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The economic scene
in Germany
in autumn 2006

Overview

Economic upswing broadly based

The global economy continued to grow in the third quarter of 2006. Its momentum, however, was somewhat weaker, and the regional growth centres had shifted. This applied particularly to the industrial countries. While the US economy lost momentum, the Japanese economy continued to pursue the more moderate expansionary course begun in the previous quarter. The euro area saw a further strengthening of the recovery process. Here, however, the high second-quarter growth rate could not be fully sustained. Of course, it must be remembered that there were special factors influencing the very rapid acceleration in macroeconomic activity in the second quarter.

International setting

The financial markets operated amid apparently contradictory trends. While some stock markets attained multi-year highs as a result of favourable profit forecasts, vigorous acquisition activity and a relaxation of tensions in the crude oil markets, developments in the bond and foreign exchange markets were increasingly determined by changing expectations about inflation and general economic activity, especially in the United States. Long-term interest rates in both the dollar area and the euro area fell by approximately $\frac{1}{2}$ percentage point between the beginning of July and the middle of November. At the end of the period under review the yield on ten-year government bonds in the European capital market was $3\frac{3}{4}\%$. The euro had been appreciating against the dollar until the third quarter as a result of more favourable economic prospects for the euro area and market fears

that the US economy may be cooling. However, falling oil prices subsequently provided a certain counterweight as market players hoped that this would have a positive effect, especially on the US economy. Consequently, the exchange rate movements were generally more restrained.

*Monetary
policy*

Price developments in the euro area during recent months were determined by the decline in oil prices, and this, together with a favourable baseline effect, resulted in a significant fall in the inflation rate to 1.6% in October. This, however, did not lead to a significant reduction in the somewhat longer-term risks to stability policy. Hence, the generally favourable course of economic development in the euro area might mean that price and cost rises such as the recent oil price rises or the planned VAT increase in Germany in 2007 will be passed through to a greater degree. There is also the persistent danger of second-round effects on wage developments, which may undermine price stability. More importantly, however, the continued strong monetary expansion in the euro area, which increased still further in the third quarter owing to robust credit growth, indicates longer-term inflation risks. Although monetary policy was tightened further at the beginning of October, central bank rates are still decidedly low, with the main refinancing rate at 3.25%. This is all the more true considering the fact that the now well-advanced upturn requires no further monetary policy support.

*German
economy*

Germany's cyclical upturn continued at a brisk rate after the middle of the year.

According to initial calculations by the Federal Statistical Office, overall output in the third quarter of 2006, which had already been at a fairly high level in the first and second quarters, after corrections, was up by 0.6% on the previous three-month period after seasonal and working-day adjustment. This means that economic growth in Germany was somewhat slower in the third quarter than in the second quarter when gross domestic product, under the impact of favourable special factors (following a further upward revision of the figures), had increased by 1.1%. However, after adjustment for the volatility in construction work, which had been strongly influenced by the weather, and for the temporary surge in demand in connection with the FIFA World Cup, the rate of economic momentum has hardly changed so far this year. Since the fourth quarter of last year, overall economic growth has amounted to approximately 3½% on an annualised basis. Germany is therefore also helping to give a considerable boost to the euro area, especially as the demand profile is now significantly more balanced. Furthermore, it is becoming increasingly evident that the labour market, too, is now benefiting from the strengthening of economic activity.

Even though, as usual, important disaggregated information is still missing for the third quarter, there are many signs that investment in the period under review exceeded the level of the second quarter. In view of the increasing capacity utilisation, the incentive to expand played a greater role in spending on machinery and equipment. This is suggested

not only by the high degree of industrial confidence but also by the more positive response in surveys among craftsmen. Construction investment also rose significantly in the third quarter, albeit to a somewhat lesser extent than in the second quarter when catch-up effects had played a role. All in all, investment has now established itself as an important mainstay of economic activity alongside foreign trade.

Exports again imparted positive stimuli in the third quarter of 2006 after moving at a somewhat more subdued pace in the second quarter. Exports of goods expanded particularly fast. In terms of value, seasonally adjusted exports of goods were 5% up on the previous quarter. Most of the growth in export sales occurred in trade with partners outside the euro area. Economic growth in Germany is therefore also fostering growth in the entire euro area.

Labour market

The cyclical recovery in the third quarter of 2006 also had a stimulating effect on employment again. There was a further increase in the number of persons employed. Year on year, the increase now amounts to 340,000 persons. A similarly strong increase was last recorded at the beginning of 2001 when the "new economy" boom was tailing off. The latest increase chiefly concerned employees subject to social security contributions. The trend in the number of reported job vacancies also suggests an improvement in the labour market. The year-on-year increase in the number of job vacancies has now gone up by one-third to a seasonally adjusted 600,000.

The seasonally adjusted number of persons officially registered as unemployed in the third quarter fell to 4.43 million. That is about 430,000 or more than 1% fewer members of the workforce than last year. While the decline was previously due, first and foremost, to labour market structural reforms, it is now primarily attributable to the increased demand for labour. The decline in unemployment continued in October. The unemployment rate as defined by the Federal Employment Agency fell from 10.6% to 10.4%. The moderation in wage policy during the past few years is therefore beginning to pay off. It is important not to jeopardise this during the now accelerating upturn. That is required not only by stability-policy considerations. The sustained growth in consumer demand which is essential if the upswing is to be maintained also depends on an improvement in the labour market. It is therefore encouraging that the generally moderate growth in wage costs in Germany continued in the third quarter of the year even though the emerging tendency to shorten the duration of wage agreements is to be seen as a warning signal on the anti-inflation front.

As in the euro area as a whole, consumer prices in Germany in the third quarter were influenced by the significantly calmer oil markets. Fuel became cheaper, and there was a marked deceleration in the rate at which the prices of heating oil rose. If energy is excluded, however, the consumer price index in the third quarter increased more sharply than in the second quarter. In keeping with this, there was a slightly sharper upward movement in seasonally adjusted prices in October,

Prices

too, although the cost of fuel and heating oil declined somewhat and food became marginally cheaper again. The year-on-year increase in both the national consumer price index and the Harmonised Index of Consumer Prices (HICP) widened from 1.0% to 1.1%.

Further outlook

In view of the fact that industrial activity is still buoyant and a number of commercial service providers are enjoying generally more stable business prospects, the underlying cyclical trend in Germany is likely to remain on an upward course. Owing to their improved competitiveness, German exporters will continue to benefit substantially from global economic growth. As a result of the increased investment in expanding capacity in the machinery and equipment sector and in construction, however, domestic demand has become a second pillar of overall economic developments. This is particularly true now that the contraction of the construction sector that has persisted for a decade appears to have ended and a discernible improvement has emerged in the employment situation.

Public finances

Public finances are currently progressing much more favourably than expected. The improved economic recovery and the unexpected growth in the generally very volatile profit-related taxes, which was even stronger, were the main reasons for this development. The general government deficit, which amounted to 3.2% of gross domestic product in 2005, will fall well below the 3% ceiling in the current year. The decline is predominantly attributable to the positive influences men-

tioned above and a generally moderate growth in spending.

The general government deficit is likely to show another significant decline in the coming year. This is firstly the result of the Federal Government's fiscal package, which, if taken as a whole, will lead to an improvement in the financial situation, especially through increased taxes and levies. Secondly, expenditure growth has so far been moderate, particularly in the areas of personnel, old-age provision and the labour market.

Undershooting the 3% ceiling in 2006 is a positive development. However, the achievement of this major milestone must not be allowed under any circumstances to lessen the sensitivity to the need to further reduce the deficit. The present favourable economic cycle should be used for a speedy reduction of the structural deficits. It is widely agreed that fiscal consolidation should be stepped up during good times. It would therefore be logical actually to intensify retrenchment efforts and not to repeat the mistake frequently made in the past of using unexpected additional revenue for other purposes. It is important here not to yield to the many vested interests. The year 2001 showed just how quickly favourable economic developments coupled with a boom in volatile profit-related taxes can turn and instead lead to extensive deficits, a rapidly increasing debt ratio and a violation of budgetary limits unless sound foundations have been laid. It is therefore gratifying that the Federal Government has announced its intention to use the additional revenue to reduce new borrowing in particu-

lar. Consequently, another immediate aim should be for central government and the individual state governments, too, to achieve

balanced budgets in line with the existing requirement for general government.

Global and European setting

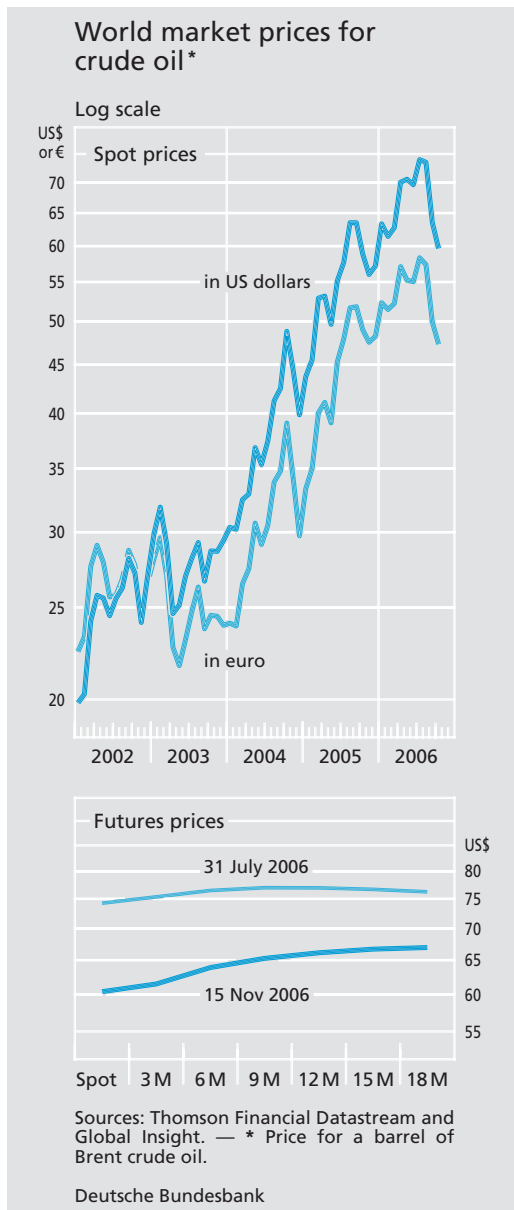
World economic activity

While the world economy remained on its growth path in summer 2006, regional expansionary forces continued to shift. The pace, however, has slackened compared with the very strong spring performance. This applies particularly to the industrial countries. For instance, the third-quarter real gross domestic product (GDP) of the triad of industrial economies was ½% up on the period (after seasonal adjustment) following rises in the first two quarters of the year of 1% and ¾% respectively. One reason is that total output in the United States – where residential construction has continued to cool down sharply – grew much more weakly. In essence, however, the US economy continued to point upwards; private consumption, commercial investment and exports all picked up noticeably once again. The other is that euro-area growth, which was particularly buoyant in spring owing, among other things, to various special effects, fell off in the third quarter. By contrast, the Japanese economy remained on the flatter growth path which it had begun to follow in the second quarter.

World economy growing somewhat more slowly...

The preceding rise in short and long-term interest rates in the industrial countries is one factor that is likely to have helped make global growth more moderate in the third quarter. Another factor was the dampening impact of the sharp rises (which lasted into the summer) in energy prices. In the first eight months of 2006, the price of Brent crude oil, quoted in US dollars, rose by 28½%. The rising prices of industrial raw materials, which in fact increased by well over

... but still on a stable path



one-third over the aforementioned period, put an additional strain on the economy. The sharp falls in prices on the oil markets in August and September, however, lent additional support to the global economy in autumn. In addition, the favourable share price developments in some countries are likely to have positively influenced domestic demand. Above all, most of the current indi-

cators point to a continuation of the process of global growth at a measured pace.

Economic developments in the emerging market economies continue to show a positive picture. In the south and east Asian emerging market economies, economic momentum seems to have slowed down only very little. Real GDP growth in China, for instance, was once again very strong (up 10½% on the year), yet failed to match its spring pace (+11¼%). The economies of the oil-producing countries in the Middle East and the Commonwealth of Independent States (CIS) continued to run at a rapid pace. Throughout the reporting period, most South American countries, especially oil producers Venezuela and Mexico, likewise profited from high commodity prices. However, the Brazilian economy was throttled in the third quarter by monetary policy which – despite numerous interest rate reductions – was still restrictive and by the preceding sharp appreciation of the real. This resulted in a reduction in consumer price inflation by three percentage points to 3.3% in the January to October 2006 period.

Continued fast pace of growth in emerging market economies

Oil market developments abruptly reversed themselves in the third quarter. Prices fell from their early August peak of US\$78 to US\$60 (for a barrel of Brent) in the second half of September. This represents a decline of one-quarter. In October and the first half of November, oil prices fluctuated around the US\$60 mark. Euro-denominated prices fell at a similarly sharp rate in the past few months. As this report went to press, a barrel was trading at €47. Various factors which caused

Oil markets calmer from the beginning of August

the high risk premium previously included in the quotations to shrink drastically were key to the distinct fall in oil prices. The easing of tensions in various Middle Eastern flashpoints was one such factor. Another was that the renewed severe hurricane season forecast for the Gulf of Mexico failed to materialise. Additional factors included quite ample inventory stocks in the United States and only relatively minor disruptions to oil supplies from Alaska, where oil pipelines had sustained damage during the summer months. Industrial raw materials, by contrast, traded at a new record high level on average for the month of October. This was due mainly to increased prices for non-ferrous metals, which were up by four-fifths on the year. As of late, cereal crop failure, in particular, has also caused a visible upturn in the global market prices for foods.

Price developments in industrial countries influenced by lower oil prices

The decline in oil prices has visibly curbed inflation in the industrial countries in the past few months. In addition, the year-on-year rate of change in consumer prices was pushed downwards by the sharp rise in energy prices in the third quarter of 2005, which was primarily attributable to the hurricane damage to the oil rigs in the Gulf of Mexico. Both factors, in concert, led to energy prices in the industrial countries being somewhat down on the year in the September to October period. Annual headline inflation therefore fell from 2.9% in August to 1.8% in September and 1.5% in October. Core inflation (excluding energy and food), by contrast, held steady at 1.8% in September (more current information is not yet available). On account of the slide in oil prices a year ago, among other factors, energy prices

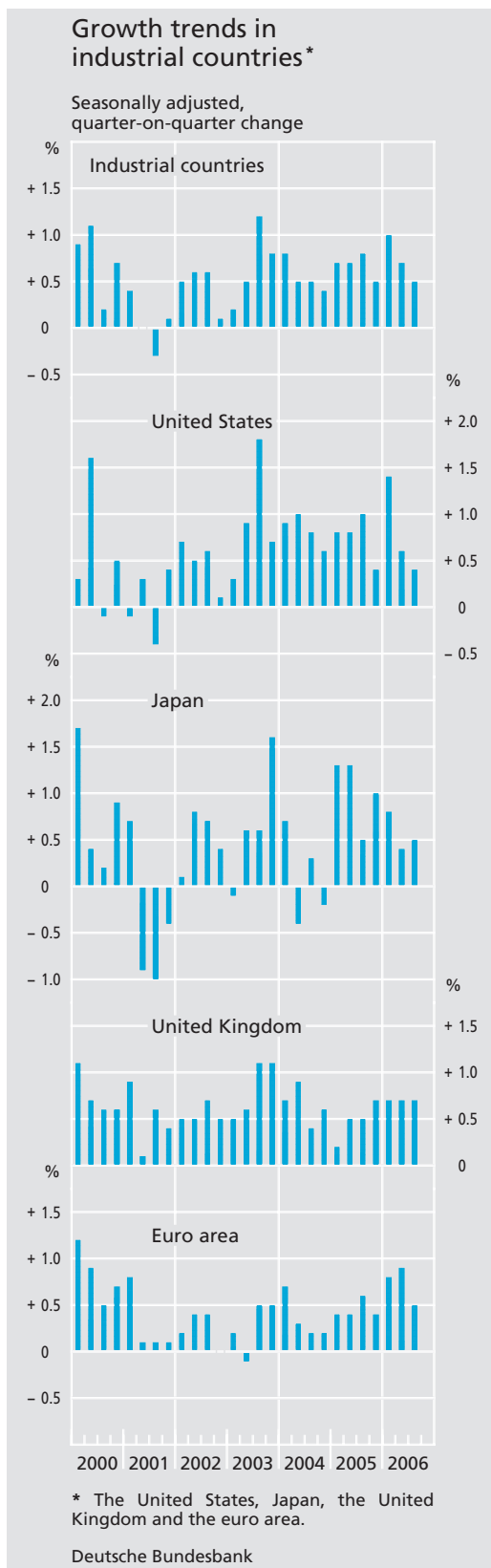
and thus the year-on-year rate of change in overall consumer prices appear to be heading back up in the November to December period.

The current state of calm in the oil markets also represents a considerable gain in purchasing power for consumers in the oil-consuming countries. Enterprises have seen their cost pressures abate appreciably. Although this contrasts with a decline in the oil-producing countries' oil revenue, this is not likely to limit demand accordingly, at least not in the short term; a reduction in the high saving ratio is the more likely outcome. Forward quotations, however, appear to indicate that a renewed rise in oil prices should be expected in the medium term. This is also consistent with forecasts of a further increase in the global demand for oil.

Falling oil prices boosting the world economy

However, were the oil price to hold steady at its current level of around US\$60, this would protect the IMF's September 2006 global growth forecast – which had still assumed that oil prices would hit US\$75½ in 2007 – against downside risks. The IMF projects a minimal decline in global GDP growth from just over 5% in the current year to just under 5% in 2007. Real global trade is expected to grow by 7½% in 2007 compared with 9% in 2006. The IMF's September forecast expects the advanced economies to see growth slow down from 3% to 2¾%. Consumer price inflation is forecast to fall by ¼ percentage point to 2¼% next year. Given the current state of oil prices, external price pressures are likely to be weaker than the IMF expects; by contrast, however, home-grown price pres-

IMF autumn forecast



sures could potentially become stronger given the cyclical stability, the rather high capacity utilisation in some sectors and favourable labour market developments. The falling oil prices will probably also either slow down or stop the rise in the US current account deficit that has been persisting since 2001. Nevertheless, the large external imbalances represent a significant source of risk to the global economy. The unpredictability in the oil markets is another factor. In addition, the corrections in the property markets of some industrial countries, most prominently the United States, could turn out to be larger than hitherto suggested.

According to preliminary calculations, real USA GDP in the United States grew only moderately – by just under ½% – in the third quarter of 2006 after seasonal and working-day adjustment. It was up by slightly less than 3% on the year. The main reason for the slower pace of growth was that the decline in housing investment accelerated from -3% in the spring to -4¾%. The year-on-year decrease was 7¾%. Although the rapid adjustment of new housing construction to reduced demand for housing is currently putting a strain on US growth, it could help to stabilise the ailing property market and, in particular, to prevent a major slide in house prices, which would have more severe consequences for the US economy. The US domestic economy received a continued boost from private consumption and commercial investment in the third quarter. Real consumption expenditure once again grew faster than in the past, at a seasonally adjusted ¾%. Increased car purchases owing to new discount offers by US

car manufacturers after the middle of the year had a significant impact. At $-1/2\%$, the saving ratio remained virtually unchanged. Commercial investment grew by a seasonally adjusted 2% and thus at around double its second-quarter pace. Demand for buildings as well as for new machinery and equipment (including software) contributed in equal measure to this growth. The positive earnings trend and continued favourable financing conditions are particular indicators that investment activity will remain brisk.

An additional perceptible boost to growth was provided by exports which, after the elimination of seasonal influences, were up by a further $1\frac{1}{2}\%$ on the period. However, this was offset by an acceleration in import growth from $1/2\%$ in the second quarter to 2% in the third. This consequently led to a renewed expansion of the deficit in real net exports, which reached a new all-time high in terms of value. As in the two preceding quarters already, it made up $5\frac{1}{2}\%$ of GDP.

Owing to the fall in energy prices, consumer prices in the USA were down in both September and October by 0.5% on the month after seasonal adjustment. On account of the inflationary surge in 2005 in connection with the hurricane damage sustained by the oil production facilities in the Gulf of Mexico, year-on-year headline inflation even went down from 3.8% in August to 2.1% in September and 1.3% in October. Core inflation (excluding energy and food), however, remained quite high, averaging 2.8% over the two months. This was due in large part to the sharp rise in rents (including imputed rents

for owner-occupied housing) and the perceptible increase in private healthcare costs. By contrast, the core personal consumption expenditure deflator, which is the US Federal Reserve's preferred instrument for price analysis, fell slightly to 2.4% in September.

In the third quarter, growth in the Japanese economy was once again $1/2\%$ higher (after seasonal adjustment) than in the previous period and thus slightly more than its potential rate. It was up by $2\frac{3}{4}\%$ on the year. The main reason for the increase in total output was the sharp rise in exports (by a seasonally adjusted $2\frac{3}{4}\%$), which is also likely to have been connected with the perceptible depreciation of the yen. With imports remaining virtually unchanged, foreign trade contributed – on balance – nearly $1/2$ percentage point to GDP growth. In addition, inventory stocks were increased significantly. By contrast, the net stimuli from domestic final demand were negative. The expansion of commercial investment, which continued to be quite strong, was offset by a significant decline in private consumption and government investment. Private sector expenditure on new residential construction stagnated. The decline in the GDP deflator slowed down from $-1\frac{1}{4}\%$ in the second quarter to $-3/4\%$ in the third. The most important outcome of the conversion of the consumer price index from the previous base year (2000) to 2005 was that the rate of inflation over the past few years was revised downwards considerably. For the second quarter of 2006, inflation was pushed down by $1/2$ percentage point to +0.2%. On an average of the July to August period, however, inflation in Japan grew to 0.6%. It remained at

Japan

this level in September, too. The fall in US dollar-denominated oil prices had a less pronounced impact on overall inflation than in other industrial countries owing *inter alia* to the yen's depreciation.

*United
Kingdom*

In the United Kingdom, real GDP – which was up by $\frac{3}{4}\%$ on the period according to initial calculations and after seasonal and working-day adjustment – continued its brisk growth in the third quarter. It was up by $2\frac{3}{4}\%$ on the year. The services sector, which saw its real value added likewise go up by $\frac{3}{4}\%$, again provided strong stimuli. Manufacturing output and energy production increased at the same pace. Construction output grew by $\frac{1}{2}\%$. The buoyant growth in real retail sales (excluding motor vehicles) in the third quarter – information on demand components is not yet available – suggests that private consumption continued to drive the UK economy. Headline inflation decelerated only slightly in the September to October period to 2.4%, thus remaining above the UK government's inflation target of 2%. In terms of the overall index, the sharp drop in energy prices was partly offset by an increase in core inflation (excluding energy and unprocessed food) from 1.4% in August to 1.6% in the September to October period. According to the Halifax index, house prices picked up again in seasonally adjusted terms after having fallen in May and June. In the August to October period, housing prices were $8\frac{1}{2}\%$ up on the year. To stem the home-grown inflationary pressures, the Bank of England raised its bank rate by an additional 25 basis points to 5.0% in early November.

Economic activity slackened in the summer months in the new EU member states. For instance, industrial output slumped to $1\frac{1}{2}\%$ in the third quarter, having stood at $2\frac{1}{4}\%$ and 4% respectively in the two preceding quarters; nevertheless, its year-on-year growth was $11\frac{1}{4}\%$. This suggests that, in the third quarter, real GDP also no longer grew as strongly as in the two preceding quarters. Despite slower productivity growth, the new member states still continued to make good progress in reducing unemployment. In the July to August period, the unemployment rate, at just over 12%, was $\frac{1}{4}$ percentage point lower than in the second quarter. Headline inflation hit 2.8% in August, its highest level since the second quarter of 2005. Lower oil prices caused the inflation rate to go down to 2.5% in the September to October period. One of the main reasons why the decline was not more pronounced was that inflation in Hungary picked up from 4.7% in August to 6.1% in the September to October period owing to the depreciation of the forint as well as increases in administered prices.

*New EU
member states*

Macroeconomic trends in the euro area

Cyclical growth in the euro area continued to solidify in the summer quarter. Although it was not quite possible to keep up the fast second-quarter pace, output growth, at $\frac{1}{2}\%$ after seasonal adjustment, was still more or less at its potential rate. Year-on-year GDP growth stood at $2\frac{1}{2}\%$. The somewhat slower pace is due chiefly to a slackening of overall output in Germany and a lull in growth in France. It must be borne in mind that the very

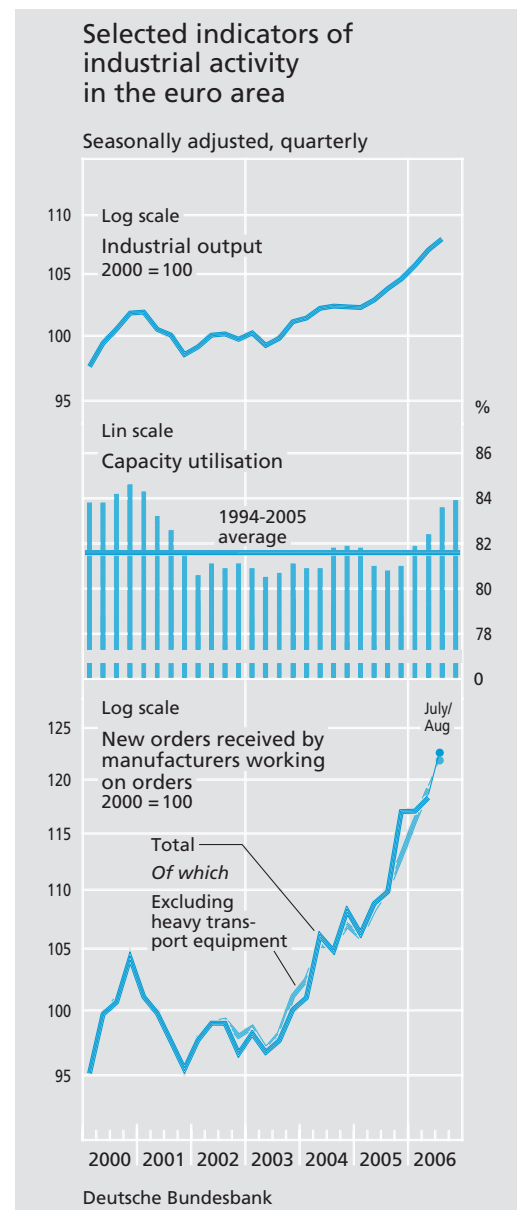
*GDP growth
down slightly
in the summer
quarter*

rapid acceleration of euro-area GDP in the second quarter was influenced by special factors. Chief among these was the sharp rise in construction output in various member states following considerable weather-related disruptions in early 2006. For the fourth quarter of 2006 and the first quarter of 2007, the European Commission, in its short-term projection, presumes that the slowdown will continue, with a growth dip forecast for early 2007 owing to the expected decline in demand in Germany following the planned VAT increase.

Industrial activity still lively

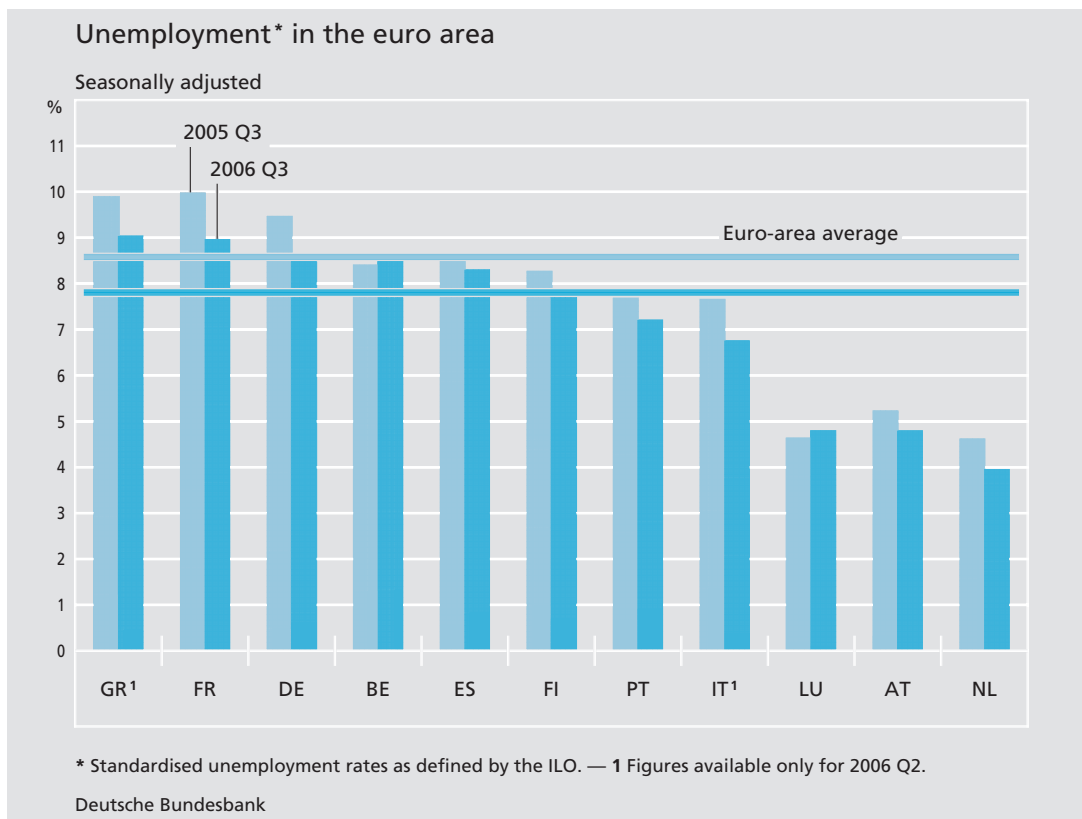
The expansion of industrial output once again made a significant contribution to euro-area countries' GDP growth in the summer months. On average for the July to September period, output was up by 1% on the quarter after seasonal adjustment and by 4% on the year. The production of non-durable goods stagnated over this time, whereas output growth in the other areas of production was above average. Compared with the first half of 2006, however, industrial output growth has lost some of its momentum. Capacity utilisation in manufacturing continued to rise after mid-year; in October, it had almost returned to its very high level of January 2001. Industrial orders received in the July to August period were up by 3½% on the quarter after seasonal adjustment and by 12% on the year. Excluding other transport equipment, where large orders (especially of aircraft) have a strong impact, orders were up by just over 2% after seasonal adjustment.

In the July to October period, manufacturing confidence once again tended to improve,



with the positive balance of responses standing at a level just slightly below the all-time high of May 2000; this is consistent with the image of a continuation of sound industrial activity. The favourable business climate was bolstered by all three sub-components: higher output expectations and an improved assessment of the orders situation and warehouse stocks. The export outlook, which forms part of the quarterly survey of firms,

Outlook still assessed favourably



was assessed with as much confidence in October as it had already been in July and April. The indicators of sentiment in the services sector, retail trade and construction industry likewise continued to rise after mid-year amidst, at times, perceptible monthly fluctuations. This contrasts to a degree with the lack of further improvement in consumer confidence between July and October, even though it remained higher than its average of the second-quarter months.

Buoyant domestic demand

From a demand-side perspective, domestic demand – according to the available partial data (information on the national accounts components is not yet available) – was probably once again the main driver of third-quarter economic growth in the euro area. For instance, real retail sales (excluding motor

vehicles) in the euro area rose by ½% (after seasonal adjustment) in the third quarter following an identical rise in the second quarter. The year-on-year increase was 1¾%. Durables were in particular demand, while sales of food tended to be sluggish. The rather strong growth in demand in the retail trade sector contrasted with a visible decline in the demand for cars, however; in the July to October period, new registrations were down by 2% (after seasonal adjustment) on their second-quarter level and by 1½% on the year. According to the EU survey, euro-area construction investment remained on a distinct upward trend in the summer months.

Nominal exports grew quite sharply in the July to August period, up by a seasonally adjusted 1½% on their second-quarter level.

High degree of momentum in foreign trade

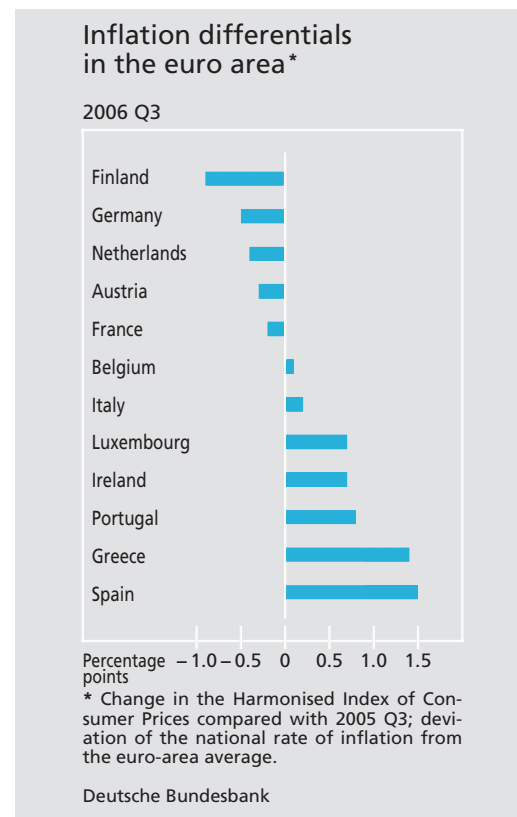
Buoyant foreign business thus remained a key pillar of euro-area economic growth throughout the reporting period. At the same time, however, imports rose by 5¼%; consequently, the balance of trade over the combined two-month period closed with a deficit of €5 billion after seasonal adjustment. The sharp increase in the value of imports is certainly largely attributable to rising energy prices, which hit a new all-time high in August. Real imports of goods, however, are also likely to have picked up distinctly.

Rising employment – falling unemployment

The economic upswing is having an increasingly positive impact on euro-area countries' labour markets. In the second quarter of 2006 – more recent information is not yet available – the number of employed persons rose by ½% after seasonal adjustment. Year-on-year growth stood at 1¼%. Although the decline in unemployment – which is measured using the international standard ILO definition – decelerated somewhat in the summer months, the unemployment rate in the third quarter, at 7¾% after seasonal adjustment, was much lower than a year earlier (8½%), however. Despite the improvement in labour market conditions, wage growth remained subdued. In the second quarter of 2006, the most recent period for which information is available, it stood at a seasonally adjusted ½%. Year-on-year wage growth held steady at 2½%.

Decelerating price increases

Following the relatively strong price surge in the early months of the year (+0.8% compared with the first quarter after seasonal adjustment), euro-area consumer prices again grew somewhat more slowly in the third



quarter of 2006 (+0.5%). Year-on-year growth in the Harmonised Index of Consumer Prices (HICP) accordingly fell by 0.4 percentage point to 2.1%. The much weaker growth of energy prices was the chief reason for this decline. Although the rise in the prices of unprocessed food, which was exceptionally sharp for the season, formed a counterweight of sorts, it was not enough to offset the decline in the overall index. Excluding the relatively volatile energy and unprocessed food components, prices rose by a seasonally adjusted 0.4% in the summer months – a rate similar to that of the preceding quarters. The year-on-year rate of increase remained unchanged at 1.5%. The moderate price tendencies of the past few months persisted in the case of processed food, industrial goods and services alike. Year-on-year HICP infla-

tion, having already dropped to 1.7% in September owing to falling oil prices and the countervailing price movements of a year earlier, went down further to 1.6% in Oc-

tober. Over the somewhat longer term, however, this tendency is not expected to continue.

Monetary policy and banking business

Interest rate policy and the money market

In raising interest rates by $\frac{1}{4}$ percentage point in early October, the Governing Council of the ECB further reined back its monetary policy. With effect from 11 October, main re-financing operations have been conducted as fixed-rate tenders with a minimum bid rate of $3\frac{1}{4}\%$, and the interest rates on the marginal lending facility and the deposit facility have been $4\frac{1}{4}\%$ and $2\frac{1}{4}\%$ respectively.

Interest rates rise in October

The renewed interest rate rise had become necessary as risks to price stability remained on the upside. While the decline in crude oil prices since August, coupled with a favourable baseline effect, has triggered a temporary marked fall in the current inflation rate, this has not significantly affected the somewhat longer-term risks to price stability. Hence, the favourable economic developments in the euro area could result in price and cost increases, such as the recent increase in oil prices or the planned VAT increase in Germany in 2007, being passed through to a greater degree. There is also the persistent danger of second-round effects on wage developments, which may undermine stability. More importantly, however, the continued strong monetary expansion in the euro area – which increased still further in the third quarter owing to robust credit growth – heralds longer-term inflation risks.

Like the four previous interest rate rises, the latest monetary policy measures, which market participants had been expecting, were mainly implemented smoothly in the money

Money market rates

Money market management and liquidity needs

During the three reserve maintenance periods between 12 July and 10 October 2006, euro-area credit institutions' need for central bank liquidity determined by autonomous liquidity factors fell by €7.6 billion in net terms. The increase in the volume of banknotes in circulation was similar to that of the corresponding reserve maintenance periods last year and absorbed €9.7 billion, the main rise being in the July-August period. However, the remaining autonomous factors more than offset this need. The decline in general government deposits with the Eurosystem, which should be seen in connection with the fairly high levels of the preceding periods, led to a net €7.9 billion fall in liquidity needs. If the net foreign reserves and the other factors are taken together, a move which eliminates liquidity-neutral valuation effects, there is a €9.4 billion decline in the banks' liquidity needs over the three periods. This was caused by Eurosystem purchases of financial assets which were unrelated to monetary policy.

The Eurosystem took account of the changes in the liquidity needs arising from autonomous factors by adjusting the volumes of its main refinancing operations (MROs). These were initially expanded during the July-August period by €13.2 billion but the average allotment amount was reduced by €15.7 billion and €5.3 billion, respectively, in the following two periods. After a marked increase in the minimum reserve requirements in the preceding three periods, the reserve requirement in the period under review increased only slightly (by €0.7 billion) and was met by the credit institutions without difficulty.

The money market rate (EONIA) stood mostly at between 2.80 % and 2.83 % until the key interest rate rise took effect on 9 August. With the new minimum bid rate of 3.00 %, EONIA stood mostly at between 3.04 % and 3.07 % until the Governing Council of the ECB raised the main refinancing rate to 3.25 % with effect from 11 October.

The ECB continued its generous allotment policy in the July-August and August-September periods, allotting €2.0 billion above the benchmark in each of the MROs. Hence, the spread between the EONIA and the minimum bid rate (EONIA spread) was reduced from being mostly 8 basis points to being mostly between 6 and 7 basis points. Owing to the declining EONIA spread in the course of the period under review, the ECB reduced the allotment to €1.0 billion above the benchmark in the first three MROs of the September-October reserve maintenance period. As the EONIA spread fell further, the ECB decided to allocate only the benchmark amount in the final two MROs of the September-October period and informed the market accordingly.

The outcome of the ECB's generally loose allotment approach was that the overnight rates declined slightly for a time towards the end of the July-August and August-September reserve maintenance periods. Liquidity-absorbing fine-tuning oper-

ations ensured that the EONIA rate was very close to the minimum bid rate at the end of the reserve maintenance period. In the September-October reserve maintenance period, the end of the increased allotment led to a rise in the rates in the last few days of the period. A liquidity-providing fine-tuning operation resulted in EONIA standing at 3.09 % on the last day of the reserve maintenance period.

The liquidity-absorbing fine-tuning operations amounted to €18.0 billion and €11.5 billion, and the liquidity-providing operation €9.5 billion. In all three operations, the desired volume was fully achieved.

Factors determining bank liquidity ¹

€ billion; changes in the daily averages of the reserve maintenance periods vis-à-vis the previous period

Item	2006		
	12 July to 8 Aug	9 Aug to 5 Sep	6 Sep to 10 Oct
I Provision (+) or absorption (-) of central bank balances due to changes in autonomous factors			
1 Banknotes in circulation (increase: -)	- 9.4	- 0.5	+ 0.2
2 General government deposits with the Eurosystem (increase: -)	- 6.0	+ 11.6	+ 2.3
3 Net foreign reserves ²	- 6.7	- 0.3	- 0.6
4 Other factors ²	+ 9.4	+ 4.1	+ 3.5
Total	- 12.7	+ 14.9	+ 5.4
II Monetary policy operations of the Eurosystem			
1 Open market operations			
(a) Main refinancing operations	+ 13.2	- 15.7	- 5.3
(b) Longer-term refinancing operations	± 0.0	+ 0.0	± 0.0
(c) Other operations	- 0.3	+ 0.2	+ 0.7
2 Standing facilities			
(a) Marginal lending facility	+ 0.0	- 0.1	+ 0.0
(b) Deposit facility (increase: -)	+ 0.5	+ 0.0	- 0.1
Total	+ 13.4	- 15.6	- 4.7
III Change in credit institutions' current accounts (I + II)	+ 0.8	- 0.7	+ 0.6
IV Change in the minimum reserve requirement (increase: -)	- 0.9	+ 0.7	- 0.5

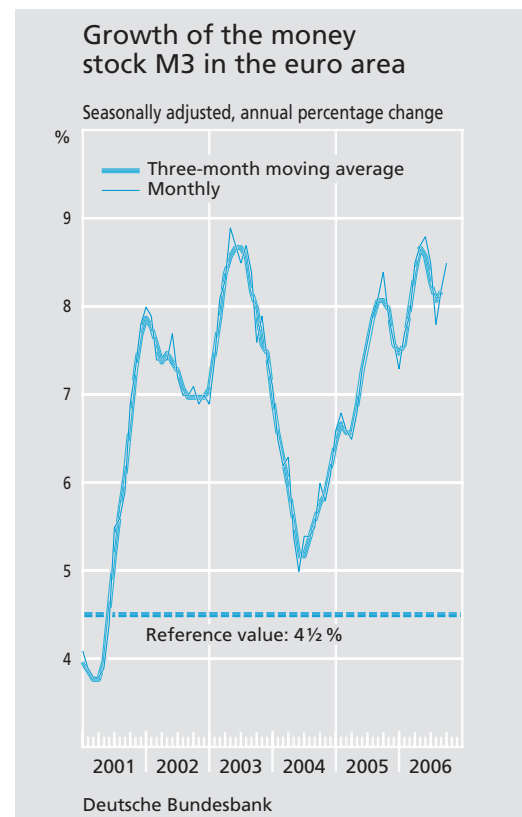
¹ For longer-term trends and the Deutsche Bundesbank's contribution, see pages 14* and 15* of the Statistical Section of this *Monthly Report*. — ² Including end-of-quarter valuation adjustments with no impact on liquidity.

market. For the most part, the EONIA overnight rate between the start of August and the beginning of November was slightly above the marginal allotment rate which, in turn, was only a few basis points higher than the minimum bid rate. The remaining money market rates also tended to go up somewhat in the period under review. After the key interest rate hike in October, they rose across the board by up to 10 basis points until mid-November, although the money market yield curve has recently steepened somewhat. The recent remuneration for 12-month funds was around ½ percentage point higher than for overnight money. The three-month forward rates, which also express interest rate expectations, rose slightly, too. The market has priced in at least one further increase in the overnight rate of ¼ percentage point over a six-month time horizon.

Monetary developments in the euro area

Steep rise in money stock continues

The broad monetary aggregate M3 continued to grow very strongly in the euro area in the third quarter of 2006. With an annualised seasonally-adjusted growth rate of 10½%, the pace of M3 expansion even slightly exceeded the very rapid rate seen in the second quarter (9%). Given that interest rates remain low, growth was driven mainly by the prolonged heavy demand for credit in the private sector. Although this was offset by continuing strong monetary capital formation, the latter lost some momentum in the period under review. General government borrowing or saving has also exerted a dampening effect on monetary growth of late.

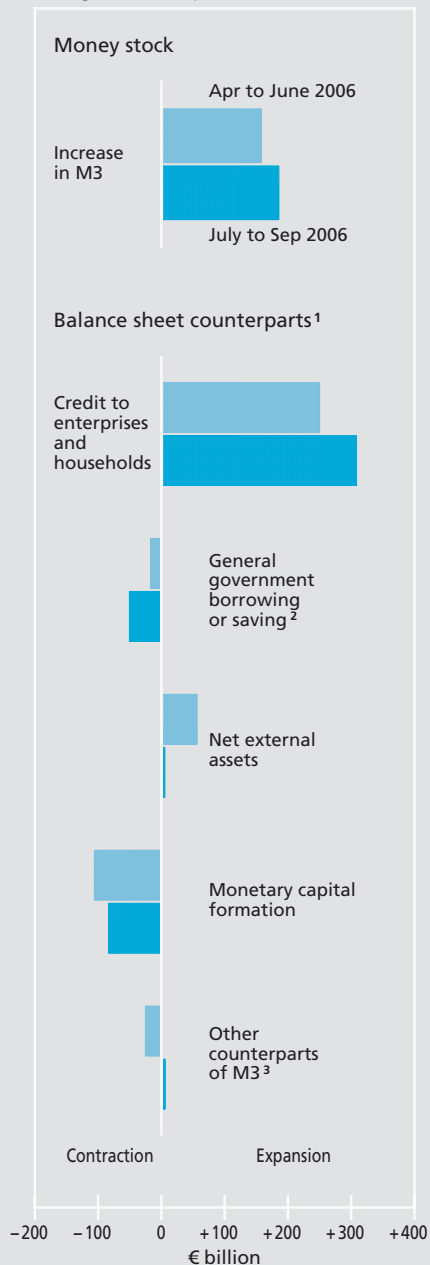


Of the components of M3, the short-term time deposits remunerated at market rates and marketable instruments were increased very sharply in the third quarter. The former attracted much attention, especially from households. By contrast, there was very little demand for the traditional low-yield deposit components of M3 in view of the higher opportunity costs. Hence, short-term savings deposits (with an agreed period of notice of up to three months) increased only slightly. Overnight deposits did not expand much either: their annualised, seasonally-adjusted growth rate from July to September was 1½%, down from 8% in the second quarter. Only cash holdings continued to increase rapidly. Overall, the especially liquid components of the monetary aggregate M1 rose in the third quarter at a seasonally-adjusted annual

Strong growth in M3 components remunerated at market rates

Euro-area M3 and its balance sheet counterparts

€ billion, seasonally adjusted change over the period indicated



¹ Changes in balance sheet counterparts are shown in terms of whether they expand (+) or contract (-) the money stock. — ² Bank loans to general government less euro-area central government deposits with MFIs and holdings of securities issued by the MFI sector. — ³ Calculated as a residual of the other items of the consolidated balance sheet of the MFI sector.

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rate of only 3%, the smallest rise since early 2001.

In the third quarter, lending to the private sector in the euro area continued to generate strong stimuli for monetary developments. Credit growth has accelerated noticeably of late, picking up to a seasonally-adjusted annual rate of just over 12½% after tapering off somewhat for a period in the second quarter. Alongside housing loans, there was also increased demand for loans to enterprises. As in the preceding quarters, short and medium-term loans were also topped up heavily despite the continuing rise in bank interest rates. In addition, banks acquired a considerable amount of securities issued by enterprises resident in the euro area. In so doing, they indirectly provided funds to the corporate sector.

Heavy lending to private sector continues

In contrast to the domestic private sector, the euro-area public sector scaled back their loans from domestic banks in the third quarter. In addition, the banks further reduced their stocks of public sector securities, continuing their net sales of such paper in both of the preceding two quarters. At the same time, central government deposits (which are not part of M3) increased sharply, considerably accentuating the dampening effect of general government borrowing or saving on M3.

Credit to general government declines

Moreover, continuing strong monetary capital formation again had a dampening effect on monetary growth of late. However, the volume of additional longer-term investment with banks in the euro area was somewhat

Strong monetary capital formation

smaller in the third quarter than in the first and second quarters. The seasonally adjusted annual growth rate stood at 6½% at the end of the period under review, as against 8½% in the two preceding quarters. In addition, the flattening of the yield curve in the capital market evidently reduced the appeal of longer-term time deposits and bank debt securities remunerated at market rates. Although both of these components remained robust in the third quarter, overall they attracted a noticeably lower level of investment than they had in the preceding two quarters. There was muted demand, especially from households, for deposits with an agreed maturity of over two years. They indicated a preference not only for short-term time deposits, but also for longer-term savings deposits, which are likely to be more liquid at a similar remuneration, even if the period of notice is more than three months.

Deposit and lending business of German banks with domestic customers

*Moderate rise
in bank
deposits*

In contrast to the strong monetary expansion throughout the euro area, bank deposits in Germany grew only moderately in the third quarter. The seasonally adjusted annualised growth rate of these deposits slipped from 6½% in the second quarter to just under 4% in the third quarter. In this context, the relatively moderate growth in domestic private demand for credit continued. At the same time, domestic non-banks received considerable inflows of funds from abroad. Unlike the situation in the euro area, however, it was mainly longer-term bank deposits that experi-

Lending and deposits of monetary financial institutions (MFIs) in Germany *

€ billion		
Item	2006	2005
	July to Sep	July to Sep
Deposits of domestic non-MFIs 1		
Overnight	- 13.0	+ 11.4
With agreed maturities		
of up to 2 years	+ 24.0	+ 3.2
of over 2 years	+ 5.7	+ 1.7
Redeemable at agreed notice		
of up to 3 months	- 12.2	- 0.5
of over 3 months	+ 3.8	- 3.2
Lending		
to domestic enterprises and households		
Unsecuritised	+ 17.3	+ 16.8
Securitised	- 2.1	+ 7.6
to domestic government		
Unsecuritised	- 3.0	- 5.4
Securitised	- 8.7	- 0.7

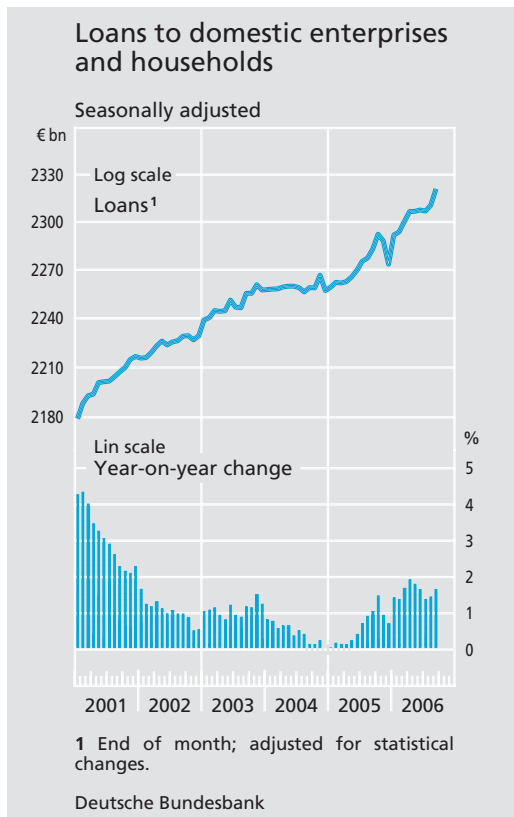
* As well as banks (including building and loan associations, but excluding the Bundesbank), monetary financial institutions (MFIs) here also include money market funds; see also Table IV.1 in the Statistical Section of the *Monthly Report*. — 1 Enterprises, households and government excluding central government.

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enced stronger growth, while investment in shorter-term deposits was only moderate.

As in the whole of the euro area, short-term time deposits remunerated at market rates were topped up particularly heavily between July and September. However, the rise was largely fuelled by shifts away from overnight deposits and short-term savings deposits. Households, in particular, evidently attempted to benefit from the rise in money market rates in this manner. The reason was that retail banking interest rates for new deposits with an agreed maturity of up to two years recently rose considerably faster than rates for overnight money or short-term savings deposits (see page 28–29). As a corollary of these shifts, domestic non-banks' overnight balances (excluding Federal Government de-

*Portfolio shifts
behind sharp
rise in short-
term time
deposits*



posits) fell by an annualised and seasonally adjusted rate of 1½% in the third quarter. On an annual basis, short-term savings deposits actually shrank by just under 8%.

Renewed demand for longer-term bank deposits

In addition to short-term time deposits, domestic bank customers again built up longer-term balances in the period under review. There was renewed demand, in particular, for deposits redeemable at a period of notice over three months. Large-scale shifts away from short-term savings deposits evidently occurred here as well. As in the preceding quarter, domestic insurance corporations (which traditionally constitute the most important group of depositors) were alone in increasing their time deposits with an agreed maturity of over two years.

Lending by German banks to domestic non-banks remained almost unchanged in the period under review. However, this picture masks very heterogeneous developments. Whereas lending to domestic enterprises and households (including securitised lending) expanded by a seasonally adjusted annualised rate of 2% in the third quarter, lending to the public sector in Germany fell by just under 7½% over the same period. The decline affected both lending and, even more so, banks' holdings of public sector securities.

Lending almost unchanged overall

Once more, a sharp rise in short-term lending to other financial intermediaries contributed to the increase in lending to enterprises and households in the period under review. Securities transactions with banks (reverse repos) accounted for the majority of the loans, which do not entail a flow of funds to the non-bank sector. The increase in lending to domestic enterprises and households is lower still if one excludes these interbank transactions settled with the aid of other financial intermediaries (especially securities trading houses).

Slight increase in lending to private sector ...

Other financial intermediaries aside, non-financial corporations also recently increased their loans from German banks. By contrast, lending to households increased only marginally. For example, housing loans, which are particularly prevalent, increased only fractionally more than usual in the third quarter. This somewhat heterogeneous lending pattern in the private sector is in line with observations made by German credit institutions participating in the Eurosystem's Bank

... in face of further increase in lending to domestic enterprises

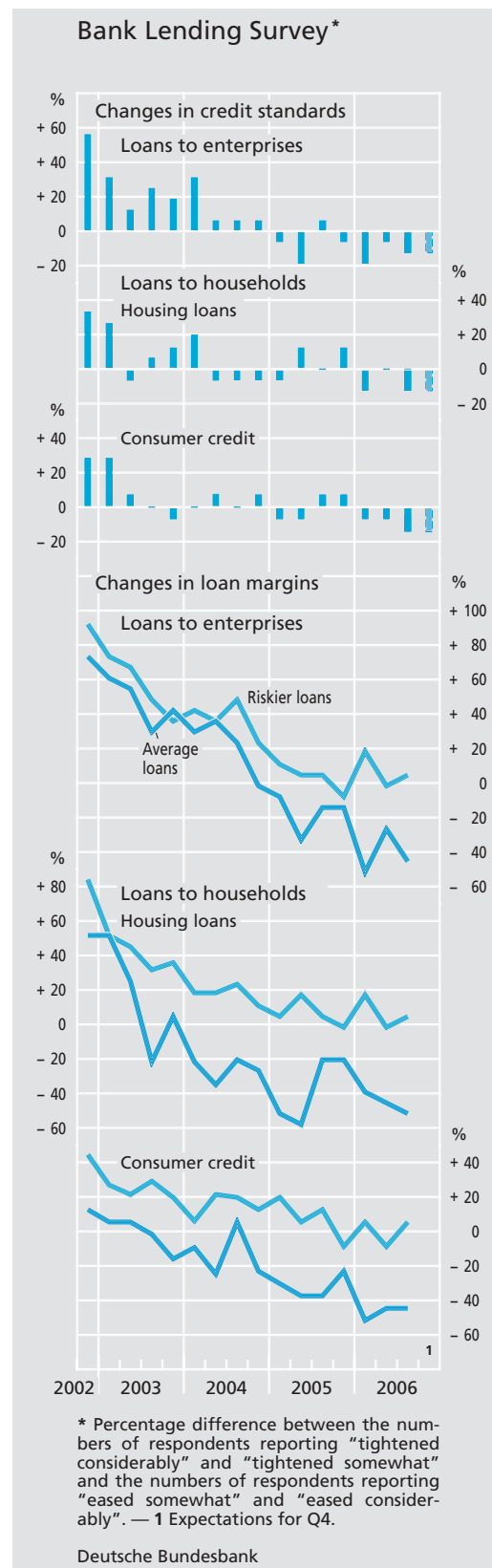
Lending Survey.¹ Whereas according to these data lending to enterprises picked up again slightly, household demand for housing loans in the third quarter was slightly down on the preceding quarter. By contrast, the banks surveyed reported an increase in demand for consumer loans, a development which they attributed to a rise in consumer confidence and signs of anticipatory effects ahead of the increase in VAT. The banks expect demand to increase further in the fourth quarter across all the lending categories reviewed here, although housing loans are expected to be somewhat less buoyant than the rest.

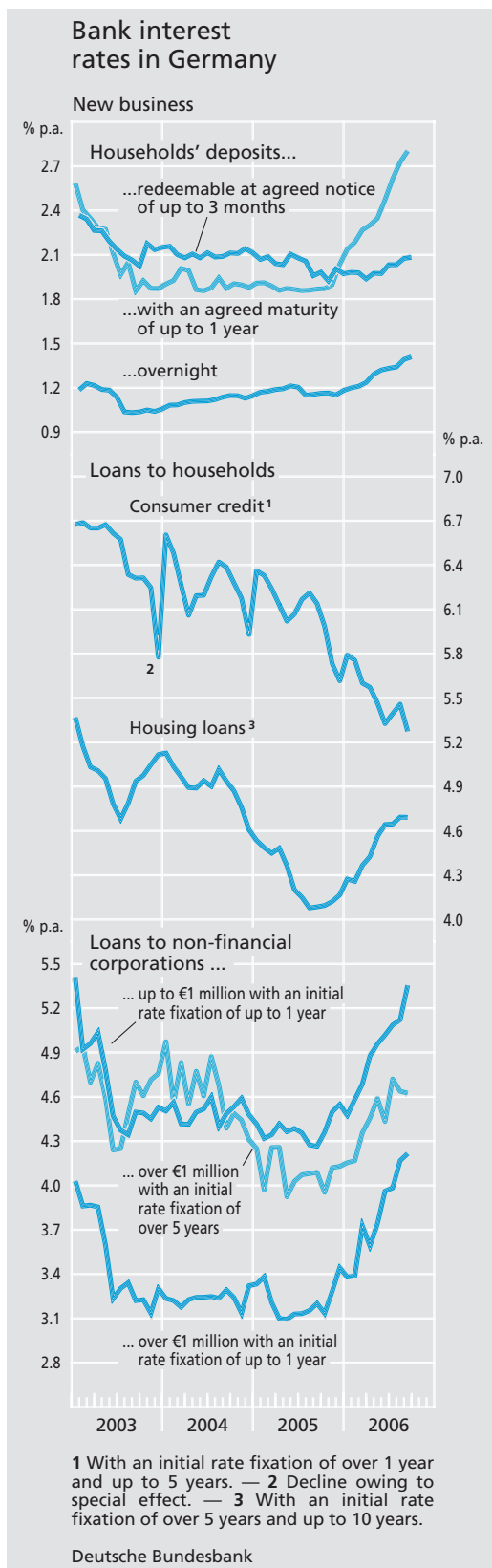
Easing of credit standards

In terms of loan supply, enterprises benefited from an easing of credit standards in the third quarter of 2006, as did households for their housing and consumer financing.² According to the Bank Lending Survey data, the respondent banks ascribed this to a brightening of the general economic outlook and increasing competition. At the same time, participating institutions also reduced their margins for average exposures across all credit categories, leaving those for riskier loans largely unchanged. Hence, the margin spread, observable for some time, continued to widen in the reporting period. On balance, respond-

¹ All the aggregate survey results for Germany are available at http://www.bundesbank.de/volkswirtschaft/vo_veroeffentlichungen.en.php.

² In respect of loans to enterprises in particular, the German results point to supply conditions that are slightly more expansionary than indicated by the results for the euro area as a whole. At the same time, the assessment of demand for loans to enterprises was somewhat less positive in Germany than the euro-area average. Conversely, developments with regard to retail customers broadly matched those indicated in the euro-area survey results. See European Central Bank, Monthly Bulletin, November 2006, p 22.





ents expect the moderate easing of credit standards across all lending categories to continue in the final quarter of 2006.

The trend towards a reduction in margins for average-risk loans runs counter to the general increase in banks' lending rates, through which the institutions pass on the gradual tightening in Eurosystem monetary policy to their customers. However, interest rates on new loans from German institutions were still higher across virtually all product categories and maturities than at the end of the preceding quarter; only on mid-term consumer loans were banks charging somewhat less than they had three months earlier. Moreover, the short-term lending rates were revised upwards more strongly than rates for longer-term loans. It is likely that developments in the capital markets also played a part here; they saw a sharp decline in long-term yields in the reporting period, and this caused the yield curve to flatten further. Overall, the German banks' rates for long-term loans to enterprises recently stood at between 4.6% and 4.9% depending on the loan amount, while banks charged 4.7% and 8.9% for long-term housing and consumer loans respectively.

Lending rates continue to rise

There was also an increase in the remuneration for households' deposits in the quarter under review. Depending on the maturity, the rate of interest paid on households' time deposits ranged between 2.5% and 3.4%, though here, too, the discernible upward trend was stronger for shorter maturities than for longer ones; the remuneration rate for overnight deposits was 1.4%. The rate of

Deposit rates mainly increasing

interest on savings deposits with a notice period of up to three months did not change, at 2.1%, while German banks were recently offering 2.7% for longer notice periods.

Financial markets

Trends in the financial markets

Against a backdrop of falling oil prices, rising corporate earning forecasts and vigorous acquisition activity, the stock markets have been decidedly benign in recent months, in some cases even reaching record highs. By contrast, developments in the bond and foreign exchange markets have been influenced mainly by the changing growth and inflation expectations for the US economy. In this setting, the long-term interest rates in the major economies fell, while exchange rates mostly moved “sideways” with only moderate fluctuations. Central bank interest rate decisions on both sides of the Atlantic had been largely expected and therefore had only a limited short-term effect on the financial markets.

*Financial
market trends*

Exchange rates

In the light of the described changes in the international money and capital market interest rates, movements in the foreign exchange markets were comparatively calm in late summer and autumn. The euro did initially make some gains against the currencies of major trading partners as the market players were expecting further interest rate increases by the ECB following surprisingly positive quarterly data on euro-area GDP. However, the euro depreciated somewhat again on balance later in the reporting period.

*Euro exchange
rate
movements ...*

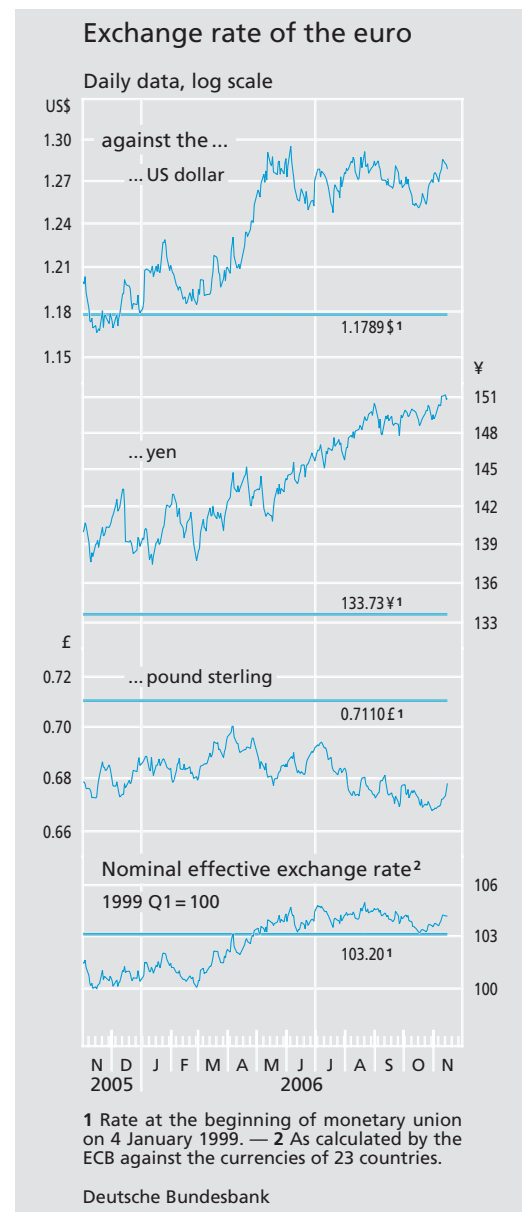
In mid-August, the euro initially again reached levels against the dollar that were close to its peak this year of US\$1.30; however, it then fell below this mark. The emer-

*against the
US dollar ...*

ging correction in the US real estate market and the resulting expectation by the markets that there would be a cooling of the US economy ultimately benefited the euro given the more favourable outlook for economic growth in the euro area. However, in September the fall in oil prices formed a certain counterweight with market players anticipating that this would have a positive impact on the US economy and the US current account deficit. The euro made up some ground again in November and, at US\$1.28 at the end of the period under review, was 8½% up on its level at the beginning of the year.

... against the
yen ...

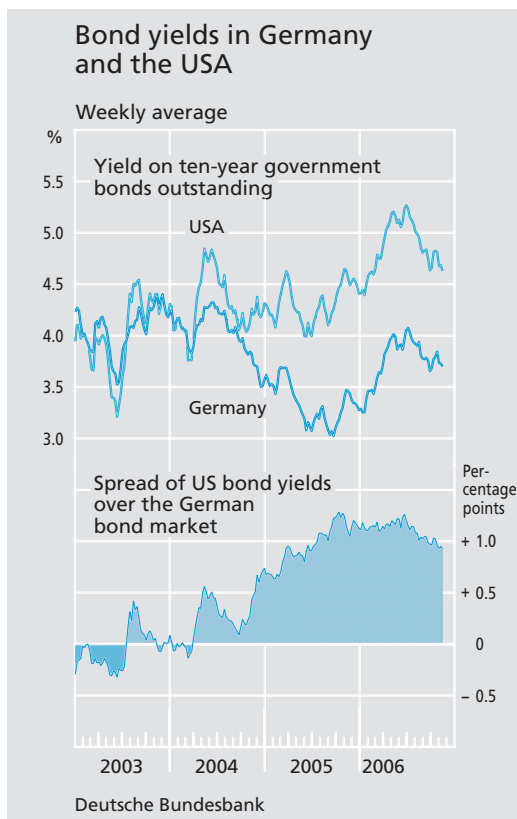
The pick-up in economic activity in Europe and the accompanying expectations of higher interest rates on the part of market players led to gains for the euro against the yen. While the Bank of Japan discontinued its zero interest rate policy against a backdrop of a brightening economic outlook in July, further interest rate moves were, at first, mostly considered to be very unlikely. This pushed the euro-yen exchange rate to over ¥150 per euro at the end of August. The announcement that central bank presidents and finance ministers would be discussing the yen's exchange rate and considering monetary policy measures at the G7 meeting in Singapore subsequently led to notable gains by the Japanese currency. However, a sustained recovery failed to emerge when the publication of the official G7 communiqué made it clear that no specific conclusions had been reached. The yen's exchange rate then fluctuated within a narrow band around ¥149 against the euro before reaching a new record high of over ¥151 in early November.



At the time this report went to press, the exchange rate was at just over ¥151 to the euro, which was approximately 9% higher than at the beginning of the year.

Largely, the euro has been slightly weaker against the pound sterling since the height of summer. It is possible that the British currency has at times been supported by some central banks stepping up their sterling reserves. At

... and against
the pound
sterling



least, this is suggested by the latest IMF figures published on the denomination of foreign exchange reserves.¹ The robust economic situation has undoubtedly played a part in this development of the euro-pound sterling exchange rate as it was seen as an indicator of a further tightening of UK monetary policy. The Bank of England left its key interest rate unchanged in September and October in the wake of its surprising interest rate move in August, but it raised its key interest rate to 5.0% at the beginning of November against a backdrop of heightened inflation risks. At the end of the reporting period, the pound sterling's exchange rate against the euro stood at GBP 0.68, which was around 1% below its value at the beginning of the year.

In the period under review, the euro weakened on average slightly vis-à-vis the currencies of the 23 major trading partners included in the exchange rate index. As this article went to press, the effective exchange rate stood at just over 3½% above the level at the start of this year and 1% below its level at the start of monetary union. In real terms, ie taking into account the prevailing inflation differentials between the euro area and its major trading partners, the euro's effective exchange rate has gone up by approximately 3% since the final quarter of 2005.

Effective euro exchange rate

Securities markets and portfolio transactions

Following their record highs for this year in early July, capital market rates in the major economies fell noticeably again in the summer and autumn. At 3.8% most recently, ten-year government bond yields in the euro area were almost 40 basis points lower.

Overall decline in capital market rates in euro area

The fall in yields in the major capital markets was initially driven by the correction in the interest-rate and growth prospects for the United States. Added to this was the fact that oil prices have declined sharply since mid-August. This has dampened inflation expectations, particularly in the United States, thus making a significant contribution to the decline in US interest rates. By contrast, ten-year inflation-protected bond yields, which are interpreted as long-term real interest rates, hav-

Decline in interest rates due to expectations of weaker US growth and less inflation compensation

¹ In the first half of 2006, foreign exchange reserves denominated in pound sterling grew from US\$102.6 billion to US\$129.4 billion. This refers to reported reserves only.

ing likewise declined in August and September, were, overall, virtually unchanged from their early-July level. The corresponding nominal yields in Europe and Japan also fell owing to the international links between interest rates. However, against a backdrop of robust business cycle data for the euro area, interest rate developments in the euro area moved away from the pattern set in the United States for a time. On balance, however, the yield advantage of ten-year US government bonds over European government bonds remained at around 90 basis points.

Term structure of interest rates clearly flatter

The German term structure of interest rates reflects the shifting influences on short and clearly long-term interest rates in the reporting period. While interest rates with maturities of up to two years rose as a consequence of the ECB Governing Council's decision of 5 October to increase the minimum bid rate of the main refinancing operations and owing to sustained expectations of higher interest rates in the money market, the long-term yields of German government bonds (Bunds) fell in line with developments in the United States. As a result, the German yield curve in the maturity range of up to four years inverted. It has since also flattened significantly across the entire maturity spectrum, with a spread of 3 basis points between one and ten-year interest rates.

Favourable financial conditions

In the autumn, the yields of BBB-rated corporate bonds in the euro area fell even more sharply than the yields of government bonds with comparable maturity. The interest rate premiums for these corporate bonds with the lowest investment grade rating declined by



around 20 basis points to just under 1¼ percentage points. This means that they are currently back at the same level as at the beginning of the year. The more favourable financing conditions for the corporate sector are probably mainly a result of the positive economic situation as well as improved earnings prospects, fuelled in large part by falling oil prices. Furthermore, abating uncertainty about future developments in the bond and stock markets² may also have had a positive effect on the price development of corporate bonds.

Despite the low interest rate level, issuing activity remained weak in the German bond market. At €248 billion, third-quarter gross

Markedly lower bond sales

² Measured in terms of the implied volatility of options on stock price indices and Bund futures.

Investment activity in the German securities markets

€ billion

Item	2005		2006	
	Q3	Q2	Q2	Q3
Debt securities				
Residents	4.7	60.9		2.6
Credit institutions	- 10.2	23.6		- 0.8
of which				
Foreign debt securities	- 0.9	25.5		10.0
Non-banks	14.9	37.3		3.5
of which				
Domestic debt securities	0.3	18.4		- 2.5
Non-residents	25.3	10.8		19.3
Shares				
Residents	- 3.4	- 13.3		16.1
Credit institutions	6.0	- 8.2		3.7
of which				
Domestic shares	4.5	- 5.1		- 2.5
Non-banks	- 9.5	- 5.1		12.5
of which				
Domestic shares	- 8.5	- 2.0		4.6
Non-residents	7.7	9.1		2.0
Mutual fund shares				
Investment in specialised funds	6.3	9.7		5.7
Investment in funds open to the general public	6.2	- 2.1		- 3.9
of which: Share-based funds	1.2	- 3.0		- 1.1

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sales of domestic debt securities were down on the previous quarter (€ 267½ billion). At just €6 billion, net sales after deducting redemptions and changes in issuers' holdings of their own bonds and notes were also clearly below the level of the second quarter (€27½ billion). At €16 billion, there was also significantly less investment in foreign bonds in Germany between July and September than in the previous three months (€44½ billion). As a result, total funds raised through the sale of domestic and foreign bonds amounted to €22 billion compared with €71½ billion in the preceding quarter.

The smaller inflow of funds to the domestic bond market primarily reflects the net redemptions of credit institutions, which reduced their bonded debt by €10½ billion

Credit institutions' net redemptions

after positive net sales of €12½ billion in the previous quarter. Public Pfandbriefs were redeemed on balance for €4½ billion, continuing the trend of the preceding quarters. The maturing of the large-volume Jumbo Pfandbriefs, which were first issued about ten years ago, had a major influence on this. However, mortgage Pfandbriefs, debt securities issued by specialised credit institutions and other bank bonds were also redeemed for a total of €6 billion.

By contrast, the general government sector borrowed more on the bond market (€20 billion) than in the previous quarter (€6½ billion). Central government issued €21½ billion (net) worth of debt securities. In the longer-term maturity segment it issued ten-year Bunds for €21 billion net and 30-year Bunds for €5½ billion net. At the shorter end of the market, it placed Federal Treasury financing paper totalling €½ billion. By contrast, five-year Federal notes and two-year Federal Treasury notes were redeemed for €4½ billion and €1 billion net respectively. State government also redeemed issues in the amount of €1½ billion.

Higher public sector borrowing

While companies made use of the low costs of financing in the long-term segment and issued €8 billions' worth of corporate bonds, they redeemed shorter-term commercial paper totalling €12 billion net. Overall, domestic enterprises' bonded debt fell by €4 billion. This suggests that companies active in the capital market continue to be in a good financial position.

Enterprises reduce bond market liabilities

*Purchases of
debt securities*

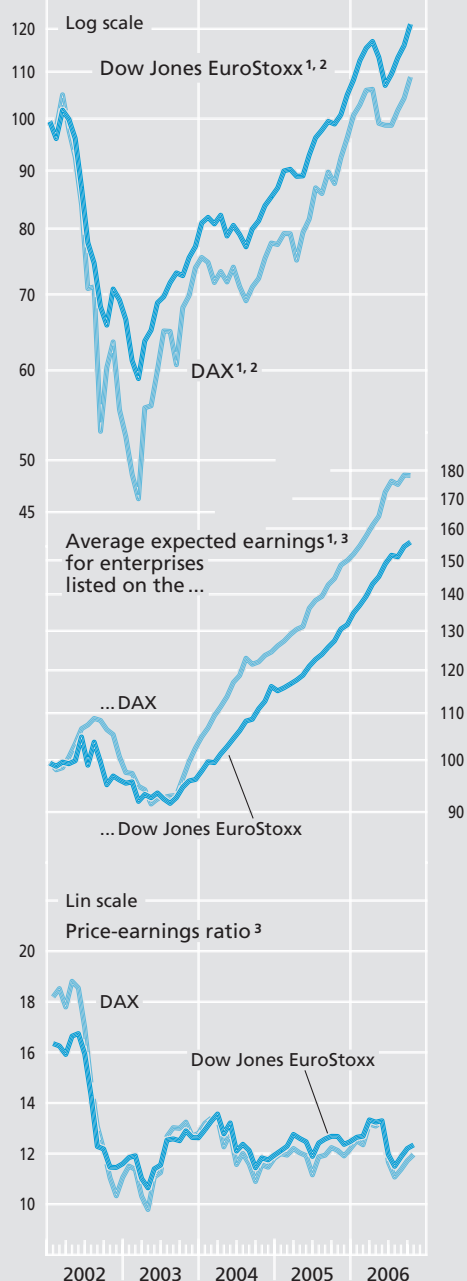
In the third quarter, foreign investors were the main purchasers in the German bond market. They acquired German paper from private and public sector issuers in nearly equal amounts (in total €19½ billion). Domestic non-banks invested €3½ billion in the bond market, which was used exclusively for foreign debt securities (€6 billion). Credit institutions reduced their bond investments by €1 billion. Although they invested €10 billion in foreign paper, which usually offers slight yield advantages, they removed €11 billion in domestic debt securities from their portfolios.

*Buoyant equity
markets*

After suffering a temporary setback in May and June in the wake of major uncertainty, the stock markets performed very well from summer into November, thus matching the upward movement at the beginning of the year. All the major stock exchanges experienced a broadly based price recovery in a setting of favourable growth expectations for the world economy. Measured against the broad Dow Jones Euro Stoxx and CDAX indices, equities of European and German public limited companies reached a five-year high in mid-November and the S&P 500 recorded its highest levels since 2000. US and European indices gained 11% and 17% respectively on the beginning of the year. It was only on Japan's Nikkei index that the gains were more modest at +1% since January, although the Nikkei had already made very large gains in the previous year. In terms of the fundamentals, the upward trend in the euro-area equity market was supported by enterprises' positive 12-month-ahead earnings growth expectations, particularly as analysts have revised their forecasts further

**Price movements and
earnings estimates for
European and German
public limited companies**

Monthly data



1 January 2002 = 100. — 2 Source: Deutsche Börse AG. — 3 Based on year-on-year I/B/E/S analyst estimates ("earnings before goodwill"). Source: Thomson Financial Datastream.

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Major items of the balance of payments

€ billion

Item	2006		
	Q3	Q2	Q3
I Current account 1,2	+ 19.5	+ 21.6	+ 19.1
Foreign trade 1,3	+ 41.1	+ 37.6	+ 40.1
Services 1	- 12.0	- 4.1	- 11.4
Income 1	+ 3.3	- 2.1	+ 3.2
Current transfers 1	- 7.6	- 4.8	- 7.5
II Capital transfers 1,4	+ 0.1	+ 0.0	- 0.2
III Financial account 1 (Net capital exports: -)	- 15.6	- 52.3	- 5.8
1 Direct investment	- 6.5	- 4.5	- 6.3
German investment abroad	- 7.4	- 10.3	- 10.2
Foreign investment in Germany	+ 0.9	+ 5.8	+ 3.9
2 Portfolio investment	+ 6.4	- 9.6	+ 8.0
German investment abroad	- 29.1	- 30.4	- 19.0
Shares	- 3.4	+ 11.3	- 1.9
Mutual fund shares	- 12.0	+ 2.7	- 1.1
Debt securities	- 13.7	- 44.4	- 16.0
Bonds and notes 5	- 9.5	- 36.4	- 15.4
of which:			
Euro-denominated bonds and notes	- 4.0	- 30.9	- 13.5
Money market instruments	- 4.2	- 8.0	- 0.5
Foreign investment in Germany	+ 35.6	+ 20.8	+ 27.0
Shares	+ 8.4	+ 8.6	+ 6.4
Mutual fund shares	+ 1.9	+ 1.5	+ 1.3
Debt securities	+ 25.3	+ 10.8	+ 19.3
Bonds and notes 5	+ 26.8	+ 8.2	+ 23.1
of which:			
Public bonds and notes	+ 17.0	+ 1.1	+ 10.4
Money market instruments	- 1.6	+ 2.6	- 3.9
3 Financial derivatives 6	+ 4.4	+ 2.0	- 0.2
4 Other investment 7	- 19.0	- 40.6	- 8.2
Monetary financial institutions 8	- 16.0	- 56.0	+ 13.0
of which: short-term	+ 6.1	- 38.9	+ 28.3
Enterprises and individuals	+ 4.5	+ 16.5	+ 0.9
of which: short-term	+ 1.7	+ 10.0	+ 4.1
General government	+ 0.3	- 15.1	+ 5.9
of which: short-term	- 5.0	- 15.1	- 1.0
Bundesbank	- 7.9	+ 14.0	- 28.0
5 Change in reserve assets at transaction values (increase: -) 9	- 0.8	+ 0.4	+ 0.8
IV Errors and omissions	- 4.0	+ 30.7	- 13.1

1 Balance. — 2 Including supplementary trade items. — 3 Special trade according to the official foreign trade statistics (source: Federal Statistical Office). — 4 Including the acquisition/disposal of non-produced non-financial assets. — 5 Original maturity of more than one year. — 6 Securitised and non-securitised options as well as financial futures contracts. — 7 Includes financial and trade credits, bank deposits and other assets. — 8 Excluding the Bundesbank. — 9 Excluding allocation of SDRs and excluding changes due to value adjustments. Discrepancies due to rounding of figures.

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upwards in recent months in the light of falling oil prices. Declining long-term interest rates (and thus also falling discount factors) as well as corporate acquisitions also contributed to the upsurge on the market. At the same time, uncertainty regarding future developments in stock market prices also eased again after increasing suddenly along with sharp price mark-downs in late spring. At the end of the period under review, the measures of volatility were back to near pre-turbulence values and were therefore at an exceptionally low level measured by the long-term average.

Given the favourable financial market environment, issuing activity in the German share market showed a further slight upturn. Domestic enterprises sold shares in the amount of €4 billion in the third quarter, thereby doubling the placement volume of the previous quarter. At €1 billion, the injection of equity by an already listed chemicals enterprise had a sizeable impact. Nearly €1 billion was also raised by the IPO listing of an energy corporation. Just under €2 billions' worth of unquoted equities were sold in the period from July to September. In Germany, purchases of foreign shares amounted to €14 billion, compared with sales in the amount of €6 billion in the second quarter. However, the main reason for the turnaround was a large cross-border corporate acquisition without which the volume of foreign shares held in Germany would have declined yet again.³ The majority of German equities were purchased by domestic non-banks (€4½ billion),

Raising funds in the stock markets ...

³ See opposite page for direct investment.

which also added foreign shares worth €8 billion to their portfolios as a part of the direct investment mentioned above. In addition, non-residents invested €2 billion in German equities. Domestic credit institutions purchased shares in non-resident enterprises for €6 billion, while selling domestic paper worth €2½ billion net.

*Sales of mutual
fund shares*

Despite the benign stock market climate, the inflow of resources to domestic investment funds, at €2 billion net in the third quarter, was down perceptibly on the period from April to June (€7½ billion). The resources were channelled solely into specialised funds which are open only to institutional investors (€5½ billion), whereas mutual funds open to the general public, as in the preceding two quarters, had to redeem shares to the value of €4 billion net. Almost all asset classes were affected by this decline in investment. While €1 billion was withdrawn from share-based funds, money-market and bond-based funds (€1½ billion each) sustained the greatest outflows of funds. Investors also liquidated shares in open-end real estate funds on a small scale (€½ billion). However, there was a further slowdown in the outflow of funds that followed three open-end real estate funds temporarily suspending the redemption of shares in the first quarter. In the case of specialised funds, share-based funds, bond-based funds and money market funds lost investable funds (€6, €2½ and €½ billion respectively). At the same time, mixed funds (€14 billion) enjoyed widespread popularity, which enabled specialised funds to achieve an overall inflow of resources amounting to €5½ billion. By contrast, the sale of foreign

mutual fund shares, at €1 billion, was quite subdued.

Mutual fund shares were purchased on balance by domestic banks (€2 billion), which invested exclusively in foreign mutual funds. By contrast, German non-banks reduced their investment in mutual fund shares, in some cases switching between foreign (-€1 billion) and German investment products (€½ billion), although they evidently preferred direct investment in the relevant markets in the reporting quarter. Foreign investors purchased just over €1½ billion in mutual fund shares in the German market.

*Purchases of
mutual fund
shares*

Direct investment

In the third quarter, net capital exports amounting to €6½ billion were recorded in the field of direct investment following net outflows of funds in the two preceding quarters. German investors continued to expand their foreign investment (€10 billion), although, as mentioned above, one large corporate takeover in the gas sector was of particular importance. German acquisitions of participating interests abroad focused on the United Kingdom.

*Net capital
exports in direct
investment*

In the period from July to September, non-residents' direct investment in Germany, at €4 billion, was lower than German investment abroad. Direct investment was divided in roughly equal parts between an expansion of domestic equity capital and reinvestment of earnings.

Economic conditions in Germany

Underlying trends

Germany's cyclical upturn continued at a brisk pace after the middle of the year. According to initial calculations by the Federal Statistical Office, overall output, which had already been at a high level in the second quarter after data revisions, grew by 0.6% in the third quarter in seasonal and calendar-adjusted terms. Output was 2.8% up on the corresponding figure last year after adjustment for the varying number of working days.

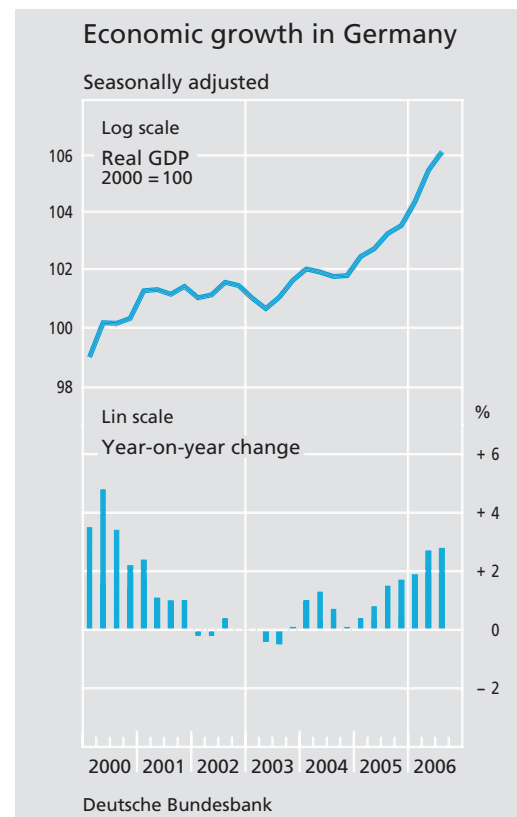
*Brisk growth
again in Q3*

Economic growth thus slowed somewhat compared with the second quarter, when GDP had increased by just over 1% according to the latest revised figures – in part owing to favourable exceptional factors. Adjusted for the catch-up effects in construction activity, which had been greatly hampered by adverse weather conditions at the beginning of the year, and for the temporary surge in demand in connection with the FIFA World Cup, however, the underlying cyclical momentum remained fairly steady during the first three quarters of the current year. Anticipatory effects in connection with the rise in VAT at the beginning of next year have probably played only a minor role up to now. Calculated from the fourth quarter of 2005, the annualised rate of overall economic growth amounts to approximately 3½%. This means that Germany is also providing considerable impulses to the euro area as a whole, especially as the German economy's demand profile is now looking far more balanced. Furthermore, the labour market, too, is now benefiting increasingly from the strengthening of business ac-

tivity. Both the hard indicators and the results of the Ifo business survey (see box on pages 40 and 41) suggest a continuation of the positive underlying trend in the coming months. It should also be noted that in many areas of the handicraft sector – which contains many small and relatively labour-intensive companies – a clear turnaround in sentiment has emerged and the enterprises operating in this sector are increasingly reporting that they are hiring more staff.

Rise in domestic demand

Even though – as is often the case – important disaggregated information is still missing for the third quarter, there is still much to suggest that the growth in domestic output was attributable to domestic as well as foreign demand. For example, investment during the period under review was up on the second-quarter level. Given the growing level of capacity utilisation, plant expansion measures are likely to have assumed a more prominent role in the rising expenditure trend for machinery and equipment. This is borne out primarily by the high level of both confidence and capacity utilisation in industry. Construction investment also rose significantly in the third quarter, albeit to a somewhat lesser extent than in the second quarter, when weather-induced catch-up effects were exerting a significant impact. The quite high level of investment seen so far this year indicates that it has now become a second mainstay of economic activity alongside foreign trade. By contrast, private consumption still showed no clear-cut picture. Modest sales figures recorded by conventional retail trade outlets in the period from July to September contrasted with growth in the sales of motor vehicles and



motorcycles. If the favourable trend in the purchases of services are included, real household consumption is likely to have increased during the reporting period.

Exports imparted renewed positive stimuli in the third quarter of 2006 after they had slowed to a somewhat more subdued pace in the second quarter. Although cross-border service income was down sharply on the previous quarter, which had benefited substantially from the higher revenue from tourism during the FIFA World Cup (see box on page 43), exports of goods expanded strongly again. In terms of value, seasonally adjusted goods exports were 5% up on the previous period. There was a particularly sharp rise in exports of intermediate goods in July and August, up to when disaggregated sectoral fig-

Buoyant foreign trade

How robust is the empirical relationship between the Ifo business climate indicator and overall economic activity?

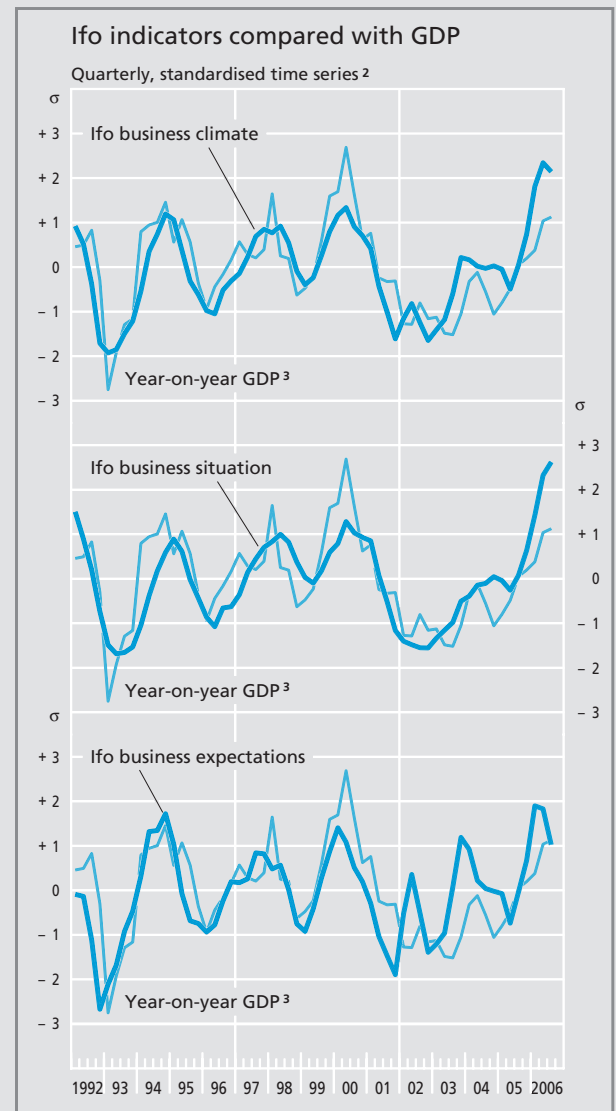
Since the second quarter of this year, the Ifo Institute's closely observed business climate index has maintained a level that was last reached during the reunification boom in the early 1990s. Whether or not this finding suggests a continued strong upturn of the German economy depends on whether the empirical relationship between the Ifo business climate and overall economic activity can be regarded as sufficiently robust. This has recently been called into question on occasion. Sustained by its expectations component, the Ifo business climate, for example, showed a sharp upswing during the winter term 2001/2002 and in the year 2003. However, since the economy's recovery at that time was moderate at most, these were later interpreted as "expectation bubbles". Recently, the indicator again appeared to have overshoot the economic reality at first, until the summer and autumn revisions of the national accounts showed a clearly more favourable picture of past cyclical developments.

The year-on-year growth rate of calendar-adjusted real gross domestic product (GDP) is used as the reference variable for the survey balances from industry and trade considered here. Besides the overall index, which is referred to as the "business climate", its two components "business situation" and "business expectations" are also included in the study. The seasonally adjusted data that are available on a monthly basis are aggregated to quarterly series. The period under review covers the time from the first quarter of 1992 to the third quarter of 2006.

The adjacent chart shows the time series of the Ifo survey indicators along with the year-on-year change in GDP in a standardised format. In particular up to 2001, the business climate index as well as the individual indicators show a very high degree of cyclical co-movement with the annual percentage change of real GDP. This synchronicity is by no means inevitable since statements made by enterprises concerning their business climate presumably do not relate only to production activity but are generally more broadly based. It should also be noted that industry and trade generate only about one-third of total value added.

A study of the cross-correlations points to the conclusion that the overall index fluctuates coincidentally with the year-on-year change in GDP.¹ The same applies to the

1 The capacity of the Ifo business climate index to be a leading indicator is therefore based not so much on a statistical lead property, but rather on its early availability. — 2 Mean-adjusted and normalised to a standard deviation (σ). — 3 Real, calendar-adjusted. — 4 This causality



assessments of the business situation, whereas the business expectations component – in accordance with its design – runs somewhat ahead of the reference variable. In the period as a whole, the maximum correlation between the year-on-year change in GDP and each indicator is about $\frac{3}{4}$, considering a lead of one quarter in the case of business expectations.

concept based on predictive properties was first presented in C W J Granger (1969), Investigating Causal Relations by Econometric Models and Cross-Spectral Methods, *Econometrica* 37, 3, pp 424-438. — 5 The statistics of the test for empirical Granger non-causality are asymp-

In order to answer the question whether the empirical relationship between the survey indicators and overall economic activity is robust, it is also necessary to analyse the time pattern of correlation. As can be seen in the adjacent chart, the contemporaneous correlation between business climate and the year-on-year change in GDP – based on rolling samples of a constant length of 40 quarters – has fallen by about one-tenth since 2002. In the light of the statistical margins of uncertainty which accompany the correlation estimation, this decline, by itself, is not unusual, but it is interesting when compared with the correlation time patterns of the components. While the corresponding results for the business situation are largely constant and always remain within the margin of uncertainty of the correlation estimations for the overall business climate, there is a marked decline in the case of business expectations. Starting from a level of over 0.7 in 2002, the rolling correlation estimator has shown a value of only just over 0.5 since 2005. This means that the co-movement between business expectations and the year-on-year change in GDP has been significantly reduced over the past few years owing to the phenomenon of temporary expectation outliers as discussed above. However, for the overall index, this also means that the slight decline in synchronicity with the reference series which can be observed for the business climate can be solely attributed to the decreasing correlation of the expectation component.

The evidence of a significant correlation does not necessarily imply that the indicator has predictive ability for the reference variable. Provided that this property is econometrically specified as Granger causality, it can be tested empirically.⁴ The tests for Granger non-causality are carried out individually for each indicator in three bivariate vector autoregressions, which contain the year-on-year change in GDP as an additional variable. As can be seen from the table, the null hypothesis can be clearly rejected both for the business climate and for the individual indicators over the entire period. It follows that each one of these survey balances provides information that is meaningful for short-term projections of overall economic activity.

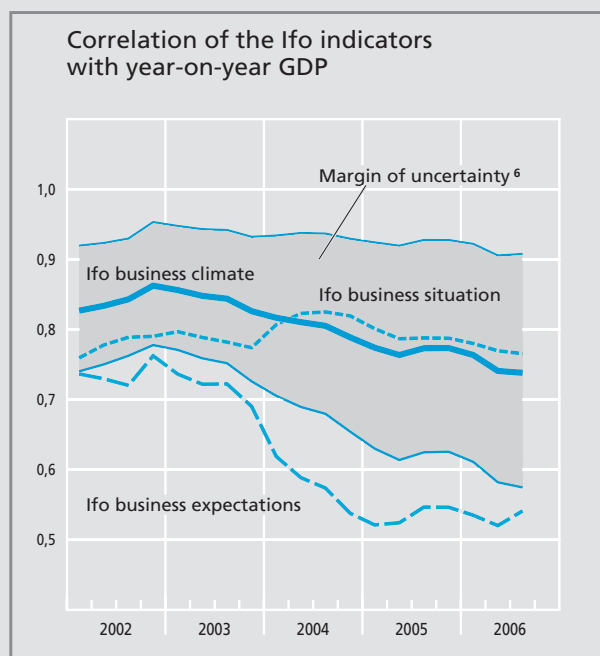
The Ifo Institute's business climate index thus still shows a statistically verifiable close relationship with the general cyclical development, which can be used for making pre-

totically χ^2 -distributed; see, for example, H Lütkepohl (2005), *New Introduction to Multiple Time Series Analysis*, chapter 3.6.1. In the cases at hand, the number of the degrees of freedom is equal to the specified lag order of the underlying vector autoregression, which is determined

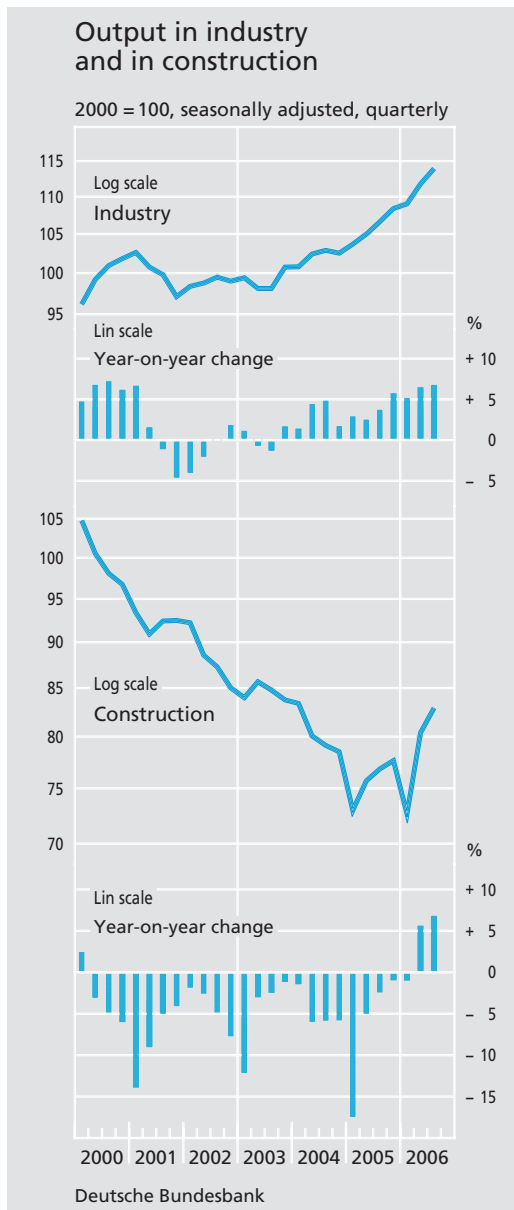
Granger causality analysis ⁵

Indicator	Lag order	Test statistic
Business climate	5	17.7**
Business situation	5	18.4**
Business expectations	6	20.0**

dictive statements. In order to obtain robust assessments it is advisable to take a comprehensive view, which also includes "hard" indicators, encompassing not only the overall index but also its two components. The sharp increase in the business climate at the current end is supported not merely by optimistic expectations but especially by extremely positive ratings of firms' current business situation. In view of the continued quite high correlation with overall economic activity, which is documented for the indicator of the business situation, the survey results of the Ifo Institute thus provide further evidence of the favourable macroeconomic situation of the German economy.



on the basis of Akaike's information criterion. — ** Indicates the rejection of the null hypothesis at the 1% level. — ± 1 standard error of the rolling correlation estimator for the Ifo business climate index.



ures are available. Exporters of chemical products, in particular, as well as exporters of metals and metal products recorded high sales figures abroad. Exports of consumer goods likewise expanded sharply. Capital goods producers were also able to step up their exports. This was accompanied by a significant rise in imports. At 4¾%, however, the rise in imports did not quite match that of exports. Imports of intermediate and capital

goods grew particularly strongly. On balance, however, foreign trade made a significant contribution to overall economic growth in the third quarter.

Output and sales

At the sectoral level, industry continued to be the main driver of macroeconomic growth in the third quarter, just as it had been in the second quarter. Output went up by 2% in seasonally and calendar-adjusted terms compared with the second quarter, the figures for which were revised significantly upwards by the Federal Statistical Office. The degree of capacity utilisation also increased. According to the Ifo Institute, utilisation in September was 3¾ percentage points up on the year and 2¾ percentage points greater than the medium-term average. Investment in capacity extensions is therefore likely to become even more significant.

Continued major stimuli from industry

Manufacturers of intermediate goods recorded further sizeable increases in production. For example, manufacturers of machines used to generate and distribute electricity recorded perceptible increases. The chemicals industry also recorded a growth in output following a lull in the first half of the year. Output in the manufacture of basic metals did not grow as strongly in the third quarter as in the previous quarter. Suppliers of capital goods recorded sizeable growth in output in the third quarter. This was particularly the case for orders of machinery and equipment. There was also significant growth in the production of computers and other information

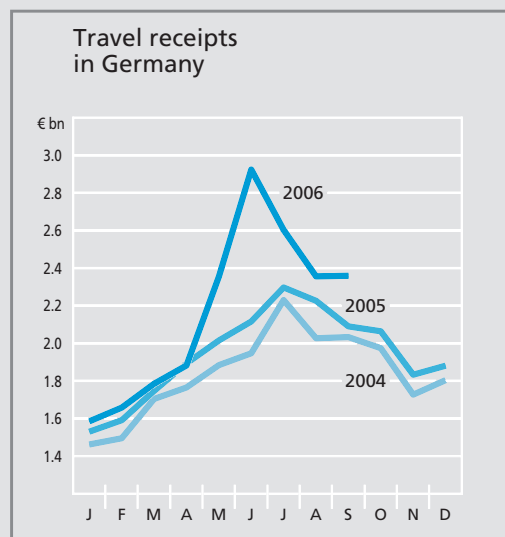
The World Cup effect on travel receipts in Germany

Germany's expenditure on cross-border travel usually considerably exceeds the corresponding receipts. While there is a huge demand from German consumers for holidays abroad, there is noticeably less demand from foreign tourists for holidays in Germany. In 2005, German residents spent €58½ billion on private and business travel, whereas only €23½ billion worth of revenue was generated from cross-border travel. In previous years, too, the balance on German travel was in deep deficit.

In the second and third quarters of 2006, however, the FIFA World Cup in Germany had a positive effect on travel receipts. They were boosted, in particular, by spending on overnight stays and consumption by visitors to the World Cup in Germany from abroad, including purchases of tickets for the individual football matches and expenditure on journeys within Germany.¹ According to provisional data, the overall effect of the 2006 World Cup on Germany's revenue from travel, which was essentially spread between May and July, totalled just under €1½ billion.² Two-thirds of this amount came from EU countries and one-third from the rest of the world, with the percentage of revenue from some non-European countries (such as Ghana, Trinidad and Tobago, and Togo) – which do not generally play a part in tourism in Germany – rising exceptionally sharply.

As early as May (the World Cup itself began on 9 June and ended on 9 July) there was a year-on-year increase in revenue, albeit a small one.

¹ The additional revenue raised by domestic airlines from flying World Cup visitors into and out of Germany, which was considerable, has to be added to the World Cup effect on travel receipts described here. However, this must be offset against the fact that FIFA headquarters in Switzerland is entitled to part of the revenue from ticket sales and that German television companies, as well as German firms which advertised at or with the World Cup, had to pay licence fees to FIFA. These payments are booked not under the travel account, but under other sub-balances of the services



Among other things, this can be attributed to the fact that some teams of the participating football associations, including staff and relatives as well as the players themselves, travelled to Germany relatively early on. Around half of the additional revenue was raised in June, the month in which most of the matches were played. In total, the World Cup effect contributed just under ¼ percentage point to GDP growth in the second quarter.

In July, travel receipts rose only slightly on the year. They had no significant effect on GDP in the third quarter. The relatively small increases in July can be attributed mainly to the fact that only a few games were played that month. In addition, day trips, which are generally less costly, were a major factor, since the teams involved in the semi-finals and the final were all European.

account. — ² For more information on how the Bundesbank processes data on the collection of revenue from travel, see Deutsche Bundesbank, "Capturing foreign travel in the balance of payments statistics from January 2001", Monthly Report, March 2003, pp 60-61. When assessing the World Cup effect, information on the distribution of tickets to the participating football associations was also taken into account. The final data on travel receipts in 2006 will be published in March 2007.

Foreign trade by category of goods

Percentage change

Item	Average of July–Aug 2006 compared with			
	Q2 2006; seasonally adjusted		July–Aug 2005; unadjusted figures	
	Exports	Imports	Exports	Imports
Total	+ 2.7	+ 3.5	+ 11.4	+ 15.9
Selected main categories				
Intermediate goods	+ 4.5	+ 5.9	+ 16.1	+ 22.0
Capital goods	+ 0.9	+ 5.3	+ 7.6	+ 14.8
Consumer goods	+ 3.0	- 0.1	+ 12.8	+ 5.8
Energy	.	- 1.5	.	+ 28.0
Selected categories				
Chemicals	+ 5.9	+ 1.3	+ 15.6	+ 9.6
Machinery	+ 6.3	+ 4.1	+ 11.7	+ 15.9
Motor vehicles and motor vehicle parts	+ 1.4	+ 2.5	+ 7.1	+ 10.5
Information tech- nology	+ 1.6	+ 4.3	+ 2.9	+ 5.1
Metals and metal products	+ 7.7	+ 9.2	+ 27.6	+ 40.0

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processing equipment compared with the prior period. Manufacturers of consumer durables, in particular, recorded a marked expansion of output after having already registered strong growth rates in the second quarter. By contrast, the output of non-durable goods remained virtually unchanged.

The recovery in the construction sector continued in the third quarter following the strong weather-induced catch-up effects in the previous quarter, with net output growth in this sector amounting to 3% on the quarter. The corresponding year-on-year figure was a marked increase of 6¾%. Substantial increases were achieved in the construction of buildings, in particular.

*Recovery in
construction
sector
continues*

Commercial service providers are likely to have made a further contribution to the buoyant dynamics of industrial activity. Although the enterprises questioned as part of the Ifo business survey assessed their commercial situation in the third quarter somewhat less favourably than in the second quarter, on balance, the positive assessments considerably outweighed the negative assessments. Furthermore, the indicator in October showed a further boost in sentiment compared with September. In line with the favourable momentum in industry, the transport sector is also likely to have performed strongly. In the third quarter, the hotel and catering industry recorded a slight increase on the already high result of the second quarter when it had substantially benefited from the FIFA World Cup.

*Largely positive
situation for
service
providers*

Real turnover in the retail trade sector remained unchanged in the third quarter after adjustment for seasonal fluctuations and variations in the number of working days after increasing by ½% in the period from April to June. While there was a slight increase in the sales of furniture and furnishings, home improvement materials and other consumer durables, there was a sharp decline in the turnover of textiles. Retail sales of motor vehicles were up perceptibly on the second quarter in terms of volume, which is likely to be partly related to forestalling the pending rise in VAT. The course of development in the wholesale trade was also somewhat more favourable in the third quarter.

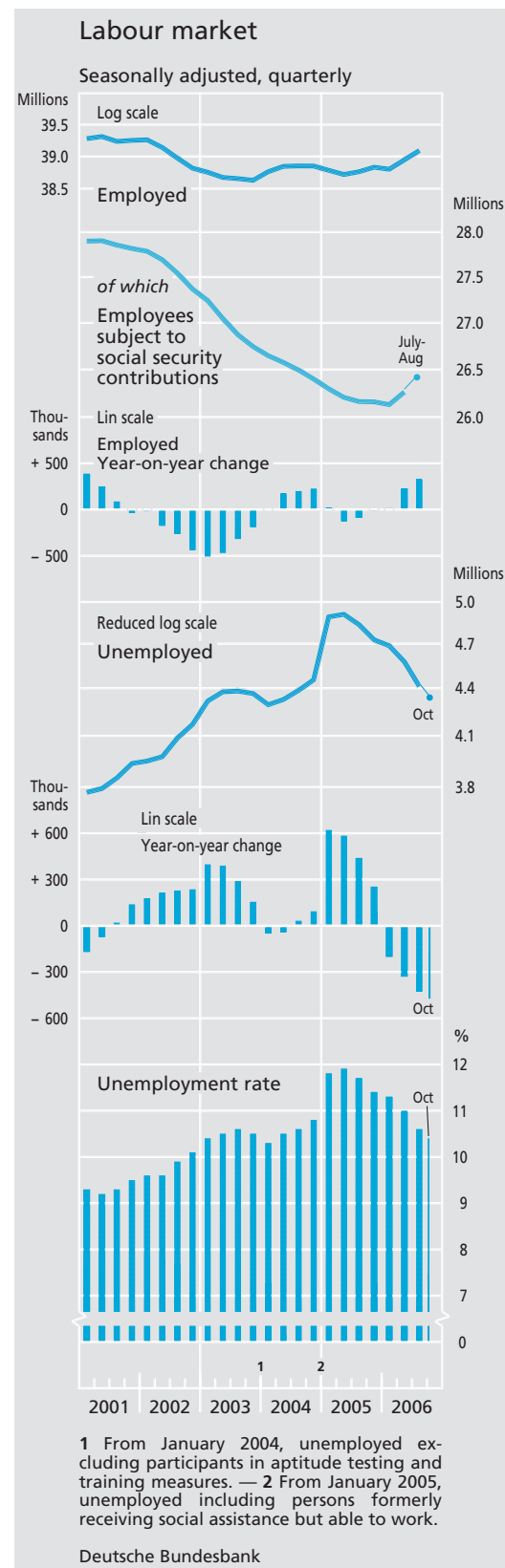
*Mixed picture
in trade*

Employment and unemployment

*Labour market
buoyed by
economic
upturn*

The cyclical revival of the labour market continued in the third quarter of 2006. The number of persons in employment rose by 150,000 or 0.4% to a seasonally adjusted 39.14 million. The year-on-year increase is now at 0.9% or 340,000 persons. A similarly sharp rise was last recorded at the beginning of 2001 as the "new economy" boom was tailing off. This latest increase concerned employees subject to social security contributions. According to estimates made by the Federal Employment Agency, their number in the July-August period was a seasonally adjusted 0.5% higher than the second-quarter average. Reports from the social security schemes suggest that this positive trend has continued.

Developments in the number of job vacancies reported also suggests an improved labour market situation. The year-on-year increase in the number of job vacancies has now gone up by a third to a seasonally adjusted 600,000. By contrast, the stagnation in the number of self-employed persons was due not least to the amendment of the government promotion policy in this segment which came into effect in August. At the same time, the promotion of paid employment picked up significantly following the end of the summer holidays. Some 315,000 persons were employed in workfare placements (one-euro jobs) at the end of the reporting period. One particularly striking feature is the growing importance of reintegration grants, which have doubled in number compared with the low level recorded at the beginning of the year.



*Further
decline in
unemployment*

The seasonally adjusted number of persons officially registered as unemployed fell by 165,000 in the third quarter to 4.43 million. This is approximately 430,000 fewer than during the same period of last year. The seasonally adjusted unemployment rate (as defined by the Federal Employment Agency) went down from 11.0% in the second quarter to 10.6% and by 1.1 percentage points over twelve months. Whereas the decline was previously due, first and foremost, to the labour market structural reforms, it is now primarily attributable to an increase in demand for labour. The decline in unemployment continued in October. The seasonally adjusted month-on-month decrease amounted to 67,000 persons, while the unemployment rate went down to 10.4%.

Wages and prices

Wage policy

Only a few new collective wage agreements were concluded in the third quarter. In the steel industry in the north-west of Germany, management and trade unions agreed to increase wages by 3.8% as of 1 January 2007. Furthermore, the new collective agreement provides for substantial one-off payments, which are to be disbursed before the end of this year. In addition, agreements were reached with regard to the employment of older workers. The previous labour agreement expired in August 2006, which means that the new agreement will run for 17 months before expiring in January 2008. The relatively high overall volume of the wage agreement reflects the particular situation of the industry, which is benefiting from the strong inter-

national demand for steel products. By contrast, the negotiations regarding the company-wide labour agreement for Volkswagen were focused on reducing labour costs with the aim of ensuring the future viability of production sites. The most significant aspect of the new labour agreement is the new working time corridor. Instead of the previous 28.8-hour fixed working week, the new agreement allows the employer to deploy employees between 25 and 33 hours per week, depending on company requirements, for the same fixed monthly salary. As compensation for the increased number of working hours, and instead of awarding general wage increases for 2006 and 2007, it was agreed that a one-off payment of €1,000 shall be paid out in November 2006. In addition, employees have been given the option of either taking a further one-off payment of €5,000 in cash or having €6,300 credited to their company pension plan. Other conditions of the new company labour agreement include the coupling of future monthly wage adjustments to those in the metalworking industry in Lower Saxony, a virtual promise of no compulsory redundancies and an extension of the validity of the new agreement to the end of 2011.

On an average of all sectors, the monthly negotiated rates of pay in the third quarter of 2006 were 0.5% up on the year. This increase was smaller than in the previous quarter, a fact which is primarily attributable to exceptional factors. For example, it was agreed that employees of public sector banks would not receive any holiday pay in July 2006. Flat-rate overtime payments were also abolished. In July 2006, employees working for central and

*Aggregate level
of negotiated
wages*

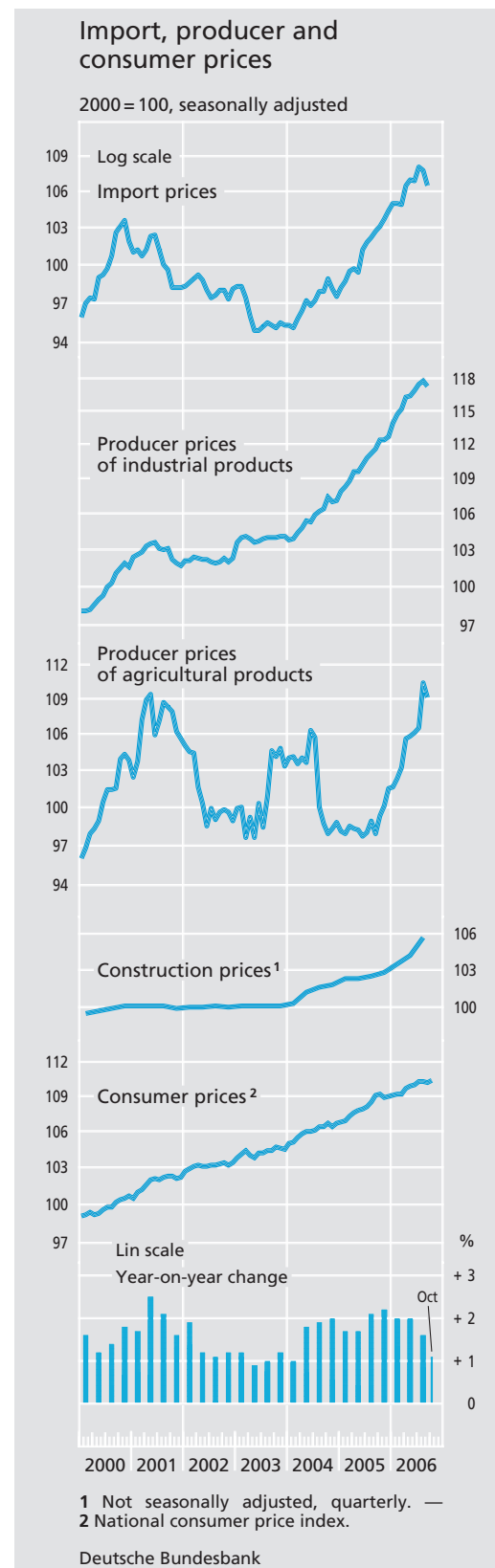
local government likewise received no holiday pay for the first time. On the whole, the moderate growth in wage costs in the German economy thus continued, although the general trend towards shortening the duration of wage agreements should be seen as a warning signal from an anti-inflation perspective.

Decelerating price increases for imports ...

The external upward pressure on prices weakened somewhat in the third quarter. Seasonally adjusted import prices rose by 0.7% in the third quarter of 2006, compared with 1.7% in the previous quarter, and the year-on-year increase went down from 6.7% to 5.2%. This was due primarily to the decline in energy prices, whereas the rising price trend for other raw materials continued. Excluding energy, seasonally adjusted import prices were up almost 1% on the quarter; the year-on-year increase widened from 2.5% to 3.3%. This was due to further sharp price increases for agricultural and forestry products as well as for industrial intermediate goods. By contrast, the prices of consumer goods rose less sharply, and the decline in prices for capital goods even accelerated.

... and at domestic producer level

At the domestic producer level, too, price pressures on industrial products weakened considerably in the third quarter. The seasonally adjusted price level of goods intended for domestic sale went up by 0.9% in the third quarter, compared with 1.7% in the second quarter. The year-on-year increase fell from 6.1% to 5.7%. This was also due primarily to the sharp decline in energy prices. Excluding energy, the seasonally adjusted price increase of +0.8% was almost as high as in the previous quarter, while the year-on-year increase



widened from 2.2% to 3.0%. As in the case of imports, the rise in the price of intermediate goods, at almost 6%, was particularly sharp. However, the upward price thrust on domestically produced capital and consumer goods has likewise intensified of late.

Weather-induced increase of agricultural producer prices

Owing to the unusual weather conditions during the course of 2006 so far, agricultural producer prices have been rising sharply ever since the beginning of the year. The farm-gate price of potatoes doubled in the space of twelve months; the price of cereals went up by more than 15% and the price of both fruit and vegetables rose by just under 30%. The price of animal products at the producer level was 5% up on the year.

Cost and demand-induced price rises in construction

The increase in construction prices intensified again in the third quarter. The year-on-year increase widened from 1.9% in the second quarter to 3.1%. Such a sharp rise in prices has not been recorded since 1993. This upward trend is apparent in all areas of construction and in almost all individual construction services. This was particularly marked in the case of road construction where the year-on-year rate of increase stood at 5%. The increase in the cost of intermediate goods owing to the rise in oil prices as well as the general upturn in construction activity are likely to have contributed to this. Construction prices of residential buildings were 2.7% up on the year in the third quarter of 2006. Here, too, there was a sharp rise in prices for virtually all individual construction services, which, given the moderate wage developments in the construction sector, cannot be attributed solely to rising costs.

The recent lower oil prices also shaped consumer price developments in the third quarter. Thus, fuel became cheaper, while there was a sharp slowing of the rise in the price of heating oil. But excluding energy, the consumer price index in the third quarter, at 0.5%, increased more sharply than in the second quarter (+0.3%). Food products, in particular, recorded further price increases as a result of the sharp rise in agricultural producer prices. Consumers had to pay an average of almost 13% more for vegetables (including potatoes) than during the same period last year. The corresponding figure for fruit was over 4%. The price of meat and fish rose by 2%. The cost of services also went up somewhat faster of late. Price developments for goods (excluding energy), on the other hand, were somewhat more favourable. Increases in housing rents, at just over 1%, remained moderate on average. On the whole, consumer prices were 1.6% up on the year in the third quarter. The corresponding figure in the second quarter was 2.0%.

Slower rise in consumer prices

Seasonally adjusted price pressure intensified again somewhat in October, even though fuel and heating oil prices declined and food products became somewhat cheaper again. This was due to two main reasons. First, there was a price increase for tobacco products ahead of the forthcoming rise in VAT, which contributed around 0.1 percentage point to the overall rate. Second, package holidays were unusually expensive in October and the prices of industrial products (excluding energy and tobacco) rose sharply. Anticipatory effects of the rise in VAT may also have played a role in this. The year-on-year increase in

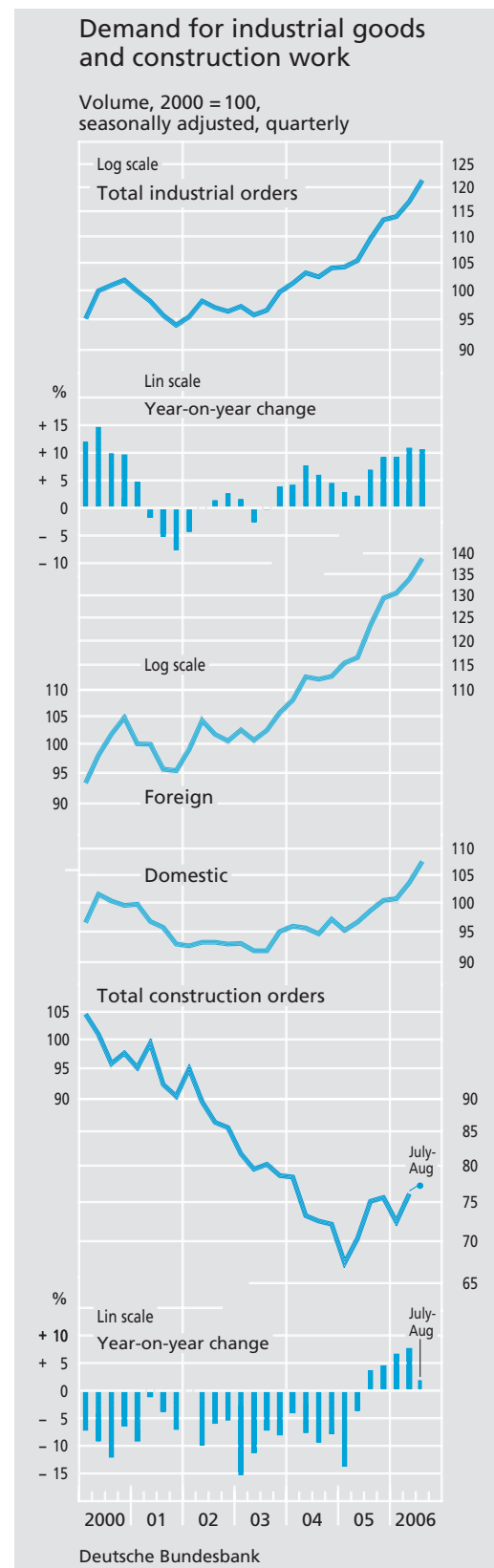
both the national consumer price index and the Harmonised Index of Consumer Prices (HICP) widened from 1.0% to 1.1%.

Orders received and outlook

Dynamic demand for industrial goods

The level of industrial orders received maintained a markedly positive trend in the third quarter. For the period from July to September, orders received were 3¾% up on the second quarter after adjustment for seasonal and calendar effects. This was considerably more than in the second quarter when orders rose by 2¾%. The year-on-year increase remained virtually unchanged at 10½%. This was primarily attributable to a number of large orders in the shipbuilding industry. Even excluding the manufacture of other transport equipment, orders received still showed a sharp rise in demand of 2¼%.

The growth stimuli came in equal measures from both domestic and foreign demand, with foreign demand being generated exclusively by non-euro-area countries. By contrast, there was a decline in orders received from euro-area countries. Producers of capital goods, who had booked few new orders in the second quarter, made a very notable contribution to the increase in demand in the third quarter. The computers and electrical equipment sectors were the principal beneficiaries of this. Demand for machinery also remained very buoyant. Growth in intermediate goods, on the other hand, was more subdued. Manufacturers of consumer goods recorded marked growth in export business only, whereas domestic demand was weak.



*Further pick-up
in demand for
construction
work*

Construction orders in the two-month period of July and August – official data beyond this period are not available – were 1% up on the second quarter. Growth was therefore distinctly weaker than in the second quarter, when demand had been heavily influenced by catch-up effects following the winter months. In this respect, the recent developments in the construction industry are fully consistent with the picture of an ongoing gradual upswing in this sector. This is borne out, firstly, by the favourable level of investment, which is being increasingly influenced by capacity extensions and the associated commercial construction orders. Secondly, exceptional factors, such as the abolition of the grant to homebuyers at the end of last year, which led to an increase in housing construction orders, are also likely to have played a role. Much the same applies, to a certain extent, to the increase in VAT, which may have triggered private individuals, in particular, to bring their construction orders forward. This appears to have had an even greater impact on the order situation in the finishing trades.

*Service
providers and
retail trade
more subdued*

Business prospects in the services sector were assessed less favourably in the third quarter than in the second quarter. According to the Ifo Institute's survey, commercial service providers, in particular, did not rate their outlook in the third quarter quite as optimistically as before. Business prospects in the trade sector in the coming months are likely to be influenced by the effects of the rise in VAT. This could especially be the case for motor vehicles and other consumer durables. So far, however, advanced purchases have been rather limited in this area. Nevertheless, con-

sumers' general propensity to purchase has increased again and income prospects have also improved. The extent to which all of these factors actually stimulate demand is likely to depend to some extent on the durability of the recent oil price cuts, which have boosted the scope for expenditure in other areas. This would also act as a counterbalance to the hampering effect of the increase in VAT. In particular, the improved situation in the labour market can provide a solid basis for a gradual revival of consumer demand.

In view of the fact that industrial activity is still buoyant and many commercial service providers are enjoying a more stable outlook, the underlying cyclical trend in Germany is likely to remain on an upward course. Owing to its improved competitiveness, the German economy will continue to benefit substantially from global economic growth. Furthermore, as a result of the increased investment in capacity extensions in the machinery and equipment sector and in construction, domestic demand has now become a second mainstay of overall economic activity. This is particularly true now that the decline in the construction sector that has persisted over a decade appears to have come to an end and a discernible improvement has emerged in the employment situation. However, there is still no sign of a broadly based upswing in consumption. Given the favourable employment trend, there is cause to hope that – despite the increase in VAT that will come into effect in January 2007 – the conditions are now largely in place for a widespread recovery process.

*Economic
outlook positive
overall*

Public finances

General government budget

Public finances are currently developing much more favourably than had been anticipated in the original budget draft. This is largely due to the economic recovery, which is proving stronger than expected, and to the surprise growth in revenue from profit-related taxes, which are generally extremely volatile. The general government deficit amounted to 3.2% of GDP in 2005 but will fall well short of the 3% ceiling in 2006 thanks to the positive influences cited above. The current generally moderate expenditure patterns have also contributed to this decline. The debt ratio may remain at more or less the same level as in the previous year (67.9%). It is being curtailed by, among other things, the relatively sharp growth in nominal GDP, which may reach the highest level seen in the past decade.

*Deficit ratio
below 3% limit
for 2006*

A noticeable change in the general government revenue ratio is not likely to be observed this year. The tax ratio will grow significantly, particularly as a result of the extremely dynamic development of profit-related taxes. However, social contributions will increase only slightly due to the moderate growth in gross wages and salaries,¹ and non-tax revenue will actually decrease. This year there will be a further marked fall in the expenditure ratio. In addition to an easing in labour market spending resulting predominantly from positive macroeconomic develop-

*Generally
constant
revenue ratio
and decreasing
expenditure
ratio*

¹ Excluding the one-off receipts in connection with bringing forward the transfer deadline which cannot be posted as additional revenue in the national accounts as a result of the accruals principle of accounting.

ments,² other key factors curbing the ratio include the weak rise in spending on old-age provision, the further decrease in personnel expenditure, but also the relatively strong growth in nominal GDP.

Further clear decline in deficit ratio in 2007

The general government deficit is also expected to drop significantly in 2007. This is partly the result of the Federal Government's fiscal package which, when taken as a whole, will improve the financial situation by increasing taxes and social security contributions. Furthermore, the development in spending has so far been restrained, particularly in the areas of personnel, old-age provision and labour market. Macroeconomic wage developments, which are expected to remain relatively moderate, have slowed the growth in both government revenue as well as expenditure, causing the corresponding ratios to decrease because of the sharper increase in GDP. In 2007, this will be intensified by the effect of raising consumption taxes on nominal GDP. On the revenue side, these ratio-decreasing influences are offset by rises in taxes and social security contributions meaning that the revenue ratio could remain largely stable on balance. By contrast, the expenditure ratio will fall perceptibly.³

Increased consolidation in good times

Undershooting the 3% ceiling in 2006 is a positive development. However, the success of completing this first step of the journey must not detract from the need to continue reducing the deficit. Indeed, the debt ratio has merely stabilised at a very high level. This means that the significant level of structural consolidation of approximately 1% of GDP that central government reported to the EU

for 2007 is appropriate. This is true not only in light of European obligations but also given the requirements under national budgetary law. The current positive economic climate should be used to reduce structural deficits as quickly as possible. There is a common consensus that consolidation should be greater during good times. It would therefore be logical to intensify retrenchment efforts and to not repeat the mistake that has often been made in the past of using unexpected additional revenue for other purposes. It is important to resist the wide range of special interests. The experience in 2001 proved just how rapidly favourable economic conditions coupled with a boom in volatile profit-related taxes can turn and instead lead to extensive deficits, a racing debt ratio and a violation of budgetary ceilings if no sound underlying position has been achieved. Thus, central and the individual state governments should also aim to balance their budgets as soon as possible.

As regards the consolidation strategy, it would have been preferable to restrict expenditure further and to curtail tax privileges to a greater degree rather than to raise tax and contribution rates in connection with the measures to promote the economy in the short term. Stabilising the revenue ratio, which is structurally declining due to shifts away from highly "revenue-yielding" GDP components, by raising tax and contribution

Increases in tax and contribution rates problematical

² See Deutsche Bundesbank, The evolution of labour market-related expenditure, Monthly Report, September 2006, pp 59-83.

³ For a detailed explanation of the developments in the government revenue and expenditure ratio up to 2007, see Deutsche Bundesbank, Monthly Report, August 2006, pp 52-53.

rates poses problems. Although the revenue ratio may thus remain the same, this still entails additional distortions that may not be beneficial to the underlying economic conditions.

Budgetary development of central, state and local government⁴

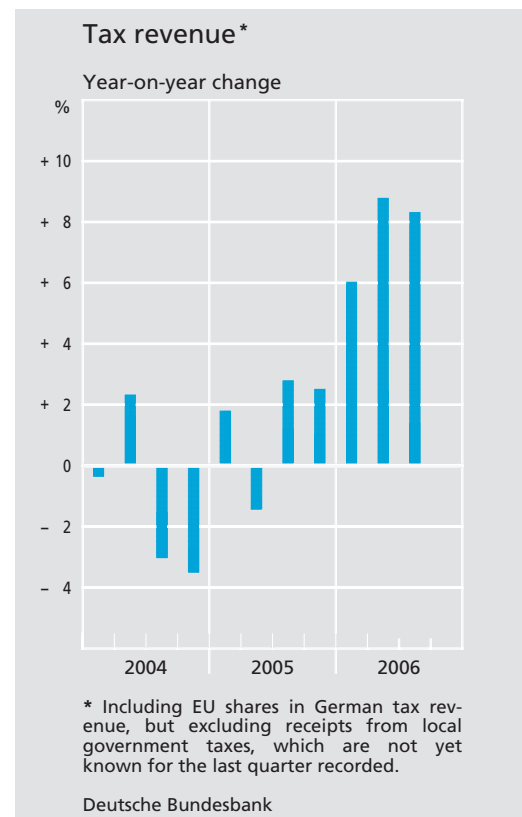
Tax revenue

Marked increase in tax revenue in third quarter

The third quarter saw a further sharp increase of 8½% (€8½ billion) in tax revenue⁵ on the year (for more information, see the table on page 54). Revenue from profit-related taxes in particular went up significantly (€5 billion) as did revenue from wage and turnover tax (together €3 billion). This clearly reflects the more favourable macroeconomic development. Another factor behind the increase in assessed taxes was that net payments for previous years were relatively small mainly due to lower employee refunds. Although revenue from energy tax⁶ also grew noticeably (almost 3%), after adjustment for a payment that was brought forward from the fourth to the third quarter, this revenue in fact decreased. Revenue from tobacco tax fell by 6½% despite the tax rise in September 2005. However, the figure for the previous year climbed owing to anticipatory effects.

Tax estimate for 2006 revised substantially upwards

According to the new official tax estimate, tax revenue (including receipts from local government taxes) is expected to rise by just over 7% for the whole of 2006. The tax ratio as defined in the government's financial statistics would therefore rise from 20.2% to



21.0%. Although the positive effects of progression and changes in legislation play their part, the increase in the ratio reflects above all the strong growth in profit-related taxes. Tax receipts as a whole are expected to be much higher (€19½ billion) than was last estimated in May. On the one hand, the macroeconomic reference variables grew more sharply than had been anticipated in the

⁴ The following report is based on the budgetary definition (as defined in the government's financial statistics).

⁵ Including EU shares in German tax revenue but excluding receipts from local government taxes, which are not yet known for the last quarter recorded.

⁶ Under the Act revising the taxation of energy products and amending the Electricity Tax Act (*Stromsteuergesetz*) of 12 July 2006, the Mineral Oil Tax Act (*Mineralölsteuergesetz*) was replaced by the Energy Tax Act (*Energiesteuergesetz*). The previous term "mineral oil tax" has been replaced by "energy tax".

Overall tax revenue and major individual taxes

Type of tax	Q1–Q3				Q3				Estimate for 2006 ³
	2005	2006	Year-on-year change		2005	2006	Year-on-year change		Year-on-year percentage change
	€ billion		in € bn	as a percentage	€ billion		in € bn	as a percentage	
Overall tax revenue ¹	294.4	317.3	+ 22.9	+ 7.8	101.8	110.3	+ 8.5	+ 8.3	+ 6.6
<i>of which</i>									
Wage tax	85.1	87.1	+ 2.0	+ 2.4	28.2	29.2	+ 1.1	+ 3.8	+ 2.6
Assessed income tax	3.7	10.0	+ 6.3	.	4.2	6.3	+ 2.1	+ 51.0	+ 75.6
Investment income tax ²	14.3	15.8	+ 1.6	+ 11.0	2.8	3.4	+ 0.5	+ 19.4	+ 9.8
Corporation tax	10.9	16.4	+ 5.5	+ 50.4	3.8	6.1	+ 2.3	+ 60.1	+ 41.7
Turnover tax	103.2	108.2	+ 5.0	+ 4.8	35.3	37.1	+ 1.8	+ 5.0	+ 4.6
Energy tax	24.1	24.3	+ 0.2	+ 0.6	9.8	10.0	+ 0.3	+ 2.8	- 1.0
Tobacco tax	10.1	10.1	+ 0.0	+ 0.3	4.0	3.7	- 0.3	- 6.4	- 0.5

¹ Including EU shares in German tax revenue, but excluding receipts from local government taxes, which are not yet known for the last quarter recorded. — ² Non-

assessed taxes on earnings and withholding tax on interest income. — ³ According to official tax estimate of November 2006, excluding local government taxes.

Deutsche Bundesbank

second quarter.⁷ In addition, to date the growth of cash receipts has been significantly stronger than had been expected given macroeconomic developments and changes in legislation. This holds particularly true for profit-related taxes for which the estimate was revised upwards by €13 billion. Revenue forecasts for wage tax (€2 billion) and turnover tax (€4 billion) were also increased considerably. Around the turn of the millennium, revenue from turnover tax grew at a much weaker rate than its assessment base (probably partly due to turnover tax evasion becoming more prevalent), however, the tide has now turned.

Tax revenue is expected to go up by 6% in 2007. The additional rise in the tax ratio to 21.7% is attributable to the effect of changes

in legislation, especially the increase in VAT. Compared with the May estimate, at €18½ billion (adjusted to account for recent amendments in tax legislation) similarly high additional revenue is expected in 2007 as in 2006. On the one hand, the revised forecasts of assessment bases for wage and turnover tax leads to greater upward adjustments. On the other hand, it is assumed that there will be a decline in momentum for profit-related taxes. Revenue from profit-related taxes is generally only loosely connected to the development of corporate and investment income, which is used as a macroeconomic reference variable – in the absence of better informa-

Stronger increase in revenue expected for 2007, too

⁷ Central Government projects overall nominal GDP growth of 2.9% for 2006 (May estimate: 2.0%) and 2.6% for 2007 (May estimate: 2.3%). Real GDP growth is now forecast at 2.3% (1.6%) and 1.4% (1.0%), respectively.

The development of profit-related taxes

Revenue from profit-related taxes is subject to sharp fluctuations. Even adjusted for the effects of legislative changes, it is far more volatile than entrepreneurial and investment income calculated as a residual in the national accounts, which is usually taken as the macroeconomic reference variable (see chart below).¹ First, systemic deviations between entrepreneurial and investment income and the actual tax assessment base exist, for instance because provisions are taken into account when determining the tax base. This may have contributed to the fact that in 2001 and 2002 the development of tax receipts after adjustment for legislative changes was far weaker than that of entrepreneurial and investment income.² Sharper fluctuations in revenue from assessed taxes also occur because in any one year advance tax payments are determined on the basis of estimated profits, with any deviations from the actual tax

liability only being settled in the following years. In particular when the advance payments are determined by past profit trends, a situation may arise in which large advance payments are accompanied by large back payments, for example, during periods of stronger growth in profits. This effect may be partly responsible for the current sharp growth. Finally, the extent and the duration of the effects of legislative changes are also difficult to estimate because of the above-mentioned uncertainties regarding the assessment base and the date on which they are reflected in the cash positions. Thus, for example, the additional tax receipts arising from the restriction of the facility to offset losses, which came into force in 2004, may have been underestimated. The problems mentioned impede not only the interpretation of past revenue trends but also the revenue forecast.



¹ The revenue fluctuations are recorded as cyclically-induced under the standard cyclical adjustment procedure only if they can be explained by the cyclical developments of the relevant underlying macroeconomic assessment base. Thus, other sharp temporary fluctuations affect the cyclically-adjusted deficit recorded under this procedure. See Deutsche Bundesbank, The development of public finances in Germany following qualification for European monetary

union, Monthly Report, April 2003, p 15. — ² In addition, various special factors in connection with the business tax reform, which came into force in 2001, also played a role, see Deutsche Bundesbank, Recent tax revenue trends, Monthly Report, December 2002 pp 15-36. — ³ As defined in the national accounts. Employee refunds deducted from assessed income tax revenue. Adjusted for the impact of changes in tax legislation in accordance with government estimates.

tion – and, moreover, this revenue is much more volatile. The margins of uncertainty are therefore especially large here (see also the comments on page 55) meaning that a cautious budget estimate is appropriate.

Central government budget

Higher deficit in third quarter owing to lower earnings on capital account

In the third quarter, central government recorded a deficit of €9 billion, which was twice as high as in the same period last year. The main reason for this was the 6% decrease in revenue (-€4 billion). Although tax revenue increased by 7% (just over €3½ billion), the decline in earnings on the capital account was greater (-€6½ billion). However, at €5 billion, loan repayments and the sale of participating interests continued to make a significant contribution to budget financing. In addition, the compensatory amount paid by the Federal Employment Agency and the motorway tolls for heavy goods vehicles – which were posted in a highly erratic way last year – were both €½ billion lower. By contrast, expenditure rose by 1% (just over €½ billion). In the case of interest, in particular, the discounts on the issuance of debt securities led to an increase of 7% (€1 billion). Expenditure in connection with the Hartz IV reform also went up by 5% (€½ billion). Although payments in connection with unemployment benefit II have recently been somewhat lower, integration benefits expanded noticeably. There was, however, a fall in grants to the pension insurance scheme. In 2005, these payments were brought forward to cover a liquidity shortfall.

By the end of September, central government had recorded a deficit of €29 billion. The 2006 Federal budget plan, which was not approved by the Bundestag until June, envisages €38½ billion for the entire year. In recent years, surpluses were regularly recorded in the final quarter. Revenue from asset realisations and repayments of liquidity assistance granted to the Federal Employment Agency during the year both played a role in this. By contrast, the deficit may increase somewhat before the end of this year as no such repayments are expected and indications have been made that only a minimal amount of revenue is to be achieved from the sale of participating interests. The budget outturn should still, however, be better than expected and fall below the previous year's figure of €31½ billion.

Budget development more favourable than planned

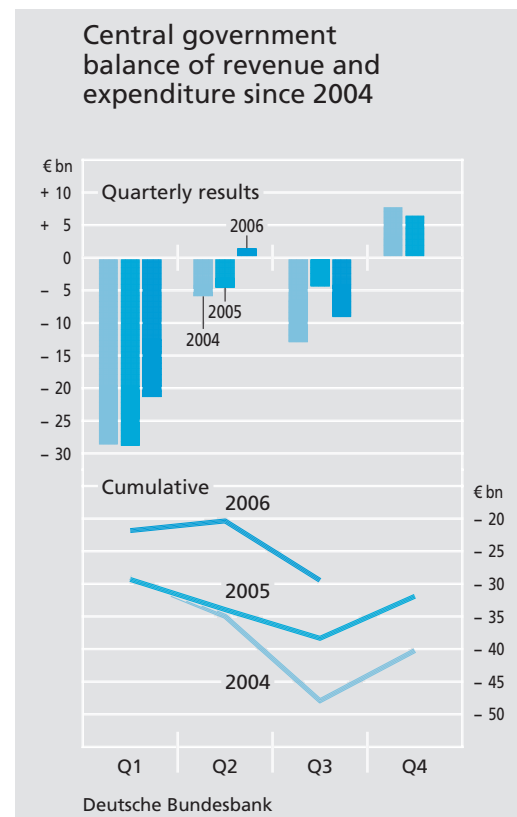
Following an adjustment meeting of the Budget Committee, the Federal budget deficit is to be reduced to just under €20 billion in 2007. With investment expenditure of €24 billion, the constitutional ceiling for new borrowing pursuant to Article 115 of the Basic Law of the Federal Republic of Germany (*Grundgesetz*) should be observed. However, in addition to extensive tax increases, this is also to be achieved by shifting burdens to other government budgets – in particular, the cut in contributions to the pension insurance scheme for recipients of unemployment benefit II. In the latest tax estimate, tax revenue is estimated at €6 billion higher than in this summer's draft budget. In addition to the reduction of €2½ billion in deficit, almost €2½ billion has been earmarked for central government's contribution – agreed with

In 2007, only formal compliance with borrowing limit is planned

state government – to accommodation costs for the recipients of unemployment benefit II. This figure is much higher than the amount envisaged in the summer budget draft. Just over €1 billion is needed to offset the compensatory amount paid by the Federal Employment Agency which is now lower than initially estimated. The Federal grant to statutory health insurance institutions has also been increased by €1 billion compared to the original budget draft to limit the increase in contribution rates. However, seeing as counterfinancing for this is planned in the budget, this measure should, on balance, not place a burden on central government. All in all, less than half of the additional tax revenue is to be used to achieve the necessary reduction in the Federal deficit. Although, according to the traditional interpretation, borrowing will fall below the limit defined in Article 115 of the Basic Law, relief of approximately €16 billion is planned through asset realisation, including the securitisation of Post Office pension fund claims (see the comments on the ERP special fund on page 58). In keeping with the intention behind an investment-oriented loan ceiling (golden rule), this revenue at least should be deducted from investment expenditure in the same way as depreciations. If the loan ceiling is adjusted in this way, a balanced budget is necessary. The structural overburdening of the budget is ongoing meaning that steps to consolidate are urgently needed.

State government budgets⁸

In the third quarter, the state government budgets recorded a deficit of €2 billion compared with €6½ billion in the third quarter of



2005. The substantial growth in revenue (+€8½%) is attributable to the continued favourable development of tax revenue. At ½%, the increase in expenditure was much more moderate. Personnel expenditure was 1% less than in the same quarter of 2005 owing to outsourcing, in particular of a large number of universities in North Rhine-Westphalia. However, other expenditure rose by 2% on the year as a result of this change in the method of funding universities. The budgets envisage a deficit of €23 billion for the year as a whole (actual deficit in 2005: €24 billion). According to the results of the latest tax estimate, which increased state government's revenue expectations by €7½

Sharp decrease in state government deficits in Q3 and ...

... clear undershooting of budget over entire year

⁸ The most recently published data on local government finances is analysed in the short articles in the Bundesbank Monthly Report of October 2006.

Capital revenue from the ERP Special Fund in the central government budget

The origins of the ERP Special Fund (*ERP Sondervermögen*) lie in the USA's European reconstruction programme after the Second World War (Marshall Plan), under which Germany received goods worth approximately US\$1½ billion. Recipients paid the invoices in Deutsche Mark to counterpart accounts held at the Deutsche Bundesbank. It was agreed in a treaty with the United States of America to deposit these financial resources in a special fund in order to use them to grant revolving loans to boost the economy. As a result of the debt relief granted in connection with this, Germany had to repay only US\$1 billion, an obligation that it fulfilled during the 1960s. Nevertheless, under the treaty, Germany has to obtain the approval of the United States of America before it makes any fundamental changes to the Special Fund.

At the end of 2005, the ERP Special Fund reported provisions of €1 billion, liabilities of €15 billion and assets of almost €29 billion. During final discussions about the 2007 Federal budget, the Federal Government evidently reached an agreement to restructure the ERP Special Fund. As well as transferring the capital base to the Reconstruction Loan Corporation (*Kreditanstalt für Wiederaufbau*), among other things equity in the amount of €2 billion is to be transferred to the central government budget. Compensatory measures are to be taken to prevent this resulting in a

restriction of lending capacity. In addition, it is understood that central government is intending to take on receivables and liabilities of €14½ billion.

Leaving aside any efficiency gains which may arise as a result of reorganising the ERP Special Fund, the plan should be viewed with a critical eye given the budgetary rules which restrict borrowing. This procedure is a prime example of how to circumvent existing budgetary rules.¹ The assumption of liabilities means that the level of central government debt rises without this being recorded as borrowing under budgetary law. However, the respective claims taken over are to be used specifically to finance the budget – probably in the form of asset disposals. This then bypasses the fundamental intention behind Article 115 of the Basic Law, ie to restrict debt. In view of the moderate gap between investment and net new borrowing, this ultimately means that it will be possible to finance current expenditure by debt assumption.²

The Federal Government is rightly committed to a comprehensive consolidation of the government budget. A timely reform to give renewed vigour to the rules restricting central government indebtedness could be a key component of the consolidation strategy. This also applies to state government whose budgetary regulations have also proven to be unsatisfactory.

¹ See Deutsche Bundesbank, Deficit-limiting budgetary rules and a national stability pact in Germany, Monthly Report, April 2005, pp 27–30. — ² By contrast, these trans-

actions do not have a direct effect on the Maastricht deficit because the realisation of financial assets is not recorded as revenue.

billion, the financial position is expected to be much more favourable. In the first three quarters of 2006, the deficit declined by €9 billion on the year. In addition, the absence of one-off burdens from the recapitalisation of enterprises in the final quarter of 2005 should mean that the year-on-year improvement is even better still.

Further consolidation efforts required

Before the results of the tax estimate were known, the state government budget plans envisaged that, compared with the target values for 2006, deficits would decline by approximately €4 billion to €19 billion. Even assuming the lowest results for 2006, the deficit should fall by this amount at the very least. Therefore, the target of reducing the deficit to below €10 billion is certainly realistic. Nevertheless, a number of state governments still have difficulties observing their constitutional borrowing limits. These limits have been overshot in Bremen, Saarland and Schleswig-Holstein. Some eastern German states, and Berlin in particular, may again fail to prove that they have used the special supplementary Federal grants for the reconstruction of eastern Germany for entirely appropriate purposes. Overall, there is still a clear need for budget consolidation as the objective of a balanced budget is anchored both in national and EU law. To avoid additional tax increases, it is essential to consistently limit expenditure.

Berlin ruling increases individual responsibility and ...

This is particularly true for state governments with a high budget deficit, such as Berlin. The Federal Constitutional Court rejected Berlin's application for a judicial review of constitutional law aimed at obtaining restructuring

aid. The judges stressed that all other possible consolidation measures must be tried before turning to this type of aid. Due to the high level of spending in Berlin compared to other state governments and to its potential for increasing revenue, it was found not to have fulfilled this requirement. This ruling significantly increases each state's responsibility for its own budget and lowers the problematic incentive associated with the federal principle of relying on the help of other public authorities rather than taking unpopular consolidation measures. In addition, a national procedure to monitor budgets would be necessary to recognise a potential budgetary crisis as early as possible and to initiate appropriate countermeasures. This could be implemented as part of the planned second phase of reforming the federal structure. The European budgetary surveillance procedure with its harmonised reporting and analysis of budgetary developments and budget planning could serve as a rough example. The Financial Planning Council could then assume a particularly important role with regard to evaluations and directives.⁹

... could be supplemented with fiscal monitoring system

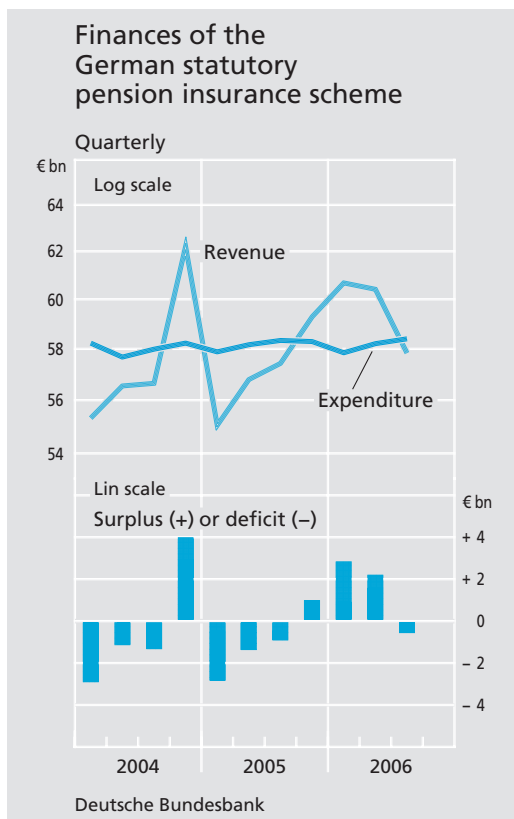
Social security funds

Statutory pension insurance scheme

In the third quarter, the statutory pension insurance scheme recorded a deficit for the first time this year (€½ billion). This was only marginally lower than the deficit recorded in the same period last year although in 2005 the

Deficit in third quarter reveals persisting severe structural problems

⁹ See Deutsche Bundesbank, State government finances in Germany, Monthly Report, July 2006, p 47.



deficit had been improved by bringing forward a Federal grant of €1 billion due to liquidity problems. In 2006, bringing forward the transfer deadline for contributions had led to an unusually high level of revenue up to July, however, the situation returned to normal in the following two months. The precarious financial situation within the statutory pension insurance scheme once again became evident despite the positive effects of favourable development of employment subject to social security contributions. After adjustment for the phase shifts¹⁰ brought about by the earlier transfer of contributions, revenue from contributions nevertheless increased by 2½% for August and September together. At 3½%, compulsory contributions grew at a much faster pace. By contrast, inflows for recipients of wage substitutes fell.

The overall growth in revenue was only just over ½% because the figure from the previous year had been pushed up by the earlier transfer of Federal funds. The increase in expenditure was only slight. Pensions were not put up mid year and the number of pensions rose only slightly.

In the first nine months of the year, the surplus of the pension insurance scheme amounted to almost €4½ billion. If there had been no special effect on the contribution side, however, there would have been a deficit of around €6 billion. A surplus is expected for the final quarter as a result of seasonal factors. Due to the fact that at the end of the year the reserves will clearly exceed the statutory minimum of 0.2 month's expenditure, the contribution rate for 2007 could have been set at a lower level than 19.9%. However, this would have meant that the reserves which were built up as a one-off this year would then be used up straight away and that the contribution rate would have to be raised even further for 2008.

Larger increase in 2007 smoothes development of contribution rate

The Act increasing the retirement age for the pension insurance scheme (*RV-Altersgrenzenanpassungsgesetz*) is to raise the statutory retirement age from 65 to 67 by the end of 2029. This takes account of increasing life expectancy and the associated continued expansion of the benefits granted under the pension insurance scheme and sends out clear signals to employees and employers

Rise in statutory retirement age with more concessions

¹⁰ The August contributions for 2006 refer to the wages and salaries subject to compulsory contributions that were paid in August. In the previous year the contributions related to August pay were, for the most part, not transferred until September.

that working lives need to be longer. However, favourable treatment of people who have paid contributions for 45 years¹¹ has cancelled out a considerable portion of the desired curbing of contribution rates. This regulation means that if the total amount of contributions paid and retirement age of insured persons are the same, one will receive a higher pension simply because the contributions were paid over a longer period of time. To ensure that the pension insurance scheme remains sound in spite of ever increasing life expectancy, it would be advantageous to forgo exemptions and to automatically link retirement age to life expectancy.

Outstanding pension cuts to be implemented

In previous years, a safeguard clause prevented pensions from being cut. Therefore, the reduction in the relative pension level that was passed by the government and considered necessary to stabilise the contribution rate did not take place. This also presents a problematic nominal rigidity. A modified safeguard clause is to halve pension increases from 2011 until the cuts which the government refrained from making have been made in full. By not rectifying the situation with sharper and more rapid measures, there is, however, a greater risk that in future economically weak phases, the statutorily fixed upper limit of 20% for the contribution rate will be overstepped before 2020.

Federal Employment Agency

Surplus again in third quarter

The Federal Employment Agency's surplus reached just over €2½ billion in the third quarter compared to less than €½ billion in the same period in the previous year. The key

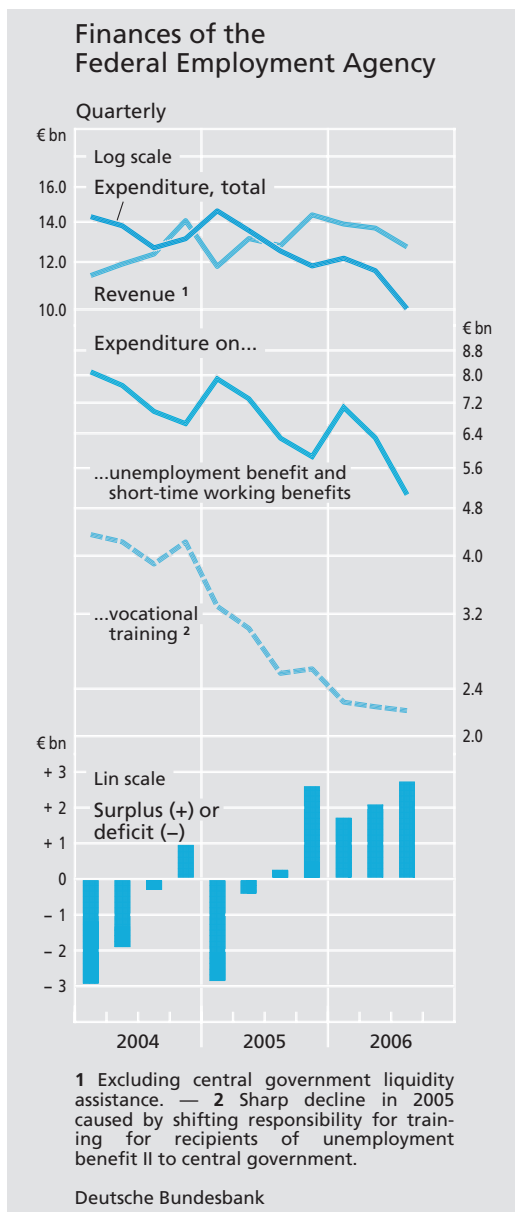
factor in this improvement is the economic recovery which results in lower spending but also higher revenue. Contribution receipts were almost 3% up on the year. Bringing forward the transfer deadlines played its part in this up to July. The underlying trend probably reached just over 1½%. However, overall revenue decreased by ½% as insolvency contributions and reimbursements of administrative costs were lower, although these were offset by declining corresponding items on the expenditure side. Spending on unemployment benefit I fell by 19%. A major factor here was the decrease of 9% in the number of unemployed persons. Although the decline in the number of people receiving unemployment benefits was probably less significant in absolute terms, as a percentage it is likely to have fallen much more sharply. This was also the case in the second quarter. The declining ratio of recipients¹² is not – as suggested by the year-on-year decrease of €½ billion in the compensatory amount – necessarily attributable to the switch from unemployment benefit I to unemployment benefit II but rather to the cyclically-induced decline in the number of short-term unemployed. Spending on active labour market policy was 13½% lower. However, no further savings were recorded compared with the previous quarter.

In the first nine months of the year, the surplus of the Federal Employment Agency amounted to €6½ billion. This is an improve-

Surplus over and above the amount expected for 2006 as a whole

¹¹ Periods spent caring for relatives and raising children are also counted alongside years in paid employment with compulsory contributions.

¹² Approximately 30% of persons registered as unemployed received unemployment benefit I in the third quarter.



ment of €9½ billion on the year. Approximately €3½ billion is likely to be attributable to bringing forward the transfer date for social security contributions. The large remaining amount is predominantly due to the economic recovery but also to the toning down of the active labour market policy. Over the course of the year, the surplus could exceed €10 billion. With this as a starting point and with the new central government grant fi-

nanced by VAT as well as further decreases in spending, the agency will also be able to cope with the large drop in contribution rates from 6.5% to 4.2% over the next – good – year. However, it should be carefully examined whether this contribution rate is compatible with a balanced budgetary position for the Federal Employment Agency in the medium-term in order to prevent a procyclical increase of contribution rates or the renewed need for larger Federal resources during future downturns assuming the level of benefits remains the same. Further expansion of the range of benefits granted by the Federal Employment Agency – such as extending the period for receiving unemployment benefit I for older claimants – would most likely step up the pressure on contribution rates and is therefore not a suitable method for promoting employment.¹³

Statutory health insurance scheme

The financial situation of the statutory health insurance scheme was mainly balanced until the middle of the year. In the second half of the year, a surplus is expected particularly owing to the typically high contributions receipts at the end of the year.¹⁴ Federal resources are to be reduced by €1½ billion to €2½ billion in 2007. Moreover, spending by health insurance institutions will be higher owing to the rise in VAT. These measures will mean a burden of €2½ billion for the statu-

Relatively favourable financial situation in 2006

13 See also Deutsche Bundesbank, The evolution of labour market-related expenditure, Monthly Report, September 2006, p 76.

14 The latest financial development of the statutory health and long-term care insurance schemes is analysed in greater detail in the short articles of the Monthly Report of September 2006.

Planned changes to healthcare regulation

In the draft Act to promote competition among statutory health insurance institutions (*GKV Wettbewerbsstärkungsgesetz*) the Federal Government has set out the details of its plans to amend health insurance law. The key elements include:

Introduction of a health fund from 1 January 2009

- The health fund is to be financed from income-based employee and employer contributions and tax resources whereby the employee's special contribution is to remain at 0.9% of his/her income subject to compulsory insurance contributions. Health insurance institutions are to receive risk-adjusted insurance premiums. The function of redistributing income between insured persons would shift from the health insurance institutions to the health fund.
- The contribution rate to the health insurance fund in 2009 is to be set in such a way that the revenue – together with the tax grant – is sufficient to finance total spending by the health insurance institutions. In the long-term, resources from the health fund are to cover on average at least 95% of expenditure by the health insurance institutions. The contribution rate will then be adjusted by Federal Government regulation.
- A grant of €1.5 billion from the 2008 Federal budget has been earmarked. This amount is to increase to €3 billion in 2009 and thereafter will increase at a rate that has yet to be defined. One of the main purposes of the grant is to finance the non-contributory co-insurance of children in the statutory scheme out of general taxation.
- If the resources from the fund are insufficient for individual health insurance institutions to cover their expenditure then they may demand an additional contribution of no more than 1% of income subject to compulsory insurance contributions from their members. Means testing can be avoided only if the contribution is less than €8 per month. Any excess payments can be refunded to members.

Private health insurance institutions obliged to offer a base tariff from 1 January 2008

- A base tariff should offer services similar to those under the statutory health insurance scheme at no more than the average maximum statutory contribution (currently just over €500 per month). This rate should be offered to all persons who are currently, or who were previously, privately insured. Persons who are voluntarily insured under the statutory scheme are to be granted a one-off right to join the private insurance scheme.
- If the person insured is not able to pay the base tariff premium, then this premium is to be halved. To ensure

that private health insurance institutions do not adopt a risk selection policy, they shall be obliged to set up a financial equalisation scheme.

- Ageing reserves which, in mathematical terms, are attributable to the base tariff are to be passed on if the person insured changes his/her insurance scheme. This applies to all persons privately insured.
- In the future, a change from statutory to private health insurance will be possible only if the individual's income is above the threshold for opting out of the statutory health insurance scheme (currently €47,250 per year) for three consecutive years. Currently, it is possible to change after only one year.

Other key regulations, some of which are due to come into force on 1 April 2007

- Extension of the benefits granted by statutory health insurance: treatments at health spas for older insured persons and for parents together with their children as well as recommended vaccinations are to become a mandatory service rather than an optional one.
- Resident doctors are to be remunerated according to fixed rather than variable service charges. In the future, contractual agreements will replace strict budgeting linked to the development of income subject to compulsory contributions. If the agreed volume of services is exceeded, then a retrogressive graduation of prices will come into effect.
- If individuals do not have regular medical check-ups, in the event that they become chronically ill their maximum own contribution rises from 1% to 2% of their household income.
- Spending on pharmaceuticals is to be limited by price negotiations between statutory insurance institutions, dispensing chemists and the pharmacy industry and by changing the current fixed-amount system to one based on maximum amounts. Special and, as a rule, expensive pharmaceuticals are to be financed by insurance institutions only after a second opinion has been obtained.
- Invoices issued by hospitals to insurance institutions for patients that were discharged after 31 December 2006 are to be reduced by 0.7% across the board.
- Instead of the current seven associations of the statutory health insurance scheme, in the future there is to be only one association at Federal level. Health insurance institutions are to be allowed to merge freely with each other and are to be subject to insolvency law.
- Health insurance institutions will be allowed to offer a choice of rates with different retained amounts.

tory health insurance institutions, which alone will force them to increase contribution rates (currently 14.3% on average) by 0.25 percentage point. Although, in exceptional cases, the deadline for clearing debts has been pushed back for one year until the end of 2008, the health insurance institutions as a whole should still strive for a surplus in 2007.

Health system reform will not prevent rise in contribution rates in 2007

The health reform introduced into the parliamentary legislative process in the form of the Act to promote competition among statutory health insurance institutions (*GKV Wettbewerbsstärkungsgesetz*) will not have any significant impact on the current upward pressure on contribution rates. The act that, according to plan, is to be implemented on 1 April 2007 will bring with it measures effective in the short-term (see overview on page 63) which should lead to financial relief of €1.4 billion in 2007 and €1.8 billion per year in the following years. However, it is questionable whether these savings will actually be achieved as they are mainly based on changing the regulations governing the relationship between service providers and health insurance institutions and the effect of these changes is difficult to gauge. Thus, overall, noticeable increases in contribution rates are likely in 2007.

From 1 January 2009, the financing system for statutory health insurance is to be changed. The health insurance fund is to be

raised from employer and employee contributions as well as from tax resources. The health insurance institutions receive risk-adjusted insurance premiums and are thereby organisationally freed from the responsibility for the redistribution of income. However, a further-reaching decoupling of financing for the statutory health insurance scheme from employment will be prevented by the fact that tight ceilings are envisaged for the flat-rate top-up contribution that individual institutions can charge if they run out of funds. This means that competition among health insurance institutions is likely to be intensified only to a limited degree. However, limiting the top-up contribution could increase the pressure to reduce spending because the standard contribution rate will be set by the Federal Government and the health insurance institutions will not have any other way of obtaining additional revenue. Of course such an effect assumes, with an eye to the contribution payers, that the institutions will refrain from calling for higher contribution rates. As a whole, in this area, which is characterised by a large number of particularly dynamic interest groups, the objective should still be to intensify competition and to promote the individual responsibility of those insured. It is also important to record the desired redistribution of income in a transparent way so that this can, if necessary, be financed in a comprehensive and regulated manner by tax resources.

Health fund creates clear organisational structure, however, makes practically no contribution to intensifying competition among health insurance institutions

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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 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	7.3	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	8.1	8.1	7.0	8.7	9.2	2.06	2.13	3.3
Sep	11.1	8.8	8.4	8.1	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	7.3	7.5	8.3	9.5	8.8	2.28	2.47	3.4
2006 Jan	10.3	8.4	7.7	7.6	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	8.6	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	8.1	9.2	11.8	8.7	2.81	3.10	4.1
Aug	7.2	8.4	8.2	8.2	9.1	11.9	8.4	2.97	3.23	4.0
Sep	7.1	8.4	8.5	...	9.4	12.2	8.1	3.04	3.34	3.8
Oct	...	...	...	...	...	...	...	3.28	3.50	3.9

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 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	-	10,158	-	6,320	-	3,213	-	2,677	-	39,367	+	41,147	-	2,316	1.2103	101.4	103.7
Feb	-	599	+	517	+	19,462	-	29,122	+	18,076	+	28,568	+	1,940	1.1938	100.7	103.0
Mar	-	2,086	+	2,977	+	49,491	+	259	+	35,636	+	7,088	+	6,509	1.2020	101.5	103.9
Apr	-	7,481	+	553	+	25,089	+	8,331	-	11,645	+	29,536	-	1,133	1.2271	102.7	105.1
May	-	10,921	+	562	+	31,930	-	4,592	+	46,416	-	8,212	-	1,682	1.2770	103.8	106.1
June	+	10,776	+	5,218	-	5,901	-	15,885	+	62,408	-	53,838	+	1,414	1.2650	103.9	106.2
July	+	2,450	+	5,641	+	12,259	-	9,378	+	2,776	+	19,649	-	788	1.2684	104.3	106.6
Aug	-	3,934	-	3,762	-	3,933	-	2,838	-	19,343	+	19,077	-	829	1.2811	104.4	106.7
Sep	1.2727	104.2	106.5
Oct	1.2611	103.7	105.9

* 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
Real gross domestic product ¹													
2003	0.9	– 0.2	1.8	1.1	4.8	4.3	0.0	1.3	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	3.6	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 Q2	1.6	1.7	2.9	1.7	3.7	5.6	0.2	2.9	1.9	2.3	0.4	4.2	1.3
Q3	1.3	1.4	3.4	1.1	3.8	5.9	0.1	4.8	2.0	2.1	0.3	3.0	1.7
Q4	0.6	1.1	2.2	0.8	3.7	6.5	0.1	6.2	1.9	2.6	1.0	3.3	1.8
2006 Q1	3.3	3.2	5.9	2.2	4.1	5.8	2.1	6.6	2.9	2.9	1.1	3.7	2.2
Q2	2.8	1.3	5.9	1.7	4.1	...	1.0	5.4	2.8	3.3	0.9	4.0	2.7
Q3	2.4	2.3	...	...	...	...	...	...	...	3.3	...	...	2.6
Industrial production ^{1,2}													
2003	0.7	0.4	1.2	– 0.4	0.3	4.7	– 0.5	3.6	– 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	3.9	– 2.5	6.2	– 2.7	1.6	2.0
2005	– 0.3	3.4	– 2.4	0.3	– 0.9	3.0	– 0.8	0.1	– 1.2	4.2	0.3	0.7	1.2
2005 Q2	0.5	2.3	– 6.8	0.4	– 2.6	2.0	– 1.2	– 2.0	– 0.1	5.2	0.0	0.1	0.7
Q3	– 1.8	3.5	– 2.1	0.5	– 0.7	3.0	0.4	3.6	– 2.3	3.4	0.7	0.7	1.4
Q4	1.0	5.1	– 0.7	– 0.7	1.3	5.8	0.5	1.7	– 1.6	3.7	2.3	1.6	2.1
2006 Q1	6.2	4.9	4.4	0.4	1.2	2.6	3.0	5.1	3.0	5.6	1.6	2.6	3.4
Q2	5.6	^r 5.9	15.1	1.7	0.6	6.6	1.3	0.9	0.8	7.6	1.6	4.0	4.1
Q3	3.9	^{6p} 6.3	8.9	0.4	^p 0.4	^p 6.4	1.1	^p – 1.5	0.0	...	2.5	4.0	^e 3.9
Capacity utilisation in industry ³													
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	80.8
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	81.4
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	81.2
2005 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	80.8
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	81.0
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	81.9
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	82.4
Q3	83.9	86.4	88.1	85.7	77.2	76.3	78.0	86.7	81.4	84.0	79.4	79.4	83.6
Q4	83.5	86.8	85.4	86.5	76.7	76.5	78.1	87.2	83.0	84.3	77.4	80.6	83.9
Unemployment rate ⁴													
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	10.6	8.9
2005	8.4	9.5	8.4	9.9	9.8	4.4	7.7	4.5	4.7	5.2	7.6	9.2	8.6
2006 Apr	8.7	8.2	7.8	9.4	4.5	6.8	4.8	4.8	4.0	4.9	7.5	8.6	7.9
May	8.7	8.4	7.7	9.3	4.5	6.8	4.7	3.9	4.9	7.4	8.5	7.8	
June	8.6	8.3	7.8	9.2	4.5	6.8	4.7	3.9	4.8	7.4	8.5	7.8	
July	8.5	8.3	7.8	9.1	4.5	...	4.8	3.8	4.9	7.3	8.3	7.8	
Aug	8.5	8.6	7.8	9.0	4.5	...	4.8	4.0	4.8	7.2	8.3	7.8	
Sep	8.6	8.7	7.9	8.9	4.2	...	4.9	4.0	4.7	7.2	8.3	7.8	
Oct	8.3	...	...	...	4.2	...	...	...	...	4.7	...	...	...
Harmonised Index of Consumer Prices ¹													
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 Apr	2.6	2.3	1.5	2.0	3.5	2.7	2.3	3.5	1.8	2.1	3.7	3.9	2.5
May	2.8	2.1	1.7	2.4	3.3	3.0	2.3	3.6	1.8	2.1	3.7	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	3.5	4.0	2.5
July	2.4	2.1	1.4	2.2	3.9	2.9	2.3	3.4	1.7	2.0	3.0	4.0	2.4
Aug	2.3	1.8	1.3	2.1	3.4	3.2	2.3	3.1	1.9	2.1	2.7	3.8	2.3
Sep	1.9	1.0	0.8	1.5	3.1	2.2	2.4	2.0	1.5	1.3	3.0	2.9	1.7
Oct	1.7	1.1	0.9	1.2	3.2	2.2	^p 1.9	0.6	^p 1.3	^p 1.2	2.6	2.6	^p 1.6
General government financial balance ⁵													
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
General government debt ⁵													
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 Provisional; adjusted in advance by the Federal Statistical Office by way of estimates to the results of the Quarterly Production Survey for the third quarter.

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								
2005 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	42.9	76.2	1.9	- 33.3	- 56.4	34.9	- 54.9	- 89.8	43.9	27.9	0.8	- 7.5	22.6
2006 Jan	125.4	103.2	18.2	22.1	27.0	5.7	130.3	124.6	8.3	6.2	0.7	0.7	0.8
Feb	92.6	109.3	28.0	- 16.8	- 7.2	- 19.2	25.5	44.7	56.0	12.4	0.3	25.0	18.3
Mar	141.9	129.0	44.6	12.8	8.7	- 20.6	50.6	71.2	48.2	17.6	0.8	21.8	8.0
Apr	162.7	161.8	64.4	0.9	0.2	- 7.3	88.6	95.9	27.3	14.9	0.4	17.8	- 5.8
May	43.4	71.5	4.1	- 28.1	- 17.6	11.2	54.6	43.4	30.5	10.4	1.3	21.8	- 3.0
June	52.3	47.9	- 30.0	4.4	1.8	62.9	- 57.1	- 120.0	47.1	10.9	1.2	21.8	13.2
July	70.1	90.8	14.5	- 20.7	- 16.9	4.4	84.2	79.8	47.5	9.0	1.2	16.4	21.0
Aug	- 15.1	12.7	- 5.0	- 27.8	- 22.5	- 11.4	10.8	22.2	6.0	3.1	1.5	5.9	- 4.4
Sep	131.4	135.2	26.9	- 3.8	- 9.8	20.2	123.3	103.1	18.3	4.3	1.4	13.5	- 0.8

(b) German contribution

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) 2	Capital and reserves 3
		Total	of which Securities	Total	of which Securities								
2005 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	2.7	- 11.0	- 13.7	14.6	2.2	1.1	2.4	8.9
Aug	- 4.3	3.9	0.6	- 8.2	- 4.2	- 4.9	1.1	6.1	- 3.1	2.9	1.5	- 4.9	- 2.6
Sep	23.7	32.8	9.5	- 9.1	- 7.9	15.0	32.8	17.8	- 5.8	0.4	1.2	- 4.2	- 3.3

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

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

II Overall monetary survey in the euro area

(a) Euro area

IV De- posits of central gov- ernments	V Other factors		VI Money stock M3 (balance I plus II less III less IV less V)										Period
	Total 4	of which Intra- Eurosysteem liability/ claim related to banknote issue	Total	Money stock M2						Repo transac- tions	Money market fund shares (net) 2,7,8	Debt secur- ities with maturities of up to 2 years (incl money market paper) (net) 2,7	
				Total	Money stock M1			Deposits with an agreed maturity of up to 2 years 5	Deposits at agreed notice of up to 3 months 5,6				
					Total	Currency in circula- tion	Overnight deposits 5						
29.5	- 11.2	-	9.8	4.4	4.4	3.7	0.8	- 5.3	5.2	- 1.7	- 1.9	8.9	2005 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	- 68.3	-	113.7	149.5	91.9	18.3	73.6	38.0	19.5	- 18.2	- 14.2	3.4	Dec
18.0	90.7	-	14.1	- 18.6	- 27.1	- 11.9	- 15.2	- 7.9	16.4	15.2	6.6	11.0	2006 Jan
8.0	- 16.7	-	26.2	16.2	- 6.6	4.0	- 10.6	19.4	3.4	- 2.1	3.2	8.8	Feb
- 6.5	12.4	-	67.2	56.8	25.6	7.4	18.2	29.3	1.8	1.0	- 0.8	10.3	Mar
- 10.5	20.1	-	118.5	94.1	53.9	8.1	45.9	41.7	- 1.5	13.9	10.1	0.4	Apr
- 15.4	- 3.3	-	42.8	12.1	23.6	3.3	20.4	- 10.7	- 0.7	7.8	9.9	12.9	May
41.1	- 16.7	-	43.6	70.1	53.8	10.1	43.7	19.1	- 2.8	- 11.6	- 5.1	9.8	June
- 13.1	25.5	-	14.6	- 3.3	- 25.1	9.0	- 34.0	25.0	- 3.2	5.3	12.6	0.1	July
- 9.5	- 36.8	-	13.9	- 22.3	- 57.2	- 3.7	- 53.5	34.8	0.2	14.5	2.9	18.8	Aug
17.9	21.8	-	93.6	94.3	61.9	4.2	57.7	36.2	- 3.7	- 2.0	- 1.9	3.1	Sep

(b) German contribution

IV De- posits of central gov- ernments	V Other factors		VI Money stock M3 (balance I plus II less III less IV less V) 10										Period
	Total	of which Intra- Eurosysteem liability/ claim related to banknote issue 9,11	Currency in circula- tion	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	Deposits at agreed notice of up to 3 months 6	Repo transac- tions
- 0.8	- 5.6	1.3	1.0	1.0	5.2	- 5.6	0.3	2.2	0.3	-	1.4	2005 Feb	
- 3.3	- 1.7	2.1	2.5	- 7.4	0.4	- 5.5	- 1.0	1.0	1.6	-	3.9	Mar	
0.8	54.2	0.9	2.3	12.0	2.4	6.9	0.1	0.3	0.4	-	1.8	Apr	
- 1.3	- 50.1	2.4	1.0	9.0	9.0	3.0	- 0.4	- 0.3	- 0.5	-	1.9	May	
0.8	6.6	0.7	3.4	5.7	10.0	- 5.8	- 1.2	- 0.1	0.2	-	2.5	June	
0.4	1.0	0.6	2.2	- 0.6	0.6	1.1	- 0.1	- 1.5	1.4	-	2.0	July	
- 0.4	- 7.9	1.6	- 1.2	9.0	1.7	1.1	- 0.5	3.9	0.2	-	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	Sep	
- 1.2	- 3.6	0.0	1.0	7.2	3.4	2.1	- 1.1	4.3	- 2.4	-	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	Nov	
0.9	18.5	- 1.2	4.2	- 5.3	- 8.6	10.2	6.6	- 13.6	- 0.0	-	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	2006 Jan	
- 6.2	- 15.9	2.0	0.5	- 1.8	- 2.8	0.7	- 0.4	2.2	0.6	-	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	Mar	
- 0.2	34.1	0.4	2.0	18.1	9.3	12.7	- 1.9	- 1.4	- 0.1	-	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	May	
1.9	14.5	1.1	2.7	3.3	3.4	4.9	- 2.6	- 1.4	0.9	-	1.9	June	
1.0	- 3.3	0.6	2.6	- 16.5	- 9.8	4.6	- 4.0	- 5.6	- 0.7	-	1.0	July	
3.0	- 16.6	2.7	- 1.0	7.5	- 6.8	9.8	- 4.5	4.8	- 0.2	-	4.4	Aug	
2.3	29.4	2.0	0.4	12.7	0.7	10.5	- 3.8	3.2	- 0.6	-	2.8	Sep	

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											
	Total assets or liabilities	Lending to non-banks (non-MFIs) in the euro area									Claims on non- euro-area residents	Other assets
		Total	Enterprises and households				General government					
Total	Total		Loans	Debt securities 2	Shares and other equities	Total	Loans	Debt securities 3				
Euro area (€ billion) ¹												
2004 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	4,057.6	1,875.0	
Dec	17,892.2	11,993.0	9,550.4	8,288.1	553.6	708.8	2,442.5	847.5	1,595.0	4,008.8	1,890.4	
2006 Jan	18,201.4	12,127.9	9,668.2	8,386.5	558.0	723.7	2,459.7	842.5	1,617.2	4,125.8	1,947.7	
Feb	18,344.5	12,225.2	9,782.1	8,469.1	569.6	743.3	2,443.1	833.0	1,610.0	4,184.4	1,935.0	
Mar	18,475.2	12,353.5	9,908.0	8,552.1	575.8	780.1	2,445.4	837.0	1,608.4	4,199.0	1,922.8	
Apr	18,704.2	12,504.1	10,063.4	8,644.7	587.0	831.7	2,440.7	837.5	1,603.2	4,248.1	1,952.0	
May	18,782.5	12,531.2	10,125.4	8,708.5	595.4	821.6	2,405.8	826.9	1,578.8	4,279.1	1,972.3	
June	18,738.1	12,572.3	10,169.6	8,785.0	602.4	782.3	2,402.7	829.6	1,573.1	4,216.4	1,949.3	
July	18,867.6	12,648.1	10,262.8	8,859.7	614.9	788.2	2,385.3	826.5	1,558.7	4,309.3	1,910.3	
Aug	18,884.2	12,635.5	10,273.6	8,874.7	611.7	787.2	2,361.9	821.2	1,540.7	4,312.1	1,936.6	
Sep	19,261.2	12,761.7	10,402.8	8,980.1	620.5	802.2	2,358.9	824.5	1,534.4	4,454.3	2,045.2	
German contribution (€ billion)												
2004 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	
Aug	4,821.6	3,477.1	2,759.4	2,344.8	103.6	310.9	717.7	424.2	293.5	1,172.0	172.5	
Sep	4,884.7	3,497.1	2,788.4	2,367.7	108.4	312.3	708.7	420.2	288.5	1,209.8	177.8	

* 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

II Overall monetary survey in the euro area

Liabilities												
Currency in circulation 4	Deposits of non-banks (non-MFIs) in the euro area										End of year/month	
	Total	of which in euro 5	Enterprises and households					At agreed notice of 6		Euro area (€ billion) 1		
			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					
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	2004 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	1,500.8	1,410.4	87.3	Dec		
520.9	7,193.1	6,763.2	6,829.8	2,745.8	974.5	91.1	1,506.5	1,424.0	87.9	2006 Jan		
524.9	7,226.8	6,775.3	6,853.1	2,734.7	990.4	94.8	1,519.5	1,425.5	88.2	Feb		
532.3	7,294.3	6,851.2	6,931.1	2,761.2	1,009.9	97.9	1,546.6	1,426.4	89.0	Mar		
540.3	7,380.7	6,944.3	7,020.6	2,802.8	1,044.5	99.7	1,560.3	1,423.9	89.4	Apr		
543.6	7,383.7	6,960.3	7,029.5	2,818.9	1,025.1	102.1	1,570.1	1,422.6	90.7	May		
553.7	7,496.5	7,033.3	7,096.8	2,860.6	1,039.0	104.6	1,581.4	1,419.4	91.9	June		
562.7	7,480.7	7,028.4	7,094.6	2,827.7	1,059.7	108.3	1,590.4	1,415.6	93.1	July		
559.0	7,456.9	7,010.8	7,083.2	2,780.7	1,090.7	109.5	1,593.4	1,414.3	94.6	Aug		
563.2	7,570.9	7,093.2	7,175.6	2,837.0	1,122.3	113.4	1,596.4	1,410.5	95.9	Sep		
German contribution (€ billion)												
116.7	2,232.2	2,153.1	2,119.1	630.6	199.7	16.0	680.3	506.6	85.8	2004 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	2,306.2	2,251.2	718.5	209.9	19.4	710.2	503.6	89.7	July		
151.1	2,382.7	2,308.9	2,254.5	712.8	218.4	19.9	713.1	499.1	91.2	Aug		
151.5	2,392.8	2,315.6	2,261.1	714.0	227.0	20.5	711.9	495.3	92.4	Sep		

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														
End of year/month	Other general government								Repo transactions with non-banks in the euro area			Debt securities		
	Central govern- ments	Total	Overnight	With agreed maturities of			At agreed notice of ²		Total	of which Enterprises and households	Money market fund shares (net) ³	Total	of which denom- inated in euro	
				up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months						
Euro area (€ billion) ¹														
2004 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	2,316.0	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	2,322.6	1,760.6	
2006 Jan	191.6	171.7	101.4	44.3	1.1	20.8	3.6	0.4	237.0	233.7	608.4	2,337.1	1,776.2	
Feb	199.6	174.1	103.1	45.1	1.1	20.7	3.6	0.4	235.0	231.4	610.2	2,380.6	1,799.4	
Mar	193.1	170.1	94.8	49.3	1.2	20.9	3.6	0.4	235.9	231.6	603.1	2,402.7	1,827.1	
Apr	182.6	177.5	99.6	51.8	1.2	21.0	3.4	0.4	249.7	246.0	613.1	2,411.4	1,836.6	
May	167.2	187.0	104.2	56.2	1.3	21.4	3.5	0.4	258.2	253.7	621.6	2,437.0	1,852.7	
June	207.4	192.4	106.7	59.0	1.3	21.5	3.4	0.4	245.1	241.4	616.7	2,455.4	1,864.1	
July	194.3	191.8	106.2	59.3	1.2	21.4	3.2	0.4	250.5	246.7	627.4	2,470.2	1,872.8	
Aug	184.8	188.8	101.6	60.9	1.3	21.4	3.2	0.4	264.9	260.7	631.2	2,490.5	1,888.2	
Sep	202.7	192.6	103.9	61.8	1.6	21.6	3.2	0.4	263.0	259.0	639.5	2,511.0	1,898.9	
German contribution (€ billion)														
2004 Aug	52.1	61.0	15.7	22.8	0.6	19.5	2.0	0.5	14.2	14.2	39.6	865.1	696.9	
Sep	48.1	63.6	15.8	25.4	0.6	19.3	2.0	0.5	18.1	18.1	37.5	869.5	699.7	
Oct	45.6	59.4	15.0	21.9	0.7	19.2	2.1	0.5	21.2	21.2	36.2	865.5	691.2	
Nov	43.7	61.1	16.7	21.8	0.7	19.3	2.0	0.5	22.0	22.0	34.3	860.8	687.5	
Dec	43.8	62.2	16.0	24.8	0.6	18.1	2.2	0.5	14.8	14.8	30.5	850.2	678.1	
2005 Jan	45.2	63.0	17.9	23.9	0.6	18.0	2.0	0.5	25.1	25.1	30.2	854.7	673.7	
Feb	44.3	63.5	19.2	23.2	0.6	18.0	2.1	0.4	27.3	27.3	30.5	856.4	671.1	
Mar	41.0	61.2	17.5	22.7	0.6	18.0	2.0	0.5	28.3	28.3	32.1	862.2	671.6	
Apr	41.8	59.4	17.5	20.9	0.6	18.0	1.9	0.5	28.6	28.6	32.6	875.9	676.5	
May	40.5	62.5	18.4	22.8	0.7	18.1	2.1	0.5	28.3	28.3	32.1	880.9	676.1	
June	41.3	64.9	19.6	23.9	0.7	18.1	2.2	0.4	28.3	28.3	32.4	890.3	681.5	
July	41.7	62.4	18.5	22.4	0.6	18.1	2.3	0.5	26.7	26.7	33.8	892.6	682.4	
Aug	41.6	63.6	19.1	23.1	0.6	17.7	2.6	0.4	30.6	30.6	34.0	893.4	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	43.7	81.4	22.0	37.7	0.8	18.7	1.8	0.4	30.1	30.1	30.5	895.0	662.6	
Aug	46.7	81.4	21.2	38.3	0.9	18.8	1.9	0.4	34.9	34.9	30.3	893.6	661.1	
Sep	49.1	82.6	20.9	39.3	1.1	18.9	1.9	0.4	38.1	38.1	29.7	896.9	663.1	

* Monetary financial institutions (MFIs) comprise banks (including building and loan associations), money market funds, and the European Central Bank and national central banks (the Eurosystem). — 1 Source: ECB. — 2 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

II Overall monetary survey in the euro area

3 Banking system's liquidity position * Stocks

€ billion; period averages of daily positions

Reserve maintenance period ending in 1	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) 5	Base money 6
	Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation 3	Central government deposits	Other factors (net) 4		
		Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations							
Eurosystem 2												
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
Sep	327.3	314.0	120.0	0.1	—	0.1	0.4	588.7	61.4	— 55.6	166.4	755.2
Oct	326.7	308.7	120.0	0.1	0.3	0.2	—	588.5	59.1	— 59.1	167.0	755.7
Deutsche Bundesbank												
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
Sep	82.3	156.8	73.4	0.1	—	0.0	0.2	160.9	0.0	110.2	41.2	202.2
Oct	82.6	155.6	76.7	0.1	0.2	0.1	—	160.5	0.1	113.7	40.9	201.5

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

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

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Flows

Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) ⁵	Base money ⁶	Reserve maintenance period ending in ¹
Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation ³	Central government deposits	Other factors (net) ⁴			
	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations								
Eurosystem ²												
- 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
- 2.1	- 4.3	+ 0.0	- 0.1	-	- 0.1	- 0.3	+ 2.9	- 5.6	- 3.5	+ 2.1	+ 4.9	June
- 0.6	+ 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
- 0.3	- 15.7	+ 0.0	- 0.1	-	- 0.0	- 0.2	+ 0.5	- 11.6	- 4.1	- 0.7	- 0.2	Sep
- 0.6	- 5.3	+ 0.0	+ 0.0	+ 0.3	+ 0.1	- 0.4	- 0.2	- 2.3	- 3.5	+ 0.6	+ 0.5	Oct
Deutsche Bundesbank												
+ 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
+ 0.0	- 14.8	+ 1.3	- 0.1	-	- 0.0	- 0.3	+ 0.8	- 0.0	- 14.1	+ 0.1	+ 0.8	Sep
+ 0.3	- 1.2	+ 3.3	+ 0.0	+ 0.2	+ 0.1	- 0.2	- 0.5	+ 0.0	+ 3.5	- 0.4	- 0.7	Oct

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 non-euro-area residents denominated in euro		
			Total	Receivables from the IMF	Balances with banks, security investments, external loans and other external assets	Claims on euro-area residents denominated in foreign currency	Total	Balances with banks, security investments and loans	Claims arising from the credit facility under ERM II
Eurosystem ²									
2006 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	-
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	-
2006 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	-
8	1 105.4	174.9	142.4	12.6	129.8	26.3	11.9	11.9	-
15	1 102.2	174.4	143.4	12.5	130.9	26.8	10.7	10.7	-
22	1 112.5	174.2	142.2	12.4	129.8	27.0	10.9	10.9	-
29	3 1 118.3	3 175.4	3 144.6	12.4	3 132.3	25.6	10.7	10.7	-
Oct 6	1 114.6	175.3	143.0	12.3	130.6	24.4	10.5	10.5	-
13	1 110.2	175.3	141.6	11.8	129.7	23.8	9.9	9.9	-
20	1 121.3	175.2	142.0	11.3	130.8	23.0	10.8	10.8	-
27	1 118.7	175.1	142.4	11.2	131.2	22.1	10.2	10.2	-
Nov 3	1 113.2	175.0	142.0	11.2	130.8	23.5	10.9	10.9	-
Deutsche Bundesbank									
2004 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	-
Sep	3 362.4	3 52.3	3 33.6	3.4	3 30.1	-	0.3	0.3	-
Oct	366.4	52.3	33.2	3.1	30.1	-	0.3	0.3	-

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

III Consolidated financial statement of the Eurosystem

Lending to euro-area credit institutions related to monetary policy operations denominated in euro							Other claims on euro-area credit institutions denomi- nated in euro	Securities of euro-area residents denominated in euro	General government debt denominated in euro	Other assets	On reporting date/ End of month 1
Total	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations	Structural reverse operations	Marginal lending facility	Credits related to margin calls					
Eurosystem ²											
411.5	301.5	110.0	-	-	0.0	-	3.6	95.5	40.6	153.0	2006 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	94.8	40.6	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	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	169.6	30
446.0	326.0	120.0	-	-	-	-	5.9	91.5	40.0	171.1	2006 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
427.0	307.0	120.0	-	-	-	-	8.4	83.9	40.0	190.6	8
420.6	300.5	120.0	-	-	0.1	-	9.3	83.9	40.0	193.0	15
431.0	311.0	120.0	-	-	0.0	-	9.1	83.1	40.0	194.9	22
433.5	313.0	120.0	-	-	0.5	0.0	9.2	81.6	40.0	197.7	29
432.0	312.0	120.0	-	-	0.0	-	9.4	81.6	40.0	198.4	Oct 6
428.0	308.0	120.0	-	-	0.0	-	9.1	81.4	40.0	201.1	13
438.5	318.5	120.0	-	-	-	0.0	8.9	81.0	40.0	201.9	20
434.0	314.0	120.0	-	-	0.0	-	10.1	80.9	40.0	203.9	27
427.0	307.0	120.0	-	-	0.0	0.0	9.1	79.3	40.0	206.3	Nov 3
Deutsche Bundesbank											
190.4	143.0	47.3	-	-	0.1	-	0.0	-	4.4	26.9	2004 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
234.1	155.2	78.5	-	-	0.5	-	3.0	-	4.4	34.7	Sep
243.3	164.0	79.3	-	-	0.0	-	3.0	-	4.4	29.9	Oct

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

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

III Consolidated financial statement of the Eurosystem

2 Liabilities *

€ billion

On reporting date/ End of month ¹	Total liabilities	Banknotes in circulation ²	Liabilities to euro-area credit institutions related to monetary policy operations denominated in euro					Other liabilities to euro-area credit institutions denominated in euro	Debt certificates issued	Liabilities to other euro-area residents denominated in euro			
			Total	Current accounts (covering the minimum reserve system)	Deposit facility	Fixed-term deposits	Fine-tuning reverse operations			Deposits related to margin calls	Total	General government	Other liabilities
Eurosystem⁴													
2006 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
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
2006 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
8	1 105.4	589.2	165.1	165.1	0.0	–	–	0.0	0.1	–	65.8	57.9	7.9
15	1 102.2	587.9	168.0	167.5	0.5	–	–	0.0	0.1	–	58.6	50.6	8.0
22	1 112.5	585.9	167.1	167.0	0.0	–	–	0.0	0.1	–	71.0	63.0	8.1
29	5 1 118.3	589.2	163.2	162.0	1.3	–	–	0.0	0.1	–	74.5	66.4	8.1
Oct 6	1 114.6	592.9	165.8	165.8	0.1	–	–	–	0.1	–	68.5	60.3	8.2
13	1 110.2	592.9	166.0	166.0	0.0	–	–	–	0.1	–	65.0	57.1	7.9
20	1 121.3	591.0	168.2	168.2	0.0	–	–	0.0	0.1	–	75.3	66.9	8.4
27	1 118.7	592.0	165.5	165.4	0.0	–	–	0.1	0.1	–	73.9	65.3	8.6
Nov 3	1 113.2	597.0	170.2	170.2	0.0	–	–	–	0.1	–	57.0	48.5	8.5
Deutsche Bundesbank													
2004 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
Sep 5	362.4	160.3	46.2	45.5	0.7	–	–	–	–	–	0.5	0.1	0.4
Oct	366.4	161.8	48.0	47.8	0.2	–	–	–	–	–	0.5	0.0	0.5

* 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 ³	Intra-Eurosystem liability related to euro-banknote issue ²	Revaluation accounts	Capital and reserves	On reporting date/ End of month ¹
		Total	Deposits, balances and other liabilities	Liabilities arising from the credit facility under ERM II						
Eurosystem ⁴										
13.1	0.2	9.8	9.8	—	5.9	66.9	—	119.1	62.0	2006 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	66.7	—	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	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	66.2	—	122.0	62.8	30
14.5	0.1	9.2	9.2	—	5.7	65.6	—	122.0	62.8	2006 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
16.1	0.1	10.7	10.7	—	5.7	66.1	—	122.0	64.4	8
15.7	0.1	12.4	12.4	—	5.7	67.0	—	122.0	64.6	15
16.9	0.1	12.2	12.2	—	5.7	67.0	—	122.0	64.6	22
15.7	0.1	11.6	11.6	—	5.7	69.9	—	123.7	64.6	29
15.9	0.2	8.3	8.3	—	5.7	68.7	—	123.7	64.6	Oct 6
16.1	0.1	6.8	6.8	—	5.7	69.1	—	123.7	64.6	13
15.9	0.1	7.1	7.1	—	5.7	69.5	—	123.7	64.6	20
16.1	0.1	6.7	6.7	—	5.7	70.3	—	123.7	64.6	27
16.4	0.1	7.5	7.5	—	5.7	70.8	—	123.7	64.6	Nov 3
Deutsche Bundesbank										
5.9	0.0	2.0	2.0	—	1.4	⁵ 9.7	63.4	⁵ 27.8	5.0	2004 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
3.6	0.0	1.3	1.3	—	1.4	11.8	85.9	⁵ 46.4	5.0	Sep
3.7	0.0	1.3	1.3	—	1.4	11.9	86.5	46.4	5.0	Oct

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". — ³ For the Deutsche Bundesbank: including DM banknotes still in circulation. — ⁴ Source: ECB. — ⁵ Changes are due mainly to revaluations at the end of the quarter.

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
All categories of banks													
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	7,074.2	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
2006 Aug	2,062	7,069.4	59.7	2,824.8	2,030.8	773.2	3,775.9	473.9	2,600.8	2.4	686.1	155.0	254.1
2006 Sep	2,055	7,113.3	61.5	2,828.3	2,028.8	776.9	3,802.2	490.5	2,602.4	2.4	696.4	155.9	265.4
Commercial banks ⁵													
2006 Aug	253	2,017.4	25.4	788.9	655.3	129.9	1,025.9	264.4	567.3	1.3	183.6	81.9	95.3
2006 Sep	252	2,002.7	25.1	769.8	645.7	120.2	1,028.0	271.0	568.2	1.3	180.2	81.4	98.4
Big banks ⁶													
2006 Aug	5	1,259.6	15.4	485.7	419.4	64.8	620.7	180.0	302.4	1.1	129.3	69.9	67.9
2006 Sep	5	1,287.5	15.1	499.6	427.6	70.2	627.6	188.5	301.5	1.0	130.6	71.3	73.8
Regional banks and other commercial banks													
2006 Aug	158	629.5	8.9	235.5	171.6	61.7	349.3	59.2	240.2	0.2	48.3	11.9	24.0
2006 Sep	157	583.6	9.2	196.8	148.8	45.9	347.1	60.1	240.6	0.2	44.9	9.9	20.6
Branches of foreign banks													
2006 Aug	90	128.3	1.1	67.7	64.2	3.4	56.0	25.3	24.7	0.0	6.0	0.1	3.4
2006 Sep	90	131.5	0.8	73.3	69.2	4.1	53.3	22.5	26.1	0.0	4.7	0.2	3.9
Landesbanken													
2006 Aug	12	1,401.1	1.9	772.7	585.9	174.0	557.3	77.4	382.2	0.2	94.6	26.2	43.0
2006 Sep	12	1,445.3	4.1	794.9	596.2	185.0	569.9	83.7	385.8	0.2	97.7	27.4	49.0
Savings banks													
2006 Aug	458	1,006.5	17.7	231.6	84.0	147.0	721.2	63.0	550.9	0.6	106.7	15.9	20.0
2006 Sep	458	1,007.7	17.9	231.8	85.5	145.0	721.8	64.0	550.3	0.6	107.0	16.1	20.1
Regional institutions of credit cooperatives													
2006 Aug	2	230.0	0.3	154.8	102.6	52.0	53.8	12.0	19.1	0.0	22.7	12.6	8.5
2006 Sep	2	236.7	0.6	158.7	105.1	53.3	56.7	12.4	16.5	0.0	27.6	12.6	8.1
Credit cooperatives													
2006 Aug	1,272	597.3	12.0	149.6	63.0	84.2	408.8	36.6	322.5	0.3	49.2	9.4	17.4
2006 Sep	1,266	599.3	12.1	149.8	62.8	84.5	410.4	37.8	322.6	0.3	49.5	9.5	17.5
Mortgage banks													
2006 Aug	23	872.2	0.9	254.7	153.7	100.2	595.5	11.7	438.8	-	145.0	2.5	18.6
2006 Sep	23	875.5	0.7	254.6	152.9	100.9	598.6	12.4	438.5	-	147.7	2.5	19.1
Building and loan associations													
2006 Aug	26	193.6	0.0	55.8	42.8	13.1	119.6	1.3	103.3	.	15.0	0.4	17.7
2006 Sep	26	194.2	0.0	56.0	42.2	13.8	119.9	1.4	103.6	.	14.9	0.4	17.9
Special purpose banks													
2006 Aug	16	751.5	1.3	416.7	343.6	72.8	293.7	7.5	216.8	-	69.2	6.1	33.6
2006 Sep	16	752.1	0.9	412.8	338.3	74.1	296.9	7.9	217.0	-	71.8	6.1	35.4
Memo item: Foreign banks ⁷													
2006 Aug	137	759.7	7.0	282.5	219.9	60.8	434.9	69.4	275.5	0.3	89.0	12.2	23.0
2006 Sep	137	776.6	8.5	292.7	228.9	61.9	439.1	71.3	275.5	0.4	91.5	12.3	24.0
of which: Banks majority-owned by foreign banks ⁸													
2006 Aug	47	631.4	5.9	214.8	155.7	57.4	378.9	44.2	250.8	0.3	83.0	12.1	19.6
2006 Sep	47	645.1	7.7	219.4	159.6	57.9	385.8	48.8	249.5	0.3	86.7	12.1	20.1

* 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 ⁴	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month
Total	of which		Total	of which		Time deposits ¹	Memo item Liabilities arising from repos ²	Savings deposits ³		Bank savings bonds				
	Sight deposits	Time deposits		Sight deposits	Time deposits ¹			Total	of which At three months' notice					
					for up to and including 1 year	for more than 1 year ¹								
All categories of banks														
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	2006 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	1,723.7	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
1,968.8	264.9	1,703.8	2,684.5	821.4	378.7	784.0	142.8	598.6	505.6	101.8	1,687.0	336.8	392.3	Aug
1,983.4	290.6	1,692.7	2,695.4	810.7	402.5	784.7	148.0	596.0	501.8	101.5	1,690.4	335.7	408.4	Sep
Commercial banks⁵														
731.2	141.8	589.3	813.6	399.6	187.4	119.4	114.5	97.8	88.6	9.3	228.4	103.0	141.3	2006 Aug
718.5	154.4	564.0	809.0	383.2	201.5	119.2	111.9	97.1	87.7	8.0	228.0	100.9	146.2	Sep
Big banks⁶														
450.0	98.5	351.6	490.1	214.0	134.9	76.4	108.8	64.5	62.5	0.3	164.4	59.7	95.4	2006 Aug
473.4	112.1	361.3	487.6	204.5	142.8	76.2	105.9	63.9	61.9	0.3	167.2	59.8	99.5	Sep
Regional banks and other commercial banks														
186.3	24.8	161.5	298.0	169.3	46.3	40.0	5.8	33.3	26.1	9.0	64.0	40.1	41.2	2006 Aug
146.3	23.2	123.0	296.8	162.2	53.5	40.2	6.0	33.2	25.8	7.7	60.8	38.0	41.8	Sep
Branches of foreign banks														
94.8	18.5	76.3	25.5	16.3	6.2	2.9	0.0	0.0	0.0	0.1	0.0	3.3	4.7	2006 Aug
98.8	19.1	79.7	24.7	16.5	5.2	2.9	0.0	0.0	0.0	0.1	0.0	3.1	5.0	Sep
Landesbanken														
486.9	73.5	413.4	335.7	57.8	55.6	205.5	20.2	16.2	15.6	0.7	458.6	61.8	58.1	2006 Aug
515.1	84.3	430.8	346.7	65.8	58.0	206.0	25.4	16.1	15.4	0.7	457.6	62.7	63.2	Sep
Savings banks														
212.0	5.3	206.8	649.1	211.2	54.1	12.9	-	303.0	246.1	67.9	44.3	51.9	49.1	2006 Aug
211.7	6.5	205.2	648.3	210.0	54.8	12.9	-	302.0	244.3	68.6	44.5	52.0	51.2	Sep
Regional institutions of credit cooperatives														
132.8	31.0	101.7	38.6	7.2	12.2	18.0	7.9	-	-	1.3	36.8	11.1	10.7	2006 Aug
134.9	28.9	106.1	42.3	7.7	15.0	18.2	10.4	-	-	1.4	37.6	11.1	10.8	Sep
Credit cooperatives														
78.1	2.3	75.8	422.3	139.2	54.4	26.3	-	180.3	154.2	22.1	34.8	35.0	27.1	2006 Aug
79.3	2.9	76.5	421.8	137.9	55.7	26.4	-	179.6	153.2	22.2	34.9	35.0	28.2	Sep
Mortgage banks														
152.4	4.0	148.4	176.3	2.1	6.1	167.1	0.1	0.9	0.8	0.1	495.7	23.7	24.1	2006 Aug
155.4	5.9	149.4	177.3	2.7	6.2	167.5	0.1	0.9	0.8	0.0	494.1	23.7	25.0	Sep
Building and loan associations														
30.2	1.7	28.5	126.3	0.3	1.1	124.2	-	0.4	0.3	0.4	3.7	7.4	25.9	2006 Aug
30.2	2.0	28.2	126.3	0.3	1.1	124.2	-	0.4	0.3	0.4	3.7	7.4	26.5	Sep
Special purpose banks														
145.3	5.5	139.9	122.6	4.0	7.8	110.6	0.1	-	-	0.2	384.8	42.8	56.0	2006 Aug
138.4	5.8	132.6	123.6	3.1	10.1	110.2	0.2	-	-	0.2	390.0	42.9	57.3	Sep
Memo item: Foreign banks⁷														
242.1	46.8	195.3	280.7	146.4	40.7	68.2	9.5	21.0	20.6	4.5	156.8	30.7	49.4	2006 Aug
253.5	45.3	208.3	280.8	144.8	42.6	67.9	8.7	20.8	20.4	4.6	157.5	30.8	54.0	Sep
of which: Banks majority-owned by foreign banks⁸														
147.3	28.4	119.0	255.2	130.1	34.6	65.2	9.5	21.0	20.6	4.4	156.7	27.4	44.7	2006 Aug
154.8	26.2	128.6	256.1	128.3	37.5	65.0	8.7	20.7	20.4	4.5	157.5	27.7	49.0	Sep

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

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

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
1,932.9	191.0	1,741.8	214.7	54.5	566.0	380.5	31.9	348.7	184.5	1.0	6.2	2005 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	1,777.9	198.6	48.9	528.6	358.0	31.4	326.5	170.7	-	4.4	July
1,978.4	197.0	1,781.4	200.0	49.1	525.9	357.0	31.6	325.3	168.9	-	4.4	Aug
1,980.2	198.9	1,781.3	203.3	49.0	518.7	356.4	30.8	325.6	162.2	-	4.7	Sep
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
+ 3.1	+ 0.1	+ 2.9	+ 36.7	- 0.1	- 4.8	- 3.0	+ 0.1	- 3.1	- 1.8	-	- 0.1	2005 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
+ 3.1	+ 2.4	+ 0.7	- 1.3	- 0.4	- 0.2	- 0.7	+ 0.6	- 1.3	+ 0.5	-	- 0.0	July
+ 1.9	- 1.6	+ 3.5	+ 1.5	+ 0.2	- 2.7	- 1.0	+ 0.2	- 1.2	- 1.7	-	- 0.0	Aug
+ 1.8	+ 1.8	- 0.0	+ 3.2	- 0.1	- 7.2	- 0.5	- 0.8	+ 0.3	- 6.7	-	+ 0.4	Sep

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									
Lending, total														
End of year or quarter *														
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 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
2005 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
2006 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
2006 Sep	2,281.0	1,180.7	1,114.7	921.4	193.3	1,241.5	318.1	136.3	39.2	49.4	130.1	33.0	61.0	103.3
Short-term lending														
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 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
2005 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
2006 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
2006 Sep	300.8	–	11.0	–	11.0	258.6	6.5	43.3	3.3	10.2	46.6	3.9	6.3	60.5
Medium-term lending														
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 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
2005 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
2006 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
2006 Sep	198.9	–	34.5	–	34.5	127.5	10.5	18.8	2.4	5.3	11.5	3.0	10.5	12.3
Long-term lending														
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 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
2005 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
2006 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
2006 Sep	1,781.3	1,180.7	1,069.1	921.4	147.8	855.4	301.2	74.2	33.5	33.8	72.0	26.1	44.2	30.6
Lending, total														
Change during quarter *														
2005 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
2005 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
2006 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
2006 Q3	+ 15.6	+ 4.1	+ 4.4	+ 4.2	+ 0.1	+ 8.5	+ 1.0	+ 2.0	+ 0.6	+ 0.4	+ 1.1	+ 0.5	+ 0.8	+ 8.5
Short-term lending														
2005 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
2005 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
2006 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
2006 Q3	+ 8.8	–	+ 0.5	–	+ 0.5	+ 8.0	+ 0.1	+ 0.3	– 0.0	– 0.2	– 0.8	+ 0.1	+ 0.4	+ 9.3
Medium-term lending														
2005 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
2005 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
2006 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
2006 Q3	+ 2.6	–	– 0.3	–	– 0.3	+ 2.0	– 0.1	+ 1.8	+ 0.1	+ 0.1	+ 0.0	+ 0.0	+ 0.2	+ 0.6
Long-term lending														
2005 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
2005 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
2006 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
2006 Q3	+ 4.2	+ 4.1	+ 4.2	+ 4.2	– 0.1	+ 1.5	+ 1.0	+ 0.2	+ 0.5	– 0.3	– 0.3	+ 0.3	+ 0.3	– 1.4

* 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		
Services sector (including the professions)				Memo items				Other lending							
Total	of which			Lending to self-employed persons ⁴	Lending to craft enterprises	Total	Housing loans	Total	of which		Debit balances on wage, salary and pension accounts	Total	of which Housing loans	Period	
	Housing enterprises	Holding companies	Other real estate enterprises						Instalment loans ⁵						
End of year or quarter *														Lending, total	
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		
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	2005 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		
689.3	164.9	40.5	199.5	401.0	61.5	1,025.1	792.8	232.3	131.4	18.4	14.3	3.7	Sep		
Short-term lending															
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		
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	2005 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		
84.5	13.4	10.3	22.5	38.2	11.1	41.0	4.5	36.5	2.8	18.4	1.2	0.0	Sep		
Medium-term lending															
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		
64.9	7.1	7.0	17.1	30.2	3.8	71.6	25.0	46.6	38.1	-	0.6	0.1	2005 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		
63.8	6.9	6.8	16.1	28.6	3.8	70.8	23.9	46.8	37.9	-	0.6	0.0	Sep		
Long-term lending															
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		
534.1	139.0	24.2	159.0	339.5	45.3	893.5	742.3	151.2	91.9	-	12.0	3.1	2005 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		
541.1	144.7	23.4	160.8	334.3	46.6	913.3	764.4	149.0	90.7	-	12.6	3.6	Sep		
Change during quarter *														Lending, total	
+ 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	2005 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		
- 2.4	- 1.0	+ 0.6	- 0.1	- 2.7	- 0.6	+ 6.8	+ 5.4	+ 1.4	+ 1.7	+ 0.0	+ 0.3	- 0.0	Q3		
Short-term lending															
- 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	2005 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		
- 1.2	+ 0.3	- 0.7	- 0.4	- 1.0	- 0.3	+ 0.7	+ 0.4	+ 0.3	+ 0.3	+ 0.0	+ 0.1	-	Q3		
Medium-term lending															
+ 3.4	+ 1.0	+ 0.8	+ 1.0	- 0.2	+ 0.0	- 0.4	+ 0.0	- 0.4	- 0.5	-	+ 0.1	+ 0.0	2005 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		
- 0.8	- 1.0	+ 0.8	+ 0.1	- 0.2	- 0.0	+ 0.6	- 0.2	+ 0.8	+ 0.7	-	- 0.0	- 0.0	Q3		
Long-term lending															
- 1.3	- 1.0	- 0.4	- 0.6	- 0.6	- 0.4	+ 7.4	+ 6.7	+ 0.7	+ 1.0	-	+ 0.6	+ 0.1	2005 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		
- 0.3	- 0.3	+ 0.5	+ 0.2	- 1.5	- 0.3	+ 5.5	+ 5.2	+ 0.4	+ 0.8	-	+ 0.2	- 0.0	Q3		

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

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

€ billion

Period	Sight deposits						Time deposits 1,2					
	Deposits of domestic households and non-profit institutions, total	by creditor group					Domestic non-profit institutions	by creditor group				
		Domestic households				Total		Domestic households				Total
		Total	Self-employed persons	Employees	Other individuals			Total	Self-employed persons	Employees	Other individuals	
End of year or month *												
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 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
Aug	1,365.8	459.8	444.6	79.3	301.5	63.8	15.3	250.0	232.0	27.5	189.0	15.5
Sep	1,363.5	457.3	442.1	78.0	300.7	63.5	15.2	253.1	234.7	28.2	190.7	15.8
Changes *												
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 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
Aug	- 3.2	- 5.5	- 5.1	+ 0.1	- 4.6	- 0.6	- 0.4	+ 4.5	+ 4.0	+ 1.1	+ 2.5	+ 0.5
Sep	- 0.9	- 2.5	- 2.4	- 1.3	- 0.9	- 0.2	- 0.1	+ 3.1	+ 2.7	+ 0.7	+ 1.7	+ 0.3

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

Report, are not specially marked. — 1 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			Memo item Fiduciary loans	Total	Sight deposits	Time deposits			Memo item Fiduciary loans
				for up to and including 1 year	for more than 1 year	Savings deposits and bank savings bonds 2				for up to and including 1 year	for more than 1 year	Savings deposits and bank savings bonds 2	
End of year or month *													
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 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	40.3	2.6	8.3	29.3	0.0	9.5	19.9	4.8	5.6	9.4	0.1	18.6
Aug	125.5	44.1	2.6	8.1	33.4	0.0	9.5	17.5	3.4	4.6	9.4	0.1	18.5
Sep	128.1	45.6	1.7	10.9	32.9	0.0	9.5	19.0	4.0	5.4	9.6	0.1	18.9
Changes *													
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 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	+ 1.0	+ 0.6	- 0.1	+ 0.4	+ 0.0	+ 0.0	- 2.6	- 0.8	- 1.6	- 0.2	- 0.0	- 0.1
Aug	+ 3.9	+ 3.9	- 0.0	- 0.3	+ 4.1	-	- 0.0	- 2.4	- 1.4	- 1.0	+ 0.0	+ 0.0	- 0.0
Sep	+ 2.6	+ 1.5	- 0.9	+ 2.9	- 0.5	+ 0.0	+ 0.0	+ 1.5	+ 0.5	+ 0.8	+ 0.2	+ 0.0	+ 0.3

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

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

					Savings deposits ³			Memo item				
by maturity					Total	Domestic households	Domestic non-profit institutions	Bank savings bonds ⁴	Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities) ⁵	Included in time deposits: liabilities arising from repos	Period
Domestic non-profit institutions	up to and including 1 year	more than 1 year ²										
		Total	of which									
		up to and including 2 years	more than 2 years									
End of year or month *												
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
17.8	94.3	145.9	5.4	140.5	592.6	583.1	9.5	70.7	0.5	11.2	–	2006 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
18.1	104.0	146.1	5.7	140.3	583.3	573.9	9.3	72.6	0.5	11.1	–	Aug
18.4	106.8	146.3	5.9	140.4	580.7	571.5	9.3	72.3	0.5	9.8	–	Sep
Changes *												
– 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
– 0.2	+ 0.2	+ 0.3	+ 0.0	+ 0.3	– 1.6	– 1.6	– 0.0	+ 0.6	+ 0.0	– 0.0	–	2006 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
+ 0.5	+ 4.2	+ 0.3	+ 0.2	+ 0.2	– 3.0	– 3.0	– 0.0	+ 0.8	– 0.0	– 0.0	–	Aug
+ 0.4	+ 2.8	+ 0.3	+ 0.1	+ 0.1	– 2.6	– 2.5	– 0.1	+ 1.1	– 0.0	+ 0.1	–	Sep

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

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

Local government and local government associations (including municipal special-purpose associations)						Social security funds						
Total	Sight deposits	Time deposits ³		Savings deposits and bank savings bonds ^{2,4}	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds ²	Memo item Fiduciary loans	Period
		for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year			
End of year or month *												
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
26.6	9.7	10.9	2.8	3.1	0.3	25.6	5.8	13.8	5.4	0.6	0.0	2006 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
27.5	10.1	11.3	3.0	3.1	0.3	34.0	7.0	20.6	5.7	0.6	0.0	July
30.4	11.0	13.1	3.1	3.2	0.3	33.4	6.7	20.3	5.7	0.7	0.0	Aug
29.3	10.3	12.6	3.2	3.2	0.3	34.2	6.5	21.1	5.9	0.7	0.0	Sep
Changes *												
+ 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
+ 0.6	+ 0.4	+ 0.1	+ 0.1	– 0.0	– 0.0	+ 1.5	– 0.1	+ 1.6	+ 0.0	– 0.0	–	2006 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
– 0.2	+ 0.1	– 0.2	– 0.0	– 0.1	–	+ 1.4	– 0.1	+ 1.4	+ 0.0	+ 0.0	–	July
+ 2.9	+ 1.0	+ 1.9	+ 0.1	+ 0.0	–	– 0.5	– 0.3	– 0.3	+ 0.0	+ 0.0	–	Aug
– 1.2	– 0.7	– 0.5	+ 0.1	+ 0.0	– 0.0	+ 0.7	– 0.2	+ 0.8	+ 0.1	+ 0.0	–	Sep

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

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

IV Banks

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

€ billion

Period	Savings deposits ¹								Memo item Interest credited on savings deposits	Bank savings bonds, ³ sold to			
	of residents						of non-residents			non-banks, total	domestic non-banks		foreign non-banks
	Total	Total	at three months' notice		at more than three months' notice		Total	of which At three months' notice			Total	of which With maturities of more than 2 years	
			Total	of which Special savings facilities ²	Total	of which Special savings facilities ²							
End of year or month *													
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 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
Aug	598.6	590.3	499.1	393.0	91.2	82.0	8.3	6.5	0.3	101.8	94.7	73.9	7.1
Sep	596.0	587.7	495.3	389.9	92.4	83.2	8.3	6.5	0.3	101.5	94.5	72.3	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 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
Aug	- 3.0	- 2.9	- 4.4	- 2.8	+ 1.5	+ 1.5	- 0.1	- 0.1	.	+ 0.6	+ 0.7	- 0.3	- 0.0
Sep	- 2.6	- 2.6	- 3.8	- 3.0	+ 1.2	+ 1.2	- 0.0	- 0.0	.	+ 1.2	+ 1.2	- 0.1	- 0.0

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 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					negotiable debt securities	non- negotiable debt securities
		Floating rate bonds ¹	Zero coupon bonds ^{1,2}	Foreign currency bonds ^{3,4}	Certifi- cates 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 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
Aug	1,639.3	399.6	34.4	288.9	32.9	66.6	109.7	1,463.0	1.6	0.2	0.7	0.7	47.7	2.6
Sep	1,639.7	402.8	39.3	291.9	33.7	69.9	110.4	1,459.3	1.5	0.1	0.7	0.7	50.7	1.2
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 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
Aug	- 3.7	- 3.4	+ 0.9	- 0.1	- 0.8	+ 0.8	+ 1.4	- 5.9	+ 0.0	+ 0.0	+ 0.0	- 0.0	+ 0.0	- 0.0
Sep	+ 7.4	- 0.2	+ 1.5	+ 3.0	+ 0.8	+ 3.3	+ 1.8	+ 2.3	- 0.1	- 0.1	+ 0.0	- 0.0	+ 1.5	+ 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 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								
All building and loan associations																
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 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
Aug	26	193.6	42.8	0.0	13.1	27.9	65.6	11.1	15.0	0.4	29.7	121.3	5.0	3.7	7.4	7.7
Sep	26	194.2	42.2	0.0	13.8	27.8	65.9	11.2	14.9	0.4	29.8	121.3	5.1	3.7	7.4	7.4
Private building and loan associations																
2006 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
Aug	15	141.4	31.3	0.0	6.9	17.6	48.5	10.2	9.6	0.3	23.3	81.8	4.8	3.7	4.8	4.9
Sep	15	142.0	30.4	0.0	7.9	17.6	48.9	10.2	9.5	0.3	23.4	81.8	4.8	3.7	4.8	4.6
Public building and loan associations																
2006 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
Aug	11	52.1	11.4	0.0	6.1	10.3	17.1	1.0	5.4	0.1	6.5	39.5	0.2	-	2.6	2.9
Sep	11	52.2	11.7	0.0	6.0	10.2	17.1	1.0	5.4	0.1	6.4	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						
All building and loan associations																
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 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
Aug	1.9	0.1	0.6	3.4	2.3	3.2	1.5	0.3	0.6	0.3	1.1	11.3	7.7	0.9		0.0
Sep	1.8	0.1	0.5	3.2	2.4	3.2	1.4	0.3	0.6	0.3	1.1	11.0	7.7	0.9		0.0
Private building and loan associations																
2006 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
Aug	1.2	0.1	0.3	2.3	1.5	2.3	1.0	0.2	0.4	0.2	0.9	6.8	3.7	0.6		0.0
Sep	1.2	0.1	0.3	2.2	1.5	2.3	1.0	0.2	0.4	0.2	1.0	6.6	3.7	0.6		0.0
Public building and loan associations																
2006 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
Aug	0.7	0.0	0.2	1.1	0.9	0.9	0.5	0.1	0.2	0.1	0.2	4.4	4.0	0.3		0.0
Sep	0.7	0.0	0.2	1.0	0.9	0.9	0.5	0.1	0.2	0.1	0.2	4.4	4.0	0.3		0.0

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

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

IV Banks

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

€ billion

Period	Number of		Balance sheet total	Lending to banks (MFIs)					Lending to non-banks (non-MFIs)					Other assets	
	German banks (MFIs) with foreign branches and/or foreign subsidiaries	foreign branches ¹ and/or foreign subsidiaries		Total	Credit balances and loans			Money market paper, securities ^{2,3}	Total	Loans			Money market paper, securities ²		
					Total	German banks	Foreign banks			Total	to German non-banks	to foreign non-banks			
End of year or month *															
Foreign branches															
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 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
2005 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 July	54	212	1,706.2	717.3	649.0	199.5	449.6	68.3	882.0	665.9	20.7	19.8	645.3	216.1	106.8
2006 Aug	54	212	1,711.4	718.6	651.8	188.2	463.6	66.7	883.7	671.2	19.5	18.7	651.7	212.5	109.2
Changes *															
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 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
2005 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 July	-	- 1	+ 34.1	+ 24.1	+ 21.9	- 20.3	+ 42.1	+ 2.2	- 4.7	- 11.7	+ 0.2	+ 0.3	- 11.9	+ 7.0	+ 14.7
2006 Aug	-	-	+ 9.4	+ 2.8	+ 4.4	- 11.3	+ 15.6	- 1.5	+ 4.0	+ 7.1	- 1.1	- 1.0	+ 8.2	- 3.0	+ 2.5
Foreign subsidiaries															
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 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
2005 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 July	43	150	760.3	337.6	258.6	119.1	139.5	78.9	350.5	229.4	48.7	46.8	180.7	121.2	72.2
2006 Aug	42	149	748.9	331.4	251.6	118.3	133.3	79.8	349.1	227.4	48.2	46.3	179.2	121.6	68.4
Changes *															
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 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
2005 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 July	-	- 1	+ 4.0	+ 7.1	+ 5.3	- 2.1	+ 7.4	+ 1.8	+ 2.3	+ 2.0	+ 6.3	+ 6.2	- 4.3	+ 0.3	- 5.4
2006 Aug	- 1	- 1	+ 10.6	- 5.6	- 6.8	- 0.9	+ 6.0	+ 1.3	- 1.2	- 1.7	- 0.5	- 0.5	- 1.2	+ 0.4	- 3.8

* 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 ⁵	Working capital and own funds	Other liabilities ⁶	Period
Total	of banks (MFIs)			of non-banks (non-MFIs)						Foreign non-banks							
	Total	German banks	Foreign banks	Total	German non-banks ⁴												
					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			
1,490.4	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	2005 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	2005 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	2006 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	2006 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	2006 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	2006 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	2006 June			
1,418.7	942.7	358.5	584.2	476.0	67.0	59.0	56.5	8.0	7.3	409.0	173.2	22.5	91.7	2006 July			
1,414.9	943.8	356.0	587.8	471.1	67.4	59.5	56.5	8.0	7.3	403.7	180.2	22.5	93.9	2006 Aug			
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			
+ 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	2005 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	2005 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	2006 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	2006 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	2006 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	2006 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	2006 June			
+ 26.0	+ 36.0	- 32.8	+ 68.9	- 10.1	+ 2.3	+ 2.0	+ 2.4	+ 0.3	- 0.1	- 12.4	+ 4.3	- 0.0	+ 3.9	2006 July			
- 0.6	+ 3.4	- 2.5	+ 6.0	- 4.0	+ 0.4	+ 0.4	+ 0.1	- 0.0	- 0.0	- 4.4	+ 7.0	- 0.0	+ 3.1	2006 Aug			
End of year or month *														Foreign subsidiaries			
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			
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	2005 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	2005 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	2006 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	2006 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	2006 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	2006 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	2006 June			
559.9	335.0	117.9	217.1	224.9	35.4	27.0	25.3	8.4	8.3	189.5	89.1	40.8	70.5	2006 July			
549.3	330.1	115.5	214.6	219.1	35.2	26.8	24.5	8.4	8.3	183.9	88.2	40.7	70.7	2006 Aug			
Changes *														Foreign subsidiaries			
+ 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			
+ 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	2005 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	2005 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	2006 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	2006 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	2006 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	2006 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	2006 June			
+ 2.6	+ 1.8	- 6.9	+ 8.7	+ 0.9	+ 1.4	+ 1.4	+ 0.7	+ 0.0	+ 0.0	- 0.6	- 0.1	+ 0.5	+ 1.0	2006 July			
- 10.2	- 4.5	- 2.4	- 2.1	- 5.7	- 0.1	- 0.2	- 0.8	+ 0.0	+ 0.0	- 5.5	- 0.9	- 0.0	+ 0.5	2006 Aug			

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

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

V Minimum reserves

1 Reserve ratios

Germany

% of liabilities subject to reserve requirements

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

Euro area

 % of reserve base ¹

Applicable from	Ratio
1999 Jan 1	2

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

2 Reserve maintenance in Germany up to the end of 1998

– pursuant to the Minimum Reserves Order of the Bundesbank

DM million

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

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

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

3 Reserve maintenance in the euro area

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

Maintenance period beginning in ¹	Reserve base ²	Required reserves before deduction of lump-sum allowance ³	Lump-sum allowance ⁴	Required reserves after deduction of lump-sum allowance	Current account ⁵	Excess reserves ⁶	Deficiencies ⁷
Euro area (€ billion)							
2006 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	8,315.4	166.3	0.5	165.8	166.4	0.6	0.0
Sep	8,340.7	166.8	0.5	166.3	167.0	0.7	0.0
Oct p. ⁸	8,336.5	166.7	0.5	166.2	167.0	0.8	...
Nov p	...	...	...	172.5	...	...	...
Of which: Germany (€ million)							
2006 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	2,062,897	41,258	201	41,057	41,241	184	0
Sep	2,043,453	40,869	201	40,668	40,869	201	0
Oct p	2,039,249	40,785	200	40,585	40,812	227	1
Nov p	2,068,309	41,366	200	41,166	...	...	...

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 ¹	Marginal lending facility
1999 Jan 1	2.00	3.00	4.50
Jan 4	2.75	3.00	3.25
Jan 22	2.00	3.00	4.50
Apr 9	1.50	2.50	3.50
Nov 5	2.00	3.00	4.00
2000 Feb 4	2.25	3.25	4.25
Mar 17	2.50	3.50	4.50
Apr 28	2.75	3.75	4.75
June 9	3.25	4.25	5.25
Sep 1	3.50	4.50	5.50
Oct 6	3.75	4.75	5.75
2001 May 11	3.50	4.50	5.50
Aug 31	3.25	4.25	5.25
Sep 18	2.75	3.75	4.75
Nov 9	2.25	3.25	4.25

% per annum

Applicable from	Base rate as per Discount Rate Transition Act ²	Applicable from	Base rate as per Civil Code ³
1999 Jan 1	2.50	2002 Jan 1	2.57
May 1	1.95	July 1	2.47
2000 Jan 1	2.68	2003 Jan 1	1.97
May 1	3.42	July 1	1.22
Sep 1	4.26	2004 Jan 1	1.14
2001 Sep 1	3.62	July 1	1.13
2002 Jan 1	2.71	2005 Jan 1	1.21
to Apr 3		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 € million	Allotment amount	Fixed rate tenders		Variable rate tenders		Running for ... days
			Fixed rate % per annum	Minimum bid rate	Marginal rate ¹	Weighted average rate	
Main refinancing operations							
2006 Sep 20	346,764	311,000	—	3.00	3.03	3.04	7
Sep 27	313,570	313,000	—	3.00	3.00	3.03	6
Oct 3	342,164	312,000	—	3.00	3.02	3.04	8
Oct 11	367,380	308,000	—	3.25	3.29	3.30	7
Oct 18	378,950	318,500	—	3.25	3.29	3.30	7
Oct 25	378,282	314,000	—	3.25	3.30	3.31	7
Nov 1	382,135	307,000	—	3.25	3.31	3.32	7
Nov 8	392,532	303,000	—	3.25	3.31	3.32	7
Nov 15	403,488	304,000	—	3.25	3.31	3.32	7
Longer-term refinancing operations							
2006 Aug 31	51,079	40,000	—	—	3.20	3.21	91
Sep 28	49,801	40,000	—	—	3.30	3.32	84
Oct 26	62,854	40,000	—	—	3.48	3.50	98

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

4 Money market rates, by month

% per annum

Reporting period	Money market rates reported by Frankfurt banks ¹				EONIA ²	EURIBOR ³					
	Overnight money		Three-month funds			One-week funds	One-month funds	Three-month funds	Six-month funds	Nine-month funds	Twelve-month funds
	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates		Monthly averages					
2006 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
Sep	3.04	2.97 – 3.12	3.32	3.23 – 3.42	3.04	3.07	3.16	3.34	3.53	3.64	3.72
Oct	3.28	3.04 – 3.39	3.49	3.39 – 3.56	3.28	3.32	3.35	3.50	3.64	3.74	3.80

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
2006 Jan	2.05	3.11	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	3.13	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	3.01	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	3.51	4.63	4.16	4.52	8.10	6.73	5.75	4.59	4.05	4.34			
May	2.27	3.05	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	3.08	2.72	3.53	4.67	4.20	4.55	8.10	6.75	5.73	4.72	4.19	4.40			
July	2.43	3.03	2.80	3.57	4.68	4.21	4.57	8.15	6.71	5.82	4.81	4.27	4.45			
Aug	2.52	3.05	2.93	3.64	4.72	4.23	4.60	8.21	6.72	5.82	4.85	4.33	4.48			
Sep	2.59	3.08	3.00	3.69	4.81	4.27	4.62	8.31	6.81	5.86	4.93	4.40	4.53			

(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		
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	2.04	2.53	1.22	2.70	3.22	3.27		
July	0.81	2.70	3.04	2.80	2.08	2.58	1.24	2.78	3.31	3.99		
Aug	0.85	2.79	2.97	2.82	2.23	2.64	1.32	2.92	3.25	3.76		
Sep	0.86	2.87	3.15	2.66	2.26	2.68	1.36	2.98	3.45	3.83		

Reporting period	Loans to households													
	Over-drafts	Consumer credit				Housing loans					Other loans			
		Total 2	with an initial rate fixation			Total 2	with an initial rate fixation				over 10 years	floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years
			floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years		floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years					
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	7.24	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	7.33	6.33	8.02	4.52	4.11	4.23	4.52	4.34	4.55	5.24	4.74	
Aug	9.95	8.11	7.84	6.39	8.15	4.59	4.21	4.33	4.60	4.37	4.64	5.26	4.84	
Sep	10.07	7.97	7.86	6.26	8.09	4.65	4.30	4.36	4.61	4.44	4.76	5.30	4.98	

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	
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	
Aug	5.56	4.69	5.09	4.53	3.97	4.33	4.42	
Sep	5.69	4.75	5.02	4.54	4.02	4.41	4.47	

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 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	84,840	3.91	23,381
Aug	2.69	129,030	2.64	193,804	2.96	87,864	3.91	23,319
Sep	2.74	133,242	2.64	192,264	3.03	89,396	3.92	23,920

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 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	6,019	4.32	29,697	5.25	925,008	9.27	73,385	5.55	69,213	6.05	323,342
Aug	5.34	6,021	4.32	29,598	5.23	927,050	9.31	72,346	5.52	69,592	6.06	323,243
Sep	5.39	6,436	4.33	29,568	5.22	929,103	9.42	73,807	5.53	69,627	6.07	322,588

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 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	159,419	4.23	93,650	4.90	493,519
Aug	5.15	156,471	4.28	92,296	4.90	496,535
Sep	5.21	158,696	4.32	94,768	4.92	495,304

* 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 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	33,301	3.25	2,190	2.90	2,150	2.05	503,445	2.59	89,399
Aug	1.41	460,404	2.75	34,694	3.40	1,347	2.78	3,537	2.09	498,932	2.65	90,923
Sep	1.43	457,935	2.82	31,961	3.41	1,691	2.54	2,121	2.10	495,091	2.69	92,142

Non-financial corporations' deposits										
Overnight		with an agreed maturity of								
		up to 1 year		over 1 year and up to 2 years		over 2 years				
Reporting period	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2005 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	158,281	2.77	46,614	3.52	554	4.21	1,292		
Aug	1.71	162,279	2.92	54,472	3.57	280	3.98	641		
Sep	1.71	160,811	3.00	51,927	3.79	485	4.04	805		

Loans to households													
Consumer credit with an initial rate fixation of 4								Other loans with an initial rate fixation of 5					
Total	floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years		floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years		
Reporting period	Annual percentage rate of charge 9 % pa	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2005 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	1,271	5.41	5,564	8.98	3,048	4.27	11,070	5.36	1,793	4.94	2,500
Aug	7.59	5.63	1,007	5.48	4,718	8.85	3,119	4.40	11,083	5.38	1,394	4.98	2,530
Sep	7.43	5.60	1,044	5.29	4,418	8.91	2,854	4.41	10,973	5.30	1,842	5.08	2,288

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

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

VI Interest rates

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

Loans to households (cont'd)											
Overdrafts 11		Housing loans with an initial rate fixation of 3									
		Total	floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years and up to 10 years		over 10 years		
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Annual percentage rate of charge 9 % pa	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2005 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	4,363
Aug	11.00	45,734	4.87	5.12	2,229	4.80	2,398	4.71	5,777	4.76	4,498
Sep	11.03	46,945	4.85	5.11	2,092	4.81	1,927	4.71	4,624	4.69	4,121

Loans to non-financial corporations								
Overdrafts 11		Loans up to €1 million with an initial rate fixation of 13						
		floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years		
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2005 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	68,078	5.11	8,108	5.14	1,232	4.88	1,895
Aug	6.36	66,594	5.14	7,170	5.25	1,514	4.96	2,188
Sep	6.37	67,633	5.37	8,172	5.09	1,176	4.93	1,620

Loans to non-financial corporations (cont'd)						
Loans over €1 million with an initial rate fixation of 13						
floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years		
Reporting period	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 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	46,079	4.59	4,567	4.74	5,697
Aug	4.19	42,375	4.56	2,537	4.66	4,578
Sep	4.24	46,897	4.62	5,454	4.64	7,369

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

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

VII Capital market

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

Debt securities												
Period	Sales = total purchases	Sales					Purchases					
		Domestic debt securities 1					Foreign debt securities 3	Residents				Non-residents 7
		Total	Bank debt securities	Corporate bonds	Public debt securities 2	Total 4		Credit institutions including building and loan associations 5	Non-banks 6	Bundesbank open market operations 5		
DM million												
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 July	24,709	18,554	–	1,497	–	23,494	–	6,155	–	931	–	16,840
Aug	–	15,487	–	6,638	–	3,467	–	2,519	–	14,470	–	7,527
Sep	12,677	345	–	2,292	–	189	–	9,234	–	7,620	–	1,614

Shares										
Period	Sales = total purchases	Sales			Purchases					
		Domestic shares 8	Foreign shares 9		Residents				Non-residents 12	
					Total 10	Credit institutions 5,11	Non-banks 6			
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	–	14,714	–	12,462	84,917
2002	39,338	9,232	–	30,106	18,398	–	23,236	–	41,634	20,941
2003	15,470	16,838	–	1,367	11,829	–	7,056	–	18,885	27,300
2004	3,316	10,157	–	6,842	15,410	–	5,045	–	10,365	12,094
2005	31,803	13,766	–	18,037	27,039	–	10,208	–	37,247	58,842
2006 July	–	4,949	–	6,954	–	935	–	7,299	–	6,364
Aug	–	4,037	–	3,562	–	250	–	4,322	–	4,572
Sep	–	19,045	–	1,674	–	17,371	–	6,653	–	10,679

* 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								
Gross sales 4														
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 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	-					
Aug	63,430	38,941	603	7,137	7,078	24,123	6,603	17,886	-					
Sep	83,796	53,640	1,234	7,055	14,777	30,574	4,164	25,993	-					
of which: Debt securities with maturities of more than four years 5														
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 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	-					
Aug	22,733	12,680	491	5,082	2,093	5,014	72	9,981	-					
Sep	29,046	14,221	872	4,074	4,408	4,868	2,488	12,337	-					
Net sales 6														
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	-	16,705				
2001	84,122	60,905	6,932	9,254	28,808	34,416	8,739	14,479	-	30,657				
2002	131,976	56,393	7,936	26,806	20,707	54,561	14,306	61,277	-	44,546				
2003	124,556	40,873	2,700	42,521	44,173	36,519	18,431	65,253	-	54,990				
2004	167,233	81,860	1,039	52,615	50,142	83,293	18,768	66,605	-	22,124				
2005	141,715	65,798	-	2,151	34,255	37,242	64,962	10,099	65,819	-	35,963			
2006 June	141	3,584	-	4,555	-	1,415	4,439	5,116	-	1,549	-	1,894	-	5,663
July	19,273	-	223	1,786	-	2,079	-	3,932	-	1,415	-	20,911	-	1,683
Aug	394	-	1,713	483	-	108	-	3,663	-	6,389	-	5,070	-	17
Sep	5,103	-	4,389	2,189	-	2,492	-	5,917	-	3,012	-	2,298	-	1,517

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

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

VII Capital market

3 Amounts outstanding of debt securities issued residents *

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

End of year or month/ Maturity in years	Bank debt securities ¹							Corporate bonds	Public debt securities	Memo item Foreign DM/euro bonds issued by German- managed syndicates
	Total	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 July	3,019,869	1,801,613	155,954	507,503	361,180	776,976	92,511	1,125,746	120,470	
Aug	3,019,475	1,799,901	155,471	507,611	356,180	780,639	98,899	1,120,676	120,454	
Sep	3,024,578	1,804,290	153,282	505,119	359,334	786,555	101,911	1,118,378	118,937	
Breakdown by remaining period to maturity ²										
less than 2	1,047,646	680,495	57,782	215,098	129,599	278,016	31,611	335,540	55,414	
2 to less than 4	715,754	475,279	40,484	156,667	95,861	182,270	17,068	223,406	39,867	
4 to less than 6	454,765	245,209	30,175	71,390	43,457	100,191	18,565	190,990	7,147	
6 to less than 8	263,002	135,360	15,629	32,249	22,163	65,318	11,208	116,434	7,720	
8 to less than 10	310,156	174,775	8,685	18,970	23,690	123,431	10,752	124,628	2,592	
10 to less than 15	44,031	32,846	479	5,582	17,003	9,781	3,155	8,030	2,834	
15 to less than 20	25,314	12,364	50	1,752	6,420	4,142	463	12,485	1,657	
20 and more	163,911	47,960	-	3,412	21,142	23,407	9,087	106,864	1,705	
Position at end-September 2006										

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

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

4 Shares in circulation issued by residents *

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

Period	Share capital = circulation at end of period under review	Net increase or net decrease (-) during period under review	Change in domestic public limited companies' capital due to							Memo item Share circulation at market values (market capita- lisation) level at end of period under review ²
			cash payments and ex- change of convertible bonds ¹	issue of bonus shares	contribution of claims and other real assets	contribution of shares, mining shares, GmbH shares, etc	merger and transfer of assets	change of legal form	reduction of capital and liquidation	
DM million										
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	486	1,690	1,690	- 2,152	- 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 July	162,727	178	535	93	17	13	- 77	- 169	- 235	1,115,885
Aug	162,958	231	262	1,148	20	442	- 241	- 192	- 1,208	1,139,273
Sep	163,557	598	304	141	61	108	78	- 68	- 22	1,174,223

* Excluding shares of public limited investment companies. — 0 From January
1994, including the shares of east German companies (resultant increase in
share circulation: DM7,771 million). — 1 Including shares issued out of
company profits. — 2 Enterprises whose shares are listed on the Official Mar-
ket, on the regulated market or on the Neuer Markt (stock market segment

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

VII Capital market

5 Yields and indices on German securities

Period	Yields on debt securities outstanding issued by residents 1								Price indices 2,3				
	Public debt securities				Bank debt securities				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	Memo item Foreign DM/euro bonds issued by German-managed syndicates 1,5	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 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	
Sep	3.8	3.8	3.8	3.8	3.8	4.0	4.1	4.2	118.39	98.19	369.87	6,004.33	
Oct	3.8	3.8	3.8	3.8	3.9	4.1	4.2	4.2	117.59	98.09	385.11	6,268.92	

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						
	Domestic mutual funds 1 (sales receipts)								Residents						
	Sales = total purchases	Total	Mutual funds open to the general public					Foreign funds 4	Total	Credit institutions including building and loan associations 2			Non-banks 3		Non-residents 5
			Total	Money market funds	Securities-based funds	Open-end real estate funds	Specialised funds			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 July	366	126	601	645	180	86	474	492	271	489	154	760	338	637	
Aug	1,508	1,716	1,930	256	1,633	168	214	208	2,015	1,366	821	3,381	613	507	
Sep	4,062	3,615	1,395	402	918	275	5,010	447	3,879	391	1,229	3,488	782	183	

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					Financial aid 4							
				Person-nel ex-pend-iture	Other operat-ing ex-pend-iture	Current grants	Interest	Fixed asset forma-tion								
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	468.8	471.6	-2.9	947.1	1,003.2	-56.1
2005 Q1 p	121.6	99.2	159.8	41.1	15.2	66.3	25.2	4.6	6.6	-38.2	117.1	117.5	-0.4	211.2	249.7	-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	144.2	110.6	154.2	41.3	17.1	59.3	19.7	8.6	6.9	-10.0	114.1	117.0	-2.9	235.9	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
2006 Q1 p	131.3	106.3	160.3	40.6	16.2	65.6	25.1	4.8	6.5	-29.0	120.5	116.6	+3.9	228.9	254.0	-25.1
Q2 p	144.3	121.8	139.9	40.7	16.1	59.9	9.5	6.4	5.9	+4.5	122.2	117.1	+5.1	245.1	235.6	+9.6

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

the quarterly figures, as the latter are all provisional. The quarterly figures for some insurance sectors are estimated. — 3 Including discrepancies in clearing transactions between central, state and local government. — 4 Expenditure on investment grants, loans and acquisition of participating interests. — 5 Including Federal Government liquidity assistance to the Federal Employment Agency. — 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
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
Q2 p	63.0	61.6	49.5	49.8	11.9	11.2	30.7	30.7	7.0	6.0

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 ¹	2001	2002	2003	2004	2005
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	490.5	511.7	488.3	485.5	489.7	487.3	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 ²	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 ^{3,4}	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	1,451.1	1,521.6
as % of GDP ³	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. — ¹ 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. — ² Including social benefits in kind. — ³ GDP including financial intermediation services indirectly measured (FISIM). — ⁴ 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 ⁴		Balance of untransferred tax shares ⁵
	Total	Total ¹	Central government ²	State government		European Union ³	Total	<i>of which</i> Eastern Germany	
				Total	<i>of which</i> Eastern Germany				
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 Q2	121,891	104,964	57,521	43,338	.	4,105	16,120	1,533	+ 807
Q3	...	104,015	55,601	42,798	.	5,616	...	...	...
2006 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	.	.	.
Aug	.	30,142	16,084	12,113	.	1,945	.	.	.
Sep	.	41,180	22,124	17,061	.	1,995	.	.	.

Source: Federal Ministry of Finance. — ¹ Including receipts from the Equalisation of Burdens levies. — ² Before deducting supplementary central government grants and shares in the revenue of energy tax remitted to state government. — ³ Including the additional (GNP-related) revenue accruing to the EU from the central government tax revenue from 1988. —

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

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5 Tax revenue, by type

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

Period	Joint taxes											Local business tax transfers 6,7	Central government taxes 8	State government taxes 8	EU customs duties	Memo item Local government share in income taxes 9
	Total 1	Income taxes 2					Turnover taxes 5,6									
		Total	Wage tax 3	As-sessed income tax	Corporation tax	Investment 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	83,508	20,579	3,378	23,042		
2006 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		
Q3	110,282	44,951	29,229	6,266	6,079	3,376	37,051	28,063	8,988	1,686	20,448	5,158	989	6,267		
2006 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		
Aug	31,832	10,364	9,556	- 411	206	1,014	12,224	9,201	3,023	493	6,611	1,811	329	1,690		
Sep	43,881	22,408	8,961	7,046	5,531	870	12,191	9,161	3,030	10	7,305	1,613	353	2,701		

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			
	Energy tax	Tobacco tax	Spirits tax	Insurance tax	Electricity tax	Other central government taxes 1	Motor vehicle tax	Wealth tax	Inheritance tax	Beer tax	Other state government taxes	Local business tax 2	Real property taxes	Other local government 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	11,780	8,673	97	4,097	777	6,935	32,129	10,247	565
2006 Q2	9,727	3,604	505	1,662	1,720	3,220	2,258	3	881	200	1,788	9,365	2,801	129
Q3	10,045	3,700	536	1,705	1,468	2,994	2,020	11	904	228	1,995	...	...	...
2006 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	.	.	.
Aug	3,094	1,212	201	866	477	762	690	3	335	78	705	.	.	.
Sep	3,578	1,271	153	409	516	1,380	611	5	283	72	643	.	.	.

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.

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7 General government debt *

€ million

End of year or month	Total	Treasury discount paper (Bubills) 1	Treasury notes 2,3	Five-year Federal notes (Bobl) 2	Federal savings notes	Bonds 2	Direct lending by credit institu- tions 4	Loans from non-banks		Old debt		
								Social security funds	Other 4	arising from German unifica- tion 5,6	Equalisa- tion claims 6	Other 7
General government												
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	1,508,932	36,882	320,546	167,403	10,883	530,724	372,680	486	64,799	2	4,443	85
June	1,524,898	37,450	323,930	177,720	10,399	529,499	374,224	485	66,664	2	4,443	83
Central government 8,9,10												
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
Sep	929,597	37,772	106,419	171,841	10,253	539,023	48,236	408	11,119	2	4,443	83
State government (western)												
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	401,548	31	173,473	.	.	.	183,497	3	44,543	.	.	1
June	401,612	31	178,027	.	.	.	177,340	2	46,210	.	.	1
Sep	403,482	31	178,940	.	.	.	177,030	2	47,478	.	.	1
State government (eastern)												
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	76,170	721	35,300	.	.	.	34,636	-	5,513	.	.	.
June	76,935	492	36,927	.	.	.	33,978	-	5,538	.	.	.
Sep	75,028	91	34,882	.	.	.	34,441	-	5,613	.	.	.

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
Local government (western) 11												
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	100,234	.	-	.	.	335	96,534	10	3,355	.	.	.
June	101,444	.	-	.	.	243	97,836	10	3,355	.	.	.
Local government (eastern) 11												
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	17,190	.	-	.	.	131	16,744	65	250	.	.	.
June	16,879	.	-	.	.	131	16,433	65	250	.	.	.
ERP Special Fund 8												
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	.	.	.
Sep	14,661	.	.	51	.	10,169	4,253	-	188	.	.	.
Indemnification Fund												
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	.	.	.	.	.	.
Sep	200	.	.	.	.	200	.	.	.	.	.	.
German Unity Fund 8,10												
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 ¹							
			2005				2006			
	2005	June 2006	Total	Q1	Q2	Q3	Q4	1st hf	Q1	Q2
Borrowers										
Central government ²	886,254	913,018	+ 35,479	+ 19,631	+ 3,646	+ 11,140	+ 1,062	+ 26,763	+ 12,526	+ 14,238
ERP Special Fund	15,066	14,811	- 3,134	- 102	- 828	- 1,406	- 798	- 256	- 256	-
Indemnification Fund	300	200	- 99	- 98	+ 0	- 1	- 1	- 100	- 100	- 0
State government (western)	396,219	401,612	+ 19,522	+ 5,644	+ 2,033	+ 5,019	+ 6,827	+ 5,393	+ 5,329	+ 64
State government (eastern)	75,157	76,935	+ 3,182	+ 1,216	+ 1,707	+ 209	+ 466	+ 1,779	+ 1,014	+ 765
Local government (western) ³	98,960	101,444	+ 4,126	+ 1,295	+ 1,701	+ 220	+ 910	+ 2,971	+ 1,893	+ 1,077
Local government (eastern) ³	17,074	16,879	- 105	- 103	+ 78	- 30	- 50	- 408	- 101	- 308
Total	1,489,029	1,524,898	+ 58,974	+ 27,485	+ 8,338	+ 14,735	+ 8,416	+ 36,142	+ 20,305	+ 15,837
Debt by category										
Treasury discount paper (Bubills) ⁴	36,945	37,419	+ 1,223	+ 1,766	- 275	- 31	- 238	+ 474	- 94	+ 568
Treasury notes ⁵	310,044	323,961	+ 30,248	+ 10,379	+ 5,433	+ 4,222	+ 10,214	+ 13,916	+ 10,533	+ 3,384
Five-year Federal notes (Bobl) ⁵	174,423	177,720	+ 5,465	+ 6,314	+ 7,745	+ 7,053	+ 11,087	+ 3,297	- 7,019	+ 10,316
Federal savings notes	11,055	10,399	+ 238	+ 219	+ 143	- 119	- 6	- 656	- 172	- 484
Bonds ⁵	521,801	529,499	+ 26,254	+ 11,123	+ 401	+ 18,294	- 3,564	+ 7,698	+ 8,923	- 1,225
Direct lending by credit institutions ⁶	367,056	374,224	- 12,402	+ 8,302	- 6,177	- 1,332	- 13,195	+ 7,441	+ 6,026	+ 1,415
Loans from social security funds	488	485	+ 58	+ 44	+ 27	- 0	- 13	- 2	- 2	- 0
Other loans ⁶	62,647	66,623	+ 9,015	+ 1,963	+ 1,038	+ 1,884	+ 4,130	+ 3,977	+ 2,111	+ 1,865
Old debt ⁷	88	85	+ 4	+ 2	+ 3	-	- 1	- 3	- 1	- 2
Equalisation claims	4,443	4,443	- 1,130	-	-	- 1,130	-	-	-	-
Investment assistance levy	41	41	-	-	-	-	-	-	-	-
Total	1,489,029	1,524,898	+ 58,974	+ 27,485	+ 8,338	+ 14,735	+ 8,416	+ 36,142	+ 20,305	+ 15,837
Creditors										
Banking system										
Bundesbank	4,440	4,440	-	-	-	-	-	-	-	-
Credit institutions	518,600	528,300	- 25,074	+ 9,137	- 21,671	+ 4,690	- 17,230	+ 9,973	+ 4,202	+ 5,771
Domestic non-banks										
Social security funds	488	485	+ 58	+ 44	+ 27	- 0	- 13	- 2	- 2	- 0
Other ⁸	298,801	306,473	+ 2,390	+ 5,896	+ 1,182	- 1,355	+ 8,459	+ 7,671	- 4,195	+ 11,866
Foreign creditors ^{pe}	666,700	685,200	+ 81,600	+ 24,200	+ 28,800	+ 11,400	+ 17,200	+ 18,500	+ 20,300	- 1,800
Total	1,489,029	1,524,898	+ 58,974	+ 27,485	+ 8,338	+ 14,735	+ 8,416	+ 36,142	+ 20,305	+ 15,837

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

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

9 Loans raised by general government against borrowers' notes

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

End of year or month	Total ¹	Central government ^{2,3}	German Unity Fund ³	ERP Special Fund	State government	Local government ^{4,5}	Federal Railways Fund ³	Redemption Fund for Inherited Liabilities ³	Equalisation Fund for Safeguarding the Use of Coal ³
1998	898,030	23,094	31,415	22,215	504,148	184,942	45,098	83,447	3,671
1999	444,031	64,704	10,481	9,778	264,158	94,909	-	-	-
2000	431,364	54,731	7,178	10,801	268,362	90,292	-	-	-
2001	416,067	44,791	4,464	9,699	267,988	89,126	-	-	-
2002	398,910	34,636	3,172	9,205	262,840	89,057	-	-	-
2003	399,304	38,410	793	9,042	260,046	91,013	-	-	-
2004	399,250	36,791	690	7,981	262,070	91,719	-	-	-
2005 June	394,307	31,898	-	7,050	264,757	90,601	-	-	-
2005 Sep	392,741	30,680	-	5,644	265,990	90,427	-	-	-
2005 Dec	389,505	26,796	-	4,846	266,257	91,606	-	-	-
2006 Mar	384,789	26,411	-	4,591	263,214	90,573	-	-	-
2006 June	383,184	26,964	-	4,591	261,217	90,411	-	-	-

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

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

VIII Public finances in Germany

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	229,428	156,264	71,917	233,357	199,873	13,437	- 3,929	1,976	1,794	16	42	123	4,888
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	1,976	1,794	16	42	123	4,888
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
Q3	57,950	39,741	17,839	58,521	50,297	3,266	- 571	6,845	6,681	16	45	104	4,959

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	
Q3	12,860	11,950	302	10,142	5,117	3,879	1,239	2,232	1,486	746	183	+ 2,718	0	

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	Q2
At constant prices, chained														
I Origin of domestic product														
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	
II Use of domestic product														
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	
At current prices (€ billion)														
III Use of domestic product														
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	
IV Prices (2000 = 100)														
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	
V Distribution of national income														
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	
<i>Memo item:</i> 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 ◊

Period	of which											
	Production sector, total	Construc-tion 2	Energy 3	Industry 1								
				Total	of which: by main industrial grouping				of which: by economic sector			
				Inter-mediate goods 4	Capital goods 5	Durable goods	Non-durable goods 6	Chemicals and chemical products	Basic metals	Machinery and equipment	Motor vehicles, trailers and semi-trailers	
2000 = 100												
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
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 r	7 107.9	7 85.5	101.9	110.7	113.7	114.1	92.6	101.8	114.0	111.0	108.6	121.0
May r	7 107.5	7 87.7	95.7	110.6	114.1	114.6	89.3	100.3	111.9	112.2	110.2	122.4
June r	7 112.4	7 93.1	94.2	116.1	119.1	122.9	92.9	101.4	114.8	117.2	119.3	126.4
July x r	7 112.5	7 98.7	97.2	115.4	119.0	120.5	90.2	103.6	118.5	112.0	114.3	127.1
Aug x r	7 103.1	7 89.7	94.6	105.2	112.5	102.6	78.9	100.7	112.3	104.6	104.7	91.6
Sep x p	7 117.6	7 99.3	95.8	121.6	123.4	128.8	106.2	107.3	115.5	118.6	125.9	131.9
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
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	+ 8.3	- 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 r	7 + 5.1	7 + 6.2	+ 0.6	+ 5.5	+ 7.2	+ 4.3	+ 6.3	+ 4.5	+ 5.0	+ 4.5	+ 7.3	- 1.2
May r	7 + 6.9	7 + 5.4	- 2.1	+ 7.9	+ 8.5	+ 9.6	+ 12.2	+ 2.6	+ 3.0	+ 9.1	+ 11.3	+ 9.2
June r	7 + 5.7	7 + 5.2	+ 1.8	+ 6.0	+ 9.0	+ 4.8	+ 2.7	+ 2.3	+ 6.3	+ 8.8	+ 3.2	+ 3.4
July x r	7 + 5.3	7 + 6.1	+ 0.7	+ 5.8	+ 8.0	+ 5.7	+ 7.5	+ 0.8	+ 5.1	+ 3.4	+ 6.1	+ 3.9
Aug x r	7 + 7.7	7 + 6.5	+ 2.4	+ 8.2	+ 10.8	+ 8.1	+ 12.7	+ 2.0	+ 3.8	+ 8.8	+ 13.8	+ 1.3
Sep x p	7 + 6.1	7 + 7.6	+ 2.4	+ 6.4	+ 8.8	+ 6.1	+ 8.6	+ 0.9	+ 3.7	+ 8.2	+ 10.0	+ 1.7

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

quarrying. — 5 Including manufacture of motor vehicles, trailers and semi-trailers. — 6 Including printing and service activities related to printing. — 7 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%). — x Provisional; adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the third quarter 2006.

IX Economic conditions

3 Orders received by industry *
Germany

Adjusted for working-day variations ◊

Period	Industry		of which				of which					
	2000=100	Annual percent- age change	Intermediate goods		Capital goods 1		Consumer goods 2		Durable goods		Non-durable goods 2	
			2000=100	Annual percent- age change	2000=100	Annual percent- age change	2000=100	Annual percent- age change	2000=100	Annual percent- age change	2000=100	Annual percent- age change
total												
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	90.4	- 5.5	98.8	- 2.2
2004	105.1	+ 6.2	105.0	+ 7.4	107.6	+ 6.9	95.1	- 0.5	89.3	- 1.2	98.7	- 0.1
2005	111.8	+ 6.4	110.0	+ 4.8	116.2	+ 8.0	99.8	+ 4.9	91.4	+ 2.4	104.9	+ 6.3
2005 Sep	117.5	+ 8.3	114.3	+ 5.4	123.1	+ 11.4	105.3	+ 4.3	99.1	+ 4.5	109.2	+ 4.1
Oct	118.7	+ 10.0	117.2	+ 7.7	122.8	+ 12.4	106.6	+ 7.7	102.8	+ 6.6	108.9	+ 8.4
Nov	121.0	+ 13.7	117.8	+ 9.3	127.4	+ 18.6	104.8	+ 7.0	103.5	+ 7.5	105.6	+ 6.8
Dec	113.8	+ 5.5	103.3	+ 9.0	127.8	+ 3.2	91.0	+ 5.6	82.9	+ 6.7	96.1	+ 5.1
2006 Jan	116.6	+ 9.0	115.5	+ 5.7	121.3	+ 12.7	100.5	+ 3.4	91.8	+ 4.0	105.8	+ 3.1
Feb	118.2	+ 12.3	116.4	+ 11.3	122.7	+ 15.2	105.9	+ 3.0	92.4	+ 5.2	114.3	+ 2.1
Mar	127.2	+ 8.4	125.9	+ 10.3	131.7	+ 7.9	112.7	+ 4.1	103.1	+ 6.1	118.7	+ 2.9
Apr	121.0	+ 14.9	123.3	+ 16.8	124.3	+ 15.6	100.7	+ 5.9	95.6	+ 5.6	103.9	+ 6.1
May	119.1	+ 12.7	123.2	+ 15.6	121.1	+ 11.4	98.1	+ 8.0	93.9	+ 10.1	100.7	+ 6.9
June	124.3	+ 9.6	128.9	+ 16.1	127.3	+ 6.3	97.1	+ 2.0	93.7	+ 2.1	99.2	+ 2.0
July	125.5	+ 9.8	128.2	+ 13.0	128.6	+ 8.8	104.0	+ 2.8	91.3	+ 3.0	111.9	+ 2.7
Aug	118.8	+ 16.5	119.2	+ 16.4	122.1	+ 19.2	104.2	+ 5.6	87.5	+ 10.5	114.5	+ 3.5
Sep P	130.4	+ 11.0	131.1	+ 14.7	134.5	+ 9.3	111.7	+ 6.1	105.2	+ 6.2	115.7	+ 6.0
from the domestic market												
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	100.4	+ 5.7	100.1	+ 4.3	87.2	- 3.0	83.0	- 3.8	89.8	- 2.5
2005	101.4	+ 3.2	103.6	+ 3.2	102.8	+ 2.7	91.1	+ 4.5	85.2	+ 2.7	94.6	+ 5.3
2005 Sep	105.5	+ 5.7	106.9	+ 4.2	107.4	+ 7.9	96.4	+ 4.0	92.3	+ 5.4	98.9	+ 3.1
Oct	107.3	+ 4.7	111.0	+ 5.4	106.7	+ 3.3	98.6	+ 7.2	95.8	+ 6.6	100.3	+ 7.5
Nov	108.3	+ 7.7	111.9	+ 6.9	108.7	+ 8.5	96.7	+ 7.1	96.9	+ 7.2	96.6	+ 7.0
Dec	97.6	- 0.7	95.2	+ 7.1	105.5	- 7.9	82.3	+ 4.2	75.1	+ 4.0	86.6	+ 4.3
2006 Jan	102.3	+ 5.1	106.9	+ 3.9	102.2	+ 7.7	89.2	+ 1.0	86.3	+ 4.0	91.0	- 0.5
Feb	103.6	+ 7.9	107.1	+ 9.4	103.0	+ 8.1	95.3	+ 2.9	86.6	+ 4.8	100.6	+ 1.8
Mar	112.8	+ 5.6	115.6	+ 8.4	114.3	+ 4.4	100.4	+ 0.6	95.3	+ 3.7	103.6	- 1.1
Apr	107.2	+ 9.6	114.5	+ 14.6	106.1	+ 6.5	89.8	+ 3.2	86.1	+ 2.9	92.1	+ 3.5
May	107.3	+ 11.5	115.3	+ 15.1	106.3	+ 9.7	87.6	+ 5.8	86.0	+ 9.4	88.6	+ 3.7
June	110.5	+ 6.5	119.3	+ 14.6	110.4	+ 0.6	85.7	- 0.8	85.2	+ 0.7	86.0	- 1.7
July	112.6	+ 8.7	121.0	+ 12.6	112.0	+ 7.9	90.4	- 1.4	83.4	- 0.1	94.7	- 2.1
Aug	108.5	+ 12.6	115.1	+ 16.3	107.7	+ 12.3	92.3	+ 2.4	81.1	+ 8.6	99.2	- 0.3
Sep P	119.7	+ 13.5	122.3	+ 14.4	123.9	+ 15.4	100.6	+ 4.4	98.0	+ 6.2	102.2	+ 3.3
from abroad												
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	113.6	+ 8.8	112.2	+ 9.7	114.5	+ 8.9	112.5	+ 4.0	103.1	+ 3.8	118.4	+ 4.0
2005	124.7	+ 9.8	120.0	+ 7.0	128.5	+ 12.2	119.0	+ 5.8	105.0	+ 1.8	127.7	+ 7.9
2005 Sep	132.5	+ 11.0	125.9	+ 7.2	137.6	+ 14.1	125.1	+ 4.9	114.0	+ 3.1	132.0	+ 5.8
Oct	132.9	+ 15.9	127.0	+ 11.0	137.7	+ 19.8	124.2	+ 8.6	118.0	+ 6.5	128.0	+ 9.8
Nov	136.8	+ 20.3	126.9	+ 12.6	144.7	+ 26.8	122.6	+ 7.0	117.9	+ 8.0	125.5	+ 6.4
Dec	134.0	+ 11.7	115.9	+ 11.5	148.3	+ 12.2	110.4	+ 8.2	100.1	+ 11.6	116.8	+ 6.6
2006 Jan	134.5	+ 12.9	129.0	+ 8.1	139.0	+ 16.4	125.4	+ 7.2	104.0	+ 4.0	138.7	+ 8.9
Feb	136.5	+ 16.7	130.9	+ 13.7	140.9	+ 20.5	129.5	+ 3.4	105.2	+ 5.9	144.7	+ 2.3
Mar	145.2	+ 11.3	142.0	+ 12.9	147.8	+ 10.5	140.0	+ 10.1	120.3	+ 10.7	152.3	+ 9.7
Apr	138.3	+ 20.7	137.0	+ 19.5	141.1	+ 22.9	124.9	+ 10.5	116.5	+ 10.6	130.1	+ 10.5
May	133.9	+ 14.0	135.5	+ 16.3	134.8	+ 12.8	121.4	+ 12.0	111.3	+ 11.4	127.7	+ 12.3
June	141.5	+ 12.9	144.0	+ 18.1	142.8	+ 10.7	122.3	+ 6.6	112.4	+ 4.5	128.5	+ 8.0
July	141.7	+ 11.0	139.5	+ 13.5	144.0	+ 9.5	134.2	+ 9.8	108.6	+ 8.9	150.2	+ 10.3
Aug	131.7	+ 20.9	125.7	+ 16.8	135.4	+ 25.0	130.4	+ 10.9	101.4	+ 13.7	148.6	+ 9.8
Sep P	143.7	+ 8.5	144.9	+ 15.1	144.2	+ 4.8	136.3	+ 9.0	121.0	+ 6.1	145.8	+ 10.5

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

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															Thousands
Germany																	
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 Oct	39,332	- 0.1	- 34				5,937	732	102	58	111	4,555	+ 348	11.0	453		
2005 Nov	39,338	- 0.0	- 8	34,906	- 0.3		5,930	729	98	59	128	4,531	+ 274	10.9	422		
2005 Dec	39,130	+ 0.0	+ 15				5,900	708	84	55	129	4,605	+ 141	11.1	394		
2006 Jan	r 38,366	r - 0.0	r - 7				5,863	655	96	49	120	5,010	- 76	12.1	415		
2006 Feb	r 38,365	r - 0.1	r - 21	34,065	- 0.0		5,853	636	101	46	113	5,048	- 241	12.2	464		
2006 Mar	r 38,483	r + 0.1	r + 46				5,857	651	105	45	110	4,977	- 289	12.0	506		
2006 Apr	r 38,714	r + 0.4	r + 153				5,858	686	83	45	110	4,790	- 262	11.5	546		
2006 May	r 38,948	r + 0.6	r + 226	34,485	+ 0.5		5,861	698	72	49	114	4,535	- 349	14	619		
2006 June	r 39,101	r + 0.8	r + 297				5,888	706	62	51	118	4,399	- 382	10.5	581		
2006 July	r 39,111	r + 0.9	r + 340				5,895	709	54	51	114	4,386	- 451	10.5	627		
2006 Aug	39,187	+ 0.9	+ 338	...	...		5,932	718	48	52	110	4,372	- 426	10.5	619
2006 Sep	16 39,497	16 + 0.9	16 + 334				...	...	46	52	15 124	4,237	- 409	10.1	621
2006 Oct	...	...	...				...	...	...	56	15 133	4,085	- 471	9.8	626
Western Germany °																	
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 Oct	.	.	.	.	.		5,209	535	86	9	74	3,099	+ 404	9.4	345
2005 Nov	.	.	.	.	.		5,203	535	81	9	85	3,081	+ 353	9.4	321
2005 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
2006 Feb	.	.	.	.	.		5,137	477	81	9	75	3,370	- 116	10.2	367
2006 Mar	.	.	.	.	.		5,139	488	83	9	74	3,317	- 160	10.1	397
2006 Apr	.	.	.	.	.		5,139	509	67	9	74	3,201	- 139	9.7	419
2006 May	.	.	.	.	.		5,139	516	58	9	78	3,046	- 196	14	435
2006 June	.	.	.	.	.		5,162	520	50	10	81	2,966	- 222	8.9	445
2006 July	.	.	.	.	.		5,165	521	43	10	78	2,960	- 280	8.9	486
2006 Aug	.	.	.	.	.		5,195	528	38	15 10	15 76	2,941	- 297	8.8	480
2006 Sep	.	.	.	.	.		...	...	38	15 11	15 87	2,835	- 305	8.5	478
2006 Oct	.	.	.	.	.		...	...	...	15 12	15 94	2,739	- 360	8.2	473
Eastern Germany +																	
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 Oct	.	.	.	.	.		727	196	17	49	37	1,456	- 56	16.9	108
2005 Nov	.	.	.	.	.		727	194	17	50	43	1,450	- 79	16.9	100
2005 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
2006 Feb	.	.	.	.	.		716	160	19	37	38	1,678	- 124	19.5	97
2006 Mar	.	.	.	.	.		717	164	22	36	36	1,660	- 129	19.3	110
2006 Apr	.	.	.	.	.		719	177	17	36	36	1,589	- 124	18.5	127
2006 May	.	.	.	.	.		722	182	14	39	37	1,490	- 153	14	131
2006 June	.	.	.	.	.		725	186	11	41	37	1,433	- 160	16.8	135
2006 July	.	.	.	.	.		730	188	11	41	36	1,426	- 171	16.7	142
2006 Aug	.	.	.	.	.		737	191	9	41	15 34	1,431	- 129	16.7	139
2006 Sep	.	.	.	.	.		...	...	8	15 42	15 36	1,402	- 104	16.4	143
2006 Oct	.	.	.	.	.		...	...	...	15 45	15 39	1,346	- 111	15.7	153

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

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	1.9	.	.
2005	109.2	1.0	109.5	1.1	105.4	0.2	111.3	1.5	111.0	1.5	.	.
2004 Q4	120.9	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	1.2	101.2	1.2	.	.
Q3	112.5	1.0	112.8	1.2	104.6	0.3	118.6	1.6	118.3	1.6	.	.
Q4	121.8	0.7	122.1	0.8	115.0	0.0	123.7	1.5	123.4	1.5	.	.
2006 Q1	102.1	0.9	102.5	1.1	99.7	0.0	103.2	1.7	103.3	2.0	.	.
Q2	102.9	1.6	103.4	1.8	102.5	0.4	104.0	2.5	104.1	2.8	.	.
Q3	112.8	0.3	113.3	0.5	.	.	120.4	1.5	120.5	1.8	.	.
2006 Mar	102.2	0.3	102.7	0.5	.	.	104.0	0.1	104.1	0.4	.	.
Apr	103.8	2.2	104.3	2.4	.	.	103.9	2.6	104.0	2.9	.	.
May	102.7	1.5	103.1	1.7	.	.	104.7	3.1	104.8	3.4	.	.
June	102.2	1.0	102.7	1.2	.	.	103.4	1.9	103.4	2.2	.	.
July	133.6	- 0.4	134.3	- 0.2	.	.	154.6	1.6	154.7	1.9	.	.
Aug	102.4	0.9	102.9	1.1	.	.	103.5	1.6	103.5	1.9	.	.
Sep	102.3	0.6	102.8	0.8	.	.	103.2	1.4	103.2	1.7	.	.

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	June	July	Aug
A Current account	+ 32,443	+ 49,868	- 23,148	- 12,829	- 12,843	- 7,626	+ 10,776	+ 2,450	- 3,934
1 Goods									
Exports (fob)	1,036,038	1,128,189	1,220,048	327,390	329,749	341,778	118,123	116,030	107,268
Imports (fob)	929,915	1,022,899	1,165,961	322,445	332,574	335,446	112,905	110,389	111,031
Balance	+ 106,120	+ 105,291	+ 54,085	+ 4,945	- 2,826	+ 6,333	+ 5,218	+ 5,641	- 3,762
2 Services									
Receipts	331,810	362,051	397,286	105,770	96,596	106,619	38,001	39,074	36,919
Expenditure	312,293	333,074	362,531	94,985	91,822	94,520	32,682	33,512	37,665
Balance	+ 19,516	+ 28,977	+ 34,754	+ 10,784	+ 4,773	+ 12,098	+ 5,319	+ 5,562	- 746
3 Income	- 37,159	- 27,999	- 43,749	- 12,344	+ 1,383	- 10,290	+ 4,548	- 1,758	+ 7,320
4 Current transfers									
Transfers from non-residents	82,103	81,898	83,598	22,161	29,620	17,309	6,217	4,564	5,895
Transfers to non-residents	138,139	138,299	151,836	38,377	45,792	33,077	10,527	11,557	12,641
Balance	- 56,034	- 56,404	- 68,238	- 16,215	- 16,172	- 15,768	- 4,310	- 6,994	- 6,746
B Capital account	+ 12,942	+ 17,457	+ 12,515	+ 4,690	+ 2,010	+ 989	+ 579	+ 721	+ 1,095
C Financial account (net capital exports: -)	- 1,263	- 10,913	+ 79,142	- 23,744	+ 65,740	+ 51,118	- 5,901	+ 12,259	- 3,933
1 Direct investment	- 12,264	- 41,192	- 156,286	- 20,210	- 31,540	- 12,146	- 15,885	- 9,378	- 2,838
By resident units abroad	- 147,166	- 141,722	- 232,665	- 47,203	- 50,546	- 111,032	- 11,981	- 13,055	- 1,785
By non-resident units in the euro area	+ 134,906	+ 100,525	+ 76,380	+ 26,993	+ 19,005	+ 98,885	- 3,905	+ 3,678	- 1,053
2 Portfolio investment	+ 74,877	+ 60,291	+ 155,411	- 49,137	+ 22,857	+ 98,890	+ 60,483	+ 1,018	- 15,490
By resident units abroad	- 276,413	- 338,069	- 442,730	- 118,270	- 194,243	- 40,973	- 1,531	- 40,002	- 23,369
Equity	- 78,687	- 103,432	- 140,577	- 58,712	- 97,069	+ 19,144	+ 5,767	- 5,959	- 9,761
Bonds and notes	- 175,711	- 177,693	- 286,808	- 64,017	- 89,943	- 49,131	- 9,608	- 14,267	- 16,934
Money market instruments	- 22,016	- 56,942	- 15,345	+ 4,458	- 7,229	- 10,985	+ 2,310	- 19,776	+ 3,327
By non-resident units in the euro area	+ 351,289	+ 398,360	+ 598,140	+ 69,132	+ 217,099	+ 139,862	+ 62,014	+ 41,019	+ 7,879
Equity	+ 110,250	+ 128,058	+ 279,474	+ 62,549	+ 121,235	+ 35,451	+ 55,092	+ 45,545	- 2,847
Bonds and notes	+ 198,855	+ 254,948	+ 255,771	+ 26,420	+ 80,841	+ 115,407	+ 23,495	+ 629	+ 7,398
Money market instruments	+ 42,183	+ 15,351	+ 62,892	- 19,838	+ 15,024	- 10,995	- 16,573	- 5,155	+ 3,328
3 Financial derivatives	- 13,009	- 4,986	- 15,245	- 8,813	- 8,512	- 1,711	+ 1,925	+ 1,758	- 3,853
4 Other investment	- 79,085	- 37,545	+ 76,491	+ 45,642	+ 76,803	- 32,514	- 53,838	+ 19,649	+ 19,077
Eurosystem	+ 9,147	+ 6,771	+ 4,928	- 4,215	+ 3,289	+ 3,084	- 695	+ 826	- 1,268
General government	- 3,808	- 5,902	+ 2,622	- 4,380	+ 3,989	- 10,844	- 1,746	+ 8,855	- 15
MFIs (excluding the Eurosystem)	- 17,810	- 12,570	+ 91,743	+ 39,582	+ 85,783	- 47,475	- 60,978	+ 21,594	+ 26,388
Long-term	+ 1,553	- 23,755	- 49,034	- 34,483	- 434	- 10,297	- 8,672	- 5,494	- 1,913
Short-term	- 19,363	+ 11,189	+ 140,777	+ 74,065	+ 86,216	- 37,178	- 52,305	+ 27,089	+ 28,301
Other sectors	- 66,613	- 25,848	- 22,798	+ 14,655	- 16,258	+ 22,720	+ 9,581	- 11,626	- 6,029
5 Reserve assets (Increase: -)	+ 28,217	+ 12,522	+ 18,768	+ 8,774	+ 6,133	- 1,401	+ 1,414	- 788	- 829
D Errors and omissions	- 44,124	- 56,414	- 68,510	+ 31,883	- 54,910	- 44,481	- 5,453	- 15,431	+ 6,772

* Source: European Central Bank.

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 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
Sep	115,371	85,854	52,302	3,440	30,111	350	28,254	913	4,980	110,391
Oct	110,016	85,341	52,080	3,097	30,164	350	23,414	912	5,043	104,973

° 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.

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

Financial Stability Review

Monthly Report

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

Monthly Report articles

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

- Determinants of the term structure of interest rates – approaches to combining arbitrage-free models and monetary macroeconomics
- The creation of a single list of eligible collateral throughout the euro area

May 2006

- 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

October 2006

- How informative survey data on private sector inflation expectations are for monetary policy-makers
- Current trends and structural changes in the public bond market

November 2006

- The economic scene in Germany in autumn 2006

Statistical Supplements to the Monthly Report¹

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

Special Publications

Makro-ökonomisches Mehr-Länder-Modell,
November 1996²

Europäische Organisationen und Gremien im Bereich von Währung und Wirtschaft, May 1997²

Die Zahlungsbilanz der ehemaligen DDR 1975 bis 1989, August 1999²

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 2003²

Die Europäische Union: Grundlagen und Politikbereiche außerhalb der Wirtschafts- und Währungsunion, April 2005²

European economic and monetary union,
September 2005

Die Deutsche Bundesbank – Aufgabenfelder, rechtlicher Rahmen, Geschichte, April 2006²

Special Statistical Publications

- 1 Banking statistics guidelines and customer classification, July 2003³

2 Bankenstatistik Kundensystematik Firmenverzeichnisse, September 2006^{2,4}

3 Aufbau der bankstatistischen Tabellen,
January 2000²

4 Financial accounts for Germany 1991 to 2005,
July 2006⁵

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 2005⁵

7 Erläuterungen zum Leistungsverzeichnis für die Zahlungsbilanz, February 2005²

8 Balance of payments statistics of the Federal Republic of Germany, 2nd edition,
February 1991^o

9 Securities deposits,
August 2005

10 International capital links,
April 2006^{1,5}

11 Balance of payments by region,
August 2006

12 Technologische Dienstleistungen in der Zahlungsbilanz, June 2006²

^o Not available on the internet.

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

² Available in German only.

³ 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.

⁴ Current version only available on the internet at quarterly intervals.

⁵ Available on the internet only.

Discussion Papers*

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Banking legislation

1 Bundesbank Act and Statute of the European System of Central Banks and of the European Central Bank, June 1998

2 Gesetz über das Kreditwesen, February 2001²

2a Grundsatz I über die Eigenmittel der Institute, January 2001²

2b Grundsatz II über die Liquidität der Institute, August 1999²

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

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

For footnotes, see p 79*.