	Sight deposits 11,12	Time deposits 12,13	Redis-counted bills 14	Memo item Fiduciary loans 5	Total	Sight de-positions 11	Time deposits 13,16	Savings de-positions 17	Bank savings bonds 18		Memo item Fiduciary loans 5
End of year or month *														
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
-	56.6	108.5	1,300.0	120.5	1,179.4	0.1	26.5	2,276.6	717.0	864.4	603.4	91.9	42.4	2005
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	2005 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
-	56.6	104.7	1,290.6	121.0	1,169.6	0.1	27.2	2,254.2	704.0	858.9	598.9	92.4	42.0	Sep
-	56.5	105.3	1,276.3	121.3	1,154.9	0.1	27.1	2,258.1	707.7	861.1	597.2	92.1	41.7	Oct
-	56.7	107.9	1,272.8	126.0	1,146.6	0.1	26.8	2,274.6	723.6	863.2	596.0	91.9	42.1	Nov
-	56.6	108.5	1,300.0	120.5	1,179.4	0.1	26.5	2,276.6	717.0	864.4	603.4	91.9	42.4	Dec
-	56.2	110.8	1,306.0	118.4	1,187.5	0.1	26.2	2,285.7	718.1	872.9	602.8	91.9	38.9	2006 Jan
-	55.1	113.2	1,302.1	115.2	1,186.8	0.1	25.1	2,287.7	715.3	877.7	602.6	92.1	38.2	Feb
-	54.0	115.8	1,302.7	110.3	1,192.3	0.1	23.2	2,303.4	722.4	887.1	601.4	92.4	37.8	Mar
-	53.9	113.7	1,340.4	128.1	1,212.2	0.1	23.5	2,322.4	726.5	903.1	599.8	93.0	38.1	Apr
-	53.8	113.6	1,338.3	132.3	1,205.9	0.1	22.7	2,333.8	742.5	900.6	597.4	93.3	37.9	May
-	53.7	113.2	1,333.2	116.2	1,216.9	0.1	22.5	2,342.7	742.0	911.0	596.1	93.6	37.4	June
-	53.3	113.8	1,333.5	117.5	1,216.0	0.0	22.1	2,336.9	730.6	919.0	593.2	94.1	37.5	July
Changes *														
- 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
- 1.0	- 4.9	+ 8.9	+ 28.9	+ 0.8	+ 28.0	+ 0.0	- 3.5	+ 76.6	+ 70.7	+ 12.4	- 1.2	- 5.4	- 1.2	2005
-	- 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	2005 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
- 0.0	- 1.6	+ 1.0	+ 0.5	- 7.7	+ 8.2	- 0.0	- 0.0	+ 3.9	+ 5.9	+ 0.1	- 1.5	- 0.6	- 1.4	Sep
-	- 0.1	+ 0.6	- 14.3	+ 0.3	- 14.6	+ 0.0	- 0.1	+ 3.9	+ 4.1	+ 1.5	- 1.6	- 0.2	- 0.4	Oct
-	+ 0.3	+ 2.5	- 3.6	+ 4.7	- 8.3	+ 0.0	- 0.3	+ 16.5	+ 15.9	+ 2.0	- 1.2	- 0.3	+ 0.4	Nov
-	- 0.1	+ 0.6	+ 27.2	- 5.5	+ 32.7	+ 0.0	- 0.3	+ 2.0	- 6.6	+ 1.2	+ 7.4	- 0.0	+ 0.3	Dec
-	- 0.4	+ 2.3	+ 2.2	- 2.1	+ 4.3	- 0.0	- 0.3	+ 9.0	+ 1.1	+ 8.5	- 0.6	+ 0.0	- 3.6	2006 Jan
-	- 1.1	+ 2.4	- 3.9	- 3.2	- 0.7	- 0.0	- 1.1	+ 2.0	- 2.8	+ 4.7	- 0.2	+ 0.2	- 0.1	Feb
-	- 1.1	+ 2.7	+ 0.8	- 4.9	+ 5.7	- 0.0	- 2.0	+ 15.7	+ 7.1	+ 9.5	- 1.2	+ 0.4	- 0.4	Mar
-	- 0.1	- 2.1	+ 37.1	+ 17.7	+ 19.4	- 0.0	+ 0.4	+ 19.0	+ 4.0	+ 16.0	- 1.6	+ 0.6	+ 0.3	Apr
-	- 0.1	- 0.0	- 1.3	+ 4.4	- 5.7	- 0.0	- 0.8	+ 10.6	+ 16.0	- 3.3	- 2.3	+ 0.3	- 0.2	May
-	- 0.1	- 0.4	- 5.1	- 15.9	+ 10.8	- 0.0	- 0.2	+ 8.9	- 0.5	+ 10.4	- 1.3	+ 0.3	- 0.4	June
-	- 0.4	+ 0.6	+ 0.3	+ 1.3	- 0.9	- 0.0	- 0.4	- 5.8	- 11.4	+ 8.0	- 2.9	+ 0.5	+ 0.0	July

including subordinated liabilities. — 10 Up to December 1998, excluding liabilities to domestic building and loan associations and money market funds. — 11 Up to December 1998, including time deposits with terms of less than one month. — 12 Including liabilities arising from monetary policy operations with the Bundesbank. — 13 Up to December 1998, excluding time deposits with terms of less than one month. — 14 Own acceptances and promissory notes outstanding and, up to December 1998, including

endorsement liabilities arising from rediscounted bills. — 15 Up to December 1998, including liabilities to domestic building and loan associations and money market funds. — 16 Since the inclusion of building and loan associations in January 1999, including deposits under savings and loan contracts (see Table IV.12). — 17 Excluding deposits under savings and loan contracts (see also footnote 16). — 18 Including liabilities arising from non-negotiable bearer debt securities.

IV Banks

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

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

Period	Cash in hand (non-euro-area banknotes and coins) 1	Lending to foreign banks (MFIs) 2							Lending to foreign non-banks (non-MFIs) 2					
		Total	Credit balances and loans, bills 3			Negotiable money market paper issued by banks	Securities issued by banks	Memo item Fiduciary loans 4	Total	Loans and bills 3			Treasury bills and negotiable money market paper issued by non-banks	Securities issued by non-banks
			Total	Short-term	Medium and long-term					Total	Short-term	Medium and long-term		
End of year or month *														
1996	1.4	588.9	544.2	386.6	157.6	0.3	31.5	13.0	352.0	230.4	60.2	170.2	4.9	103.9
1997	1.5	689.1	635.3	456.1	179.2	0.2	43.1	10.5	474.8	312.7	96.2	216.5	6.0	140.3
1998	1.5	774.9	706.9	533.6	173.3	0.4	58.7	9.0	610.3	364.9	93.9	270.9	11.6	211.0
1999	0.4	427.1	383.5	279.5	104.1	0.4	43.2	4.2	396.1	235.8	52.7	183.1	7.5	152.7
2000	0.4	507.7	441.4	325.4	116.0	1.3	65.0	3.6	475.8	286.8	71.1	215.7	6.5	182.5
2001	0.4	596.1	521.7	383.7	138.0	0.8	73.6	3.5	570.3	347.2	99.7	247.5	5.2	217.9
2002	0.3	690.6	615.3	468.0	147.2	0.9	74.4	2.7	558.8	332.6	92.6	240.0	9.3	216.9
2003	0.3	769.6	675.8	515.7	160.1	1.5	92.3	1.6	576.3	344.8	110.9	233.9	6.0	225.4
2004	0.2	889.4	760.2	606.5	153.7	2.8	126.3	1.5	629.5	362.5	136.6	225.9	10.9	256.1
2005	0.2	1,038.8	860.0	648.5	211.5	5.8	173.0	1.5	712.0	387.9	132.8	255.1	9.3	314.8
2005 Feb	0.3	962.5	821.3	660.8	160.5	3.5	137.7	1.5	662.7	381.2	152.9	228.3	7.7	273.8
Mar	0.4	969.4	821.6	657.3	164.3	4.5	143.4	1.5	659.3	372.1	139.4	232.7	5.1	282.0
Apr	0.4	1,001.7	850.2	679.8	170.4	5.8	145.7	1.5	707.4	405.6	168.8	236.8	6.5	295.3
May	0.4	1,014.5	858.7	681.6	177.1	5.4	150.4	1.5	698.2	396.5	155.0	241.5	4.3	297.3
June	0.5	1,040.0	877.6	693.9	183.7	6.2	156.2	1.5	690.0	385.1	141.2	243.9	4.0	300.9
July	0.4	1,040.0	880.0	691.0	188.9	6.6	153.4	1.4	689.8	389.2	145.4	243.8	3.4	297.2
Aug	0.5	1,023.0	860.2	668.5	191.7	7.0	155.8	1.5	691.9	387.1	144.0	243.0	4.8	300.0
Sep	0.4	1,057.2	889.0	690.2	198.8	7.1	161.1	1.5	694.1	391.4	142.7	248.7	5.4	297.4
Oct	0.4	1,073.5	905.2	704.2	201.0	6.9	161.4	1.5	697.3	392.8	144.1	248.7	5.5	298.9
Nov	0.5	1,079.5	905.2	707.3	197.9	6.3	167.9	1.5	723.2	403.0	150.0	253.0	7.9	312.3
Dec	0.2	1,038.8	860.0	648.5	211.5	5.8	173.0	1.5	712.0	387.9	132.8	255.1	9.3	314.8
2006 Jan	0.3	1,079.3	895.3	678.6	216.7	6.0	178.0	1.5	741.6	411.1	154.8	256.2	9.5	320.9
Feb	0.4	1,111.4	920.5	701.9	218.6	6.7	184.2	1.5	736.8	406.7	144.3	262.5	7.5	322.6
Mar	0.4	1,153.7	952.8	729.0	223.8	7.6	193.3	1.4	732.4	402.7	140.1	262.6	6.9	322.8
Apr	0.4	1,136.1	933.9	710.2	223.8	8.6	193.6	1.4	747.2	419.3	160.6	258.7	8.0	319.9
May	0.5	1,144.1	935.5	709.1	226.5	9.3	199.3	1.4	740.0	412.9	155.5	257.4	7.9	319.1
June	0.4	1,201.7	981.5	748.5	232.9	12.0	208.2	1.0	745.9	414.7	151.9	262.8	9.3	321.9
July	0.4	1,172.9	950.8	715.4	235.5	12.8	209.3	1.0	748.6	420.3	155.9	264.4	10.3	318.0
Changes *														
1997	+ 0.1	+ 80.6	+ 71.5	+ 53.3	+ 18.2	- 0.1	+ 10.4	- 1.2	+ 109.3	+ 73.0	+ 33.7	+ 39.3	+ 0.7	+ 32.9
1998	- 0.0	+ 100.8	+ 89.5	+ 79.3	+ 10.2	+ 0.0	+ 13.1	- 1.8	+ 122.0	+ 42.7	- 6.4	+ 49.1	+ 5.5	+ 66.0
1999	- 0.3	+ 17.7	+ 5.7	- 5.3	+ 11.0	+ 0.2	+ 11.7	- 0.0	+ 85.8	+ 42.8	+ 8.4	+ 34.4	+ 1.3	+ 41.8
2000	- 0.0	+ 78.9	+ 56.5	+ 44.6	+ 11.8	+ 0.9	+ 21.6	- 0.7	+ 72.0	+ 45.0	+ 17.4	+ 27.7	- 1.2	+ 28.2
2001	+ 0.0	+ 83.7	+ 75.6	+ 54.4	+ 21.2	- 0.5	+ 8.5	- 0.2	+ 88.3	+ 53.4	+ 27.0	+ 26.4	- 1.5	+ 36.3
2002	- 0.1	+ 120.3	+ 118.0	+ 99.4	+ 18.6	+ 0.1	+ 2.2	- 0.9	+ 21.2	+ 12.7	- 0.4	+ 13.2	+ 4.6	+ 3.9
2003	- 0.1	+ 103.8	+ 84.6	+ 65.2	+ 19.3	+ 0.6	+ 18.7	- 0.4	+ 46.3	+ 35.1	+ 24.0	+ 11.0	- 2.7	+ 13.9
2004	- 0.1	+ 128.3	+ 89.4	+ 95.3	- 5.9	+ 1.3	+ 37.6	- 0.1	+ 65.8	+ 29.5	+ 31.7	- 2.2	+ 5.1	+ 31.1
2005	+ 0.0	+ 127.3	+ 78.9	+ 26.3	+ 52.6	+ 2.9	+ 45.4	- 0.0	+ 59.4	+ 7.3	- 9.4	+ 16.7	- 1.8	+ 54.0
2005 Feb	- 0.0	+ 46.4	+ 39.0	+ 34.9	+ 4.1	+ 0.2	+ 7.2	- 0.0	+ 9.0	+ 2.3	+ 1.7	+ 0.6	- 2.1	+ 8.7
Mar	+ 0.1	+ 4.1	- 2.6	- 5.6	+ 3.0	+ 1.0	+ 5.6	-	- 6.5	- 11.7	- 14.2	+ 2.5	- 2.5	+ 7.7
Apr	- 0.0	+ 31.5	+ 27.8	+ 21.9	+ 5.8	+ 1.3	+ 2.4	- 0.0	+ 47.4	+ 33.2	+ 29.3	+ 3.8	+ 1.3	+ 12.9
May	+ 0.1	+ 4.7	+ 0.7	- 4.1	+ 4.8	- 0.5	+ 4.4	+ 0.0	- 17.7	- 16.0	- 16.0	+ 0.1	- 2.2	+ 0.5
June	+ 0.0	+ 22.6	+ 16.0	+ 10.2	+ 5.7	+ 0.9	+ 5.8	- 0.0	- 11.1	- 13.9	- 14.5	+ 0.6	- 0.3	+ 3.1
July	- 0.0	+ 1.1	+ 3.4	- 2.2	+ 5.6	+ 0.3	- 2.7	- 0.1	+ 0.4	+ 4.5	+ 4.2	+ 0.3	- 0.6	- 3.5
Aug	+ 0.0	- 15.9	- 18.1	- 21.7	+ 3.6	+ 0.4	+ 1.8	+ 0.1	+ 3.1	- 0.4	- 1.1	+ 0.7	+ 1.4	+ 2.1
Sep	- 0.1	+ 32.2	+ 26.8	+ 20.3	+ 6.5	+ 0.1	+ 5.3	- 0.0	+ 0.2	+ 2.6	- 1.8	+ 4.5	+ 0.6	- 3.0
Oct	- 0.0	+ 16.4	+ 16.2	+ 14.1	+ 2.1	- 0.1	+ 0.3	- 0.0	+ 3.1	+ 1.3	+ 1.5	- 0.2	+ 0.2	+ 1.6
Nov	+ 0.2	+ 3.1	- 2.7	+ 1.2	- 3.9	- 0.6	+ 6.4	+ 0.0	+ 22.7	+ 7.5	+ 5.1	+ 2.3	+ 2.4	+ 12.9
Dec	- 0.3	- 40.5	- 45.0	- 58.8	+ 13.7	- 0.5	+ 5.1	+ 0.0	- 11.0	- 14.8	- 17.1	+ 2.3	+ 1.3	+ 2.5
2006 Jan	+ 0.1	+ 35.3	+ 29.9	+ 32.9	- 3.0	+ 0.2	+ 5.2	- 0.0	+ 32.8	+ 25.5	+ 23.0	+ 2.5	+ 0.4	+ 6.8
Feb	+ 0.1	+ 28.2	+ 21.5	+ 20.6	+ 0.9	+ 0.7	+ 6.1	+ 0.0	- 8.8	- 7.3	- 11.4	+ 4.2	- 2.2	+ 0.7
Mar	+ 0.0	+ 46.9	+ 36.6	+ 30.1	+ 6.5	+ 1.0	+ 9.2	- 0.1	+ 0.1	- 0.6	- 3.5	+ 2.8	- 0.5	+ 1.2
Apr	+ 0.0	- 11.7	- 13.0	- 14.8	+ 1.8	+ 0.9	+ 0.4	+ 0.0	+ 20.4	+ 20.8	+ 21.3	- 0.5	+ 1.2	- 1.6
May	+ 0.1	+ 11.9	+ 4.9	+ 1.2	+ 3.8	+ 0.7	+ 6.3	+ 0.0	- 3.6	- 3.0	- 4.1	+ 1.1	- 0.0	- 0.5
June	- 0.1	+ 56.8	+ 45.3	+ 38.9	+ 6.4	+ 2.8	+ 8.8	- 0.4	+ 4.4	+ 0.4	- 3.9	+ 4.4	+ 1.3	+ 2.6
July	- 0.1	- 28.3	- 30.4	- 33.0	+ 2.6	+ 0.8	+ 1.3	- 0.0	+ 2.9	+ 4.6	+ 4.0	+ 0.6	+ 1.0	- 2.7

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

banknotes and coins. — 2 Up to December 1998, including fiduciary loans (see also footnote 4). — 3 Up to December 1998, bill-based lending (bill holdings plus endorsement liabilities arising from rediscounted bills and bills sent for collection from the banks' portfolios prior to maturity). —



IV Banks

Memo item Fiduciary loans 4	Participating interests in foreign banks and enter- prises 5	Deposits of foreign banks (MFIs) 2						Deposits of foreign non-banks (non-MFIs) 2						Memo item Fiduciary loans 4	Period
		Total	Sight deposits 6	Time deposits (including bank savings bonds)			Total	Sight deposits 6	Time deposits (including savings deposits and bank savings bonds)			Memo item Fiduciary loans 4			
				Total 7	Short- term 7	Medium and long- term			Total 7	Short- term 7	Medium and long- term				
End of year or month *															
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	
10.6	37.2	651.7	102.9	548.8	420.4	128.4	0.6	316.4	62.0	254.4	119.4	135.0	1.2	2005	
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	2005 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	
10.7	39.8	655.2	146.5	508.7	381.8	127.0	0.7	335.8	68.6	267.2	120.7	146.5	0.9	Sep	
10.6	39.2	680.8	142.4	538.4	410.2	128.2	0.6	330.9	65.8	265.0	122.5	142.6	1.3	Oct	
10.5	37.2	681.2	150.5	530.8	402.1	128.7	0.6	345.3	82.1	263.2	124.5	138.6	1.3	Nov	
10.6	37.2	651.7	102.9	548.8	420.4	128.4	0.6	316.4	62.0	254.4	119.4	135.0	1.2	Dec	
7.0	38.8	666.4	143.6	522.7	397.4	125.3	0.6	339.5	86.0	253.5	119.6	134.0	1.1	2006 Jan	
7.1	39.5	691.3	136.8	554.5	428.8	125.7	0.6	326.4	79.4	247.0	114.1	133.0	1.7	Feb	
5.9	38.9	699.4	144.6	554.8	426.3	128.5	0.5	321.3	81.2	240.1	110.1	130.0	1.7	Mar	
5.8	39.4	712.0	151.1	560.9	433.7	127.2	0.5	323.9	76.9	247.0	119.0	128.0	1.7	Apr	
5.5	40.7	715.1	164.8	550.4	424.8	125.5	0.5	323.1	87.8	235.3	109.7	125.6	1.7	May	
5.6	40.9	689.4	165.7	523.7	398.0	125.7	0.6	321.0	89.2	231.9	102.7	129.2	1.7	June	
5.6	41.1	659.4	151.7	507.6	381.5	126.2	0.6	323.2	84.1	239.1	109.9	129.2	1.7	July	
Changes *															
+ 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	
+ 0.8	- 3.5	+ 28.6	+ 12.6	+ 16.0	+ 4.9	+ 11.1	+ 0.1	- 4.9	+ 23.9	- 28.8	- 7.7	- 21.1	+ 0.4	2005	
+ 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	2005 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	
+ 0.0	- 0.1	- 1.5	+ 3.0	- 4.5	- 5.2	+ 0.6	- 0.0	+ 11.1	+ 6.8	+ 4.3	+ 4.9	- 0.7	- 0.2	Sep	
- 0.1	- 0.6	+ 25.3	- 4.1	+ 29.4	+ 28.3	+ 1.2	- 0.1	- 5.0	- 2.9	- 2.2	+ 1.8	- 4.0	+ 0.4	Oct	
- 0.1	- 2.2	- 2.2	+ 7.6	- 9.8	- 9.7	- 0.1	- 0.0	+ 12.9	+ 16.0	- 3.1	+ 1.6	- 4.7	+ 0.0	Nov	
+ 0.0	+ 0.1	- 29.1	- 47.5	+ 18.3	+ 18.6	- 0.2	- 0.0	- 28.6	- 20.1	- 8.6	- 5.0	- 3.5	- 0.0	Dec	
- 3.5	+ 1.3	+ 17.7	+ 40.9	- 23.2	- 20.6	- 2.6	- 0.0	+ 24.9	+ 24.3	+ 0.6	+ 0.9	- 0.2	- 0.1	2006 Jan	
+ 0.0	+ 0.4	+ 21.9	- 7.6	+ 29.5	+ 29.6	- 0.2	- 0.0	- 15.1	- 6.9	- 8.2	- 6.1	- 2.2	+ 0.0	Feb	
- 1.2	- 0.2	+ 11.8	+ 8.6	+ 3.2	- 0.6	+ 3.8	- 0.0	- 2.9	+ 2.1	- 4.9	- 3.3	- 1.7	+ 0.0	Mar	
- 0.1	+ 0.8	+ 17.2	+ 7.5	+ 9.7	+ 10.1	- 0.4	- 0.0	+ 5.1	- 4.0	+ 9.1	+ 9.7	- 0.6	- 0.1	Apr	
- 0.3	+ 1.4	+ 6.3	+ 14.4	- 8.1	- 7.1	- 1.0	+ 0.0	+ 0.8	+ 11.1	- 10.3	- 8.8	- 1.5	+ 0.0	May	
+ 0.0	+ 0.2	- 27.0	+ 0.6	- 27.6	- 27.5	- 0.1	+ 0.0	- 2.7	+ 1.3	- 4.0	- 7.2	+ 3.3	+ 0.1	June	
+ 0.0	+ 0.1	- 29.6	- 13.9	- 15.8	- 16.3	+ 0.6	+ 0.0	+ 2.3	- 5.0	+ 7.3	+ 7.3	+ 0.0	- 0.0	July	

4 From 1999, no longer included in loans and deposits (see also footnote 2). — 5 Up to December 1998, including working capital supplied to branches abroad. — 6 Up to December 1998, including time deposits with

terms of less than one month. — 7 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		Short-term lending						Medium and long-term		
			to enterprises and households 1			to general government			Total	to enter-	
	including negotiable money market paper, securities, equalisation claims	excluding	Total	Total	Loans and bills 3,4	Negotiable money market paper	Total	Loans			Treasury bills
<b>End of year or month *</b>											
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
2005	2,995.1	2,635.1	309.7	273.5	272.9	0.6	36.2	34.4	1.8	2,685.4	2,141.3
2005 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
Sep	3,004.7	2,649.0	326.2	293.5	292.9	0.6	32.7	32.2	0.5	2,678.4	2,126.9
Oct	3,012.9	2,657.7	339.3	298.0	297.0	1.0	41.3	38.1	3.2	2,673.6	2,128.6
Nov	3,004.8	2,647.2	325.1	288.7	288.1	0.6	36.4	33.5	2.9	2,679.7	2,133.6
Dec	2,995.1	2,635.1	309.7	273.5	272.9	0.6	36.2	34.4	1.8	2,685.4	2,141.3
2006 Jan	3,032.2	2,661.3	325.0	282.8	282.0	0.8	42.2	40.3	1.9	2,707.3	2,168.5
Feb	3,023.3	2,656.6	316.7	283.3	282.6	0.7	33.4	32.6	0.8	2,706.5	2,170.1
Mar	3,030.2	2,659.7	329.2	292.7	291.7	0.9	36.5	35.9	0.6	2,701.1	2,167.3
Apr	3,066.0	2,667.7	336.7	297.1	296.0	1.0	39.7	38.8	0.8	2,729.3	2,199.0
May	3,065.4	2,659.4	326.4	293.2	292.4	0.7	33.2	32.5	0.7	2,739.0	2,196.1
June	3,028.2	2,656.1	326.0	292.7	291.7	1.0	33.3	32.3	1.1	2,702.1	2,173.3
July	3,024.4	2,653.2	320.7	285.5	284.6	0.9	35.2	34.1	1.1	2,703.7	2,175.0
<b>Changes *</b>											
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
2005	- 6.7	- 12.1	- 11.5	- 10.6	- 10.4	- 0.2	- 0.9	- 0.9	+ 0.0	+ 4.8	+ 26.8
2005 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
Sep	+ 3.1	+ 6.3	+ 7.4	+ 12.6	+ 13.2	- 0.6	- 5.2	- 5.0	- 0.2	- 4.3	+ 0.6
Oct	+ 8.3	+ 8.7	+ 13.0	+ 4.5	+ 4.1	+ 0.3	+ 8.5	+ 5.8	+ 2.7	- 4.8	+ 1.6
Nov	- 8.1	- 10.5	- 14.0	- 9.1	- 8.8	- 0.4	- 4.9	- 4.6	- 0.3	+ 5.9	+ 4.9
Dec	- 9.7	- 12.2	- 15.5	- 15.2	- 15.2	- 0.0	- 0.2	+ 0.9	- 1.1	+ 5.7	+ 7.7
2006 Jan	+ 19.6	+ 8.8	+ 15.3	+ 9.3	+ 9.1	+ 0.2	+ 6.0	+ 5.9	+ 0.1	+ 4.3	+ 9.9
Feb	- 8.9	- 4.7	- 8.2	+ 0.5	+ 0.6	- 0.1	- 8.8	- 7.6	- 1.1	- 0.7	+ 1.5
Mar	+ 6.9	+ 3.0	+ 12.4	+ 9.3	+ 9.2	+ 0.2	+ 3.1	+ 3.3	- 0.2	- 5.5	- 2.7
Apr	+ 35.3	+ 7.5	+ 7.6	+ 4.3	+ 4.2	+ 0.1	+ 3.4	+ 3.1	+ 0.3	+ 27.6	+ 31.3
May	- 1.4	- 9.0	- 11.0	- 4.6	- 4.3	- 0.3	- 6.4	- 6.3	- 0.1	+ 9.7	- 2.9
June	- 37.2	- 3.3	- 0.3	- 0.5	- 0.7	+ 0.2	+ 0.1	- 0.2	+ 0.4	- 36.9	- 22.8
July	- 3.8	- 3.0	- 5.3	- 7.2	- 7.1	- 0.1	+ 1.9	+ 1.8	+ 0.1	+ 1.5	+ 1.7

\* 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 1999, breakdown of securities by medium

lending 2,5												Period
prises and households 1,2					to general government 2							
Loans			Securities 5	Memo item Fiduciary loans 8	Total	Loans			Securities 5,9	Equalisation claims 10	Memo item Fiduciary loans 8	
Total	Medium-term 6	Long-term 7				Total	Medium-term 6	Long-term 7				
End of year or month *												
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
1,953.4	194.7	1,758.8	187.9	52.1	544.1	374.4	32.9	341.4	169.7	-	4.5	2005
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	2005 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
1,945.4	195.1	1,750.3	181.5	52.0	551.5	378.4	33.2	345.3	173.0	-	4.6	Sep
1,947.5	194.3	1,753.2	181.0	51.9	545.1	375.1	33.1	342.0	169.9	-	4.6	Oct
1,952.2	195.1	1,757.1	181.4	52.2	546.1	373.4	32.1	341.3	172.7	-	4.5	Nov
1,953.4	194.7	1,758.8	187.9	52.1	544.1	374.4	32.9	341.4	169.7	-	4.5	Dec
1,969.5	193.0	1,776.5	199.0	51.8	538.7	369.6	31.8	337.8	169.2	-	4.4	2006 Jan
1,972.9	193.5	1,779.4	197.1	50.7	536.5	368.5	32.2	336.3	168.0	-	4.4	Feb
1,966.6	193.2	1,773.5	200.7	49.6	533.7	365.3	31.9	333.4	168.4	-	4.4	Mar
1,968.9	192.6	1,776.3	230.2	49.4	530.3	364.0	31.9	332.2	166.3	-	4.5	Apr
1,972.0	194.3	1,777.8	224.1	49.3	542.9	362.4	30.9	331.6	180.5	-	4.5	May
1,973.4	196.3	1,777.2	199.9	49.3	528.8	358.7	30.8	327.9	170.1	-	4.4	June
1,976.5	198.7	1,777.8	198.6	48.9	528.6	358.0	31.4	326.5	170.7	-	4.4	July
Changes *												
+ 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
+ 12.5	+ 1.7	+ 10.8	+ 14.3	- 3.0	- 22.1	- 13.4	+ 0.9	- 14.2	- 7.7	- 1.0	- 2.0	2005
- 3.0	- 1.0	- 2.0	- 4.9	- 0.1	- 3.0	- 0.9	- 1.2	+ 0.3	- 2.1	-	- 0.0	2005 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
- 0.7	- 0.5	- 0.3	+ 1.3	- 0.3	- 4.9	- 1.2	+ 0.2	- 1.4	- 3.7	- 0.0	- 1.3	Sep
+ 2.1	- 0.8	+ 2.9	- 0.5	- 0.1	- 6.4	- 3.3	- 0.1	- 3.3	- 3.1	-	- 0.1	Oct
+ 4.5	+ 0.8	+ 3.8	+ 0.3	+ 0.3	+ 1.0	- 1.7	- 0.5	- 1.2	+ 2.7	-	- 0.0	Nov
+ 1.2	- 0.4	+ 1.6	+ 6.5	- 0.1	- 2.0	+ 0.9	+ 0.9	+ 0.1	- 2.9	-	- 0.0	Dec
- 1.2	- 1.7	+ 0.4	+ 11.1	- 0.3	- 5.6	- 5.0	- 1.2	- 3.8	- 0.6	-	- 0.1	2006 Jan
+ 3.4	+ 0.5	+ 2.9	- 1.9	- 1.1	- 2.2	- 1.1	+ 0.4	- 1.5	- 1.2	-	- 0.0	Feb
- 6.3	- 0.3	- 6.0	+ 3.5	- 1.1	- 2.7	- 3.2	- 0.3	- 2.9	+ 0.4	-	- 0.0	Mar
+ 1.8	- 0.6	+ 2.4	+ 29.5	- 0.2	- 3.6	- 1.5	- 0.3	- 1.3	- 2.1	-	+ 0.1	Apr
+ 3.2	+ 1.3	+ 1.9	- 6.1	- 0.1	+ 12.6	- 1.6	- 1.0	- 0.6	+ 14.2	-	+ 0.0	May
+ 1.4	+ 2.0	- 0.6	- 24.2	- 0.0	- 14.1	- 3.8	- 0.1	- 3.7	- 10.4	-	- 0.0	June
+ 3.0	+ 2.4	+ 0.7	- 1.3	- 0.4	- 0.2	- 0.7	+ 0.6	- 1.3	+ 0.5	-	- 0.0	July

and long-term lending no longer possible. — 6 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. — 7 Up to December 1998, maturity or period of notice of four years and more; from

1999, of more than five years. — 8 From 1999, no longer included in lending (see also footnote 2). — 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.

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					Lending to enterprises and self-employed persons								
	Total	Mortgage loans, total	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
			Total	Mortgage loans secured by residential real estate	Other housing loans									
<b>Lending, total</b>														
<b>End of year or quarter *</b>														
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	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 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
Sep	2,238.5	1,144.2	1,087.9	890.9	197.1	1,217.9	312.8	134.5	37.3	50.9	134.1	32.2	57.6	79.7
Dec	2,226.6	1,154.5	1,093.3	895.9	197.4	1,199.7	311.3	130.6	37.2	49.4	134.1	31.6	57.8	74.0
2006 Mar	2,258.6	1,172.5	1,109.3	915.2	194.0	1,229.7	320.7	130.3	37.6	50.0	131.2	32.1	59.0	97.7
June	2,265.4	1,173.1	1,109.8	915.7	194.1	1,232.9	319.0	134.2	38.6	49.8	131.2	32.5	60.1	94.1
<b>Short-term lending</b>														
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	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 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
Sep	293.1	–	11.7	–	11.7	250.2	7.1	41.9	4.0	10.9	48.0	4.0	6.5	42.1
Dec	273.2	–	11.2	–	11.2	230.0	6.7	38.8	3.2	9.7	49.2	3.3	6.1	32.8
2006 Mar	292.0	–	10.7	–	10.7	250.7	6.5	39.9	3.4	10.6	47.0	3.7	6.2	54.8
June	292.0	–	10.5	–	10.5	250.6	6.4	42.9	3.4	10.4	47.4	3.7	5.9	51.2
<b>Medium-term lending</b>														
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	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 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
Sep	195.1	–	35.9	–	35.9	122.9	10.8	16.0	2.1	5.3	11.4	3.1	11.0	9.2
Dec	194.6	–	35.7	–	35.7	122.5	10.7	15.6	2.1	5.2	11.4	3.0	10.6	10.8
2006 Mar	193.2	–	34.7	–	34.7	123.2	10.4	15.9	2.1	5.2	11.5	3.0	10.5	11.4
June	196.3	–	34.8	–	34.8	125.5	10.6	17.0	2.2	5.2	11.5	3.0	10.3	11.7
<b>Long-term lending</b>														
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	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 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
Sep	1,750.3	1,144.2	1,040.3	890.9	149.5	844.8	294.9	76.6	31.3	34.7	74.7	25.0	40.2	28.4
Dec	1,758.8	1,154.5	1,046.3	895.9	150.4	847.2	293.9	76.2	31.8	34.5	73.5	25.2	41.1	30.4
2006 Mar	1,773.5	1,172.5	1,063.9	915.2	148.7	855.8	303.8	74.5	32.1	34.2	72.7	25.5	42.3	31.5
June	1,777.2	1,173.1	1,064.5	915.7	148.7	856.8	302.0	74.4	33.0	34.2	72.3	25.8	43.9	31.3
<b>Lending, total</b>														
<b>Change during quarter *</b>														
2005 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
Q3	+ 14.9	+ 5.8	+ 5.6	+ 5.6	– 0.1	+ 7.0	– 1.1	+ 1.1	+ 0.8	– 1.0	– 2.3	+ 0.6	– 0.5	+ 9.3
Q4	– 11.9	+ 5.4	+ 5.1	+ 4.7	+ 0.4	– 18.3	– 1.9	– 4.0	– 0.1	– 1.5	+ 0.0	– 0.6	+ 0.2	– 8.2
2006 Q1	+ 14.7	– 1.3	– 1.7	+ 0.1	– 1.8	+ 18.9	– 2.1	– 0.3	+ 0.4	+ 0.3	– 3.0	+ 0.4	+ 1.2	+ 23.6
Q2	+ 5.5	– 1.0	+ 0.7	– 0.5	+ 1.2	+ 2.3	– 1.7	+ 3.8	+ 1.0	– 0.3	– 0.1	+ 0.4	+ 1.1	– 4.3
<b>Short-term lending</b>														
2005 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
Q3	+ 4.3	–	+ 0.0	–	+ 0.0	+ 4.0	+ 0.2	– 0.4	+ 0.5	– 0.5	– 2.1	+ 0.1	+ 0.1	+ 7.0
Q4	– 19.7	–	– 0.4	–	– 0.4	– 20.0	– 0.4	– 3.1	– 0.8	– 1.3	+ 1.2	– 0.7	– 0.4	– 9.7
2006 Q1	+ 18.8	–	– 0.6	–	– 0.6	+ 20.6	– 0.2	+ 1.1	+ 0.2	+ 0.9	– 2.2	+ 0.4	+ 0.1	+ 22.0
Q2	– 0.9	–	– 0.1	–	– 0.1	– 0.9	– 0.1	+ 3.0	– 0.0	– 0.2	+ 0.3	+ 0.0	– 0.2	– 4.4
<b>Medium-term lending</b>														
2005 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
Q3	+ 4.0	–	– 0.0	–	– 0.0	+ 4.3	– 0.0	+ 0.0	+ 0.1	– 0.1	+ 0.1	+ 0.1	– 0.4	+ 1.2
Q4	– 0.5	–	– 0.2	–	– 0.2	– 0.4	– 0.2	– 0.4	+ 0.1	– 0.1	– 0.0	– 0.1	– 0.4	+ 0.4
2006 Q1	– 1.5	–	– 1.1	–	– 1.1	+ 0.7	– 0.2	+ 0.3	– 0.0	– 0.0	+ 0.1	– 0.1	– 0.1	+ 0.6
Q2	+ 2.7	–	– 0.1	–	– 0.1	+ 2.7	+ 0.1	+ 1.1	+ 0.1	+ 0.0	+ 0.0	+ 0.0	– 0.2	+ 0.3
<b>Long-term lending</b>														
2005 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
Q3	+ 6.6	+ 5.8	+ 5.5	+ 5.6	– 0.1	– 1.3	– 1.3	– 0.7	+ 0.2	– 0.4	– 0.3	+ 0.4	– 0.3	+ 1.0
Q4	+ 8.3	+ 5.4	+ 5.7	+ 4.7	+ 1.0	+ 2.2	– 1.4	– 0.5	+ 0.5	– 0.2	– 1.2	+ 0.2	+ 0.9	+ 1.1
2006 Q1	– 2.6	– 1.3	– 0.1	+ 0.1	– 0.2	– 2.4	– 1.7	– 1.7	+ 0.2	– 0.6	– 0.9	+ 0.1	+ 1.2	+ 1.0
Q2	+ 3.6	– 1.0	+ 1.0	– 0.5	+ 1.5	+ 0.6	– 1.7	– 0.4	+ 0.9	– 0.1	– 0.4	+ 0.3	+ 1.6	– 0.2

\* 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. —

											Lending to employees and other individuals		Lending to non-profit institutions		Period	
Services sector (including the professions)				Memo items			Total	Housing loans	Other lending			Total	of which Housing loans			
Total	of which			Lending to self-employed persons <sup>4</sup>	Lending to craft enterprises	Total			Instalment loans <sup>5</sup>	of which				Debit balances on wage, salary and pension accounts		
	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>	
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			
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	2004			
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	2005 June			
691.6	161.0	44.4	200.8	410.9	60.2	1,006.9	771.9	235.0	132.7	19.5	13.7	3.2	Sep			
685.0	160.3	40.6	199.3	407.5	60.6	1,012.9	778.9	234.0	130.1	18.8	14.1	3.1	Dec			
691.7	167.9	39.2	199.0	406.1	61.3	1,014.8	784.9	229.9	128.6	18.0	14.2	3.7	2006 Mar			
692.2	166.3	39.8	199.7	404.2	61.0	1,018.5	787.2	231.3	130.4	18.3	14.1	3.7	June			
<b>Short-term lending</b>																
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			
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	2004			
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	2005 June			
92.7	14.9	13.1	24.7	41.1	11.1	41.8	4.6	37.3	2.7	19.5	1.1	0.0	Sep			
86.9	14.1	10.3	23.9	40.1	10.6	41.8	4.5	37.3	2.6	18.8	1.4	0.0	Dec			
85.1	13.5	10.0	22.7	39.6	11.5	40.2	4.1	36.0	2.5	18.0	1.2	0.0	2006 Mar			
85.6	13.1	11.0	22.9	39.1	11.4	40.4	4.2	36.2	2.6	18.3	1.1	0.0	June			
<b>Medium-term lending</b>																
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			
62.3	6.5	6.5	17.2	29.6	3.9	73.8	26.9	46.9	37.7	-	0.5	0.1	2004			
61.2	6.1	6.2	16.1	30.5	3.8	72.0	25.0	46.9	38.6	-	0.5	0.1	2005 June			
64.9	7.1	7.0	17.1	30.2	3.8	71.6	25.0	46.6	38.1	-	0.6	0.1	Sep			
63.7	7.3	6.5	15.9	29.8	3.8	71.5	25.0	46.5	37.2	-	0.7	0.1	Dec			
63.6	7.6	6.0	15.7	29.3	3.7	69.4	24.2	45.2	36.2	-	0.6	0.1	2006 Mar			
64.6	7.8	6.0	16.1	28.8	3.8	70.2	24.1	46.1	37.3	-	0.6	0.1	June			
<b>Long-term lending</b>																
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			
538.2	141.5	24.5	159.5	345.0	46.4	882.6	730.6	152.0	89.2	-	11.5	3.1	2004			
535.5	139.8	24.6	159.6	340.0	45.6	886.1	735.6	150.5	90.8	-	11.5	3.0	2005 June			
534.1	139.0	24.2	159.0	339.5	45.3	893.5	742.3	151.2	91.9	-	12.0	3.1	Sep			
534.4	138.9	23.8	159.6	337.6	46.2	899.6	749.4	150.2	90.3	-	12.0	3.1	Dec			
543.0	146.8	23.2	160.5	337.2	46.1	905.3	756.6	148.7	89.9	-	12.4	3.6	2006 Mar			
541.9	145.4	22.8	160.7	336.3	45.8	907.9	758.9	149.0	90.6	-	12.4	3.6	June			
<b>Change during quarter *</b>															<b>Lending, total</b>	
- 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	2005 Q2			
+ 1.4	+ 0.3	+ 2.8	- 0.7	- 2.0	- 0.7	+ 7.2	+ 6.6	+ 0.6	+ 0.4	+ 0.6	+ 0.7	+ 0.1	Q3			
- 4.0	- 0.4	- 2.6	- 0.8	- 3.3	+ 0.8	+ 6.0	+ 7.1	- 1.1	- 1.6	- 0.7	+ 0.4	- 0.1	Q4			
- 3.6	- 1.0	- 1.3	- 0.3	- 3.3	+ 0.3	- 3.8	+ 0.4	- 4.2	- 1.5	- 0.7	- 0.5	- 0.0	2006 Q1			
+ 0.7	- 1.6	+ 0.6	+ 1.0	- 2.0	- 0.3	+ 3.2	+ 2.4	+ 0.9	+ 1.5	+ 0.3	- 0.1	+ 0.0	Q2			
<b>Short-term lending</b>																
+ 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	2005 Q2			
- 0.7	- 0.4	+ 2.4	- 1.1	- 1.1	- 0.4	+ 0.2	- 0.1	+ 0.3	- 0.1	+ 0.6	+ 0.1	+ 0.0	Q3			
- 5.3	- 0.8	+ 2.6	- 0.9	- 1.0	- 0.4	- 0.1	- 0.1	- 0.0	- 0.1	- 0.7	+ 0.3	- 0.0	Q4			
- 1.8	- 0.7	- 0.3	- 1.1	- 0.5	+ 0.8	- 1.6	- 0.4	- 1.2	- 0.1	- 0.7	- 0.3	+ 0.0	2006 Q1			
+ 0.5	- 0.4	+ 1.0	+ 0.2	- 0.5	- 0.1	+ 0.2	+ 0.0	+ 0.2	+ 0.1	+ 0.3	- 0.1	-	Q2			
<b>Medium-term lending</b>																
- 0.8	- 0.2	- 0.6	- 0.2	- 0.0	+ 0.1	+ 0.7	- 0.0	+ 0.7	+ 0.9	-	- 0.0	+ 0.0	2005 Q2			
+ 3.4	+ 1.0	+ 0.8	+ 1.0	- 0.2	+ 0.0	- 0.4	+ 0.0	- 0.4	- 0.5	-	+ 0.1	+ 0.0	Q3			
+ 0.0	+ 0.2	+ 0.1	- 0.6	- 0.4	+ 0.1	- 0.1	- 0.0	- 0.1	- 0.8	-	+ 0.1	- 0.0	Q4			
- 0.1	+ 0.3	- 0.5	- 0.2	- 0.5	- 0.1	- 2.1	- 0.8	- 1.3	- 1.0	-	- 0.0	- 0.0	2006 Q1			
+ 1.3	+ 0.2	+ 0.0	+ 0.6	- 0.6	+ 0.1	+ 0.1	- 0.3	+ 0.4	+ 0.7	-	- 0.0	- 0.0	Q2			
<b>Long-term lending</b>																
+ 0.3	- 0.3	- 0.0	+ 0.8	- 1.5	- 0.0	+ 4.4	+ 3.5	+ 0.8	+ 1.4	-	+ 0.0	+ 0.1	2005 Q2			
- 1.3	- 1.0	- 0.4	- 0.6	- 0.6	- 0.4	+ 7.4	+ 6.7	+ 0.7	+ 1.0	-	+ 0.6	+ 0.1	Q3			
+ 1.3	+ 0.2	+ 0.1	- 0.7	- 1.9	+ 1.2	+ 6.2	+ 7.2	- 1.0	- 0.7	-	- 0.1	- 0.1	Q4			
- 1.7	- 0.6	- 0.6	+ 1.0	- 2.3	- 0.5	- 0.1	+ 1.6	- 1.6	- 0.4	-	- 0.2	- 0.0	2006 Q1			
- 1.2	- 1.5	- 0.4	+ 0.2	- 0.9	- 0.3	+ 3.0	+ 2.6	+ 0.3	+ 0.7	-	+ 0.0	+ 0.0	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>	
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		
2005	2,276.6	717.0	864.4	231.3	633.1	8.2	624.9	603.4	91.9	42.4	31.6	12.6		
2005 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		
Sep	2,254.2	704.0	858.9	231.4	627.5	7.7	619.8	598.9	92.4	42.0	32.1	21.0		
Oct	2,258.1	707.7	861.1	232.8	628.3	7.9	620.5	597.2	92.1	41.7	32.1	21.7		
Nov	2,274.6	723.6	863.2	232.8	630.3	8.0	622.3	596.0	91.9	42.1	31.9	22.6		
Dec	2,276.6	717.0	864.4	231.3	633.1	8.2	624.9	603.4	91.9	42.4	31.6	12.6		
2006 Jan	2,285.7	718.1	872.9	237.1	635.9	8.4	627.5	602.8	91.9	38.9	31.7	18.4		
Feb	2,287.7	715.3	877.7	235.0	642.7	8.6	634.1	602.6	92.1	38.2	31.7	19.0		
Mar	2,303.4	722.4	887.1	243.8	643.4	8.6	634.8	601.4	92.4	37.8	31.6	25.0		
Apr	2,322.4	726.5	903.1	255.1	648.0	8.7	639.4	599.8	93.0	38.1	31.6	27.4		
May	2,333.8	742.5	900.6	250.1	650.4	8.9	641.6	597.4	93.3	37.9	31.5	27.5		
June	2,342.7	742.0	911.0	258.4	652.5	9.0	643.5	596.1	93.6	37.4	31.5	26.7		
July	2,336.9	730.6	919.0	263.5	655.5	9.1	646.3	593.2	94.1	37.5	31.2	22.7		
<b>Changes *</b>													<b>End of year or month *</b>	
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		
2005	+ 76.6	+ 70.7	+ 12.4	- 3.9	+ 16.4	+ 0.4	+ 16.0	- 1.2	- 5.4	- 1.2	- 0.2	+ 2.4		
2005 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		
Sep	+ 3.9	+ 5.9	+ 0.1	+ 0.7	- 0.6	+ 0.1	- 0.7	- 1.5	- 0.6	- 1.4	- 0.1	- 0.7		
Oct	+ 3.9	+ 4.1	+ 1.5	+ 0.9	+ 0.6	+ 0.1	+ 0.6	- 1.6	- 0.2	- 0.4	- 0.0	+ 0.7		
Nov	+ 16.5	+ 15.9	+ 2.0	+ 0.1	+ 2.0	+ 0.1	+ 1.8	- 1.2	- 0.3	+ 0.4	- 0.2	+ 0.9		
Dec	+ 2.0	- 6.6	+ 1.2	- 1.6	+ 2.8	+ 0.2	+ 2.6	+ 7.4	- 0.0	+ 0.3	- 0.2	- 10.0		
2006 Jan	+ 9.0	+ 1.1	+ 8.5	+ 5.8	+ 2.7	+ 0.2	+ 2.5	- 0.6	+ 0.0	- 3.6	- 0.1	+ 5.9		
Feb	+ 2.0	- 2.8	+ 4.7	- 2.1	+ 6.8	+ 0.2	+ 6.6	- 0.2	+ 0.2	- 0.1	+ 0.1	+ 0.6		
Mar	+ 15.7	+ 7.1	+ 9.5	+ 8.8	+ 0.7	+ 0.0	+ 0.6	- 1.2	+ 0.4	- 0.4	- 0.1	+ 6.0		
Apr	+ 19.0	+ 4.0	+ 16.0	+ 11.3	+ 4.7	+ 0.1	+ 4.6	- 1.6	+ 0.6	+ 0.3	- 0.0	+ 2.4		
May	+ 10.6	+ 16.0	- 3.3	- 5.6	+ 2.4	+ 0.2	+ 2.2	- 2.3	+ 0.3	- 0.2	- 0.1	- 0.8		
June	+ 8.9	- 0.5	+ 10.4	+ 8.3	+ 2.1	+ 0.2	+ 1.9	- 1.3	+ 0.3	- 0.4	- 0.0	- 0.8		
July	- 5.8	- 11.4	+ 8.0	+ 5.1	+ 2.9	+ 0.1	+ 2.9	- 2.9	+ 0.5	+ 0.0	- 0.3	- 4.0		
<b>Domestic government</b>													<b>End of year or month *</b>	
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	-		
2005	103.7	21.0	78.7	31.7	47.0	0.5	46.5	2.4	1.5	32.3	1.0	-		
2005 Aug	104.0	20.1	79.3	31.2	48.1	0.5	47.6	3.0	1.6	33.8	1.0	-		
Sep	103.3	19.1	79.6	32.6	47.1	0.5	46.5	3.1	1.5	32.4	1.0	-		
Oct	101.5	20.7	76.3	29.4	46.9	0.5	46.4	3.0	1.5	32.3	1.0	-		
Nov	102.0	21.5	76.3	29.2	47.1	0.5	46.6	2.7	1.5	32.2	1.0	-		
Dec	103.7	21.0	78.7	31.7	47.0	0.5	46.5	2.4	1.5	32.3	1.0	-		
2006 Jan	106.1	21.2	81.1	33.7	47.3	0.6	46.8	2.3	1.5	29.5	1.0	-		
Feb	104.4	22.0	78.6	31.1	47.5	0.6	47.0	2.3	1.5	29.5	1.0	-		
Mar	106.2	20.6	81.9	35.1	46.7	0.6	46.1	2.3	1.5	29.2	1.0	-		
Apr	107.7	19.7	84.3	37.2	47.0	0.7	46.3	2.2	1.5	29.4	1.0	-		
May	114.7	22.6	88.3	40.8	47.4	0.7	46.7	2.3	1.6	29.2	0.9	-		
June	122.1	24.8	93.4	46.2	47.2	0.7	46.5	2.3	1.6	28.4	0.9	-		
July	121.6	24.6	93.2	45.8	47.4	0.7	46.7	2.2	1.6	28.4	0.7	-		
<b>Changes *</b>													<b>End of year or month *</b>	
2004	- 1.9	- 1.0	- 1.5	+ 1.4	- 2.8	+ 0.4	- 3.2	+ 0.7	- 0.1	- 2.2	- 0.1	-		
2005	- 0.2	+ 3.9	- 3.8	+ 1.2	- 5.1	- 0.4	- 4.6	- 0.3	- 0.0	- 2.4	- 0.1	-		
2005 Aug	- 0.0	+ 0.8	- 1.1	- 0.4	- 0.7	+ 0.0	- 0.7	+ 0.3	- 0.0	+ 0.1	- 0.1	-		
Sep	- 0.7	- 1.0	+ 0.3	+ 1.4	- 1.0	+ 0.0	- 1.0	+ 0.0	- 0.0	- 1.3	-	-		
Oct	- 1.8	+ 1.6	- 3.3	- 3.1	- 0.2	- 0.0	- 0.2	- 0.1	- 0.0	- 0.2	- 0.0	-		
Nov	+ 0.5	+ 0.8	- 0.0	- 0.2	+ 0.2	+ 0.0	+ 0.2	- 0.3	+ 0.0	- 0.0	-	-		
Dec	+ 1.6	- 0.5	+ 2.4	+ 2.5	- 0.1	- 0.0	- 0.1	- 0.3	+ 0.0	+ 0.0	- 0.0	-		
2006 Jan	+ 2.5	+ 0.2	+ 2.4	+ 2.0	+ 0.4	+ 0.1	+ 0.3	- 0.1	+ 0.0	- 2.7	+ 0.0	-		
Feb	- 1.7	+ 0.7	- 2.4	- 2.7	+ 0.2	+ 0.0	+ 0.2	+ 0.0	- 0.0	- 0.1	-	-		
Mar	+ 1.8	- 1.4	+ 3.2	+ 4.0	- 0.8	+ 0.0	- 0.8	- 0.1	- 0.0	- 0.2	- 0.0	-		
Apr	+ 1.4	- 1.0	+ 2.4	+ 2.1	+ 0.3	+ 0.1	+ 0.2	- 0.1	+ 0.0	+ 0.2	+ 0.0	-		
May	+ 7.1	+ 3.0	+ 4.0	+ 3.6	+ 0.4	+ 0.1	+ 0.4	+ 0.1	+ 0.0	- 0.2	- 0.0	-		
June	+ 7.4	+ 2.1	+ 5.2	+ 5.4	- 0.2	- 0.0	- 0.2	+ 0.0	+ 0.0	- 0.8	+ 0.0	-		
July	- 0.5	- 0.2	- 0.2	- 0.4	+ 0.2	- 0.0	+ 0.2	- 0.1	- 0.0	- 0.0	- 0.2	-		

\* 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>	
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		
2005	2,173.0	696.0	785.7	199.5	586.1	7.7	578.4	601.0	90.3	10.2	30.7	12.6		
2005 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		
Sep	2,150.9	684.9	779.3	198.8	580.5	7.2	573.3	595.9	90.8	9.6	31.1	21.0		
Oct	2,156.6	687.0	784.8	203.3	581.5	7.4	574.1	594.2	90.6	9.4	31.1	21.7		
Nov	2,172.6	702.1	786.9	203.6	583.2	7.5	575.7	593.3	90.4	9.9	30.9	22.6		
Dec	2,173.0	696.0	785.7	199.5	586.1	7.7	578.4	601.0	90.3	10.2	30.7	12.6		
2006 Jan	2,179.6	696.8	791.9	203.3	588.6	7.8	580.7	600.5	90.3	9.3	30.7	18.4		
Feb	2,183.2	693.3	799.0	203.9	595.2	8.0	587.2	600.3	90.6	8.8	30.8	19.0		
Mar	2,197.2	701.8	805.3	208.7	596.6	8.0	588.6	599.1	90.9	8.6	30.7	25.0		
Apr	2,214.7	706.8	818.9	217.8	601.0	8.0	593.0	597.6	91.5	8.7	30.6	27.4		
May	2,219.1	719.9	812.3	209.3	603.0	8.1	594.9	595.1	91.7	8.6	30.6	27.5		
June	2,220.5	717.2	817.5	212.2	605.3	8.3	597.0	593.8	92.0	9.0	30.6	26.7		
July	2,215.2	706.0	825.7	217.7	608.0	8.4	599.6	591.0	92.5	9.1	30.5	22.7		
<b>Changes *</b>														
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		
2005	+ 76.8	+ 66.8	+ 16.3	- 5.2	+ 21.4	+ 0.8	+ 20.6	+ 0.9	- 5.4	+ 1.2	+ 0.0	+ 2.4		
2005 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		
Sep	+ 4.6	+ 6.9	- 0.3	- 0.7	+ 0.4	+ 0.1	+ 0.4	- 1.5	- 0.6	- 0.1	- 0.1	- 0.7		
Oct	+ 5.7	+ 2.5	+ 4.9	+ 4.0	+ 0.8	+ 0.1	+ 0.7	- 1.5	- 0.2	- 0.2	- 0.0	+ 0.7		
Nov	+ 16.0	+ 15.1	+ 2.1	+ 0.3	+ 1.8	+ 0.1	+ 1.6	- 0.9	- 0.3	+ 0.5	- 0.2	+ 0.9		
Dec	+ 0.4	- 6.1	- 1.2	- 4.1	+ 2.9	+ 0.2	+ 2.7	+ 7.7	- 0.0	+ 0.3	- 0.2	- 10.0		
2006 Jan	+ 6.5	+ 0.9	+ 6.1	+ 3.8	+ 2.3	+ 0.1	+ 2.2	- 0.5	+ 0.0	- 0.8	- 0.1	+ 5.9		
Feb	+ 3.7	+ 3.5	+ 7.1	+ 0.5	+ 6.6	+ 0.2	+ 6.4	- 0.2	+ 0.2	- 0.0	+ 0.1	+ 0.6		
Mar	+ 13.9	+ 8.5	+ 6.3	+ 4.8	+ 1.5	- 0.0	+ 1.5	- 1.2	+ 0.4	- 0.2	- 0.1	+ 6.0		
Apr	+ 17.5	+ 5.0	+ 13.6	+ 9.1	+ 4.4	- 0.0	+ 4.4	- 1.6	+ 0.5	+ 0.1	- 0.0	+ 2.4		
May	+ 3.6	+ 13.0	- 7.3	- 9.2	+ 2.0	+ 0.2	+ 1.8	- 2.4	+ 0.3	- 0.0	- 0.0	- 0.8		
June	+ 1.5	- 2.6	+ 5.2	+ 2.9	+ 2.3	+ 0.2	+ 2.1	- 1.3	+ 0.3	+ 0.4	- 0.0	- 0.8		
July	- 5.3	- 11.2	+ 8.2	+ 5.5	+ 2.8	+ 0.1	+ 2.6	- 2.9	+ 0.5	+ 0.1	- 0.1	- 4.0		
<b>of which: Domestic enterprises</b>													<b>End of year or month *</b>	
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		
2005	809.9	233.2	550.8	108.7	442.0	2.4	439.6	5.0	21.0	9.7	19.4	12.6		
2005 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		
Sep	812.0	234.5	550.6	111.1	439.4	2.1	437.4	5.4	21.6	9.1	19.7	21.0		
Oct	816.6	234.0	556.0	115.5	440.5	2.2	438.3	5.2	21.5	9.0	19.7	21.7		
Nov	821.6	237.6	557.7	115.8	441.9	2.3	439.6	5.1	21.3	9.4	19.5	22.6		
Dec	809.9	233.2	550.8	108.7	442.0	2.4	439.6	5.0	21.0	9.7	19.4	12.6		
2006 Jan	817.6	235.1	556.5	112.4	444.1	2.6	441.5	5.0	21.0	8.9	19.5	18.4		
Feb	817.6	229.7	561.9	111.6	450.3	2.7	447.6	5.0	21.0	8.3	19.4	19.0		
Mar	829.0	237.4	565.7	114.7	451.0	2.6	448.4	5.0	20.8	8.1	19.4	25.0		
Apr	842.3	237.8	578.7	123.6	455.1	2.6	452.5	5.0	20.8	8.2	19.4	27.4		
May	847.7	250.7	571.4	114.3	457.1	2.7	454.4	4.9	20.8	8.2	19.4	27.5		
June	848.5	247.5	575.4	116.1	459.3	2.8	456.6	4.9	20.7	8.5	19.4	26.7		
July	846.3	240.7	580.2	117.9	462.3	2.9	459.4	4.7	20.6	8.6	19.3	22.7		
<b>Changes *</b>														
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		
2005	+ 46.7	+ 31.0	+ 16.4	- 1.5	+ 18.0	+ 0.7	+ 17.3	+ 0.1	- 0.8	+ 1.0	+ 0.3	+ 2.4		
2005 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		
Sep	+ 4.4	+ 5.0	- 0.5	- 0.9	+ 0.5	+ 0.0	+ 0.4	+ 0.1	- 0.2	- 0.1	- 0.1	- 0.7		
Oct	+ 4.6	- 0.5	+ 5.3	+ 4.4	+ 0.9	+ 0.0	+ 0.9	- 0.0	- 0.1	- 0.2	+ 0.0	+ 0.7		
Nov	+ 5.0	+ 3.6	+ 1.7	+ 0.3	+ 1.4	+ 0.1	+ 1.3	- 0.1	- 0.2	+ 0.5	- 0.2	+ 0.9		
Dec	- 11.7	- 4.4	- 6.9	- 7.1	+ 0.2	+ 0.2	- 0.0	- 0.1	- 0.3	+ 0.3	- 0.2	- 10.0		
2006 Jan	+ 7.6	+ 1.9	+ 5.7	+ 3.7	+ 2.0	+ 0.1	+ 1.8	+ 0.0	- 0.0	- 0.9	+ 0.0	+ 5.9		
Feb	- 0.0	+ 5.4	+ 5.4	- 0.8	+ 6.2	+ 0.1	+ 6.1	- 0.0	+ 0.0	- 0.0	- 0.0	+ 0.6		
Mar	+ 11.4	+ 7.7	+ 3.8	+ 3.1	+ 0.7	- 0.1	+ 0.8	- 0.0	- 0.1	- 0.2	- 0.0	+ 6.0		
Apr	+ 13.4	+ 0.4	+ 13.0	+ 8.9	+ 4.1	- 0.0	+ 4.1	+ 0.0	- 0.1	+ 0.1	+ 0.0	+ 2.4		
May	+ 4.6	+ 12.8	- 8.0	- 9.9	+ 1.9	+ 0.1	+ 1.8	- 0.1	- 0.0	- 0.0	- 0.0	- 0.8		
June	+ 0.8	- 3.1	+ 4.0	+ 1.7	+ 2.3	+ 0.1	+ 2.2	- 0.0	- 0.1	+ 0.4	- 0.0	- 0.8		
July	- 2.3	- 6.8	+ 4.8	+ 1.8	+ 3.0	+ 0.1	+ 2.9	- 0.2	- 0.1	+ 0.1	- 0.1	- 4.0		

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	Self-employed persons	Employees	Other individuals			Total	Self-employed persons	Employees	Other individuals	
<b>End of year or month *</b>												
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	1,363.1	462.8	448.1	79.7	305.1	63.2	14.8	234.9	217.0	23.7	179.0	14.2
2006 Feb	1,365.7	463.6	448.6	79.5	305.2	63.8	15.1	237.1	219.4	24.4	180.8	14.3
Mar	1,368.2	464.4	449.2	77.7	307.1	64.3	15.2	239.6	221.6	24.6	182.4	14.5
Apr	1,372.4	469.0	454.2	78.5	310.9	64.7	14.8	240.2	222.4	25.0	182.9	14.5
May	1,371.4	469.2	453.5	79.6	308.9	65.1	15.7	240.9	223.1	25.2	183.3	14.6
June	1,372.0	469.7	453.6	78.3	309.9	65.4	16.1	242.1	224.4	25.6	184.1	14.6
July	1,369.0	465.3	449.6	79.1	306.2	64.3	15.7	245.5	228.0	26.4	186.5	15.0
<b>Changes *</b>												
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	+ 30.1	+ 35.8	+ 34.2	+ 8.0	+ 21.5	+ 4.7	+ 1.6	- 0.2	+ 0.3	- 2.0	+ 4.1	- 1.8
2006 Feb	+ 3.7	+ 1.9	+ 1.8	- 0.7	+ 2.2	+ 0.3	+ 0.1	+ 1.8	+ 1.4	+ 0.1	+ 1.2	+ 0.1
Mar	+ 2.6	+ 0.7	+ 0.6	- 1.8	+ 1.9	+ 0.5	+ 0.1	+ 2.4	+ 2.2	+ 0.3	+ 1.7	+ 0.3
Apr	+ 4.2	+ 4.6	+ 5.0	+ 0.8	+ 3.5	+ 0.7	- 0.4	+ 0.6	+ 0.8	+ 0.4	+ 0.4	- 0.1
May	- 1.0	+ 0.2	- 0.7	+ 1.0	- 2.0	+ 0.4	+ 0.9	+ 0.8	+ 0.7	+ 0.1	+ 0.5	+ 0.1
June	+ 0.7	+ 0.5	+ 0.0	- 1.3	+ 1.0	+ 0.3	+ 0.5	+ 1.2	+ 1.3	+ 0.5	+ 0.8	+ 0.0
July	- 3.0	- 4.4	- 3.9	+ 0.9	- 4.1	- 0.7	- 0.4	+ 3.4	+ 3.6	+ 0.8	+ 2.3	+ 0.4

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

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

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

€ billion

Period	Deposits												
	Domestic government, total	Federal Government and its special funds 1						State governments					
		Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans
				for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year		
<b>End of year or month *</b>													
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	103.7	38.8	1.3	7.9	29.6	0.0	12.9	16.3	3.9	2.5	9.9	0.1	19.1
2006 Feb	104.4	35.8	1.1	4.7	29.9	0.0	10.2	18.1	3.9	4.4	9.8	0.1	19.0
Mar	106.2	37.0	1.6	6.4	29.0	0.0	10.2	19.1	3.7	5.6	9.7	0.1	18.7
Apr	107.7	37.6	0.8	7.6	29.1	0.0	10.4	17.9	3.3	4.9	9.7	0.1	18.7
May	114.7	37.0	1.0	6.8	29.2	0.0	10.3	18.1	3.2	5.2	9.7	0.1	18.7
June	122.1	39.3	2.0	8.4	28.9	0.0	9.5	22.5	5.6	7.2	9.6	0.1	18.6
July	121.6	39.7	2.6	7.7	29.3	0.0	9.5	19.9	4.8	5.6	9.4	0.1	18.6
<b>Changes *</b>													
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	- 0.2	- 3.0	+ 0.1	+ 2.1	- 5.2	- 0.0	+ 0.0	+ 1.2	+ 1.2	+ 0.3	- 0.3	+ 0.0	- 2.4
2006 Feb	- 1.7	- 4.6	- 1.0	- 3.8	+ 0.2	- 0.0	+ 0.0	+ 0.7	- 0.1	+ 0.9	- 0.0	- 0.0	- 0.1
Mar	+ 1.8	+ 1.3	+ 0.5	+ 1.7	- 0.9	+ 0.0	+ 0.0	+ 0.9	- 0.2	+ 1.2	- 0.1	- 0.0	- 0.2
Apr	+ 1.4	+ 0.5	- 0.8	+ 1.1	+ 0.1	- 0.0	+ 0.2	- 1.2	- 0.4	- 0.7	- 0.0	+ 0.0	- 0.1
May	+ 7.1	- 0.6	+ 0.2	- 0.8	+ 0.0	+ 0.0	- 0.2	+ 0.2	- 0.1	+ 0.3	+ 0.0	-	- 0.0
June	+ 7.4	+ 2.3	+ 1.0	+ 1.6	- 0.3	- 0.0	- 0.8	+ 4.4	+ 2.5	+ 2.0	- 0.1	- 0.0	- 0.0
July	- 0.5	+ 0.3	+ 0.6	- 0.7	+ 0.4	+ 0.0	+ 0.0	- 2.6	- 0.8	- 1.6	- 0.2	- 0.0	- 0.1

\* 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									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	
		Total	of which																up to and including 2 years
<b>End of year or month *</b>																			
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							
17.9	90.8	144.1	5.3	138.8	596.0	586.4	9.6	69.3	0.5	11.3	-	2005							
17.7	92.3	144.9	5.3	139.6	595.3	585.7	9.6	69.6	0.5	11.3	-	2006 Feb							
18.0	94.0	145.6	5.4	140.2	594.2	584.6	9.6	70.1	0.5	11.3	-	Mar							
17.8	94.3	145.9	5.4	140.5	592.6	583.1	9.5	70.7	0.5	11.2	-	Apr							
17.8	95.0	146.0	5.5	140.5	590.3	580.9	9.4	71.0	0.5	11.2	-	May							
17.7	96.2	145.9	5.5	140.4	589.0	579.6	9.3	71.3	0.5	11.2	-	June							
17.5	99.8	145.7	5.6	140.2	586.3	576.9	9.4	71.9	0.5	11.2	-	July							
<b>Changes *</b>																			
- 0.5	- 12.3	+ 6.7	- 0.7	+ 7.4	+ 12.2	+ 12.0	+ 0.2	- 1.4	+ 0.1	+ 0.8	-	2004							
- 0.5	- 3.7	+ 3.5	+ 0.2	+ 3.3	- 1.0	- 1.1	+ 0.1	- 4.5	+ 0.2	- 0.3	-	2005							
+ 0.4	+ 1.4	+ 0.4	+ 0.0	+ 0.4	- 0.2	- 0.2	+ 0.0	+ 0.2	- 0.0	+ 0.1	-	2006 Feb							
+ 0.3	+ 1.7	+ 0.7	+ 0.0	+ 0.7	- 1.1	- 1.1	- 0.1	+ 0.5	- 0.0	- 0.1	-	Mar							
- 0.2	+ 0.2	+ 0.3	+ 0.0	+ 0.3	- 1.6	- 1.6	- 0.0	+ 0.6	+ 0.0	- 0.0	-	Apr							
+ 0.1	+ 0.7	+ 0.1	+ 0.1	- 0.0	- 2.3	- 2.2	- 0.1	+ 0.3	+ 0.0	- 0.0	-	May							
- 0.1	+ 1.2	- 0.0	+ 0.1	- 0.1	- 1.3	- 1.2	- 0.1	+ 0.3	+ 0.0	- 0.0	-	June							
- 0.2	+ 3.6	- 0.2	+ 0.0	- 0.2	- 2.7	- 2.7	+ 0.0	+ 0.6	-	- 0.0	-	July							

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>												
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
28.0	11.8	10.4	2.6	3.2	0.3	20.7	4.1	11.0	4.9	0.7	0.0	2005
26.9	10.2	10.7	2.8	3.1	0.3	23.7	6.7	11.3	5.1	0.6	0.0	2006 Feb
26.0	9.3	10.8	2.7	3.1	0.3	24.2	6.0	12.3	5.3	0.6	0.0	Mar
26.6	9.7	10.9	2.8	3.1	0.3	25.6	5.8	13.8	5.4	0.6	0.0	Apr
29.3	10.9	12.3	3.0	3.2	0.3	30.3	7.6	16.6	5.6	0.6	0.0	May
27.7	10.0	11.5	3.0	3.2	0.3	32.6	7.1	19.2	5.7	0.6	0.0	June
27.9	10.1	11.7	3.0	3.1	0.3	34.2	7.0	20.8	5.7	0.6	0.0	July
<b>Changes *</b>												
+ 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
+ 2.3	+ 1.3	+ 0.8	+ 0.3	- 0.1	+ 0.0	- 0.7	+ 1.3	- 1.9	+ 0.1	- 0.2	- 0.0	2005
+ 2.1	+ 1.1	+ 0.9	+ 0.0	+ 0.0	-	+ 0.1	+ 0.7	- 0.6	+ 0.0	- 0.0	-	2006 Feb
- 0.9	- 0.9	+ 0.1	- 0.1	- 0.1	- 0.0	+ 0.5	- 0.8	+ 1.0	+ 0.3	- 0.0	-	Mar
+ 0.6	+ 0.4	+ 0.1	+ 0.1	- 0.0	- 0.0	+ 1.5	- 0.1	+ 1.6	+ 0.0	- 0.0	-	Apr
+ 2.8	+ 1.1	+ 1.4	+ 0.1	+ 0.1	-	+ 4.7	+ 1.8	+ 2.7	+ 0.2	-	-	May
- 1.6	- 0.9	- 0.8	+ 0.0	+ 0.0	-	+ 2.3	- 0.4	+ 2.6	+ 0.1	+ 0.0	- 0.0	June
+ 0.1	+ 0.1	+ 0.2	- 0.0	- 0.1	-	+ 1.6	- 0.1	+ 1.7	+ 0.0	+ 0.0	-	July

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 1								Memo item Interest credited on savings deposits	Bank savings bonds, 3 sold to			
	of residents						of non-residents			non-banks, total	domestic non-banks		foreign non-banks
	Total	Total	at three months' notice		at more than three months' notice		Total	of which At three months' notice			Total	of which With maturities of more than 2 years	
			Total	of which Special savings facilities 2	Total	of which Special savings facilities 2							
End of year or month *													
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	611.9	603.4	519.2	404.2	84.2	74.4	8.5	6.8	13.3	99.3	91.9	77.5	7.4
2006 Mar	609.8	601.4	515.4	402.5	86.0	76.7	8.4	6.8	0.3	99.8	92.4	75.9	7.3
Apr	608.2	599.8	513.6	401.8	86.2	76.9	8.4	6.7	0.2	100.3	93.0	75.5	7.3
May	605.8	597.4	510.1	399.7	87.3	78.1	8.4	6.7	0.3	100.6	93.3	75.1	7.3
June	604.5	596.1	507.5	397.9	88.6	79.4	8.4	6.7	0.3	100.8	93.6	74.8	7.2
July	601.6	593.2	503.5	395.8	89.7	80.4	8.4	6.6	0.3	101.2	94.1	74.3	7.1
Changes *													
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	- 2.2	- 1.2	+ 2.9	+ 6.5	- 4.0	- 2.6	- 1.1	- 0.8	.	- 5.3	- 5.4	- 6.5	+ 0.0
2006 Mar	- 1.2	- 1.2	- 2.0	- 1.3	+ 0.8	+ 0.8	- 0.0	- 0.0	.	+ 0.3	+ 0.4	- 0.3	- 0.0
Apr	- 1.7	- 1.6	- 1.9	- 0.7	+ 0.2	+ 0.2	- 0.0	- 0.0	.	+ 0.6	+ 0.6	- 0.4	+ 0.0
May	- 2.4	- 2.3	- 3.5	- 2.1	+ 1.1	+ 1.2	- 0.0	- 0.0	.	+ 0.3	+ 0.3	- 0.4	- 0.0
June	- 1.3	- 1.3	- 2.6	- 1.9	+ 1.3	+ 1.3	+ 0.0	- 0.0	.	+ 0.2	+ 0.3	- 0.3	- 0.1
July	- 3.0	- 2.9	- 4.0	- 2.7	+ 1.1	+ 1.1	- 0.0	- 0.0	.	+ 0.4	+ 0.5	- 0.5	- 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 5				Subordinated	
	Total	of which				with maturities of			Total	of which with maturities of				
		Floating rate bonds 1	Zero coupon bonds 1,2	Foreign currency bonds 3,4	Certificates of deposit	up to and including 1 year	more than 1 year including 2 years	more than 2 years		up to and including 1 year	more than 1 year including 2 years	more than 2 years		
End of year or month *														
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	1,608.7	400.7	25.3	274.5	32.0	61.8	94.8	1,452.1	1.5	0.2	0.5	0.8	45.8	2.5
2006 Mar	1,636.9	405.2	32.2	287.5	38.1	70.0	102.7	1,464.2	1.7	0.3	0.7	0.8	47.9	2.6
Apr	1,628.6	404.1	34.2	286.3	38.4	70.7	103.4	1,454.4	1.8	0.3	0.7	0.8	48.1	2.6
May	1,637.6	406.2	35.2	288.3	38.0	71.1	107.5	1,459.0	1.6	0.2	0.7	0.7	47.8	2.6
June	1,645.1	405.7	33.8	289.6	35.8	69.0	109.5	1,466.5	1.5	0.1	0.7	0.7	47.7	2.6
July	1,642.9	403.0	33.5	289.0	33.6	65.8	108.2	1,468.9	1.5	0.1	0.7	0.7	47.7	2.6
Changes *														
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	+ 56.1	+ 16.2	+ 3.4	+ 59.8	- 5.6	- 0.3	- 5.8	+ 62.1	- 0.6	- 0.3	+ 0.1	- 0.4	+ 2.6	+ 0.0
2006 Mar	+ 3.3	- 7.8	+ 1.3	+ 0.7	+ 3.8	+ 5.5	+ 4.4	- 6.6	+ 0.1	+ 0.0	+ 0.1	- 0.0	+ 2.0	+ 0.0
Apr	- 8.3	- 0.4	+ 2.0	- 1.2	+ 0.1	+ 0.7	+ 0.7	- 9.7	- 0.0	- 0.0	+ 0.0	-	+ 0.2	- 0.0
May	+ 9.0	+ 2.2	+ 0.8	+ 2.0	- 0.4	+ 0.4	+ 4.0	+ 4.6	- 0.1	- 0.1	- 0.0	- 0.1	- 0.3	- 0.0
June	- 0.4	- 0.5	- 1.3	+ 0.9	- 2.2	- 2.6	+ 1.1	+ 1.1	- 0.1	- 0.1	+ 0.0	+ 0.0	- 0.1	- 0.0
July	- 2.1	- 2.7	- 0.3	- 0.6	- 2.1	- 3.2	- 1.3	+ 2.4	+ 0.0	- 0.0	+ 0.0	+ 0.0	+ 0.0	+ 0.0

\* See Table IV.2, footnote\*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Including debt securities denominated in foreign currencies. — 2 Issue value when floated. — 3 Including floating

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

IV Banks

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

€ billion

End of year/month	Number of associ- ations	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 secur- ities out- stand- ing	Capital (includ- ing pub- lished re- serves) 7	Memo item New con- tracts entered into in year or month 8
			Credit bal- ances and loans (ex- clud- ing building loans) 1	Building loans 2	Bank debt secur- ities 3	Building loans			Secur- ities (in- clud- ing Treasury bills and Treasury discount paper) 4	Deposits under savings and loan con- tracts	Sight and time deposits	Deposits under savings and loan con- tracts	Sight and time de- posits 6			
						Loans under savings and loan con- tracts	Interim and bridging loans	Other building loans								
<b>All building and loan associations</b>																
2005	26	192.4	38.2	0.0	13.6	29.8	64.5	10.1	17.2	0.5	28.5	120.1	5.0	5.6	7.4	94.2
2006 May	26	193.5	41.8	0.0	13.2	28.3	64.8	11.0	16.1	0.4	29.1	121.7	5.0	4.2	7.4	8.1
June	26	193.6	42.0	0.0	13.0	28.1	65.1	11.1	15.9	0.4	29.3	121.6	5.0	3.8	7.4	7.9
July	26	193.4	43.0	0.0	12.4	28.1	65.3	11.1	15.4	0.4	29.6	121.3	5.1	3.8	7.4	7.5
<b>Private building and loan associations</b>																
2006 May	15	141.3	31.2	0.0	6.5	17.9	47.5	10.1	10.5	0.3	22.5	82.0	4.8	4.2	4.8	5.1
June	15	141.3	31.2	0.0	6.4	17.9	47.9	10.1	10.3	0.3	22.7	82.0	4.8	3.8	4.8	5.0
July	15	141.3	31.8	0.0	6.2	17.8	48.2	10.1	9.9	0.3	23.1	81.8	4.9	3.8	4.8	4.8
<b>Public building and loan associations</b>																
2006 May	11	52.2	10.6	0.0	6.7	10.3	17.3	1.0	5.6	0.1	6.6	39.6	0.2	-	2.6	3.0
June	11	52.2	10.8	0.0	6.6	10.3	17.3	1.0	5.6	0.1	6.6	39.6	0.2	-	2.6	2.9
July	11	52.1	11.2	0.0	6.2	10.3	17.1	1.0	5.5	0.1	6.5	39.5	0.2	-	2.6	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 re- ceived 12	
	Amounts paid into savings and loan ac- counts 9	Interest credited on deposits under savings and loan con- tracts	Repay- ments of deposits under cancelled savings and loan con- tracts	Total	of which Net alloca- tions 11	Total	Allocations				Newly granted interim and bridging loans and other building loans	Total	of which Under alloca- ted con- tracts	Total		of which Repay- ments during quarter
							Deposits under savings and loan contracts		Loans under savings and loan contracts 9							
							Total	of which Applied to settle- ment of interim and bridging loans	Total	of which Applied to settle- ment of interim and bridging loans						
<b>All building and loan associations</b>																
2005	26.1	3.3	5.7	41.0	27.1	36.5	16.6	4.1	6.5	3.3	13.5	11.1	7.7	13.8	11.5	0.5
2006 May	1.9	0.1	0.6	3.6	2.3	3.1	1.5	0.3	0.5	0.2	1.1	11.7	7.9	1.0		0.0
June	2.0	0.1	0.5	3.6	2.5	3.4	1.6	0.4	0.6	0.3	1.2	11.6	7.9	1.0	2.3	0.0
July	1.9	0.1	0.6	4.0	2.8	3.6	1.8	0.4	0.7	0.3	1.2	11.5	7.8	0.9		0.0
<b>Private building and loan associations</b>																
2006 May	1.2	0.1	0.3	2.5	1.4	2.2	1.0	0.2	0.3	0.2	0.9	7.0	3.8	0.6		0.0
June	1.3	0.1	0.3	2.6	1.6	2.4	1.1	0.3	0.4	0.2	1.0	7.0	3.8	0.7	1.5	0.0
July	1.2	0.1	0.3	2.7	1.8	2.6	1.2	0.3	0.4	0.2	1.0	7.0	3.7	0.6		0.0
<b>Public building and loan associations</b>																
2006 May	0.7	0.0	0.2	1.1	0.9	0.9	0.5	0.1	0.2	0.1	0.2	4.6	4.1	0.3		0.0
June	0.7	0.0	0.2	1.1	0.9	0.9	0.5	0.1	0.2	0.1	0.2	4.5	4.1	0.3	0.8	0.0
July	0.7	0.0	0.2	1.3	1.1	1.0	0.6	0.2	0.3	0.1	0.2	4.5	4.1	0.3		0.0

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

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

IV Banks

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

€ billion

Period	Number of		Balance sheet total	Lending to banks (MFIs)					Lending to non-banks (non-MFIs)					Other assets	
	German banks (MFIs) with foreign branches and/or foreign subsidiaries	foreign branches <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>															
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
2005	54	211	1,626.5	713.1	640.8	180.1	460.7	72.3	805.8	587.7	22.0	21.5	565.7	218.1	107.6
2005 Sep	53	207	1,643.7	708.8	635.0	173.3	461.7	73.8	806.3	590.1	21.2	20.0	568.9	216.2	128.6
Oct	54	211	1,705.5	729.6	657.1	185.2	471.9	72.5	834.9	612.6	22.2	21.0	590.5	222.3	141.0
Nov	54	211	1,775.0	791.3	717.6	193.7	523.8	73.7	827.4	608.9	23.3	22.4	585.6	218.5	156.3
Dec	54	211	1,626.5	713.1	640.8	180.1	460.7	72.3	805.8	587.7	22.0	21.5	565.7	218.1	107.6
2006 Jan	54	214	1,664.5	717.5	645.5	185.0	460.5	72.0	834.8	621.6	22.3	21.7	599.3	213.3	112.2
Feb	54	215	1,702.8	747.8	673.1	207.5	465.7	74.6	859.3	644.9	21.4	20.9	623.5	214.3	95.8
Mar	54	212	1,713.8	748.6	676.6	214.2	462.4	72.0	870.9	666.5	21.2	20.6	645.3	204.4	94.3
Apr	54	210	1,721.0	728.9	657.6	215.7	441.9	71.4	899.1	696.3	21.4	20.8	674.9	202.8	93.0
May	54	212	1,716.6	733.8	665.5	224.3	441.2	68.2	897.3	684.9	19.6	19.0	665.3	212.5	85.5
June	54	213	1,673.1	693.8	627.7	219.7	407.9	66.2	887.3	678.0	20.5	19.5	657.6	209.2	92.1
<b>Changes *</b>															
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
2005	+ 2	+ 8	+ 74.0	- 4.9	+ 10.6	+ 10.0	+ 0.6	- 15.5	+ 80.1	+ 70.1	+ 4.9	+ 5.7	+ 65.2	+ 10.0	- 1.1
2005 Sep	-	-	- 14.5	- 13.1	- 14.0	- 1.5	- 12.5	+ 0.9	+ 1.3	+ 8.5	+ 0.7	+ 0.6	+ 7.8	- 7.2	- 2.6
Oct	+ 1	+ 4	+ 61.5	+ 20.7	+ 22.1	+ 11.9	+ 10.1	- 1.3	+ 28.5	+ 22.3	+ 0.9	+ 1.0	+ 21.4	+ 6.2	+ 12.2
Nov	-	-	+ 56.3	+ 56.3	+ 55.5	+ 8.6	+ 46.9	+ 0.9	- 15.1	- 9.3	+ 1.1	+ 1.3	- 10.4	- 5.8	+ 15.1
Dec	-	-	-147.3	- 77.8	- 76.4	- 13.6	- 62.8	- 1.4	- 20.8	- 20.6	- 1.3	- 0.8	- 19.3	- 0.2	- 48.7
2006 Jan	-	+ 3	+ 58.2	+ 12.2	+ 12.0	+ 4.8	+ 7.2	+ 0.2	+ 40.4	+ 42.2	+ 0.3	+ 0.1	+ 41.9	- 1.8	+ 5.6
Feb	-	+ 1	+ 20.9	+ 24.1	+ 21.9	+ 22.5	- 0.6	+ 2.2	+ 14.2	+ 15.6	- 0.9	- 0.8	+ 16.5	- 1.5	- 17.3
Mar	-	- 3	+ 31.1	+ 7.9	+ 10.0	+ 6.8	+ 3.3	- 2.1	+ 23.6	+ 30.9	- 0.2	- 0.3	+ 31.1	- 7.3	- 0.4
Apr	-	- 2	+ 35.2	- 10.2	- 10.1	+ 1.4	- 11.5	- 0.1	+ 43.4	+ 41.6	+ 0.2	+ 0.2	+ 41.4	+ 1.8	+ 2.1
May	-	+ 2	+ 12.8	+ 10.9	+ 13.7	+ 8.6	+ 5.1	- 2.8	+ 8.6	- 3.2	- 1.9	- 1.8	- 1.4	+ 11.8	- 6.7
June	-	+ 1	- 49.7	- 42.2	- 40.0	- 4.6	- 35.4	- 2.2	- 13.5	- 9.5	+ 0.9	+ 0.5	- 10.4	- 4.0	+ 6.0
<b>Foreign subsidiaries</b>															
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
2005	43	153	713.6	320.9	249.4	119.9	129.6	71.4	324.6	224.0	39.0	35.8	185.0	100.6	68.1
2005 Sep	43	162	705.3	320.1	247.6	119.9	127.6	72.6	316.6	220.4	37.2	36.0	183.2	96.2	68.5
Oct	43	162	704.4	325.3	253.2	120.1	133.2	72.0	313.2	215.1	36.8	35.7	178.3	98.1	66.0
Nov	43	156	714.2	326.4	256.1	119.0	137.1	70.4	320.5	217.8	37.1	36.0	180.7	102.7	67.3
Dec	43	153	713.6	320.9	249.4	119.9	129.6	71.4	324.6	224.0	39.0	35.8	185.0	100.6	68.1
2006 Jan	44	154	730.9	328.7	254.9	120.9	134.0	73.8	332.7	220.3	39.4	36.2	180.9	112.4	69.6
Feb	44	153	752.3	336.9	259.7	123.4	136.3	77.2	333.0	219.3	37.5	35.8	181.8	113.7	82.4
Mar	43	153	759.2	335.8	260.7	121.8	138.9	75.1	340.6	221.7	37.2	35.5	184.5	118.9	82.8
Apr	43	152	762.2	338.2	259.7	123.6	136.2	78.4	336.3	218.6	37.6	35.9	181.0	117.7	87.8
May	43	153	771.2	333.9	255.5	123.3	132.1	78.5	344.7	226.9	39.2	37.4	187.7	117.8	92.5
June	43	151	756.6	330.6	253.4	121.2	132.1	77.2	348.4	227.6	42.4	40.6	185.2	120.9	77.6
<b>Changes *</b>															
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
2005	- 2	- 17	+ 49.9	+ 7.0	+ 7.6	+ 2.7	+ 4.9	- 0.6	+ 36.8	+ 6.5	+ 0.4	+ 0.7	+ 6.1	+ 30.3	+ 6.1
2005 Sep	-	-	+ 1.4	- 1.6	- 1.7	- 5.3	+ 3.6	+ 0.1	+ 2.5	+ 2.1	- 1.1	- 0.1	+ 3.2	+ 0.4	+ 0.5
Oct	-	-	- 1.1	+ 5.1	+ 5.6	+ 0.1	+ 5.4	- 0.5	- 3.6	- 5.5	- 0.4	- 0.3	- 5.1	+ 1.9	- 2.5
Nov	-	- 6	+ 7.7	- 0.2	+ 2.1	- 1.1	+ 3.2	- 2.3	+ 6.7	+ 2.1	+ 0.3	+ 0.3	+ 1.8	+ 4.6	+ 1.2
Dec	-	- 3	- 0.3	- 5.4	- 6.5	+ 0.9	- 7.4	+ 1.1	+ 4.3	+ 6.4	+ 1.9	- 0.2	+ 4.5	- 2.1	+ 0.8
2006 Jan	+ 1	+ 1	+ 20.6	+ 9.0	+ 6.4	+ 1.0	+ 5.4	+ 2.5	+ 10.0	- 2.7	+ 0.4	+ 0.4	- 3.0	+ 12.7	+ 1.6
Feb	-	- 1	+ 18.7	+ 6.4	+ 4.0	+ 2.6	+ 1.4	+ 2.4	- 0.4	- 1.6	- 1.8	- 0.3	+ 0.2	+ 1.2	+ 12.8
Mar	- 1	-	+ 10.6	+ 1.2	+ 2.2	- 1.7	+ 3.8	- 1.0	+ 8.7	+ 3.5	- 0.3	- 0.3	+ 3.8	+ 5.2	+ 0.7
Apr	-	- 1	+ 7.1	+ 5.0	+ 0.2	+ 1.8	- 1.5	+ 4.8	- 3.2	- 2.0	+ 0.4	+ 0.4	- 2.3	- 1.2	+ 5.2
May	-	+ 1	+ 11.4	- 2.5	- 3.5	- 0.3	- 3.3	+ 1.1	+ 9.1	+ 9.0	+ 1.6	+ 1.5	+ 7.3	+ 0.1	+ 4.8
June	-	- 2	- 15.5	- 4.0	- 2.3	- 2.1	- 0.2	- 1.6	+ 3.4	+ 0.4	+ 3.2	+ 3.2	- 2.8	+ 3.1	- 15.0

\* 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 subsidiar-

ies.) 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 country of domicile

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			
1,076.8	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		
1,362.8	912.4	373.6	538.9	450.4	63.9	59.0	55.3	4.9	4.6	386.5	171.9	20.9	70.8	2005		
1,370.7	906.0	359.8	546.1	464.7	69.0	64.1	61.4	4.9	4.6	395.7	159.3	23.0	90.7	2005 Sep		
1,429.9	946.0	353.9	592.1	483.9	66.3	61.5	58.5	4.9	4.6	417.6	156.7	21.6	97.3	Oct		
1,490.4	998.6	360.3	638.3	491.8	66.0	61.1	57.5	4.8	4.5	425.8	158.7	21.3	104.6	Nov		
1,362.8	912.4	373.6	538.9	450.4	63.9	59.0	55.3	4.9	4.6	386.5	171.9	20.9	70.8	Dec		
1,388.6	925.4	362.6	562.8	463.2	72.4	64.5	61.0	7.8	7.6	390.9	168.3	21.4	86.3	2006 Jan		
1,421.7	924.0	357.9	566.0	497.8	70.5	62.4	58.8	8.1	7.8	427.2	175.7	21.4	84.0	Feb		
1,425.6	941.6	355.5	586.1	484.1	70.0	62.0	59.3	8.0	7.7	414.1	180.3	21.6	86.3	Mar		
1,426.5	922.5	340.2	582.3	504.0	68.6	60.8	58.1	7.8	7.5	435.4	188.1	21.9	84.5	Apr		
1,422.8	911.5	342.4	569.1	511.3	70.1	62.5	59.6	7.6	7.4	441.1	185.0	22.5	86.4	May		
1,393.7	907.3	391.4	515.9	486.4	64.7	57.1	54.1	7.7	7.4	421.6	168.9	22.5	88.1	June		
Changes *													Foreign subsidiaries			
+ 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		
+ 59.5	+ 69.4	+ 78.4	- 8.9	- 10.0	+ 2.0	+ 3.3	+ 2.9	- 1.2	- 1.2	- 12.0	+ 32.1	- 0.8	- 16.7	2005		
- 19.1	- 13.6	+ 6.1	- 19.8	- 5.5	+ 3.2	+ 3.1	+ 3.3	+ 0.1	+ 0.1	- 8.7	+ 0.9	+ 0.1	+ 3.6	2005 Sep		
+ 58.6	+ 39.7	- 6.0	+ 45.7	+ 18.8	- 2.7	- 2.6	- 2.9	- 0.1	- 0.0	+ 21.5	- 2.6	- 1.4	+ 6.9	Oct		
+ 50.0	+ 45.9	+ 6.4	+ 39.5	+ 4.0	- 0.4	- 0.3	- 0.9	- 0.0	- 0.1	+ 4.4	+ 2.0	- 0.3	+ 4.6	Nov		
- 126.4	- 85.5	+ 13.2	- 98.8	- 40.8	- 2.1	- 2.2	- 2.2	+ 0.1	+ 0.1	- 38.8	+ 13.3	- 0.4	- 33.8	Dec		
+ 40.8	+ 22.1	- 10.9	+ 33.0	+ 18.7	+ 8.5	+ 5.5	+ 5.7	+ 2.9	+ 2.9	+ 10.2	- 3.7	+ 0.4	+ 20.7	2006 Jan		
+ 19.8	- 9.4	- 4.7	+ 4.7	+ 29.2	- 1.8	- 2.1	- 2.2	+ 0.2	+ 0.2	+ 31.0	+ 7.5	+ 0.0	- 6.3	Feb		
+ 18.7	+ 25.5	- 2.4	+ 27.9	- 6.8	- 0.6	- 0.5	+ 0.5	- 0.1	- 0.1	- 6.2	+ 4.6	+ 0.2	+ 7.7	Mar		
+ 19.4	- 7.6	- 15.3	+ 7.8	+ 27.0	- 1.4	- 1.2	- 1.2	- 0.2	- 0.2	+ 28.3	+ 7.8	+ 0.3	+ 7.7	Apr		
+ 9.1	- 3.4	+ 2.3	+ 5.7	+ 12.5	+ 1.5	+ 1.7	+ 1.5	- 0.2	- 0.2	+ 11.0	- 3.1	+ 0.6	+ 6.2	May		
- 33.4	- 6.7	+ 48.9	- 55.7	- 26.7	- 5.4	- 5.4	- 5.6	+ 0.0	+ 0.0	- 21.3	- 16.1	+ 0.0	- 0.2	June		
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		
525.4	310.6	103.3	207.3	214.8	36.0	29.1	27.1	7.0	6.8	178.8	79.7	41.0	67.5	2005		
516.6	309.8	99.0	210.8	206.8	31.6	25.6	24.5	6.0	5.8	175.2	76.8	41.6	70.2	2005 Sep		
518.6	312.9	97.8	215.0	205.8	30.6	23.9	22.4	6.7	6.6	175.2	76.9	41.2	67.7	Oct		
526.5	318.9	97.2	221.7	207.7	29.9	23.0	21.6	6.9	6.8	177.7	76.8	40.8	70.0	Nov		
525.4	310.6	103.3	207.3	214.8	36.0	29.1	27.1	7.0	6.8	178.8	79.7	41.0	67.5	Dec		
534.6	322.2	101.0	221.3	212.4	33.0	24.7	23.5	8.4	8.1	179.3	84.9	41.0	70.5	2006 Jan		
553.4	329.6	101.2	228.5	223.8	34.4	26.4	25.3	8.0	7.9	189.4	87.9	41.0	70.0	Feb		
557.1	336.0	108.7	227.3	221.1	34.8	26.8	25.7	8.0	7.9	186.3	90.8	41.1	70.3	Mar		
558.1	336.0	109.5	226.4	222.1	33.9	25.7	24.9	8.2	7.9	188.2	91.8	40.8	71.6	Apr		
564.2	341.0	115.4	225.6	223.2	36.5	28.1	27.0	8.3	8.1	186.7	91.8	41.2	74.0	May		
557.4	333.4	124.8	208.5	224.0	33.9	25.5	24.6	8.4	8.2	190.1	89.2	40.3	69.7	June		
Changes *																
+ 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		
+ 48.6	+ 24.2	+ 19.9	+ 4.3	+ 24.4	+ 4.2	+ 1.7	+ 0.6	+ 2.5	+ 2.5	+ 20.2	+ 6.2	+ 1.9	- 6.7	2005		
+ 3.2	- 1.4	+ 4.5	- 5.9	+ 4.6	+ 2.1	+ 1.9	+ 2.1	+ 0.2	+ 0.1	+ 2.6	- 0.1	+ 0.2	- 1.8	2005 Sep		
+ 1.6	+ 2.8	- 1.2	+ 4.0	- 1.2	- 1.0	- 1.7	- 2.1	+ 0.7	+ 0.8	- 0.2	+ 0.1	- 0.4	- 2.4	Oct		
+ 6.0	+ 4.8	- 0.7	+ 5.4	+ 1.2	- 0.6	- 0.9	- 0.9	+ 0.2	+ 0.2	+ 1.9	- 0.1	- 0.3	+ 2.1	Nov		
- 0.8	- 8.0	+ 6.1	- 14.1	+ 7.3	+ 6.1	+ 6.1	+ 5.6	+ 0.0	+ 0.0	+ 1.2	+ 2.9	+ 0.2	- 2.6	Dec		
+ 11.9	+ 13.2	- 2.4	+ 15.5	- 1.3	- 3.0	- 4.4	- 3.6	+ 1.4	+ 1.3	+ 1.7	+ 5.2	+ 0.0	+ 3.5	2006 Jan		
+ 16.5	+ 6.0	+ 0.2	+ 5.8	+ 10.5	+ 1.3	+ 1.7	+ 1.8	- 0.3	- 0.3	+ 9.1	+ 3.0	- 0.0	- 0.8	Feb		
+ 6.9	+ 8.2	+ 7.6	+ 0.6	- 1.3	+ 0.4	+ 0.4	+ 0.4	+ 0.0	-	- 1.7	+ 2.8	+ 0.1	+ 0.8	Mar		
+ 4.5	+ 2.2	+ 0.8	+ 1.4	+ 2.3	- 0.9	- 1.1	- 0.8	+ 0.2	+ 0.1	+ 3.2	+ 1.0	- 0.3	+ 1.8	Apr		
+ 8.3	+ 6.6	+ 5.9	+ 0.7	+ 1.8	+ 2.6	+ 2.5	+ 2.1	+ 0.1	+ 0.2	- 0.8	+ 0.0	+ 0.4	+ 2.7	May		
- 7.7	- 8.3	+ 9.4	- 17.7	+ 0.6	- 2.5	- 2.6	- 2.4	+ 0.1	+ 0.1	+ 3.1	- 2.6	- 0.9	- 4.4	June		

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

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

## V Minimum reserves

### 1 Reserve ratios Germany

% of liabilities subject to reserve requirements

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

### Euro area

% of reserve base 1

Applicable from	Ratio
1999 Jan 1	2

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

### 2 Reserve maintenance in Germany up to the end of 1998 – pursuant to the Minimum Reserves Order of the Bundesbank

DM million

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

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

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

### 3 Reserve maintenance in the euro area – from 1999, pursuant to the ECB Regulation on the application of minimum reserves in accordance with Article 19.1 of the Statute of the ESCB

Maintenance period beginning in 1	Reserve base 2	Required reserves before deduction of lump-sum allowance 3	Lump-sum allowance 4	Required reserves after deduction of lump-sum allowance	Current account 5	Excess reserves 6	Deficiencies 7
<b>Euro area (€ billion)</b>							
2006 Jan	7,758.3	155.2	0.5	154.7	155.4	0.7	0.0
Feb	7,908.7	158.2	0.5	157.7	158.3	0.6	0.0
Mar	7,969.3	159.4	0.5	158.9	159.5	0.6	0.0
Apr	8,045.3	160.9	0.5	160.4	161.2	0.8	0.0
May	8,154.9	163.1	0.5	162.6	163.3	0.7	0.0
June	8,304.2	166.1	0.5	165.6	166.3	0.7	0.0
July	8,349.2	167.0	0.5	166.5	167.1	0.6	0.0
Aug p,8	8,315.4	166.3	0.5	165.8	166.4	0.6	...
Sep p	...	...	...	166.3	...	...	...
<b>Of which: Germany (€ million)</b>							
2006 Jan	1,974,075	39,481	203	39,278	39,573	295	1
Feb	1,977,327	39,547	203	39,343	39,581	238	1
Mar	1,984,283	39,686	203	39,483	39,699	216	0
Apr	2,003,934	40,079	203	39,876	40,177	301	0
May	2,026,250	40,525	203	40,322	40,647	325	0
June	2,050,379	41,008	203	40,805	41,033	228	1
July	2,060,065	41,201	203	40,999	41,165	166	1
Aug p	2,062,897	41,258	201	41,057	41,241	184	0
Sep p	2,043,453	40,869	201	40,668	...	...	...

1 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. — 2 Article 3 of the Regulation of the European Central Bank on the application of minimum reserves (excluding liabilities to which a reserve ratio of 0% applies, pursuant to Article 4 (1)). — 3 Amount after applying the reserve ratios to the

reserve base. — 4 Article 5 (2) of the Regulation of the European Central Bank on the application of minimum reserves. — 5 Average credit balances of the credit institutions at the national central banks. — 6 Average credit balances less required reserves after deduction of the lump-sum allowance. — 7 Required reserves after deduction of the lump-sum allowance. — 8 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	Applicable from	Deposit facility	Main refinancing operations <sup>1</sup>	Marginal lending facility
1999 Jan 1	2.00	3.00	4.50	2002 Dec 6	1.75	2.75	3.75
Jan 4	2.75	3.00	3.25				
Jan 22	2.00	3.00	4.50	2003 Mar 7	1.50	2.50	3.50
Apr 9	1.50	2.50	3.50	June 6	1.00	2.00	3.00
Nov 5	2.00	3.00	4.00				
				2005 Dec 6	1.25	2.25	3.25
2000 Feb 4	2.25	3.25	4.25				
Mar 17	2.50	3.50	4.50	2006 Mar 8	1.50	2.50	3.50
Apr 28	2.75	3.75	4.75	June 15	1.75	2.75	3.75
June 9	3.25	4.25	5.25	Aug 9	2.00	3.00	4.00
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 to Apr 3	2.71	2005 Jan 1	1.21
		July 1	1.17
		2006 Jan 1	1.37
		July 1	1.95

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	Allotment amount	Fixed rate tenders		Variable rate tenders		Running for ... days
			Fixed rate	% per annum	Minimum bid rate	Marginal rate <sup>1</sup>	
<b>Main refinancing operations</b>							
2006 July 19	388,712	335,000	—	2.75	2.81	2.82	6
July 25	359,208	338,000	—	2.75	2.81	2.82	8
Aug 2	357,627	324,000	—	2.75	2.76	2.79	7
Aug 9	359,131	318,000	—	3.00	3.05	3.06	6
Aug 15	367,386	311,000	—	3.00	3.05	3.06	8
Aug 23	376,014	317,500	—	3.00	3.05	3.06	7
Aug 30	323,482	310,500	—	3.00	3.00	3.02	7
Sep 6	350,124	307,000	—	3.00	3.04	3.05	7
Sep 13	356,118	300,500	—	3.00	3.04	3.04	7
<b>Longer-term refinancing operations</b>							
2006 June 29	57,185	40,000	—	—	3.00	3.01	91
July 27	54,824	40,000	—	—	3.08	3.09	91
Aug 31	51,079	40,000	—	—	3.20	3.21	91

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

4 Money market rates, by month

% per annum

Reporting period	Money market rates reported by Frankfurt banks <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					
2006 Feb	2.35	2.31 – 2.50	2.58	2.52 – 2.66	2.35	2.37	2.46	2.60	2.72	2.83	2.91
Mar	2.52	1.98 – 2.65	2.70	2.63 – 2.81	2.52	2.60	2.63	2.72	2.87	3.00	3.11
Apr	2.63	2.57 – 2.74	2.78	2.73 – 2.86	2.63	2.63	2.65	2.79	2.96	3.11	3.22
May	2.57	2.25 – 2.63	2.87	2.82 – 2.92	2.58	2.62	2.69	2.89	3.06	3.20	3.31
June	2.70	2.43 – 2.92	2.97	2.91 – 3.06	2.70	2.79	2.87	2.99	3.16	3.29	3.40
July	2.81	2.76 – 2.85	3.08	3.02 – 3.16	2.81	2.84	2.94	3.10	3.29	3.43	3.54
Aug	2.97	2.66 – 3.09	3.21	3.14 – 3.26	2.97	3.05	3.09	3.23	3.41	3.53	3.62

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

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

VI Interest rates

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

Effective interest rate % per annum 1

End of month	Households' deposits				Non-financial corporations' deposits						Loans to households				Loans to non-financial corporations				
	with an agreed maturity of				with a maturity of						Housing loans			Consumer credit and other loans					
	up to 2 years	over 2 years	up to 2 years	over 2 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years			
2005 Dec	2.01	3.15	2.30	3.41	4.54	4.14	4.52	7.89	6.77	5.62	4.35	3.84	4.24						
2006 Jan	2.05	3.10	2.32	3.47	4.62	4.14	4.50	7.99	6.78	5.60	4.42	3.88	4.26						
Feb	2.09	3.12	2.38	3.47	4.59	4.17	4.54	7.97	6.79	5.68	4.49	3.95	4.31						
Mar	2.16	3.00	2.48	3.46	4.60	4.15	4.52	8.06	6.80	5.73	4.53	3.98	4.31						
Apr	2.21	3.01	2.53	3.52	4.63	4.16	4.52	8.10	6.73	5.75	4.59	4.05	4.34						
May	2.27	3.04	2.59	3.52	4.63	4.16	4.52	8.10	6.70	5.71	4.64	4.10	4.36						
June	2.34	3.07	2.72	3.53	4.69	4.21	4.55	8.10	6.75	5.73	4.72	4.19	4.40						
July	2.43	3.02	2.80	3.57	4.70	4.21	4.57	8.15	6.82	5.82	4.81	4.27	4.45						

(b) New business +

Effective interest rate % per annum 1

Reporting period	Households' deposits						Non-financial corporations' deposits						
	Overnight	with an agreed maturity of			redeemable at notice of		Overnight	with an agreed maturity of					
		up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		up to 1 year	over 1 year and up to 2 years	over 2 years			
2005 Dec	0.71	2.15	2.25	2.21	1.97	2.30	1.02	2.25	2.48	3.55			
2006 Jan	0.73	2.21	2.47	2.56	2.00	2.32	1.05	2.27	2.40	3.52			
Feb	0.74	2.24	2.52	2.36	1.97	2.34	1.08	2.31	2.69	3.37			
Mar	0.76	2.37	2.60	2.45	1.98	2.37	1.14	2.48	2.93	3.28			
Apr	0.79	2.40	2.81	2.49	2.00	2.42	1.16	2.51	2.93	3.71			
May	0.79	2.45	2.86	2.48	2.00	2.48	1.18	2.58	3.18	3.38			
June	0.81	2.57	2.88	2.57	2.03	2.52	1.22	2.70	3.22	3.27			
July	0.81	2.70	3.04	2.79	2.08	2.57	1.24	2.78	3.31	3.89			

Reporting period	Loans to households												
	Overdrafts	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
2005 Dec	9.67	7.45	6.76	6.36	7.43		3.98	3.49	3.85	4.03			
2006 Jan	9.80	7.87	6.94	6.48	8.13	4.09	3.61	3.91	4.14	4.07	4.15	4.59	4.34
Feb	9.61	7.76	6.88	6.34	7.95	4.08	3.66	3.97	4.14	4.06	4.24	4.66	4.35
Mar	9.90	7.65	6.79	6.28	7.88	4.15	3.73	3.99	4.22	4.10	4.33	4.72	4.49
Apr	9.76	7.76	7.06	6.31	7.92	4.29	3.84	4.07	4.33	4.17	4.30	4.85	4.62
May	9.78	7.77	7.23	6.23	7.89	4.34	3.90	4.15	4.40	4.19	4.43	5.05	4.76
June	9.84	7.71	7.11	6.31	7.82	4.42	4.00	4.19	4.48	4.25	4.52	5.09	4.71
July	9.86	7.87	7.34	6.31	8.02	4.52	4.11	4.23	4.52	4.34	4.55	5.24	4.74

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
2005 Dec	5.12	3.99	4.50	4.12	3.25	3.58	3.96
2006 Jan	5.23	4.07	4.59	4.13	3.18	3.72	3.96
Feb	5.29	4.13	4.69	4.16	3.26	4.36	4.02
Mar	5.30	4.23	4.59	4.16	3.50	3.83	4.18
Apr	5.40	4.34	4.73	4.15	3.51	3.94	4.22
May	5.36	4.38	4.83	4.26	3.57	4.13	4.32
June	5.45	4.47	4.84	4.33	3.74	4.12	4.23
July	5.52	4.57	4.99	4.38	3.84	4.21	4.36

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
2005 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	74,930	4.19	24,961
Sep	1.97	104,938	2.77	193,451	2.03	74,966	4.19	24,849
Oct	1.98	105,488	2.76	192,845	2.05	78,275	4.10	22,472
Nov	2.01	105,875	2.75	192,758	2.11	76,669	4.07	22,497
Dec	2.10	109,209	2.74	195,206	2.26	78,779	4.05	22,543
2006 Jan	2.13	110,140	2.72	194,850	2.28	78,905	4.04	22,655
Feb	2.17	112,180	2.71	194,806	2.33	78,055	4.02	22,895
Mar	2.29	114,677	2.69	195,260	2.48	79,671	3.99	22,943
Apr	2.34	115,934	2.68	195,181	2.53	83,245	3.94	23,474
May	2.39	117,353	2.67	194,825	2.60	82,547	3.94	23,648
June	2.48	119,134	2.66	194,457	2.71	82,607	3.92	23,866
July	2.59	123,786	2.65	193,837	2.82	84,841	3.91	23,381

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
2005 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	6,792	4.46	30,942	5.47	904,553	8.73	74,731	5.76	71,856	6.15	328,911
Sep	4.95	6,930	4.40	30,916	5.45	906,439	8.74	76,920	5.75	70,882	6.14	328,568
Oct	4.88	6,746	4.37	30,687	5.42	908,391	8.81	76,284	5.73	70,158	6.12	328,289
Nov	4.89	6,778	4.35	30,701	5.40	911,024	8.68	73,793	5.68	70,586	6.10	327,736
Dec	5.00	6,674	4.33	30,827	5.36	913,041	8.83	76,436	5.64	70,569	6.07	326,570
2006 Jan	5.07	6,339	4.31	30,241	5.34	920,556	8.91	74,655	5.57	70,145	6.04	326,777
Feb	5.09	6,296	4.31	30,130	5.33	921,348	8.84	73,963	5.56	69,580	6.03	326,418
Mar	5.17	6,205	4.30	29,959	5.30	921,392	9.01	74,505	5.57	68,684	6.04	323,755
Apr	5.17	6,108	4.31	29,514	5.28	922,067	8.98	73,506	5.60	68,536	6.04	324,317
May	5.21	5,999	4.31	29,958	5.27	922,561	9.09	72,925	5.57	69,051	6.04	324,795
June	5.29	6,142	4.32	29,879	5.26	923,622	9.29	74,256	5.55	69,157	6.04	324,024
July	5.29	6,018	4.32	29,695	5.25	925,026	9.27	73,385	5.55	69,119	6.05	323,275

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
2005 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
Sep	4.58	162,536	3.92	87,116	4.98	477,806
Oct	4.57	159,761	3.89	87,126	4.96	479,099
Nov	4.54	157,383	3.92	86,744	4.94	479,951
Dec	4.62	155,094	3.98	85,524	4.91	480,327
2006 Jan	4.65	155,685	3.97	85,081	4.90	490,068
Feb	4.76	151,426	4.02	86,030	4.89	492,375
Mar	4.88	153,697	4.05	87,248	4.89	490,677
Apr	4.92	157,411	4.09	87,594	4.88	492,493
May	4.96	153,940	4.13	88,128	4.88	494,363
June	5.07	157,956	4.14	90,560	4.88	494,890
July	5.08	159,456	4.23	93,742	4.90	493,538

\* 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 / MFI interest rate statistics). — ° 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
2005 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	1.17	449,144	1.88	23,949	2.37	1,060	2.17	1,469	1.98	514,260	2.33	84,891
Sep	1.18	450,970	1.89	23,194	2.41	1,123	2.16	2,960	2.00	514,247	2.31	83,344
Oct	1.18	453,497	1.89	22,812	2.72	1,346	2.37	3,124	1.94	513,181	2.28	82,864
Nov	1.17	465,158	1.92	26,107	2.77	1,372	2.50	2,962	2.02	512,020	2.29	83,107
Dec	1.20	463,399	2.06	31,326	2.73	1,124	2.35	3,036	1.99	518,955	2.31	83,921
2006 Jan	1.22	462,356	2.16	31,502	2.81	2,112	2.69	7,533	2.00	517,768	2.33	84,615
Feb	1.23	464,324	2.21	27,206	2.72	1,715	2.60	4,571	2.00	517,281	2.35	84,898
Mar	1.26	465,115	2.29	32,612	2.84	1,401	2.46	1,823	1.96	515,333	2.39	85,689
Apr	1.31	469,686	2.32	28,341	3.09	1,529	2.55	2,024	1.99	513,543	2.43	85,904
May	1.34	469,841	2.37	29,853	3.14	1,548	2.63	1,690	1.99	509,976	2.49	87,032
June	1.35	470,361	2.49	31,399	3.23	1,592	2.55	1,922	2.05	507,349	2.54	88,337
July	1.36	465,849	2.63	33,317	3.25	2,212	2.90	2,150	2.05	503,445	2.59	89,399

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
2005 July	1.25	149,050	1.98	36,761	2.20	128	3.38	1,113
Aug	1.27	151,273	1.99	41,006	2.35	98	3.58	596
Sep	1.25	152,999	2.01	46,851	2.52	234	3.08	1,419
Oct	1.25	157,054	2.01	39,509	2.85	308	4.09	1,433
Nov	1.26	162,669	2.06	44,866	2.29	301	3.99	993
Dec	1.30	164,748	2.22	50,870	2.56	501	4.20	1,070
2006 Jan	1.34	156,885	2.24	47,599	2.66	203	4.08	866
Feb	1.38	153,233	2.29	41,033	2.91	296	3.83	1,366
Mar	1.47	153,285	2.51	47,007	3.10	392	3.56	948
Apr	1.52	156,243	2.59	45,185	3.09	446	3.96	859
May	1.51	157,638	2.55	51,722	3.78	252	4.14	529
June	1.57	157,582	2.67	50,441	4.07	321	3.38	1,133
July	1.61	158,282	2.77	46,614	3.52	554	4.12	1,103

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		
2005 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	5.54	1,085	6.23	4,073	8.70	3,487	3.63	8,483	4.64	1,550	4.50	2,399
Sep	7.91	5.41	1,203	6.16	5,262	8.71	3,081	3.58	9,626	4.61	1,858	4.30	2,490
Oct	7.83	5.16	1,295	6.00	4,314	8.98	2,752	3.65	6,797	4.60	1,415	4.32	2,295
Nov	7.53	5.33	1,102	5.75	4,327	8.63	2,993	3.70	5,719	4.51	1,500	4.44	2,844
Dec	6.98	4.85	1,443	5.64	4,631	7.89	2,778	3.97	9,234	4.69	2,336	4.44	5,586
2006 Jan	7.75	5.18	1,652	5.81	4,330	8.99	2,942	3.93	9,920	4.75	1,922	4.39	3,668
Feb	7.67	5.35	1,090	5.78	4,294	8.74	2,987	4.05	6,990	4.86	1,316	4.45	2,340
Mar	7.53	5.17	1,368	5.62	5,483	8.64	3,733	4.11	8,250	4.91	2,132	4.62	3,635
Apr	7.51	5.24	1,449	5.59	5,435	8.69	3,316	4.07	10,032	4.97	1,610	4.74	3,212
May	7.48	5.49	933	5.49	7,186	8.67	3,338	4.14	8,538	5.19	1,890	4.84	3,161
June	7.26	5.12	1,283	5.35	5,319	8.64	3,105	4.21	10,126	5.24	2,119	4.81	3,148
July	7.51	5.54	1,275	5.41	5,759	8.98	3,103	4.27	11,070	5.36	1,793	4.94	2,500

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)											
		Housing loans with an initial rate fixation of <sup>3</sup>									
Overdrafts <sup>11</sup>		Total	floating rate or up to 1 year <sup>10</sup>		over 1 year and up to 5 years		over 5 years and up to 10 years		over 10 years		
Reporting period	Effective interest rate <sup>1</sup> % pa	Volume <sup>12</sup> € million	Annual percentage rate of charge <sup>9</sup> % pa	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million
2005 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	4.19	4.30	2,010	3.88	2,439	4.10	5,789	4.19	4,615
Sep	10.42	50,075	4.18	4.21	2,095	3.95	2,331	4.11	5,388	4.16	4,390
Oct	10.53	49,007	4.19	4.22	2,603	3.94	2,395	4.11	5,674	4.18	3,873
Nov	10.40	46,684	4.25	4.36	2,062	4.05	2,620	4.14	6,669	4.25	4,629
Dec	10.47	49,066	4.34	4.44	2,522	4.25	3,138	4.19	8,514	4.32	5,545
2006 Jan	10.63	47,574	4.41	4.55	3,199	4.27	2,857	4.29	8,266	4.35	5,913
Feb	10.54	47,294	4.40	4.58	2,049	4.32	2,275	4.28	6,081	4.31	4,479
Mar	10.59	48,233	4.50	4.71	2,204	4.37	2,588	4.39	6,849	4.39	5,710
Apr	10.61	46,939	4.60	4.74	3,072	4.42	2,364	4.45	6,204	4.56	4,470
May	10.77	46,390	4.68	4.82	2,074	4.58	2,435	4.58	6,381	4.56	4,871
June	10.86	47,657	4.75	4.91	2,338	4.61	2,395	4.66	6,108	4.63	4,902
July	10.92	46,654	4.83	4.92	2,561	4.66	2,415	4.67	6,106	4.80	4,362

Loans to non-financial corporations								
			Loans up to €1 million with an initial rate fixation of <sup>13</sup>					
Overdrafts <sup>11</sup>			floating rate or up to 1 year <sup>10</sup>		over 1 year and up to 5 years		over 5 years	
Reporting period	Effective interest rate <sup>1</sup> % pa	Volume <sup>12</sup> € million	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million
2005 July	5.95	69,329	4.37	6,987	4.54	1,242	4.41	1,542
Aug	5.97	67,834	4.29	6,317	4.54	1,737	4.42	1,350
Sep	5.95	71,180	4.28	7,229	4.46	1,284	4.32	1,533
Oct	5.93	70,819	4.38	6,822	4.45	1,371	4.39	1,375
Nov	5.84	69,640	4.52	6,735	4.54	1,075	4.31	1,545
Dec	5.79	69,127	4.57	7,716	4.61	1,321	4.46	2,155
2006 Jan	5.86	68,636	4.49	6,725	4.74	1,206	4.48	1,513
Feb	6.02	67,921	4.60	5,966	4.80	1,106	4.43	1,787
Mar	6.04	68,216	4.71	8,373	4.82	1,470	4.46	2,130
Apr	6.14	69,334	4.90	7,905	4.98	1,140	4.43	1,793
May	6.13	69,129	4.98	8,997	5.08	1,433	4.53	2,132
June	6.26	70,516	5.04	9,035	5.00	1,210	4.80	1,897
July	6.29	68,073	5.11	7,920	5.14	1,225	4.88	1,895

Loans to non-financial corporations (cont'd)							
Loans over €1 million with an initial rate fixation of <sup>13</sup>							
floating rate or up to 1 year <sup>10</sup>		over 1 year and up to 5 years		over 5 years			
Reporting period	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million	Effective interest rate <sup>1</sup> % pa	Volume <sup>7</sup> € million	
2005 July	3.15	42,996	3.82	4,692	4.09	5,191	
Aug	3.17	40,536	3.72	4,520	4.10	5,272	
Sep	3.22	41,690	3.51	4,177	4.11	5,925	
Oct	3.15	42,531	3.89	3,182	3.97	5,831	
Nov	3.30	38,132	3.96	3,327	4.14	6,858	
Dec	3.46	55,247	3.94	5,163	4.15	11,083	
2006 Jan	3.40	44,581	4.04	5,404	4.17	6,838	
Feb	3.41	38,352	4.81	6,422	4.19	6,126	
Mar	3.75	48,056	4.03	4,699	4.38	6,675	
Apr	3.61	36,866	4.07	5,379	4.47	4,994	
May	3.76	36,909	4.37	5,659	4.61	6,865	
June	3.98	52,421	4.35	5,165	4.45	7,267	
July	4.00	45,935	4.59	4,568	4.74	5,698	

For footnotes \* and 1 to 6, see p 45\*. For footnotes + and 7 to 10, see p 46\*. — <sup>11</sup> 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. — <sup>12</sup> Estimated.

The volume of outstanding amounts reported is extrapolated to form the underlying total using the Horvitz-Thompson estimator. — <sup>13</sup> 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												
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	175,396	124,035	47,296	14,506	62,235	51,361	60,476	13,536	46,940	–	–	114,920
2003	177,847	134,455	31,404	30,262	72,788	43,392	86,554	35,748	50,806	–	–	91,293
2004	236,890	133,711	64,231	10,778	58,703	103,179	108,730	121,841	–	13,111	–	128,160
2005	258,684	110,542	39,898	2,682	67,965	148,142	102,658	61,740	40,918	–	–	156,026
2006 May	48,982	34,028	12,096	7,997	13,936	14,954	44,473	21,337	23,136	–	–	4,509
June	14,866	–	6,665	4,682	–	8,852	21,531	14,269	10,523	–	–	597
July	24,101	18,554	–	1,497	–	3,443	23,494	5,547	7,126	–	931	8,057

Shares									
Period	Sales = total purchases	Sales			Purchases				
		Domestic shares 8	Foreign shares 9	Foreign debt securities 3	Residents				Non-residents 12
					Total 10	Credit institutions 5,11	Non-banks 6		
DM million									
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	12,462	–	84,917	
2002	39,338	9,232	30,106	–	18,398	41,634	–	20,941	
2003	15,470	16,838	–	1,367	–	18,885	–	27,300	
2004	3,316	10,157	–	6,842	–	10,365	–	12,094	
2005	31,803	13,766	18,037	–	27,039	37,247	–	58,842	
2006 May	325	226	99	–	5,595	1,346	–	5,920	
June	3,206	362	2,844	–	25,005	5,556	–	28,211	
July	–	4,968	2,005	–	6,973	–	–	3,974	

\* 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>										
1993	733,126	434,829	49,691	218,496	34,028	132,616	457	297,841	87,309	
1994	627,331	412,585	44,913	150,115	39,807	177,750	486	214,261	61,465	
1995	620,120	470,583	43,287	208,844	41,571	176,877	200	149,338	102,719	
1996	731,992	563,076	41,439	246,546	53,508	221,582	1,742	167,173	112,370	
1997	846,567	621,683	53,168	276,755	54,829	236,933	1,915	222,972	114,813	
1998	1,030,827	789,035	71,371	344,609	72,140	300,920	3,392	238,400	149,542	
€ million										
1999	571,269	448,216	27,597	187,661	59,760	173,200	2,570	120,483	57,202	
2000	659,148	500,895	34,528	143,107	94,556	228,703	8,114	150,137	31,597	
2001	687,988	505,646	34,782	112,594	106,166	252,103	11,328	171,012	10,605	
2002	818,725	569,232	41,496	119,880	117,506	290,353	17,574	231,923	10,313	
2003	958,917	668,002	47,828	107,918	140,398	371,858	22,510	268,406	2,850	
2004	990,399	688,844	33,774	90,815	162,353	401,904	31,517	270,040	12,344	
2005	988,911	692,182	28,217	103,984	160,010	399,969	24,352	272,380	600	
2006 Apr	71,057	46,015	890	8,829	9,252	27,045	3,719	21,323	–	
May	77,018	51,962	6,015	5,909	12,607	27,430	5,544	19,513	69	
June	75,211	54,041	1,396	8,700	12,721	31,225	863	20,307	–	
July	70,145	40,810	2,123	6,632	5,871	26,184	503	28,833	–	
<b>of which: Debt securities with maturities of more than four years 5</b>										
1993	571,533	296,779	43,365	160,055	26,431	66,923	230	274,524	82,049	
1994	429,369	244,806	36,397	109,732	29,168	69,508	306	184,255	53,351	
1995	409,469	271,763	30,454	141,629	28,711	70,972	200	137,503	85,221	
1996	473,560	322,720	27,901	167,811	35,522	91,487	1,702	149,139	92,582	
1997	563,333	380,470	41,189	211,007	41,053	87,220	1,820	181,047	98,413	
1998	694,414	496,444	59,893	288,619	54,385	93,551	2,847	195,122	139,645	
€ million										
1999	324,888	226,993	16,715	124,067	37,778	48,435	2,565	95,331	44,013	
2000	319,330	209,187	20,724	102,664	25,753	60,049	6,727	103,418	27,008	
2001	299,751	202,337	16,619	76,341	42,277	67,099	7,479	89,933	6,480	
2002	309,157	176,486	16,338	59,459	34,795	65,892	12,149	120,527	9,213	
2003	369,336	220,103	23,210	55,165	49,518	92,209	10,977	138,256	2,850	
2004	424,769	275,808	20,060	48,249	54,075	153,423	20,286	128,676	4,320	
2005	425,523	277,686	20,862	63,851	49,842	143,129	16,360	131,479	400	
2006 Apr	23,322	13,307	611	5,090	2,869	4,737	2,502	7,513	–	
May	31,904	17,472	5,036	2,654	3,950	5,832	2,717	11,716	69	
June	26,324	18,100	1,017	4,158	3,423	9,502	60	8,164	–	
July	27,588	13,082	687	2,962	1,986	7,447	330	14,175	–	
<b>Net sales 6</b>										
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
€ million										
1999	209,096	170,069	2,845	80,230	–	31,754	55,238	2,185	36,840	22,728
2000	155,615	122,774	5,937	29,999	–	30,089	56,751	7,320	25,522	–
2001	84,122	60,905	6,932	9,254	–	28,808	34,416	8,739	14,479	–
2002	131,976	56,393	7,936	26,806	–	20,707	54,561	14,306	61,277	–
2003	124,556	40,873	2,700	42,521	–	44,173	36,519	18,431	65,253	–
2004	167,233	81,860	1,039	52,615	–	50,142	83,293	18,768	66,605	–
2005	141,715	65,798	–	2,151	–	34,255	64,962	10,099	65,819	–
2006 Apr	7,915	–	235	–	–	5,090	–	2,947	–	–
May	30,886	13,334	–	4,855	–	833	–	4,863	–	–
June	141	3,584	–	4,555	–	1,415	–	1,549	–	–
July	19,273	–	223	–	–	2,079	–	1,415	–	–

\* 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										
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	2,914,723	1,751,563	157,209	519,674	323,587	751,093	83,942	1,079,218	134,580	
2006 May	3,000,456	1,798,252	162,296	510,997	357,032	767,928	95,474	1,106,729	127,816	
June	3,000,597	1,801,837	157,741	509,581	361,470	773,044	93,925	1,104,835	122,153	
July	3,019,869	1,801,613	155,954	507,503	361,180	776,976	92,511	1,125,746	120,470	

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

#### Position at end-July 2006

	1,050,172	679,963	60,662	216,592	131,370	271,340	23,332	346,876	50,332
less than 2	685,325	450,123	35,773	145,524	92,580	176,245	15,378	219,824	44,929
2 to less than 4	460,032	262,638	33,824	84,469	42,566	101,778	20,930	176,463	8,578
4 to less than 6	265,103	136,692	15,440	32,354	24,182	64,716	10,044	118,367	7,845
6 to less than 8	312,813	178,089	9,745	17,928	24,320	126,097	11,234	123,491	2,534
8 to less than 10	52,664	29,155	459	5,493	13,730	9,472	2,101	21,408	2,893
10 to less than 15	30,501	17,739	50	1,696	11,658	4,335	403	12,357	1,657
15 to less than 20	163,260	47,215	-	3,448	20,776	22,992	9,087	106,957	1,705
20 and more									

\* Including debt securities temporarily held in the issuers' portfolios. — <sup>1</sup> Excluding debt securities handed to the trustee for temporary safe custody. — <sup>2</sup> 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 capitalisation) level at end of period under review <sup>2</sup>
			cash payments and exchange 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										
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	163,071	- 1,733	2,470	1,040	694	268	- 1,443	- 3,060	- 1,703	1,058,532
2006 May	162,681	372	83	119	10	337	- 12	19	- 146	1,140,152
June	162,549	- 132	223	347	3	2	- 1,145	929	- 490	1,121,571
July	162,727	178	535	93	17	13	- 77	169	- 235	1,115,885

\* Excluding shares of public limited investment companies. — <sup>0</sup> From January 1994, including the shares of east German companies (resultant increase in share circulation: DM7,771 million). — <sup>1</sup> Including shares issued out of company profits. — <sup>2</sup> 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 Herausbergemeinschaft Wertpapier-Mitteilungen and the Deutsche Börse AG. — <sup>3</sup> Figure revised downwards by DM1,902 million.

VII Capital market

5 Yields and indices on German securities

Period	Yields on debt securities outstanding issued by residents 1								Price indices 2,3				
	Public debt securities				Bank debt securities				Memo item Foreign DM/euro bonds issued by German- managed syndicates 1,5	Debt securities		Shares	
	Total	Total	Listed Federal securities		Total	With a residual maturity of more than 9 and including 10 years 4	With a residual maturity of more than 9 and including 10 years	Corporate bonds		German bond index (REX)	iBoxx € Germany price index	CDAX share price index	German share index (DAX)
			Total	With a residual maturity of more than 9 and including 10 years 4									
% per annum										Average daily rate	End-1998 = 100	End-1987 = 100	End-1987 = 1000
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	3.1	3.2	3.2	3.4	3.1	3.5	3.7	3.2	120.92	101.09	335.59	5,408.26	
2006 May	3.9	3.9	3.9	4.0	3.9	4.1	4.3	4.1	117.46	97.11	351.74	5,692.86	
June	3.9	3.9	3.9	4.0	3.9	4.2	4.3	4.2	116.42	96.49	349.39	5,683.31	
July	4.0	4.0	4.0	4.0	4.0	4.2	4.4	4.4	117.23	97.18	348.99	5,681.97	
Aug	3.9	3.9	3.9	3.9	3.9	4.1	4.2	4.3	117.67	97.93	359.96	5,859.57	

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

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

6 Sales and purchases of mutual fund shares in Germany

Period	Sales								Purchases							
	Sales = total pur- chases	Domestic mutual funds 1 (sales receipts)							Foreign funds 4	Residents						Non-resi- dents 5
		Total	Mutual funds open to the general public				Special- ised funds	Total		Credit institutions including building and loan associations 2		Non-banks 3				
			Money market funds	Secur- ities- based funds	Open- end real estate funds	of which Foreign mutual fund shares				of which Foreign mutual fund shares						
Total	Total	Money market funds	Secur- ities- based funds	Open- end real estate funds	Special- ised funds	Foreign funds 4	Total	Total	of which Foreign mutual fund shares	Total	of which Foreign mutual fund shares					
DM million																
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	46,738	43,943	20,079	924	7,408	14,166	23,864	2,795	48,496	2,658	734	51,154	2,061	1,758		
2004	12,386	1,453	3,978	6,160	1,246	3,245	5,431	10,933	7,715	8,446	3,796	731	7,137	4,671		
2005	81,581	41,718	6,400	124	7,001	3,186	35,317	39,863	80,648	21,290	7,761	59,358	32,102	933		
2006 May	3,061	4,539	297	678	234	505	4,242	1,478	2,777	2,079	200	698	1,678	284		
June	530	1,250	876	973	2,192	231	2,126	1,780	439	860	14	421	1,766	91		
July	85	126	601	645	180	86	474	211	326	489	154	815	57	411		

1 Including public limited investment companies. — 2 Book values. — 3 Residual. — 4 Net purchases or net sales (-) of foreign fund shares by residents; transaction values. — 5 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												
				Person-nel ex-pend-iture	Other operat-ing ex-pend-iture	Current grants	Interest	Fixed asset forma-tion	Finan-cial aid 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	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	555.4	446.2	599.6	169.9	69.8	213.9	66.6	40.1	39.2	- 44.2	445.1	449.1	- 4.0	923.3	971.4	- 48.2
2002 p	554.7	441.7	610.9	173.3	70.6	226.9	66.1	38.7	33.5	- 56.2	457.7	466.0	- 8.3	927.7	992.2	- 64.5
2003 pe	547.0	442.2	614.3	174.0	70.0	235.0	65.6	36.3	32.4	- 67.3	467.7	474.3	- 6.6	925.4	999.3	- 73.9
2004 pe	543.9	442.8	609.3	173.5	69.8	236.9	64.7	34.5	28.8	- 65.4	470.3	468.8	+ 1.5	925.3	989.3	- 64.0
2005 pe	567.9	452.1	621.2	172.4	72.0	244.9	64.0	33.3	33.4	- 53.2	468.5	471.4	- 2.8	946.9	1,002.9	- 56.1
2004 Q1	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	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	133.4	107.8	151.9	41.9	16.1	57.5	20.4	8.5	6.3	- 18.6	114.0	116.0	- 2.1	226.3	246.9	- 20.6
Q4 p	159.7	125.6	157.3	46.7	20.6	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
Q2 p	138.9	112.5	144.8	41.2	16.0	62.8	10.1	6.4	6.3	- 6.0	117.3	118.2	- 0.9	233.5	240.4	- 6.9
Q3 p	144.3	110.6	154.2	41.3	17.1	59.3	19.7	8.6	6.9	- 10.0	114.1	117.0	- 2.9	236.0	248.8	- 12.9
Q4 p	162.4	129.5	161.9	47.1	21.8	55.4	8.8	12.5	14.4	+ 0.5	118.1	118.3	- 0.2	264.3	264.0	+ 0.3

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
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	240.6	261.3	184.6	207.1	50.4	52.6	119.5	123.2	24.8	25.2
2002	240.8	273.5	183.6	207.6	48.1	53.3	121.7	125.0	25.2	25.4
2003	239.6	278.8	182.9	208.9	49.1	53.5	117.4	124.6	24.7	25.5
2004 pe	233.8	273.6	186.8	207.8	48.9	51.8	120.9	124.4	24.9	25.1
2005 pe	250.0	281.5	190.5	211.5	48.8	51.5	125.7	128.2	25.7	25.5
2004 Q1	44.8	73.4	42.7	52.1	11.1	12.8	25.8	29.7	5.4	5.5
Q2	56.4	62.3	46.3	51.0	11.3	11.5	28.8	29.0	5.7	5.8
Q3	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	29.9	30.4	6.2	5.9
Q3 p	68.8	73.2	44.4	50.5	12.2	12.4	31.5	31.5	6.3	6.4
Q4 p	73.8	67.4	52.8	57.4	13.6	15.0	38.0	36.7	7.8	7.6
2006 Q1 p	52.7	74.1	45.9	53.2	12.2	12.5	28.1	30.7	5.7	5.8

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

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



VIII Public finances in Germany

3 Government fiscal position as defined in the national accounts \*

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

Item	1998	1999	2000 <sup>1</sup>	2001	2002	2003	2004	2005 <sup>pe</sup>
Revenue	1,779.3	945.0	967.0	952.6	956.5	964.7	959.1	977.6
<i>of which</i>								
Taxes	897.3	490.4	511.7	488.3	485.5	489.7	487.2	499.8
Social contributions	727.8	375.4	378.4	383.7	390.7	396.1	396.7	397.0
Expenditure	1,862.9	974.3	990.7	1,012.2	1,034.8	1,051.7	1,041.5	1,050.2
<i>of which</i>								
Intermediate consumption	154.3	83.5	82.4	85.2	88.4	90.3	90.1	96.1
Compensation of employees	319.8	165.6	166.1	166.2	168.7	169.0	169.4	167.5
Interest	129.0	63.2	65.1	64.5	62.7	64.1	62.5	62.0
Social benefits <sup>2</sup>	998.4	523.1	532.7	551.2	579.8	594.2	592.8	597.7
Gross capital formation	69.4	37.6	36.8	36.8	36.0	33.7	31.4	30.2
Net lending/net borrowing	- 83.6	- 29.3	- 23.7	- 59.6	- 78.3	- 87.0	- 82.5	- 72.6
<i>Memo item</i>								
As defined in the Maastricht Treaty								
Deficit as % of GDP <sup>3,4</sup>	2.2	1.5	1.1	2.8	3.7	4.0	3.7	3.2
Debt level	2,317.6	1,224.3	1,231.0	1,241.5	1,293.0	1,381.0	1,451.0	1,520.7
as % of GDP <sup>3</sup>	60.3	60.9	59.7	58.8	60.3	63.9	65.7	67.9

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> GDP including financial intermediation services indirectly measured (FISIM). — <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	of which Eastern Germany		
			Central government <sup>2</sup>	Total				of which Eastern Germany	
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	442,238	390,437	214,002	155,510	.	20,925	51,673	4,751	+ 127
2004	442,838	386,459	208,918	157,901	.	19,641	56,237	5,233	+ 142
2005	452,078	392,313	211,810	158,792	.	21,711	59,750	5,838	+ 16
2006 Q1	...	90,827	45,234	38,702	.	6,892	...	...	...
Q2	...	104,964	57,521	43,338	.	4,105	...	...	...
2006 Mar	.	31,626	17,588	12,576	.	1,463	.	.	.
Apr	.	30,048	16,190	12,369	.	1,488	.	.	.
May	.	33,819	18,474	13,886	.	1,459	.	.	.
June	.	41,097	22,856	17,083	.	1,158	.	.	.
July	.	32,693	17,393	13,625	.	1,676	.	.	.

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							
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	415,355	161,960	118,919	9,766	16,333	16,943	139,712	108,440	31,273	6,218	83,507	20,579	3,378	23,042		
2006 Q1	95,851	36,593	28,095	- 2,104	5,184	5,418	35,873	27,508	8,365	313	15,897	6,258	916	5,024		
Q2	111,206	47,844	29,772	5,856	5,173	7,042	35,236	26,345	8,891	1,611	20,438	5,130	949	6,242		
2006 Mar	32,965	13,248	8,757	- 1,618	4,717	1,392	9,972	7,159	2,813	4	7,393	2,044	304	1,339		
Apr	31,742	11,151	9,583	- 193	37	1,725	11,111	8,088	3,023	1,089	6,389	1,672	330	1,694		
May	35,589	13,499	9,929	- 342	96	3,817	12,754	9,925	2,829	513	6,717	1,806	300	1,770		
June	43,874	23,193	10,260	6,391	5,041	1,501	11,371	8,331	3,040	8	7,332	1,652	319	2,777		
July	34,570	12,178	10,712	- 369	342	1,492	12,636	9,700	2,936	1,183	6,531	1,734	308	1,876		

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 The revenue from wage tax and assessed income tax is allocated to central, state and local government in the ratio of 42.5:42.5:15 and the revenue from the withholding tax on interest income is allocated to central, state and local government in the ratio of 44:44:12, while the revenue from corporation tax and non-assessed taxes on earnings is allocated to central and state government in the ratio of 50:50. — 3 From 1996, after deducting child benefit. — 4 Non-assessed taxes on earnings and the withholding tax on interest income. — 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
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	24,139	9,658	681
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	669
2005	40,101	14,273	2,142	8,750	6,462	11,779	8,673	97	4,097	777	6,935	32,129	10,247	565
2006 Q1	4,480	2,786	399	3,792	1,492	2,948	2,718	13	1,049	168	2,311	...	...	...
Q2	9,727	3,604	505	1,662	1,720	3,220	2,258	3	881	200	1,788	...	...	...
2006 Mar	3,296	1,132	280	522	791	1,373	834	3	381	54	772	.	.	.
Apr	3,161	1,275	156	512	500	786	703	3	312	59	596	.	.	.
May	3,429	1,043	186	633	438	989	804	- 1	317	64	622	.	.	.
June	3,137	1,286	164	517	782	1,445	751	1	252	77	570	.	.	.
July	3,374	1,217	183	431	475	852	719	2	286	78	648	.	.	.

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	arising from German unifica- tion 5,6	Equalisa- tion claims 6	Other 7
<b>General government</b>												
2000	1,211,455	11,616	109,951	126,276	35,991	438,888	433,443	211	10,524	301	44,146	108
2001	1,223,966	23,036	151,401	130,045	26,395	448,148	422,440	174	13,110	123	8,986	108
2002	1,277,667	30,815	203,951	137,669	17,898	456,300	404,046	137	18,844	66	7,845	97
2003	1,358,137	36,022	246,414	153,611	12,810	471,115	396,832	341	34,163	33	6,711	86
2004	1,430,582	35,722	279,796	168,958	10,817	495,547	379,984	430	53,672	2	5,572	82
2005 Mar	1,457,430	37,489	290,175	162,644	11,037	506,670	387,649	474	55,636	2	5,572	84
June	1,465,639	37,214	295,608	170,389	11,180	507,071	381,343	501	56,673	2	5,572	87
Sep	1,480,384	37,183	299,830	163,335	11,061	525,365	380,021	501	58,558	2	4,443	87
Dec	1,489,029	36,945	310,044	174,423	11,055	521,801	367,056	488	62,687	2	4,443	86
2006 Mar P	1,508,931	36,851	320,577	167,403	10,883	530,724	372,680	486	64,799	2	4,443	85
<b>Central government 8,9,10</b>												
2000	715,835	11,516	44,678	123,642	35,991	400,490	52,836	29	2,099	301	44,146	107
2001	701,115	21,136	59,643	119,911	26,395	416,195	47,111	26	1,481	123	8,986	107
2002	725,443	30,227	78,584	127,484	17,898	422,558	39,517	0	1,167	66	7,845	97
2003	767,713	35,235	87,538	143,425	12,810	436,181	38,146	223	7,326	33	6,711	85
2004	812,123	34,440	95,638	159,272	10,817	460,380	34,835	333	10,751	2	5,572	81
2005 Mar	870,406	36,393	102,959	162,592	11,037	495,478	45,119	373	10,798	2	5,572	83
June	874,053	36,021	105,227	170,338	11,180	495,879	38,778	408	10,562	2	5,572	86
Sep	885,192	35,989	106,836	163,284	11,061	514,173	38,303	408	10,608	2	4,443	86
Dec	886,254	36,098	108,899	174,371	11,055	510,866	29,318	408	10,710	2	4,443	85
2006 Mar	898,780	36,130	111,773	167,352	10,883	519,889	36,917	408	10,899	2	4,443	84
June	913,018	36,927	108,975	177,669	10,399	518,757	44,284	408	11,073	2	4,443	83
<b>State government (western)</b>												
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	376,697	750	148,219	.	.	.	193,216	3	34,508	.	.	1
2005 Mar	382,341	250	154,965	.	.	.	190,311	3	36,812	.	.	1
June	384,373	0	157,226	.	.	.	189,089	3	38,055	.	.	1
Sep	389,392	0	160,561	.	.	.	189,037	3	39,791	.	.	1
Dec	396,219	0	167,692	.	.	.	186,698	3	41,826	.	.	1
2006 Mar P	401,548	0	173,504	.	.	.	183,497	3	44,543	.	.	1
June P	401,612	0	178,058	.	.	.	177,340	2	46,210	.	.	1
<b>State government (eastern)</b>												
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	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	.	.	.
Sep	74,691	1,194	32,433	.	.	.	36,553	-	4,511	.	.	.
Dec	75,157	847	33,454	.	.	.	34,543	-	6,313	.	.	.
2006 Mar P	76,170	721	35,300	.	.	.	34,636	-	5,513	.	.	.
June P	76,935	492	36,927	.	.	.	33,978	.	5,538	.	.	.

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 (Bobs) 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 5,6	Equalisa- tion claims 6	Other 7
<b>Local government (western) 11</b>												
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	95,186	.	-	.	.	681	91,317	13	3,174	.	.	.
2005 Mar	95,843	.	-	.	.	591	92,062	15	3,175	.	.	.
June	97,493	.	-	.	.	591	93,712	15	3,175	.	.	.
Sep	97,743	.	-	.	.	591	93,962	15	3,175	.	.	.
Dec	98,960	.	-	.	.	335	95,261	11	3,352	.	.	.
2006 Mar p	100,233	.	-	.	.	335	96,533	10	3,355	.	.	.
<b>Local government (eastern) 11</b>												
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	17,353	.	-	.	.	131	16,914	73	235	.	.	.
2005 Mar	17,250	.	-	.	.	131	16,809	75	235	.	.	.
June	17,250	.	-	.	.	131	16,809	75	235	.	.	.
Sep	17,200	.	-	.	.	131	16,759	75	235	.	.	.
Dec	17,074	.	-	.	.	131	16,628	66	249	.	.	.
2006 Mar p	17,190	.	-	.	.	131	16,744	65	250	.	.	.
<b>ERP Special Fund 8</b>												
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	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	.	.	.
Sep	15,864	.	-	51	.	10,169	5,406	-	238	.	.	.
Dec	15,066	.	-	51	.	10,169	4,609	-	238	.	.	.
2006 Mar	14,811	.	-	51	.	10,169	4,353	-	238	.	.	.
June	14,811	.	-	51	.	10,169	4,353	-	238	.	.	.
<b>Indemnification Fund</b>												
2000	204	.	.	.	.	204	.	.	.	.	.	.
2001	285	.	.	.	.	285	.	.	.	.	.	.
2002	369	.	.	.	.	369	.	.	.	.	.	.
2003	469	.	.	.	.	469	.	.	.	.	.	.
2004	400	.	.	.	.	400	.	.	.	.	.	.
2005 Mar	302	.	.	.	.	302	.	.	.	.	.	.
June	302	.	.	.	.	302	.	.	.	.	.	.
Sep	301	.	.	.	.	301	.	.	.	.	.	.
Dec	300	.	.	.	.	300	.	.	.	.	.	.
2006 Mar	200	.	.	.	.	200	.	.	.	.	.	.
June	200	.	.	.	.	200	.	.	.	.	.	.
<b>German Unity Fund 8,10</b>												
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	38,650	-	4,538	9,634	.	23,787	690	-	-	.	.	.

Source: Bundesbank calculations based on data from the Federal Statistical Office. — \* Excluding direct 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 Excluding offsets against outstanding claims. — 7 Old debt mainly denominated in foreign currency, in accordance with the

London Debts Agreement; excluding debt securities in own portfolios. — 8 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. — 9 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. — 10 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. — 11 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 <sup>1</sup>						
				2004				2005		
	2004	2005	Mar 2006 p	Total	Total	Q1	Q2	Q3	Q4	Q1 p
<b>Borrowers</b>										
Central government <sup>2</sup>	812,123	886,254	898,780	+ 44,410	+ 35,479	+ 19,631	+ 3,646	+ 11,140	+ 1,062	+ 12,526
German Unity Fund <sup>2</sup>	38,650	–	–	– 450	–	–	–	–	–	–
ERP Special Fund	18,200	15,066	14,811	– 1,061	– 3,134	– 102	– 828	– 1,406	– 798	– 256
Indemnification Fund	400	300	200	– 69	– 99	– 98	+ 0	– 1	– 1	– 100
State government (western)	376,697	396,219	401,548	+ 21,036	+ 19,522	+ 5,644	+ 2,033	+ 5,019	+ 6,827	+ 5,329
State government (eastern)	71,975	75,157	76,170	+ 3,899	+ 3,182	+ 1,216	+ 1,707	– 209	+ 466	+ 1,014
Local government (western) <sup>3</sup>	95,186	98,960	100,233	+ 4,934	+ 4,126	+ 1,295	+ 1,701	+ 220	+ 910	+ 1,894
Local government (eastern) <sup>3</sup>	17,353	17,074	17,190	+ 373	– 105	– 103	+ 78	– 30	– 50	– 101
<b>Total</b>	<b>1,430,582</b>	<b>1,489,029</b>	<b>1,508,931</b>	<b>+ 73,070</b>	<b>+ 58,974</b>	<b>+ 27,485</b>	<b>+ 8,338</b>	<b>+ 14,735</b>	<b>+ 8,416</b>	<b>+ 20,305</b>
<b>Debt by category</b>										
Treasury discount paper (Bubills) <sup>4</sup>	35,722	36,945	36,851	– 299	+ 1,223	+ 1,766	– 275	– 31	– 238	– 94
Treasury notes <sup>5</sup>	279,796	310,044	320,577	+ 33,382	+ 30,248	+ 10,379	+ 5,433	+ 4,222	+ 10,214	+ 10,533
Five-year Federal notes (Bobl) <sup>5</sup>	168,958	174,423	167,403	+ 15,347	+ 5,465	– 6,314	+ 7,745	– 7,053	+ 11,087	– 7,019
Federal savings notes	10,817	11,055	10,883	– 1,993	+ 238	+ 219	+ 143	– 119	– 6	– 172
Bonds <sup>5</sup>	495,546	521,801	530,724	+ 24,431	+ 26,254	+ 11,123	+ 401	+ 18,294	– 3,564	+ 8,923
Direct lending by credit institutions <sup>6</sup>	379,984	367,056	372,680	– 16,223	– 12,402	+ 8,302	– 6,177	– 1,332	– 13,195	+ 6,027
Loans from social security funds	430	488	486	+ 89	+ 58	+ 44	+ 27	– 0	– 13	– 2
Other loans <sup>6</sup>	53,632	62,647	64,758	+ 19,509	+ 9,015	+ 1,963	+ 1,038	+ 1,884	+ 4,130	+ 2,111
Old debt <sup>7</sup>	84	88	87	– 35	+ 4	+ 2	+ 3	–	– 1	– 1
Equalisation claims	5,572	4,443	4,443	– 1,138	– 1,130	–	–	– 1,130	–	–
Investment assistance levy	41	41	41	–	–	–	–	–	–	–
<b>Total</b>	<b>1,430,582</b>	<b>1,489,029</b>	<b>1,508,931</b>	<b>+ 73,070</b>	<b>+ 58,974</b>	<b>+ 27,485</b>	<b>+ 8,338</b>	<b>+ 14,735</b>	<b>+ 8,416</b>	<b>+ 20,305</b>
<b>Creditors</b>										
<b>Banking system</b>										
Bundesbank	4,440	4,440	4,440	–	–	–	–	–	–	–
Credit institutions	541,700	514,000	520,100	+ 17,525	– 27,174	+ 7,837	– 20,071	+ 2,290	– 17,230	+ 6,503
<b>Domestic non-banks</b>										
Social security funds	430	488	486	+ 89	+ 58	+ 44	+ 27	– 0	– 13	– 2
Other <sup>8</sup>	264,112	266,401	262,105	– 11,544	+ 2,290	– 5,896	+ 1,082	– 1,255	+ 8,359	– 4,296
Foreign creditors p.e.	619,900	703,700	721,800	+ 67,000	+ 83,800	+ 25,500	+ 27,300	+ 13,700	+ 17,300	+ 18,100
<b>Total</b>	<b>1,430,582</b>	<b>1,489,029</b>	<b>1,508,931</b>	<b>+ 73,070</b>	<b>+ 58,974</b>	<b>+ 27,485</b>	<b>+ 8,338</b>	<b>+ 14,735</b>	<b>+ 8,416</b>	<b>+ 20,305</b>

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

own securities. — <sup>6</sup> Including loans raised abroad. — <sup>7</sup> 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. — <sup>8</sup> 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 <sup>1</sup>	Central government <sup>2,3</sup>	German Unity Fund <sup>3</sup>	ERP Special Fund	State government	Local government <sup>4,5</sup>	Federal Railways Fund <sup>3</sup>	Redemption Fund for Inherited Liabilities <sup>3</sup>	Equalisation Fund for Safeguarding the Use of Coal <sup>3</sup>
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	399,250	36,791	690	7,981	262,070	91,719	–	–	–
2005 Mar	399,307	36,069	–	7,878	264,478	90,882	–	–	–
June	394,307	31,898	–	7,050	264,757	90,601	–	–	–
Sep	392,741	30,680	–	5,644	265,990	90,427	–	–	–
Dec	389,505	26,796	–	4,846	266,257	91,606	–	–	–
2006 Mar P	384,796	26,411	–	4,591	263,214	90,580	–	–	–

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

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

## VIII Public finances in Germany

### 10 Central government debt

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

End of year or month	Treasury discount paper (Bubills) 1			Federal Treasury notes (Schätze) 2	Five-year Federal notes (Bobs) 2	Federal savings notes	Federal bonds (Bunds) 2	Direct lending by credit institutions 3,4	Indebtedness to non-banks		Old debt		
	Total	Total	of which Federal Treasury financing paper						Social security funds	Other 3,5,6	arising from German unification 7,8	Equalisation claims 8	Other 9
1998	958,004	24,666	4,558	84,760	199,274	92,698	519,718	24,125	–	2,603	1,290	8,684	186
1999 10	714,080	11,553	1,584	44,335	120,498	41,621	379,808	67,872	60	2,568	488	45,175	104
2000	715,835	11,516	1,805	44,678	123,642	35,991	400,490	52,836	29	2,099	301	44,146	107
2001	701,115	21,136	1,658	59,643	119,911	26,395	416,195	47,111	26	1,481	123	8,986	107
2002	725,443	30,227	1,618	78,584	127,484	17,898	422,558	39,517	0	1,167	66	7,845	97
2003	767,713	35,235	1,240	87,538	143,425	12,810	436,181	38,146	223	7,326	33	6,711	85
2004	812,123	34,440	1,074	95,638	159,272	10,817	460,380	34,835	333	10,751	2	5,572	81
2005 11	886,254	36,098	1,155	108,899	174,371	11,055	510,866	29,318	408	10,710	2	4,443	85
2005 July	889,851	36,128	1,091	110,360	171,179	11,186	506,393	39,106	408	10,562	2	4,443	86
Aug	878,817	35,886	1,095	110,935	156,950	11,125	514,177	34,243	408	10,562	2	4,443	86
Sep	885,192	35,989	1,076	106,836	163,284	11,061	514,173	38,303	408	10,608	2	4,443	86
Oct	888,191	35,734	1,073	113,486	168,448	11,088	503,350	40,541	408	10,608	2	4,443	85
Nov	890,379	35,275	1,118	115,057	169,537	10,981	509,857	34,125	408	10,608	2	4,443	86
Dec	886,254	36,098	1,155	108,899	174,371	11,055	510,866	29,318	408	10,710	2	4,443	85
2006 Jan	903,024	36,761	1,278	115,718	175,014	10,628	514,676	34,581	408	10,710	2	4,443	85
Feb	891,427	36,957	1,370	117,185	161,161	10,735	514,768	34,974	408	10,710	2	4,443	85
Mar	898,780	36,130	1,487	111,773	167,352	10,883	519,889	36,917	408	10,899	2	4,443	84
Apr	905,742	37,200	1,657	117,828	172,470	10,643	512,431	39,336	408	10,899	2	4,443	83
May	909,441	37,387	1,840	118,528	173,593	10,771	519,098	34,232	408	10,899	2	4,443	82
June	913,018	36,927	2,062	108,975	177,669	10,399	518,757	44,284	408	11,073	2	4,443	83
July	928,122	37,828	2,297	114,899	177,693	10,526	530,769	40,400	408	11,073	2	4,443	82

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 Excluding offsets against outstanding claims. — 9 Commutation and compensation debt and old debt mainly denominated in foreign currency. — 10 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. — 11 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										Change in money market deposits
			Federal bonds (Bunds)		Five-year Federal notes (Bobs)		Other securities 2		Loans against borrowers' notes		Money market loans		
	Gross 1	Net	Gross 1	Net	Gross 1	Net	Gross 1	Net	Gross	Net			
1998	+ 228,050	+ 52,301	+ 78,304	+ 38,099	+ 55,078	+ 21,553	+ 85,706	– 1,327	+ 12,023	– 2,927	– 3,065	– 5,440	
1999	+ 139,865	+ 31,632	+ 53,931	+ 114,080	+ 22,229	+ 18,610	+ 44,904	– 5,836	+ 14,861	+ 52,897	+ 3,937	+ 1,832	
2000	+ 122,725	+ 1,755	+ 49,395	+ 20,682	+ 26,342	+ 3,144	+ 45,278	– 5,323	+ 7,273	– 9,973	– 5,563	– 940	
2001	+ 135,018	– 14,719	+ 36,511	+ 15,705	+ 19,603	– 3,730	+ 69,971	+ 14,989	+ 5,337	– 9,941	+ 3,595	– 1,495	
2002	+ 178,203	+ 24,327	+ 41,378	+ 6,364	+ 36,037	+ 7,572	+ 93,853	+ 19,535	+ 4,716	– 10,155	+ 2,221	+ 22	
2003	+ 227,483	+ 42,270	+ 62,513	+ 13,623	+ 42,422	+ 15,942	+ 109,834	+ 8,874	+ 11,480	+ 3,775	+ 1,236	+ 7,218	
2004	+ 227,441	+ 44,410	+ 52,713	+ 24,199	+ 35,594	+ 15,847	+ 130,916	+ 5,313	+ 7,186	+ 1,620	+ 1,844	+ 802	
2005	+ 224,922	+ 35,479	+ 53,197	+ 26,700	+ 33,278	+ 5,465	+ 131,620	+ 10,618	+ 2,317	– 10,689	+ 4,511	+ 6,041	
2005 Jan-July	+ 143,253	+ 39,076	+ 38,555	+ 22,226	+ 15,236	+ 2,273	+ 78,608	+ 12,240	+ 1,318	– 6,073	+ 9,536	+ 11,008	
2006 Jan-July	+ 153,582	+ 41,868	+ 41,505	+ 19,903	+ 17,335	+ 3,322	+ 81,288	+ 7,201	+ 810	– 1,201	+ 12,646	+ 10,445	
2005 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	+ 25,105	+ 6,376	– 4	– 4	+ 6,335	+ 6,335	+ 14,044	– 4,060	+ 176	– 449	+ 4,554	+ 6,078	
Oct	+ 20,837	+ 2,999	– 654	– 10,823	+ 5,164	+ 5,164	+ 12,434	+ 6,421	+ 362	– 1,293	+ 3,532	– 1,720	
Nov	+ 10,845	+ 2,188	+ 6,507	+ 6,507	+ 1,089	+ 1,089	+ 7,279	+ 1,006	+ 159	– 2,226	– 4,189	– 3,840	
Dec	+ 14,366	– 4,124	+ 1,009	+ 1,009	+ 4,834	+ 4,834	+ 12,632	– 5,261	+ 233	– 365	– 4,341	+ 7,631	
2006 Jan	+ 31,775	+ 16,770	+ 11,949	+ 3,810	+ 643	+ 643	+ 13,760	+ 7,055	+ 196	+ 36	+ 5,227	+ 915	
Feb	+ 14,936	– 11,597	+ 6,326	+ 92	+ 160	– 13,853	+ 7,800	+ 1,770	+ 66	– 192	+ 585	– 14,595	
Mar	+ 29,077	+ 7,353	+ 5,121	+ 5,121	+ 6,191	+ 6,191	+ 15,218	– 6,091	+ 184	– 229	+ 2,362	+ 6,384	
Apr	+ 20,723	+ 6,962	– 231	– 7,459	+ 5,118	+ 5,118	+ 13,382	+ 6,885	+ 48	+ 14	+ 2,406	+ 5,080	
May	+ 9,983	+ 3,699	+ 6,667	+ 6,667	+ 1,123	+ 1,123	+ 7,022	+ 1,015	+ 137	– 110	– 4,965	+ 4,448	
June	+ 25,739	+ 3,577	– 341	– 341	+ 4,075	+ 4,075	+ 11,161	– 10,383	+ 56	– 562	+ 10,787	+ 5,121	
July	+ 21,350	+ 15,105	+ 12,013	+ 12,013	+ 25	+ 25	+ 12,946	+ 6,951	+ 123	– 128	– 3,756	+ 3,092	

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							
1993	290,393	232,408	52,671	298,065	252,920	15,898	- 7,672	39,786	29,957	8,499	1,100	229	6,297
1994	322,335	256,662	61,891	324,323	273,880	17,751	- 1,988	33,578	24,194	8,170	909	305	6,890
1995	338,185	270,294	64,387	348,115	294,034	20,285	- 9,930	21,756	16,801	3,948	746	262	7,800
1996 8	353,672	282,616	68,388	362,667	305,780	21,660	- 8,995	14,456	9,608	2,119	2,500	229	8,863
1997	374,853	297,402	74,961	372,955	316,511	23,280	+ 1,898	14,659	10,179	1,878	2,372	230	9,261
1998	389,101	297,827	88,755	385,707	327,823	24,393	+ 3,394	18,194	14,201	1,493	2,274	226	9,573
1999	208,173	152,206	54,628	203,295	172,919	12,950	+ 4,878	13,623	11,559	824	1,127	114	4,904
2000	211,137	150,712	58,862	210,558	178,599	13,365	+ 579	14,350	11,459	1,676	1,105	110	4,889
2001 8	216,927	152,048	63,093	217,497	184,730	13,762	- 570	13,973	10,646	1,517	1,699	111	4,917
2002	221,563	152,810	66,958	225,689	191,133	14,498	- 4,126	9,826	6,943	1,072	1,685	126	4,878
2003	229,371	156,510	71,447	231,362	196,038	15,178	- 1,991	7,641	5,017	816	1,682	126	4,862
2004 9	231,684	156,535	71,680	233,011	198,587	14,258	- 1,327	5,158	4,980	19	41	118	4,834
2005 p	229,027	156,259	71,548	233,153	200,161	13,440	- 4,126	1,974	1,794	16	43	122	4,912
2005 Q1	55,160	36,897	17,996	58,001	50,031	3,390	- 2,841	2,607	2,432	16	41	118	4,828
Q2	56,913	38,647	17,911	58,286	49,929	3,413	- 1,373	1,195	1,020	16	42	118	4,874
Q3	57,546	38,492	18,807	58,455	50,150	3,337	- 909	362	187	16	43	117	4,885
Q4	59,408	42,224	16,834	58,412	50,050	3,300	+ 996	1,974	1,794	16	43	122	4,912
2006 Q1	60,801	42,622	17,908	57,965	50,110	3,247	+ 2,836	4,452	4,293	16	43	101	4,924
Q2	60,537	42,351	17,877	58,328	50,143	3,257	+ 2,209	7,406	7,241	16	45	105	4,956

Source: Federal Ministry of Labour and Social Affairs and German pension insurance scheme. — \* 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 Including long-term care insurance scheme for pensioners from 1995 to 2004 Q1. — 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				Measures financed by levies 7	
						Western Germany	Eastern Germany	Total	Western Germany	Eastern Germany				
1993	85,109	79,895	1,829	109,536	48,005	34,149	13,856	36,891	15,895	20,996	2,840	- 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	2,753	- 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	2,627	- 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	2,318	- 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	1,756	- 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	2,540	- 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	1,349	- 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	1,330	- 868	867	
2001	50,682	47,337	1,640	52,613	25,036	16,743	8,294	20,713	11,094	9,619	1,660	- 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	2,215	- 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	1,948	- 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	1,641	- 4,176	4,175	
2005	52,692	46,989	1,436	53,089	27,654	20,332	7,322	11,590	7,421	4,169	1,450	- 397	397	
2005 Q1	11,934	11,072	40	14,775	7,983	5,805	2,178	3,332	2,083	1,249	410	- 2,842	5,532	
Q2	13,283	11,449	324	13,697	7,394	5,376	2,018	3,062	1,956	1,105	440	- 414	223	
Q3	12,924	11,618	420	12,662	6,357	4,720	1,637	2,576	1,670	906	372	+ 262	- 458	
Q4	14,551	12,850	652	11,954	5,920	4,431	1,489	2,620	1,712	908	228	+ 2,597	- 4,900	
2006 Q1	14,041	13,057	42	12,320	7,155	5,260	1,894	2,306	1,526	780	388	+ 1,721	538	
Q2	13,827	12,848	275	11,742	6,362	4,691	1,670	2,266	1,505	761	300	+ 2,084	- 538	

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, pension insurance and long-term care insurance schemes. 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. — 7 Promotion of winter construction and insolvency compensation to employees.

IX Economic conditions

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

Item	2004			2005					2006					
	2003	2004	2005	2003	2004	2005	2004	2005	2006	2006	2006	2006		
	Index 2000=100			Annual percentage change					Q4	Q1	Q2	Q3	Q4	Q1
<b>At constant prices, chained</b>														
<b>I Origin of domestic product</b>														
Production sector (excluding construction)	100.3	103.7	106.8	0.6	3.4	2.9	2.6	0.0	4.6	3.2	3.9	8.1	1.6	
Construction	86.9	83.0	80.1	- 4.4	- 4.5	- 3.4	- 5.4	- 11.2	- 1.3	- 0.8	- 1.4	2.0	0.5	
Wholesale/retail trade, hotel and restaurant services, transport and storage 1	101.6	105.1	106.5	- 1.0	3.5	1.3	3.8	- 0.2	2.6	1.9	0.8	3.7	2.1	
Financing, renting and business services 2	105.6	106.1	107.3	0.7	0.5	1.1	0.2	1.4	1.5	0.8	0.8	1.2	1.4	
Public and private services 3	102.4	102.5	102.5	0.1	0.1	- 0.1	- 0.3	0.0	- 0.3	0.2	- 0.1	0.2	- 0.2	
Gross value added	101.7	103.4	104.5	- 0.1	1.6	1.1	1.3	- 0.1	1.9	1.3	1.2	3.1	1.1	
Gross domestic product 4	101.1	102.3	103.2	- 0.2	1.2	0.9	0.9	- 0.6	1.7	1.4	1.1	3.1	1.0	
<b>II Use of domestic product</b>														
Private consumption 5	101.0	101.1	101.1	- 0.1	0.1	0.1	0.8	- 0.6	0.8	1.0	- 0.9	1.5	- 0.2	
Government consumption	102.5	101.2	101.8	0.4	- 1.3	0.6	- 2.9	- 0.7	1.2	0.9	1.1	2.1	0.8	
Machinery and equipment	89.0	92.8	98.5	- 0.1	4.2	6.1	6.4	5.4	9.6	4.1	5.4	9.5	3.7	
Premises	88.4	85.0	82.0	- 1.6	- 3.8	- 3.6	- 4.9	- 10.8	- 1.7	- 1.3	- 1.6	1.9	0.4	
Other investment 6	110.2	111.6	116.8	2.5	1.2	4.7	0.5	0.9	5.9	6.4	5.5	4.8	3.8	
Changes in inventories 7 8	.	.	.	0.7	0.3	0.2	0.5	- 0.1	0.8	- 0.5	0.4	0.4	- 0.1	
Domestic use	98.1	98.1	98.6	0.6	0.0	0.5	0.4	- 1.2	2.1	0.5	0.5	2.7	0.4	
Net exports 8	.	.	.	- 0.8	1.2	0.4	0.4	0.6	- 0.2	0.9	0.6	0.5	0.6	
Exports	113.7	124.6	133.2	2.4	9.6	6.9	9.0	4.5	5.5	9.4	8.0	15.0	9.3	
Imports	105.1	112.4	119.8	5.4	6.9	6.5	8.7	3.5	7.4	7.7	7.3	16.1	8.9	
Gross domestic product 4	101.1	102.3	103.2	- 0.2	1.2	0.9	0.9	- 0.6	1.7	1.4	1.1	3.1	1.0	
<b>At current prices (€ billion)</b>														
<b>III Use of domestic product</b>														
Private consumption 5	1,281.8	1,302.9	1,321.1	1.4	1.7	1.4	2.4	0.6	1.8	2.3	0.8	3.3	1.5	
Government consumption	417.2	415.1	419.6	1.3	- 0.5	1.1	- 1.8	0.0	1.8	1.5	1.1	3.5	1.8	
Machinery and equipment	147.3	151.9	159.4	- 3.0	3.1	5.0	5.5	4.5	8.2	3.2	4.1	8.4	2.7	
Premises	213.1	207.9	202.3	- 1.6	- 2.5	- 2.7	- 3.0	- 9.0	- 0.9	- 0.9	- 1.0	2.8	2.1	
Other investment 6	24.3	24.7	25.2	- 0.9	1.5	2.1	2.2	0.7	2.3	2.4	2.9	2.2	2.6	
Changes in inventories 7	- 7.7	- 6.1	- 2.6	.	.	.	.	.	.	.	.	.	.	
Domestic use	2,076.0	2,096.3	2,125.0	1.5	1.0	1.4	1.5	- 0.2	2.8	1.4	1.4	4.0	1.7	
Net exports	85.5	110.9	116.0	.	.	.	.	.	.	.	.	.	.	
Exports	770.7	844.1	912.3	0.7	9.5	8.1	10.0	5.9	6.6	10.3	9.4	17.0	12.3	
Imports	685.2	733.2	796.3	2.6	7.0	8.6	10.9	5.4	9.1	9.8	9.8	20.8	13.7	
Gross domestic product 4	2,161.5	2,207.2	2,241.0	0.9	2.1	1.5	1.5	0.3	2.2	1.9	1.7	3.6	1.8	
<b>IV Prices (2000 = 100)</b>														
Private consumption	104.6	106.2	107.6	1.6	1.6	1.3	1.6	1.2	1.0	1.3	1.7	1.7	1.6	
Gross domestic product	103.7	104.6	105.2	1.0	0.9	0.6	0.7	0.9	0.5	0.5	0.6	0.5	0.8	
Terms of trade	102.9	102.8	101.9	1.0	- 0.2	- 0.8	- 1.1	- 0.5	- 0.6	- 1.0	- 1.0	- 2.1	- 1.6	
<b>V Distribution of national income</b>														
Compensation of employees	1,131.7	1,136.8	1,129.3	0.3	0.5	- 0.7	0.1	- 0.6	- 0.6	- 0.8	- 0.7	- 0.1	0.5	
Entrepreneurial and property income	465.3	513.8	545.9	3.9	10.4	6.2	9.6	3.7	7.7	6.5	7.1	10.4	0.9	
National income	1,597.0	1,650.6	1,675.1	1.3	3.4	1.5	2.5	0.8	2.1	1.6	1.5	3.4	0.6	
Memo item: Gross national income	2,145.8	2,209.4	2,248.2	1.4	3.0	1.8	2.5	1.0	2.4	2.1	1.6	3.1	0.9	

Source: Federal Statistical Office; figures computed in August 2006. — 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 <sup>o</sup>

Period	of which											
	Production sector, total	Construc-tion <sup>2</sup>	Energy <sup>3</sup>	Industry <sup>1</sup>								
				Total	of which: by main industrial grouping				of which: by economic sector			
				Inter-mediate goods <sup>4</sup>	Capital goods <sup>5</sup>	Durable goods	Non-durable goods <sup>6</sup>	Chemicals and chemical products	Basic metals	Machinery and equipment	Motor vehicles, trailers and semi-trailers	
2000 = 100												
2001	99.5	92.7	97.3	100.4	99.4	102.3	100.4	98.8	98.0	101.1	102.1	104.0
2002	98.3	88.7	97.4	99.3	98.9	101.1	92.0	98.2	101.7	101.8	99.5	105.4
2003	98.4	84.9	99.8	99.5	99.5	102.0	87.2	97.4	102.0	99.9	97.8	107.6
2004	100.9	80.6	102.7	102.5	103.3	105.7	87.4	98.0	104.6	103.7	101.2	111.9
2005	103.7	76.1	102.8	106.3	106.5	111.0	87.8	101.0	110.0	104.6	106.1	116.8
2004 Nov	106.8	86.8	110.1	108.3	107.7	112.3	94.4	104.9	107.7	105.2	104.2	120.4
Dec	95.9	62.4	115.6	96.9	89.5	107.9	78.8	95.5	99.1	84.3	118.3	93.0
2005 Jan	94.5	47.9	112.6	96.9	101.0	95.4	81.8	94.6	109.9	104.9	86.3	106.8
Feb	94.7	43.3	107.8	98.1	99.2	100.5	85.8	94.1	107.0	101.8	93.1	112.2
Mar	106.6	60.3	112.3	110.3	108.7	117.8	95.9	102.5	116.5	109.2	113.8	126.4
Apr	102.7	80.5	101.3	104.9	106.1	109.4	87.1	97.4	108.6	106.2	101.2	122.5
May	100.6	83.2	97.8	102.5	105.2	104.6	79.6	97.8	108.6	102.8	99.0	112.1
June	106.3	88.5	92.5	109.5	109.3	117.3	90.5	99.1	108.0	107.7	115.6	122.3
July	106.8	93.0	96.5	109.1	110.2	114.0	83.9	102.8	112.7	108.3	107.7	122.3
Aug	95.7	84.2	92.4	97.2	101.5	94.9	70.0	98.7	108.2	96.1	92.0	90.4
Sep	110.8	92.3	93.6	114.3	113.4	121.4	97.8	106.3	111.4	109.6	114.5	129.7
Oct	113.0	93.2	104.0	115.8	115.6	119.5	100.4	112.8	118.0	112.8	108.0	131.5
Nov	112.2	85.7	107.8	115.1	113.6	122.1	99.2	108.2	110.7	111.0	113.3	130.0
Dec	100.3	61.3	115.5	102.3	94.4	115.5	81.6	97.9	100.9	84.5	128.6	95.7
2006 Jan	98.0	41.6	119.5	100.9	104.5	101.0	86.0	96.4	113.5	104.4	92.5	107.3
Feb	100.3	45.6	109.1	104.3	105.2	109.3	89.5	95.8	109.6	106.7	99.4	121.6
Mar	7 111.5	7 62.8	112.5	115.9	116.3	124.0	98.4	103.0	118.4	116.8	117.3	131.5
Apr +	7 107.0	7 85.5	102.2	109.5	112.1	113.0	92.0	101.2	113.6	108.3	107.6	119.7
May +	7 106.6	7 87.7	96.0	109.5	112.5	113.6	88.7	99.7	111.4	109.5	109.0	121.1
June +	7 111.2	7 93.1	93.7	114.8	117.4	121.7	92.3	100.8	114.3	114.4	117.9	125.0
July x p	7 111.8	7 98.8	95.5	114.8	117.9	120.5	90.0	102.6	118.1	110.0	113.7	128.8
Annual percentage change												
2001	- 0.5	- 7.7	- 2.6	+ 0.5	- 0.5	+ 2.4	+ 0.6	- 1.1	- 1.9	+ 1.1	+ 2.2	+ 4.1
2002	- 1.2	- 4.3	+ 0.1	- 1.1	- 0.5	- 1.2	- 8.4	- 0.6	+ 3.8	+ 0.7	- 2.5	+ 1.3
2003	+ 0.1	- 4.3	+ 2.5	+ 0.2	+ 0.6	+ 0.9	- 5.2	- 0.8	+ 0.3	- 1.9	- 1.7	+ 2.1
2004	+ 2.5	- 5.1	+ 2.9	+ 3.0	+ 3.8	+ 3.6	+ 0.2	+ 0.6	+ 2.5	+ 3.8	+ 3.5	+ 4.0
2005	+ 2.8	- 5.6	+ 0.1	+ 3.7	+ 3.1	+ 5.0	+ 0.5	+ 3.1	+ 5.2	+ 0.9	+ 4.8	+ 4.4
2004 Nov	+ 0.5	- 5.1	+ 5.3	+ 0.5	+ 2.3	- 1.3	- 5.7	+ 1.7	+ 6.2	+ 1.8	- 1.5	- 3.6
Dec	+ 0.9	- 7.1	+ 8.0	+ 0.7	+ 2.8	- 0.8	- 4.9	+ 1.4	+ 7.0	+ 1.6	+ 0.4	- 4.6
2005 Jan	+ 2.8	- 1.4	- 3.1	+ 3.9	+ 4.6	+ 5.3	- 1.9	+ 1.1	+ 7.9	+ 0.3	+ 4.6	+ 9.8
Feb	+ 0.6	- 23.2	+ 1.2	+ 2.0	+ 0.5	+ 3.7	- 0.8	+ 2.3	+ 5.3	- 1.3	+ 6.2	+ 1.9
Mar	+ 1.1	- 23.1	+ 1.8	+ 2.8	+ 0.7	+ 5.4	- 0.2	+ 2.9	+ 8.4	- 2.2	+ 7.1	+ 3.9
Apr	+ 2.1	- 6.4	+ 0.3	+ 2.9	+ 1.6	+ 5.4	- 1.1	+ 1.1	+ 0.9	+ 2.0	+ 2.7	+ 7.2
May	+ 0.8	- 4.4	+ 0.2	+ 1.2	+ 1.6	+ 0.6	- 7.7	+ 3.3	+ 6.0	- 2.5	+ 0.5	- 2.7
June	+ 2.6	- 4.3	+ 1.5	+ 3.4	+ 2.0	+ 5.6	+ 4.0	+ 2.0	+ 4.3	- 3.1	+ 8.6	+ 1.3
July	+ 3.4	- 2.7	+ 4.2	+ 3.8	+ 2.9	+ 5.4	- 3.6	+ 3.7	+ 6.7	+ 1.6	+ 2.2	+ 9.1
Aug	+ 2.0	- 1.5	+ 1.9	+ 2.4	+ 2.9	+ 1.5	+ 2.8	+ 3.0	+ 4.3	+ 2.2	+ 2.8	- 0.2
Sep	+ 3.7	- 2.8	- 1.8	+ 4.8	+ 4.0	+ 5.8	+ 1.0	+ 4.8	+ 5.1	+ 2.1	+ 1.5	+ 7.5
Oct	+ 4.4	- 0.1	- 0.8	+ 5.4	+ 5.2	+ 5.0	+ 3.9	+ 7.0	+ 9.3	+ 5.6	+ 3.8	+ 3.6
Nov	+ 5.1	- 1.3	- 2.1	+ 6.3	+ 5.5	+ 8.7	+ 5.1	+ 3.1	+ 2.8	+ 5.5	+ 8.7	+ 8.0
Dec	+ 4.6	- 1.8	- 0.1	+ 5.6	+ 5.5	+ 7.0	+ 3.6	+ 2.5	+ 1.8	+ 0.2	+ 8.7	+ 2.9
2006 Jan	+ 3.7	- 13.2	+ 6.1	+ 4.1	+ 3.5	+ 5.9	+ 5.1	+ 1.9	+ 3.3	- 0.5	+ 7.2	+ 0.5
Feb	+ 5.9	+ 5.3	+ 1.2	+ 6.3	+ 6.0	+ 8.8	+ 4.3	+ 1.8	+ 2.4	+ 4.8	+ 6.8	+ 8.4
Mar	7 + 4.6	7 + 4.1	+ 0.2	+ 5.1	+ 7.0	+ 5.3	+ 2.6	+ 0.5	+ 1.6	+ 7.0	+ 3.1	+ 4.0
Apr +	7 + 4.2	7 + 6.2	+ 0.9	+ 4.4	+ 5.7	+ 3.3	+ 5.6	+ 3.9	+ 4.6	+ 2.0	+ 6.3	- 2.3
May +	7 + 6.0	7 + 5.4	- 1.8	+ 6.8	+ 6.9	+ 8.6	+ 11.4	+ 1.9	+ 2.6	+ 6.5	+ 10.1	+ 8.0
June +	7 + 4.6	7 + 5.2	+ 1.3	+ 4.8	+ 7.4	+ 3.8	+ 2.0	+ 1.7	+ 5.8	+ 6.2	+ 2.0	+ 2.2
July x p	7 + 4.7	7 + 6.2	- 1.0	+ 5.2	+ 7.0	+ 5.7	+ 7.3	- 0.2	+ 4.8	+ 1.6	+ 5.6	+ 5.3

Source of the unadjusted figures: Federal Statistical Office. — <sup>o</sup> Using the Census X-12-ARIMA method, version 0.2.8. — <sup>1</sup> Manufacturing sector, unless assigned to the main grouping energy, plus mining and quarrying. — <sup>2</sup> The figures refer to the economic classifications "Site preparation" and "Building of complete constructions or parts thereof; civil engineering". — <sup>3</sup> 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. — <sup>4</sup> Including mining and quarrying. — <sup>5</sup> Including manufacture of motor vehicles, trailers and

semi-trailers. — <sup>6</sup> Including printing and service activities related to printing. — <sup>7</sup> 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 second quarter 2006 (industry: on average -3.7%). — x Adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the third quarter 2006 (industry: on average -3.7%).

IX Economic conditions

3 Orders received by industry \*  
Germany

Adjusted for working-day variations ◦

Period	Industry		of which				of which					
			Intermediate goods		Capital goods <sup>1</sup>		Consumer goods <sup>2</sup>		Durable goods		Non-durable goods <sup>2</sup>	
	2000=100	Annual percentage change	2000=100	Annual percentage change	2000=100	Annual percentage change	2000=100	Annual percentage change	2000=100	Annual percentage change	2000=100	Annual percentage change
<b>total</b>												
2001	98.3	- 1.6	95.9	- 4.0	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	99.5	+ 0.1	99.0	- 2.4	95.7	- 4.1	101.0	- 1.4
2003	99.0	+ 0.8	97.8	+ 1.5	100.7	+ 1.2	95.6	- 3.4	90.3	- 5.6	98.8	- 2.2
2004	105.1	+ 6.2	104.9	+ 7.3	107.6	+ 6.9	95.1	- 0.5	89.3	- 1.1	98.7	- 0.1
2005	111.7	+ 6.3	109.9	+ 4.8	116.1	+ 7.9	99.7	+ 4.8	91.4	+ 2.4	104.9	+ 6.3
2005 July	114.4	+ 8.0	113.6	+ 6.5	118.3	+ 9.7	101.3	+ 5.6	88.7	+ 0.6	109.0	+ 8.2
Aug	101.7	+ 6.5	102.0	+ 3.4	102.2	+ 8.7	98.4	+ 7.0	79.0	+ 7.9	110.4	+ 6.6
Sep	117.9	+ 8.3	114.6	+ 5.5	123.5	+ 11.5	105.7	+ 4.3	99.5	+ 4.6	109.5	+ 4.2
Oct	118.6	+ 9.9	117.3	+ 7.7	122.7	+ 12.3	106.5	+ 7.6	102.7	+ 6.4	108.8	+ 8.2
Nov	119.9	+ 13.6	116.8	+ 9.3	126.3	+ 18.6	104.0	+ 7.1	102.5	+ 7.6	104.8	+ 6.7
Dec	114.2	+ 5.4	103.6	+ 9.1	128.3	+ 3.2	91.4	+ 5.8	83.2	+ 6.8	96.4	+ 5.1
2006 Jan	117.5	+ 9.8	115.5	+ 5.7	123.2	+ 14.5	100.5	+ 3.4	91.9	+ 4.0	105.9	+ 3.2
Feb	121.3	+ 15.4	116.2	+ 11.3	129.1	+ 21.4	105.8	+ 3.1	92.3	+ 5.4	114.1	+ 2.0
Mar	127.3	+ 8.5	125.9	+ 10.3	131.9	+ 8.0	112.8	+ 4.2	103.2	+ 6.2	118.8	+ 3.1
Apr	121.3	+ 15.0	123.7	+ 16.9	124.5	+ 15.5	100.8	+ 5.8	95.8	+ 5.7	103.9	+ 5.8
May	r 118.9	r + 12.7	r 122.8	r + 15.4	121.0	+ 11.6	98.0	+ 8.3	93.7	+ 10.2	100.7	+ 7.2
June	124.5	+ 9.6	129.1	+ 16.2	127.5	+ 6.2	97.3	+ 2.0	93.8	+ 2.0	99.3	+ 1.8
July p	124.8	+ 9.1	127.7	+ 12.4	127.8	+ 8.0	103.6	+ 2.3	92.2	+ 3.9	110.8	+ 1.7
<b>from the domestic market</b>												
2001	97.6	- 2.3	96.4	- 3.5	98.0	- 2.0	99.9	± 0.0	99.5	- 0.4	100.2	+ 0.3
2002	94.6	- 3.1	94.6	- 1.9	94.7	- 3.4	94.6	- 5.3	92.0	- 7.5	96.3	- 3.9
2003	94.6	± 0.0	95.0	+ 0.4	96.0	+ 1.4	89.9	- 5.0	86.3	- 6.2	92.1	- 4.4
2004	98.3	+ 3.9	100.3	+ 5.6	100.1	+ 4.3	87.2	- 3.0	83.0	- 3.8	89.8	- 2.5
2005	101.4	+ 3.2	103.5	+ 3.2	102.8	+ 2.7	91.0	+ 4.4	85.2	+ 2.7	94.6	+ 5.3
2005 July	103.7	+ 4.2	107.6	+ 3.5	103.9	+ 4.0	91.8	+ 7.0	83.5	+ 5.2	96.9	+ 8.0
Aug	96.1	+ 4.5	98.7	+ 2.5	95.7	+ 6.5	89.8	+ 5.0	74.5	+ 6.4	99.2	+ 4.4
Sep	105.8	+ 5.7	107.2	+ 4.3	107.7	+ 7.9	96.7	+ 4.0	92.7	+ 5.5	99.2	+ 3.2
Oct	107.3	+ 4.7	111.0	+ 5.4	106.6	+ 3.2	98.6	+ 7.1	95.6	+ 6.3	100.4	+ 7.5
Nov	107.3	+ 7.5	110.9	+ 6.8	107.7	+ 8.5	95.9	+ 7.0	96.0	+ 7.3	95.8	+ 6.9
Dec	98.0	- 0.6	95.5	+ 7.2	105.9	- 7.9	82.6	+ 4.3	75.5	+ 4.1	87.0	+ 4.3
2006 Jan	102.3	+ 5.1	106.9	+ 3.9	102.2	+ 7.7	89.2	+ 1.0	86.4	+ 4.1	91.0	- 0.5
Feb	103.4	+ 7.9	106.9	+ 9.4	102.8	+ 8.1	95.1	+ 2.8	86.4	+ 4.9	100.4	+ 1.7
Mar	112.9	+ 5.7	115.6	+ 8.4	114.5	+ 4.6	100.5	+ 0.7	95.5	+ 3.9	103.6	- 1.1
Apr	107.4	+ 9.5	114.8	+ 14.7	106.2	+ 6.3	89.9	+ 3.1	86.1	+ 2.5	92.3	+ 3.5
May	r 107.1	r + 11.6	r 115.0	r + 15.0	106.2	+ 9.9	87.4	+ 5.8	85.9	+ 9.7	88.4	+ 3.8
June	110.7	+ 6.4	119.5	+ 14.7	110.6	+ 0.5	85.9	- 0.8	85.3	+ 0.4	86.2	- 1.6
July p	112.5	+ 8.5	121.1	+ 12.5	111.7	+ 7.5	90.5	- 1.4	83.9	+ 0.5	94.6	- 2.4
<b>from abroad</b>												
2001	99.1	- 0.9	95.1	- 4.9	100.6	+ 0.6	104.8	+ 4.9	100.4	+ 0.4	107.4	+ 7.5
2002	102.7	+ 3.6	99.1	+ 4.2	104.1	+ 3.5	108.6	+ 3.6	103.9	+ 3.5	111.4	+ 3.7
2003	104.4	+ 1.7	102.3	+ 3.2	105.1	+ 1.0	108.2	- 0.4	99.3	- 4.4	113.8	+ 2.2
2004	113.5	+ 8.7	112.2	+ 9.7	114.5	+ 8.9	112.5	+ 4.0	103.1	+ 3.8	118.4	+ 4.0
2005	124.7	+ 9.9	119.9	+ 6.9	128.4	+ 12.1	118.9	+ 5.7	104.9	+ 1.7	127.6	+ 7.8
2005 July	127.8	+ 12.1	123.0	+ 10.8	131.5	+ 14.2	122.2	+ 3.2	100.2	- 6.8	136.0	+ 8.6
Aug	108.6	+ 8.7	107.2	+ 5.0	108.2	+ 10.7	117.4	+ 10.4	88.8	+ 10.9	135.2	+ 10.2
Sep	133.0	+ 11.0	126.2	+ 7.2	138.1	+ 14.1	125.5	+ 4.9	114.3	+ 3.2	132.5	+ 5.9
Oct	132.8	+ 15.8	127.1	+ 11.0	137.5	+ 19.7	124.0	+ 8.4	118.3	+ 6.7	127.6	+ 9.4
Nov	135.7	+ 20.4	125.9	+ 12.7	143.5	+ 26.8	121.8	+ 7.0	116.8	+ 8.0	124.9	+ 6.4
Dec	134.5	+ 11.6	116.2	+ 11.4	148.9	+ 12.1	110.8	+ 8.3	100.1	+ 11.5	117.4	+ 6.6
2006 Jan	136.5	+ 14.5	128.9	+ 8.0	142.6	+ 19.4	125.5	+ 7.4	103.9	+ 3.7	138.9	+ 9.1
Feb	143.6	+ 23.1	130.7	+ 13.9	153.3	+ 31.5	129.4	+ 3.5	105.1	+ 6.1	144.5	+ 2.3
Mar	145.3	+ 11.3	142.0	+ 12.8	148.0	+ 10.7	140.1	+ 10.2	120.0	+ 10.2	152.6	+ 10.2
Apr	138.6	+ 20.7	137.5	+ 19.9	141.3	+ 22.8	124.9	+ 10.3	117.2	+ 11.4	129.7	+ 9.7
May	r 133.6	r + 13.9	r 135.1	r + 16.2	134.6	+ 12.9	121.3	+ 12.2	110.8	+ 11.1	127.9	+ 12.8
June	141.7	+ 12.8	144.2	+ 18.2	143.0	+ 10.5	122.4	+ 6.5	112.6	+ 4.7	128.5	+ 7.5
July p	140.2	+ 9.7	138.1	+ 12.3	142.6	+ 8.4	132.7	+ 8.6	110.3	+ 10.1	146.7	+ 7.9

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

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

IX Economic conditions

4 Orders received by construction \*

Adjusted for working-day variations ◦

Period	Germany					Western Germany 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	2000 = 100
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	81.9	94.0
2003	79.3	- 10.7	67.5	78.6	87.5	82.0	- 11.0	75.6	79.7	88.7	72.0	- 9.5	45.1	75.4	84.4
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	35.8	67.7	85.2
2005	73.8	- 0.7	56.9	74.5	83.5	77.8	+ 1.0	66.5	78.0	84.8	62.6	- 6.7	30.5	64.2	80.1
2005 June	88.5	- 1.6	66.7	86.0	105.1	93.6	- 0.8	79.0	90.9	105.9	74.7	- 3.7	33.0	71.5	102.8
July	81.5	+ 3.3	59.1	74.3	103.5	84.2	+ 2.6	68.6	74.5	105.4	74.0	+ 5.4	32.9	73.8	98.5
Aug	82.4	+ 6.3	57.5	81.7	98.8	86.9	+ 11.3	67.3	86.7	99.5	70.2	- 7.4	30.5	67.3	96.8
Sep	89.1	+ 3.7	63.8	88.9	105.2	93.9	+ 5.4	74.4	92.5	107.7	76.2	- 0.9	34.6	78.5	98.7
Oct	74.5	± 0.0	57.1	74.6	85.3	79.3	+ 0.5	67.7	78.2	87.8	61.6	- 1.4	28.0	64.2	78.9
Nov	67.6	+ 9.4	51.2	75.2	69.2	72.4	+ 12.8	59.5	81.6	70.1	54.2	- 1.5	28.4	56.7	67.1
Dec	74.9	+ 7.8	59.3	84.6	73.6	78.6	+ 9.5	68.9	87.8	74.2	64.6	+ 2.5	32.9	75.5	72.1
2006 Jan	50.3	+ 7.7	43.8	53.3	50.9	54.1	+ 8.0	53.1	56.4	52.2	39.6	+ 6.5	18.0	44.3	47.7
Feb	59.1	+ 13.4	46.9	64.7	60.4	64.9	+ 17.6	54.5	70.9	64.4	43.3	± 0.0	26.0	46.8	50.0
Mar	82.2	+ 4.1	63.0	85.0	91.1	86.3	+ 3.6	74.1	87.2	93.0	70.8	+ 5.7	32.4	78.3	86.0
Apr	80.5	+ 13.5	63.5	80.9	90.7	84.8	+ 14.1	73.5	83.6	93.3	68.8	+ 11.9	36.1	73.0	83.9
May	86.1	+ 10.5	64.3	89.5	95.8	94.0	+ 14.8	75.8	97.3	101.6	64.4	- 3.6	32.5	67.2	80.6
June	93.5	+ 5.6	70.9	87.8	113.9	97.9	+ 4.6	82.8	87.2	119.9	81.2	+ 8.7	38.2	89.4	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 2									of which					
		Food, beverages, tobacco			Cosmetic, pharmaceutical and medical products		Textiles, clothing, footwear and leather goods		Furniture and lighting equipments, domestic appliances, building materials		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		
1998	97.3	+ 1.0	+ 1.1	89.1	+ 1.5	77.2	+ 5.5	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	+ 7.4	111.8	- 0.3	110.6	- 1.0	97.1	+ 0.8	+ 0.4	94.6	+ 3.3
2000	100.2	+ 2.5	+ 1.2	91.5	+ 2.0	87.8	+ 5.9	111.7	- 0.1	113.4	+ 2.5	98.6	+ 1.5	+ 0.3	92.6	- 2.1
2001	102.1	+ 1.9	.	95.7	+ 4.6	94.3	+ 7.4	111.4	- 0.3	109.6	- 3.4	100.7	+ 2.1	.	95.3	+ 2.9
2002	100.5	- 1.6	- 1.3	98.3	+ 2.7	97.6	+ 3.5	105.7	- 5.1	101.0	- 7.8	99.9	- 0.8	- 0.8	98.1	+ 2.9
2003 5	100.1	- 0.4	- 0.3	100.2	+ 1.9	100.1	+ 2.6	100.2	- 5.2	100.2	- 0.8	100.2	+ 0.3	± 0.0	100.4	+ 2.3
2004	101.6	+ 1.5	+ 1.5	103.2	+ 3.0	99.6	- 0.5	103.1	+ 2.9	103.5	+ 3.3	101.9	+ 1.7	+ 1.3	102.5	+ 2.1
2005 6	103.7	+ 2.1	+ 1.6	106.4	+ 3.1	104.3	+ 4.7	104.8	+ 1.6	101.8	- 1.6	104.0	+ 2.1	+ 1.4	105.0	+ 2.4
2005 July 6	101.8	+ 1.7	+ 1.3	106.1	+ 1.7	107.4	+ 4.3	101.9	+ 0.1	98.5	- 1.0	104.5	+ 2.4	+ 1.8	112.8	+ 4.8
Aug	100.0	+ 2.8	+ 2.4	103.5	+ 1.8	99.6	+ 2.8	98.6	+ 4.9	97.1	+ 0.4	99.3	+ 2.8	+ 2.2	95.4	+ 3.7
Sep	100.9	+ 1.6	+ 0.6	100.6	+ 2.5	104.0	+ 5.8	103.5	- 2.8	98.7	- 1.2	101.7	+ 2.6	+ 1.3	103.6	+ 6.0
Oct	107.8	+ 1.1	+ 0.5	106.7	+ 2.3	108.0	+ 2.3	121.7	+ 0.7	108.3	- 2.0	108.0	+ 1.4	+ 0.4	108.5	+ 2.5
Nov	109.4	+ 1.3	+ 0.4	107.8	+ 1.1	107.7	+ 3.7	113.2	+ 2.0	108.9	- 2.3	110.0	+ 1.6	+ 0.4	113.8	+ 3.2
Dec	125.4	+ 0.6	+ 0.3	124.4	+ 0.9	122.9	+ 2.0	130.9	+ 0.7	121.3	- 1.0	119.0	+ 0.6	- 0.2	98.6	+ 1.0
2006 Jan	98.4	+ 2.6	+ 2.2	100.1	+ 1.9	104.2	+ 9.1	93.1	+ 4.4	95.7	+ 1.4	95.6	+ 2.4	+ 1.3	86.0	+ 0.8
Feb	92.0	+ 1.3	+ 0.7	98.3	+ 0.9	98.7	+ 3.1	77.3	+ 2.4	89.3	+ 1.5	91.9	+ 2.0	+ 0.9	91.6	+ 3.9
Mar	105.7	± 0.0	- 0.5	109.0	- 0.4	109.5	+ 4.2	103.4	- 0.7	106.6	± 0.0	107.8	+ 0.3	- 0.7	116.3	+ 1.4
Apr	105.4	+ 1.8	+ 1.2	108.1	+ 1.3	106.7	+ 5.5	114.6	- 1.9	107.5	+ 4.8	108.4	+ 2.3	+ 1.1	118.5	+ 3.4
May	104.8	+ 1.0	± 0.0	108.3	- 1.4	106.2	+ 2.8	110.9	+ 5.9	104.7	+ 4.0	107.5	+ 1.7	+ 0.4	115.8	+ 3.6
June	101.6	+ 2.4	+ 1.6	107.5	+ 1.7	105.3	+ 3.4	101.8	+ 4.6	98.2	+ 2.1	104.9	+ 2.6	+ 1.4	115.6	+ 2.9
July	103.1	+ 1.3	+ 0.4	109.7	+ 3.4	109.0	+ 1.5	104.1	+ 2.2	98.0	- 0.5	106.1	+ 1.5	+ 0.4	115.2	+ 2.1

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 Figures for 2003 do not include Lower Saxony. — 6 Figures from January 2005 are provisional, some of them have been revised. Figures for recent months are particularly uncertain owing to estimates for missing returns.

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		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	Thousands	Annual change, thousands
		in %	Thousands														
<b>Germany</b>																	
2003	38,725	- 0.9	- 368	34,651	- 1.3	9	6,136	817	195	143	260	4,377	+ 315	10.5	355		
2004	38,875	+ 0.4	+ 150	34,656	+ 0.0		6,019	769	151	117	184	4,381	+ 93	10	286		
2005	38,822	- 0.1	- 53	34,466	- 0.5		5,931	719	126	62	115	4,861	+ 479	11	413		
2005 Aug	38,849	- 0.2	- 76	34,556	- 0.6		5,948	740	89	51	95	4,798	+ 451	11.6	464		
Sep	39,163	- 0.1	- 55				5,959	740	96	55	103	4,647	+ 390	11.2	467		
Oct	39,332	- 0.1	- 34				5,937	732	102	58	111	4,555	+ 348	11.0	453		
Nov	39,338	- 0.0	- 8	34,906	- 0.3		5,930	729	98	59	128	4,531	+ 274	10.9	422		
Dec	39,130	+ 0.0	+ 15				5,900	708	84	55	129	4,605	+ 141	11.1	394		
2006 Jan	38,364	- 0.0	- 9				5,863	655	96	49	120	5,010	- 76	12.1	415		
Feb	38,406	+ 0.1	+ 20	34,065	- 0.0		5,853	636	101	46	113	5,048	- 241	12.2	464		
Mar	38,490	+ 0.1	+ 53				5,857	651	105	45	110	4,977	- 289	12.0	506		
Apr	38,678	+ 0.3	+ 117				5,858	686	83	45	110	4,790	- 262	11.5	546		
May	38,904	+ 0.5	+ 182	34,485	+ 0.5		5,861	698	72	49	114	4,535	- 349	10.8	565		
June	39,064	+ 0.7	+ 260				5,888	706	62	15	117	4,399	- 382	10.5	581		
July	16 39,081	16 + 0.8	16 + 310				...	...	54	15	113	4,386	- 451	10.5	627		
Aug	...	...	...	...	...	...	...	...	...	15	54	4,372	- 426	10.5	619		
<b>Western Germany °</b>																	
2003	.	.	.	.	.	9	5,503	594	160	31	161	2,753	+ 255	8.4	292		
2004	.	.	.	.	.		5,380	562	122	24	121	2,783	+ 89	10	239		
2005	.	.	.	.	.		5,214	529	101	13	77	3,247	+ 464	11	325		
2005 Aug	.	.	.	.	.		5,224	543	69	10	63	3,238	+ 472	9.8	359		
Sep	.	.	.	.	.		5,232	543	77	9	68	3,141	+ 439	9.5	357		
Oct	.	.	.	.	.		5,209	535	86	9	74	3,099	+ 404	9.4	345		
Nov	.	.	.	.	.		5,203	535	81	9	85	3,081	+ 353	9.4	321		
Dec	.	.	.	.	.		5,176	522	70	9	85	3,120	+ 258	9.5	310		
2006 Jan	.	.	.	.	.		5,147	488	79	9	79	3,362	+ 52	10.2	327		
Feb	.	.	.	.	.		5,137	477	81	9	75	3,370	- 116	10.2	367		
Mar	.	.	.	.	.		5,139	488	83	9	74	3,317	- 160	10.1	397		
Apr	.	.	.	.	.		5,139	509	67	9	74	3,201	- 139	9.7	419		
May	.	.	.	.	.		5,139	516	58	9	78	3,046	- 196	14	435		
June	.	.	.	.	.		5,162	520	50	15	80	2,966	- 222	8.9	445		
July	.	.	.	.	.		...	...	43	15	10	2,960	- 280	8.9	486		
Aug	.	.	.	.	.		...	...	...	15	11	2,941	- 297	8.8	480		
<b>Eastern Germany +</b>																	
2003	.	.	.	.	.	9	632	223	35	112	99	1,624	+ 61	18.5	63		
2004	.	.	.	.	.		639	207	29	93	63	1,599	+ 4	10	47		
2005	.	.	.	.	.		717	189	25	49	38	1,614	+ 16	11	88		
2005 Aug	.	.	.	.	.		725	197	20	42	32	1,560	- 21	18.1	106		
Sep	.	.	.	.	.		727	197	19	46	34	1,506	- 49	17.5	110		
Oct	.	.	.	.	.		727	196	17	49	37	1,456	- 56	16.9	108		
Nov	.	.	.	.	.		727	194	17	50	43	1,450	- 79	16.9	100		
Dec	.	.	.	.	.		723	186	14	46	44	1,485	- 117	17.3	84		
2006 Jan	.	.	.	.	.		716	167	17	41	41	1,649	- 129	19.2	87		
Feb	.	.	.	.	.		716	160	19	37	38	1,678	- 124	19.5	97		
Mar	.	.	.	.	.		717	164	22	36	36	1,660	- 129	19.3	110		
Apr	.	.	.	.	.		719	177	17	36	36	1,589	- 124	18.5	127		
May	.	.	.	.	.		722	182	14	39	37	1,490	- 153	14	131		
June	.	.	.	.	.		725	186	11	15	37	1,433	- 160	16.8	135		
July	.	.	.	.	.		...	...	11	15	42	1,426	- 171	16.7	142		
Aug	.	.	.	.	.		...	...	...	15	43	1,431	- 129	16.7	139		

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). — 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 on-

wards are positively affected by the first-time inclusion 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 May 2006, 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.

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													
2001	102.0	105.1	100.3	105.7	102.4	101.2	100.3	103.0	107.1	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	100.0	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	101.3	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	99.7	101.1	97.2	101.4	96.3
2005	108.3	105.8	103.8	126.6	111.1	105.9	102.7	110.7	98.8	102.4	101.4	139.5	105.4
2004 Nov	106.2	104.1	103.0	117.2	108.4	105.2	102.0	107.1	98.6	101.6	98.1	108.1	91.4
Dec	107.3	105.3	103.7	114.5	111.7	105.2	102.0	107.2	98.7	101.2	97.2	96.8	89.2
2005 Jan	106.9	105.7	103.5	116.4	109.8	105.4	102.5	108.1	97.6	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	98.8	101.8	98.8	111.4	99.2
Mar	107.6	106.6	103.7	120.7	110.3	105.6	102.5	109.1	100.0	102.1	100.1	125.3	103.1
Apr	107.7	106.4	103.7	123.3	109.7	105.7	102.5	109.9	98.4	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	98.4	102.0	99.7	124.3	102.3
June	108.1	107.0	103.5	125.8	110.6	105.9	102.5	110.4	98.5	102.2	101.3	144.6	106.6
July	108.6	105.9	103.2	129.0	112.1	106.0	102.7	111.0	97.5	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	98.7	102.4	102.8	160.9	105.9
Sep	109.1	104.8	104.2	135.1	111.3	106.0	102.7	111.8	98.4	102.8	103.3	160.5	105.8
Oct	109.1	104.4	104.3	135.6	111.2	106.1	103.0	112.6	98.7	103.0	103.7	154.0	108.0
Nov	108.6	104.6	104.4	130.9	110.4	106.2	103.0	112.5	100.4	103.0	103.5	148.5	112.0
Dec	109.6	105.5	104.2	131.0	113.7	106.3	103.0	112.8	101.4	103.1	103.8	152.0	115.8
2006 Jan	109.1	106.6	103.7	134.4	110.7	106.5	103.7	114.1	101.1	103.3	104.7	163.7	120.1
Feb	109.5	107.1	104.0	134.7	111.6	106.7	103.7	114.9	103.3	103.7	105.1	160.9	124.5
Mar	109.5	107.0	104.4	135.0	111.3	106.7	103.7	115.5	104.9	104.0	105.6	163.6	123.7
Apr	109.9	107.4	104.4	139.2	111.2	106.8	104.4	116.6	105.9	104.5	107.0	177.8	129.3
May	110.1	108.4	104.3	139.8	111.3	106.9	104.4	116.7	106.3	104.8	107.2	171.6	134.5
June	110.3	108.5	104.2	140.7	111.7	107.0	104.4	117.1	106.9	104.8	107.0	172.7	130.0
July	110.7	108.1	103.9	142.1	113.6	107.1	104.4	117.7	...	105.2	108.3	182.1	135.6
Aug	110.6	107.7	103.8	141.3	113.3	107.2	...	...	...	...	...	178.5	134.3
Annual percentage change													
2001	+ 2.0	+ 5.1	+ 0.3	+ 5.7	+ 2.4	+ 1.2	+ 0.3	+ 3.0	+ 7.1	+ 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	- 6.6	- 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	+ 1.3	- 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	- 1.6	+ 0.5	+ 1.0	+ 22.3	+ 10.8
2005	+ 2.0	+ 0.1	+ 0.9	+ 10.3	+ 2.0	+ 1.0	+ 1.3	+ 4.6	- 0.9	+ 1.3	+ 4.3	+ 37.6	+ 9.4
2004 Nov	+ 1.8	- 1.3	+ 1.6	+ 7.0	+ 2.5	+ 1.1	+ 1.7	+ 2.8	- 5.9	+ 1.2	+ 2.7	+ 32.3	+ 0.4
Dec	+ 2.1	- 0.4	+ 2.3	+ 4.7	+ 2.5	+ 1.1	+ 1.7	+ 2.9	- 4.3	+ 1.0	+ 2.2	+ 20.0	- 0.2
2005 Jan	+ 1.6	- 1.1	+ 1.4	+ 5.3	+ 2.4	+ 1.0	+ 2.0	+ 3.9	- 5.8	+ 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	- 6.1	+ 1.5	+ 3.7	+ 35.5	+ 3.1
Mar	+ 1.8	+ 0.5	+ 0.6	+ 8.3	+ 2.1	+ 1.0	+ 2.0	+ 4.2	- 4.9	+ 1.3	+ 3.8	+ 37.4	- 0.4
Apr	+ 1.6	+ 0.1	+ 0.4	+ 9.0	+ 1.5	+ 1.0	+ 2.0	+ 4.6	- 5.8	+ 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	- 5.6	+ 0.7	+ 2.2	+ 18.9	+ 1.2
June	+ 1.8	+ 0.3	+ 0.4	+ 10.2	+ 1.8	+ 1.0	+ 1.1	+ 4.6	- 8.1	+ 1.1	+ 4.4	+ 43.5	+ 7.6
July	+ 2.0	- 0.1	+ 0.4	+ 11.7	+ 2.0	+ 1.1	+ 0.9	+ 4.6	- 7.1	+ 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	- 1.1	+ 0.9	+ 4.7	+ 40.8	+ 11.9
Sep	+ 2.5	+ 0.5	+ 1.3	+ 15.9	+ 1.9	+ 1.0	+ 0.9	+ 4.9	- 0.7	+ 1.3	+ 5.1	+ 42.4	+ 13.2
Oct	+ 2.3	+ 0.2	+ 1.4	+ 12.6	+ 2.1	+ 1.0	+ 1.0	+ 4.6	+ 1.3	+ 1.3	+ 4.3	+ 25.2	+ 17.4
Nov	+ 2.3	+ 0.5	+ 1.4	+ 11.7	+ 1.8	+ 1.0	+ 1.0	+ 5.0	+ 1.8	+ 1.4	+ 5.5	+ 37.4	+ 22.5
Dec	+ 2.1	+ 0.2	+ 0.5	+ 14.4	+ 1.8	+ 1.0	+ 1.0	+ 5.2	+ 2.7	+ 1.9	+ 6.8	+ 57.0	+ 29.8
2006 Jan	+ 2.1	+ 0.9	+ 0.2	+ 15.5	+ 0.8	+ 1.0	+ 1.2	+ 5.6	+ 3.6	+ 1.8	+ 6.8	+ 52.3	+ 25.5
Feb	+ 2.1	+ 0.8	+ 0.4	+ 14.6	+ 1.0	+ 1.0	+ 1.2	+ 5.9	+ 4.6	+ 1.9	+ 6.4	+ 44.4	+ 25.5
Mar	+ 1.8	+ 0.4	+ 0.7	+ 11.8	+ 0.9	+ 1.0	+ 1.2	+ 5.9	+ 4.9	+ 1.9	+ 5.5	+ 30.6	+ 20.0
Apr	+ 2.0	+ 0.9	+ 0.7	+ 12.9	+ 1.4	+ 1.0	+ 1.9	+ 6.1	+ 7.6	+ 2.4	+ 6.9	+ 38.7	+ 25.4
May	+ 1.9	+ 1.2	+ 0.7	+ 13.7	+ 0.4	+ 1.0	+ 1.9	+ 6.2	+ 8.0	+ 2.7	+ 7.5	+ 38.1	+ 31.5
June	+ 2.0	+ 1.4	+ 0.7	+ 11.8	+ 1.0	+ 1.0	+ 1.9	+ 6.1	+ 8.5	+ 2.5	+ 5.6	+ 19.4	+ 22.0
July	+ 1.9	+ 2.1	+ 0.7	+ 10.2	+ 1.3	+ 1.0	...	+ 6.0	...	+ 2.7	+ 6.3	+ 20.0	+ 26.7
Aug	+ 1.7	+ 2.7	+ 0.7	+ 7.9	+ 0.7	+ 1.1	...	...	...	...	...	+ 10.9	+ 26.8

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	
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	908.2	0.7	591.9	0.3	367.7	3.9	959.6	1.7	1,402.8	1.0	139.3	6.4	9.9
2003	908.1	- 0.0	588.6	- 0.6	377.7	2.7	966.3	0.7	1,429.1	1.9	147.4	5.8	10.3
2004	914.3	0.7	603.1	2.5	377.9	0.0	981.0	1.5	1,454.8	1.8	151.9	3.1	10.4
2005	911.4	- 0.3	601.4	- 0.3	377.4	- 0.1	978.8	- 0.2	1,477.9	1.6	156.9	3.3	10.6
2004 Q3	227.2	0.4	153.8	2.1	93.4	- 0.6	247.2	1.0	359.0	1.6	32.4	5.7	9.0
Q4	252.7	0.2	165.4	1.8	94.1	- 1.1	259.5	0.8	374.0	2.6	33.8	4.9	9.0
2005 Q1	213.6	- 0.2	141.4	0.4	95.0	- 1.6	236.4	- 0.4	367.6	1.0	52.1	3.1	14.2
Q2	219.6	- 0.4	142.8	- 0.2	94.5	0.8	237.3	0.2	365.2	2.1	36.7	4.2	10.1
Q3	226.2	- 0.5	152.8	- 0.7	93.9	0.5	246.7	- 0.2	367.3	2.3	33.3	2.8	9.1
Q4	251.9	- 0.3	164.4	- 0.6	94.1	- 0.0	258.5	- 0.4	377.8	1.0	34.8	2.9	9.2
2006 Q1	213.5	- 0.0	139.7	- 1.2	96.0	1.1	235.6	- 0.3	378.6	3.0	52.8	- 1.4	14.0
Q2	221.6	0.9	141.6	- 0.9	94.6	0.1	236.2	- 0.5	369.6	1.2	36.3	- 1.2	9.8

Source: Federal Statistical Office; figures computed in August 2006. — \* 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	91.7	3.8	92.1	2.9	92.5	2.9
1997	93.5	1.5	93.7	1.5	96.3	0.2	93.4	1.9	93.6	1.7	94.2	1.7
1998	95.3	1.9	95.4	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	102.0	2.0	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	1.3	105.0	3.2	104.9	3.1	104.3	2.0
2003	106.8	2.0	106.8	2.1	104.5	1.2	107.7	2.5	107.4	2.4	.	.
2004	108.1	1.2	108.2	1.3	105.1	0.6	109.7	1.8	109.4	1.8	.	.
2005	109.1	1.0	109.5	1.1	105.4	0.2	111.3	1.5	111.1	1.5	.	.
2004 Q3	111.4	1.0	111.5	1.1	104.3	0.2	116.7	0.8	116.4	0.8	.	.
Q4	120.8	0.7	121.1	0.9	115.0	- 0.1	121.9	2.0	121.6	2.1	.	.
2005 Q1	101.1	1.3	101.4	1.4	99.7	0.3	101.5	1.6	101.3	1.5	.	.
Q2	101.3	1.0	101.6	1.2	102.1	0.5	101.4	1.3	101.2	1.3	.	.
Q3	112.5	1.0	112.8	1.2	104.6	0.3	118.6	1.6	118.3	1.6	.	.
Q4	121.7	0.7	122.1	0.8	115.0	0.0	123.7	1.5	123.4	1.5	.	.
2006 Q1	102.0	0.9	102.4	1.0	99.7	0.0	103.3	1.7	103.3	2.0	.	.
Q2	102.8	1.5	103.2	1.6	102.5	0.4	103.8	2.3	103.8	2.6	.	.
2006 Jan	101.6	0.9	102.0	1.0	.	.	101.7	1.4	101.7	1.7	.	.
Feb	102.3	1.5	102.7	1.6	.	.	104.1	3.7	104.2	4.0	.	.
Mar	102.2	0.3	102.7	0.5	.	.	104.0	0.2	104.1	0.4	.	.
Apr	103.8	2.2	104.2	2.4	.	.	103.9	2.6	104.0	2.9	.	.
May	102.4	1.2	102.9	1.4	.	.	104.0	2.4	104.1	2.7	.	.
June	102.2	1.0	102.6	1.2	.	.	103.4	1.9	103.4	2.2	.	.
July	133.5	- 0.5	134.2	- 0.3	.	.	154.6	1.6	154.7	1.9	.	.

1 Current data are normally revised upwards on account of additional reports. — 2 Source: Federal Statistical Office; figures computed in August 2006. — 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.

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

€ million

Item	2003	2004	2005	2005	2006				
				Q4	Q1	Q2	Apr	May	June
A Current account	+ 32,443	+ 49,868	- 23,148	- 12,829	- 15,218	- 13,339	- 7,328	- 11,501	+ 5,490
1 Goods									
Exports (fob)	1,036,038	1,128,189	1,220,048	327,390	328,074	342,255	107,395	116,120	118,740
Imports (fob)	929,915	1,022,899	1,165,961	322,445	332,694	336,547	106,953	115,224	114,370
Balance	+ 106,120	+ 105,291	+ 54,085	+ 4,945	- 4,618	+ 5,708	+ 442	+ 896	+ 4,370
2 Services									
Receipts	331,810	362,051	397,286	105,770	96,001	105,544	32,336	35,797	37,411
Expenditure	312,293	333,074	362,531	94,985	90,871	93,702	29,094	31,725	32,883
Balance	+ 19,516	+ 28,977	+ 34,754	+ 10,784	+ 5,130	+ 11,841	+ 3,242	+ 4,072	+ 4,527
3 Income	- 37,159	- 27,999	- 43,749	- 12,344	- 671	- 15,274	- 5,146	- 11,319	+ 1,191
4 Current transfers									
Transfers from non-residents	82,103	81,898	83,598	22,161	29,245	16,575	4,886	5,719	5,970
Transfers to non-residents	138,139	138,299	151,836	38,377	44,302	32,190	10,753	10,869	10,568
Balance	- 56,034	- 56,404	- 68,238	- 16,215	- 15,057	- 15,616	- 5,867	- 5,151	- 4,598
B Capital account	+ 12,942	+ 17,457	+ 12,515	+ 4,690	+ 2,297	+ 2,041	+ 522	+ 685	+ 834
C Financial account (net capital exports: -)	- 1,263	- 10,913	+ 79,142	- 23,744	+ 84,585	+ 57,008	+ 4,859	+ 37,058	+ 15,091
1 Direct investment	- 12,264	- 41,192	- 156,286	- 20,210	- 14,631	- 10,931	- 1,911	- 367	- 8,653
By resident units abroad	- 147,166	- 141,722	- 232,665	- 47,203	- 42,033	- 38,363	- 12,751	- 15,414	- 10,198
By non-resident units in the euro area	+ 134,906	+ 100,525	+ 76,380	+ 26,993	+ 27,403	+ 27,433	+ 10,841	+ 15,047	+ 1,545
2 Portfolio investment	+ 74,877	+ 60,291	+ 155,411	- 49,137	+ 31,246	+ 115,517	- 5,230	+ 49,343	+ 71,404
By resident units abroad	- 276,413	- 338,069	- 442,730	- 118,270	- 192,281	- 44,721	- 31,440	- 12,820	- 461
Equity	- 78,687	- 103,432	- 140,577	- 58,712	- 97,927	+ 13,449	- 3,415	+ 12,845	+ 4,019
Bonds and notes	- 175,711	- 177,693	- 286,808	- 64,017	- 87,274	- 46,078	- 19,086	- 19,963	- 7,029
Money market instruments	- 22,016	- 56,942	- 15,345	+ 4,458	- 7,079	- 12,093	- 8,940	- 5,702	+ 2,549
By non-resident units in the euro area	+ 351,289	+ 398,360	+ 598,140	+ 69,132	+ 223,526	+ 160,238	+ 26,210	+ 62,163	+ 71,865
Equity	+ 110,250	+ 128,058	+ 279,474	+ 62,549	+ 121,263	+ 45,643	- 8,832	- 7,306	+ 61,781
Bonds and notes	+ 198,855	+ 254,948	+ 255,771	+ 26,420	+ 85,631	+ 111,108	+ 24,622	+ 63,444	+ 23,042
Money market instruments	+ 42,183	+ 15,351	+ 62,892	- 19,838	+ 16,632	+ 3,486	+ 10,420	+ 6,024	- 12,958
3 Financial derivatives	- 13,009	- 4,986	- 15,245	- 8,813	- 8,493	- 869	- 5,594	+ 2,322	+ 2,403
4 Other investment	- 79,085	- 37,545	+ 76,491	+ 45,642	+ 69,858	- 45,279	+ 18,820	- 12,554	- 51,545
Eurosystem	+ 9,147	+ 6,771	+ 4,928	- 4,215	+ 6,309	+ 2,281	- 2,129	+ 5,580	- 1,170
General government	- 3,808	- 5,902	+ 2,622	- 4,380	+ 3,866	- 14,034	- 1,161	- 9,557	- 3,316
MFIs (excluding the Eurosystem)	- 17,810	- 12,570	+ 91,743	+ 39,582	+ 85,853	- 49,843	+ 17,387	- 4,377	- 62,853
Long-term	+ 1,553	- 23,755	- 49,034	- 34,483	- 756	- 8,110	+ 4,034	- 5,439	- 6,705
Short-term	- 19,363	+ 11,189	+ 140,777	+ 74,065	+ 86,610	- 41,733	+ 13,353	+ 1,062	- 56,148
Other sectors	- 66,613	- 25,848	- 22,798	+ 14,655	- 26,170	+ 16,315	+ 4,723	- 4,201	+ 15,793
5 Reserve assets (Increase: -)	+ 28,217	+ 12,522	+ 18,768	+ 8,774	+ 6,604	- 1,431	- 1,226	- 1,687	+ 1,482
D Errors and omissions	- 44,124	- 56,414	- 68,510	+ 31,883	- 71,665	- 45,710	+ 1,947	- 26,242	- 21,415

\* Source: European Central Bank.



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	Financial account		Errors and Omissions
	Balance on current account	Foreign trade 1,2	Supplementary trade items 3,4	Services 5	Income	Current transfers		Total 6	of which Change in reserve assets at transaction value 7	
DM million										
1992	- 35,438	+ 33,656	- 1,426	- 44,983	+ 28,481	- 51,167	- 1,963	+ 16,574	- 52,888	+ 20,827
1993	- 31,450	+ 60,304	- 3,217	- 52,549	+ 19,095	- 55,083	- 1,915	+ 43,448	+ 22,795	- 10,082
1994	- 49,418	+ 71,762	- 1,318	- 62,803	+ 2,393	- 59,451	- 2,637	+ 60,708	+ 2,846	- 8,653
1995	- 42,363	+ 85,303	- 4,294	- 63,985	+ 3,975	- 55,413	- 3,845	+ 50,117	- 10,355	- 3,909
1996	- 21,086	+ 98,538	- 4,941	- 64,743	+ 1,052	- 50,991	- 3,283	+ 24,290	+ 1,882	+ 79
1997	- 17,336	+ 116,467	- 7,875	- 68,692	+ 4,740	- 52,496	+ 52	+ 6,671	+ 6,640	+ 10,613
1998	- 28,695	+ 126,970	- 8,917	- 75,053	- 18,635	- 53,061	+ 1,289	+ 25,683	- 7,128	+ 1,724
1999	- 49,241	+ 127,542	- 15,947	- 90,036	- 22,325	- 48,475	- 301	- 20,332	+ 24,517	+ 69,874
2000	- 68,913	+ 115,645	- 17,742	- 95,848	- 16,302	- 54,666	+ 13,345	+ 66,863	+ 11,429	- 11,294
2001	+ 830	+ 186,771	- 14,512	- 97,521	- 21,382	- 52,526	- 756	+ 23,068	+ 11,797	+ 22,994
€ million										
1999	- 25,177	+ 65,211	- 8,153	- 46,035	- 11,415	- 24,785	- 154	- 10,396	+ 12,535	+ 35,726
2000	- 35,235	+ 59,128	- 9,071	- 49,006	- 8,335	- 27,950	+ 6,823	+ 34,187	+ 5,844	- 5,775
2001	+ 425	+ 95,495	- 7,420	- 49,862	- 10,932	- 26,856	- 387	+ 11,794	+ 6,032	+ 11,757
2002	+ 43,375	+ 132,788	- 8,552	- 35,328	- 18,022	- 27,511	- 212	- 38,448	+ 2,065	- 4,716
2003	+ 40,291	+ 129,921	- 11,149	- 34,274	- 15,925	- 28,282	+ 312	- 48,054	+ 445	+ 7,451
2004	+ 81,925	+ 156,096	- 15,243	- 31,254	+ 635	- 28,309	+ 430	- 114,695	+ 1,470	+ 32,340
2005 r	+ 92,645	+ 160,554	- 20,148	- 27,484	+ 8,643	- 28,921	- 1,268	- 103,765	+ 2,182	+ 12,388
2003 Q3	+ 10,334	+ 38,430	- 2,672	- 13,384	- 3,384	- 8,656	+ 208	+ 9,792	- 751	- 20,335
Q4	+ 15,078	+ 31,815	- 2,994	- 4,886	- 2,571	- 6,285	- 16	- 27,506	+ 1,186	+ 12,444
2004 Q1	+ 24,233	+ 41,359	- 3,325	- 6,993	- 1,151	- 5,656	+ 280	+ 482	+ 205	- 24,996
Q2	+ 24,091	+ 43,303	- 3,510	- 5,945	- 2,401	- 7,357	+ 177	+ 61,906	- 339	+ 37,638
Q3	+ 13,814	+ 36,436	- 4,269	- 11,476	+ 1,555	- 8,432	+ 191	- 23,665	+ 1,568	+ 9,660
Q4	+ 19,787	+ 34,998	- 4,139	- 6,841	+ 2,632	- 6,863	- 218	- 29,606	+ 37	+ 10,037
2005 Q1 r	+ 29,191	+ 43,229	- 4,421	- 5,405	+ 3,135	- 7,348	- 1,491	- 22,212	- 181	- 5,487
Q2 r	+ 23,419	+ 41,543	- 4,677	- 5,755	- 1,307	- 6,386	+ 107	- 24,952	+ 1,230	+ 1,426
Q3 r	+ 19,505	+ 41,059	- 5,182	- 12,038	+ 3,294	- 7,628	+ 60	- 15,553	- 783	- 4,012
Q4 r	+ 20,530	+ 34,723	- 5,868	- 4,287	+ 3,520	- 7,558	+ 57	- 41,048	+ 1,916	+ 20,461
2006 Q1 r	+ 26,486	+ 39,887	- 4,657	- 5,983	+ 3,276	- 6,037	+ 153	- 40,869	+ 1,082	+ 14,230
Q2	+ 21,622	+ 37,556	- 4,872	- 4,111	- 2,113	- 4,837	+ 13	- 52,327	+ 367	+ 30,692
2004 Feb	+ 6,341	+ 12,273	- 1,043	- 1,879	- 343	- 2,667	- 179	+ 6,043	- 26	- 12,205
Mar	+ 11,908	+ 16,588	- 920	- 1,317	+ 0	- 2,443	+ 447	- 10,508	+ 437	- 1,846
Apr	+ 7,716	+ 14,371	- 1,068	- 2,189	- 1,610	- 1,788	+ 84	- 40,093	- 628	+ 32,293
May	+ 7,634	+ 14,140	- 1,223	- 1,409	- 1,232	- 2,642	- 30	- 7,317	+ 607	- 287
June	+ 8,741	+ 14,791	- 1,219	- 2,347	+ 442	- 2,926	+ 123	- 14,496	- 318	+ 5,633
July	+ 6,300	+ 13,572	- 1,722	- 2,426	+ 178	- 3,301	+ 164	+ 2,957	+ 847	- 9,421
Aug	+ 2,543	+ 10,917	- 1,411	- 4,865	+ 300	- 2,398	+ 80	- 7,626	+ 517	+ 5,003
Sep	+ 4,972	+ 11,947	- 1,135	- 4,184	+ 1,078	- 2,733	- 52	- 18,996	+ 204	+ 14,077
Oct	+ 6,360	+ 12,387	- 1,438	- 2,820	+ 709	- 2,478	- 22	- 1,620	+ 839	- 4,718
Nov	+ 7,293	+ 11,763	- 1,336	- 1,592	+ 906	- 2,448	- 186	- 19,467	- 182	+ 12,360
Dec	+ 6,134	+ 10,848	- 1,365	- 2,429	+ 1,017	- 1,938	- 10	- 8,520	- 621	+ 2,396
2005 Jan r	+ 7,800	+ 13,333	- 1,621	- 1,857	+ 581	- 2,637	- 1,221	+ 12,632	- 353	- 19,211
Feb r	+ 9,406	+ 13,571	- 1,372	- 1,385	+ 963	- 2,372	- 107	- 8,536	+ 494	- 763
Mar r	+ 11,985	+ 16,325	- 1,428	- 2,163	+ 1,591	- 2,340	- 164	- 26,308	- 322	+ 14,486
Apr r	+ 6,307	+ 12,719	- 1,474	- 1,737	- 1,809	- 1,392	- 199	- 17,735	+ 404	+ 11,627
May r	+ 5,475	+ 12,079	- 1,376	- 2,271	- 809	- 2,146	+ 272	+ 8,006	- 141	- 13,754
June r	+ 11,637	+ 16,746	- 1,826	- 1,746	+ 1,312	- 2,848	+ 34	- 15,223	+ 967	+ 3,552
July r	+ 8,341	+ 14,466	- 1,662	- 2,913	+ 876	- 2,426	+ 104	- 5,743	+ 324	- 2,702
Aug r	+ 3,044	+ 11,576	- 1,707	- 5,364	+ 883	- 2,345	- 86	+ 580	+ 932	- 3,537
Sep r	+ 8,120	+ 15,017	- 1,813	- 3,761	+ 1,535	- 2,858	+ 42	- 10,389	- 2,039	+ 2,227
Oct r	+ 6,163	+ 12,181	- 2,350	- 2,757	+ 1,425	- 2,337	+ 329	- 7,280	+ 207	+ 788
Nov r	+ 8,388	+ 13,306	- 1,851	- 1,027	+ 1,059	- 3,100	- 108	- 15,291	+ 1,059	+ 7,011
Dec r	+ 5,980	+ 9,236	- 1,668	- 503	+ 1,036	- 2,121	- 165	- 18,478	+ 650	+ 12,663
2006 Jan	+ 6,254	+ 12,583	- 1,714	- 3,043	+ 815	- 2,386	+ 7	- 11,489	- 26	+ 5,227
Feb r	+ 10,986	+ 12,951	- 1,217	- 924	+ 1,552	- 1,376	+ 283	- 15,867	+ 1,534	+ 4,599
Mar	+ 9,246	+ 14,354	- 1,726	- 2,016	+ 910	- 2,274	- 137	- 13,514	- 426	+ 4,404
Apr	+ 6,982	+ 11,235	- 1,489	- 1,067	+ 539	- 2,237	- 144	- 9,868	+ 1,475	+ 3,030
May	+ 3,914	+ 12,971	- 1,577	- 1,618	- 4,753	- 1,109	- 282	- 13,147	- 1,067	+ 9,515
June	+ 10,727	+ 13,350	- 1,806	- 1,426	+ 2,100	- 1,491	+ 439	- 29,312	- 41	+ 18,147
July p	+ 7,252	+ 13,148	- 1,870	- 2,522	+ 1,100	- 2,604	- 227	+ 5,832	- 332	- 12,856

1 Special trade according to the official foreign trade statistics: imports cif, exports fob. — 2 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. — 3 Mainly warehouse transactions for account of residents and deduction of

goods returned and value of goods for repair. — 4 See footnote 2. — 5 Excluding the expenditure on freight and insurance included in the cif import figure. — 6 Financial account balance including change in reserve assets. Capital exports: - . — 7 Increase: - .



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

€ million

Country / group of countries		2003	2004	2005	2006					Jul P
					Jan / Jun	Mar	Apr	May	Jun	
All countries 1	Exports	664,455	731,544	786,186	431,508	76,959	69,861	72,567	73,449	73,131
	Imports	534,534	575,448	625,632	354,064	62,605	58,627	59,596	60,099	59,983
	Balance	+ 129,921	+ 156,096	+ 160,554	+ 77,443	+ 14,354	+ 11,235	+ 12,971	+ 13,350	+ 13,148
I European countries	Exports	490,672	541,395	581,549	321,703	57,215	52,358	54,387	55,347	...
	Imports	384,939	408,698	445,391	251,461	44,659	41,834	42,595	43,391	...
	Balance	+ 105,733	+ 132,697	+ 136,157	+ 70,242	+ 12,556	+ 10,524	+ 11,792	+ 11,956	...
1 EU member states (25)	Exports	426,342	466,326	498,556	276,500	49,502	44,832	46,635	47,478	...
	Imports	324,043	342,636	368,831	204,345	36,171	33,975	34,533	35,518	...
	Balance	+ 102,299	+ 123,691	+ 129,725	+ 72,156	+ 13,331	+ 10,857	+ 12,102	+ 11,960	...
<i>Memo item</i>										
EU member states (15)	Exports	369,776	404,770	430,995	236,763	42,540	38,156	39,684	40,455	...
	Imports	266,404	285,049	309,453	170,842	30,310	28,343	28,802	29,824	...
	Balance	+ 103,372	+ 119,720	+ 121,542	+ 65,922	+ 12,230	+ 9,813	+ 10,882	+ 10,631	...
Euro-area countries	Exports	288,668	317,696	339,752	187,980	33,630	30,338	31,494	32,205	...
	Imports	215,705	230,717	249,162	138,401	24,680	23,006	23,208	24,395	...
	Balance	+ 72,963	+ 86,979	+ 90,590	+ 49,579	+ 8,950	+ 7,331	+ 8,286	+ 7,810	...
<i>of which</i>										
Austria	Exports	35,857	40,244	42,533	23,596	4,132	3,866	4,035	4,084	...
	Imports	21,453	24,020	25,292	14,278	2,521	2,401	2,550	2,458	...
	Balance	+ 14,404	+ 16,224	+ 17,241	+ 9,318	+ 1,612	+ 1,465	+ 1,485	+ 1,626	...
Belgium and Luxembourg	Exports	38,413	43,992	47,749	27,048	4,932	4,228	4,654	4,719	...
	Imports	26,132	28,818	33,687	18,686	3,250	3,081	3,254	3,362	...
	Balance	+ 12,282	+ 15,173	+ 14,062	+ 8,363	+ 1,682	+ 1,148	+ 1,400	+ 1,357	...
France	Exports	69,025	74,360	79,871	43,345	7,790	6,921	7,156	7,380	...
	Imports	48,545	51,535	54,627	31,135	5,780	5,330	5,013	5,781	...
	Balance	+ 20,480	+ 22,825	+ 25,244	+ 12,210	+ 2,009	+ 1,591	+ 2,143	+ 1,600	...
Italy	Exports	48,414	51,479	54,374	30,391	5,346	4,878	5,043	5,279	...
	Imports	34,259	35,676	35,589	19,323	3,342	3,184	3,312	3,400	...
	Balance	+ 14,156	+ 15,803	+ 18,785	+ 11,068	+ 2,004	+ 1,694	+ 1,731	+ 1,879	...
Netherlands	Exports	42,219	46,730	47,799	27,508	4,900	4,605	4,656	4,501	...
	Imports	42,301	46,204	53,371	29,588	5,381	4,840	4,874	4,898	...
	Balance	- 83	+ 526	- 5,573	- 2,080	- 481	- 235	- 217	- 397	...
Spain	Exports	32,364	36,249	40,395	21,061	3,720	3,353	3,572	3,769	...
	Imports	16,518	17,426	17,985	9,653	1,803	1,590	1,586	1,697	...
	Balance	+ 15,846	+ 18,823	+ 22,410	+ 11,408	+ 1,917	+ 1,763	+ 1,986	+ 2,072	...
Other EU member states	Exports	137,674	148,630	158,804	88,521	15,871	14,494	15,141	15,273	...
	Imports	108,337	111,919	119,669	65,944	11,491	10,969	11,325	11,123	...
	Balance	+ 29,336	+ 36,711	+ 39,135	+ 22,577	+ 4,381	+ 3,525	+ 3,816	+ 4,150	...
<i>of which</i>										
United Kingdom	Exports	55,597	59,986	61,681	32,790	6,015	5,258	5,403	5,502	...
	Imports	31,712	34,466	39,414	21,277	3,723	3,576	3,655	3,631	...
	Balance	+ 23,885	+ 25,520	+ 22,268	+ 11,512	+ 2,292	+ 1,682	+ 1,748	+ 1,871	...
2 Other European countries	Exports	64,331	75,069	82,993	45,203	7,713	7,526	7,752	7,869	...
	Imports	60,897	66,062	76,561	47,116	8,488	7,859	8,061	7,873	...
	Balance	+ 3,434	+ 9,007	+ 6,432	- 1,913	- 775	- 333	- 310	- 4	...
II Non-European countries	Exports	172,329	188,782	203,210	108,990	19,661	17,435	17,974	17,925	...
	Imports	148,895	166,132	179,603	102,274	17,889	16,738	16,947	16,654	...
	Balance	+ 23,434	+ 22,650	+ 23,608	+ 6,717	+ 1,772	+ 697	+ 1,027	+ 1,271	...
1 Africa	Exports	12,072	13,785	14,785	7,671	1,330	1,267	1,361	1,246	...
	Imports	10,239	11,092	13,208	7,807	1,424	1,192	1,375	1,228	...
	Balance	+ 1,832	+ 2,694	+ 1,577	- 136	- 94	+ 74	- 14	+ 18	...
2 America	Exports	79,629	84,694	91,970	49,590	9,362	7,640	8,082	8,256	...
	Imports	51,948	54,679	57,443	33,523	5,758	5,649	5,658	5,716	...
	Balance	+ 27,681	+ 30,016	+ 34,527	+ 16,068	+ 3,604	+ 1,991	+ 2,424	+ 2,540	...
<i>of which</i>										
United States	Exports	61,654	64,860	69,311	37,329	7,114	5,696	6,140	6,179	...
	Imports	39,231	40,709	41,342	23,429	3,961	3,834	3,988	3,989	...
	Balance	+ 22,423	+ 24,151	+ 27,969	+ 13,900	+ 3,153	+ 1,863	+ 2,152	+ 2,189	...
3 Asia	Exports	75,620	84,789	90,608	48,865	8,456	8,072	8,045	7,958	...
	Imports	84,783	98,177	106,882	59,779	10,467	9,710	9,715	9,526	...
	Balance	- 9,162	- 13,388	- 16,275	- 10,914	- 2,011	- 1,638	- 1,670	- 1,568	...
<i>of which</i>										
Middle East	Exports	15,511	17,357	20,478	10,567	1,914	1,742	1,787	1,697	...
	Imports	4,469	4,398	4,967	2,923	407	427	490	660	...
	Balance	+ 11,043	+ 12,959	+ 15,512	+ 7,644	+ 1,507	+ 1,314	+ 1,296	+ 1,037	...
Japan	Exports	11,889	12,719	13,330	6,614	1,176	1,031	992	1,020	...
	Imports	19,684	21,583	21,435	11,630	2,211	1,959	1,826	1,942	...
	Balance	- 7,795	- 8,865	- 8,104	- 5,016	- 1,035	- 928	- 834	- 922	...
People's Republic of China 2	Exports	18,265	20,992	21,280	12,106	2,009	2,061	2,023	2,107	...
	Imports	25,681	32,791	39,891	22,689	3,944	3,588	3,630	3,561	...
	Balance	- 7,417	- 11,800	- 18,611	- 10,582	- 1,934	- 1,527	- 1,607	- 1,454	...
4 Oceania and polar regions	Exports	5,008	5,513	5,847	2,864	514	456	485	465	...
	Imports	1,925	2,184	2,069	1,165	241	187	198	184	...
	Balance	+ 3,083	+ 3,329	+ 3,778	+ 1,699	+ 273	+ 269	+ 287	+ 281	...
<i>Memo item</i>										
Emerging markets in South-East Asia 3	Exports	24,515	26,838	27,542	14,590	2,566	2,395	2,403	2,373	...
	Imports	27,119	30,012	30,596	16,466	2,822	2,739	2,700	2,463	...
	Balance	- 2,603	- 3,174	- 3,054	- 1,875	- 256	- 344	- 297	- 89	...

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

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

X External sector

4 Services and 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 services <sup>3</sup>	Total	of which				
								Services of self-employed persons <sup>4</sup>	Construction and assembly work, repairs			
2001	- 49,862	- 37,821	+ 4,254	+ 1,080	- 2,431	+ 3,488	- 18,433	- 2,544	- 591	- 1,817	- 9,115	
2002	- 35,328	- 35,154	+ 2,789	+ 1,424	- 1,549	+ 5,237	- 8,075	- 2,073	+ 506	- 1,418	- 16,603	
2003	- 34,274	- 36,761	+ 1,791	+ 1,365	- 748	+ 5,088	- 5,009	- 1,836	+ 1,485	- 1,241	- 14,684	
2004	- 31,254	- 34,813	+ 3,885	+ 1,316	- 480	+ 5,349	- 6,511	- 1,364	+ 973	- 940	+ 1,575	
2005	- 27,484	- 34,957	+ 6,358	+ 1,629	+ 114	+ 3,592	- 4,221	- 1,701	+ 832	- 1,618	+ 10,262	
2004 Q4	- 6,841	- 6,013	+ 1,251	+ 347	- 46	+ 1,181	- 3,562	- 343	+ 338	- 117	+ 2,749	
2005 Q1	- 5,405	- 6,222	+ 1,014	+ 411	+ 1,027	+ 1,024	- 2,660	- 334	+ 124	+ 223	+ 2,912	
Q2	- 5,755	- 8,045	+ 1,465	+ 494	- 246	+ 833	- 256	- 398	+ 107	- 487	- 819	
Q3	- 12,038	- 14,207	+ 1,830	+ 283	- 323	+ 853	- 473	- 420	+ 87	- 972	+ 4,266	
Q4	- 4,287	- 6,482	+ 2,049	+ 442	- 344	+ 882	- 833	- 549	+ 514	- 382	+ 3,902	
2006 Q1	- 5,983	- 6,382	+ 1,006	+ 451	- 521	+ 730	- 1,268	- 414	- 34	+ 179	+ 3,097	
Q2	- 4,111	- 7,976	+ 1,554	+ 466	- 229	+ 1,016	+ 1,058	- 425	+ 327	- 461	- 1,653	
2005 Sep	- 3,761	- 4,895	+ 571	+ 192	- 136	+ 286	+ 220	- 132	+ 0	- 333	+ 1,868	
Oct	- 2,757	- 3,940	+ 674	+ 145	- 309	+ 251	+ 422	- 144	+ 36	- 148	+ 1,573	
Nov	- 1,027	- 1,594	+ 728	+ 127	- 57	+ 229	- 460	- 147	+ 251	- 141	+ 1,201	
Dec	- 503	- 948	+ 647	+ 170	+ 22	+ 402	- 795	- 258	+ 227	- 93	+ 1,128	
2006 Jan	- 3,043	- 2,379	+ 311	+ 176	- 386	+ 185	- 950	- 153	- 103	+ 60	+ 755	
Feb	- 924	- 1,626	+ 413	+ 162	+ 10	+ 246	- 131	- 114	+ 90	+ 60	+ 1,492	
Mar	- 2,016	- 2,377	+ 282	+ 113	- 145	+ 299	- 188	- 146	- 21	+ 60	+ 850	
Apr	- 1,067	- 2,633	+ 542	+ 88	- 225	+ 375	+ 786	- 110	+ 121	- 146	+ 685	
May	- 1,618	- 2,637	+ 632	+ 291	- 33	+ 289	- 160	- 175	+ 130	- 169	- 4,584	
June	- 1,426	- 2,706	+ 380	+ 86	+ 29	+ 353	+ 431	- 140	+ 76	- 146	+ 2,246	
July	- 2,522	- 3,586	+ 594	+ 107	- 397	+ 252	+ 509	- 136	+ 110	- 341	+ 1,441	

1 From January 2001, 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 services 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	Workers' remittances	Other current transfers			
			Total	of which European Communities							
2001	- 26,856	- 16,367	- 14,257	- 12,587	- 2,110	- 10,489	- 3,520	- 6,969	- 387	- 1,361	+ 974
2002	- 27,511	- 15,710	- 13,045	- 11,214	- 2,665	- 11,801	- 3,470	- 8,331	- 212	- 1,416	+ 1,205
2003	- 28,282	- 18,277	- 15,428	- 13,731	- 2,849	- 10,005	- 3,332	- 6,672	+ 312	- 1,238	+ 1,550
2004	- 28,309	- 17,128	- 14,307	- 12,730	- 2,821	- 11,180	- 3,180	- 8,000	+ 430	- 1,094	+ 1,524
2005	- 28,921	- 17,907	- 16,253	- 14,725	- 1,654	- 11,014	- 2,926	- 8,088	- 1,268	- 3,419	+ 2,151
2004 Q4	- 6,863	- 4,206	- 3,097	- 2,763	- 1,109	- 2,658	- 795	- 1,863	- 218	- 340	+ 122
2005 Q1	- 7,348	- 4,671	- 3,739	- 3,194	- 932	- 2,678	- 732	- 1,946	- 1,491	- 2,038	+ 547
Q2	- 6,386	- 3,253	- 3,762	- 3,322	+ 509	- 3,134	- 732	- 2,402	+ 107	- 315	+ 422
Q3	- 7,628	- 4,927	- 4,457	- 4,138	- 470	- 2,702	- 732	- 1,970	+ 60	- 331	+ 391
Q4	- 7,558	- 5,057	- 4,296	- 4,071	- 762	- 2,501	- 732	- 1,769	+ 57	- 734	+ 791
2006 Q1	- 6,037	- 3,479	- 2,934	- 2,433	- 545	- 2,558	- 732	- 1,826	+ 153	- 310	+ 463
Q2	- 4,837	- 1,762	- 3,575	- 3,234	+ 1,813	- 3,075	- 732	- 2,343	+ 13	- 663	+ 676
2005 Sep	- 2,858	- 1,969	- 1,908	- 1,867	- 61	- 888	- 244	- 644	+ 42	- 101	+ 143
Oct	- 2,337	- 1,440	- 1,057	- 998	- 383	- 898	- 244	- 654	+ 329	- 109	+ 438
Nov	- 3,100	- 2,153	- 1,846	- 1,757	- 307	- 947	- 244	- 703	- 108	- 104	- 4
Dec	- 2,121	- 1,465	- 1,393	- 1,317	- 72	- 656	- 244	- 412	- 165	- 521	+ 356
2006 Jan	- 2,386	- 1,555	- 1,402	- 1,143	- 152	- 832	- 244	- 588	+ 7	- 81	+ 88
Feb	- 1,376	- 538	- 156	+ 22	- 381	- 839	- 244	- 595	+ 283	- 77	+ 359
Mar	- 2,274	- 1,387	- 1,376	- 1,313	- 11	- 887	- 244	- 644	- 137	- 152	+ 16
Apr	- 2,237	- 1,327	- 1,480	- 1,375	+ 152	- 910	- 244	- 666	- 144	- 80	- 64
May	- 1,109	+ 82	- 1,480	- 1,385	+ 1,562	- 1,191	- 244	- 947	- 282	- 137	- 145
June	- 1,491	- 517	- 615	- 474	+ 98	- 974	- 244	- 730	+ 439	- 446	+ 885
July	- 2,604	- 1,740	- 1,581	- 1,476	- 159	- 864	- 244	- 620	- 227	- 204	- 24

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	2003	2004	2005	2005		2006				
				Q3	Q4	Q1	Q2	May	June	July
<b>I Net German investment abroad</b> (Increase/capital exports: -)	- 203,369	- 260,875	- 371,910	- 66,241	- 43,487	- 167,991	- 92,573	- 30,546	- 44,888	+ 17,420
1 Direct investment 1	- 5,470	- 1,516	- 36,695	- 7,402	+ 4,008	- 16,070	- 10,288	+ 7,010	- 8,026	- 4,555
Equity capital	- 33,417	+ 17,642	- 16,779	- 1,694	- 3,646	- 6,493	- 10,069	- 5,666	- 4,597	- 1,711
Reinvested earnings 2	+ 3,784	- 5,605	- 9,715	- 2,773	- 2,449	- 3,182	- 1,727	+ 233	- 1,247	- 1,109
Other capital transactions of German direct investors	+ 24,163	- 13,553	- 10,201	- 2,934	+ 10,103	- 6,394	+ 1,508	+ 12,444	- 2,182	- 1,735
2 Portfolio investment	- 41,720	- 110,592	- 210,891	- 29,129	- 59,927	- 62,144	- 30,427	- 8,908	- 17,722	+ 1,355
Equity 3	+ 4,468	+ 3,520	- 22,884	- 3,435	- 20,584	- 1,220	+ 11,279	+ 4,568	+ 2,029	+ 7,113
Mutual fund shares 4	- 2,795	- 10,933	- 39,864	- 12,000	- 5,260	- 18,413	+ 2,664	+ 1,478	+ 1,780	- 211
Bonds and notes 5	- 53,224	- 90,734	- 143,604	- 9,540	- 32,630	- 42,262	- 36,382	- 13,472	- 19,071	- 3,991
Money market instruments	+ 9,831	- 12,445	- 4,540	- 4,154	- 1,454	- 250	- 7,988	- 1,482	- 2,461	- 1,556
3 Financial derivatives 6	- 1,901	- 5,412	- 4,697	+ 4,358	- 3,159	- 5,457	+ 2,001	+ 1,778	+ 1,616	+ 10
4 Other investment	- 154,722	- 144,826	- 121,810	- 33,287	+ 13,676	- 85,401	- 54,226	- 29,359	- 20,715	+ 20,942
MFIs 7,8	- 122,352	- 121,833	- 85,781	- 19,195	+ 37,903	- 107,125	- 56,824	- 2,424	- 46,508	+ 25,817
Long-term	- 32,602	+ 5,854	- 69,977	- 21,339	- 16,496	- 15,280	- 17,094	- 4,970	- 10,768	- 3,226
Short-term	- 89,750	- 127,687	- 15,804	+ 2,144	+ 54,399	- 91,845	- 39,731	+ 2,546	- 35,740	+ 29,043
Enterprises and households	- 33,329	- 22,284	- 17,112	- 8,237	+ 6,087	- 13,003	+ 1,341	- 828	+ 1,444	+ 4,855
Long-term	- 4,920	- 7,482	- 8,924	- 1,800	- 2,085	- 3,220	- 2,825	- 843	- 933	- 1,540
Short-term 7	- 28,409	- 14,802	- 8,188	- 6,437	+ 8,173	- 9,783	+ 4,166	+ 15	+ 2,376	+ 6,396
General government	+ 728	+ 2,143	+ 3,156	+ 3,753	- 7,232	+ 7,438	- 13,165	- 5,764	- 4,478	+ 1,001
Long-term	+ 156	+ 49	+ 7,695	+ 4,734	+ 179	+ 244	+ 250	- 45	+ 485	+ 166
Short-term 7	+ 572	+ 2,094	- 4,539	- 981	- 7,412	+ 7,194	- 13,415	- 5,719	- 4,964	+ 835
Bundesbank	+ 230	- 2,851	- 22,073	- 9,607	- 23,082	+ 27,288	+ 14,422	- 20,343	+ 28,828	- 10,732
5 Change in reserve assets at transaction values (Increase:-)	+ 445	+ 1,470	+ 2,182	- 783	+ 1,916	+ 1,082	+ 367	- 1,067	- 41	- 332
<b>II Net foreign investment in Germany</b> (Increase/capital imports: +)	+ 155,315	+ 146,180	+ 268,145	+ 50,688	+ 2,439	+ 127,121	+ 40,246	+ 17,399	+ 15,576	- 11,588
1 Direct investment 1	+ 25,873	- 12,172	+ 26,264	+ 877	+ 16,472	+ 297	+ 5,813	+ 2,897	+ 3,371	- 4,693
Equity capital	+ 44,233	+ 27,493	+ 12,103	- 426	+ 4,714	- 487	+ 1,370	+ 558	+ 696	- 801
Reinvested earnings 2	- 3,163	+ 677	+ 6,530	+ 2,770	+ 2,033	+ 1,789	+ 946	+ 555	- 42	- 307
Other capital transactions of foreign direct investors	- 15,197	- 40,343	+ 7,632	- 1,467	+ 9,725	- 1,006	+ 3,496	+ 1,784	+ 2,716	- 3,585
2 Portfolio investment	+ 112,629	+ 120,068	+ 196,987	+ 35,560	+ 15,039	+ 60,906	+ 20,849	+ 10,552	+ 28,344	+ 17,891
Equity 3	+ 23,093	- 12,763	+ 40,030	+ 8,408	+ 140	+ 656	+ 8,550	+ 5,759	+ 27,838	+ 505
Mutual fund shares	- 1,757	+ 4,671	+ 932	+ 1,861	- 1,903	+ 4,976	+ 1,509	+ 284	- 91	+ 411
Bonds and notes 5	+ 69,628	+ 142,689	+ 158,690	+ 26,848	+ 24,663	+ 45,965	+ 8,177	+ 4,136	+ 4,975	+ 18,539
Money market instruments	+ 21,665	- 14,529	- 2,665	- 1,558	- 7,862	+ 9,308	+ 2,612	+ 373	- 4,378	- 1,564
3 Other investment	+ 16,813	+ 38,285	+ 44,893	+ 14,252	- 29,072	+ 65,919	+ 13,585	+ 3,950	- 16,139	- 24,786
MFIs 7,8	+ 10,708	+ 32,337	+ 22,455	+ 3,202	- 27,316	+ 58,864	+ 833	+ 7,768	- 29,619	- 27,575
Long-term	- 5,964	- 10,083	- 9,830	- 749	- 11,354	- 2,988	+ 28	- 2,333	+ 3,388	+ 523
Short-term	+ 16,672	+ 42,421	+ 32,285	+ 3,951	- 15,962	+ 61,852	+ 805	+ 10,101	- 33,007	- 28,098
Enterprises and households	+ 429	+ 11,057	+ 20,803	+ 12,723	- 1,413	+ 9,842	+ 15,119	- 730	+ 13,297	+ 1,032
Long-term	- 297	+ 7,810	+ 7,836	+ 4,564	- 3,296	+ 79	+ 9,316	+ 28	+ 7,307	+ 159
Short-term 7	+ 726	+ 3,247	+ 12,967	+ 8,160	+ 1,882	+ 9,763	+ 5,803	- 758	+ 5,990	+ 872
General government	+ 3,693	- 2,658	+ 3,740	- 3,419	+ 1,049	- 2,850	- 1,980	- 4,567	+ 444	+ 1,399
Long-term	+ 4,872	- 1,425	+ 2,818	+ 607	- 381	- 1,264	- 329	- 416	+ 440	+ 470
Short-term 7	- 1,179	- 1,233	+ 922	- 4,026	+ 1,430	- 1,586	- 1,651	- 4,152	+ 4	+ 929
Bundesbank	+ 1,983	- 2,451	- 2,105	+ 1,746	- 1,391	+ 63	- 387	+ 1,480	- 260	+ 358
<b>III Financial account balance 9</b> (Net capital exports: -)	- 48,054	- 114,695	- 103,765	- 15,553	- 41,048	- 40,869	- 52,327	- 13,147	- 29,312	+ 5,832

1 From 1996, new definition for direct investment. — 2 Estimated. — 3 Including participation rights. — 4 From 1991, including retained 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 Financial account balance including change in reserve assets.

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	
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 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				Claims within the Eurosystem (net) 2
		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
2005	130,268	86,181	47,924	4,549	33,708	350	42,830	906	6,285	123,983
2005 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
Oct	111,515	82,506	43,325	4,979	34,202	350	27,777	882	7,374	104,141
Nov	127,813	85,143	46,240	5,012	33,890	350	41,420	901	6,411	121,403
Dec	130,268	86,181	47,924	4,549	33,708	350	42,830	906	6,285	123,983
2006 Jan	104,778	89,064	51,820	4,477	32,766	350	14,499	865	6,307	98,471
Feb	109,677	88,029	51,646	3,829	32,554	350	20,450	847	5,663	104,013
Mar	105,884	89,157	53,173	3,755	32,229	350	15,543	834	6,286	99,598
Apr	100,233	89,433	56,106	3,685	29,643	350	9,606	844	4,632	95,601
May	120,684	89,520	55,979	3,356	30,184	350	29,950	865	6,070	114,614
June	88,241	85,905	51,983	3,639	30,284	350	1,121	866	5,839	82,402
July	102,264	89,167	54,918	3,465	30,784	350	11,852	894	6,183	96,081
Aug	124,938	86,736	53,253	3,501	29,982	350	36,940	912	5,374	119,564

° 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>														
2002 <sup>3</sup>	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	409,493	97,333	312,160	179,738	132,422	125,497	6,925	548,107	65,557	482,550	375,114	107,436	73,270	34,166
2006 Feb	428,746	105,887	322,859	188,491	134,368	127,142	7,226	562,002	74,853	487,149	381,578	105,571	69,063	36,508
Mar	438,389	109,651	328,738	189,098	139,640	132,265	7,375	569,382	74,719	494,663	384,392	110,271	73,055	37,216
Apr	442,254	107,018	335,236	197,825	137,411	129,853	7,558	567,708	76,597	491,111	382,446	108,665	70,879	37,786
May	441,393	108,835	332,558	194,397	138,161	130,536	7,625	579,791	77,080	502,711	393,902	108,809	70,352	38,457
June	441,999	109,025	332,974	192,017	140,957	133,422	7,535	592,753	86,586	506,167	394,466	111,701	72,827	38,874
July	435,078	104,969	330,109	192,538	137,571	129,774	7,797	590,252	88,478	501,774	391,399	110,375	69,899	40,476
<b>Industrial countries <sup>1</sup></b>														
2002 <sup>3</sup>	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	362,704	95,847	266,857	167,314	99,543	94,278	5,265	508,106	63,924	444,182	364,680	79,502	60,907	18,595
2006 Feb	381,166	104,420	276,746	175,197	101,549	95,993	5,556	521,088	73,120	447,968	371,086	76,882	57,094	19,788
Mar	389,976	108,139	281,837	175,902	105,935	100,214	5,721	528,208	73,054	455,154	374,237	80,917	60,662	20,255
Apr	393,119	105,455	287,664	184,169	103,495	97,579	5,916	526,421	74,945	451,476	371,756	79,720	59,261	20,459
May	391,394	107,282	284,112	180,445	103,667	97,669	5,998	537,559	75,138	462,421	383,199	79,222	58,711	20,511
June	390,600	107,503	283,097	177,263	105,834	99,856	5,978	547,920	84,669	463,251	381,615	81,636	61,052	20,584
July	383,669	103,302	280,367	177,640	102,727	96,498	6,229	545,037	86,562	458,475	378,713	79,762	58,354	21,408
<b>EU member states <sup>1</sup></b>														
2002 <sup>3</sup>	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	270,808	91,882	178,926	108,523	70,403	66,156	4,247	414,377	60,186	354,191	300,022	54,169	41,305	12,864
2006 Feb	289,276	99,704	189,572	116,727	72,845	68,414	4,431	429,372	68,641	360,731	307,641	53,090	39,539	13,551
Mar	296,750	103,472	193,278	117,502	75,776	71,208	4,568	434,660	68,417	366,243	310,217	56,026	42,087	13,939
Apr	301,359	100,688	200,671	126,093	74,578	69,879	4,699	433,341	70,337	363,004	308,131	54,873	40,634	14,239
May	298,392	102,265	196,127	121,895	74,232	69,495	4,737	442,879	70,498	372,381	317,768	54,613	40,288	14,325
June	298,953	101,866	197,087	120,521	76,566	71,842	4,724	453,570	79,944	373,626	317,693	55,933	41,671	14,262
July	292,064	97,952	194,112	119,760	74,352	69,398	4,954	452,335	81,813	370,522	315,491	55,031	40,081	14,950
<b>of which: Euro-area member states</b>														
2002 <sup>3</sup>	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	175,532	59,160	116,372	69,048	47,324	45,369	2,955	332,261	29,443	302,818	268,483	34,305	25,225	9,110
2006 Feb	184,337	62,371	121,966	73,039	48,927	45,849	3,078	341,634	32,254	309,380	276,337	33,043	23,559	9,484
Mar	189,597	65,739	123,858	73,274	50,584	47,464	3,120	345,003	32,629	312,374	277,453	34,921	25,378	9,543
Apr	191,487	65,528	125,959	75,949	50,010	46,779	3,231	344,595	35,781	308,814	274,514	34,300	24,475	9,825
May	192,803	65,201	127,602	77,835	49,767	46,440	3,327	354,313	36,220	318,093	284,183	33,910	24,038	9,872
June	192,640	64,074	128,566	77,322	51,244	47,949	3,295	356,714	37,658	319,056	284,488	34,568	24,842	9,726
July	187,653	61,642	126,011	76,753	49,258	45,772	3,486	355,886	38,722	317,164	283,332	33,832	23,846	9,986
<b>Emerging economies and developing countries <sup>2</sup></b>														
2002 <sup>3</sup>	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	46,789	1,486	45,303	12,424	32,879	31,219	1,660	40,001	1,633	38,368	10,434	27,934	12,363	15,571
2006 Feb	47,580	1,467	46,113	13,294	32,819	31,149	1,670	40,914	1,733	39,181	10,492	28,689	11,969	16,720
Mar	48,413	1,512	46,901	13,196	33,705	32,051	1,654	41,174	1,665	39,509	10,155	29,354	12,393	16,961
Apr	49,135	1,563	47,572	13,656	33,916	32,274	1,642	41,287	1,652	39,635	10,690	28,945	11,618	17,327
May	49,999	1,553	48,446	13,952	34,494	32,867	1,627	42,232	1,942	40,290	10,703	29,587	11,641	17,946
June	51,399	1,522	49,877	14,754	35,123	33,566	1,557	44,833	1,917	42,916	12,851	30,065	11,775	18,290
July	51,409	1,667	49,742	14,898	34,844	33,276	1,568	45,215	1,916	43,299	12,686	30,613	11,545	19,068

\* 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 May

2004, including the new member states: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia. — 2 All countries that are not regarded as industrial countries. — 3 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
2005	1.2441	136.85	7.4518	0.68380	9.2822	1.5483	8.0092	1.5087	1.6320	1.7660
2005 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
Oct	1.2015	138.05	7.4620	0.68137	9.4223	1.5490	7.8347	1.4149	1.5937	1.7212
Nov	1.1786	139.59	7.4596	0.67933	9.5614	1.5449	7.8295	1.3944	1.6030	1.7088
Dec	1.1856	140.58	7.4541	0.67922	9.4316	1.5479	7.9737	1.3778	1.5979	1.7072
2006 Jan	1.2103	139.82	7.4613	0.68598	9.3111	1.5494	8.0366	1.4025	1.6152	1.7616
Feb	1.1938	140.77	7.4641	0.68297	9.3414	1.5580	8.0593	1.3723	1.6102	1.7741
Mar	1.2020	140.96	7.4612	0.68935	9.4017	1.5691	7.9775	1.3919	1.6540	1.8956
Apr	1.2271	143.59	7.4618	0.69463	9.3346	1.5748	7.8413	1.4052	1.6662	1.9733
May	1.2770	142.70	7.4565	0.68330	9.3310	1.5564	7.7988	1.4173	1.6715	2.0240
June	1.2650	145.11	7.4566	0.68666	9.2349	1.5601	7.8559	1.4089	1.7104	2.0462
July	1.2684	146.70	7.4602	0.68782	9.2170	1.5687	7.9386	1.4303	1.6869	2.0551
Aug	1.2811	148.53	7.4609	0.67669	9.2098	1.5775	7.9920	1.4338	1.6788	2.0220

\* 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	95.6	96.5	96.5	95.8	97.7	98.1	97.7	100.8	102.3	105.1
2000	86.1	86.0	85.5	85.2	87.9	85.8	91.4	92.7	91.2	105.4	105.2	117.9
2001	86.7	86.8	86.5	84.8	90.4	87.0	91.3	93.2	91.5	112.0	103.6	106.7
2002	89.2	90.4	89.9	88.0	94.8	90.9	92.1	94.1	92.6	110.7	104.2	100.8
2003	99.9	101.7	101.2	99.3	106.6	101.6	95.6	97.8	97.2	97.7	99.2	99.9
2004	103.8	105.9	104.9	103.4	111.0	105.4	95.9	99.3	98.8	89.8	103.4	101.7
2005	102.9	105.2	104.2	101.4	109.5	103.5	P 94.8	99.5	97.6	88.7	102.9	99.8
2001 Q1	88.3	88.0	87.6	86.2	90.9	87.8	92.0	93.8	92.1	109.3	102.4	108.1
Q2	85.3	85.4	84.9	83.3	88.8	85.6	90.7	92.6	90.8	113.4	104.1	106.9
Q3	86.4	86.6	86.4	84.2	90.5	87.1	91.0	93.0	91.5	112.2	103.9	106.8
Q4	86.8	87.2	87.1	85.6	91.2	87.6	91.5	93.2	91.6	113.1	104.0	104.9
2002 Q1	86.0	86.9	86.4	84.6	90.4	86.8	91.1	93.2	91.0	116.6	104.9	98.8
Q2	87.8	89.0	88.2	86.6	93.0	89.2	91.7	93.7	91.7	112.1	103.5	100.8
Q3	90.9	92.2	91.8	89.8	97.2	93.2	92.4	94.6	93.7	107.0	103.9	103.7
Q4	91.9	93.3	93.2	90.8	98.6	94.2	93.2	94.9	94.1	107.1	104.4	100.1
2003 Jan	95.3	96.8			102.3	97.5		96.1	95.5	103.0	102.6	100.4
Feb	96.6	98.2	97.1	95.2	103.7	98.9	94.5	96.8	96.4	102.2	101.2	99.2
Mar	97.4	99.0			104.4	99.5		97.1	96.5	101.4	99.3	99.8
Apr	97.9	99.5			104.6	99.6		97.2	96.5	101.4	98.7	98.6
May	101.8	103.5	101.9	99.7	108.5	103.3	96.1	98.7	98.1	96.7	96.9	97.7
June	102.2	104.2			108.8	103.7		99.0	98.5	96.1	98.9	96.3
July	101.0	102.9			107.2	102.3		98.3	97.5	97.8	98.5	97.3
Aug	99.8	101.8	101.7	100.1	106.0	101.2	95.7	97.8	96.9	99.1	98.1	98.3
Sep	99.6	101.7			105.9	101.2		97.4	96.8	97.2	98.2	101.1
Oct	101.3	103.4			108.0	103.0		98.0	97.6	93.3	98.8	103.7
Nov	101.2	103.3	104.0	101.9	108.0	102.9	96.1	98.0	97.6	93.0	99.5	103.9
Dec	104.2	106.1			111.2	105.8		99.0	99.0	90.6	99.5	102.9
2004 Jan	105.4	107.4			112.5	107.0		99.7	99.7	88.9	101.6	102.9
Feb	105.3	107.3	105.8	104.8	112.3	106.8	96.6	99.5	99.5	89.3	104.1	102.4
Mar	103.4	105.5			110.2	104.8		99.0	98.7	90.9	104.2	102.1
Apr	101.6	103.7			108.3	103.0		98.5	97.8	91.8	104.3	104.0
May	102.4	104.5	103.3	102.1	109.5	104.2	95.2	98.8	98.4	93.4	103.7	100.0
June	102.3	104.2			109.6	104.1		98.4	98.2	91.9	104.9	101.6
July	102.8	104.9			110.1	104.5		98.9	98.4	90.9	105.0	101.2
Aug	102.7	104.8	103.8	102.4	109.9	104.5	95.6	99.1	98.5	91.3	104.6	100.5
Sep	103.0	105.2			110.3	104.7		99.1	98.4	90.7	102.8	100.8
Oct	104.2	106.3			111.5	105.8		99.5	99.0	88.9	101.8	100.8
Nov	105.6	107.6	106.6	104.5	113.1	107.0	96.3	99.9	99.4	85.4	101.4	102.6
Dec	107.1	109.2			114.4	108.3		100.7	100.1	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	104.2	111.9	105.9	P 96.2	100.1	98.8	86.1	102.9	102.4
Mar	106.0	108.2			112.9	106.8		100.5	99.1	85.3	103.0	101.4
Apr	105.1	107.2			111.9	105.8		99.9	98.6	86.8	104.0	100.4
May	104.0	106.2	104.6	102.1	110.6	104.6	P 95.0	99.7	98.1	87.8	103.2	102.0
June	101.2	103.5			107.6	101.9		98.6	96.7	89.6	104.4	102.0
July	101.7	104.0			108.0	102.1		99.0	96.9	90.7	101.6	99.8
Aug	102.3	104.6	103.0	100.1	108.7	102.8	P 94.3	99.3	97.3	89.2	102.4	99.9
Sep	101.8	104.1			108.2	102.4		99.3	97.2	88.8	103.4	99.5
Oct	101.4	103.6			107.8	101.8		99.2	96.8	90.5	102.7	97.1
Nov	100.7	102.9	102.4	99.3	106.9	100.8	P 93.6	99.0	96.4	92.3	102.7	95.2
Dec	100.7	102.9			106.9	100.7		99.0	96.4	91.6	102.9	94.7
2006 Jan	101.4	103.6			107.5	101.3		99.1	96.2	90.0	102.2	96.3
Feb	100.7	103.0	102.5	99.5	106.6	100.4	P 93.9	99.0	96.0	91.0	102.5	94.9
Mar	101.5	103.8			107.4	101.2		99.1	96.2	90.8	101.7	95.2
Apr	102.7	105.0			108.6	102.3		99.7	96.8	89.7	101.5	94.5
May	103.8	106.0	...	...	110.3	103.7	P 94.4	99.9	97.4	86.1	103.8	96.7
June	103.9	106.1			110.9	104.2		100.0	97.7	87.2	103.3	94.7
July	104.3	106.5			111.0	104.4		100.1	97.8	87.6	103.3	93.8
Aug	104.4	106.7	...	...	111.1	104.4		...	...	87.0	105.4	93.0

\* 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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### Financial Stability Review

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### Monthly Report

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For information on the articles published between 1990 and 2005 see the index attached to the January 2006 *Monthly Report*.

## Monthly Report articles

### 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

### November 2005

- The economic scene in Germany in autumn 2005

### December 2005

- Price-setting behaviour in Germany
- The road to the Single Euro Payments Area

### January 2006

- Determinants of the current accounts in central and east European EU member states and the role of German direct investment
- Securities market regulation: international approaches

### February 2006

- The economic scene in Germany around the turn of 2005-06

### March 2006

- German balance of payments in 2005
- New legal and regulatory framework for the German securitisation and Pfandbrief market
- A disaggregated framework for analysing public finances: Germany's fiscal track record between 2000 and 2005

### April 2006

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- The creation of a single list of eligible collateral throughout the euro area

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- The economic scene in Germany in spring 2006

### June 2006

- Investment and financing in 2005
- Concentration risk in credit portfolios
- German enterprises' profitability and financing in 2004

### July 2006

- Recent developments in German banks' lending to domestic enterprises and households
- State government finances in Germany
- Derivatives and their feedback effects on the spot markets

### August 2006

- The economic scene in Germany in summer 2006

### September 2006

- The performance of German credit institutions in 2005
- German foreign direct investment (FDI) relationships: recent trends and macroeconomic effects
- The evolution of labour market-related expenditure

## 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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Makro-ökonomisches Mehr-Länder-Modell,  
November 1996<sup>2</sup>

Europäische Organisationen und Gremien im Bereich von Währung und Wirtschaft, May 1997<sup>2</sup>

Die Zahlungsbilanz der ehemaligen DDR 1975 bis 1989, August 1999<sup>2</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>2</sup>

Die Europäische Union: Grundlagen und Politikbereiche außerhalb der Wirtschafts- und Währungsunion, April 2005<sup>2</sup>

European economic and monetary union,  
September 2005

Die Deutsche Bundesbank – Aufgabenfelder, rechtlicher Rahmen, Geschichte, April 2006<sup>2</sup>

## Special Statistical Publications

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- 1 Banking statistics guidelines and customer classification, July 2003<sup>3</sup>

2 Bankenstatistik Kundensystematik Firmenverzeichnisse, June 2006<sup>2,4</sup>

3 Aufbau der bankstatistischen Tabellen,  
January 2000<sup>2</sup>

4 Financial accounts for Germany 1991 to 2005,  
July 2006<sup>5</sup>

5 Extrapolated results from financial statements of German enterprises 1994 to 2003, March 2006

6 Ratios from financial statements of German enterprises 2002 to 2003, December 2005<sup>5</sup>

7 Erläuterungen zum Leistungsverzeichnis für die Zahlungsbilanz, February 2005<sup>2</sup>

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

9 Securities deposits,  
August 2005

10 International capital links,  
April 2005<sup>1,5</sup>

11 Balance of payments by region,  
August 2005

12 Technologische Dienstleistungen in der Zahlungsbilanz, June 2006<sup>2</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> Available in German only.

<sup>3</sup> Solely available on the internet, updated at half-yearly intervals. Only the sections "Monthly Balance Sheet Statistics", "External position" and "Customer classification" ("Overall survey on sectoral classification", "Survey on breakdown by industry or activity" and "Explanatory notes on the system of customer classification by industry or activity") are available in English.

<sup>4</sup> Current version only available on the internet at quarterly intervals.

<sup>5</sup> Available on the internet only.

## Discussion Papers\*

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Banks' regulatory buffers, liquidity networks and monetary policy transmission

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Empirical risk analysis of pension insurance – the case of Germany

#### 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>2</sup>

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

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