

MONTHLY REPORT

**DECEMBER
2006**

JANUARY

FEBRUARY

MARCH

APRIL

Vol 58
No 12

Deutsche Bundesbank
Wilhelm-Epstein-Strasse 14
60431 Frankfurt am Main
Germany

Postal address
Postfach 10 06 02
60006 Frankfurt am Main
Germany

Tel +49 69 9566 -1

Fax +49 69 9566-3077

Telex 41227 within Germany
414431 from abroad

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

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ISSN 0418 - 8292 (print edition)

ISSN 1862 - 1325 (internet edition)

The German original of this *Monthly Report* went to press on 15 December 2006.

Annual and weekly publishing schedules for selected statistics of the Deutsche Bundesbank can be downloaded from our website. The statistical data are also published on the internet.

The *Monthly Report* is published by the Deutsche Bundesbank, Frankfurt am Main, by virtue of section 18 of the Bundesbank Act. It is available to interested parties free of charge.

This is a translation of the original German-language version, which is the sole authoritative text.

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Commentaries

Economic conditions

Economy as a whole

Germany's cyclical upturn continued at a brisk pace in the third quarter. Overall output rose by 0.6% after adjustment for seasonal and working-day variations. Growth was therefore weaker than in the second quarter when it had increased by 1.1%. Nevertheless, it should be remembered that favourable special factors, such as the impact of the FIFA World Cup and the weather-related "catching-up" effects in the construction sector, played a significant role in the second quarter. Year-on-year growth stood at 2.8% in the third quarter after adjustment for working-day variations. The external side made a greater contribution to growth. Exports, for example, were up 4.2% on the quarter during the period under review after recording only a slight increase in the second quarter. Imports rose quite sharply again at 3.6%, albeit at a somewhat slower pace than exports. In mathematical terms, the contribution of foreign trade to overall economic growth was 0.4 percentage point. Of particular note was the rise in private consumption expenditure, which increased by 0.7% after having gone down somewhat in the second quarter. Investment in machinery and equipment went up by 0.7% in the third quarter. Construction investment also developed in a similar fashion. By contrast, inventory changes had a dampening effect.

*GDP in
2006 Q3*

Economic conditions in Germany *

Seasonally adjusted

Period	New orders (volume); 2000 = 100			
	Industry 1			Con- struction
	Total	Domestic	Foreign	
2006 Q1	114.5	101.2	131.2	72.8
Q2	117.6	104.1	134.5	76.5
Q3	121.9	108.0	139.2	76.2
Aug	124.6	108.7	144.4	76.6
Sep	120.9	109.9	134.6	73.9
Oct	119.6	107.0	135.4	...
Output; 2000 = 100				
Period	Industry 2			Con- struction
	Total	of which		
		Inter- mediate goods	Capital goods ³	
2006 Q1	109.4	109.8	115.6	72.9
Q2	112.2	113.9	117.2	80.7
Q3	114.3	117.2	119.0	83.1
Aug	115.1	118.8	119.0	83.3
Sep	114.6	117.3	119.8	82.7
Oct	113.2	116.7	117.7	80.8
Labour market				
Period	Em- ployed ⁴	Vacancies	Un- employed	Un- employ- ment rate in % ⁵
	Number in thousands			
2006 Q1	38,847	469	4,710	11.4
Q2	38,994	510	4,598	11.0
Q3	39,140	598	4,424	10.6
Sep	39,168	620	4,404	10.5
Oct	39,194	672	4,331	10.4
Nov	...	704	4,245	10.2
Period	Import prices	Producer prices of industrial prod- ucts ⁶	Con- struction prices ⁷	Con- sumer prices
	2000 = 100			
2006 Q1	105.2	114.8	103.7	109.4
Q2	107.0	116.7	104.4	110.1
Q3	107.7	117.7	105.9	110.5
Sep	106.7	117.5	.	110.4
Oct	106.5	117.8	.	110.6
Nov	...	...	.	110.7

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

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Industry

Industrial output in October was down 1¼% on the month in seasonally and working-day adjusted terms and 1% down on the average of the third quarter. At the end of the period under review, the figure was 4% up on the year, compared with 6% in September. Here, the “bridge day” effect in connection with the public holiday on 3 October is likely to have significantly depressed output.¹

This also makes it difficult to assess the current underlying cyclical trend in industry as anticipatory effects owing to the VAT increase at the beginning of next year are likely to have had an impact on output in some sectors over the past three months. This could well have been the case for manufacturers of motor vehicles, trailers and semi-trailers, for example, whose output has declined significantly at the current end after recording a sharp increase in the third quarter.

At the same time, there were, at all events, fewer new orders being placed with manufacturers of motor vehicles, trailers and semi-trailers, while the number of new passenger car registrations rose extremely sharply in November. On the whole, these observations are quite consistent with the widely expected anticipatory effects in the second half of 2006 in connection with the VAT increase and the matching shortfalls in demand at the beginning of next year. This is due to the fact that,

¹ Experience has shown that working days before and after public holidays are often used by employees to take a long weekend or a short holiday break. Such special features cannot be captured fully by the statistical adjustment procedures.

when buying a car, VAT is calculated on the basis of the rate applying on the delivery date rather than on the basis of the rate of tax that applies on the date when the order is placed. Demand for industrial products was obviously shaped by these effects and went down by 1% in October. Much as in the case of output, the figure was still clearly up on the year.

Foreign trade

The value of exports of goods in October rose by 2½% on the month. Once again, however, this figure was influenced by late statistical reporting. By contrast, nominal imports just about held up. In October, the trade surplus was €2 billion higher than in September.

Construction*Construction output*

Seasonally and working-day adjusted construction output declined by 2¼% in October. This figure was still 3% up on the year, however. The slowdown in the building industry was greater than in civil engineering. This may be due to the intervening completion of many of the increased number of housing construction orders which had been influenced by the abolition of the grant to homebuyers at the end of 2005 as well as the forthcoming VAT increase.

Demand for construction work

In line with this, demand for construction work in September, at 3½%, showed a further quite marked fall. In the third quarter as a whole, construction demand did not quite match the improved level achieved in the second quarter. While there was a ¾% rise in orders in the third quarter in both housing construction and commercial construction,

public sector orders were 2¼% down on the second quarter. Demand for construction work has therefore been at a high level since the middle of the year, but there have not been any further stimuli since then.

Labour market

The favourable development in the labour market has continued. According to initial estimates by the Federal Statistical Office, the number of persons in work stood at 39.19 million in October. This was 25,000 more than in September and 345,000 more than one year earlier. The increase has therefore slowed down somewhat since the middle of the year. It should also be borne in mind, however, that the increase in the flat-rate charges for mini-jobs from 25% to 30% in July has been tending to have a dampening impact on the growth in employment. According to estimates by the Federal Employment Agency, the number of employees subject to social security contributions showed a further increase on the month in September. In the third quarter as a whole, the figure was 140,000 up on the second quarter and 250,000 up on the year. The number of job vacancies also increased substantially in October. By contrast, there was little change in government-assisted forms of employment.

Employment

According to Federal Employment Agency data, the number of persons registered as unemployed fell sharply in November. The official seasonally adjusted unemployment figure was 4.25 million. The figure was thus 535,000 lower than in the same period last year. The seasonally adjusted unemployment

Unemployment

rate was 10.2%, compared with 10.4% in October.

Prices

International crude oil prices

The price situation in the international crude oil markets remained calm in November. At just over US\$60¼, the spot quotation for Brent North Sea oil in mid-month was virtually at the same level as in October. At the time this report went to press (14 December 2006), the spot price stood at just over US\$63. Futures contracts with maturities of six months were up US\$4¼ on the month and up by as much as US\$7 if taken over an 18-month period.

Industrial import and producer prices

Owing to the calming in the crude oil markets, price pressures eased considerably in the downstream sectors of the economy. Import prices, for example, were somewhat lower than in the previous month. The year-on-year rate of increase fell from 3.7% to 3.0%. In October, industrial producer prices were 4.6% up on the year. The rate of increase in September had been as much as 5.1%. Excluding the decline in energy prices, the upward pressure on prices has intensified somewhat, however.

Consumer prices

Seasonally adjusted consumer prices in November were 0.1% up on the month. There was a further fall in the prices of fuel and heating oil, and package holidays also became somewhat cheaper again. However, food prices went up again and the prices of industrial products (excluding energy) continued to rise. Seasonally adjusted prices of services also rose relatively sharply. The extent

to which price adjustments have already taken place in anticipation of the increase in VAT at the beginning of 2007 will need to be analysed in detailed studies. Owing in part to a base effect due to the sharp fall in energy prices in November 2005, year-on-year consumer price inflation (CPI) went up from 1.1% in October to 1.5% in the following month. Measured by the Harmonised Index of Consumer Prices (HICP), the inflation rate stood at 1.5%.

Public finances²

Updated stability programme

On 29 November 2006, the Federal Cabinet endorsed an updated stability programme, which – as an integral part of the European excessive deficit procedure – was sent to the EU Council and the European Commission. In the updated programme, the Federal Government proceeds on the assumption of a real economic growth rate of 2¼% in the current year and of almost 1½% next year (compared with just under 1½% and 1% respectively in the previous programme from February). The output gap in 2006 is considered to be virtually closed and potential growth – boosted by increasing investment in real and human capital – is expected to rise to 1½% in the medium term. In the basic scenario, however, production in 2010 is significantly higher

“Good times” assumed for overall economy

² In the short commentaries on public finances the emphasis is on recent outturns. The quarterly Monthly Reports (published in February, May, August and November) contain a detailed description of general government budget trends during the preceding quarter. Detailed data on public finances are published in the Statistical Section of the Monthly Report.

Key data of the Federal Government's updated stability programme

As %

Position	2005	2006	2007	2008	2009	2010
Real GDP growth						
Stability programme November 2006	0.9	2.3	1.4	1¾	1¾	1¾
Stability programme February 2006	0.9	1.4	1	1¾	1¾	–
Deficit ratio (–)						
Stability programme November 2006	– 3.2	– 2.1	– 1½	– 1½	– 1	– ½
Stability programme February 2006	– 3.3	– 3.3	– 2½	– 2	– 1½	–
Structural deficit ratio (–)						
Stability programme November 2006	– 2.8	– 2	– 1½	– 1½	– 1	– 1
Stability programme February 2006	– 3.1	– 3	– 2	– 1½	– 1	–
Debt ratio						
Stability programme November 2006	67.9	67.9	67	66½	65½	64½
Stability programme February 2006	67½	69	68½	68	67	–

Source: Federal Ministry of Finance.

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than its medium-term trend. Thus, the assumption is that real gross domestic product (GDP) will increase by 1¾% per year from 2008 to 2010.

*Marked decline
in reported
structural
deficit ratio
by 2007*

The projected general government budget deficits are significantly lower than foreseen in February's stability programme, mainly due to expectations of a more favourable macro-economic trend and the current unexpectedly sharp increase in revenue from profit-related taxes. A deficit ratio of 2.1% is now envisaged for the current year, with the result that the Maastricht Treaty reference value will be met for the first time since 2001. Applying the standard adjustment procedures, under which the extremely strong growth in revenue from profit-related taxes is classified only to a very limited extent as cyclically in-

duced, only a minor part of the year-on-year decrease of 1.1 percentage points is attributed to economic activity. Despite the measures taken by the Federal Government, which, on balance, are explicitly classified as virtually budget-neutral, structural consolidation of around three quarters of a percentage point is recorded.³ In 2007, both the unadjusted deficit ratio and the structural deficit ratio are expected to decrease further to 1½%, owing mainly to the increase in the standard rate of VAT. This should constitute structural consolidation of 1¼% of GDP vis-à-vis 2005 and means that the targets set by the Ecofin Council will be met.

³ For a comprehensive assessment of fiscal developments this year, see: Deutsche Bundesbank, Monthly Report, November 2006, pp 51-64.

Delaying structurally balanced budget until after 2010 problematic

While remaining below the 3% ceiling this year and the planned compliance with European provisions in 2007 are circumstances to be welcomed, the envisaged deficit reduction from 2008 onwards is not sufficiently ambitious. The business tax reform planned for 2008, which is aimed, in particular, at making Germany a more attractive business and investment location, will lead to revenue shortfalls. Consequently, the deficit ratio is expected to remain initially at 1½% and to fall by only half a percentage point in each of the following two years. Despite the anticipated above-average growth in real GDP, in structural terms the Federal Government envisages a general government deficit of around 1% of GDP in 2010. Thus, even in the final year of the forecast period, there is no attempt to fulfil the aim set down in the Stability and Growth Pact of achieving at least a close-to-balance budget. In the entire three-year period from 2008 to 2010, the structural deficit ratio is set to fall by only half a percentage point in total. Thus, throughout the forecast period, structural consolidation is equivalent to an annual average rate of less than 0.5% of GDP. This runs counter to another of the main targets of the revised Stability and Growth Pact, whose reform was aimed precisely at increasing consolidation in good times. As recently as November, the Financial Planning Council also explicitly expressed unanimous support for annual structural consolidation of 0.5% of GDP beyond 2007. Not least the developments at the beginning of this decade have demonstrated how quickly an excessive deficit can arise when economic growth slackens significantly and no provisions have been made in good times. For this

reason, it would seem appropriate to pursue more ambitious medium-term aims in the future. It is now a question of determinedly resisting the temptation to increase debt that is likely to arise as a result of the favourable deficit trend. New fiscal “good deeds” would run counter to the aim of a sustainable consolidation of public finances.⁴

Statutory health insurance

In the third quarter of 2006, the statutory health insurance fund recorded a deficit of €¼ billion, which was only marginally higher than in the same period last year. Contribution receipts were up by almost 1½% on the year. Almost half of the increase in contribution receipts was attributable to the rise in the average contribution rate by 0.1 percentage point to just under 14.3% at the end of the period under review. Income subject to compulsory insurance (basic wage total) grew by almost ¾%. Overall revenue was up by just under 2% on the year.

Marginal deficit in third quarter

With an increase of 2%, expenditure grew only marginally faster than revenue. While growth rates in expenditure on both hospital and out-patient treatment were particularly strong (3½%), in the case of pharmaceuticals spending actually decreased by 2%. Growth in expenditure was apparently dampened at least temporarily by the Act improving cost-efficiency in pharmaceuticals supply (*Gesetz zur Verbesserung der Wirtschaftlichkeit in der*

Major slowdown in rise in expenditure

⁴ While civic works, for example, are desirable per se, the planned increase in tax incentives will lead to an increase in borrowing. In addition, this is not consistent with the objective of lowering tax rates by broadening the assessment basis and limiting exemptions.

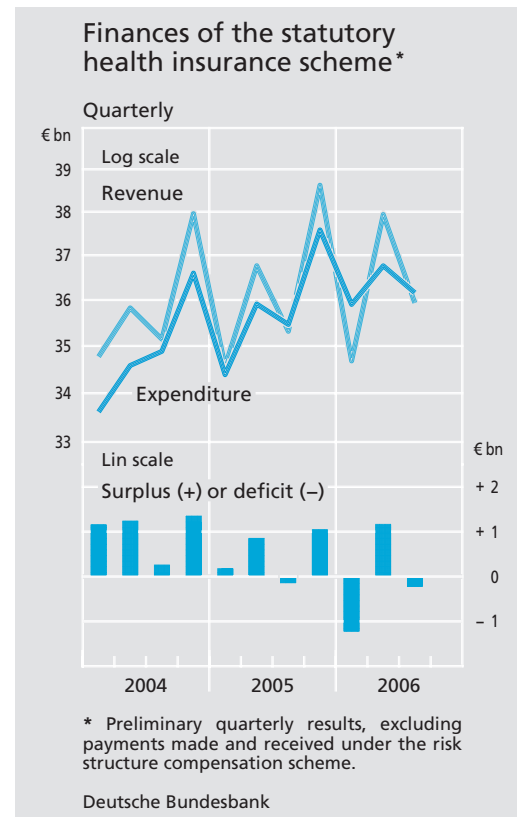
Arzneimittelversorgung) which came into force on 1 May 2006. Spending on dental treatment also fell by 4% and growth in expenditure on dentures was low at just under 1%. Expenditure on sickness benefits decreased by a further 2½%.

Surplus expected in 2006 as a whole

Thus, the negative balance in the first nine months also came to €¼ billion. However, the second instalment of the Federal grant, totalling €4.2 billion (compared with €2.5 billion last year), will not be transferred until the fourth quarter. This, combined with the increase in contribution receipts owing to Christmas bonuses, means that a substantial surplus is to be expected for the fourth quarter and for the year as a whole.

Greater financial pressure in 2007

For the coming year, the cut in the Federal grant has been reduced by €2.7 billion to €1.7 billion, meaning that €2.5 billion will still be transferred. However, this, in combination with the additional expenditure arising from the increase in VAT (almost €1 billion) alone will require an increase in the average contribution rate by almost 0.3 percentage point. Moreover, the statutory health insurance institutions are, as a rule, required to repay their debt by the end of 2007.⁵ The measures with short-term effects envisaged as part of the health system reform are designed to bring in savings of €1.4 billion as early as 2007. However, it is doubtful whether this will be successful, as the measures in question are mainly regulations governing the relationship between health insurance institutions and service providers, the effects of which will depend on the reactions of the parties involved, which can only be predicted



to a certain extent. Furthermore, an extension of the benefits offered is also planned. In addition, in the course of the legislative process, further financial burdens on health insurance institutions could arise.

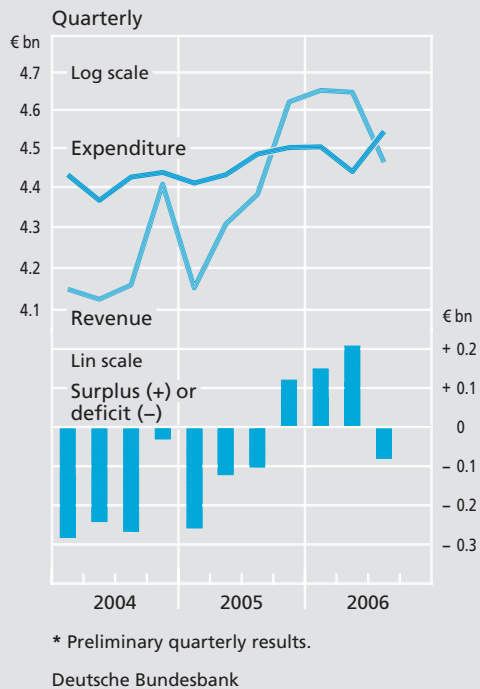
Statutory long-term care insurance scheme

There was a marginal deficit in the statutory long-term care insurance scheme in the third quarter of 2006. The surplus of just under €½ billion in the first half of the year was solely attributable to the fact that the transfer dates for social security contributions had been

Deficit in long-term care insurance scheme apparent again

⁵ Under the law changing the legal framework for contract doctors (*Vertragsarztrechtsänderungsgesetz*) an extension of the deadline until the end of 2008 is only possible in substantiated exceptional cases.

Finances of the statutory long-term care insurance scheme*



brought forward. In contrast to the statutory health insurance scheme, the quarterly financial statistics for the long-term care insurance scheme are based on an income-expenditure calculation without an accruals-based classification. As in the case of pension and unemployment insurance, as a result of a transitional regulation this lead to a temporary increase in income in the months up to and including July. However, as in the health insurance scheme, the contributions will be allocated to the underlying fees on an accruals basis in the final annual accounts. These accounts will therefore record a deficit rather than a surplus for the first nine months of the year. On the expenditure side, there was a continued shift away from nursing benefit towards non-financial benefits (in particular, inpatient nursing care).

Securities markets

Bond market

Issuing activity in the German bond market was again very buoyant in October. Debt securities were sold for a total of €91.8 billion, compared with €101.2 billion in the previous month. After deducting redemptions and accounting for changes in issuers' holdings of their own bonds and notes, the volume of domestic bonds outstanding increased by €23.1 billion. In addition, €18.2 billion worth of foreign bonds were sold in Germany, most of which consisted of euro-denominated paper. Sales of German and foreign bonds in the month under review raised funds totalling €41.3 billion.

Sales of debt securities

In October, general government increased its capital market debt by €14.2 billion following very limited recourse to the market in September. Central government borrowing accounted for €13.7 billion of this, with sales of two-year Federal Treasury notes in the amount of €5.5 billion, five-year federal notes (Bobls) to the value of €5.3 billion and a limited quantity of ten-year Bunds (€2.3 billion) as well as some Treasury discount paper (Bubills) and Federal Treasury financing paper. On balance, state governments issued €0.6 billion worth of bonds and notes.

Public debt securities

During the month under review, banks raised €8.7 billion from the sale of their own bonds. Specialised credit institutions issued debt securities worth €6.6 billion net. Other bank debt securities, which can be structured flexibly, were sold for €4.3 billion. In addition,

Bank debt securities

credit institutions issued €2.2 billion net worth of public Pfandbriefe while the outstanding amount of mortgage Pfandbriefe was reduced by €4.4 billion.

Corporate bonds

In October, non-financial corporations were hardly present as issuers on the German bond market. They redeemed €0.3 billion worth net of longer-term corporate bonds and issued €0.4 billion worth of short-term commercial paper.

Purchases of debt securities

On the buyers' side, domestic credit institutions and foreign investors were the main purchasers of debt securities in October. Banks acquired bonds worth €14.7 billion, these consisting exclusively of foreign paper on balance. Issues of German private and public sector borrowers were mainly acquired by foreign investors (€18.3 billion). By contrast, bond market investment by German non-banks was on a limited scale (€8.3 billion). They mostly bought public sector securities (€5.2 billion) and, to a lesser, extent private sector paper (€1.4 billion) along with foreign debt securities (€1.8 billion).

Equity market

Sales and purchases of shares

Issuing activity in the German equity market was very subdued in October. Listed enterprises placed new shares with a market value of €0.2 billion, compared with a figure of €0.7 billion in September. Furthermore, sales of foreign equities in cross-border portfolio investment raised €0.9 billion net. On balance, German shares were purchased solely by foreign investors (€6.6 billion), whereas German investors disposed of equities in the

Sales and purchases of debt securities

€ billion			
Item	2005	2006	
	October	Sep-tember	October
Sales of domestic debt securities ¹	0.7	0.3	23.1
<i>of which</i>			
Bank debt securities	1.1	- 2.3	8.7
Public debt securities	- 1.9	0.2	14.2
Foreign debt securities ²	6.0	15.5	18.2
Purchases			
Residents	- 5.7	13.2	23.0
Credit institutions ³	- 3.3	7.6	14.7
Non-banks ⁴	- 2.4	5.6	8.3
<i>of which</i>			
Domestic debt securities	- 4.7	1.0	6.6
Non-residents ²	12.4	2.6	18.3
Total sales/purchases	6.7	15.8	41.3

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

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amount of €7.3 billion. Above all, German non-banks reduced their equity investments (-€5.7 billion). In parallel with this, banks also lowered their stock market exposure somewhat (-€1.6 billion).

Mutual fund shares

In October, domestic mutual funds recorded net outflows of €1.3 billion. Funds open to the public remained the most affected (-€0.8 billion), as were the specialised funds reserved for institutional investors, albeit to a smaller extent (-€0.5 billion). Of the funds open to the public, both bond-based and share-based funds had to accept return flows of mutual fund shares. At the same time, open-end real estate funds, which in the last two years had been faced with large outflows of funds,

Sales of mutual fund shares

Major items of the balance of payments

€ billion

Item	2005		2006	
	Oct	Sep ^r	Sep ^r	Oct
I Current account				
1 Foreign trade ¹				
Exports (fob)	r 68.6	* 79.5	* 84.1	
Imports (cif)	r 56.8	63.8	66.8	
Balance	+ 11.8	* + 15.7	* + 17.3	
<i>Memo item</i>				
Seasonally adjusted figures				
Exports (fob)	67.4	* 78.9	* 81.0	
Imports (cif)	55.2	63.9	63.7	
2 Supplementary trade items ²	- 2.3	- 1.7	- 1.8	
3 Services				
Receipts	11.0	11.7	12.2	
Expenditure	13.7	15.1	14.3	
Balance	- 2.8	- 3.4	- 2.2	
4 Income (net)	+ 1.4	+ 1.7	+ 1.1	
5 Current transfers				
from non-residents	0.6	0.9	0.6	
to non-residents	2.9	3.6	3.4	
Balance	- 2.3	- 2.7	- 2.9	
Balance on current account	+ 5.8	+ 9.7	+ 11.6	
II Capital transfers (net) ³	+ 0.3	- 0.2	+ 0.0	
III Financial account (net capital exports: -)				
1 Direct investment	+ 0.4	- 9.7	- 4.3	
German investment abroad	- 6.3	- 15.2	- 5.8	
Foreign investment in Germany	+ 6.7	+ 5.5	+ 1.5	
2 Portfolio investment	+ 2.9	- 16.4	+ 6.5	
German investment abroad	- 7.8	- 20.9	- 16.7	
of which				
Shares	+ 1.6	- 5.0	+ 2.2	
Bonds and notes ⁴	- 6.1	- 15.5	- 16.2	
Foreign investment in Germany	+ 10.7	+ 4.4	+ 23.2	
of which				
Shares	+ 0.1	+ 1.8	+ 5.3	
Bonds and notes ⁴	+ 13.5	+ 7.0	+ 13.8	
3 Financial derivatives	- 3.5	+ 0.8	- 1.7	
4 Other investment ⁵	- 7.2	+ 11.8	- 2.9	
Monetary financial institutions ⁶	+ 2.2	- 0.7	+ 3.4	
of which				
Short-term	+ 6.9	+ 6.3	+ 8.5	
Enterprises and households	- 1.0	+ 1.1	- 4.9	
General government	- 0.2	+ 3.2	- 6.4	
Bundesbank	- 8.3	+ 8.3	+ 4.9	
5 Change in the reserve assets at transaction values (increase: -) ⁷	+ 0.2	+ 0.5	+ 0.4	
Balance on financial account ⁸	- 7.3	- 13.0	- 1.9	
IV Errors and omissions	+ 1.2	+ 3.5	- 9.6	

* Positively influenced by late reports. — 1 Special trade according to the official foreign trade statistics (source: Federal Statistical Office). — 2 Mainly warehouse transactions for account of residents and deduction of goods returned as well as goods under repair. — 3 Including the acquisition/disposal of non-produced non-financial assets. — 4 Original maturity of more than one year. — 5 Includes financial and trade credits, bank deposits and other assets. — 6 Excluding Bundesbank. — 7 Excluding allocation of SDRs and excluding changes due to value adjustments. — 8 Balance on financial account including change in the reserve assets. — Discrepancies are due to rounding.

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recorded positive net inflows of funds again in October. Shares in money market funds were also in demand. Sales of foreign mutual fund units reached €0.7 billion net.

On balance, credit institutions were the sole purchasers of mutual fund shares (€1.2 billion), acquiring shares in both domestic and foreign investment companies. German non-banks reduced their investment in domestic mutual funds (-€1.7 billion) and purchased a small quantity of foreign funds. Foreign investors likewise disposed of shares in German-based mutual fund companies (-€0.3 billion).

Purchases of mutual fund shares

Balance of payments

The German current account recorded a surplus of €11.6 billion in October, compared with €9.7 billion in the previous month. An increase in the trade surplus and a slightly lower deficit on invisible current transactions, which comprise services, income and current transfers, contributed to the rise.

Current account

According to provisional figures from the Federal Statistical Office, the foreign trade surplus increased by €1.6 billion to €17.3 billion in October. After adjustment for seasonal and working-day variations, the balance rose by €2 billion to €17¼ billion. The value of exports of goods went up by 2½%. On an average of the last three months under review (August to October), seasonally adjusted exports were 7¾% above the level of the preceding three-month period. The months of September and October were positively influ-

Foreign trade

enced by late reports. By contrast, the value of imports of goods fell in October (-1/4%). The fall can be attributed mainly to lower oil prices and the fact that the euro tended to appreciate. Nevertheless, in the last three months, imports exceeded the figure for the previous period by 4³/₄%.

Invisibles

The deficit on invisible current transactions went down by €0.4 billion on the month to €3.9 billion in October. The main reason for this was that the deficit on services decreased by €1.2 billion to €2.2 billion. However, net receipts from cross-border income fell by €0.6 billion to €1.1 billion. In addition, the deficit on current transfers went up by €0.2 billion to €2.9 billion.

Portfolio investment

There were net capital imports amounting to €6.5 billion resulting from cross-border portfolio investment in October, after large capital outflows in the previous month (€16.4 billion). The main reason for the reversal was a surge in portfolio investment by non-residents in Germany to €23.2 billion (compared with €4.4 billion in September). In particular, they increased their demand for German debt securities (€18.3 billion), buying both bonds (€13.8 billion) and money market paper (€4.4 billion); furthermore, they invested €5.3 billion in the German stock market. However, residents invested in foreign securities to much the same extent as in September (€16.7 billion, compared with €20.9 billion). They mostly acquired debt securities, whereas they sold foreign shares (€2.2 billion).

In contrast to portfolio investment, direct investment resulted in outflows of funds (€4.3 billion net). These can be attributed to capital exports by German firms (€5.8 billion), which provided their foreign affiliates with both additional capital and loans. Foreign enterprises marginally increased their investment in Germany (€1.5 billion). Although they topped up their equity capital in Germany somewhat more heavily, domestic subsidiaries of foreign firms repaid group loans which they had previously raised from their foreign parent companies.

Direct investment

Other investment, which comprises loans and trade credits as well as bank deposits and other assets, resulted in net outflows in October (€2.9 billion). Both the activities of general government and those of enterprises and households led to net capital exports (€6.4 billion and €4.9 billion, respectively). Both sectors invested liquid funds in bank accounts abroad. By contrast, the non-securitised credit transactions of the banking system, which may be seen as the counterpart to the other cross-border payments, resulted in net inflows of funds (€8.3 billion). The funds accruing to the Bundesbank (€4.9 billion) were attributable mainly to a reduction in claims within the large-value payment system TARGET.

Other investment

The Bundesbank's reserve assets declined slightly – at transaction values – by €0.4 billion in October.

Reserve assets

Germany in the globalisation process

Over the past 15 years, Germany's increasing participation in the international division of labour has taken place against the backdrop of an especially dynamic globalisation process. Technical progress and the tendency towards decreasing communication and transport costs have encouraged the rapid integration of the world economy. In the early 1990s, globalisation received an additional boost from the integration of formerly non-market-oriented economies into the international division of labour. In addition to the central and east European countries, China is most notably contributing to corresponding changes. German enterprises have used the new opportunities to improve their competitiveness. This is apparent not least from the dynamic growth in German exports. In spite of the emergence of new competitors, German industry has been able, for the most part, to maintain its export market shares over the past few years. In the long term, however, taking advantage of globalisation and limiting the inevitable adjustment costs requires a willingness to make structural change and reforms in Germany. This report analyses different facets of the globalisation process and looks at the factors determining Germany's position in the world market.

Indicators of Germany's increasing integration into the world economy

Foreign trade grows faster than gross domestic product

The internationalisation of economic life, which accompanies the rapidly advancing globalisation process, is reflected in the sharp increase in cross-border activities in the goods and capital markets, among other things. This development can be seen, for example, in the fact that world trade has been growing faster in past decades than worldwide economic output. During the past 20 years, world trade has increased 1½ times as much as global gross domestic product (GDP). In the 1990s, world trade grew at an annual average of 6½%, which was actually twice as fast as real economic output. More and more goods and services are becoming tradable. At the same time, companies and economies have become more involved in foreign trade. Accordingly, the degree of real economic openness of many countries – total exports and imports of goods and services as a ratio of GDP – has increased significantly. This ratio has also noticeably increased in Germany. For instance, the real economic transaction volume with foreign countries increased from just over 60% of GDP in 1990¹ to over 75% last year. This is a high value for a relatively large industrial country in terms of GDP and shows Germany to be a very open economy. The corresponding figure for the USA and for Japan in 2005 was 27% in both cases.

Trade in services also rises

Cross-border trade in goods, in particular, is shaping Germany's high degree of real economic openness. About 83% of German foreign trade transactions are determined by trade in goods. Although the cross-border ex-

change of services has markedly increased over the past few years, in line with a worldwide trend it has not increased any more than the trade in goods. Even so, the structure of the German services account reflects changes in international service transactions. Thus, in addition to the traditionally significant travel and transport segments, it is mainly technological services that are gaining ground. In 2005, they accounted for 20% of German revenue and for almost 15% of German expenditure in the services sector. The corresponding shares in 1990 had been 10% and 9%, respectively.²

The momentum in foreign trade is also a sign of the internationalisation of production and enterprises. This is accompanied by a worldwide increase in cross-border direct investment stocks. Various studies show that there is a complementary relationship between a country's foreign trade development and its direct investment.³ The globalisation of enterprises has therefore become a dominant factor in the world's economic integration. At the same time, from an enterprise's point of view, it is often the global perspective that is now of major importance for decisions on development, production and sales. According to UNCTAD figures, worldwide foreign direct investment (FDI) stocks amounted to over

Internationalisation of enterprises

¹ Western Germany.

² The figures refer to services in the areas of patents and licences, research and development, engineering and other technical services, as well as IT services.

³ See Deutsche Bundesbank, German foreign direct investment (FDI) relationships: recent trends and macroeconomic effects, Monthly Report, September 2006, pp 43-58, and Task Force of the Monetary Policy Committee of the European System of Central Banks, Competitiveness and the Export Performance of the Euro Area, ECB Occasional Paper No 30/2005.

US\$10 trillion in 2005. About 77,000 transnational enterprises with about 770,000 branches are involved. Their importance for the world economy is significant, and this can be seen not least in the fact that an estimated 62 million people were employed in these branches in 2005. Germany's outward direct investment constituted 9% of worldwide FDI stocks while Germany's inward direct investment constituted 5% of worldwide FDI stocks.⁴

German enterprises as global players

Many German enterprises focus on strengthening their competitive position and opening up new markets by means of an investment abroad.⁵ For 2004, the Bundesbank's Micro-database Direct investment (MiDi) shows about 22,700 German branches abroad and about 9,000 branches of foreign enterprises in Germany. The cross-border investment both of German enterprises abroad and of foreign enterprises in Germany has increased considerably over the past few years. Since 1990, the statistically recorded direct investment stocks of German enterprises abroad have risen by a multiple of 6½, which is somewhat more than the worldwide increase. In the opposite direction, growth was weaker: the FDI stocks in Germany in 2004 were only four times as great as their value in 1990.⁶

Growing importance of emerging market economies

Not only the increase but also the structure of worldwide FDI stocks reflect the globalisation process and the changes in the worldwide division of labour. In 1990, for example, 80% of worldwide FDI stocks were concentrated on industrial countries. In 2005, the corresponding share was 70%. Since the early

1990s, developing countries have been attracting substantial foreign capital. However, this investment has been concentrated on just a few countries, mainly in Asia. China, in particular, has become one of the preferred locations for foreign direct investment in recent years. This seems to be mainly a reflection of the direct investment motives of production cost savings and market access. In recent years, however, Asia has also been gaining increasing importance as a direct investment capital supplier.⁷ Apart from Asia, the central and east European countries have been noticeably integrated into the internationalisation of production by means of direct investment since the early 1990s.

With regard to German enterprises' investment abroad, it becomes evident that first and foremost a greater investment in the new central European EU member states as well as in the USA has changed the regional breakdown. In the accession countries, the share of German outward direct investment rose from virtually zero in 1990 to 6% of late while, in the USA, it rose from 23% to 33% in the same period. By contrast, the sharp increase in direct investment (in terms of growth rates) that has also occurred in the

Changes in structure of German direct investment abroad

⁴ See UNCTAD, World Investment Report 2006. International comparisons of direct investment figures are partly complicated by the fact that country data do not always have the same valuation basis. For example, German data are specified at book value whereas some other countries record stock statistics at market value.

⁵ See German Chamber of Industry and Commerce (Deutscher Industrie- und Handelskammertag), Investitionen im Ausland, Ergebnisse einer DIHK-Umfrage bei den Industrie- und Handelskammern, spring 2006.

⁶ See Deutsche Bundesbank, German foreign direct investment (FDI) relationships: recent trends and macroeconomic effects, Monthly Report, September 2006, pp 43-58.

⁷ See UNCTAD (2006), loc cit.

emerging markets of South-East Asia⁸ and in China over the past 15 years has not caused these countries' share of overall German investment to rise significantly (2% and 1%, respectively).⁹

Direct investment in services sector increases worldwide

The change in the worldwide direct investment structure is also revealing when broken down by sector. For example, the importance of direct investment in the services sector has increased in recent years. While this sector accounted for only about one-quarter of worldwide FDI stocks in the early 1970s, the corresponding share in 2002 was some 60%.¹⁰ This may be due not least to the fact that, in the services sector, the opportunities created by technical progress and decreasing costs in the communication sector are of great importance. A policy of market-opening in many countries also played a part. In terms of amount, German direct investment is also focused on the services sector, which recently (2004) was the focus for about 70% of investment. Financial services, in particular, played an important role in this.

International competition also increases in services sector

In other words, enterprises are increasingly making use of the opportunities created by the globalisation process by taking the global perspective into consideration when making decisions on production and organisation in the services sector. Just as the goods markets have been subject to increasingly intense international competitive pressure, the services sector in industrial countries is now also facing more and more international competition.

The process of increasing global integration is especially discernible in the financial markets. More and more countries have access to the international capital market. At the same time, there has been a sharp rise in the volume of cross-border securities transactions in recent years. In the case of Germany, for example, the turnover in portfolio investment with non-residents in 2005 was just over 570% of GDP – ten times as much as in 1990. In the USA, the corresponding ratio in 2005 was just under 330%.

Rapid growth in international capital flows

Other factors, such as the close coupling of interest rates for long-term bonds or the growing international correlation of share prices, also provide evidence of the rapidly advancing financial market integration.¹¹ Further evidence is found in the sharp rise in the degree of financial openness of many economies. This degree of openness represents the ratio of the sum of external assets and liabilities to GDP. For Germany, it amounted to just over 340% in 2005, which was three times as high as in 1990. In the USA the corresponding indicator increased in this period by 116 percentage points to just under 200%

Increasing degree of financial openness

⁸ Brunei Darussalam, Hong Kong, Indonesia, South Korea, Malaysia, Philippines, Singapore, Taiwan and Thailand. See Deutsche Bundesbank, International capital links, Special Statistical Publication 10, April 2006.

⁹ See Deutsche Bundesbank, Germany's external relations with the People's Republic of China, Monthly Report, June 2005, pp 35-50.

¹⁰ A great part of this direct investment is aimed at opening up markets in the field of non-tradable services. See UNCTAD, The shift towards services, World Investment Report 2004.

¹¹ See Deutsche Bundesbank, International integration of German securities markets, Monthly Report, December 2001, pp 15-28, and Deutsche Bundesbank, Current trends and structural changes in the public bond market, Monthly Report, October 2006, pp 29-44.

and in Japan by some 60 percentage points to 165%.

Globalisation shapes structural change in industrial countries

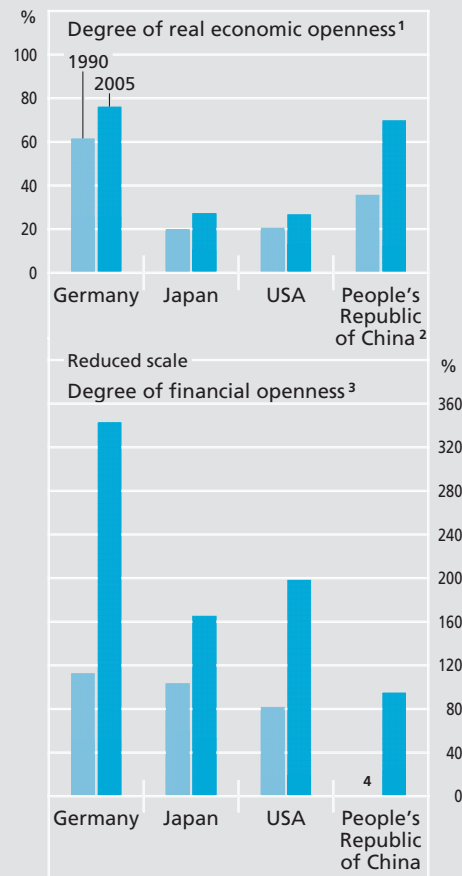
The scope and the pace at which the integration of the goods and capital markets has advanced in recent years were also accompanied by a globalisation change. After the Second World War, the integration of the western industrial countries, in particular, advanced rapidly. In the meantime, the globalisation process also covers most developing countries and emerging market economies, whose degree of openness is often higher than that of the leading industrial countries.¹² This changes the challenges of the growing economic interdependence for an industrial country such as Germany. The degree to which a country can benefit from the opportunities of open markets is mainly determined by domestically influenced factors. In this connection, structural change and accompanying structural reforms play a central role. Not only do they contribute towards strengthening the relative position of an economy in the international economic structure, they also are essential from a domestic perspective, especially for Germany.

Advantages and challenges of globalisation

Prosperity gains from exploiting comparative cost advantages ...

According to foreign trade theory, the international division of labour which exploits comparative cost advantages leads, under competitive conditions, to efficiency gains and increases the average per capita income. Compared with a situation without foreign trade, the economies concerned have greater

Degree of openness of the economy of selected countries



Sources: IMF and WTO. — 1 Exports plus imports according to the national accounts as a percentage of the respective GDP. — 2 Exports and imports according to customs statistics. — 3 External assets plus external liabilities as a percentage of the respective GDP. — 4 Data for 1990 not available.

Deutsche Bundesbank

consumption possibilities. Efficiency gains are also expected from the modern forms of the international division of labour, such as splitting and outsourcing production processes by

¹² In 2005, almost 44% of worldwide exports of goods were from developing countries or emerging market economies although their economic output constituted only about one-quarter of global value added. In 1990, the exports of this group of countries still accounted for less than 30% of world trade. See IBRD, World Development Indicators 2005, and IMF, World Economic Outlook Database, September 2006.

means of offshoring, ie undertaking parts of the production abroad either in an enterprise's own branches or by means of foreign non-affiliated companies.¹³ This makes it possible to separate human or fixed-capital-intensive areas, such as administration, research or final assembly, from the often labour-intensive production of individual sub-components. The growing importance of this "fragmentation" can be seen in the fact that not only finished products but increasingly more intermediate goods are traded between countries.¹⁴

*... greater
product variety
and ...*

In contrast to the aforementioned inter-industrial trade in various goods, the intra-industrial trade in goods within a sector does not depend primarily on the exploitation of comparative cost advantages but mainly on the existence of economies of scale, ie the advantages of mass production. Such cost structures are typically due to a large block of fixed costs, owing to the intensive use of fixed capital or technical knowledge. Economies of scope that result from the size of a network and play a great role in telecommunication, for example, have a similar effect. In both cases, foreign trade allows not only falling average production costs but also a greater product variety.¹⁵ Ultimately, both is beneficial to consumers.

*... dynamic
effects*

The direct advantages of the international division of labour are supplemented by indirect earnings, which often may be difficult to quantify but undoubtedly play an important role in the long term. At enterprise level, the dynamic effects of intensified competition and of an accelerated dissemination of tech-

nical knowledge are particularly worth mentioning. Moreover, economic policy makers see themselves exposed to greater competition between the systems and are driven to stricter fiscal discipline, for example.

According to estimates by the European Commission, one-fifth of the rise in the standard of living in the EU countries over the past 50 years is due to the greater openness of the world economy.¹⁶ However, globalisation also increases the individual economic need for adjustment and accelerates macro-economic structural change. Individual sections of the population and economic sectors may be affected quite differently by this. Necessary adjustments are signalled by shifts in the relative prices of goods and in relative income. For example, an additional supply of production factors, goods or services at first generally signifies an intensification of competition and a deterioration in the income situation of the existing providers whereas additional foreign demand tends to have positive effects on income. The changes due to the in-

*Globalisation
increases need
for adjust-
ment ...*

¹³ See J Bhagwati et al (2004), The muddles over outsourcing, *Journal of Economic Perspectives*, Vol 18, pp 93-114.

¹⁴ See J Kleinert (2003), Growing trade in intermediate goods: outsourcing, global sourcing, or increasing importance of MNE networks?, *Review of International Economics*, Vol 11, pp 464-482.

¹⁵ See C Broda und D Weinstein (2004), Globalization and the gains from variety, Federal Reserve Bank of New York, Staff Report No 180.

¹⁶ See European Commission, *Rising International Economic Integration – Opportunities and Challenges*, The EU Economy 2005 Review. Various empirical studies have examined the positive income effects of foreign trade for different countries. See J A Frankel and D Romer (1999), Does trade cause growth?, *The American Economic Review*, Vol 89, pp 379-399; A Bassanini and S Scarpetta (2001), The driving forces of economic growth: panel data evidence for the OECD countries, *OECD Economic Studies* No 33, pp 9-56; M Nogueur and M Siscart (2005), Trade raises income: a precise and robust result, *Journal of International Economics*, Vol 65, pp 447-460.

tensified trade links between Germany and China are a case in point: the low prices for textiles from the Far East increased the competitive pressure on producers in Germany (and in other European countries). From 2000 to 2005 alone, German imports of textiles and clothing from China increased by 90%, and the production in Germany dropped by almost 25%. By contrast, German mechanical engineering enterprises almost tripled their sales in China in the same period.

Globalisation and labour market

... also in labour markets

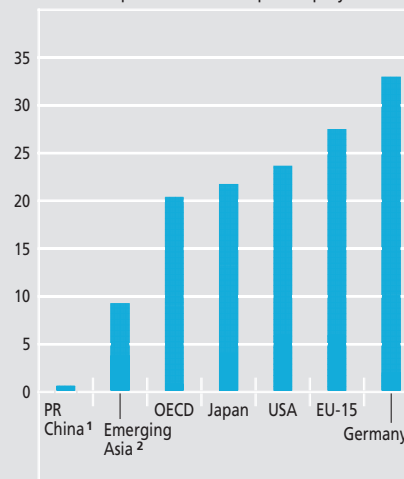
The adjustments in the labour markets which are linked to globalisation are an especially sensitive issue in social politics. In industrial countries such as Germany, which is considered a "high-wage country" by international standards, the globalisation process and the associated need for adjustment are often seen as a threat to jobs, wages and working conditions.

Additional supply of labour abroad ...

It is true that the conditions in the international labour market have changed very dramatically and very rapidly over the past few years. China and India alone each boast a population of over 1 billion. In the meantime, the factor labour has become much more available to enterprises operating worldwide than 20 years ago. The wage differences on the global labour market are considerable. However, this reflects not only differences in factor endowments, productivity and "quality", in the sense of training and performance, but also significant differences in living standards and in social welfare. Wage differences alone, however, say nothing

Labour costs in the manufacturing sector of selected countries and regions in 2005

US dollars per hour worked per employee



Source: US Department of Labor, Bureau of Labor Statistics. — 1 Data for 2004. — 2 Hong Kong, South Korea, Singapore and Taiwan.

Deutsche Bundesbank

ing about the advantages of individual locations. For an industrial country such as Germany, the question still remains as to which adjustments and challenges accompany the globalisation process.

Real foreign trade theory makes it possible to describe potential effects of a change in international factor endowments – as observed in recent years – on the structural change and labour markets in the industrial countries. To a certain extent, the worldwide growth in the supply of low-priced and comparatively labour-intensive goods and services foreshadows a structural change in industrial countries at the expense of the sectors competing with imports, especially since capital movements in the form of direct investment, for example, also contribute to this.

... influences structural change in Germany

*Domestic
factors
dominate*

The increasing availability of low-paid work can contribute to rising wage differences in the industrial countries.¹⁷ However, unemployment may also arise in countries where wages do not react flexibly enough.¹⁸ Especially in the case of poorly qualified workers in industrial countries, there is the danger that the wages paid exceed their productivity and that a downward wage adjustment is prevented by explicit or implicit minimum wages. These jobs then cannot withstand the competition. A comparison of unemployment among poorly qualified persons in OECD countries indicates, for example, that Germany has been less successful than some other countries in integrating persons with only low qualifications into the work process. In Germany, the corresponding unemployment rate in 2004 was 20.5%, which was just over 7 percentage points higher than ten years earlier. In the OECD average and in the EU average, however, it remained virtually constant during the same period; in 2004, it was 10.4% and 12.9%, respectively.¹⁹ However, various studies show that other factors, such as technical progress and corresponding changes in qualification requirements, dominate employment in the industrial countries more than the effects of the international division of labour.²⁰

*Contrasting
adjustment
effects*

The empirical evidence for the effects of globalisation on the labour markets of industrial countries is not conclusive. In view of the partly contrasting effects over different horizons, this finding is not surprising. Thus, negative consequences for individual sectors and groups of persons may well be expected in the short and medium term. However,

these costs in the transition phase are set against the advantages arising in the long term. First, jobs that are lost tend to be replaced by higher-grade jobs with better income prospects. Second, less productive jobs can also benefit in the long term from a generally rising income level. A current study by the European Commission is simulating these effects for the EU countries and concludes that the costs of the adjustment period are relatively low compared with the possible long-term gains.²¹ The simulation also shows that protectionist measures would result in a substantial long-term downturn in the income level in the EU. By contrast, economic policy reforms can facilitate the adjustment processes. They make it possible to exploit potential advantages of globalisation more effectively and would significantly improve the EU countries' income prospects. In this context, the institutional framework in the labour market also plays a central role in influencing the effects of the structural change on employment and unemployment.²²

¹⁷ See R C Feenstra and G H Hanson (2003), Global production sharing and rising inequality: a survey of trade and wages, in K Choi and J Harrigan (eds), *Handbook of International Trade*, Oxford, pp 146-185.

¹⁸ See OECD, *Employment Outlook 1997*, Paris; B Hoekman and L A Winters (2005), *Trade and employment: stylized facts and research findings*, World Bank Policy Research Working Paper 3676.

¹⁹ See OECD, *Education at a Glance 2006*, Paris. For the general context, see H-W Sinn (2005), *Die Basar-Ökonomie*, Berlin.

²⁰ See OECD, *Employment Outlook 2005*, Paris.

²¹ See C Denis et al (2006), *Globalisation: trends, issues and macro implications for the EU*, *European Economy, Economic Papers* No 254.

²² See OECD (2005), loc cit; European Commission (2005), loc cit; M P Moore and P Ranjan (2005), *Globalisation vs. skill-biased technological change: implications for unemployment and wage inequality*, *Economic Journal*, Vol 115, pp 391-422.



Flexible labour markets as important adjustment determinant ...

In Germany, too, the flexibility of wages or of the wage structure is an important determinant of the labour market effects which stem from the growing international division of labour and the necessary adjustment to the changes of the worldwide factor endowments. Against this background, the partial flexibilisation in the German labour market which has been introduced over the past few years at least points in the right direction. The manufacturing sector, in particular, has been subject to major restructurings over the past ten years, which have ultimately also had the effect of raising labour productivity and lowering unit labour costs. In terms of these unit labour costs, the international competitiveness of German enterprises has substantially improved over the past few years. Vis-à-vis that of enterprises in 19 industrial coun-

tries, it is now almost 19% more favourable than in 1995, when it reached a low. Compared with the other euro-area countries, Germany's competitive position improved by 20% in this period.

The general cost discipline in terms of wages, the flexibility of working hours, the broader range of forms of employment and more efficient production processes contributed to this improvement. However, the rise in labour productivity partly also involved the shedding of labour and the associated social adjustment costs. Nevertheless, the labour market reforms facilitate the reintegration of these workers, since the reservation wage is not as rigid as previously. However, the most recent discussions about the extension of minimum wage regulations to various sectors point in



the opposite direction. Given the worldwide factor endowment, however, it is also not forward-looking to think that the wage costs component alone would enable the retention of large-scale labour-intensive production, which is in direct competition with imports from suppliers from countries with very low wages.

Consequently, a major determinant of the German labour market's standing in the global environment will always be the provision of market-related in-service training for the workforce. In this context, it will become increasingly important to continuously adjust higher education and further training to new challenges. An empirical study with German data at corporate level shows that innovations are the driving force behind German

exports.²³ When Germany's future economic viability is being considered, this assigns a central role to an efficient education system. It is an important determinant of the locational quality and forms the key to the efficient use of the advantages that globalisation offers to advanced economies.

Foreign trade, world market shares and structural change

Over the past few years, German exporters have made an important contribution to overall economic growth in Germany.²⁴ For example, while real GDP has expanded by 14% since 1995, exports have more than doubled in this period. At the same time, however, there has been a marked increase in the import content of German exports (from 31% in 1995 to 41½% in 2005). This reflects the closer cross-border ties and the growing fragmentation of producing goods for export in the global environment. The determinants that have shaped Germany's relative position on the world markets in the globalisation process are examined below. This involves relative price fluctuations, the patterns of specialisation that have developed over the years as well as exogenous changes and corresponding adjustment reactions.

Changing pattern of specialisation

²³ See S Lachenmaier and L Wößmann (2006), Does innovation cause exports? Evidence from exogenous innovation impulses and obstacles using German micro data, Oxford Economic Papers, Vol 58, pp 317-350.

²⁴ According to the figures of the Federal Statistical Office's input-output calculation, the share of the export-induced domestic gross value added rose from 13.7% in 1995 to about 20% in 2005. See Federal Statistical Office, Konjunkturmotor Export, Materialienband zum Pressegespräch am 30. Mai 2006 in Frankfurt am Main.

... must be supplemented by qualification measures

German terms of trade moved sideways in recent years

The price ratio of the German export and import goods on the world market (terms of trade) has fluctuated sharply since the early 1970s. After showing a clear downward trend from the start of the first oil crisis to the end of the second oil crisis, the price ratio rose sharply in the mid-1980s owing to the emerging fall in prices for crude oil and has since been moving mainly sideways, with an interim peak before the turn of the millennium.

Slight increase in real world market shares

The real world market shares of German exports rose to over 10% between 1970 and 1985,²⁵ only to fall again owing to the influence of growing competition from Europe and Asia and later also to German reunification to barely more than 8% and therefore actually below the 1970 level. Since the mid-1990s, there has been another slight upward trend, with the result that Germany's export shares reached almost 9% in 2005. All in all, the German terms of trade and the real world market shares have mostly been moving in opposite directions since the early 1970s. An important link between the two variables is the relationship between the terms of trade and the real exchange rate, which symbolises a country's price competitiveness.

Terms of trade and real exchange rate

While the terms of trade describe the price ratio between export and import goods, the real exchange rate converts the domestic price level to foreign currency and sets it in relation to the foreign price level.²⁶ Accordingly, the relationship between the terms of trade and the real exchange rate is all the closer, the more the law of one price is applied in the world markets and the more pronounced

the correlation between the price development for export goods and the price index that is used for the calculation of the real exchange rate is.²⁷

Price competitiveness, for its part, is a central determinant of the development of a country's shares of world exports. Together with non-price factors, it has a significant influence on how an economy fares under the conditions of globalisation. Moreover, the world market shares are influenced by the regional and sectoral composition of exports. This "structural effect" can be separated from the actual competition effect by means of an analysis of constant market shares.²⁸

The structural effect illustrates the changes in world market share that result from the re-

Determinants of real world market shares

Structural effect for Germany consists of ...

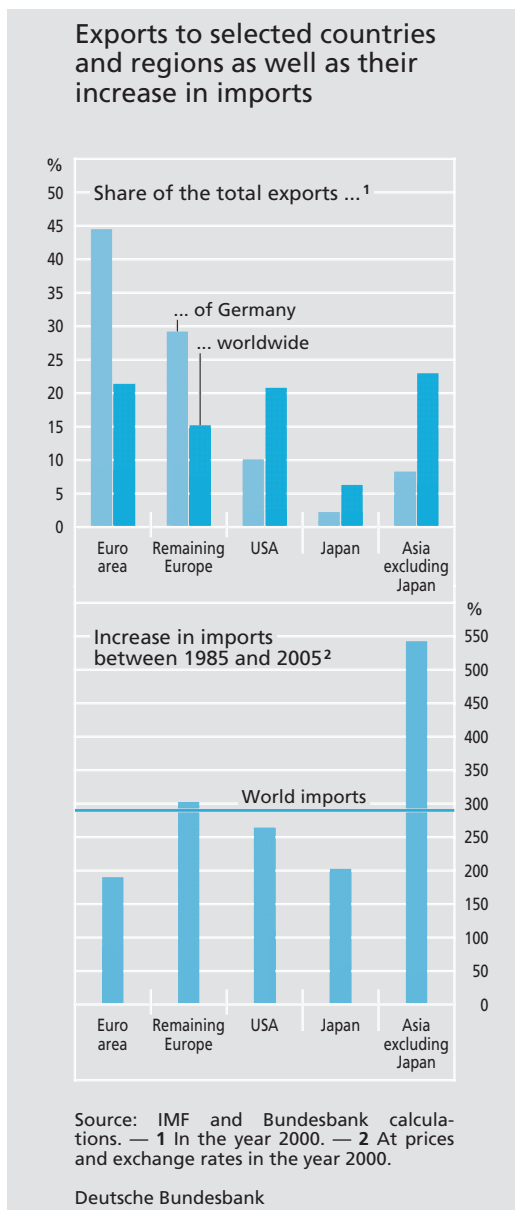
²⁵ At prices and exchange rates in the year 2000. For a calculation of real world market shares, see also Deutsche Bundesbank, Germany's world market shares, Monthly Report, November 2002, p 40.

²⁶ If the price level is compared with the weighted average of the price indices of the most important trading partners, this is called the real effective exchange rate. See Deutsche Bundesbank, New calculation of the indicators of the price competitiveness of the German economy, Monthly Report, November 2001, pp 50-53.

²⁷
$$e = TOT \cdot \frac{E \cdot P_X^*}{P_M^*} \cdot \frac{P_X}{P_X^*} \cdot \frac{P_X^*}{P_X^*}$$

where e = real exchange rate; TOT = terms of trade; E = nominal exchange rate; X = index for export goods; M = index for import goods; * = index for foreign countries. For Germany, the correlation coefficient between the terms of trade and price competitiveness on the basis of the price deflator of total sales was 0.46 for the period from 1985 to 2005. Since the existence of European monetary union, it has actually risen to 0.87.

²⁸ For the analysis of constant market shares, see C Milana (1988), Constant market share analysis and index number theory, European Journal of Political Economy, Vol 18, pp 603-617; A H Q M Merkies and T Van der Meer (1988), A theoretical foundation for constant market share analysis, Empirical Economics, Vol 13, pp 65-80, and J Fagerberg and G Sollie (1987), The method of constant market shares analysis reconsidered, Applied Economics, Vol 19, pp 1571-1583. See also Task Force of the Monetary Policy Committee of the European System of Central Banks (2005), loc cit, as well as European Central Bank, Competitiveness and the export performance of the euro area, Monthly Bulletin, July 2006, pp 69-79.



gional specialisation (market effect) and the sectoral specialisation (product effect) of an economy.²⁹ For example, if German exports are more (less) closely oriented to the rapidly growing regional or sectoral markets than other countries, the German share of world exports rises (falls). The structural effect is positive (negative). The following calculations are based on prices, exchange rates and export shares in the year 2000.³⁰

Between 1985 and 2005, the benefit which German exports had from the strong growth in world exports to Asia was below average. German exports are not as strongly represented in these markets as those of its international competitors whereas they show a high degree of specialisation in the comparatively slow-growing euro-area markets (see chart on this page).³¹ From the mid-1990s, German exporters benefited from their presence in central and east European transition countries, whose import growth recently was also well above the growth in world trade. All in all, however, the regional focus of German exports has hampered the development of the export shares.

... negative market effect and ...

The sectoral perspective shows a specialisation of German exports in mechanical engineering and the manufacture of transport equipment, while the local enterprises in the hi-tech sector of electrical (including computers) and optical equipment are under-represented.³² In the context of structural

... neutral product effect

²⁹ For a breakdown of the changes in world market shares into the structural and competition effect, see annex.

³⁰ In order to calculate the market effect, the imports of the individual countries or groups of countries were deflated by the national import prices. The calculation of the product effect is based on the sectoral exports of 26 OECD countries. They were adjusted by the national price deflator of the manufacturing sector and then aggregated. For non-OECD countries, not all of the required sectoral data were available.

³¹ For example, German exports to Asia (excluding Japan) accounted for less than 10% of German exports in the base year 2000, while the share of worldwide exports to Asia (excluding Japan) was over 20%. By contrast, the other euro-area member countries absorbed some 45% of German exports but only just over one-fifth of global exports.

³² The shares of the mechanical engineering sector and of the manufacturers of transport equipment in German exports in the base year 2000 were 15% and 24%, respectively, and thus well above the OECD average. By comparison, electrical and optical equipment accounted for almost one-quarter of the exports of all OECD countries. In Germany, it accounted for only 19%.

changes that affected the composition of exports from industrial countries, these hi-tech sectors and – to a lesser degree – the manufacture of transport equipment have grown very rapidly, while the other sectors have become less important. All in all, the sectoral specialisation of German enterprises – with respect to the group of countries considered here – had a mostly neutral effect on their export development over the past few years.

Competition effect ...

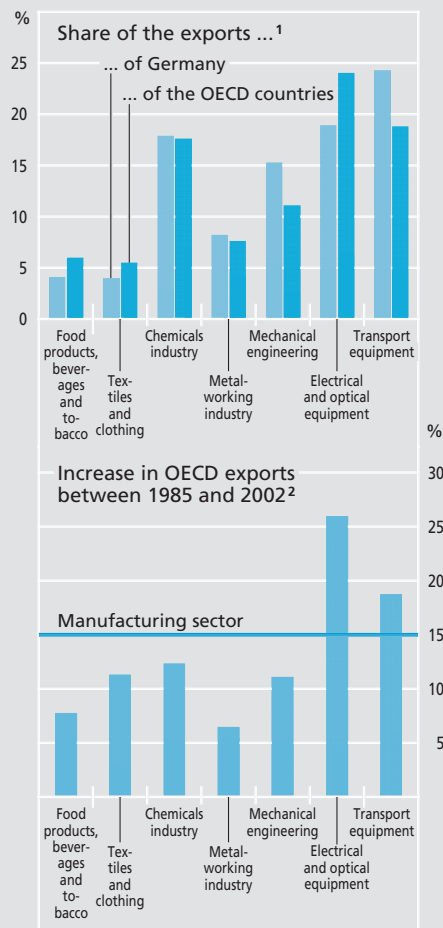
The competition effect reflects the aggregated development of the market shares within the respective sectors and regional areas. In mathematical terms, it represents the residual of the changes in the world market shares after adjustment for the structural effect. It can be determined by indicators for both price and non-price competitiveness. A suitable measure of price competitiveness is the corresponding indicator of the Bundesbank based on the deflator of total sales. On the other hand, Germany's inward and outward direct investment, together with other factors, influence the non-price competitiveness of German exporters (see the explanatory notes on page 30).

... also negative

The slight loss of real world market shares over the past 20 years was due not only to the aforementioned unfavourable structural effect but also to a negative competition effect. Over the whole period, price competitiveness has slightly deteriorated, while non-price competitiveness experienced only minor changes.

Given the course of German shares in world exports between 1985 and 2005, however, it

Exports of selected industries in the manufacturing sector



Sources: IMF, OECD and Bundesbank calculations. — ¹ In the year 2000. — ² At prices and exchange rates in the year 2000.

Deutsche Bundesbank

seems reasonable to make a distinction between the first decade, which was shaped by a marked decline, and the last ten years, in which German exports regained world market shares. The losses in export shares between 1985 and 1995 were accompanied by a deterioration in all the aforementioned determinants. The negative market effect and a

Deterioration in competitiveness between 1985 and 1995 ...

Determinants of Germany's real world market shares

Changes in a national economy's share of real exports may be broken down into a *structural effect* and a *competition effect*.¹ The structural effect stems from the regional and structural specialisation of exports. The competition effect reflects changes in the export shares within each of the sectors and export markets. To illustrate this, the present study employs indicators for both price and non-price competitiveness. A suitable measure of price competitiveness is the real exchange rate based on the deflator of total sales.² However, Germany's inward and outward direct investment, together with other factors, influence the non-price competitiveness of German exporters. The period studied runs from 1981 to 2005. Estimates of the influences on the competition effect are based on the following equation:

$$(1) WE_t = \alpha_0 + \alpha_1 PWF_t + \alpha_2 FDI_{t-1}^a + \alpha_3 FDI_{t-1}^i + \epsilon_t$$

where *WE* is the competition effect (calculated as the real world market share less market and product effects); *PWF* is the indicator of price competitiveness based on the price deflator of total sales;³ *FDI^a* is the level of German direct investment abroad expressed as a percentage of global direct investment stocks; *FDIⁱ* is foreign direct investment in Germany expressed as a percentage of global direct investment stocks; and *t* is the time index. The data are the logarithms of real variables at prices and exchange rates in the year 2000.⁴

All variables in the equation are integrated of order 1.⁵ According to the error correction estimates, the variables illustrating non-price competitiveness (*FDI^a* and *FDIⁱ*) are cointegrated. In addition, a second cointegration relationship exists between the competition effect and price and non-price competitiveness.

Real world market shares and price and non-price competitiveness

First cointegration relationship

$$FDI_{t-2}^a + 1.375 \cdot FDI_{t-2}^i - 4.439 = 0$$

(8.52)

¹ See Annex, p 33. — ² The number of new patents registered by German firms in comparison with that of the rest of the world was not significant in statistical terms; for this reason it was not employed as a measure of non-price competitiveness in the results presented here. — ³ An increase in the *PWF* variable implies a deterioration in price competitiveness. — ⁴ Direct investment is price-adjusted in the local currency using the national GDP deflator. Global stocks of direct investment were approximated by the fig-

Second cointegration relationship

$$WE_{t-1} + 1.021 \cdot PWF_{t-1} - 0.400 \cdot FDI_{t-2}^a - 6.680 = 0$$

(6.94) (-5.59)

Error correction	<i>D(WE_t)</i>	<i>D(PWF_t)</i>	<i>D(FDI_{t-1}^a)</i>	<i>D(FDI_{t-1}ⁱ)</i>
First cointegration relationship	-	-	-0.232 (-2.05)	-1.671 (-5.87)
Second cointegration relationship	-0.174 (-2.03)	-	-	-1.746 (-3.92)

t-values in parentheses.

German inward and outward direct investment are in competition with each other (first cointegration relationship).⁶ This interplay presumably reflects international competition among investment locations where the home country of an enterprise is becoming increasingly irrelevant. It is also connected with the increasing integration of emerging economies in Asia and in central and eastern Europe; these countries have become significantly more attractive targets for direct investment. German enterprises are relatively strong performers in direct investment, not only in Europe, but also in China and India. However, Germany seems to have lost some ground as a host country for inward direct investment.

The second cointegration relationship shows the connection between the competition effect and price and non-price competitiveness. As expected, improvements in price competitiveness are associated with above-average increases in German exports on an international comparison. Concurrently, changes in the German share of global direct investment stocks entail the export shares being adjusted in the same direction. This suggests that German enterprises enhance their international competitiveness by shifting parts of the production process abroad. Furthermore, access to foreign expertise or improved access to export markets could also play a role here.

ures for 27 OECD countries as well as China, Hong Kong, India and Russia. More than 94% of global stocks were captured in this manner in 2005. — ⁵ The Augmented Dickey-Fuller test (ADF), Phillips-Perron test (PPT) and the Kwiatkowski-Phillips-Schmidt-Shin test were carried out. — ⁶ When interpreting the data, it is important to note that this study defines the stocks of direct investment as ratios to global stocks.

marked decline in price competitiveness had the greatest impact in this period.³³

... due partly to German reunification

German reunification was also a special factor in the first half of the 1990s and seems to have had a direct effect both on price and non-price competitiveness. Owing to the heavy demand from the new federal states, goods and probably also investible funds, which would otherwise have gone abroad, were increasingly directed from the federal territory as formerly defined to eastern Germany. At the same time, German imports increased. Moreover, the favourable economic developments in Germany following reunification resulted in significant wage increases, which had a detrimental effect on price competitiveness.

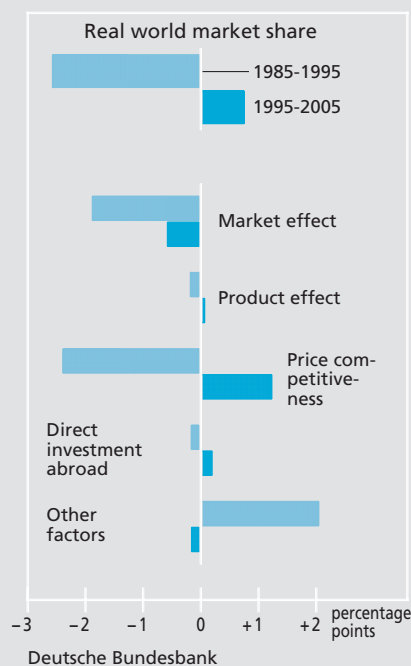
Subsequent improvement in price and non-price competitiveness

Since 1995, by contrast, both price and non-price competitiveness, so far as the latter is measured in terms of German direct investment abroad, have developed favourably. At the same time, the negative contribution of the market effect has markedly declined. In this case, it seems that the special position of German enterprises in the central and east European growth markets has had a positive effect. Overall, however, the dominance of trade with other EU member states, combined with a below-average presence in the faster growing Asian markets, has slowed German export developments up to now.

So far Germany holds ground against new competitors ...

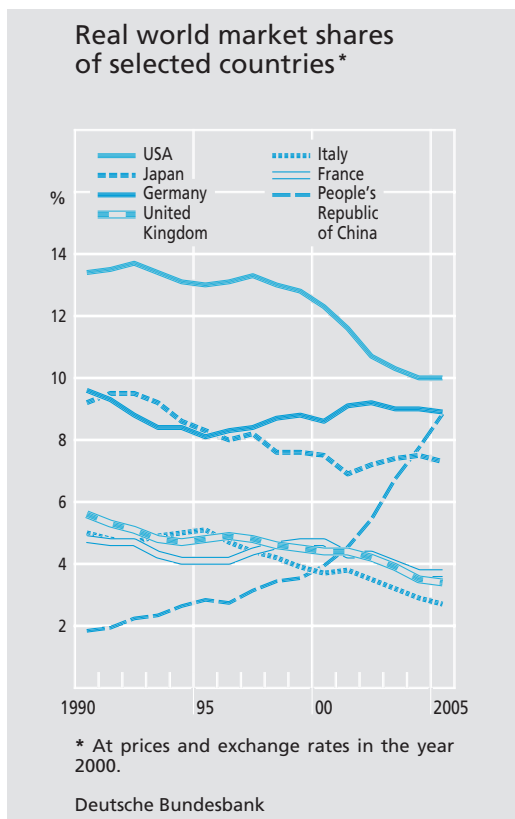
As expected, following the catching-up process of the emerging market economies, the share of the industrial countries in world trade tended to decrease. Compared with suppliers from the other industrial countries, however, German exporters have so far held

Contributions to changes in Germany's real world market shares



their ground against the increasing competition by the emerging economies. By contrast, the real shares of the USA and Japan in world exports have further declined over the past ten years, during which Germany made good some of its previous losses, and were 3 percentage points and 1 percentage point, respectively, below the corresponding values of 1995. Within the EU, the United Kingdom, France and Italy also suffered losses. Conversely, the real world market shares of the Asian economies excluding Japan rose in this period by 9 percentage points to 27%.

³³ See also D Simonis (2000), Belgium's export performance – a constant market share analysis, Federal Planning Bureau, Working Paper No 2, Brussels, which analyses the period from 1991 to 1997 and concludes that the negative competition effect was the driving force behind the German loss of export market shares in this period.



In 2005, the People's Republic of China accounted for about one-third of this.

... by means of complementary goods supply and ...

German enterprises benefited from the fact that the range of goods offered by the new competitors is rather more complementary than substitutionary to German exports. Furthermore, German enterprises have made use of the cost advantages of foreign locations and – as described above – have increased their own competitiveness by relocating production processes.

... use of international division of labour

This interpretation is consistent with the finding that German direct investment abroad has a positive influence on the export business of domestic enterprises. Moreover, empirical studies show that, in the long term, German direct investment abroad can be ex-

pected to have a favourable influence on domestic investment activity. This means that the employment effect is also more likely to be positive.³⁴ This argues against concerns that regard the intensive direct investment of domestic enterprises as a threat to employment in Germany.

However, the challenges for the German economy are not expected to decline in future if the structural change that can be seen especially in China and India continues and these countries become increasingly competitive in areas where the advanced economies still see their comparative advantages.³⁵ Against this background, the ability of enterprises to react quickly to a changed environment will be a decisive competitive factor in the future.

Ability to adjust to a changed environment

Summary and conclusions

The globalisation of the world economy has undoubtedly changed the framework for the individual economies. In general, however, industrial countries, emerging market economies and developing countries can benefit from the extended opportunities provided by the international division of labour. Nevertheless, this requires the disposition and ability to

³⁴ See Deutsche Bundesbank, German foreign direct investment (FDI) relationships: recent trends and macroeconomic effects, Monthly Report, September 2006, pp 43-58. However, it should be remembered that not every transaction that is recorded in the external stock statistics or the balance of payments as direct investment is linked to a creation of jobs. These data often describe a simple transfer of cross-border capital in the context of mergers.

³⁵ See P A Samuelson (2004), Where Ricardo and Mill rebut and confirm arguments of mainstream economists supporting globalization, Journal of Economic Perspectives, Vol 18, pp 135-146.

enter into competition with other countries. While German enterprises have mainly reacted very successfully to the new challenges, the economic policy makers must still act to create an environment that facilitates adjustment processes and thus makes it possible to fully exploit the advantages arising from globalisation. This applies especially to the labour market. Here, the structural change requires a high degree of flexibility in order to facilitate

the move to new employment in the case of job losses. This also involves an appropriate education policy in order to strengthen innovative capacities and future economic viability. Only in this way can the adjustment burdens accompanying structural change be kept as low as possible in an industrial country such as Germany. Resorting to protectionist measures, by contrast, does not hold out any prospect of success.

Annex

Analysis of constant market shares: breakdown of the changes in export shares into a structural effect and a competition effect

The percentage change in German world market shares corresponds to the difference between the growth rates of German exports and world exports.

$$(1) \frac{d(X^D/X^W)}{X^D/X^W} = \frac{dX^D}{X^D} - \frac{dX^W}{X^W} \\ = \sum_i \sum_j \frac{X_{ij}^D}{X^D} \frac{dX_{ij}^D}{X_{ij}^D} - \sum_i \sum_j \frac{X_{ij}^W}{X^W} \frac{dX_{ij}^W}{X_{ij}^W}$$

$X_{i,j}^D$ = German exports from industry j to country i;
 $X_{i,j}^W$ = world exports from industry j to country i;
 X^D = total German exports; X^W = total world exports.

By adding

$$+ \sum_i \sum_j \frac{X_{ij}^D}{X^D} \frac{dX_{ij}^W}{X_{ij}^W} - \sum_i \sum_j \frac{X_{ij}^D}{X^D} \frac{dX_{ij}^W}{X_{ij}^W}$$

the equation can be reformulated as follows:

$$(2) \frac{d(X^D/X^W)}{X^D/X^W} = \underbrace{\sum_i \sum_j \left(\frac{X_{ij}^D}{X^D} - \frac{X_{ij}^W}{X^W} \right) \frac{dX_{ij}^W}{X_{ij}^W}}_{\text{structural effect}}$$

$$+ \underbrace{\sum_i \sum_j \frac{X_{ij}^D}{X^D} \left(\frac{dX_{ij}^D}{X_{ij}^D} - \frac{dX_{ij}^W}{X_{ij}^W} \right)}_{\text{competition effect}}$$

The structural effect reflects the changes in the world market shares owing to the sectoral and regional specialisation in connection with structural shifts in the composition of world trade. The competition effect represents the aggregated development of the market shares within the respective sectors and regional areas.

The structural effect can be further broken down into the following effects:

- Market effect $\sum_i \left(\frac{X_i^D}{X^D} - \frac{X_i^W}{X^W} \right) \frac{dX_i^W}{X_i^W}$
- Product effect $\sum_j \left(\frac{X_j^D}{X^D} - \frac{X_j^W}{X^W} \right) \frac{dX_j^W}{X_j^W}$
- Mixed effect $\sum_i \sum_j \left[\left(\frac{X_{ij}^D}{X^D} - \frac{X_{ij}^W}{X^W} \right) - \left(\frac{X_i^D}{X^D} - \frac{X_i^W}{X^W} \right) \frac{X_{ij}^W}{X_i^W} / \frac{X^W}{X^D} - \left(\frac{X_j^D}{X^D} - \frac{X_j^W}{X^W} \right) \frac{X_{ij}^W}{X_j^W} / \frac{X^W}{X^D} \right] \frac{dX_{ij}^W}{X_{ij}^W}$

The mixed effect arises from differences in the geographical orientation between the individual sectors.

The competition effect (CE) results from the changes in world market shares minus the structural effect (equation 2). Disregarding the mixed effect results in the following:

$$\begin{aligned}
 (3) \quad CE &\approx \frac{d(X^D/X^W)}{X^D/X^W} \\
 &\quad - \underbrace{\sum_i \left(\frac{X_i^D}{X^D} - \frac{X_i^W}{X^W} \right) \frac{dX_i^W}{X_i^W}}_{\text{market effect}} \\
 &\quad - \underbrace{\sum_j \left(\frac{X_j^D}{X^D} - \frac{X_j^W}{X^W} \right) \frac{dX_j^W}{X_j^W}}_{\text{product effect}}
 \end{aligned}$$

The estimation equation on page 30 is based on the logarithmic stock variables. In order to convert the growth rates into logarithms, the shares

$$X_i^D/X^D, \quad X_i^W/X^W, \quad X_j^D/X^D \text{ and } X_j^W/X^W$$

were kept constant at the values of the base year 2000. Furthermore, prices and exchange rates were also based on the year 2000.

The economic situation of small and medium-sized enterprises in Germany since 1997

Small and medium-sized enterprises (SMEs) continue to play a major role in the German economy. This article, which follows on from earlier studies of the profitability and financing of small and medium-sized enterprises, is based, for the first time, on the Bundesbank's Financial Statements Data-pool. In the period from 1997 to 2004, SMEs' profits in the sectors covered here showed a marked rise. Given a mostly unfavourable overall economic setting, this was achieved, first and foremost, by maintaining a notable level of cost discipline. During the period under review, SMEs also made up ground with regard to their provision with equity, albeit in the context of a shrinking balance sheet total.

In 2005, enterprises' gross profits showed a further sharp increase overall, although there were major differences at the individual level. They also further improved their financial viability. Since 1997, their equity ratio has gone up by an average of 8 percentage points. SMEs are likely to have participated in this favourable development, although, currently, no separate data are available for them for 2005. This is suggested, not least, by the fact that domestic economic activity – on which SMEs are especially dependent – picked up noticeably in the course of the year.

SMEs are often described as the backbone of the German economy.¹ Their importance for the economy as a whole is revealed, above all, by the fact that, in 2003 (according to data provided by the Institute for SME Research, *Institut für Mittelstandsforschung – IfM*), 99.7% of all enterprises subject to turnover tax were SMEs and that these generated roughly 41% of the total sales recorded in the turnover tax statistics. Moreover, in 2003, around 70% of wage and salary earners in the corporate sector were employed in small and medium-sized firms, and over 80% of all apprentices were being trained in the SME sector.² According to the Federal Statistical Office's structural survey in manufacturing, which is a key sector in the present study, roughly half of the total of 6.1 million wage and salary earners in the sector were working in SMEs with up to 499 employees in 2004.³

SMEs in a difficult macroeconomic setting

Marked cyclical fluctuations in period under review

In cyclical terms, the period under analysis can usefully be divided into several phases. The first phase was characterised by the upswing that lasted up to mid-2000. Following the exaggerations in the financial markets in 2001, this then led into a persistent phase of semi-stagnation which lasted until mid-2003. Thereafter, expansionary forces gradually prevailed again, although the recovery initially remained quite hesitant and fragile. This was due mainly to the fact that the expansionary impulses came only from exports while real domestic demand was still tending to be weak. In the course of 2004, however, the external dynamics were reinforced by industrial

investment, which was reflected in a stronger demand for machinery and equipment. By contrast, the adjustment crisis in the German construction sector, which began in the mid-1990s and affected not only residential construction but also industrial and public construction, did not come to an end until 2005. Apart from a brief interlude in 1999, however, construction output generated retarding effects on balance throughout the period under review. Furthermore, private consumption failed to provide any major stimuli in 2004 and 2005 either.

Over the period from 1997 to 2004 as a whole, real GDP grew by 10% or 1¼% on an annual average, with domestic demand increasing by ¾% and exports by 7% per year. Exports thus made a cumulative contribution to growth of 15¾ percentage points. Exports have had a large and growing import content since the mid-1990s, however, which means that imports, too, showed a sharp rise. As a result, exports' net contribution to growth, at 4¼ percentage points, was noticeably lower. In the industrial sectors, the contrast between sluggish domestic business and buoyant export activity was even more marked than in the economy as a whole. According to the of-

Diverging domestic and external demand

¹ See also the comments of the Federal Ministry of Economics on SME policy (www.bmwi.de).

² The information on employment and training is based on Federal Employment Agency data on employees subject to social security contributions. These data cover operating units rather than enterprises. This means that small and medium-sized firms are overweighted; SMEs are often part of large enterprises, especially in the trade sector. On the other hand, subsidised low-paid part-time employment (such as mini-jobs), which is provided very largely by SMEs, is not recorded in these statistics.

³ See O Hennchen, *Strukturdaten zum Verarbeitenden Gewerbe*, *Wirtschaft und Statistik*, July 2006, pp 734-746.

New database and definition of SMEs

In this article, which follows on from earlier studies,¹ the situation of German small and medium-sized enterprises (SMEs) is analysed for the first time on the basis of the Financial Statements Datapool. Annual reporting on German firms' profitability and financing as a whole was rebased on the new datapool in 2005.² This study presents extrapolation results broken down not only by sector but also by size category and legal form for the period 1997 to 2004. More recent results are not yet available in such detail. However, the profitability and financing trends of 2005 for the entire corporate sector captured by the statistics are presented in the box on page 45 on the basis of projected data. This reveals a continuation of the positive development in both profitability and financing which had started earlier.³

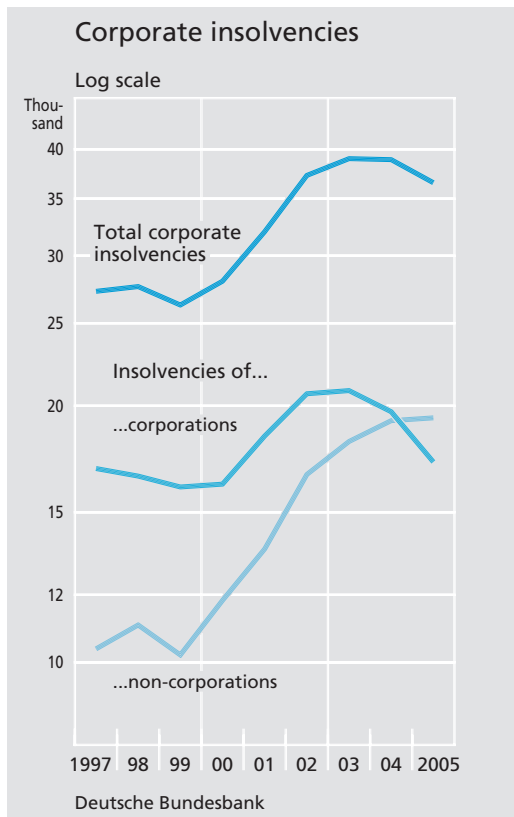
The statistical definition of small and medium-sized enterprises is normally based on the criteria "annual sales" and "number of employees". Studies of SMEs in Germany are often based on the definition of the Institute for SME Research (IfM). According to this definition, firms are classified as small enterprises if they have annual sales of less than €1 million and up to nine employees. Medium-sized enterprises are those with annual sales of €1 million to €50 million and between 10 and 499

employees. Firms with larger sales and/or more staff are deemed to be large companies.⁴

Only the classification by turnover size is relevant to the following analysis of SMEs' profitability and financing, however. This is because the financial statements analysed for the corporate balance sheet statistics do not consistently contain information on the number of employees. Furthermore, small and medium-sized firms are combined into a single turnover size category. SMEs which are defined in this way, however, belong to the *Mittelstand* in the real meaning of the word only if the qualitative criterion of complete or far-reaching formal independence is fulfilled. Under the European Commission's definition, this condition is met if the capital interest held by another firm in an SME is below 25%. Fulfilling the criterion of formal independence reveals little about a firm's actual scope for decision-making, however. This is often very constricted in the case of a smaller firm that depends on one or a few large customers and if these customers have a large say in determining product characteristics, prices and other business terms and conditions. Firms that are not independent cannot be eliminated from the Bundesbank's extrapolations. Nevertheless, any resulting inaccuracies are likely to be limited.

1 See Deutsche Bundesbank, The economic situation of small and medium-sized enterprises in Germany, Monthly Report, October 2003, pp 29-53. — 2 See Deutsche Bundesbank, German enterprises' profitability and financing – an analysis based on a new dataset, Monthly Report, October 2005, pp 31-67. The changes in methodology – above all, in connection with the setting up of the Financial Statements Datapool and the approach to extrapolation – were explained in detail in the annex to that article. — 3 See Deutsche Bundesbank, German enterprises' profitability and financing in 2004, Monthly Report, June 2006, pp 55-77. — 4 The European Commission recommendations on the definition of SMEs include "micro-enterprises" as an additional category of firms and, as a further distinguish-

ing feature in addition to the number of employees and turnover, the balance sheet total. In the new recommendation that has been in force since 1 January 2005, firms with a turnover of up to €50 million are included – as in our definition – in the category of SMEs. The thresholds for employment and the balance sheet total are 249 persons and €43 million respectively. In addition, individual thresholds are set for both micro and small enterprises. As the European SME promotion programmes are geared to these thresholds, some German federal states have adopted the number of 249 employees as the ceiling for medium-sized enterprises (see Institut für Mittelstandsforschung, Mittelstand – Definition und Schlüsselzahlen, www.ifm-bonn.org/dienste/definition.htm, p 3).



ficial turnover statistics for manufacturing and mining, domestic sales increased by just under one-tenth in value between 1997 and 2004, while export sales went up by 50%.

*SMEs on the
cyclical
downside*

The weakness of domestic German economic activity in the first half of the current decade had a greater impact on the business of SMEs than it did on that of large enterprises. This is due to the fact that SMEs traditionally service the domestic markets to a greater extent and had a markedly smaller presence than large firms in the more thriving foreign markets during the period under review (see box on pages 40 and 41). What is striking is that SMEs' earnings nevertheless showed a strong improvement. In this context, the SMEs – which tend to be more labour-intensive – benefited, in particular, from the persistently

moderate wage developments in Germany since the mid-1990s. Gross wages and salaries per employee in the economy as a whole went up on an annual average by no more than 1¼% between 1997 and 2004. The rise in unit labour costs calculated on an hourly basis was even smaller during this period at just under ½% per year. Furthermore, the increased dropout of unprofitable firms helped to boost the trend in profits. At the end of the period under review, the economic setting for SMEs had improved markedly, however, with the accelerated pick-up in domestic demand.

The fact that SMEs were in a difficult situation in the 1997-2004 period despite this improvement in profitability is very obvious from the substantial increase in corporate insolvencies. In this context, the overall number of insolvencies can be used a yardstick since the vast majority of cases recorded in the official statistics involve SMEs. Of the firms which became insolvent in 2005 and for which data on employment are available, 83% had five employees at most and only 190, or ½%, of the insolvent enterprises had a workforce of more than 100 employees. Most of these 190 firms are also likely to be assignable to the category of SMEs since the thresholds marking the transition to large enterprises are significantly higher, namely at 249 employees according to the European Commission's definition or 499 employees according to the IfM's definition. Although the major insolvencies during the observation period were thus of little significance in terms of their number, they attracted more public attention owing to the accompanying large job losses.

*Sharp rise in
insolvencies*

*High frequency
of insolvencies*

The number of corporate insolvencies reached a new peak in 2003. At 39,320, they were 43% up on 1997.⁴ Insolvency cases have been declining since 2004, however. In 2005, the number of firms that became insolvent was 6¼% lower than in 2003. In 2004, however, the frequency of insolvencies, ie the number of insolvencies per 10,000 enterprises, at 134, was only slightly down on the 2003 ratio. It was only in 2005 that there was a perceptible fall. The main reason for this is likely to have been the continuing economic upturn with higher profits and an improvement in liquidity and the fact that payment behaviour led in many cases to a financial easing for many firms.

*Non-
corporations
especially
susceptible to
insolvency*

There was a very sharp (75%) rise in the number of insolvent non-corporations⁵ between 1997 and 2003, while there was an increase of 23% in the case of corporations. This discrepancy is due, first, to non-corporations' generally weaker equity base, which makes it more difficult to cover losses and bridge liquidity shortages in economically difficult times. Second, the possibility of deferring the costs of insolvency proceedings that has existed since the end of 2001 triggered an upsurge in insolvencies of small enterprises, the vast majority of which were operated as non-corporations, in the ensuing years. In 2004 and 2005, insolvencies of non-corporations continued to increase at a more moderate pace, whereas the number of insolvent corporations fell back to the 1997 level.

Weak business activity, better profitability

In the manufacturing, construction, trade, transport and business-related services sectors under analysis, the value of SMEs' gross revenue – which, in addition to sales, includes changes in stocks of finished goods as well as other own work capitalised – grew by no more than 2% overall in the period from 1997 to 2004. This was due to a rather subdued increase up to 2000 and a sharp cumulative decline of 4½% between 2001 and 2003. In 2004, business activity picked up again by 2½%. By comparison, large enterprises' gross revenue expanded much more sharply. In 2004, it was roughly 30% higher than in 1997, which corresponds to an average annual growth of just under 4%. Only in 2002 was a slight fall recorded along with virtual stagnation in 2003. In all the other years, the volume of business expanded quite vigorously.

*Weak growth
of SMEs'
business
activities*

The main reason for these diverging developments in business was the above-mentioned weakness of domestic economic activity, which placed a strain, first and foremost, on SMEs. In this context, the ongoing crisis of adjustment in the construction sector since the mid-1990s had an especially large influence. Small and medium-sized enterprises are heavily represented in this sector – they ac-

*Mixed picture
by economic
sector*

⁴ See J Angele and S von Karmainski, *Insolvenzen 2005*, *Wirtschaft und Statistik*, April 2006, p 356.

⁵ Non-corporations here include partnerships which take the form of limited partnerships and trading partnerships, including Kapitalgesellschaft & Co, civil-law associations as well as sole proprietorships which take the form of registered merchants, craftsmen, self-employed persons etc.

The export business of German enterprises according to size category and economic sector

The data from the official turnover tax statistics on taxable sales with input tax deduction allow the export activities of enterprises in Germany to be studied in more detail.¹ The respective average share of small, medium-sized and large enterprises which conduct business with foreign customers can be inferred from the breakdown of the data by size category, while the ratio of exports to total sales for the group of firms with export business can also be determined.² Studies based on size category can be carried out for the totality of enterprises as well as for individual economic sectors and legal forms.

According to calculations based on the turnover tax statistics for 2004, the share of enterprises conducting business with foreign customers in the economic sectors studied – manufacturing, construction, trade, transport, and business-related services – was, at 15½%, markedly higher than in the economic sectors not covered by the corporate balance sheet statistics (4%). The average export ratio of the enterprises with export business studied stood at 20½% in 2004, compared with 6% for the other firms. The large difference can be put down to the fact that the manufacturing sector, which constitutes the core of the corporate balance sheet statistics, is traditionally very export-orientated. In this sector, 28½% of firms operate in foreign markets, achieving one-third of their turnover there.

Export business is likewise fairly important in the wholesale trade and in the transport sector. By comparison, exports play more of a minor role in the construction sector, since the vast bulk of production needs to be carried out on site. To a lesser extent, this also applies to the retail trade and to providers of business-related services. In all the areas specified, however, participation in export business and, in most cases, export ratios are higher than the corresponding average figures for the economic sectors which are not covered. A key role is played in the latter

category, for example, by household service providers, who operate almost exclusively in local markets within Germany.

Of the enterprises studied in the turnover size category of less than €1 million, only 11% were active in foreign markets. In the case of enterprises with turnover of between €1 million and €50 million, the ratio, at 48½%, was much higher, albeit considerably below the comparable figure for large enterprises (87%). Similarly, the export ratios of small and medium-sized enterprises with export business were much smaller than for larger firms. For example, small firms generated just 2½% of their sales abroad. In the medium-sized category, the export ratio amounted to 13½%, compared with 26½% for large enterprises.

In the analysis by size category, pronounced differences are evident between the major economic sectors. For example, small firms' involvement in export business in 2004 ranged from 4½% in the construction sector to 16½% in the manufacturing sector and 21% in the wholesale trade. Their corresponding export ratios ranged from 0.5% in the construction sector to 7½% in the wholesale trade. In the segment of medium-sized enterprises, too, construction firms featured at the bottom end of the scale, with an export participation level of 19½% and an export ratio of 2½%. At the top of the scale was the manufacturing sector in terms of the participation level (67%) and the transport sector in terms of the percentage of sales (22½%).

The strong export orientation of German industry is particularly clear in the case of large enterprises, 94½% of which are active in foreign markets, where they generate 38% of their sales. In the transport sector the two ratios are likewise relatively high, at 85% and 42½%. While over 80% of large firms in the wholesale and retail trade

¹ Tax-free goods and services are usually excluded from input tax deduction. However, this does not apply to exported goods and services, and, in certain other cases, such as turnover from air and sea travel, and deliveries of gold to central banks, etc. These items are aggregated in the turnover tax statistics, meaning that export sales cannot

be separately distinguished. However, the latter represent by far the most important form of goods and services with input tax deduction. — ² By contrast, the import ratios of German enterprises cannot be determined by using the turnover tax statistics. The reason

Foreign business of enterprises in 2004 by economic sector and size category

in %

Sector	Participation in export business ³				Export ratio ⁴			
	Total	by turnover size category			Total	by turnover size category		
		Less than €1m	€1m to €50m	€50m or more		Less than €1m	€1m to €50m	€50m or more
Manufacturing ⁵	28.3	16.3	67.2	94.6	33.1	3.5	21.2	38.2
<i>of which</i>								
Food products and beverages	9.0	3.4	32.5	90.0	13.4	0.4	7.6	16.9
Textiles and textile products	33.4	21.3	87.5	100.0	31.1	5.7	26.6	38.4
Chemicals and chemical products	55.9	32.8	86.0	97.3	41.8	11.1	28.9	43.8
Basic metals	41.5	20.9	75.2	96.8	35.7	5.0	21.6	38.1
Fabricated metal products	25.6	14.2	65.9	98.8	22.3	2.8	18.4	33.8
Machinery and equipment	48.5	28.5	81.6	97.4	44.4	8.0	33.7	52.2
Office machinery, computers and electrical equipment	40.0	24.9	77.0	93.7	41.0	6.4	25.5	45.6
Transport equipment	41.5	21.9	75.1	95.8	52.0	4.7	24.6	53.1
Construction	5.8	4.6	19.3	65.5	2.4	0.5	2.7	6.2
Wholesale trade and commission trade	30.6	20.8	63.0	82.7	14.7	7.3	13.9	15.5
Retail trade (including motor vehicles and motorcycles)	17.3	13.6	42.2	84.2	4.2	2.6	6.2	3.0
Transport (excluding railways)	20.2	14.8	56.6	84.8	28.8	6.2	22.6	42.7
Business-related services	7.1	5.7	28.6	58.2	6.3	1.4	5.3	12.2
Total	15.7	10.8	48.6	87.0	20.4	2.7	13.5	26.6
<i>Memo item</i>								
All enterprises	11.6	7.9	44.1	80.5	17.7	2.2	12.1	23.1
Sectors not covered by the balance sheet statistics	3.8	2.9	21.9	46.9	6.0	0.7	4.2	8.0

were involved in export business in 2004, their exports accounted for just 15½% and 3%, respectively, of their total turnover. Of the large construction enterprises, 65½% were active abroad, with an export ratio of 6%. The foreign presence of business-related service providers with sales of €50 million or more was even smaller (58%). However, they still conducted 12% of their business outside Germany.

Within the manufacturing sector, too, the importance of export business varies very greatly. For example, just 9% of firms in the food industry supplied foreign markets in 2004, in which they generated 13½% of their sales. This is connected firstly to the fact that eating habits can vary greatly from one country to another, and, secondly, that the refrigeration which is necessary in many cases drives

is that import turnover tax for imports from non-EU countries is levied by the customs authorities. Only imports from EU member states are covered by the turnover tax statistics. — 3 Number of firms with tax-free sales (with input tax deduction) as a percentage of all firms

up transport costs. By contrast, around half of chemical enterprises and of manufacturers of machinery and equipment exported products abroad, amounting to 42% and 44½%, respectively, of their total sales. Graded by size category, it is the medium-sized manufacturers of machinery and equipment that achieved the highest scores; more than 80% of them sold products outside Germany in 2004, achieving an export ratio of 33½%. The large enterprises in this segment even achieved a share of sales of 52% outside Germany. In terms of the export ratio, medium-sized firms also had a strong foreign presence of more than 20% in most of the other manufacturing subsectors. However, the large enterprises in these industries consistently achieve much higher ratios.

according to the Federal Statistical Office's turnover tax statistics. — 4 Tax-free sales (with input tax deduction) as a percentage of total sales according to the Federal Statistical Office's turnover tax statistics. — 5 Including mining and quarrying.

counted for nearly 85% of sales in 2004. In the period under analysis, their gross revenue fell by 24%. The performance of big construction firms was similarly poor. Taking the period as whole, business activity increased in most of the other sectors of the economy, albeit often noticeably more slowly than in the case of the large enterprises. For example, the gross revenue of SMEs in manufacturing, which generate 27% of sales in this sector, went up by 7½%, compared with 30½% in the case of the large, predominantly export-oriented industrial enterprises. In the wholesale trade and in the transport sector, which have close cyclical links with manufacturing, there was also a marked growth differential between SMEs and large enterprises.

In the retail trade, too, small and medium-sized enterprises – with a 3½% rise in gross revenue – clearly lagged behind the large enterprises (+39%). However, this was due less to the divergent developments in the German economy than to the continuing advance of the big discount chains, which, over the past few years, has been further fostered by the constrained income situation of many households. SMEs' share of total sales consequently fell from 60% in 1997 to 52½% in 2004. By contrast, small and medium-sized enterprises performed relatively well in the business-related services sector, with a rise in gross revenue of 27½% between 1997 and 2004, compared with an increase of 45½% in the case of large enterprises. Accordingly, SMEs accounted for as much as 70½% of sales in this sector at the end of the period under review. One reason for their strong position is likely to lie in the intensive demands for in-

novation, say, in the software engineering sector, which open up market opportunities for new (and, therefore, mostly small) firms.

SMEs' total income – which includes interest and similar income as well as other income – grew by just over 2% between 1997 and 2004 and thus scarcely more than their gross revenue. Given the rather unfavourable sales trend, SMEs made a concerted effort to contain the rise in costs. Such efforts were very successful in that SMEs' total expenses (before taxes on income) went up by less than 1% in the period covered by the analysis, while large enterprises' total expenses – in the context of a higher increase in sales – grew by 30½%.

Overall income and costs

The main reason for this discrepancy was the fact that SMEs, with sales growing only moderately, were able to make a slight reduction (-1%) in their cost of materials, whereas this item showed a sharp (37½%) increase in the case of large enterprises – not least owing to continued outsourcing and the steep rise in imported inputs. Furthermore, SMEs' personnel expenses were not much higher in 2004 than in 1997 (+½%) and even showed a fall compared with the period from 2000 to 2002. By contrast, extensive restructuring measures and increased pension provisions necessitated by the decline in market interest rates over the past few years helped to push up the staff costs of larger firms, which consequently remained at a high level despite falling employment figures. The alleviating effects of what have been quite sharp job cuts are therefore likely to be reflected in their income statements only after a certain delay.

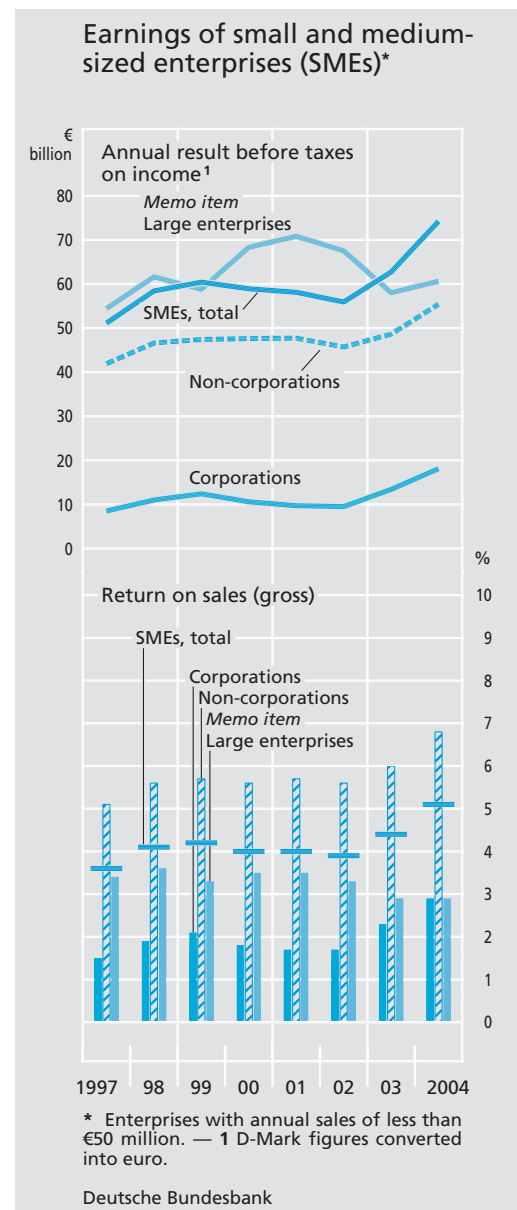
Cost of materials and personnel expenses

*Depreciations
and interest
expenses*

The sharp (15½%) decline in depreciation also played a part in SMEs' favourable cost development. This is likely to be a reflection, first, of weak investment in the past few years. Second, SMEs were far less affected by the "bubble" that formed at the turn of the millennium than were the large enterprises, which had to book sizeable write-downs on long-term investments and securities portfolios in the years that followed. Furthermore, SMEs' interest and similar expenses showed a marked decline – by almost one-quarter since 1997. This was due to a reduction in the stock of interest-bearing liabilities. Moreover, the long and short-term lending rates for SMEs showed a perceptible fall between 1999 and 2004. Although small and medium-sized enterprises' overall ratio of interest expenses to gross revenue, at 1½%, was on the low side at the end of the period under review, owing to the greater weight of bank loans in their overall financing, SMEs' interest expenses were noticeably higher than those of the large enterprises (just under ½%). Among the major cost items, it was only SMEs' "other expenses" (which comprise rental and leasing expenditure, research and development costs as well as spending on advertising) which showed a significant rise (16½%) during the observation period.

*Annual result
before taxes on
income*

Thanks to their cost discipline, SMEs were able to boost their overall profitability. In the period from 1997 to 2004, for example, the annual result before taxes on income increased by a total of 44½% in nominal terms. In the last two years of the analysed period alone, the annual result before taxes on income increased by 32½%, which more



than offset the decline in the three years before. However, in addition to the absolute level at the start of the observation period, it has to be taken into account that, as mentioned above, many small and medium-sized firms – with mostly poor profitability ratios – became insolvent and are therefore no longer recorded in the corporate balance sheet statistics. In comparison with SMEs, the large enterprises were able to only slightly improve

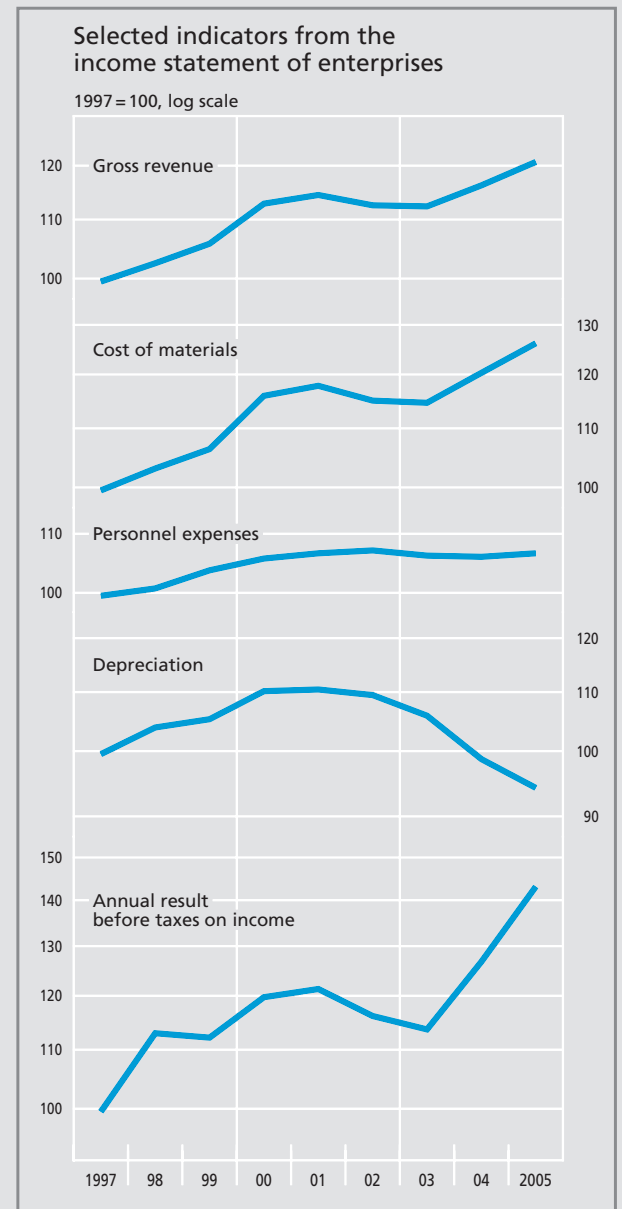
German enterprises' profitability and financing in 2005

Carried by the sustained economic recovery, corporate profits in the manufacturing, construction, trade, transport and business-related services sectors increased markedly again in 2005. According to the estimates,¹ the annual result before taxes on income was 13% higher than in 2004, when it had already risen by 11½%. This accelerated profit growth was all the more notable given that the 2004 figure had been boosted by extraordinarily strong positive working-day effects, which was not the case in 2005. In the year under review corporate earnings outperformed the impressive level seen in 2001 by 18%. The gross return on sales reached 4%, its highest level since 1997. The annual result after taxes actually outmatched the gross figure to rise by 15%, as taxes on income rose by the relatively moderate rate of 5%.

All sectors of the economy experienced particularly strong growth in their gross annual result. In manufacturing, the annual result before taxes on income rose by 9½%, following 5½% in 2004. However, this was not quite enough to compensate for the decline in the annual result during the period from 2001 to 2003. At 4%, the return on sales was just over ½ percentage point below the peak measured in 2000. The profit trend in manufacturing was hampered by the steep rise in the cost of materials caused not only by higher energy prices but also the hefty increase in the prices of industrial raw materials. The ongoing outsourcing process, which led to an upward trend in the share of intermediate goods and services, also made itself felt.

The overall rise in corporate profits in 2005 is largely attributable to the perceptible and broadly based 4% expansion of business activities. Significant growth occurred not only in manufacturing, but also in the wholesale trade, transport and business-related services. By contrast, sales in the construction industry fell further, although not as markedly as in the preceding years; they only bottomed out over the course of 2005. Furthermore, retail trade was only able to expand its gross revenue by a marginal 1½% owing to persistently weak consumption. Enterprises' total income, which also includes interest and similar income as well as other income, rose by 4% in 2005, compared with a 3½% rise in total expenses (before taxes on income).

¹ The results for 2005 are based on just under 19,000 annual financial statements for which the 2004 results are also available (two-year cylindrical sample). These annual financial statements, comprising



On the cost side in 2005, the above-average rise in the cost of materials (+5%) was accompanied by only a small increase in personnel expenses (+½%). This reflects ongoing muted wage growth, continued job-shedding and the increasing

approximately a quarter of the total corporate data expected for 2005, are insufficient to allow an extrapolation; therefore, as an approximation the extrapolated figures for 2004 were further projected for the

recourse to new forms of employment and working-time models in large parts of the economy. Other cost-curbing factors were the 4½% decline in depreciation charges and the 2½% easing of the burden of interest paid. Operating taxes and other expenses grew by 3½% each.

The balance sheet total of the enterprises in the economic sectors under review grew by just over 3½% in 2005. This was the strongest growth since the boom year 2000. It reflects the pick-up in business activity as well as the substantial improvement in earnings. On the assets side, it is noteworthy that the stock of non-financial assets, which had tended to fall since 2001, rose by 1%. The main reason for this was the marked increase in inventories. By contrast, tangible fixed assets remained at the prior-year level while intangible fixed assets, which had risen perceptibly in 2004, dropped considerably.

The rise in financial assets by 5½% was a decisive factor in the growth of the asset total. They consequently further increased their preponderance over non-financial assets. The 12% rise in other long-term equity investments was particularly sharp; this item's share of the balance sheet total reached a new all-time high of just over 13½%. Other long-term equity investments grew strongly in all sectors, particularly in transport and business-related services. Cash holdings, too, were stepped up clearly (+4%). This presumably reflects the creation of a financial buffer for a future expansion of tangible fixed assets or the acquisition of additional long-term equity investments. The stock of receivables grew by 4½%, with trade receivables also expanding for the first time since 2000.

On the capital side of the balance sheet, the trend towards strengthening the equity base, which has been evident for some time now, progressed further. In 2005, equity grew by 9%, following 6½% in 2004. As a result, the equity ratio gained more than 1 percentage point to make up 24% of the balance sheet total. This increase was solely due to retained profits and contributions to the capital of non-corporations, whereas corporations recorded no net increase in equity. However, the equity ratio continued to vary considerably across the individual sectors. Thus the

following year based on the development of the 2004-2005 cylindered sample. — 2 Extrapolated results. The figures for 2005 are estimated

equity ratio ranged from 10½% in the construction sector to 28% in manufacturing. Since 1997, the equity ratio of all enterprises has risen by 8 percentage points.

The growth in the importance of equity on the capital side of the balance sheet was accompanied by a decline in the weight of liabilities, which made up 56% in 2005 compared with 64½% in 1997. The stock of liabilities rose by 1% in 2005. The reduction in liabilities to banks (-3%) was more than offset by the increase in trade payables (+3%), in liabilities to affiliated companies (+3½%) and in payments received on account of orders (+4½%). Enterprises' combined provisions increased by 4½%, with provisions for company pensions actually being raised by 5½%.

Enterprises' liquidity rose once again perceptibly in 2005. Cash resources and short-term receivables covered 92½% of short-term liabilities, compared with 90% in 2004. The cash flow as a percentage of liabilities and provisions less cash came to 16½% and was thus 2 percentage points above the most recent low in 2003.

Enterprises' balance sheet ²

Item	2003	2004	2005	2004	2005
	€ billion			Year-on-year change in %	
Assets					
Non-financial assets	891.9	892.7	902.0	0.1	1.0
Financial assets	1,140.6	1,150.3	1,215.5	0.9	5.5
<i>of which</i>					
Cash	139.1	140.8	146.5	1.2	4.0
Receivables	684.9	685.4	715.5	0.1	4.5
Securities	46.6	54.3	52.0	16.7	-4.5
Other long-term equity investments ³	258.7	258.9	290.0	0.1	12.0
Capital					
Equity (adjusted)	439.4	466.9	509.0	6.3	9.0
Liabilities and provisions	1,593.2	1,576.0	1,608.5	-1.1	2.0
<i>of which</i>					
Liabilities	1,197.8	1,173.2	1,187.0	-2.1	1.0
Provisions	387.3	394.7	413.0	1.9	4.5
Balance sheet total	2,032.5	2,042.9	2,117.5	0.5	3.5
	as % of balance sheet total			Year-on-year change in percentage points	
Equity (adjusted)	21.6	22.9	24.0	1.3	1.1

and rounded to half and whole billion euro or per cent. — 3 Including shares in affiliated companies.

their profitability situation. In 2004, their gross profits were just 11% higher than in 1997 and 14½% below their previous peak of 2001.

The importance of imputed entrepreneurial income

It is striking that the corporations among the SMEs were able to double their gross annual result, while the non-corporations clearly lagged behind with a growth of 31½%. This was partly due to the fact that the non-corporations started out from a markedly higher level. In the legal forms of partnership and sole proprietorship, the (imputed) entrepreneurial income, ie the remuneration for the entrepreneur's labour, is included in the reported annual result. By contrast, corporations record the salaries of managers and top executives as personnel expenses, which means that the reported profit of non-corporations is correspondingly higher. In line with this, at the end of the period under review, non-corporations generated 56% of the gross revenue of SMEs while accounting for 75% of the overall gross annual result. Non-corporations' profits, more narrowly defined, are likely to have developed along similarly dynamic lines as the profits of corporations.

Gross return on sales

The gross return on sales, which is the ratio of the annual result before taxes on income to enterprises' sales, improved in the case of SMEs from 3½% in 1997 to 5% in 2004.⁶ By contrast, large firms' gross return on sales fell by ½ percentage point to 3%.⁷ The very sharp increase in the ratio of intermediate consumption and the matching slower growth in value added in this entrepreneurial segment mean that the lower return on sales

should not be overinterpreted. Moreover, the differential between the returns on sales in the two size categories is biased by the fact that, in the category of SMEs, a larger part of the recorded annual result is to be regarded, as mentioned above, as entrepreneurial income. First, the imputed entrepreneurial income plays a more important role in the case of sole proprietorships and partnerships – measured by the annual result as a whole – and, second, a notably larger percentage of SMEs are operated as non-corporations. Given this situation, it is advisable to compare only corporations among the SMEs with the large enterprises, the vast majority of which operate in the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung – GmbH*) or public limited company (*Aktiengesellschaft – AG*). In the period under analysis, the gross return on sales of the small and medium-sized corporations increased by 1½ percentage points to 3%, which meant that, in 2004, it was as high as that of the larger firms for the first time.

From 1997 to 2004, the gross annual result showed a double-digit increase in all sectors. There was a 37½% expansion in the pre-tax

Profit development by sector

⁶ Net return on sales, which is the ratio of profits after taxes to sales, is not shown here since this variable provides little information value in the case of SMEs. Partnerships and sole proprietorships are a widespread form of business organisation among SMEs; their annual results are taxed in the "private sphere" of the entrepreneurs. The amount of tax on their income does not appear in the income statement. The net return on sales can be interpreted meaningfully, at most, for the corporations among the SMEs.

⁷ The gross operating ratio (ie the operating surplus as a percentage of turnover) for manufacturing enterprises, which is calculated by the Federal Statistical Office for the purposes of the national accounts, shows a similar differential between small and large enterprises. See O Hennechen, *Strukturdaten zum Verarbeitenden Gewerbe*, loc cit, p 742.

SMEs' income statement *

Item	2004								
					For com- parison				For com- parison
	SMEs	Non-cor- porations	Corpor- ations	Large en- terprises	SMEs	Non-cor- porations	Corpor- ations	Large en- terprises	
Income	Percentage of gross revenue				1997 = 100 ¹				
Sales	99.6	99.7	99.4	99.7	102.0	98.3	107.1	129.5	
Change in finished goods ²	0.4	0.3	0.6	0.3	82.2	77.9	85.1	³ 7.8	
Gross revenue	100	100	100	100	101.9	98.2	107.0	130.0	
Interest and similar income	0.2	0.2	0.3	0.6	88.3	83.4	92.9	105.9	
Other income ⁴ <i>of which</i> from long-term equity investments	3.8 0.1	3.8 0.1	3.7 0.1	4.5 0.6	114.6 53.5	118.2 49.3	110.3 59.1	126.4 124.5	
Total income	104.0	104.0	104.0	105.0	102.3	98.8	107.0	129.7	
Costs									
Cost of materials	53.9	52.7	55.4	68.4	98.8	95.7	103.0	137.5	
Personnel expenses	23.2	21.7	25.1	14.4	100.5	94.5	108.1	114.2	
Depreciation	3.3	3.6	2.8	2.8	84.6	81.7	90.0	115.1	
of tangible fixed assets ⁵	3.0	3.4	2.5	2.5	84.7	82.0	89.7	114.1	
Other ⁶	0.3	0.2	0.3	0.3	84.2	77.6	92.3	124.1	
Interest and similar expenses	1.4	1.7	1.0	0.9	75.6	74.7	77.5	139.8	
Operating taxes <i>of which</i>	0.1	0.1	0.1	2.8	60.1	60.5	59.6	110.7	
Excise duties	0.0	0.0	0.0	2.7	54.8	70.2	38.4	119.4	
Other expenses ⁷	17.0	17.2	16.7	12.8	116.3	115.1	118.1	122.9	
Total expenses before taxes on income	98.9	97.1	101.1	102.1	100.8	97.1	105.6	130.3	
Annual result before taxes on income	5.1	6.8	2.9	2.9	144.6	131.6	205.5	111.2	
Taxes on income ⁸	0.9	0.7	1.1	0.8	119.2	121.4	117.4	124.1	
Annual result	4.2	6.1	1.8	2.1	151.3	132.8	376.0	106.7	
	Percentage of sales								
Annual result	4.2	6.1	1.8	2.1	.	.	.	.
Annual result before taxes on income	5.1	6.8	2.9	2.9	.	.	.	.
Net interest paid	1.2	1.5	0.7	0.3	.	.	.	.

* Extrapolated results. — ¹ Calculated from absolute amounts. — ² Including other own work capitalised. — ³ Owing to negative starting values, change in euro billions compared with 1997. — ⁴ Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — ⁵ Including amortisation and write-downs

of intangible fixed assets. — ⁶ Predominantly write-downs of receivables, securities and other long-term equity investments. — ⁷ Excluding cost of loss transfers (parent company) and profit transfers (subsidiary). — ⁸ In the case of partnerships and sole proprietorships, trade earnings tax only.

profits of small and medium-sized manufacturing firms. Following declining results between 2000 and 2002, the result grew by 35% in the two years that followed. Besides the decline in depreciation and in interest and similar expenses, a major factor in the improvement in profitability since 1997 was the relatively small rise in personnel expenses of 3½% overall. Following the earnings trough of 2002, corporations' gross return on sales rose by a little more than 1 percentage point to just over 3½%. By comparison, the larger manufacturing enterprises suffered deep cuts in their profits even in 2003 and managed only to stabilise the situation at a low level in 2004. Measured by sales, too, the profit they generated in that year, at 3½%, was the lowest since 2002.

In the construction sector, the SMEs' profitability ratios have likewise improved following the sharp falls at the beginning of the decade. This is due mainly to the fact that the major expense items have declined either at the same pace as gross revenue (cost of materials) or more sharply (personnel expenses, depreciation and interest and similar expenses). In addition, even more than in other sectors of the economy, the dropout from the statistics of many struggling firms, as is evidenced by the high number of insolvencies, tends to overstate the underlying profitability. Moreover, their earnings performance – measured by the gross return on sales of the corporations among the SMEs – was ultimately still unsatisfactory at 2% at the end of the period under review. At first glance, this finding also applies to the retail trade where the corresponding profitability ratio stood at

just over 1½%. What also has to be taken into account in this context, however, is the high turnover of goods, which signifies a lack of depth in value added relative to sales. The small and medium-sized wholesale firms increased their gross profit by just under one-half compared with 1997, with 2003 and 2004 accounting for two-thirds of this growth. In relation to sales, the corporations among the small and medium-sized wholesale firms achieved an increase of more than 1 percentage point to 2½% latterly. This was substantially more than in the case of large retail firms, which recorded a return of just under 2% in 2004.

Small and medium-sized providers of business-related services also recorded sharp increases in gross profits (+40%) during the period under analysis. One major factor in this was that the cost of materials – which includes intermediate goods and services and which accounted for as much as nearly one-third of gross revenue in 2004 – grew by 23% and thus significantly more slowly than the business volume. The gross return on sales of the SME corporations in this sector rose from its low of just under 1% in 2001 to 4% in 2004. This meant that they still performed somewhat less well than the large enterprises, which reached a figure of almost 5%. The strongest percentage growth in profits achieved by SMEs between 1997 and 2004 was in the transport sector at 112%. Although the return on sales of transport companies run as corporations overcame its initially unfavourable position (-1%), it was still quite low at the end of the period under

SMEs' return on sales and equity ratio in 2004 by sector

Sector	Return on sales (gross)				Equity ratio			
	SMEs	Non-corporations	Corporations	For comparison	SMEs	Non-corporations	Corporations	For comparison
				Large enterprises				Large enterprises
	Annual result before taxes on income as a percentage of sales				Equity as a percentage of the balance sheet total ¹			
All economic sectors	5.1	6.8	2.9	2.9	15.1	8.8	23.4	27.5
Manufacturing ²	4.7	5.5	3.8	3.6	21.2	15.6	27.8	28.8
Construction	5.0	6.9	2.1	1.9	5.8	1.6	12.8	14.5
Wholesale trade	3.6	5.0	2.6	1.8	21.6	18.2	24.5	24.3
Retail trade ³	4.1	5.1	1.7	1.7	6.5	2.6	16.4	24.9
Transport ⁴	5.0	7.6	1.1	1.4	11.1	3.4	24.0	23.7
Business-related services	10.1	16.3	4.0	4.8	13.7	3.3	23.2	26.5
	Percentage point change since 1997				Percentage point change since 1997			
All economic sectors	1.5	1.7	1.4	-0.5	9.2	7.8	10.1	2.6
Manufacturing ²	1.0	1.0	1.2	-1.1	9.4	8.1	10.0	1.7
Construction	2.1	2.6	1.2	2.0	6.5	7.0	6.3	2.3
Wholesale trade	1.3	1.6	1.2	0.4	10.0	8.4	10.9	4.4
Retail trade ³	1.4	1.5	1.2	-0.3	8.7	8.3	9.0	5.7
Transport ⁴	2.4	2.3	2.2	1.1	3.2	4.1	4.1	-0.7
Business-related services	0.8	1.3	1.5	0.1	10.6	7.5	11.3	1.4

¹ Adjusted in each case. — ² Including mining and quarrying. — ³ Including retail trade in motor vehicles and motorcycles. — ⁴ Excluding railways.

Deutsche Bundesbank

review (+1%) and was below the comparable figure for larger firms (+1½%).

38½% in line with the dynamic growth in sales.

Falling balance sheet total and higher equity ratio

Decline in SMEs' balance sheet total ...

The weak growth in SMEs' business activity in the period from 1997 to 2004 shaped developments in assets and capital. The balance sheet total actually shrank over this period by 1½%, with a moderate rise up to 2000 being followed by a decline which did not come to a halt until 2004. It is notable that the balance sheet total of the non-corporations fell by 6% over the observation period as a whole, while that of corporations increased by 5½%. By contrast, the large enterprises' stock of assets and capital increased by

Balance sheet developments in the individual sectors of the economy essentially reflect the expansion of business activities. Accordingly, SMEs' assets and capital in the manufacturing sector increased relatively sharply at around one-tenth. The increase in the case of business-related services providers was even sharper at 25%. In the construction sector, the considerable decline in work performed resulted in a roughly 30% reduction in the stock of assets and capital. SMEs' balance sheet total decreased by 2% in the retail trade and by 10% in the wholesale trade. This is likewise consistent with developments in business in these two areas, which was pointing upwards slightly in the retail trade

... but differing trends in the individual sectors

and which contracted perceptibly in the wholesale trade. The transport sector is something of an exception; its assets and capital in 2004 were no higher than in 1997, although there was a notable expansion in gross revenue.

*Decline
in non-financial
assets ...*

A major factor in the decline in SMEs' balance sheet total during the observation period was, on the assets side, the continuing reduction in the stock of non-financial assets: in 2004, this was 6½% lower than in 1997. This, in turn, was due to a sharp 15% reduction in inventories, while the stock of tangible fixed assets (including intangible fixed assets) increased by 2½%.⁸ The reduction in inventories was concentrated on the construction sector, where the sharp contraction in the wake of the adjustment crisis was accompanied by a decline of almost one-third in work in progress shown on the balance sheet since 1999. Inventories were also reduced in the wholesale and retail trades, with the focus on lowering inventories of finished goods and merchandise. Possible reasons for this were SMEs' sluggish business in the wholesale trade and more efficient inventory management in the retail trade. The relatively weak rise in the stock of tangible fixed assets was due, in particular, to the unfavourable trend in construction and in the wholesale trade, while quite notable growth was achieved in the other sectors. Although gross fixed capital formation tended to decline in the manufacturing sector, net investment was invariably positive, with the exception of 2002 and 2003.

The decline in SMEs' non-financial assets was accompanied by an increase in their financial assets amounting to 5½% between 1997 and 2004. This growth was sustained mainly by higher cash holdings as well as greater portfolio investment. One of the motives for this may have been to build up financial reserves for future investment projects or to improve their negotiating position vis-à-vis creditors. By contrast, short and long-term receivables were reduced by 2½%. Trade receivables declined by as much as 14½% compared with the peak of 2000, while trade payables contracted by an even greater amount. In both cases, this is likely to have been a response to the economic slowdown and the rise in the number of insolvencies, which resulted in a lower propensity to grant payment terms. The reduction in trade receivables was accompanied, however, by a marked expansion in receivables from affiliated companies.

*... but larger
stock of
financial assets*

Overall, the relative weight of financial assets increased by just under 3 percentage points to 44½%. This means that the SMEs were, nevertheless, lagging significantly behind the large enterprises where financial assets, at the end of the period under review, accounted for 63½% of total assets. The difference is largely explained by the fact that, in the case of the larger firms, other long-term equity investments, which amounted to 19% in 2004,

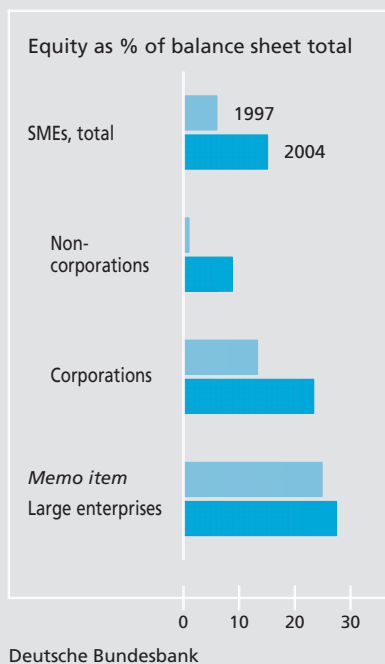
⁸ The sharp growth in leasing over the past few years suggests that the stock of tangible fixed assets used has increased considerably more sharply than is recorded in the balance sheet figures. This is due to the fact that the vast majority of the leasing companies, on whose balance sheets the leased machinery and equipment are mostly recorded, are assigned to the banking industry, which is not recorded in the Bundesbank's corporate balance sheet statistics.

SME's balance sheet *

Item	2004							
	SMEs			For comparison	SMEs			For comparison
		Non-corporations	Corporations	Large enterprises		Non-corporations	Corporations	Large enterprises
Assets	Percentage of the balance sheet total				1997 = 100 ¹			
Intangible fixed assets	1.7	1.6	1.7	2.3	124.9	121.2	129.7	250.7
Tangible fixed assets	28.8	34.0	21.9	18.2	101.3	99.9	104.1	125.8
Inventories	25.2	25.1	25.4	16.0	85.1	80.2	92.3	114.8
Non-financial assets	55.7	60.8	49.1	36.5	93.7	91.1	98.3	124.5
Cash	8.9	7.8	10.5	5.7	133.7	122.4	146.6	148.9
Receivables	31.2	27.9	35.5	34.9	97.7	92.6	103.5	141.5
<i>of which</i>								
Trade receivables	17.5	15.9	19.6	10.7	89.3	84.8	94.6	115.0
Receivables from affiliated companies	7.9	7.0	9.1	19.2	117.4	111.4	124.1	164.0
Securities	0.9	0.6	1.4	3.7	188.3	157.5	211.0	132.0
Other long-term equity investments ²	2.3	2.1	2.7	18.8	117.0	99.5	141.8	164.1
Prepaid expenses	0.9	0.9	0.8	0.3	108.1	106.7	110.4	170.0
Financial assets	44.3	39.2	50.9	63.5	105.6	98.6	113.7	147.7
Total assets ³	100	100	100	100	98.7	93.9	105.6	138.3
Capital								
Equity ^{3,4}	15.1	8.8	23.4	27.5	249.6	850.8	185.4	152.8
Liabilities	73.4	81.7	62.7	47.9	85.8	83.9	89.3	138.7
<i>of which</i>								
to banks	30.4	38.9	19.5	7.4	81.7	81.8	81.5	118.9
Trade payables	13.7	13.6	13.8	8.8	76.7	72.8	82.2	117.0
to affiliated companies	12.6	12.8	12.4	20.5	102.4	101.8	103.2	186.0
Payments received on account of orders	6.2	5.8	6.8	4.5	86.3	80.9	93.1	107.4
Provisions ⁴	11.0	9.2	13.4	24.3	117.1	118.0	116.2	123.7
<i>of which</i>								
Provisions for pensions	3.1	1.6	4.9	11.1	112.2	108.7	113.7	125.5
Deferred income	0.4	0.3	0.5	0.4	140.8	131.5	148.2	192.5
Liabilities and provisions	84.9	91.2	76.6	72.5	89.1	86.5	93.3	133.5
Total capital ³	100	100	100	100	98.7	93.9	105.6	138.3
<i>Memo item</i>								
Sales	191.5	189.8	193.7	165.7	102.0	98.3	107.1	129.5

* Extrapolated results. — ¹ Calculated from absolute amounts. — ² Including shares in affiliated companies. — ³ Less adjustments to equity. — ⁴ Including half of the special tax-allowable reserve.

Small and medium-sized enterprises' (SMEs) provision with equity



were considerably more important than for SMEs (2½%). With a share of 3½% in 2004, investment in securities likewise plays a greater role in the balance sheets of the large enterprises.

Sharp increase in equity

The structural shifts on the capital side of the SMEs' balance sheets were even more marked than those on the assets side. Most striking in this context is the sharp increase in equity and the reduction in liabilities. Between 1997 and 2004, SMEs' equity stock grew by 150%, which was significantly more than in the case of the larger enterprises (+53%). This was helped by the fact that, above all, non-corporations among the SMEs had substantially improved on their often poor equity levels in the 1990s. Besides buoyant earnings, this may have been due to a

certain amount of pressure from the banks to place more private assets on the balance sheet.⁹ Corporations' equity likewise showed a marked increase during the observation period (+85½%).

Measured by the balance sheet total, SMEs' equity increased overall by 9 percentage points to 15% between 1997 and 2004, with the ratio increasing by 8 percentage points to 9% in the case of non-corporations and by 10 percentage points to 23½% in the case of corporations. Considerable differences remain across the individual sectors. In 2004, these ranged, for all legal forms, from 6% in construction and 6½% in the retail trade to 21% in manufacturing and 21½% in the wholesale trade. It is striking that the differential between SMEs and large enterprises is due predominantly to the still much weaker capitalisation of non-corporations, whereas the relevant ratios of the small and medium-sized corporations and the large corporations are either more or less equally high (manufacturing, wholesale trade and transport) or only slightly lower (other sectors).

⁹ The proprietor or partner has some accounting discretion as to whether assets are classified as private or business assets. For tax reasons, it is therefore more attractive to record financial assets and real estate as private assets, for example, owing to the more favourable treatment of capital gains from sales. However, the liability of proprietors of sole proprietorships and at least some of the partners of partnerships for their firm's debts ultimately also extends to their private assets not shown in the balance sheet. In addition, they often post some of their private assets as collateral when procuring business loans. Conversely, since interest paid on bank loans is tax-deductible, there is an incentive to locate loans in the business accounts. This results in the non-corporations' balance sheets often showing their real financial status too unfavourably.

*Liabilities lower
but provisions
higher*

As a mirror image of this, the stock of liabilities declined significantly. One main reason for this was the substantial 18½% net repayment of short and long-term bank loans since 1997. Altogether, these accounted for 30½% of the balance sheet total in 2004, compared with 37% in 1997. Second, in the wake of the shrinkage process in the construction industry, there was a decline in payments received on account of orders and trade payables, both in terms of their amount and in relation to the balance sheet total. By contrast, payables to affiliated companies showed a slight increase. SMEs' provisions increased by 17% in the observation period, latterly representing just over one-tenth of total capital. This is still relatively little, however, when compared with the large enterprises, whose provisions have a balance sheet share of 24½%, mainly on account of high pension provisions – which have shown a further sharp rise over the past few years.

Concluding remarks

*Economic
situation of
SMEs
significantly
improved*

The profitability and financing situation of SMEs in Germany improved markedly between 1997 and 2004. This is striking given the fact that the quite weak domestic demand meant that the overall economic setting was rather unfavourable for the generally less export-oriented small and medium-sized firms in most of the years in the period under study. In this difficult situation, SMEs focused, first and foremost, on restructuring with the objective of reducing costs. The substantial gap between SMEs and large enterprises in terms of both profitability and finan-

cing that had existed in the 1990s has since narrowed considerably. This applies, in particular, to the corporations among the SMEs, whose annual financial statements, for various reasons, can be better compared with those of the large enterprises than can those of the non-corporations. What also has to be borne in mind in this analysis, however, is that very many small and medium-sized firms with very poor economic ratios disappeared from the market during the observation period and so are no longer captured statistically.

In 2005, enterprises' gross profits showed a further sharp overall rise (see the box on pages 44 and 45). This was accompanied by a further improvement in their equity levels. The SMEs (for which no separate statistical breakdown for 2005 is possible at present) are likely to have shared in this development. This is indicated by the fact that domestic demand has become a second pillar of economic activity in Germany besides exports.

As the sustainability of the improved profitability and financial situation is by no means assured yet, there continues to be a need for economic policy action. This includes, first and foremost, a business taxation regime which promotes performance and further measures to make the labour market more flexible. By comparison, the adoption of specific measures to promote small and medium-sized enterprises would appear to be less efficient. Indeed, they harbour the risk of intensifying distortions in the interplay between SMEs and large enterprises and of posing an additional strain on public finances.

*Challenge for
economic
policy remains*

The tables accompanying this article appear on the following pages.

**Balance sheet and income statement of small and medium-sized enterprises (SMEs) *
 in Germany °**

€ billion

Item	All legal forms							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet								
Assets								
Intangible fixed assets	10.3	11.4	12.5	13.2	12.6	13.1	12.8	12.9
Tangible fixed assets	217.0	219.7	224.6	229.6	226.7	221.0	217.0	219.8
<i>of which: Land and buildings</i>	107.2	109.2	109.8	112.1	111.7	109.7	108.2	107.2
Inventories	226.6	224.0	227.3	221.6	214.7	203.8	194.9	192.9
<i>of which</i>								
Work in progress	71.0	67.7	75.0	70.6	69.0	65.9	63.5	60.6
Finished goods and merchandise	125.4	126.4	121.7	119.6	115.2	108.7	103.2	103.1
Cash	51.2	54.7	58.0	58.1	59.5	61.8	64.2	68.4
Receivables	244.3	245.2	256.5	264.7	260.6	252.6	244.3	238.6
Short-term	229.0	231.0	242.4	250.7	245.8	239.6	232.2	226.5
<i>of which</i>								
Trade receivables	149.6	147.1	153.8	156.8	150.3	141.0	136.3	133.6
Receivables from affiliated companies	44.5	48.7	53.0	56.2	58.3	61.0	59.7	56.5
Long-term	15.2	14.2	14.1	14.1	14.8	12.9	12.1	12.1
<i>of which: Loans to affiliated companies</i>	7.0	6.0	5.4	5.0	5.6	4.6	4.5	3.9
Securities	3.8	4.5	5.3	6.1	6.5	6.6	6.6	7.2
Other long-term equity investments ¹	15.3	17.6	19.0	19.1	19.4	19.2	18.8	17.9
Prepaid expenses	6.2	6.3	6.6	6.7	6.9	6.9	6.7	6.7
Balance sheet total (adjusted)	774.7	783.5	809.7	819.1	806.9	785.1	765.2	764.4
Capital								
Equity ² (adjusted)	46.4	56.4	65.4	75.1	79.5	88.9	99.0	115.7
Liabilities								
Short-term	436.4	426.9	437.3	438.8	433.6	422.2	402.6	390.2
<i>of which</i>								
Liabilities to banks	128.9	128.9	125.5	126.5	126.5	123.2	113.5	107.7
Trade payables	136.6	129.4	130.8	131.0	122.7	112.5	107.7	104.7
Liabilities to affiliated companies	46.4	46.3	50.2	55.8	59.5	63.5	63.5	64.1
Payments received on account of orders	55.2	52.5	59.7	54.7	54.8	53.2	51.2	47.6
Long-term	217.8	224.5	227.5	221.6	209.8	188.8	177.5	171.2
<i>of which</i>								
Liabilities to banks	155.8	161.8	166.4	165.0	156.8	140.1	130.8	124.9
Liabilities to affiliated companies	48.0	49.2	48.8	44.9	40.1	35.7	33.6	32.5
Provisions ²	72.1	73.6	77.2	80.6	80.9	82.3	83.4	84.5
<i>of which: Provisions for pensions</i>	20.8	20.8	22.0	22.6	23.0	23.9	23.7	23.3
Deferred income	2.0	2.2	2.3	3.0	3.1	2.9	2.8	2.9
Balance sheet total (adjusted)	774.7	783.5	809.7	819.1	806.9	785.1	765.2	764.4
Income statement								
Sales	1,434.9	1,446.5	1,459.6	1,490.4	1,479.3	1,437.5	1,428.2	1,463.6
Change in finished goods ³	7.5	7.8	13.9	11.3	9.2	9.2	7.5	6.1
Gross revenue	1,442.3	1,454.4	1,473.5	1,501.7	1,488.5	1,446.8	1,435.7	1,469.8
Interest and similar income	3.9	3.9	3.8	4.3	4.7	4.1	3.6	3.4
Other income ⁴	48.2	50.8	51.0	54.0	55.8	58.8	58.4	55.2
<i>of which: from long-term equity investments</i>	3.4	3.7	3.7	3.9	3.4	2.4	2.5	1.8
Total income	1,494.4	1,509.0	1,528.3	1,560.0	1,549.1	1,509.6	1,497.7	1,528.4
Cost of materials	801.2	808.4	817.3	829.7	816.8	780.5	771.2	792.0
Personnel expenses	339.4	337.7	341.3	348.0	347.9	346.6	340.9	341.1
Depreciation	57.1	57.2	56.4	58.3	56.8	54.5	51.7	48.3
<i>of which: of tangible fixed assets ⁵</i>	52.5	52.9	52.6	54.2	51.5	49.4	47.3	44.4
Interest and similar expenses	27.0	26.0	25.0	25.5	26.1	23.9	22.0	20.4
Operating taxes	3.2	2.7	2.7	2.5	2.0	1.9	1.9	1.9
<i>of which: Excise duties</i>	0.2	0.1	0.1	0.2	0.1	0.2	0.1	0.1
Other expenses ⁶	214.7	218.0	224.5	236.4	240.7	245.6	246.6	249.8
Total expenses before taxes on income	1,442.6	1,450.0	1,467.2	1,500.4	1,490.2	1,453.0	1,434.3	1,453.5
Annual result before taxes on income	51.8	59.1	61.1	59.6	58.8	56.6	63.4	74.9
Taxes on income ⁷	10.8	11.7	12.1	11.9	11.2	10.7	11.5	12.9
Annual result	41.0	47.4	49.0	47.7	47.6	45.9	51.9	62.0
Cash flow ⁸		106.7	109.6	111.5	104.6	101.4	105.0	112.0

* Enterprises with sales of less than €50 million. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. D-Mark figures converted to euro. — 1 Including shares in affiliated companies. — 2 Including half of the special tax-allowable reserve. — 3 Including own work capitalised. — 4 Excluding in-

come from profit transfers (parent company) and loss transfers (subsidiary). — 5 Including amortisation and write-downs of intangible fixed assets. — 6 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 7 In the case of partnerships and sole proprietorships, trade earnings tax only. — 8 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

Deutsche Bundesbank

**Balance sheet and income statement of small and medium-sized enterprises (SMEs) *
 in Germany ° (cont'd)**

€ billion

Item	Non-corporations 1							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet								
Assets								
Intangible fixed assets	5.8	6.6	7.2	7.5	6.8	7.1	6.9	7.1
Tangible fixed assets	147.2	150.1	151.5	154.3	153.4	146.6	145.3	147.0
of which: Land and buildings	79.0	80.7	79.9	81.5	81.8	79.0	78.7	78.2
Inventories	135.2	134.5	134.6	129.6	124.5	118.3	111.5	108.5
of which								
Work in progress	38.3	36.7	40.5	36.7	35.8	34.5	32.5	30.4
Finished goods and merchandise	80.1	81.1	77.4	75.8	72.2	68.0	63.8	62.7
Cash	27.4	28.7	30.2	29.4	30.9	30.8	31.9	33.5
Receivables	130.2	130.9	136.3	138.2	136.6	131.1	125.8	120.6
Short-term	121.7	123.3	129.1	131.4	129.7	125.2	120.5	115.6
of which								
Trade receivables	81.0	79.3	82.3	82.6	79.5	74.6	72.0	68.7
Receivables from affiliated companies	22.5	25.7	28.4	29.7	30.7	31.6	30.3	28.4
Long-term	8.5	7.6	7.2	6.8	6.9	5.9	5.3	5.0
of which: Loans to affiliated companies	4.7	3.9	3.4	2.9	3.1	2.4	2.4	1.8
Securities	1.6	1.9	1.8	2.1	2.4	2.4	2.3	2.5
Other long-term equity investments 2	9.0	9.9	10.2	10.5	10.4	10.1	9.6	8.9
Prepaid expenses	3.8	3.9	4.0	4.0	4.1	4.2	4.0	4.0
Balance sheet total (adjusted)	460.2	466.4	475.8	475.5	469.0	450.6	437.2	432.2
Capital								
Equity 3 (adjusted)	4.5	10.6	13.7	18.6	21.3	24.2	30.0	38.1
Liabilities								
Short-term	260.1	253.5	257.5	254.9	254.4	248.2	236.3	227.8
of which								
Liabilities to banks	86.0	85.6	82.7	82.8	83.4	82.2	75.9	71.8
Trade payables	80.7	76.3	76.2	74.5	69.9	64.2	61.7	58.8
Liabilities to affiliated companies	22.6	22.2	24.7	28.8	31.5	32.9	33.7	35.2
Payments received on account of orders	30.8	29.4	33.3	29.3	29.3	28.9	27.2	24.9
Long-term	161.0	166.4	167.2	162.1	153.2	138.5	130.6	125.4
of which								
Liabilities to banks	119.3	124.9	127.8	126.3	120.0	107.5	100.8	96.2
Liabilities to affiliated companies	31.8	32.5	31.4	28.1	24.6	22.3	20.9	20.1
Provisions 3	33.7	34.8	36.3	38.3	38.6	38.4	39.2	39.8
of which: Provisions for pensions	6.5	6.7	7.0	7.2	7.3	7.4	7.3	7.0
Deferred income	0.9	1.2	1.1	1.6	1.6	1.3	1.2	1.2
Balance sheet total (adjusted)	460.2	466.4	475.8	475.5	469.0	450.6	437.2	432.2
Income statement								
Sales	834.4	841.8	848.2	859.6	851.6	823.9	815.4	820.2
Change in finished goods 4	3.0	3.7	6.9	4.5	2.7	4.3	2.6	2.3
Gross revenue	837.4	845.5	855.1	864.1	854.3	828.2	818.0	822.6
Interest and similar income	1.9	1.9	1.8	2.0	2.2	1.9	1.6	1.6
Other income 5	26.3	28.2	28.2	29.9	31.3	31.7	32.3	31.0
of which: from long-term equity investments	1.9	1.9	2.0	2.0	1.8	1.5	1.5	0.9
Total income	865.5	875.5	885.1	896.0	887.8	861.8	851.9	855.2
Cost of materials	453.0	457.6	463.3	466.9	459.0	439.9	432.4	433.3
Personnel expenses	189.4	188.5	189.3	190.0	188.9	185.3	181.0	178.9
Depreciation	36.7	36.9	36.2	37.3	35.6	33.7	32.3	30.0
of which: of tangible fixed assets 6	34.2	34.7	34.2	35.2	33.2	31.3	30.1	28.0
Interest and similar expenses	18.5	18.0	17.1	17.3	17.6	16.1	15.0	13.9
Operating taxes	2.0	1.7	1.7	1.6	1.2	1.1	1.1	1.2
of which: Excise duties	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other expenses 7	123.3	125.5	129.3	134.6	137.0	139.2	140.9	141.9
Total expenses before taxes on income	822.9	828.2	837.0	847.7	839.3	815.4	802.6	799.1
Annual result before taxes on income	42.6	47.3	48.1	48.3	48.4	46.4	49.3	56.1
Taxes on income 8	4.8	5.0	5.2	5.3	5.3	5.1	5.4	5.8
Annual result	37.9	42.4	42.9	43.0	43.2	41.3	43.9	50.3
Cash flow 9		80.9	81.0	84.0	79.0	74.3	77.2	81.4

* Enterprises with sales of less than €50 million. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. D-Mark figures converted to euro. — 1 Partnerships (including limited partnerships and civil-law associations) as well as sole proprietorships. — 2 Including shares in affiliated companies. — 3 Including half of the special tax-allowable reserve. — 4 Including

own work capitalised. — 5 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 6 Including amortisation and write-downs of intangible fixed assets. — 7 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 8 In the case of partnerships and sole proprietorships, trade earnings tax only. — 9 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

Deutsche Bundesbank

**Balance sheet and income statement of small and medium-sized enterprises (SMEs) *
 in Germany ° (cont'd)**

€ billion

Item	Corporations 1							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet								
Assets								
Intangible fixed assets	4.5	4.9	5.3	5.8	5.9	6.0	5.9	5.8
Tangible fixed assets	69.9	69.6	73.1	75.2	73.3	74.3	71.6	72.7
<i>of which: Land and buildings</i>	28.2	28.5	29.9	30.6	29.8	30.7	29.6	29.0
Inventories	91.4	89.5	92.7	92.0	90.2	85.4	83.5	84.4
<i>of which</i>								
Work in progress	32.7	31.0	34.6	33.9	33.2	31.3	31.0	30.2
Finished goods and merchandise	45.3	45.3	44.3	43.8	43.0	40.7	39.4	40.4
Cash	23.8	26.0	27.8	28.8	28.6	31.1	32.3	34.9
Receivables	114.0	114.3	120.2	126.6	124.0	121.5	118.5	118.1
Short-term	107.3	107.7	113.3	119.3	116.1	114.5	111.7	110.9
<i>of which</i>								
Trade receivables	68.7	67.8	71.5	74.2	70.8	66.5	64.3	65.0
Receivables from affiliated companies	22.0	23.0	24.7	26.5	27.7	29.4	29.4	28.1
Long-term	6.7	6.6	6.9	7.3	7.9	7.0	6.8	7.1
<i>of which: Loans to affiliated companies</i>	2.3	2.1	1.9	2.0	2.5	2.2	2.1	2.1
Securities	2.2	2.6	3.5	3.9	4.1	4.2	4.3	4.6
Other long-term equity investments 2	6.3	7.7	8.7	8.6	9.1	9.1	9.2	9.0
Prepaid expenses	2.5	2.4	2.6	2.7	2.8	2.7	2.7	2.7
Balance sheet total (adjusted)	314.5	317.0	333.9	343.6	337.9	334.4	328.0	332.2
Capital								
Equity 3 (adjusted)	41.9	45.8	51.8	56.5	58.2	64.7	69.0	77.7
Liabilities	233.1	231.4	240.1	243.4	235.9	224.3	213.2	208.2
Short-term	176.2	173.4	179.8	184.0	179.3	174.0	166.3	162.4
<i>of which</i>								
Liabilities to banks	42.9	43.3	42.8	43.7	43.1	41.0	37.5	35.9
Trade payables	55.9	53.1	54.7	56.5	52.8	48.3	46.0	45.9
Liabilities to affiliated companies	23.8	24.0	25.5	27.0	28.0	30.5	29.8	28.9
Payments received on account of orders	24.4	23.1	26.4	25.4	25.5	24.3	24.0	22.7
Long-term	56.8	58.0	60.2	59.4	56.6	50.3	46.9	45.8
<i>of which</i>								
Liabilities to banks	36.5	36.9	38.6	38.6	36.8	32.5	30.0	28.7
Liabilities to affiliated companies	16.2	16.8	17.5	16.8	15.5	13.4	12.7	12.4
Provisions 3	38.4	38.8	40.8	42.3	42.3	43.8	44.2	44.7
<i>of which: Provisions for pensions</i>	14.3	14.1	15.0	15.4	15.7	16.5	16.4	16.3
Deferred income	1.1	1.0	1.2	1.3	1.5	1.6	1.6	1.7
Balance sheet total (adjusted)	314.5	317.0	333.9	343.6	337.9	334.4	328.0	332.2
Income statement								
Sales	600.5	604.7	611.3	630.8	627.8	613.6	612.8	643.4
Change in finished goods 4	4.5	4.2	7.1	6.7	6.5	4.9	4.9	3.8
Gross revenue	605.0	608.9	618.4	637.5	634.3	618.6	617.7	647.2
Interest and similar income	2.0	2.1	2.0	2.3	2.5	2.3	2.0	1.9
Other income 5	21.9	22.5	22.9	24.2	24.6	27.0	26.1	24.2
<i>of which: from long-term equity investments</i>	1.4	1.7	1.7	1.8	1.6	1.0	1.0	0.9
Total income	628.9	633.5	643.3	664.0	661.3	647.9	645.8	673.2
Cost of materials	348.2	350.9	354.1	362.8	357.8	340.6	338.8	358.6
Personnel expenses	150.0	149.1	152.0	158.0	159.0	161.3	159.9	162.2
Depreciation	20.4	20.3	20.2	21.0	21.2	20.9	19.5	18.3
<i>of which: of tangible fixed assets 6</i>	18.3	18.3	18.4	18.9	18.4	18.0	17.2	16.4
Interest and similar expenses	8.5	8.0	7.8	8.1	8.4	7.7	7.0	6.6
Operating taxes	1.2	0.9	1.0	0.9	0.8	0.8	0.8	0.7
<i>of which: Excise duties</i>	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0
Other expenses 7	91.4	92.4	95.2	101.8	103.7	106.4	105.7	107.9
Total expenses before taxes on income	619.7	621.8	630.2	652.7	650.9	637.6	631.7	654.4
Annual result before taxes on income	9.2	11.7	13.1	11.3	10.4	10.2	14.1	18.8
Taxes on income 8	6.0	6.7	7.0	6.6	5.9	5.6	6.1	7.1
Annual result	3.1	5.0	6.1	4.7	4.5	4.6	8.0	11.7
Cash flow 9		25.8	28.5	27.6	25.6	27.1	27.7	30.7

* Enterprises with sales of less than €50 million. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. D-Mark figures converted to euro. — 1 Including cooperatives and foundations. — 2 Including shares in affiliated companies. — 3 Including half of the special tax-allowable reserve. — 4 Including own work capitalised. — 5 Excluding income from profit transfers

(parent company) and loss transfers (subsidiary). — 6 Including amortisation and write-downs of intangible fixed assets. — 7 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 8 In the case of partnerships and sole proprietorships, trade earnings tax only. — 9 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

Deutsche Bundesbank

Balance sheet and income statement of large enterprises * in Germany °

€ billion

Item	All legal forms							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet								
Assets								
Intangible fixed assets	11.9	14.7	18.0	20.9	21.3	29.1	27.4	29.9
Tangible fixed assets	184.6	196.5	206.5	212.5	225.8	230.3	230.9	232.2
<i>of which: Land and buildings</i>	78.1	83.1	85.0	84.1	88.6	89.3	89.7	88.6
Inventories	178.6	184.9	195.9	206.7	204.4	204.2	209.0	205.1
<i>of which</i>								
Work in progress	60.8	57.8	61.2	63.5	59.8	61.7	61.0	58.0
Finished goods and merchandise	82.9	90.5	96.1	100.2	102.9	101.8	102.0	100.7
Cash	48.6	45.8	45.5	43.9	53.0	61.9	75.0	72.4
Receivables	315.7	335.2	375.4	400.2	419.4	445.0	440.7	446.8
Short-term	293.3	312.2	350.3	375.7	386.1	406.7	400.2	410.3
<i>of which</i>								
Trade receivables	119.4	122.0	136.9	148.3	140.5	137.2	135.7	137.3
Receivables from affiliated companies	136.3	149.8	170.4	181.6	202.0	220.3	217.0	225.2
Long-term	22.4	23.0	25.1	24.5	33.3	38.2	40.5	36.5
<i>of which: Loans to affiliated companies</i>	13.6	15.2	16.6	17.6	19.4	24.1	23.1	20.6
Securities	35.7	38.7	41.4	41.4	31.3	34.8	40.0	47.2
Other long-term equity investments ¹	146.9	158.9	179.2	204.1	212.1	229.6	239.9	241.0
Prepaid expenses	2.4	2.5	2.8	2.9	3.2	3.9	4.5	4.1
Balance sheet total (adjusted)	924.5	977.2	1,064.7	1,132.6	1,170.6	1,238.8	1,267.3	1,278.6
Capital								
Equity ² (adjusted)	229.9	252.2	279.8	287.2	305.4	338.3	340.4	351.2
Liabilities								
Short-term	441.1	465.8	506.4	557.2	573.6	594.9	617.8	611.9
<i>of which</i>								
Liabilities to banks	365.6	381.7	411.7	464.9	478.1	490.4	503.5	502.9
Trade payables	44.6	46.6	52.6	57.7	59.5	53.5	52.1	47.7
Liabilities to affiliated companies	96.3	96.1	100.5	114.6	109.3	110.2	108.6	112.7
Payments received on account of orders	109.7	126.4	141.3	166.9	189.8	205.1	219.4	225.4
Long-term	53.0	50.5	53.0	50.6	49.5	55.4	60.9	56.9
<i>of which</i>								
Liabilities to banks	75.5	84.1	94.7	92.2	95.5	104.6	114.3	109.0
Liabilities to affiliated companies	35.4	40.8	49.2	44.5	48.8	48.8	48.4	47.4
Provisions ²	31.0	34.1	35.2	33.3	31.5	37.8	41.0	36.4
<i>of which: Provisions for pensions</i>	250.8	255.2	273.7	284.0	286.5	300.5	304.0	310.3
Deferred income	113.0	116.4	124.1	127.3	127.8	135.2	138.2	141.8
	2.7	3.9	4.8	4.3	5.1	5.2	5.2	5.2
Balance sheet total (adjusted)	924.5	977.2	1,064.7	1,132.6	1,170.6	1,238.8	1,267.3	1,278.6
Income statement								
Sales	1,636.7	1,715.3	1,798.2	1,985.0	2,047.4	2,038.1	2,037.7	2,119.1
Change in finished goods ³	-1.2	0.3	1.1	4.7	3.2	-2.3	2.9	6.6
Gross revenue	1,635.5	1,715.6	1,799.3	1,989.7	2,050.6	2,035.8	2,040.6	2,125.7
Interest and similar income	11.1	11.8	11.1	13.0	14.8	13.0	13.4	11.7
Other income ⁴	74.9	82.1	93.2	100.0	110.5	116.9	103.6	94.7
<i>of which: from long-term equity investments</i>	10.4	15.0	15.5	23.1	17.1	16.3	14.8	13.0
Total income	1,721.5	1,809.6	1,903.7	2,102.7	2,176.0	2,165.7	2,157.6	2,232.1
Cost of materials	1,057.6	1,116.5	1,169.5	1,335.4	1,384.8	1,368.4	1,369.3	1,454.3
Personnel expenses	267.9	277.0	291.4	297.3	302.8	307.1	307.3	306.0
Depreciation	52.4	57.0	59.4	62.9	64.7	65.9	64.8	60.3
<i>of which: of tangible fixed assets ⁵</i>	47.1	49.6	52.6	54.8	54.9	55.4	56.1	53.7
Interest and similar expenses	13.1	14.3	14.6	18.1	21.1	20.5	18.6	18.3
Operating taxes	53.1	51.5	53.3	53.4	57.4	61.5	66.1	58.8
<i>of which: Excise duties</i>	47.9	49.9	50.8	51.2	54.8	57.6	62.5	57.2
Other expenses ⁶	222.2	230.8	255.9	266.7	273.7	274.1	272.8	273.1
Total expenses before taxes on income	1,666.3	1,747.2	1,844.2	2,033.7	2,104.5	2,097.5	2,098.9	2,170.8
Annual result before taxes on income	55.1	62.3	59.5	69.0	71.5	68.2	58.7	61.3
Taxes on income ⁷	14.1	18.5	19.9	21.2	19.2	16.8	16.6	17.6
Annual result	41.0	43.8	39.5	47.8	52.3	51.4	42.1	43.8
Cash flow ⁸		106.1	118.6	119.1	119.4	129.7	109.2	110.6

* Enterprises with sales of €50 million or more. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. D-Mark figures converted to euro. — 1 Including shares in affiliated companies. — 2 Including half of the special tax-allowable reserve. — 3 Including own work capitalised. — 4 Excluding in-

come from profit transfers (parent company) and loss transfers (subsidiary). — 5 Including amortisation and write-downs of intangible fixed assets. — 6 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 7 In the case of partnerships and sole proprietorships, trade earnings tax only. — 8 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

Deutsche Bundesbank

Balance sheet and income statement of large enterprises * in Germany ° (cont'd)

€ billion

Item	Non-corporations 1							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet								
Assets								
Intangible fixed assets	3.2	3.6	5.4	5.7	5.1	7.2	8.5	9.2
Tangible fixed assets	48.9	51.9	56.6	59.6	64.4	69.0	72.2	72.6
of which: Land and buildings	23.3	24.8	25.2	25.9	28.2	30.1	31.3	31.1
Inventories	53.1	56.4	61.5	64.5	65.5	65.4	66.9	66.0
of which								
Work in progress	13.2	13.3	16.0	17.0	16.5	16.9	18.7	19.2
Finished goods and merchandise	30.2	32.4	34.7	34.8	36.6	36.4	35.4	33.4
Cash	13.4	13.3	14.5	13.9	15.2	18.2	19.3	18.8
Receivables	75.8	82.0	94.3	100.9	110.5	114.6	113.3	112.4
Short-term	71.6	77.8	88.5	96.1	104.6	106.9	106.7	106.3
of which								
Trade receivables	37.9	39.6	43.5	45.5	45.6	46.4	47.6	48.4
Receivables from affiliated companies	26.2	29.6	34.8	39.9	48.0	46.3	44.9	43.2
Long-term	4.2	4.2	5.8	4.9	5.8	7.7	6.5	6.1
of which: Loans to affiliated companies	2.1	2.2	2.6	3.0	3.2	5.1	3.8	3.7
Securities	2.6	3.0	3.9	3.3	3.1	4.0	4.4	4.8
Other long-term equity investments 2	17.1	18.0	21.9	23.3	22.4	30.4	30.7	33.6
Prepaid expenses	0.7	0.7	0.8	0.9	1.0	1.3	1.2	1.3
Balance sheet total (adjusted)	214.8	228.9	258.8	272.1	287.3	310.1	316.6	318.7
Capital								
Equity 3 (adjusted)	37.5	44.4	50.2	53.1	58.7	68.1	71.8	75.5
Liabilities	136.8	141.5	160.9	169.2	177.4	187.3	187.9	186.5
Short-term	99.4	104.4	115.0	129.2	137.3	141.4	141.5	142.8
of which								
Liabilities to banks	17.6	18.4	21.0	24.7	24.7	24.4	22.2	22.4
Trade payables	33.2	32.5	34.6	38.0	39.9	41.8	41.3	41.2
Liabilities to affiliated companies	24.0	28.9	30.9	37.3	41.5	45.8	45.0	47.2
Payments received on account of orders	9.8	9.6	12.1	12.3	13.6	13.4	15.7	15.1
Long-term	37.4	37.1	45.9	40.0	40.1	45.9	46.4	43.7
of which								
Liabilities to banks	16.6	17.6	23.6	20.4	21.2	22.6	24.0	22.9
Liabilities to affiliated companies	18.0	16.6	18.6	16.6	15.4	19.4	17.8	15.8
Provisions 3	40.0	41.6	46.4	48.8	49.5	52.9	54.4	54.5
of which: Provisions for pensions	16.6	17.3	18.6	19.7	20.0	22.0	21.5	21.7
Deferred income	0.6	1.3	1.2	1.1	1.6	1.9	2.5	2.3
Balance sheet total (adjusted)	214.8	228.9	258.8	272.1	287.3	310.1	316.6	318.7
Income statement								
Sales	499.4	521.1	553.4	606.9	661.5	658.3	666.5	676.1
Change in finished goods 4	-0.4	0.5	0.6	1.8	0.7	-0.5	0.9	5.1
Gross revenue	499.0	521.6	554.0	608.7	662.1	657.8	667.4	681.2
Interest and similar income	1.8	1.9	1.7	2.2	2.5	2.5	2.4	2.0
Other income 5	16.6	18.8	19.0	20.4	23.3	24.5	24.5	22.5
of which: from long-term equity investments	1.7	2.6	2.0	2.6	2.2	2.5	2.8	2.5
Total income	517.4	542.2	574.7	631.3	687.8	684.7	694.3	705.7
Cost of materials	335.1	349.6	367.3	417.5	460.7	448.3	452.3	466.9
Personnel expenses	78.6	81.7	88.4	89.9	95.5	98.1	101.5	100.3
Depreciation	13.9	14.2	15.8	16.8	17.2	18.0	18.6	17.4
of which: of tangible fixed assets 6	12.4	12.9	14.6	15.4	15.7	16.2	17.2	15.9
Interest and similar expenses	4.2	4.3	4.7	5.3	6.0	6.1	5.7	5.6
Operating taxes	2.4	1.9	2.1	2.3	2.9	4.4	4.2	2.9
of which: Excise duties	1.4	1.5	1.4	1.6	2.0	1.8	2.0	2.3
Other expenses 7	67.4	70.6	78.8	79.2	81.7	85.8	89.8	87.4
Total expenses before taxes on income	501.5	522.3	557.0	611.0	663.9	660.7	672.0	680.5
Annual result before taxes on income	15.9	19.9	17.7	20.3	23.9	24.0	22.3	25.2
Taxes on income 8	2.7	3.5	3.7	3.6	3.9	4.1	3.5	4.2
Annual result	13.2	16.4	14.0	16.7	20.0	20.0	18.8	21.0
Cash flow 9		33.1	34.5	35.5	38.2	41.2	39.4	38.1

* Enterprises with sales of €50 million or more. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. D-Mark figures converted to euro. — 1 Partnerships (including limited partnerships and civil-law associations) as well as sole proprietorships. — 2 Including shares in affiliated companies. — 3 Including half of the special tax-allowable reserve. — 4 Including

own work capitalised. — 5 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 6 Including amortisation and write-downs of intangible fixed assets. — 7 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 8 In the case of partnerships and sole proprietorships, trade earnings tax only. — 9 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

Deutsche Bundesbank

Balance sheet and income statement of large enterprises * in Germany ° (cont'd)

€ billion

Item	Corporations 1							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet								
Assets								
Intangible fixed assets	8.8	11.1	12.6	15.1	16.2	21.8	18.9	20.6
Tangible fixed assets	135.6	144.5	149.9	152.9	161.4	161.3	158.7	159.6
of which: Land and buildings	54.8	58.3	59.8	58.2	60.4	59.2	58.3	57.6
Inventories	125.6	128.5	134.5	142.2	138.9	138.8	142.1	139.1
of which								
Work in progress	47.6	44.4	45.2	46.5	43.3	44.8	42.3	38.8
Finished goods and merchandise	52.7	58.1	61.4	65.5	66.3	65.4	66.6	67.3
Cash	35.2	32.5	30.9	30.0	37.8	43.7	55.7	53.6
Receivables	239.9	253.2	281.1	299.3	308.9	330.4	327.4	334.4
Short-term	221.7	234.4	261.8	279.7	281.4	299.8	293.4	304.0
of which								
Trade receivables	81.5	82.3	93.4	102.8	94.9	90.8	88.1	89.0
Receivables from affiliated companies	110.1	120.3	135.6	141.7	153.9	174.0	172.1	181.9
Long-term	18.2	18.8	19.3	19.6	27.5	30.5	33.9	30.4
of which: Loans to affiliated companies	11.5	13.0	14.0	14.6	16.2	19.0	19.4	16.9
Securities	33.1	35.6	37.5	38.0	28.2	30.8	35.6	42.4
Other long-term equity investments 2	129.8	140.9	157.3	180.8	189.7	199.2	209.2	207.4
Prepaid expenses	1.8	1.9	2.0	2.1	2.2	2.6	3.3	2.8
Balance sheet total (adjusted)	709.7	748.3	805.9	860.5	883.3	928.7	950.7	959.9
Capital								
Equity 3 (adjusted)	192.5	207.8	229.5	234.1	246.7	270.2	268.5	275.7
Liabilities								
Short-term	266.2	277.3	296.6	335.7	340.8	349.0	362.0	360.1
of which								
Liabilities to banks	27.0	28.2	31.6	33.0	34.9	29.0	29.9	25.4
Trade payables	63.1	63.6	65.9	76.6	69.4	68.4	67.3	71.5
Liabilities to affiliated companies	85.8	97.5	110.4	129.6	148.4	159.3	174.4	178.2
Payments received on account of orders	43.2	41.0	40.9	38.3	35.9	41.9	45.2	41.8
Long-term	38.1	47.0	48.9	52.2	55.3	58.7	67.9	65.3
of which								
Liabilities to banks	18.8	23.2	25.6	24.1	27.6	26.2	24.4	24.5
Liabilities to affiliated companies	13.1	17.5	16.6	16.7	16.1	18.5	23.2	20.6
Provisions 3	210.8	213.6	227.3	235.2	236.9	247.6	249.6	255.8
of which: Provisions for pensions	96.3	99.1	105.5	107.6	107.8	113.2	116.7	120.1
Deferred income	2.1	2.6	3.6	3.2	3.5	3.2	2.6	2.9
Balance sheet total (adjusted)	709.7	748.3	805.9	860.5	883.3	928.7	950.7	959.9
Income statement								
Sales	1,137.3	1,194.2	1,244.8	1,378.1	1,385.9	1,379.7	1,371.3	1,443.0
Change in finished goods 4	-0.8	-0.2	0.5	2.9	2.6	-1.7	2.0	1.5
Gross revenue	1,136.5	1,194.0	1,245.3	1,381.1	1,388.5	1,378.0	1,373.2	1,444.6
Interest and similar income	9.2	9.9	9.4	10.8	12.4	10.5	11.0	9.7
Other income 5	58.3	63.4	74.2	79.5	87.3	92.5	79.1	72.2
of which: from long-term equity investments	8.8	12.4	13.5	20.6	14.9	13.9	12.0	10.5
Total income	1,204.0	1,267.3	1,328.9	1,471.5	1,488.1	1,480.9	1,463.3	1,526.5
Cost of materials	722.4	766.9	802.3	918.0	924.0	920.1	917.0	987.4
Personnel expenses	189.4	195.3	203.0	207.4	207.3	209.0	205.9	205.7
Depreciation	38.5	42.8	43.6	46.0	47.5	47.9	46.2	42.9
of which: of tangible fixed assets 6	34.7	36.7	38.0	39.4	39.2	39.2	38.9	37.9
Interest and similar expenses	8.9	10.0	9.9	12.8	15.1	14.4	12.9	12.7
Operating taxes	50.7	49.6	51.2	51.1	54.5	57.1	61.9	55.9
of which: Excise duties	46.5	48.4	49.4	49.6	52.8	55.8	60.5	54.9
Other expenses 7	154.9	160.2	177.2	187.4	192.0	188.3	183.1	185.8
Total expenses before taxes on income	1,164.8	1,224.9	1,287.1	1,422.7	1,440.5	1,436.8	1,427.0	1,490.3
Annual result before taxes on income	39.2	42.4	41.8	48.7	47.6	44.1	36.4	36.1
Taxes on income 8	11.4	15.0	16.2	17.7	15.3	12.7	13.1	13.3
Annual result	27.8	27.4	25.5	31.1	32.4	31.4	23.3	22.8
Cash flow 9		73.1	84.1	83.6	81.2	88.5	69.7	72.5

* Enterprises with sales of €50 million or more. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. D-Mark figures converted to euro. — 1 Including cooperatives and foundations. — 2 Including shares in affiliated companies. — 3 Including half of the special tax-allowable reserve. — 4 Including own work capitalised. — 5 Excluding income from profit transfers

(parent company) and loss transfers (subsidiary). — 6 Including amortisation and write-downs of intangible fixed assets. — 7 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 8 In the case of partnerships and sole proprietorships, trade earnings tax only. — 9 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

Selected ratios of small and medium-sized enterprises (SMEs) * in Germany °

Item	All legal forms							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet ratios	Percentage of balance sheet total (adjusted)							
Assets								
Intangible fixed assets	1.3	1.5	1.5	1.6	1.6	1.7	1.7	1.7
Tangible fixed assets	28.0	28.0	27.7	28.0	28.1	28.1	28.4	28.8
Inventories	29.3	28.6	28.1	27.1	26.6	26.0	25.5	25.2
Cash	6.6	7.0	7.2	7.1	7.4	7.9	8.4	8.9
Receivables	31.5	31.3	31.7	32.3	32.3	32.2	31.9	31.2
Short-term	29.6	29.5	29.9	30.6	30.5	30.5	30.3	29.6
Long-term	2.0	1.8	1.7	1.7	1.8	1.6	1.6	1.6
Securities	0.5	0.6	0.6	0.7	0.8	0.8	0.9	0.9
Other long-term equity investments 1	2.0	2.2	2.3	2.3	2.4	2.5	2.5	2.3
Capital								
Equity 2 (adjusted)	6.0	7.2	8.1	9.2	9.9	11.3	12.9	15.1
Liabilities								
Short-term	56.3	54.5	54.0	53.6	53.7	53.8	52.6	51.0
Long-term	28.1	28.6	28.1	27.1	26.0	24.0	23.2	22.4
Provisions 2	9.3	9.4	9.5	9.8	10.0	10.5	10.9	11.0
of which: Provisions for pensions	2.7	2.7	2.7	2.8	2.9	3.0	3.1	3.1
<i>Memo item: Sales</i>	185.2	184.6	180.3	181.9	183.3	183.1	186.6	191.5
Income statement ratios	Percentage of gross revenue							
Sales	99.5	99.5	99.1	99.2	99.4	99.4	99.5	99.6
Change in finished goods 3	0.5	0.5	0.9	0.8	0.6	0.6	0.5	0.4
Gross revenue	100	100	100	100	100	100	100	100
Interest and similar income	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2
Other income 4	3.3	3.5	3.5	3.6	3.8	4.1	4.1	3.8
Total income	103.6	103.8	103.7	103.9	104.1	104.3	104.3	104.0
Cost of materials	55.6	55.6	55.5	55.3	54.9	53.9	53.7	53.9
Personnel expenses	23.5	23.2	23.2	23.2	23.4	24.0	23.7	23.2
Depreciation	4.0	3.9	3.8	3.9	3.8	3.8	3.6	3.3
Interest and similar expenses	1.9	1.8	1.7	1.7	1.8	1.6	1.5	1.4
Operating taxes	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
of which: Excise duties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses 5	14.9	15.0	15.2	15.7	16.2	17.0	17.2	17.0
Total expenses before taxes on income	100.0	99.7	99.6	99.9	100.1	100.4	99.9	98.9
Annual result before taxes on income	Percentage of sales							
3.6	4.1	4.2	4.0	4.0	3.9	4.4	5.1	
Taxes on income 6	0.8	0.8	0.8	0.8	0.8	0.7	0.8	0.9
Annual result	2.9	3.3	3.4	3.2	3.2	3.2	3.6	4.2
Cash flow 7	.	7.4	7.5	7.5	7.1	7.1	7.4	7.7
Other ratios								
Inventories	15.8	15.5	15.6	14.9	14.5	14.2	13.6	13.2
Short-term receivables	16.0	16.0	16.6	16.8	16.6	16.7	16.3	15.5
Equity (adjusted)	Percentage of tangible fixed assets 8							
20.4	24.4	27.6	30.9	33.2	38.0	43.1	49.7	
Long-term equity and liabilities 9	127.9	133.2	135.8	135.1	134.0	132.4	134.3	137.2
Long-term equity and liabilities 9	Percentage of fixed assets 10							
112.0	116.2	118.3	117.9	116.3	115.4	117.2	120.4	
Cash resources 11 and short-term receivables	Percentage of short-term liabilities							
64.7	67.5	69.4	71.2	71.4	72.4	74.6	76.8	
Cash resources 11, short-term receivables and inventories	116.6	120.0	121.4	121.7	120.9	120.7	123.0	126.2
Cash flow 7	Percentage of liabilities and provisions 12 less cash							
.	15.9	16.0	16.3	15.7	16.0	17.4	19.3	
Annual result and interest and similar expenses	Percentage of balance sheet total (adjusted)							
8.8	9.4	9.1	8.9	9.1	8.9	9.7	10.8	

* Enterprises with sales of less than €50 million. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Including shares in affiliated companies. — 2 Including half of the special tax-allowable reserve. — 3 Including own work capitalised. — 4 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 5 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 6 In the case of partnerships and sole pro-

prietorships, trade earnings tax only. — 7 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — 8 Including intangible fixed assets. — 9 Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — 10 Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — 11 Cash and short-term securities. — 12 Liabilities, provisions, half of the special tax-allowable reserve, and deferred income.

Selected ratios of small and medium-sized enterprises (SMEs) * in Germany ° (cont'd)

Item	Non-corporations 1							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet ratios	Percentage of balance sheet total (adjusted)							
Assets								
Intangible fixed assets	1.3	1.4	1.5	1.6	1.4	1.6	1.6	1.6
Tangible fixed assets	32.0	32.2	31.8	32.4	32.7	32.5	33.2	34.0
Inventories	29.4	28.8	28.3	27.3	26.5	26.3	25.5	25.1
Cash	6.0	6.2	6.3	6.2	6.6	6.8	7.3	7.8
Receivables	28.3	28.1	28.6	29.1	29.1	29.1	28.8	27.9
Short-term	26.4	26.4	27.1	27.6	27.7	27.8	27.6	26.7
Long-term	1.9	1.6	1.5	1.4	1.5	1.3	1.2	1.2
Securities	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.6
Other long-term equity investments 2	1.9	2.1	2.1	2.2	2.2	2.2	2.2	2.1
Capital								
Equity 3 (adjusted)	1.0	2.3	2.9	3.9	4.5	5.4	6.9	8.8
Liabilities								
Short-term	91.5	90.0	89.3	87.7	86.9	85.8	83.9	81.7
Long-term	56.5	54.3	54.1	53.6	54.2	55.1	54.0	52.7
Provisions 3	35.0	35.7	35.1	34.1	32.7	30.7	29.9	29.0
of which: Provisions for pensions	7.3	7.5	7.6	8.0	8.2	8.5	9.0	9.2
of which: Excise duties	1.4	1.4	1.5	1.5	1.6	1.6	1.7	1.6
Memo item: Sales	181.3	180.5	178.3	180.8	181.6	182.8	186.5	189.8
Income statement ratios	Percentage of gross revenue							
Sales	99.6	99.6	99.2	99.5	99.7	99.5	99.7	99.7
Changed in finished goods 4	0.4	0.4	0.8	0.5	0.3	0.5	0.3	0.3
Gross revenue	100	100	100	100	100	100	100	100
Interest and similar income	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2
Other income 5	3.1	3.3	3.3	3.5	3.7	3.8	3.9	3.8
Total income	103.4	103.6	103.5	103.7	103.9	104.1	104.1	104.0
Cost of materials	54.1	54.1	54.2	54.0	53.7	53.1	52.9	52.7
Personnel expenses	22.6	22.3	22.1	22.0	22.1	22.4	22.1	21.7
Depreciation	4.4	4.4	4.2	4.3	4.2	4.1	3.9	3.6
Interest and similar expenses	2.2	2.1	2.0	2.0	2.1	1.9	1.8	1.7
Operating taxes	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1
of which: Excise duties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses 6	14.7	14.8	15.1	15.6	16.0	16.8	17.2	17.2
Total expenses before taxes on income	98.3	98.0	97.9	98.1	98.3	98.5	98.1	97.1
Annual result before taxes on income	Percentage of sales							
Taxes on income 7	5.1	5.6	5.7	5.6	5.7	5.6	6.0	6.8
Annual result	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.7
Cash flow 8	4.5	5.0	5.1	5.0	5.1	5.0	5.4	6.1
	.	9.6	9.6	9.8	9.3	9.0	9.5	9.9
Other ratios								
Inventories	16.2	16.0	15.9	15.1	14.6	14.4	13.7	13.2
Short-term receivables	14.6	14.6	15.2	15.3	15.2	15.2	14.8	14.1
Equity (adjusted)	Percentage of tangible fixed assets 9							
Long-term equity and liabilities 10	2.9	6.7	8.6	11.5	13.3	15.7	19.7	24.7
	114.9	120.0	121.4	119.9	117.2	114.5	114.4	115.0
Long-term equity and liabilities 10	Percentage of fixed assets 11							
	102.7	107.4	109.0	107.9	105.3	103.1	103.6	105.0
Cash resources 12 and short-term receivables	Percentage of short-term liabilities							
Cash resources 12, short-term receivables and inventories	57.7	60.4	62.3	63.6	63.7	63.4	65.1	66.2
	109.7	113.5	114.6	114.5	112.7	111.1	112.3	113.8
Cash flow 8	Percentage of liabilities and provisions 13 less cash							
	.	18.9	18.8	19.6	19.0	18.8	20.6	22.6
Annual result and interest and similar expenses	Percentage of balance sheet total (adjusted)							
	12.3	12.9	12.6	12.7	13.0	12.7	13.5	14.8

* Enterprises with sales of less than €50 million. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Partnerships (including limited partnerships and civil-law associations) as well as sole proprietorships. — 2 Including shares in affiliated companies. — 3 Including half of the special tax-allowable reserve. — 4 Including own work capitalised. — 5 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 6 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary).

— 7 In the case of partnerships and sole proprietorships, trade earnings tax only. — 8 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — 9 Including intangible fixed assets. — 10 Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — 11 Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — 12 Cash and short-term securities. — 13 Liabilities, provisions, half of the special tax-allowable reserve, and deferred income.

Selected ratios of small and medium-sized enterprises (SMEs) * in Germany ° (cont'd)

Item	Corporations 1							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet ratios	Percentage of balance sheet total (adjusted)							
Assets								
Intangible fixed assets	1.4	1.5	1.6	1.7	1.7	1.8	1.8	1.7
Tangible fixed assets	22.2	22.0	21.9	21.9	21.7	22.2	21.8	21.9
Inventories	29.1	28.2	27.8	26.8	26.7	25.5	25.4	25.4
Cash	7.6	8.2	8.3	8.4	8.5	9.3	9.8	10.5
Receivables	36.3	36.0	36.0	36.8	36.7	36.3	36.1	35.5
Short-term	34.1	34.0	33.9	34.7	34.4	34.2	34.1	33.4
Long-term	2.1	2.1	2.1	2.1	2.3	2.1	2.1	2.1
Securities	0.7	0.8	1.0	1.1	1.2	1.3	1.3	1.4
Other long-term equity investments 2	2.0	2.4	2.6	2.5	2.7	2.7	2.8	2.7
Capital								
Equity 3 (adjusted)	13.3	14.4	15.5	16.5	17.2	19.4	21.0	23.4
Liabilities								
Short-term	56.0	54.7	53.9	53.5	53.1	52.0	50.7	48.9
Long-term	18.1	18.3	18.0	17.3	16.8	15.0	14.3	13.8
Provisions 3	12.2	12.2	12.2	12.3	12.5	13.1	13.5	13.4
of which: Provisions for pensions	4.6	4.5	4.5	4.5	4.7	4.9	5.0	4.9
Memo item: Sales	190.9	190.7	183.1	183.6	185.8	183.5	186.8	193.7
Income statement ratios	Percentage of gross revenue							
Sales	99.3	99.3	98.9	98.9	99.0	99.2	99.2	99.4
Change in finished goods 4	0.7	0.7	1.1	1.1	1.0	0.8	0.8	0.6
Gross revenue	100	100	100	100	100	100	100	100
Interest and similar income	0.3	0.3	0.3	0.4	0.4	0.4	0.3	0.3
Other income 5	3.6	3.7	3.7	3.8	3.9	4.4	4.2	3.7
Total income	104.0	104.0	104.0	104.2	104.3	104.7	104.5	104.0
Cost of materials	57.6	57.6	57.3	56.9	56.4	55.1	54.8	55.4
Personnel expenses	24.8	24.5	24.6	24.8	25.1	26.1	25.9	25.1
Depreciation	3.4	3.3	3.3	3.3	3.3	3.4	3.2	2.8
Interest and similar expenses	1.4	1.3	1.3	1.3	1.3	1.2	1.1	1.0
Operating taxes	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1
of which: Excise duties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses 6	15.1	15.2	15.4	16.0	16.4	17.2	17.1	16.7
Total expenses before taxes on income	102.4	102.1	101.9	102.4	102.6	103.1	102.3	101.1
Annual result before taxes on income	1.5	1.9	2.1	1.8	1.7	1.7	2.3	2.9
Taxes on income 7	1.0	1.1	1.1	1.0	0.9	0.9	1.0	1.1
Annual result	0.5	0.8	1.0	0.7	0.7	0.8	1.3	1.8
Cash flow 8	.	4.3	4.7	4.4	4.1	4.4	4.5	4.8
Other ratios								
Inventories	15.2	14.8	15.2	14.6	14.4	13.9	13.6	13.1
Short-term receivables	17.9	17.8	18.5	18.9	18.5	18.7	18.2	17.2
Equity (adjusted)	56.3	61.5	66.1	69.8	73.5	80.6	89.0	98.9
Long-term equity and liabilities 10	154.6	161.1	164.9	165.4	168.0	166.7	173.4	180.8
Long-term equity and liabilities 10	130.0	133.3	135.5	136.3	136.3	136.7	141.3	147.4
Cash resources 12 and short-term receivables	75.0	77.9	79.6	81.8	82.2	85.2	88.2	91.6
Cash resources 12, short-term receivables and inventories	126.9	129.5	131.1	131.8	132.5	134.4	138.3	143.5
Cash flow 8	.	10.5	11.2	10.7	10.2	11.3	12.2	14.0
Annual result and interest and similar expenses	3.7	4.1	4.2	3.7	3.8	3.7	4.6	5.5

* Enterprises with sales of less than €50 million. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Including cooperatives and foundations. — 2 Including shares in affiliated companies. — 3 Including half of the special tax-allowable reserve. — 4 Including own work capitalised. — 5 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 6 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary).

— 7 In the case of partnerships and sole proprietorships, trade earnings tax only. — 8 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — 9 Including intangible fixed assets. — 10 Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — 11 Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — 12 Cash and short-term securities. — 13 Liabilities, provisions, half of the special tax-allowable reserve, and deferred income.

Selected ratios of large enterprises * in Germany °

Item	All legal forms							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet ratios	Percentage of balance sheet total (adjusted)							
Assets								
Intangible fixed assets	1.3	1.5	1.7	1.8	1.8	2.3	2.2	2.3
Tangible fixed assets	20.0	20.1	19.4	18.8	19.3	18.6	18.2	18.2
Inventories	19.3	18.9	18.4	18.2	17.5	16.5	16.5	16.0
Cash	5.3	4.7	4.3	3.9	4.5	5.0	5.9	5.7
Receivables	34.2	34.3	35.3	35.3	35.8	35.9	34.8	34.9
Short-term	31.7	31.9	32.9	33.2	33.0	32.8	31.6	32.1
Long-term	2.4	2.4	2.4	2.2	2.8	3.1	3.2	2.9
Securities	3.9	4.0	3.9	3.7	2.7	2.8	3.2	3.7
Other long-term equity investments 1	15.9	16.3	16.8	18.0	18.1	18.5	18.9	18.8
Capital	24.9	25.8	26.3	25.4	26.1	27.3	26.9	27.5
Equity 2 (adjusted)	47.7	47.7	47.6	49.2	49.0	48.0	48.7	47.9
Liabilities	39.5	39.1	38.7	41.1	40.8	39.6	39.7	39.3
Short-term	8.2	8.6	8.9	8.1	8.2	8.4	9.0	8.5
Long-term	27.1	26.1	25.7	25.1	24.5	24.3	24.0	24.3
Provisions 2	12.2	11.9	11.7	11.2	10.9	10.9	10.9	11.1
of which: Provisions for pensions	177.0	175.5	168.9	175.3	174.9	164.5	160.8	165.7
Memo item: Sales								
Income statement ratios	Percentage of gross revenue							
Sales	100.1	100.0	99.9	99.8	99.8	100.1	99.9	99.7
Change in finished goods 3	-0.1	0.0	0.1	0.2	0.2	-0.1	0.1	0.3
Gross revenue	100	100	100	100	100	100	100	100
Interest and similar income	0.7	0.7	0.6	0.7	0.7	0.6	0.7	0.6
Other income 4	4.6	4.8	5.2	5.0	5.4	5.7	5.1	4.5
Total income	105.3	105.5	105.8	105.7	106.1	106.4	105.7	105.0
Cost of materials	64.7	65.1	65.0	67.1	67.5	67.2	67.1	68.4
Personnel expenses	16.4	16.1	16.2	14.9	14.8	15.1	15.1	14.4
Depreciation	3.2	3.3	3.3	3.2	3.2	3.2	3.2	2.8
Interest and similar expenses	0.8	0.8	0.8	0.9	1.0	1.0	0.9	0.9
Operating taxes	3.2	3.0	3.0	2.7	2.8	3.0	3.2	2.8
of which: Excise duties	2.9	2.9	2.8	2.6	2.7	2.8	3.1	2.7
Other expenses 5	13.6	13.5	14.2	13.4	13.3	13.5	13.4	12.8
Total expenses before taxes on income	101.9	101.8	102.5	102.2	102.6	103.0	102.9	102.1
Annual result before taxes on income	3.4	3.6	3.3	3.5	3.5	3.3	2.9	2.9
Taxes on income 6	0.9	1.1	1.1	1.1	0.9	0.8	0.8	0.8
Annual result	2.5	2.6	2.2	2.4	2.6	2.5	2.1	2.1
Cash flow 7	.	6.2	6.6	6.0	5.8	6.4	5.4	5.2
Other ratios								
Inventories	10.9	10.8	10.9	10.4	10.0	10.0	10.3	9.7
Short-term receivables	17.9	18.2	19.5	18.9	18.9	20.0	19.6	19.4
Equity (adjusted)	117.0	119.4	124.7	123.0	123.6	130.4	131.8	134.0
Long-term equity and liabilities 9	216.3	217.4	225.2	219.6	216.0	224.4	230.9	231.0
Long-term equity and liabilities 9	113.9	114.2	114.0	107.2	105.8	106.7	106.6	107.5
Cash resources 11 and short-term receivables	101.2	101.5	102.6	95.2	95.9	98.9	98.2	100.6
Cash resources 11, short-term receivables and inventories	150.1	149.9	150.2	139.7	138.7	140.6	139.7	141.3
Cash flow 7	.	15.6	16.0	14.9	14.7	15.5	12.8	12.9
Annual result and interest and similar expenses	5.8	5.9	5.1	5.8	6.3	5.8	4.8	4.8

* Enterprises with sales of €50 million or more. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Including shares in affiliated companies. — 2 Including half of the special tax-allowable reserve. — 3 Including own work capitalised. — 4 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 5 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — 6 In the case of partnerships and sole pro-

prietorships, trade earnings tax only. — 7 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — 8 Including intangible fixed assets. — 9 Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — 10 Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — 11 Cash and short-term securities. — 12 Liabilities, provisions, half of the special tax-allowable reserve, and deferred income.

Selected ratios of large enterprises * in Germany ° (cont'd)

Item	Non-corporations 1							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet ratios	Percentage of balance sheet total (adjusted)							
Assets								
Intangible fixed assets	1.5	1.6	2.1	2.1	1.8	2.3	2.7	2.9
Tangible fixed assets	22.8	22.7	21.9	21.9	22.4	22.3	22.8	22.8
Inventories	24.7	24.6	23.8	23.7	22.8	21.1	21.1	20.7
Cash	6.2	5.8	5.6	5.1	5.3	5.9	6.1	5.9
Receivables	35.3	35.8	36.4	37.1	38.4	37.0	35.8	35.3
Short-term	33.3	34.0	34.2	35.3	36.4	34.5	33.7	33.4
Long-term	2.0	1.8	2.2	1.8	2.0	2.5	2.1	1.9
Securities	1.2	1.3	1.5	1.2	1.1	1.3	1.4	1.5
Other long-term equity investments 2	7.9	7.9	8.5	8.5	7.8	9.8	9.7	10.5
Capital								
Equity 3 (adjusted)	17.4	19.4	19.4	19.5	20.4	21.9	22.7	23.7
Liabilities								
Short-term	46.3	45.6	44.4	47.5	47.8	45.6	44.7	44.8
Long-term	17.4	16.2	17.7	14.7	14.0	14.8	14.6	13.7
Provisions 3								
of which: Provisions for pensions	18.6	18.2	17.9	17.9	17.2	17.0	17.2	17.1
of which: Excise duties	7.7	7.6	7.2	7.2	7.0	7.1	6.8	6.8
Memo item: Sales	232.5	227.6	213.8	223.0	230.2	212.3	210.5	212.1
Income statement ratios	Percentage of gross revenue							
Sales								
Changed in finished goods 4	100.1	99.9	99.9	99.7	99.9	100.1	99.9	99.3
	-0.1	0.1	0.1	0.3	0.1	-0.1	0.1	0.7
Gross revenue	100	100	100	100	100	100	100	100
Interest and similar income	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.3
Other income 5	3.3	3.6	3.4	3.4	3.5	3.7	3.7	3.3
Total income	103.7	104.0	103.7	103.7	103.9	104.1	104.0	103.6
Cost of materials	67.2	67.0	66.3	68.6	69.6	68.2	67.8	68.5
Personnel expenses	15.7	15.7	16.0	14.8	14.4	14.9	15.2	14.7
Depreciation	2.8	2.7	2.8	2.8	2.6	2.7	2.8	2.6
Interest and similar expenses	0.8	0.8	0.8	0.9	0.9	0.9	0.9	0.8
Operating taxes	0.5	0.4	0.4	0.4	0.4	0.7	0.6	0.4
of which: Excise duties	0.3	0.3	0.2	0.3	0.3	0.3	0.3	0.3
Other expenses 6	13.5	13.5	14.2	13.0	12.3	13.0	13.5	12.8
Total expenses before taxes on income	100.5	100.2	100.5	100.4	100.3	100.4	100.7	99.9
Annual result before taxes on income	Percentage of sales							
Taxes on income 7	3.2	3.8	3.2	3.3	3.6	3.7	3.3	3.7
Annual result	0.5	0.7	0.7	0.6	0.6	0.6	0.5	0.6
Cash flow 8	2.6	3.2	2.5	2.8	3.0	3.0	2.8	3.1
	.	6.3	6.2	5.8	5.8	6.3	5.9	5.6
Other ratios								
Inventories	10.6	10.8	11.1	10.6	9.9	9.9	10.0	9.8
Short-term receivables	14.3	14.9	16.0	15.8	15.8	16.2	16.0	15.7
Equity (adjusted)	Percentage of tangible fixed assets 9							
Long-term equity and liabilities 10	71.9	80.0	81.1	81.2	84.4	89.3	89.0	92.3
	178.2	180.3	187.6	174.3	172.4	179.6	174.0	173.1
Long-term equity and liabilities 10	Percentage of fixed assets 11							
	124.9	127.4	127.8	120.3	121.0	118.2	117.5	114.8
Cash resources 12 and short-term receivables	Percentage of short-term liabilities							
Cash resources 12, short-term receivables and inventories	87.2	89.3	91.8	86.6	88.6	90.2	91.1	89.7
	140.6	143.3	145.3	136.6	136.3	136.5	138.4	135.9
Cash flow 8	Percentage of liabilities and provisions 13 less cash							
	.	19.3	17.8	17.3	17.9	18.4	17.5	17.0
Annual result and interest and similar expenses	Percentage of balance sheet total (adjusted)							
	8.1	9.1	7.2	8.1	9.0	8.4	7.8	8.3

* Enterprises with sales of €50 million or more. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Partnerships (including limited partnerships and civil-law associations) as well as sole proprietorships. — 2 Including shares in affiliated companies. — 3 Including half of the special tax-allowable reserve. — 4 Including own work capitalised. — 5 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 6 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary).

— 7 In the case of partnerships and sole proprietorships, trade earnings tax only. — 8 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — 9 Including intangible fixed assets. — 10 Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — 11 Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — 12 Cash and short-term securities. — 13 Liabilities, provisions, half of the special tax-allowable reserve, and deferred income.

Selected ratios of large enterprises * in Germany ° (cont'd)

Item	Corporations 1							
	1997	1998	1999	2000	2001	2002	2003	2004
Balance sheet ratios	Percentage of balance sheet total (adjusted)							
Assets								
Intangible fixed assets	1.2	1.5	1.6	1.8	1.8	2.4	2.0	2.1
Tangible fixed assets	19.1	19.3	18.6	17.8	18.3	17.4	16.7	16.6
Inventories	17.7	17.2	16.7	16.5	15.7	14.9	14.9	14.5
Cash	5.0	4.3	3.8	3.5	4.3	4.7	5.9	5.6
Receivables	33.8	33.8	34.9	34.8	35.0	35.6	34.4	34.8
Short-term	31.2	31.3	32.5	32.5	31.9	32.3	30.9	31.7
Long-term	2.6	2.5	2.4	2.3	3.1	3.3	3.6	3.2
Securities	4.7	4.8	4.7	4.4	3.2	3.3	3.7	4.4
Other long-term equity investments 2	18.3	18.8	19.5	21.0	21.5	21.5	22.0	21.6
Capital								
Equity 3 (adjusted)	27.1	27.8	28.5	27.2	27.9	29.1	28.2	28.7
Liabilities								
Short-term	42.9	43.3	42.9	45.1	44.9	43.9	45.2	44.3
Long-term	37.5	37.1	36.8	39.0	38.6	37.6	38.1	37.5
Provisions 3	5.4	6.3	6.1	6.1	6.3	6.3	7.1	6.8
of which: Provisions for pensions	29.7	28.5	28.2	27.3	26.8	26.7	26.3	26.6
Memo item: Sales	13.6	13.2	13.1	12.5	12.2	12.2	12.3	12.5
Memo item: Sales	160.2	159.6	154.5	160.2	156.9	148.6	144.2	150.3
Income statement ratios	Percentage of gross revenue							
Sales	100.1	100.0	100.0	99.8	99.8	100.1	99.9	99.9
Change in finished goods 4	-0.1	0.0	0.0	0.2	0.2	-0.1	0.1	0.1
Gross revenue	100	100	100	100	100	100	100	100
Interest and similar income	0.8	0.8	0.8	0.8	0.9	0.8	0.8	0.7
Other income 5	5.1	5.3	6.0	5.8	6.3	6.7	5.8	5.0
Total income	105.9	106.1	106.7	106.5	107.2	107.5	106.6	105.7
Cost of materials	63.6	64.2	64.4	66.5	66.6	66.8	66.8	68.4
Personnel expenses	16.7	16.4	16.3	15.0	14.9	15.2	15.0	14.2
Depreciation	3.4	3.6	3.5	3.3	3.4	3.5	3.4	3.0
Interest and similar expenses	0.8	0.8	0.8	0.9	1.1	1.0	0.9	0.9
Operating taxes	4.5	4.2	4.1	3.7	3.9	4.1	4.5	3.9
of which: Excise duties	4.1	4.1	4.0	3.6	3.8	4.0	4.4	3.8
Other expenses 6	13.6	13.4	14.2	13.6	13.8	13.7	13.3	12.9
Total expenses before taxes on income	102.5	102.6	103.4	103.0	103.7	104.3	103.9	103.2
Other ratios	Percentage of sales							
Annual result before taxes on income	3.4	3.6	3.4	3.5	3.4	3.2	2.7	2.5
Taxes on income 7	1.0	1.3	1.3	1.3	1.1	0.9	1.0	0.9
Annual result	2.4	2.3	2.1	2.3	2.3	2.3	1.7	1.6
Cash flow 8	.	6.1	6.8	6.1	5.9	6.4	5.1	5.0
Other ratios	Percentage of tangible fixed assets 9							
Inventories	11.0	10.8	10.8	10.3	10.0	10.1	10.4	9.6
Short-term receivables	19.5	19.6	21.0	20.3	20.3	21.7	21.4	21.1
Equity (adjusted)	133.3	133.5	141.2	139.3	138.9	147.5	151.3	153.0
Long-term equity and liabilities 10	230.1	230.7	239.6	237.2	233.0	243.0	256.7	257.3
Long-term equity and liabilities 10	111.2	111.0	110.5	103.9	102.1	103.6	103.6	105.4
Cash resources 12 and short-term receivables	106.4	106.1	106.8	98.5	98.9	102.5	101.0	104.9
Cash resources 12, short-term receivables and inventories	153.6	152.4	152.1	140.9	139.6	142.3	140.2	143.5
Cash flow 8	.	14.4	15.4	14.0	13.6	14.4	11.1	11.5
Annual result and interest and similar expenses	5.2	5.0	4.4	5.1	5.4	4.9	3.8	3.7

* Enterprises with sales of €50 million and more. — ° Extrapolated results for manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services based on partly estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Including cooperatives and foundations. — 2 Including shares in affiliated companies. — 3 Including half of the special tax-allowable reserve. — 4 Including own work capitalised. — 5 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 6 Excluding costs of loss transfers (parent company) and profit transfers (subsidiary).

— 7 In the case of partnerships and sole proprietorships, trade earnings tax only. — 8 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — 9 Including intangible fixed assets. — 10 Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — 11 Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — 12 Cash and short-term securities. — 13 Liabilities, provisions, half of the special tax-allowable reserve, and deferred income.

Transposing the new Basel capital rules into German law

The new Basel II capital rules will begin to be applied in Germany on 1 January 2007. At this time, the relevant EC directives will be transposed into national law through amendments to the German Banking Act and the adoption of a Solvency Regulation. Whereas the current Principle I was oriented to quantitative minimum capital standards, the implementation of Basel II will involve the introduction of two additional "pillars": the supervisory review process (Pillar II) and disclosure standards (Pillar III). The more qualitative orientation of solvency supervision in future is reflected by principle-based standards that can be applied proportionally, flexibly, and with due regard to institutions' particular risk profile. The minimum capital requirements (Pillar I), especially to cover credit risk and operational risk, have likewise been refined more in line with risk orientation and risk adequacy and now comprise alternative risk measurement methods of varying degrees of complexity. It is also in supervisors' interests to pay greater attention to sophisticated elements of banks' internal risk management methods in the context of capital regulation or liquidity monitoring.

In 1988 the Basel Committee on Banking Supervision published, for the first time, a framework agreement on capital requirements for credit institutions known as the "Basel Accord". This Accord prescribed, in

*The current
capital rules ...*

particular, an adequate level of capital backing for loans. A bank's regulatory capital must make up at least 8% of its risk-weighted assets. In 1996 the framework agreement was extended to include market price risks in the capital requirements. This led to the following formula for prudential minimum capital requirements.

$$\frac{\text{Own funds}}{12.5 \cdot (\text{RWA} + \text{MRP})} \geq 8\%¹$$

The function of capital here is to cover risks through its loss-absorbing qualities. Its level limits the institution's risk taking.

The capital requirements of the current Basel Accord (transposed into German law as Principle I) are restricted to a simple classification (defined by supervisors) of exposures using only five different risk weightings (0%, 10%, 20%, 50% and 100%). One consequence of this is that the regulatory capital charge for a loan does not reflect the individual borrower's actual default risk since all borrowers in a given category (eg commercial enterprises) are assigned the same risk weight irrespective of their credit rating. The credit institution thus bears the same capital costs for lending to a high-quality borrower as it would for a loan to a borrower with a poorer credit rating, even though the default risk is lower in the first case.

... do not reflect the default risk of the individual borrowers

Institutions now have more precise methods of measuring risk at their disposal. This development has been taken into account in the Revised Framework² ("Basel II") which was published in 2004. In future, prudential capital requirements will be much more strongly

oriented to the credit rating of individual borrowers and thus distinctly more risk-sensitive.

Capital requirements, however, are by themselves not enough to completely capture a credit institution's risk profile. Therefore, two additional pillars have been added alongside the regulatory capital requirements, which constitute Pillar I. Pillar II covers institutions' individual risk profile; banks themselves are required to identify their key risks, manage their levels adequately and back them with capital. Supervisors will assess the adequacy of these internal risk assessments through a review process. Pillar III embraces market participants – who, through the institutions' obligation to comply with extended disclosure requirements, will be able to form a clearer picture of banks' soundness than was previously possible.

Capital requirements supplemented by two additional pillars

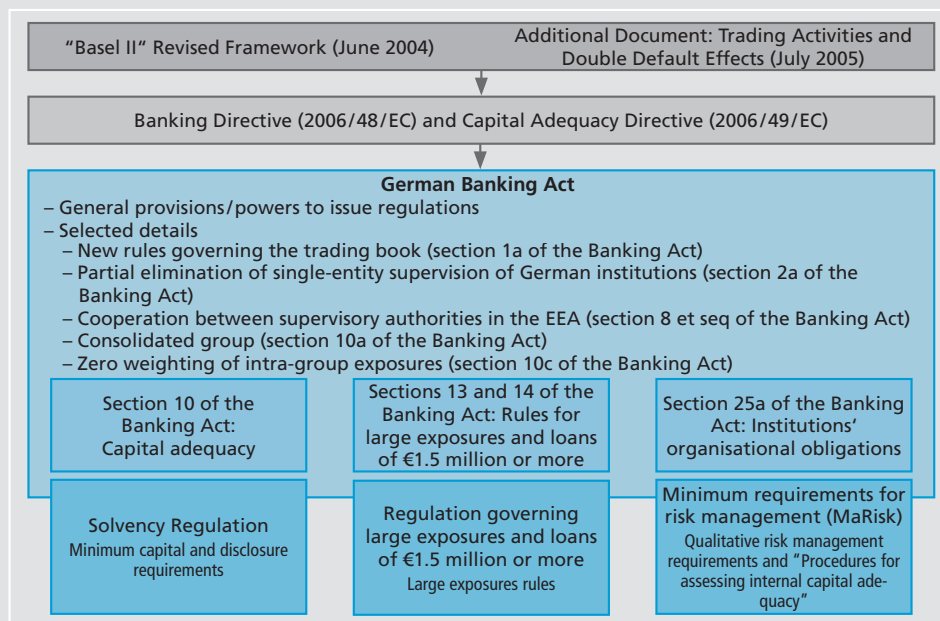
Although the recommendations of the Basel Committee – and thus the June 2004 framework for the new capital requirements for credit institutions – are not *per se* legally binding, they formed the starting point for the relevant EU directives. Alongside – and closely based on – the work of the Basel Committee, the European Commission presented proposals for modernising the Banking Directive and the Capital Adequacy Directive; these have since been adopted by the

Implementation by modernising EC directives ...

¹ RWA stands for the capital charge for risk-weighted assets, while MRP represents the capital charge for market risk positions.

² International Convergence of Capital Measurement and Capital Standards: a Revised Framework. It is available for download at the following link: http://www.bundesbank.de/bankenaufsicht/bankenaufsicht_basel_rahmenvereinbarung.en.php.

Transposing Basel II through the German Banking Act and related prudential regulations



Deutsche Bundesbank

European Parliament and the Council.³ They are to be implemented by the member states by the end of 2006. The cited EC directives, moreover, are now sufficiently consistent with the new Basel capital rules to be regarded as equivalent to the latter. In the EU, this will mean that Basel II will have been implemented for all banks and securities firms from January 2007. Unlike in the United States, where Basel II will be implemented only partly, the EU will experience the positive effects of the new framework throughout the banking industry.

Ever since work on the new framework began at European and global level, a close dialogue has been held with the banking sector through several consultation papers in order to align the new rules closely to real-

world banking practice. The new rules will be transposed into German law through amendments to the Banking Act and the adoption of the Solvency Regulation and the Regulation governing large exposures and loans of €1.5 million or more (Large Exposures Regulation). Pillars I and III of Basel II will for the most part be incorporated into the Solvency Regulation, while the qualitative requirements of Pillar II will be transposed into German law through the "Minimum requirements for risk management" (*Mindestan-*

... and, in Germany, by amendments to the Banking Act

³ Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast) (EU Official Journal L 177, p 1, 30 June 2006); Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions (recast) (EU Official Journal L 177, p 201, 30 June 2006).

forderungen an das Risikomanagement, MaRisk).

Exchange of views with the banking industry

During the national implementation process, too, BaFin and the Bundesbank launched an intensive dialogue with banks and industry associations at an early stage. This dialogue was institutionalised through the establishment in autumn 2003 of the "Implementation of Basel II" Working Group in order to maximise the effectiveness of national implementation.⁴

Amendments to the Banking Act

With the amendments to the Banking Act (Federal Gazette I, No 53, p 2606 of 22 November 2006), the fundamental prudential rules of the European directives will have been implemented, and the legal basis for the Solvency Regulation and the Large Exposures Regulation will have been created.

Structure of sections 10 and 10a of the Banking Act

In the area of capital requirements, the revised section 10 of the Banking Act now generally governs the capital adequacy requirements that apply both to single entities and to groups of institutions and financial holding groups and also generally defines the eligibility of internal risk measurement systems. Section 10a of the Banking Act is confined to questions regarding the definition of consolidated groups, the consolidation procedures and the obligations incumbent on the superordinated institutions. The extended catalogue of capital components listed in the Banking Directive necessitates an even clearer differentiation of the definition of capital or

own funds in various areas of application. In future, "modified available capital" will be the key indicator for calculating capital adequacy pursuant to the Solvency Regulation. Add-ons or deductions resulting from the use of certain calculation methods – eg the value adjustment excess in the case of institutions using an internal ratings-based (IRB) approach (IRB institutions) – will be additionally recognised when calculating this "modified available capital".

The use of internal ratings-based approaches to calculating a borrower's risk and thus the institutions' resultant capital requirements crucially requires corresponding data histories and thus the collection and use of personal data. The Banking Directive – without prejudice to the general provisions relating to the protection of natural persons when processing personal data and to the free movement of data in the European Economic Area (EEA) – therefore expressly recognises a legitimate interest of the institutions in the collection and processing of the personal data necessary to operate internal ratings-based systems. This, after all, is the only way to ensure that these systems are operated reliably and that the results are meaningful. The new section 10 (1) sentences 3 to 8 of the Banking Act therefore contains specific rules governing the use of personal data in connection with such risk measurement methods; this takes due account of institutions' and supervisors' interest in creating and operating such

Internal risk measurement methods ...

... require special rules for data protection

⁴ For more information on the results achieved by the working group, please visit the following page on the Bundesbank's website:

http://www.bundesbank.de/bankenaufsicht/bankenaufsicht_basel_nationaleumsetzung.en.php

systems while at the same time adequately protecting customers' legitimate interests. Whereas, when the rating systems are in live operation, only features that are demonstrably relevant to creditworthiness after applying strict standards (eg income, assets, employment and payment habits) may be factored into the rating systems, prior to live operation features that do not (yet) meet the strict standards that govern live operation may also be used for developing and refining rating systems. Enterprises' business and trade secrets are likewise protected.

Easing of requirements for groups of institutions and financial holding groups and members of institution-based mutual insurance schemes

There are two areas in which the Banking Directive envisages a considerable easing of the requirements for groups of institutions and financial holding groups. If there is a close link between the subordinated institutions and the superordinated enterprise of a group of institutions or a financial holding group, in terms of both capital links and risk management aspects, these institutions, pursuant to section 2a of the Banking Act, may be exempted from key requirements of single-entity supervision under certain conditions. This arrangement enables supervisors to take due account of banks' state-of-the-art, inter-institutional risk management procedures. Pursuant to section 10c of the Banking Act, institutions that meet certain conditions will be eligible in future to apply a uniform zero risk weighting to loans within a group of institutions or financial holding group. A similar arrangement was also made for institutions that belong to the same institution-related mutual insurance scheme (see box on page 72).

How to calculate modified available capital

Liable capital pursuant to section 10 (2) sentence 2 of the German Banking Act

- Items pursuant to section 10 (6a) of the Banking Act, taking due account of the deduction of at least 50% from core (tier 1) capital
 - Shortfalls for value adjustments and expected loss amounts for IRB exposures pursuant to section 10 (6a) Nos 1 and 2 of the Banking Act
 - Securitisation exposures to which a 1,250% risk weight is applied and which the institution does not recognise when calculating risk-weighted exposure values
 - Free delivery exposures for which the payment has not yet been effectively rendered five days past due
- Qualified participating interests pursuant to section 12 (1) sentence 4 of the Banking Act, taking due account of the deduction of at least 50% from core (tier 1) capital
- Large exposure excess amounts in the banking book pursuant to section 13 and section 13a of the Banking Act and capital charges for loans to management pursuant to section 15 of the Banking Act, taking due account of the deduction of at least 50% from core (tier 1) capital
- Large exposure excess amounts from borrower-related trading book and overall business positions pursuant to section 13 (4) and (5) of the Banking Act which are backed by liable capital
- + the eligible value adjustment excess for IRB exposures in additional (tier 2) capital pursuant to section 10 (2b) sentence 1 No 9 of the Banking Act

Modified available capital pursuant to section 10 (1d) sentence 2 of the Banking Act

Deutsche Bundesbank

Easing of requirements for groups of institutions

Waiver

Pursuant to section 2a of the Banking Act, institutions domiciled in Germany which are subordinated to another institution or a financial holding company also domiciled in Germany can claim exemption (waiver) at single-entity level from the requirements governing capital adequacy, large exposures and the internal control system by notifying the supervisory authorities accordingly. Such exemption requires the subordinated enterprise to be closely integrated in the group structure. Only in this way can it be ensured that, by waiving the central prudential rules at single-entity level, no risks will arise which could endanger the safety of the assets entrusted to the institutions or which could impair the orderly conduct of banking business or provision of financial services or which could result in the emergence of any unacceptable prudential loopholes and that an adequate distribution of capital resources within the group will be safeguarded. Thus, an institution may only claim exemption if the superordinated enterprise exercises a controlling influence on the subordinated enterprise. Furthermore, the subordinated enterprise must be fully integrated in the group-wide risk assessment, measurement and monitoring procedures and the superordinated enterprise must ensure that the subordinated enterprise is managed in line with the prudential requirements. This exemption can also be claimed by the superordinated enterprises of a group of institutions or a financial holding group if they meet the aforementioned requirements.

Intra-group exposures

Pursuant to section 10c of the Banking Act, loans within a group of institutions or a financial holding group may be given a zero risk weighting for Solvency Regulation purposes provided that they are not assigned to the debtor's own funds (intra-group exposures). Furthermore, both the creditor and the debtor of the loan must be domiciled in Germany and must be included in both the full consolidation and the group's risk management system. Finally, there must be no obstacles to the loan's repayment. This relaxation of the rules also applies to lending between credit institutions which belong to the same institution-based mutual insurance schemes. However, since the requirements of inclusion of the member institutions in the full consolidation of the superordinated institution and in the group-wide risk management system are applicable to groups of institutions and financial holding groups only, these institution-based mutual insurance schemes are therefore subject to special terms and conditions. Key stipulations in this respect are the existence of a liability covenant laid down in a contract or statute to avert insolvencies, appropriate arrangements for monitoring risks and credit defaults as well as the avoidance of multiple use or inappropriate drawing of own funds within the network of institutions. The institutions must provide adequate documentation to show that they have met the requirements. The supervisory authorities are currently holding intensive discussions with the associations of institutions concerned to determine the extent to which the individual requirements have been met.

Risk management requirements

The risk management requirements in section 25a of the Banking Act were adapted such that an appropriate risk management system based on methods of gauging and safeguarding risk-bearing capacity include the definition of strategies and the establishment of internal control mechanisms (internal control system and internal audit function). In addition, the fundamental business organisation requirements expressly include regular reviews of the adequacy of the business organisation and its adaptation to changed conditions. Not only the power to issue orders pursuant to section 25a of the Banking Act but also section 45b of the Banking Act give supervisors further scope for taking action to remedy organisational deficiencies affecting an institution, a group of institutions or a financial holding group. These include stiffer capital requirements, imposing restrictions on business activity or ordering targeted measures to reduce risk.

General disclosure rules also contained in Banking Act

Furthermore, in implementing Pillar III of the Revised Framework, section 26a of the Banking Act imposes a series of disclosure requirements in connection with the use of internal risk measurement procedures for calculating institutions' capital requirements. Whereas the specific disclosure events are largely regulated by the Solvency Regulation, section 26a governs general issues concerning the content of disclosure requirements, organisational requirements and exceptions. In the area of disclosure, too, supervisors have the power to issue specific orders to remedy organisational deficiencies or deficiencies in disclosure practices.

It was necessary to amend the large exposure provisions in order to extend the scope for greater recognition of credit risk mitigation provisions contained in the new solvency rules to large exposures. The aim is to create maximum consistency between the two regulatory areas with regard to credit risk mitigation rules (see the section on the Large Exposures Regulation). Moreover, it was necessary to introduce exceptions for energy trading so as not to unduly impede the economically and politically important goal of liberalising the markets for gas and electricity. Pursuant to section 20c of the Banking Act, the existing concentration risks for energy trading, which also need to be hedged, are, no longer to be limited via prudential quantification, but instead to be measured and managed individually by energy traders using internally developed procedures.

Large exposure provisions

With the new section 1a of the Banking Act, there is now a separate provision devoted to the requirements relating to holding a trading book, superseding the current section 1 (12) of the Banking Act which governs the distinction between the trading book and the banking book. This was necessitated by the need to take account of the extended rules on trading book business adopted in the new Capital Adequacy Directive. The recast Capital Adequacy Directive now includes more extensive qualitative provisions on holding a trading book, on trading strategies and on the valuation of trading book positions. Since these provisions are specifically tailored to the holding of a trading book, they were not included in the general rules on risk management set out in section 25a of the Banking

Trading book

Act but instead under the rules governing the trading book. All the same, institutions are equally free to implement these rules in the context of their general risk management system. The requirements governing the trading book also contain provisions relating to banks' internal hedging practices. At the same time, section 1a (3) of the Banking Act redefines financial instruments for the purposes of the act. In future, for the purpose of monitoring solvency, reference will no longer be made to the "financial instrument" concept as defined in the Investment Services Directive or the Financial Markets Directive, which is relevant for the approval requirement for trading in financial instruments, but instead to the broader definition contained in the Capital Adequacy Directive. A financial instrument is said to exist if a contract results in one party having a financial asset and the other having a financial liability or equity instrument. Institutions engaged in only very little trading in financial instruments (ie the sum total of their trading book positions is generally less than €15 million; see section 2 (11) of the Banking Act), however, are exempt from these requirements.

*Cooperation
among super-
visory agencies*

Now that institutions are increasingly engaging in banking business across borders and providing financial services in other EEA member states, the rules for cooperation among supervisory agencies (sections 8 et seq of the Banking Act) have been revised to address these changes in market practices. Moreover, a trend towards creating centralised risk management systems is noticeable among internationally active groups of institutions and financial holding groups. Against

this background, it has to be ensured that a licence granted by the country of domicile can be recognised throughout the EEA and that competition between institutions domiciled in different member states is not distorted by differences in supervisory standards. For that reason, convergence of supervisory practices in the EU is one of the key goals of the revised Banking Directive.

One central issue here is the goal of further strengthening the position of the agency responsible for supervising the consolidated institution (the "consolidating supervisor"), as this agency will have an increased role in coordinating the supervision of internationally active groups whose members are domiciled in more than one member state. The provisions in section 10 (1a) of the Banking Act on allowing internationally active groups of institutions and financial holding groups to use internal measurement models accordingly emphasises the special significance of the supervisory authority responsible for consolidated supervision. This provision, however, also ensures that all responsible agencies in other EEA member states are fully involved in the approval procedure. In a continuation of the intensified cooperation between the various agencies responsible for supervising the group's member institutions expressed in sections 8 et seq of the Banking Act, the consolidating supervisor does not decide unilaterally on applications for approval of internal measurement models in a group. Instead, the application is forwarded to the other responsible agencies, provided the institutions they supervise are affected by the application for group approval. Upon receipt of the full appli-

*Internationally
active groups of
institutions
allowed to use
internal risk
measurement
models*

cation, the responsible agencies have six months to reach a joint decision on whether the conditions for approval are met. Should the agencies involved fail to reach a joint decision within that time, the consolidating supervisor has the right to take the final decision.

Use of commercial law-based consolidated financial statements for consolidated supervision

In place of the aggregation of single-entity financial statements which had previously been required by supervisors for all groups of institutions and financial holding groups, now consolidated statements drawn up under commercial law can be used as the basis for calculating consolidated capital adequacy. Use of the consolidated financial statements to calculate consolidated capital adequacy must be based, however, on the respective prudentially defined consolidated group, ie firms that are included in the consolidated financial statements under commercial law yet are not part of the consolidated group for prudential purposes need to be eliminated from the consolidated group. Conversely, the exposures of enterprises that belong to the prudentially defined consolidated group yet are not included in the consolidated financial statements under commercial law are to be assigned to the consolidated own funds and risk positions. Additional provisions ("prudential filters") designed to correct certain valuation rules in the International Accounting Standards (IAS/IFRS) will be included in the Consolidated Financial Statement Transition Regulation (*Konzernabschlussüberleitungsverordnung*).

Solvency Regulation

The Solvency Regulation replaces the previous Principle I and spells out the details of the adequacy of institutions' own funds demanded by section 10 of the Banking Act. The Solvency Regulation is scheduled to come into effect on 1 January 2007. For a one-year transitional period, institutions will be able to continue calculating their capital requirements completely on the basis of Principle I.

Solvency Regulation replaces Principle I

New methods of calculating credit risk

Principle I had hitherto envisaged only a standardised procedure for calculating the adequacy of the capital backing of credit risk positions. It contained a rigid creditworthiness weighting schema for determining risk which was categorised by type of borrowers and (with regard to sovereigns and banks as debtors) made a relatively simplistic distinction between OECD and non-OECD states. No consideration was given to individual borrowers' probabilities of default. This procedure has been replaced in the Solvency Regulation by two alternative approaches.

One of these is for institutions to apply a new Credit Risk Standardised Approach (CRSA), in which the risk weighting is usually linked to external credit assessments.⁵ External credit assessments may be used only if they come from institutions that are recognised by supervisors (see box on page 76).

Two measurement methods: a new Standardised Approach ...

⁵ For credit risk exposures to central governments, institutions may eschew external credit assessments in favour of using export insurance agencies' country classifications.

Recognition of external credit assessment institutions for risk weighting purposes in the Credit Risk Standardised Approach

Before an institution is granted permission to use the credit ratings issued by an external credit assessment institution (ECAI) to measure the risk weights of credit risk positions in the Credit Risk Standardised Approach (CRSA), the ECAI first needs supervisory approval. Such approval may be granted only if the credit assessment methodology applied by the ECAI and the resulting credit ratings meet certain requirements.

The credit assessment methodology is governed by the following requirements.

- Objectivity, especially including a systematic structure which can be validated.
- Independence from political or economic pressures.
- The issued credit assessments should be subject to at least an annual review.
- Transparency (ie the documentation of the general methodology should be publicly available).

The resultant credit assessments must be

- recognised in the markets by the users of these assessments as credible and reliable, and
- transparent in the sense that they are available at least to all institutions that have a legitimate interest at equivalent terms.

The application for ECAI recognition for risk weighting purposes has to be lodged by the ECAI itself. This is also to include a declaration of intent by an institution or a central association of the banking industry on the future use of the ECAI's assessments for the purposes of the Solvency Regulation. BaFin and the Bundesbank then jointly examine whether the requirements have been met. If the ECAI is also seeking recognition in other European Union member states, a "joint assessment process" is conducted by the supervisory authorities of the EU member states involved. The existence of a single main point of contact, joint evaluation and agreement between all participating supervisory authorities regarding the joint assessment of the application are all intended to ensure a consistent decision on the application across member states while also reducing the bureaucracy this involves for the applicant. The decision on the recognition of ECAs is then taken by each responsible national supervisory authority.

Within the framework of the recognition procedure, BaFin and the Bundesbank then assign each credit assessment category used by the applicant ECAI to a supervisory credit rating grade between 1 and 6 from which the risk weights to be used can then be derived. The long-term default rates of the credit assessment categories, but also qualitative factors such as portfolio composition and the ECAI's default definition, are included in the assignment.

... with pre-
defined risk
weights or...

Depending on their external credit assessment, the risk exposures that have to be assigned to certain asset classes are given individualised risk weights.⁶ For unrated exposures or certain loans, such as those granted in retail or mortgage business, by contrast, the practice of assigning a uniform fixed risk weight will continue to apply. Retail exposures will benefit in future from particularly favourable treatment, as the new CRSA rules will only require them to be given a 75% risk weight (as against 100% in Principle I). This is advantageous particularly for the medium-sized business sector, as the retail business asset class generally also covers small and medium-sized enterprises up to an overall indebtedness level of €1 million. The risk weight for claims secured by residential real estate property will be reduced from 50% to 35%. These rules are likely to favour, in particular, smaller and medium-sized banks that focus mainly on retail banking business.

In a departure from the general coupling of risk weights to issue or issuer credit ratings, the risk weight for claims on banks depends on the external credit assessment of the country of domicile. Because few smaller and medium-sized institutions have an external credit assessment, a corresponding option in the Banking Directive is being exercised in the national implementation.

... using
internal ratings-
based methods
for measuring
credit risk

For the first time, institutions have been given a further option for calculating the regulatory capital charges for credit risk – that of using a more risk-sensitive approach based on their own rating procedures, also known as the internal ratings-based (IRB) approach, in which

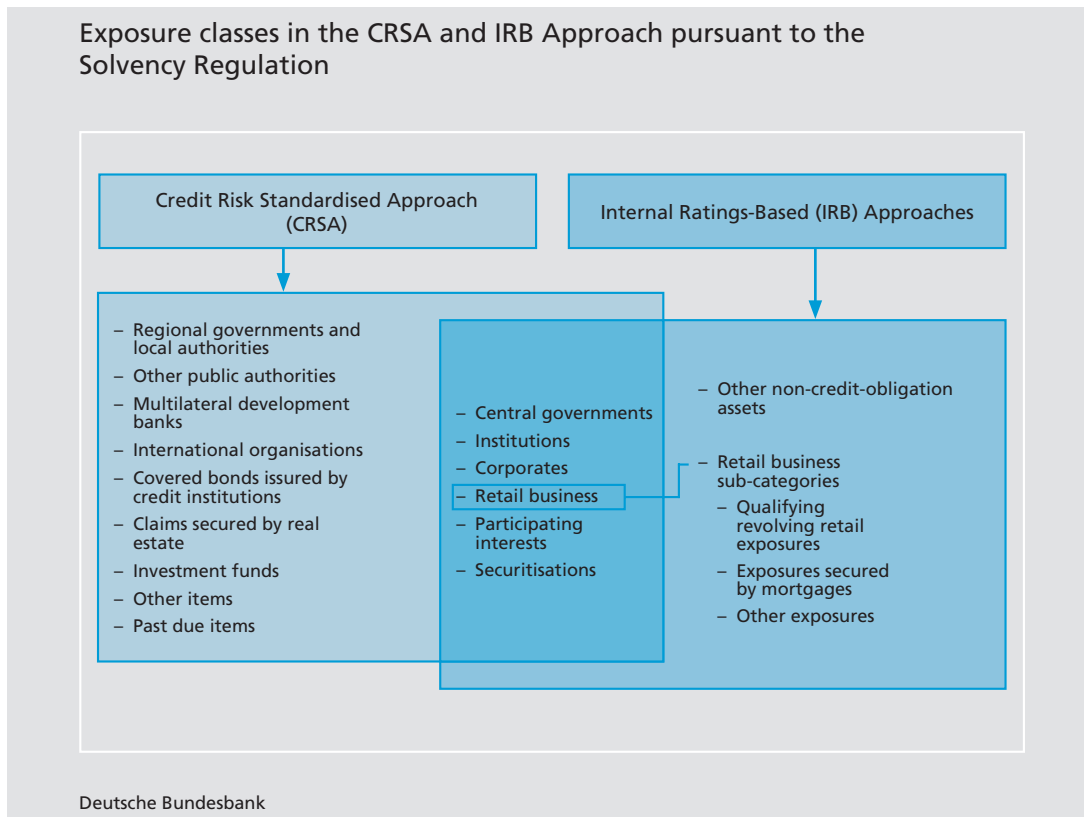
the credit risk weights are determined using borrower-based risk parameters. Institutions can choose between a Foundation Approach (in which the institution only has to estimate the borrower's probability of default (PD)) and an Advanced Approach (in which the institution calculates not only PD but also loss given default (LGD), conversion factors for off-balance-sheet business and residual maturities). The risk weights are calculated for individual risk exposures using an IRB approach based on individually estimated parameters and classified by given asset classes, using risk weighting formulas.

Here, too, some components of the rules are "SME-friendly": as in the CRSA, SMEs can be assigned to the retail business asset class, thus subjecting them to lower risk weights than for the corporates asset class. However, if SMEs are counted as corporates owing to higher total indebtedness, they are also eligible for "haircuts" in capital requirements depending on the amount of turnover and thus on enterprise size.

Since the institutions themselves estimate the risk parameters in the IRB approaches, supervisory approval, which can be given based on an on-site inspection, is necessary prior to the use of these approaches. In this procedure, supervisors' examinations focus on an institution's compliance with the strict catalogue of minimum requirements. During an implementation phase, which generally lasts five years, an institution is permitted to use, to a certain degree, the CRSA alongside the IRB approach

*Supervisory
approval
necessary in
order to use IRB*

⁶ The following risk weights are envisaged: 0%, 10%, 20%, 100%, 150%, 350% and 1,250%.



(“temporary partial use”); for some exposures, there is no time limit on this option (also known as “permanent partial use”).

New procedures to take account of derivative transactions

In order to calculate the credit equivalent amounts of risk exposures in derivatives, there will be two new procedures in future in addition to the original exposure method and the mark-to-market methods: the Standardised Method (SM) and the Internal Model Method (IMM). The SM could also be referred to as a standardised IMM, as it includes core elements of the IMM and thus reflects credit risks much more accurately than previous methods; however, it is less difficult for institutions to implement. In the IMM, credit equivalent amounts are calculated using an internal risk model that assesses the dispersion of future positive market values of de-

derivatives based on modelled market price movements. The IMM may also be used to calculate assessment bases for counterparty credit risk arising from non-derivative transactions with collateral margin calls as well as risks arising from other repurchase transactions and securities or commodities lending or borrowing transactions, which otherwise, would have to be counted as balance sheet or off-balance sheet transactions regarding their counterparty credit risk. Since institutions have considerable discretion when using the IMM, this method, unlike the other procedures, may only be used upon approval by supervisors.

Fundamental revision of rules governing credit risk mitigation techniques

Under the capital adequacy provisions, institutions used to have only very limited scope for recognising collateral for credit risk mitigation purposes (in most cases, only collateral from collateral providers with a risk weighting of 0% or 20% provided institutions with capital relief). The Solvency Regulation represents a fundamental revision of the rules for credit risk mitigation techniques.

Range of eligible collateral sharply expanded

In future, institutions using IRB will be allowed to use not only a much larger range of eligible financial collateral for credit risk mitigation purposes, which will include a wide range of potential collateral instruments up to and including equities, mutual fund shares or also life insurance policies, but also assignments of claims or physical collateral. When using advanced IRB approaches, the range of eligible collateral is even completely unrestricted, provided an institution can present reliable estimates of the asset's intrinsic value. When collateralising securitisation exposures, the rules on credit risk mitigation techniques apply accordingly.

The recognition of mortgages and warranties as eligible collateral has been maintained. Under the rules for warranties, the treatment of credit derivatives will likewise be comprehensively regulated by the Solvency Regulation. For credit risk mitigation techniques to be recognised when calculating minimum capital requirements, however, institutions need to comply with certain minimum quali-

tative requirements which are explicitly specified in the Solvency Regulation.

The provisions governing contractual netting have also been fundamentally rewritten. Previously, institutions could only recognise netting effects in the case of credit risk exposures from derivatives and, separately, in the case of repurchase transactions and securities or commodities lending or borrowing transactions in the trading book for credit risk mitigation purposes. On condition that the institution has concluded a bilateral eligible netting agreement, the use of on-balance sheet netting (the netting of mutual money claims and debts) will also be permitted in future. Moreover, institutions, via eligible cross-product netting agreements, will also be able to take account of netting effects in the case of risk exposures from non-derivative transactions with collateral margin calls, other repurchase transactions and securities or commodities lending or borrowing transactions and derivatives, for risk mitigation purposes. However, for such cross-product netting agreements, the use of IMM is mandatory.

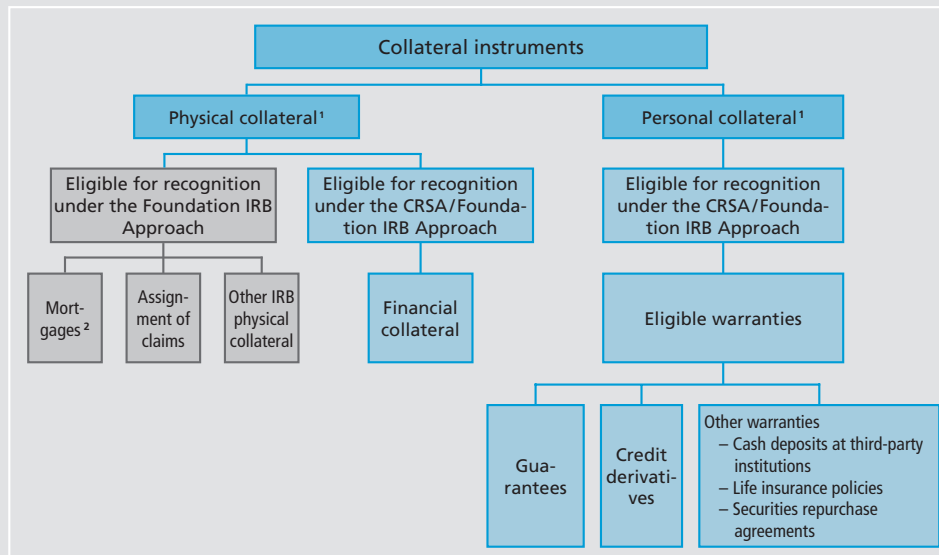
Netting

New rules governing securitisations

Hitherto the treatment of many securitisation transactions has been agreed with supervisors on a case-by-case basis. With the adoption of the Banking Directive's securitisation provisions in the Solvency Regulation, comprehensive rules have now been introduced for the capital backing of securitisation exposures and conditions created for the originators of securitisation transactions to claim regulatory capital relief. When determining the securi-

Securitisation risk weights ...

Credit risk mitigation techniques: eligible collateral*



* In the Advanced IRB Approach, there are no limits to the range of eligible collateral as long as an institution is able to provide reliable estimates of the asset's intrinsic value and the general collateral requirements are met. — 1 As defined in the Solvency Regulation. — 2 The collateralisation effect of mortgages is recognised in the CRSA through the exposure class "Claims secured by real estate".

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tisation risk weight, a distinction is made between CRSA and IRB securitisation transactions. The classification of a securitisation transaction as a CRSA or IRB securitisation transaction is determined by the credit risk approach that governs the type of asset being securitised (CRSA or IRB). Mixed portfolios are classified according to whether CRSA or IRB positions are predominant in the securitised portfolio.

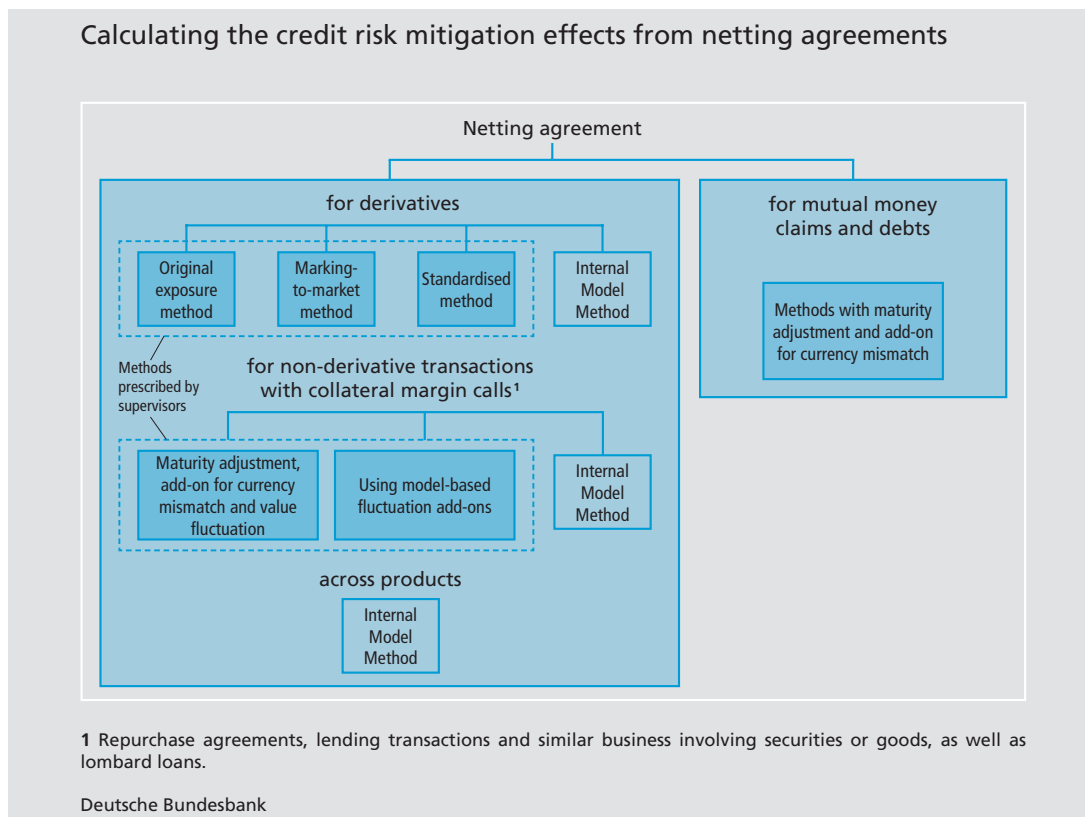
Any external ratings that exist for CRSA securitisation transactions are the key criterion for the securitisation risk weight. Unrated securitisation exposures are always to be given a weighting of 1,250% or deducted from liable capital. Exceptions are envisaged for qualified liquidity facilities, second loss positions in asset-backed commercial paper

(ABCP) programmes and in cases in which the average risk weighting of the securitised portfolio can be calculated owing to a transparent portfolio composition.

A hierarchy of approaches is envisaged for IRB securitisation transactions. If a securitisation position has been given an external rating, or if the rating can be inferred from a benchmark securitisation position, the Ratings-Based Approach (RBA) is to be used. Otherwise, it is to be examined whether the securitisation risk weight can be calculated using the Supervisory Formula (SF) approach. For certain securitisation exposures in the context of ABCP programmes, upon application and supervisory approval, banks may use an internal assessment approach to calculate the credit rating, and thus the securitisation

*... and IRB
securitisation
positions*

*... for CRSA
securitisation
positions ...*



risk weight, instead of the SF approach. IRB securitisation exposures to which none of the aforementioned procedures are applicable are to be either given a risk weighting of 1,250% or deducted from liable capital. In exceptional cases, there is a “fallback” solution for qualified securitisation liquidity facilities – which is subject to revocation by supervisors – according to which the highest CRSA risk weight in the securitised portfolio can be applied in order to prevent the deduction from capital or a 1,250% risk weighting.

Additional capital requirement for operational risk

To date, “other” risks, chief among which are operational risks, were covered by a flat-rate solvency coefficient of 8%. However, since, in

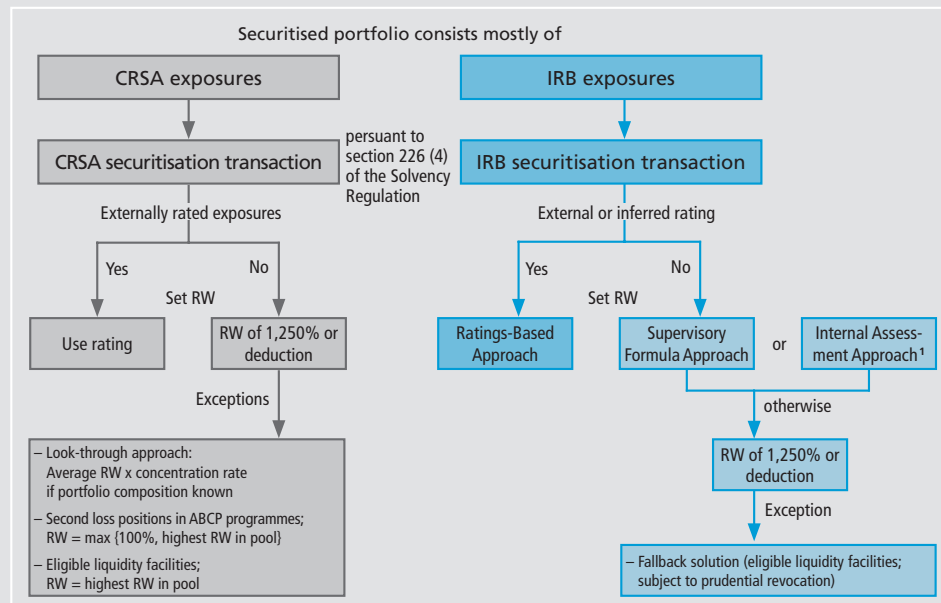
future, the regulatory capital requirement for credit risk will be calculated with much greater precision, the explicit capital backing of operational risks is envisaged. Three different calculation methods are provided for by the Solvency Regulation.

- Basic Indicator Approach (BIA)
- Standardised Approach (TSA)
- Advanced Measurement Approaches (AMAs)

The calculation basis for the BIA and TSA is the three-year average of the “relevant indicator”, which is to be calculated from certain items in the profit and loss account (net interest and net commissions received, the trading

Explicit recognition of operational risk

Calculating the risk weight (RW) for securitisation exposures



1 May be applied to exposures to ABCP programmes that are not money market securities covered by assets upon prudential approval.

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result and other operating income). When using the BIA, multiplying the “relevant indicator” across the board by 15% produces the capital charge. In order to calculate the capital charge using the TSA, the “relevant indicator” is to be broken down into eight business lines defined in the Solvency Regulation and multiplied by weights ranging between 12% and 18%. Alternatively, an institution that is involved primarily in retail and corporate business, when using the TSA, may, subject to prior approval by supervisors, calculate the capital charge in these business lines by multiplying the nominal credit volume by a prudential factor of 0.035.

If an institution has been given permission by supervisors to use an AMA, it may, in compliance with qualitative and quantitative super-

visory standards, use its own model to calculate its capital requirements. This is preceded by an approval examination performed by supervisors.

Rules governing “other market risk positions”

The market risk rules in Principle I – with the exception of necessary systematic adjustments to the new credit risk rules – will be incorporated into the Solvency Regulation largely unchanged in the course of the Basel II implementation process. However, a new standardised procedure that regulates the capital backing of those market risk positions which previous standardised procedures had not been able to capture adequately will be added. These include, for instance, financial

Capital charge for other market risk positions

contracts that relate to weather variables, CO₂ emissions or macroeconomic indicators. The methodology of the new procedure is based on historical simulation.

Calculation of capital adequacy

Calculating minimum capital requirements under Basel II

The minimum capital requirements pursuant to Basel II and the Solvency Regulation are calculated as follows.

$$\frac{\text{Own funds}}{12.5 \cdot (RWA_{(\text{new})} + MRP_{(\text{new})} + \text{OpR})} \geq 8\%^7$$

New disclosure requirements

The new disclosure requirements envisaged in Pillar III of the Basel II framework and the recast EC directives were included in the Solvency Regulation because of their close relationship with capital rules. Disclosure obligations are generally aimed at the financial group level; entities belonging to groups are not individually subject to disclosure requirements.

Semiannual or annual disclosure

Institutions or superordinated institutions are required to publish the necessary information annually, and at least semiannually in the case of internationally active institutions, in a suitable medium (eg on the company's own website), unless disclosure has already been effected in the context of fulfilling other publication requirements. Disclosure primarily covers information on risk management relating to risk areas, capital structure, capital adequacy and detailed information on counterparty credit risk, market risk and operational risk, securitisations, credit risk mitigation techniques, interest rate risk in the banking

book and equity holdings in the banking book.

Regulation governing large exposures and loans of €1.5 million or more (Large Exposures Regulation)

The definition of the concept of risk for large exposures in the Banking Directive is based on the solvency rules. However, the risk weights are generally not to be used, since the sole purpose of these weights and degrees of risk is to calculate the general solvency requirement for the capital backing of credit risk. In order to limit the maximum loss risk of a credit institution with respect to a single customer or a group of affiliated customers, the nominal value of the exposures, without applying weights or risk grades, is to be used as the basis for defining large exposures. However, the effects of credit risk mitigation techniques can be recognised similarly to those relating to the calculation of minimum capital requirements. Accordingly, when recasting the Large Exposures Regulation, the Standardised Method and the Internal Model Method needed to be introduced in order to calculate the assessment base for derivative transactions, and rules governing credit risk mitigation techniques needed to be incorporated.

Large exposures not risk-weighted ...

... but credit risk mitigation techniques can be used analogously to the Solvency Regulation

⁷ RWA_(new) stands for the capital charge for risk-weighted assets calculated pursuant to the Solvency Regulation. MRP_(new) represents the capital charge for market risk positions calculated pursuant to the Solvency Regulation, while OpR denotes the capital charge for operational risk.

With regard to the recognition of credit risk mitigation techniques in the large exposure rules, supervisors may give institutions revocable permission, upon prior application, to recognise the eligible financial collateral pursuant to the Solvency Regulation at its volatility-adjusted value, ie to use the credit amount adjusted for the level of financial collateral instead of the credit amount calculated pursuant to the general provisions of the Large Exposures Regulation. Moreover, institutions using the IRB approach can recognise the collateral effect of financial collateral when calculating credit amounts provided they are permitted to make their own estimates of the loss given default (LGD) and IRB conversion factor parameters for a given asset class and, when doing so, can reliably assess the effects of financial collateral on their credit risks irrespective of other aspects that are relevant to LGD.⁸ Here, institutions are required to proceed in a manner consistent with the approach they use to calculate their capital requirements. In addition, institutions may recognise financial collateral, warranties (including credit derivatives) and trading book collateral for reporting purposes or for calculating capital charges provided that they meet certain standards regarding the valuation of this collateral and the management of the risks associated with this collateral, which are spelled out in the Regulation.

Liquidity Regulation

Even though no material connection exists, Principle II will be transformed into a Liquidity Regulation pursuant to section 11 of the

Banking Act simultaneously with the implementation of Basel II.

The Liquidity Regulation will modernise the quantitative liquidity rules by creating a more risk-oriented and principles-based prudential supervisory regime. From 2007, institutions have been given, for the first time, the opportunity to use their own risk measurement and risk management procedures for the prudential limitation of liquidity risk, subject to prior approval by supervisors. Such an individualised procedure must meet stringent requirements, compliance with which is assessed by supervisors in an approval examination. For institutions that do not use their own procedures, the Liquidity Regulation represents hardly any change from current practice, since the existing rules of Principle II will be incorporated into the regulation largely unchanged as the "Standardised Approach".

Institutions temporarily using Principle I during the year 2007 will be able to simultaneously use Principle II instead of the new Liquidity Regulation until 1 January 2008.

Recognition of institutions' own measurement and management methods

Not directly linked to the implementation of Basel II

⁸ For the calculation, the credit amounts are to be multiplied by the LGD adjustment factor, calculated as the difference between one and the quotient of the self-estimated LGD that would arise for this loan if the financial collateral were recognised and of the self-estimated LGD for this loan without recognising the available financial collateral.

The qualitative elements of the Basel Pillar II in the “Minimum requirements for risk management”

Principle of dual proportionality

The “Minimum requirements for risk management” (MaRisk),⁹ published on 20 December 2005, flesh out section 25a (1) of the Banking Act, which calls for adequate risk management. These minimum requirements cover the qualitative requirements of Pillar II of the Basel framework. MaRisk stand for a principles-based approach and serve to implement the principle of dual proportionality set forth in the Supervisory Review Process (SRP) enshrined in articles 22, 123 and 124 of the Banking Directive. On the basis of numerous escape clauses, MaRisk can be applied in a simplified manner depending on the credit institutions’ size, business speciality and risk situation.

Qualitative elements from Basel’s Pillar II

The qualitative elements of the Internal Capital Adequacy Assessment Process (ICAAP) contained in Pillar II of Basel have been factored into MaRisk. For instance, requirements governing risk-bearing capacity (AT 4.1¹⁰) were introduced, and three new risk categories were added to the requirements for the risk management and risk controlling process alongside the counterparty and market price risks in the trading book already regulated by the “Minimum requirements for the credit business of credit institutions” and the “Minimum requirements for the trading business of credit institutions”: interest rate risks in the banking book (BT R 2.3, “Market price risks in the banking book”), liquidity risks (BT R 3) and operational risks (BT R 4). However, MaRisk do not include rules on interest rate

shocks,¹¹ as this is a quantitative element of the SRP.

BaFin and the Bundesbank are currently working together on revising prudential rules relating to outsourcing with a view to integrating them into MaRisk. In a similar manner to the “Minimum requirements for the trading activities of credit institutions”, the objective in this field is to modernise and reduce the volume of rules in a principles-based, real-world manner. The rules in the Markets in Financial Instruments Directive 2004/39/EC¹² and the implementing Commission Directive 2006/73/EC, as well as the CEBS’s Guidelines on Outsourcing, which will shortly be published, need to be taken into account, which means that rules on outsourcing will then apply both in the banking sector and the securities sector.

Integration of the “Outsourcing Circular” into MaRisk

Since the entry into force of MaRisk at the end of 2005, credit institutions have already been eligible to make use of the relief and discretionary scope afforded by the new rules compared with the earlier “Minimum require-

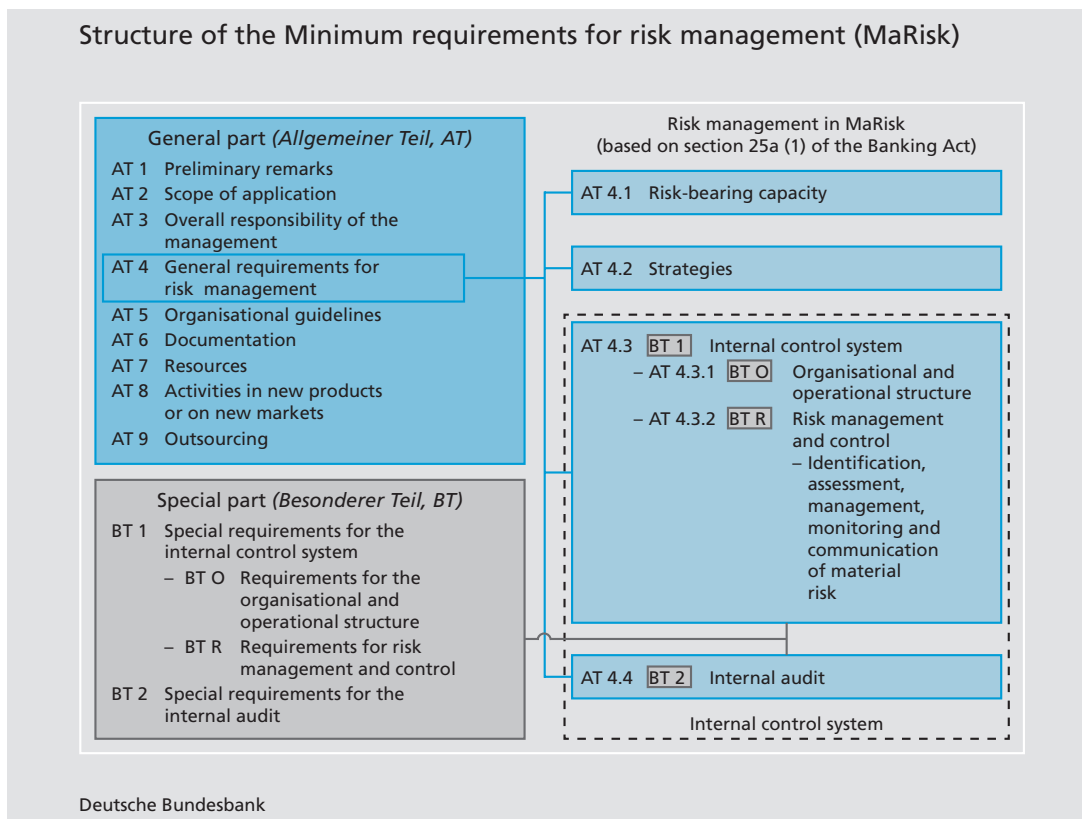
Implementation of MaRisk

⁹ The current version of MaRisk (in German only; the abbreviation is taken from the German title, Mindestanforderungen an das Risikomanagement der Kreditinstitute), incorporating decisions of the MaRisk Expert Panel, as well as the minutes of their meetings, can all be found on the Bundesbank’s website at www.bundesbank.de/bankenaufsicht/bankenaufsicht_marisk.php. A selection of the above information, including the translation of an earlier version of MaRisk, can be downloaded from the English version of the Bundesbank’s website at www.bundesbank.de/bankenaufsicht/bankenaufsicht_marisk.en.php.

¹⁰ AT denotes the general section, BT the specific section and BT R the risk management and control section.

¹¹ See paragraph 764 of the June 2004 Revised Framework.

¹² This directive, generally abbreviated as MiFID, regulates the conditions for rendering investment services. MiFID supersedes the Investment Services Directive 1993/6/EEC.



ments for the trading activities of credit institutions” and “Minimum requirements for the credit business of credit institutions”. The provisions on the SRP, and especially the ICAAP, which entered into MaRisk when implementing the Banking Directive, however, will only be examined and given the green light by supervisors once institutions have begun to apply the risk measurement approaches pursuant to the Solvency Regulation.¹³

Solvency reporting system harmonised throughout the EU (“COREP”)

EU-wide reporting system replaces national system

A new path is being embarked upon in the reporting system with the advent of an EU-wide harmonised solvency reporting system

(Common Reporting, or COREP) developed at the level of the Committee of European Banking Supervisors (CEBS). In the past, the solvency reporting system, which was based on the Banking Act and Principle I, had been developed by supervisors at the national level. Now, the structure of the COREP reporting system has been imported into the Solvency Regulation completely. Supervisors, however, still have national discretion regarding the amount of detail in the specific information to be provided by institutions. In this context, the Solvency Regulation only requires information at a high level of aggregation in order to do justice to the prudential

¹³ In the transitional period up until 1 January 2008, supervisors will examine the implementation of the Minimum requirements for risk management on a case-by-case basis.

*Quarterly
reports in
future*

supervisory aim of making the reporting system as streamlined as possible.

In future, institutions and superordinated institutions will have to submit solvency reports to supervisors no longer monthly, as in the past, but only on a quarterly basis, thereby partly alleviating their reporting obligations. In addition, according to the new rules, submission deadlines for single-entity reports will be extended in institutions' favour: from end-March 2007, these reports will be due no longer on the 5th business day, but instead the 15th business day, after the end of the preceding month. Reports for groups of institutions and financial holding groups, however, will continue to be due within one month after the reporting date.

Outlook

With the publication of the new German Banking Act on 22 November 2006, and of the Solvency Regulation and the amended Large Exposures Regulation in December 2006 in the Federal Gazette, work on the legal implementation of the recast EC directives has been completed. What will be the impact of the new rules, and what still needs to be done?

*Expert imple-
mentation not
yet complete*

First and foremost, expert implementation cannot be described as complete: the two German supervisory agencies, BaFin and the Bundesbank, along with those institutions that have applied for permission to use advanced risk measurement approaches, are still in the process of issuing IRB and AMA ap-

proval. This process is likely to take some time yet – not least owing to the generous rules governing the gradual transition to more advanced risk measurement approaches, under which banks can apply for initial approval at institution level or for approval for individual, additional rating systems even years later. With regard to Pillar I of the new capital framework, therefore, the conclusion of regulatory implementation should be regarded more as reaching an (important) milestone rather than as having crossed the finishing line of all implementation work.

Upon completion of the legal implementation, a Basel Committee working group chaired by the Bundesbank will address the issue of monitoring the capital requirements under the new capital adequacy regime. This monitoring is designed to ensure that the aims of the Basel Committee – to create capital incentives for using more advanced risk measurement approaches while at the same time preserving capital in the overall system – are achieved. The Basel II capital requirements are calibrated such that, in Germany, they will lead to slight capital reductions of around 5% in the new CRSA and to somewhat larger capital reductions of around 8% in the IRB Approach. Thus, the correct incentives have been set for transitioning to more risk-sensitive approaches. Depending on the outcome of monitoring, however, a future recalibration of the Basel risk weighting functions cannot be ruled out.

Expert work will also continue on Pillar II, implemented in Germany as MaRisk. The ICAAP requirements represent a journey into un-

*Ongoing moni-
toring of the
evolution of
capital require-
ments*

*ICAAP:
uncharted
waters in pru-
dential super-
vision*

charted waters in Germany. The evolution of banks' internal methodologies is very dynamic and has not yet reached the end. In this environment, the specific prudential supervisory requirements for ICAAP, in terms of what is "feasible" today, will require some time to take on a specific shape, depending on the size and complexity of the institutions. In addition, as institutions make advances in their methodologies, this shape will evolve over time.

Furthermore, in ICAAP, present-day national requirements for integrated risk management intermingle with future regulatory ideas. In long-term preparation for the potential future prudential recognition of credit risk models, the Risk Modelling and Management Group (RMMG) of the Basel Committee has already begun to analyse and evaluate the *status quo* of modelling and its integration into models of economic capital. In the short term, its results could give a valuable impetus to ICAAP, as it is precisely these internal credit and capital models which form the core of ICAAP among the more advanced institu-

tions, even though they are not prudentially mandatory.

Moreover, banking supervisors will set to work on revising the current regulatory definition of capital and on developing international standards for measuring and monitoring liquidity risk. In the latter project, BaFin and the Bundesbank will raise the issue of recognising banks' internal liquidity risk models for prudential purposes for discussion at international level.

On the whole, the process launched with Basel II of allowing advanced institutions to use modern internal risk measurement systems for more and more types of risks and risk systems while at the same time providing standardised prudential methods for less advanced institutions will be continued. This will enable institutions to proactively choose a degree of complexity for their own risk measurement and risk management systems which is the best fit for them and their particular business structure.

*Future focus to
be trained on
the definition
of capital,
liquidity risk
and ...*

*... modern risk
measurement
systems*

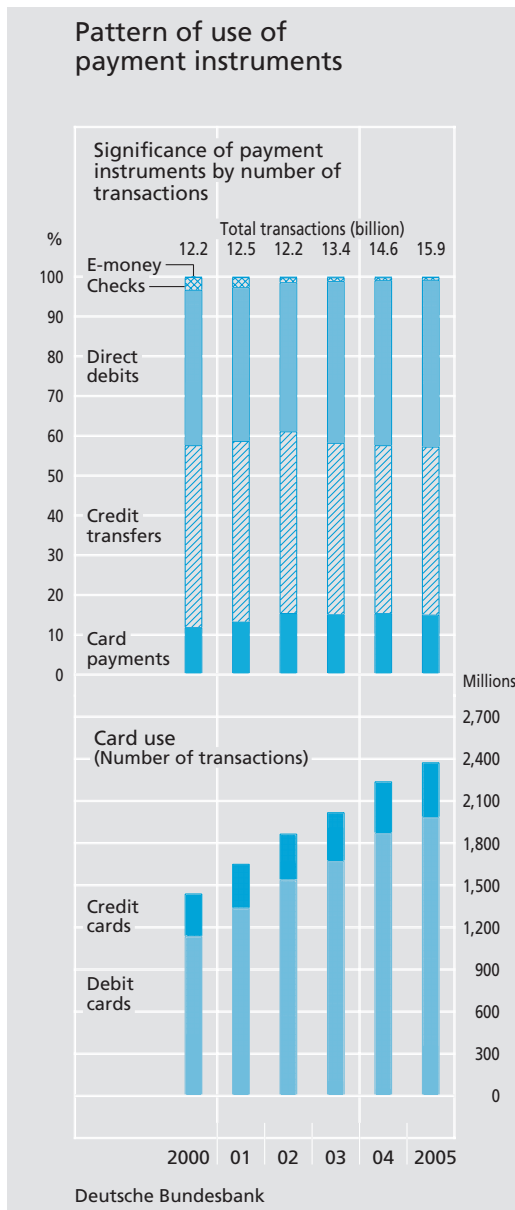
Recent developments in payment cards and innovative electronic payment procedures

The cashless payments landscape in Germany today is still shaped by the predominance of traditional payment instruments, namely credit transfer and direct debit. Nevertheless, in recent years the significance of card payments has grown considerably. Influenced by technological advances and the possibilities offered by the internet, various forms of electronic payment procedures have also emerged. At the forefront are access procedures to payment instruments with authorisation via mobile telephone, landline or internet and recent developments in electronic money. Moreover, advancing European integration is proving a driving force behind structural changes in the EU payments environment, especially in the card market. The Bundesbank is monitoring the efficiency and security of these developments as part of its statutory responsibility for cashless payments. The aim of this article is to highlight new trends, drawing attention to special aspects of security, standardisation and regulation.

Trends in payment procedures in Germany

Even though credit transfers and direct debits still dominate the cashless payment scene in Germany, payment cards, which now account for 15% of transactions, have become an established payment instrument.

*Significance of
card payments*



Debit cards in Germany

The German card market is characterised by debit cards, which are generally directly linked to the cardholder's bank account. When a card payment is made, this results in an immediate debit to the account. In 2005, approximately 91.6 million debit cards were in circulation in Germany. These were almost entirely cards issued by German credit institutions for the electronic cash card payment scheme. In this scheme – developed by the

German banking industry – the payment is guaranteed by the card-issuing bank following successful authorisation, which includes a cover and validity check. For security reasons, the customer proves his identity during the payment transaction using his personal identification number (PIN). Debit cards can be used to withdraw cash from automated teller machines (ATMs) and to pay at electronic payment terminals. A total of roughly 53,000 ATMs and 570,000 payment terminals were available in 2005. In Germany, debit cards can also be used to generate electronic direct debits.¹

Growth in electronic cash

The number of card payments in the retail sector is rapidly increasing. In the past few years, there has been substantial growth in electronic cash. This is due in part to the decision by large discount chains to accept electronic cash cards. It is also probable that, given the risk of fraud, merchants are now placing increasing importance on the payment guarantee provided by electronic cash. The EHI Retail Institute² has established that card payments in the retail sector rose from roughly 6.2% of turnover in 1994 to approximately 32.9% in 2005. Debit cards were used for 26.9% of the retail turnover in 2005, while credit cards accounted for only 5%. Of the payments made by debit card, unguaranteed payments (eg electronic direct debits) were slightly more common at 15.4% of retail turnover. However, a significant 11.5% of the sales volume was settled using

¹ Electronic direct debiting is a procedure developed by the retail industry which generates a direct debit on the basis of the card details (direct debit authorisation via signature without PIN or payment guarantee).

² See EHI Retail Institute, 2005 annual survey.

Breakdown of payment procedures by time of payment stream to the payment service provider

Pay before	Pay now	Pay later
Purchases in retail outlets		
GeldKarte Credit-balance-based card	Debit card – electronic cash ² – electronic direct debit ³	Credit card
Purchases on the internet		
GeldKarte Credit-balance-based card E-money (server-based) ¹	Payment on delivery Credit transfer – conventional – online banking (internet) – mobile banking (mobile telephone) – Giropay Direct debit via the internet	Credit card (internet) Billing procedure ⁴ – traditional settlement ⁵ – telephone bill – mobile telephone bill ⁶
¹ Authorisation via internet or mobile telephone. — ² Procedure with payment guarantee operated by the German banking industry. — ³ Known in German as ELV (Elektronisches Lastschriftverfahren). — ⁴ Generally, periodical		(eg monthly) settlement of accrued payment amounts. — ⁵ Settlement by direct debit, credit card etc. — ⁶ Payment may be made using, for example, a PIN, which is transmitted via mobile telephone at a charge.
Deutsche Bundesbank		

the guaranteed electronic cash procedure or was attributable to the use of foreign debit cards (Maestro payments).³

Credit cards in Germany

A distinction is to be made between credit cards with monthly payment of the cumulative card transactions and those with a credit function. The latter are equipped with a specific credit facility, which is independent of an overdraft facility on the giro account. The roughly 21 million credit cards issued in Germany are used far less often than debit cards. This is due partly to the higher charges for the card holder and the merchant. In addition, the low usage of revolving credits provided by the cards is likely to be the routinely higher interest charged in comparison with personal credit lines on giro accounts. A recent development in the German market in-

volves credit cards allocated to a specific card account which is invariably maintained on a credit-balance basis. In some cases, the card account may be topped up. Like gift cards, these credit-balance-based cards are usually offered to a specific target group.

The growing use of the internet to purchase goods and services is also reflected in payments. The vast majority of purchases made on the internet are settled using traditional payment procedures, for example, direct debit or credit card. Alongside payment on delivery, credit transfers – for instance, as advance payment or upon receipt of invoice – continue to play a significant role. This is un-

Payment procedures on the internet

³ Maestro is a debit card procedure from MasterCard International, which is generally used for cross-border debit card payments.

doubtedly due in part to the increasing popularity of online banking. At the end of 2005, there were approximately 33.3 million online accounts in Germany while in 2001 the figure was 19.1 million. Roughly 1.1 billion credit transfers in 2005 were initiated via the internet (compared with approximately 0.5 billion in 2001).

Giropay

Payment procedures which allow the secure, comfortable and efficient payment of goods and services without the exchange of data media hold particular potential for electronic trade. Thus, in February 2006 a large section of the German banking industry introduced Giropay,⁴ an online banking portal designed specifically for payment transactions on the internet. According to Giropay, it can be used by roughly 17 million online banking customers at participating banks in Germany. At the end of a purchase transaction on the internet, the customer is redirected within Giropay straight to his bank's website where he authorises a fully prepared credit transfer order. Once the customer has authorised his bank to make the payment, the merchant receives direct confirmation and payment guarantee from the customer's bank.

Billing procedures

Providers of internet-based billing procedures enable the collection of payment amounts occurring in connection with internet transactions. Authorisation may be made using, for example, passwords (following registration) or transaction numbers transmitted via mobile telephone. Billing procedures consolidate the individual amounts into a single transaction sum. This is then collected either at regular intervals (for example, once a month) or

once a certain minimum amount has been reached. Collection is generally made using traditional payment instruments, such as direct debit or credit card. Providers with an existing business relationship with the customer (for instance telecommunication companies) add the accrued payment sums to the customer's monthly invoice. Owing to the aggregation of individual transactions, billing procedures are very efficient especially for small payment amounts.

Pursuant to the Electronic Money Directive (2000/46/EC) from the year 2000, e-money constitutes a monetary value as represented by a claim on the issuer which is stored on an electronic device. E-money is issued on receipt of an amount that is not less in value than the stored monetary value. Another defining feature is that the stored e-money is accepted as a means of payment by undertakings other than the issuer. A licence⁵ from the Federal Financial Supervisory Authority (BaFin) is required in order to issue e-money in Germany. A distinction can be made between various forms of e-money according to the different storage devices – card or server.

Electronic money

In the case of card-based e-money, the monetary value is stored directly on the card – as is the case for the "GeldKarte" of the Central Credit Committee (CCC) in Germany. The GeldKarte function is usually integrated into the bank card in addition to the debit function. At the end of 2005, over 64 million GeldKarte cards were in issue and 172,000

Card-based e-money

⁴ See www.giropay.de.

⁵ Section 1 (1) No 11 of the Banking Act (Gesetz über das Kreditwesen).

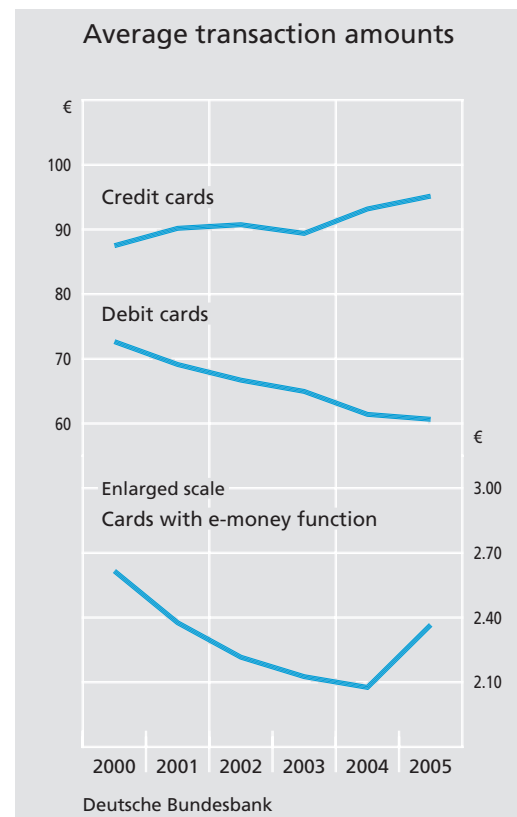
merchant terminals were equipped for payment by GeldKarte. A total of 37.8 million payment transactions were made using GeldKarte.⁶ Until now, GeldKarte has been used mainly at vending machines to purchase tickets and cigarettes, for example, and in car parks. It can also be used to make payments on the internet. Increasingly, the age of the cardholder has also been stored in the GeldKarte chip. This enables providers to check the customer's legal capacity to enter into transactions, or to block access to offers with a minimum age restriction, for instance. Additional functions, such as electronic ticketing (e-tickets), bonus programmes, time and access checks, and electronic signatures, offer further possibilities for using GeldKarte. The new generation of chip cards issued by the banking industry now supports contactless interfaces as required by German public transport companies for additional applications of this kind.

Average payment amounts with GeldKarte, debit cards and credit cards

The average payment amounts in German card-based payments still constitute a vertical market segment in this area.⁷ As a rule, credit cards are used to pay larger amounts and GeldKarte tends to be used for micro-payments. In recent years, the average debit card transaction amount has fallen in comparison with that of the credit card, reflecting the increasing popularity of the debit card for day-to-day purchases.

Server-based e-money

The European Commission's definition of e-money also includes electronic monetary values stored on a server. Server-based e-money can be accessed, for example, via mobile telephone, internet or infrastructures



for payment cards. PayPal (Europe) Ltd, which is licensed as an electronic money institution by the British Financial Services Authority, has intensified its activities in Germany, too. PayPal enables individuals and businesses to transfer server-based balances over the internet.

Trends in the European card market – SEPA for cards

The Single Euro Payments Area (SEPA) is intended to overcome the current national fragmentation of the payments landscape. The European banking industry, represented

Opportunities and challenges

⁶ www.geldkarte.de

⁷ See Deutsche Bundesbank, Recent developments in electronic money, Monthly Report, June 1999, p 47.

Options under the SEPA Cards Framework (SCF)

The SCF describes three options for further European development. Combinations of options are also expressly permitted.

Option 1 envisages the replacement of a national debit card scheme by an international debit card scheme (for example, MasterCard's "Maestro" and Visa's "V-Pay"). This option could, however, result in international card schemes dominating the European card market, meaning that broad-based competition would not be achieved. Banks should also consider such a strategy carefully, not least in view of the ensuing dependencies on non-European card schemes. In the light of the above, establishing at least one further European approach would seem to make sense.

A European solution could be achieved with SCF option 2, both in the form of the pan-European expansion of various national card schemes and as a cooperative venture between various schemes. The technical feasibility of cooperation of this kind has been confirmed by the Berlin Group, which began its work developing standards for the bilateral authorisation and settlement of card

transactions in October 2004 and now consists of more than 14 large players in the euro-area card market.¹ Building on the Berlin Group's preparatory work on standardisation, the Euro Alliance of Payment Schemes (EAPS) was set up in 2006 with aim of interlinking the participating national debit card schemes. Among the founding members of the EAPS are the German electronic cash system, providers from Italy, Portugal, the United Kingdom and Spain, and EUFISERV.² The first pilot phases have already begun within the EAPS. Furthermore, as early as September 2005 the German banking industry announced plans to extend access to electronic cash throughout Europe.

SCF option 3 foresees cooperation between national and international card schemes provided that all the schemes fulfil the SCF requirements. This practice known as "co-branding" (the trademarks of all the participating card schemes are displayed on the card) is already common in many countries. However, this harbours the risk that existing national access restrictions and standards will be maintained and the cross-border competition which the SEPA aims to promote will not be achieved.

¹ See www.berlin-group.org. — ² EUFISERV (European Savings Banks Financial Services Company) is a joint venture by the European savings banks and provides cashless pay-

ment services, in particular, the processing of transactions at ATMs.

by the European Payments Council (EPC), is currently focusing on the implementation of SEPA credit transfers and SEPA direct debits and on establishing a SEPA cards framework (SCF). Debit card procedures, which in many cases dominate the national card segment, are particularly affected by SEPA developments. While the relevant national debit card scheme is used to process domestic transactions, cross-border transactions are processed via the networks of the large international card companies.

SEPA for Cards

The Eurosystem has produced a report describing its current view of the card market to the public.⁸ According to this report, the challenge in implementing the SEPA lies in ensuring the successful transition to an integrated card market with a high degree of efficiency and low fees in Europe. The migration to the SEPA must not lead to a deterioration in the conditions for cardholders or merchants. Rather, the Eurosystem's objective behind the SEPA card market is to enable cardholders in the future to use their payment cards anywhere in the euro area as easily and cheaply as in their home country. According to the EPC's plans, the banking industry is to have fulfilled the requirements for the launch of SEPA-compatible payment schemes by 2008.⁹ The Eurosystem's report gives concrete shape to the EPC's requirements for the SEPA card market as presented in the SCF, which are still rather general. The Bundesbank expressly advocates approaches which promote competition and, through interoperability, maintain the high level of efficiency of the current national card schemes with a view to establishing Europe-wide use and ac-

ceptance of payment cards. This requires the technical standardisation of all interfaces, for example.

It has yet to be decided how card transactions will be cleared in the SEPA. In Germany, the infrastructures in place for the clearing and settlement of direct debits are currently being used. From an efficiency and cost aspect, it might well make sense if card transactions were cleared and settled through the infrastructures that are to be set up for SEPA direct debits. In this way, card payments could also contribute towards achieving the critical mass for the new SEPA infrastructures.

Clearing card transactions in the SEPA

Security aspects for payment cards

New technologies enable new forms of attack on IT systems and mean continuously changing requirements for ensuring an appropriately high level of security. This requires the ongoing monitoring and assessment of developments, also in the field of payments, and the timely implementation of necessary adjustments.

Ensuring an appropriately high level of security

In the case of payment cards, for example, the situation is now such that the magnetic strips containing the cardholder's bank sort code and account number can be copied with little technical effort. The technical possibilities for reading the magnetic strip and illicitly identifying the PIN have also increased significantly. Switching from magnetic-strip-

Migration from magnetic strip to chip

⁸ See ECB, The Eurosystem's view of a "SEPA for Cards", November 2006.

⁹ See EPC, SEPA Cards Framework, March 2006.

based procedures to chip cards, in which the relevant data are safely stored in a chip implanted in the card, can help prevent this abuse. This changeover is planned with the introduction of the EMV standard¹⁰ in Europe. Once payment cards with EMV chips have been introduced, there will be a sharp increase in PIN use worldwide, and this will largely replace signature-based authorisation. According to the EPC's plans, the migration to EMV chip technology should be completed as part of the work towards the SEPA by the end of 2010 at the latest.¹¹

PIN security

In the Eurosystem's view, payment schemes in the Single Euro Payments Area should be at least as secure and efficient as the best-performing national payment schemes of today.¹² The European Commission also emphatically recommends that the payment industry guarantee the highest possible economically viable level of security for electronic payments. This implies that the highest existing security level among the national card schemes should be used as the benchmark for European harmonisation. In cooperation with various standardisation initiatives, in which card organisations and providers are involved, the EPC is planning to define common standards and security requirements for Europe. In the Bundesbank's view, all the technical interfaces of a card payment procedure must be included in the harmonisation process. For example, chip cards, data exchange protocols and terminals should all be fitted with the appropriate security features and cryptographic protection mechanisms to ensure the continuous integrity and authenticity of data and components, and to effect-

ively protect the secrecy of identification data (PIN etc). These requirements are in some cases already fulfilled today.

Major factors determining the acceptance of a payment procedure by merchants are the time required to process a single transaction and the consistent stability of the system even on days with a large transaction volume. Thus, close attention should continually be paid to availability aspects and contingency provisions. In Germany, a number of service and technical network providers operate concurrently. This decentralised structure undoubtedly contributes towards the robustness of the infrastructure. In addition to this, it is important that appropriate contingency mechanisms are in place to ensure the necessary performance of the schemes even on days with particularly large transaction volumes.

Availability and contingency provisions

Security issues are particularly relevant in the case of cross-border transactions with payment cards because these use components and infrastructures from diverse card schemes and settlement providers. One of the things which the Eurosystem advocated in the fourth SEPA Progress Report was the development by the end of 2007 of a comprehensive strategy to reduce card fraud especially in the

Security of cross-border card payments

¹⁰ The EMV standard was developed for chip cards by Europay (now MasterCard Europe), MasterCard and Visa and is named after these companies. The standard aims to create worldwide interoperability between chip cards and terminals.

¹¹ See EPC, SEPA Cards Framework version 2, March 2006.

¹² See ECB, Towards a Single Euro Payments Area – Third progress report, December 2004.

international context.¹³ The growth in cross-border fraud with “cloned” magnetic strip cards, which are produced after illicitly reading the original card data, is a cause for concern here. Thus, it is to be hoped that card authorisations for European chip cards within Europe will be processed using only EMV chip technology as soon as possible.

*Liability shift
not applicable
worldwide*

As an incentive for card issuers and merchants to introduce EMV chip cards and terminals, on 1 January 2005 MasterCard and Visa created a liability shift which means that, in the event of a counterfeit or copied card being used, liability is borne by the party which has not yet switched to chip technology. If the magnetic strip on a chip card is copied to another card and the copied card is used at a merchant terminal which does not support chip technology, the merchant is liable for the ensuing damages. Conversely, if the merchant has already equipped his terminal with chip technology and transactions are processed with magnetic strip cards which the issuer has not fitted with a chip, the card issuer is liable. The liability shift does not yet apply worldwide.

Security aspects of innovative payment procedures

*Phishing and
pharming*

Attacks on the internet to fraudulently acquire electronic identification and authorisation data, known as phishing and pharming attacks,¹⁴ are current examples of cross-border fraud seen worldwide.

In order to combat this type of fraud, it would seem reasonable to unequivocally declare the attempt to fraudulently acquire data for electronic identification and transaction authorisation a punishable offence worldwide, thus abolishing the current legal uncertainties surrounding this issue. In the context of combating identity theft, the idea of a single emergency telephone number has been discussed in Europe to report compromised electronic data of all kinds quickly and simply. In mid-2005, an emergency telephone number¹⁵ (116 116) was introduced in Germany for this purpose. The aim is to provide a single telephone number for blocking electronic authorisations, such as payment cards, mobile telephones and access data to internet providers.

*Make
attempted
identity theft a
punishable
offence*

Aside from the issues of criminal liability, prosecution and customer information campaigns, it is essential that providers of payment procedures and online banking adapt their security measures appropriately and rapidly to meet the changing risk situation surrounding identity theft. Although German online banking provides a relatively high level of protection thanks to a dual authentication feature which requires the user to enter a PIN and a specific transaction number (TAN), this alone is unlikely to provide sufficient protection in the future. It is therefore to be welcomed that sections of the banking industry

*Continuous
adjustment of
security
measures*

¹³ See ECB, Towards a Single Euro Payments Area – Fourth progress report, February 2006.

¹⁴ In phishing attacks, an attempt is made – usually by counterfeit e-mail – to redirect the recipient to a fake website and to persuade him to disclose the relevant data. In pharming attacks, the internet user is directed straight to a fake website to persuade him to compromise his data.

¹⁵ See www.sperr-notruf.de.

have already responded to the growing threat from phishing by introducing more complex TAN procedures. Nevertheless, for the future it might be worth considering options where the data on the instruction to the bank (transaction data) are directly included in the security measure. In the medium term, the security level should be further increased by employing electronic signatures. The chip cards issued by the German banking industry to its customers are increasingly technically equipped to produce electronic signatures.

Future developments

Dynamic developments in card business

In the future, a further increase in card-based payment procedures can be expected in Germany, particularly in the light of the relatively low level of use at present in comparison with the EU average and with non-European countries (see chart on this page). At the same time, as the SEPA approach competition in the card market is increasing, which is likely to lead to further consolidation.

Possibilities of technological progress

The performance capacity of payment schemes is continuously increasing, which will further reduce the time required to process, for example, credit transfers and card payments. Mobile terminals and chip cards which support contactless transmission technology are likely to play a particular role here. Providers of internet-based innovative payment procedures could extend their range of services at merchant terminals if both the customer and the merchant had (mobile) internet access at the point of sale. Then, even low-value payments could be settled online

at the merchant terminal at a reasonable cost and with only short waiting periods. Such a development would reduce the current efficiency advantage of cards with an e-money function for low-value payments. Ultimately, greater competition among products owing to increasingly overlapping business lines is likely to lead to consolidation, which may reduce the variety of products currently available. The first steps in this direction have already been taken by credit card organisations, such as MasterCard and Visa, which have been offering contactless credit cards in the USA since 2002. More recent developments, in Japan, for example, have shown that contactless chip card technology can be integrated into mobile communication devices without any difficulty.

The forthcoming regulatory changes under the EU Payment Services Directive are likely to have a major impact. The directive aims to create a common legal framework for the Single Euro Payments Area. Current planning envisages the introduction of a new type of provider in the field of payments known as a "payment institution". These institutions will be able to offer almost all payment services, in particular, giro business which, in Germany, is currently restricted to banks. Consequently, they could compete with credit institutions without being subject to the same strict supervisory standards even though the risk involved is similar. This may intensify competition between payment service providers.

Changes in regulatory setting

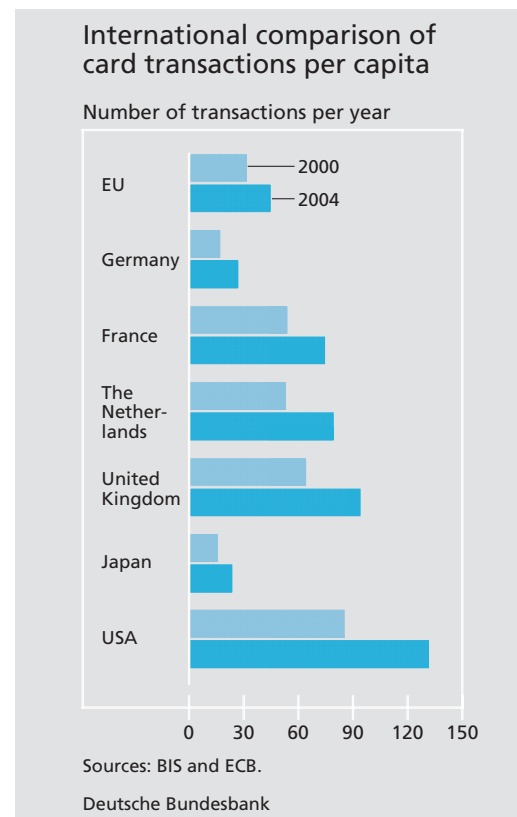
On 17 February 2006, the European Commission presented a report evaluating the E-Money Directive (2000/46/EC). According

European Commission e-money initiative ...

to this report, the e-money market in the EU has developed much more slowly than expected and is far from fulfilling its real potential.¹⁶ Among other things, the report points to the restrictions and requirements imposed by the directive itself and draws attention to the different national interpretations and rules implementing the directive as well as the legal uncertainty surrounding the scope and applicability.

... should not lead to a general relaxation of rules

However, this should not lead to the conclusion that the rules concerning the issue of e-money should generally be relaxed. On the contrary, the requirements set out in the ECB's report on electronic money¹⁷ regarding the issue of e-money from a monetary policy perspective continue to apply. These requirements specify a refund obligation, the possibility of imposing a minimum reserve for e-money and statistical reporting requirements for issuing institutions. Against this backdrop, a possible integration of the E-Money Directive provisions into the forthcoming Payment Services Directive should be viewed critically. The electronic payment procedures currently under discussion in connection with the Payment Services Directive merely constitute a means of access to payment instruments. By contrast, e-money is an



independent means of payment which may also be regarded as a special form of the traditional bank deposit business. Thus, issuing e-money is an activity with its own special characteristics, which justify it having a legal basis of its own.

¹⁶ European Commission, Subject of Request for Payment Services: Evaluation of the E-Money Directive (2000/46/EC), 17 February 2006, p 2.

¹⁷ See ECB (1998), Report on electronic money.

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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 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	8.3	2.07	2.13	3.4
June	10.9	8.0	7.6	7.6	6.7	8.2	9.5	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	9.1	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	8.6	2.33	2.51	3.4
Feb	9.9	8.7	7.9	8.0	8.7	10.7	8.7	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	9.5	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	7.2	8.4	8.5	8.4	9.4	12.2	8.2	3.04	3.34	3.8
Oct	6.3	8.2	8.5	...	9.0	12.0	8.1	3.28	3.50	3.9
Nov	...	...	...	...	...	...	...	3.33	3.60	3.8

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 Apr	-	8,989	+	3,144	-	6,849	-	19,289	-	4,090	+	17,369	-	838	1.2938	105.1	107.2
May	-	1,316	+	5,296	+	41,771	-	2,419	+	25,274	+	16,368	+	2,548	1.2694	104.0	106.2
June	+	3,129	+	8,457	+	6,134	-	7,718	+	102,299	-	89,813	+	1,366	1.2165	101.2	103.4
July	+	3,398	+	8,668	+	2,114	-	88,960	+	82,800	+	5,581	+	2,693	1.2037	101.7	103.8
Aug	+	1,327	+	40	-	11,675	-	19,770	-	26,089	+	34,148	+	36	1.2292	102.3	104.5
Sep	-	5,688	+	4,805	+	33,052	+	1,413	+	21,017	+	10,964	-	341	1.2256	101.8	104.0
Oct	-	6,234	+	1,265	-	13,643	-	12,920	-	6,879	+	6,080	+	77	1.2015	101.4	103.5
Nov	-	1,064	+	780	+	2,322	-	6,403	-	43,886	+	51,579	+	1,031	1.1786	100.7	103.0
Dec	-	834	+	1,840	-	31,063	-	17,222	-	4,940	-	16,143	+	7,242	1.1856	100.7	103.1
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	105.0
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	106.1
July	+	2,450	+	5,641	+	12,259	-	9,378	+	2,776	+	19,649	-	788	1.2684	104.3	106.5
Aug	-	2,114	-	2,825	-	8,315	-	7,579	-	18,750	+	18,843	-	829	1.2811	104.4	106.5
Sep	-	844	+	3,421	+	45,168	-	19,884	+	47,236	+	18,855	-	1,039	1.2727	104.2	106.4
Oct	1.2611	103.7	105.9
Nov	1.2881	104.4	106.7

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

I Key economic data for the euro area

3 General economic indicators

Period	Belgium	Germany	Finland	France	Greece	Ireland	Italy	Luxem- bourg	Nether- lands	Austria	Portugal	Spain	Euro area
Real gross domestic product ¹													
2003	1.0	- 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	3.0	1.2	3.5	2.3	4.7	4.3	1.1	3.6	1.9	2.5	1.2	3.2	2.0
2005	1.1	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	0.3	4.2	1.2
Q3	1.3	1.4	3.4	1.1	3.8	5.9	0.0	4.8	2.0	2.1	0.3	3.0	1.6
Q4	0.7	1.1	2.2	0.7	3.7	6.5	0.1	6.2	1.9	2.6	1.0	3.3	1.8
2006 Q1	3.3	3.2	6.2	1.7	4.1	5.8	2.2	6.6	2.9	2.9	1.1	3.7	2.2
Q2	2.8	1.3	6.4	1.5	4.1	...	...	5.4	2.8	3.3	0.8	4.0	2.8
Q3	2.3	2.3	5.4	1.9	...	...	1.5	...	...	3.2	1.5	3.6	2.7
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	- 2.3	0.3	- 0.9	3.0	- 0.8	0.2	- 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	- 1.9	- 0.1	5.1	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	1.1	5.1	- 0.7	- 0.7	1.3	5.8	0.5	1.8	- 1.6	3.7	2.3	1.6	2.1
2006 Q1	6.2	4.9	4.4	0.5	1.2	2.6	3.0	5.1	3.0	5.6	1.6	2.6	3.4
Q2	5.6	5.9	15.1	1.7	0.6	6.6	1.4	0.8	0.8	7.8	1.6	4.0	4.1
Q3	4.4	⁶ 6.2	9.3	0.5	0.4	7.1	1.1	- 0.8	- 0.1	^p 9.5	2.8	4.2	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	8.8
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 May	8.7	8.3	7.8	9.3	4.5	6.8	4.7	3.9	4.9	7.4	8.6	7.8	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	7.8
July	8.5	8.3	7.8	9.1	4.5	...	4.8	3.8	4.9	7.3	8.4	7.8	7.8
Aug	8.5	8.5	7.9	9.0	4.5	...	4.8	4.1	4.8	7.2	8.4	7.8	7.8
Sep	8.6	8.6	7.9	8.9	4.2	...	4.9	3.9	4.7	7.2	8.3	7.8	7.8
Oct	8.3	8.2	7.9	8.8	4.2	...	4.9	3.9	4.7	7.2	8.4	7.7	7.7
Nov	...	...	...	...	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 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	1.6
Nov	2.0	1.5	...	1.6	3.3	...	...	1.8	^p 1.6	...	...	...	1.8
General government financial balance ⁵													
2003	0.0	- 4.0	2.5	- 4.2	- 6.1	0.3	- 3.5	0.3	- 3.1	- 1.6	- 2.9	0.0	- 3.1
2004	0.0	- 3.7	2.3	- 3.7	- 7.8	1.5	- 3.4	- 1.1	- 1.8	- 1.2	- 3.2	- 0.2	- 2.8
2005	- 2.3	- 3.2	2.7	- 2.9	- 5.2	1.1	- 4.1	- 1.0	- 0.3	- 1.5	- 6.0	1.1	- 2.5
General government debt ⁵													
2003	98.6	63.9	44.3	62.4	107.8	31.1	104.3	6.3	52.0	64.6	57.0	48.7	69.3
2004	94.3	65.7	44.3	64.4	108.5	29.7	103.9	6.6	52.6	63.8	58.6	46.2	69.8
2005	93.2	67.9	41.3	66.6	107.5	27.4	106.6	6.0	52.7	63.4	64.0	43.1	70.8

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; seasonally adjusted. — ⁵ As a percentage of GDP; Maastricht Treaty definition; Euro-area aggregate: European Central Bank, member states: European Commission. — 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 Mar	48.4	53.9	6.7	- 5.6	- 4.5	- 25.5	37.4	62.9	44.0	12.3	- 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	82.1	71.2	- 24.4	10.9	10.8	98.2	19.1	- 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	42.8	76.2	1.9	- 33.3	- 56.4	35.1	- 54.7	- 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	0.7
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	54.5	43.4	30.5	10.4	1.3	21.8	- 3.0
June	52.3	47.9	- 30.0	4.4	1.8	62.8	- 57.1	- 119.9	47.1	10.9	1.2	21.9	13.2
July	69.3	89.7	13.4	- 20.4	- 16.6	4.5	84.2	79.7	47.6	9.2	1.2	16.5	20.7
Aug	- 14.9	12.1	- 5.6	- 27.0	- 21.7	- 12.1	8.1	20.3	4.1	2.5	1.5	5.1	- 5.0
Sep	132.3	136.2	26.9	- 3.8	- 9.9	15.5	123.8	108.2	21.2	4.4	1.4	14.5	1.0
Oct	75.5	82.3	23.5	- 6.8	- 9.5	15.8	114.5	98.7	41.9	18.9	2.1	21.6	- 0.6

(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 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	14.9	32.8	17.8	- 5.8	0.4	1.2	- 4.2	- 3.3
Oct	4.2	- 0.7	5.1	4.9	1.2	- 4.7	- 5.1	- 0.5	5.1	- 0.1	2.1	- 0.9	4.0

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

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

II Overall monetary survey in the euro area

(a) Euro area

IV De- posits of central gov- ernments	V Other factors			VI Money stock M3 (balance I plus II less III less IV less V)										Period
	Total 4	of which Intra- Eurosystem liability/ claim related to banknote issue	Total	Money stock M2						Repo transac- tions	Money market fund shares (net) 2,7,8	Debt secur- ities with maturities of up to 2 years (incl money market paper) (net) 2,7		
				Total	Money stock M1			Deposits with an agreed maturity of up to 2 years 5	Deposits at agreed notice of up to 3 months 5,6					
					Total	Currency in cir- culation	Overnight deposits 5							
- 22.7	- 26.0	-	27.5	35.0	26.9	8.2	18.7	4.1	4.0	- 0.2	- 0.8	- 6.5	2005 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	- 68.1	-	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	- 16.8	-	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	- 16.6	-	43.4	70.1	53.8	10.1	43.7	19.0	- 2.8	- 11.6	- 5.2	- 9.9	June	
- 13.1	25.2	-	14.1	- 3.9	- 25.1	9.0	- 34.0	24.4	- 3.2	5.3	12.6	0.1	July	
- 9.5	- 36.9	-	15.3	- 21.7	- 57.2	- 3.7	- 53.5	35.4	0.2	14.5	4.2	18.3	Aug	
18.2	18.4	-	90.1	94.6	62.4	4.2	58.2	36.0	- 3.7	- 1.7	- 3.8	1.0	Sep	
- 11.1	30.6	-	29.9	14.8	- 16.3	3.9	- 20.2	38.0	- 6.9	- 1.2	0.2	16.1	Oct	

(b) German contribution

IV De- posits of central gov- ernments	V Other factors			VI Money stock M3 (balance I plus II less III less IV less V) 10										Period
	Total	of which Intra- Eurosystem liability/ claim related to banknote issue 9,11	Currency in cir- culation	Total	Components of the money stock						Money market fund shares (net) 7,8	Debt securities with maturities of up to 2 years (incl money market paper)(net) 7		
					Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6	Repo transac- tions						
									Total	Currency in cir- culation			Overnight deposits		Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6	Repo transac- tions
- 3.3	- 1.7	2.1	2.5	- 7.4	0.4	- 5.5	- 1.0	1.0	1.6	- 3.9	2005 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	29.5	2.0	0.4	12.7	0.7	10.5	- 3.8	3.2	- 0.6	2.7	Sep			
- 2.8	6.1	0.6	1.3	- 8.8	- 6.8	8.6	- 4.8	- 6.0	0.0	0.1	Oct			

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	Total assets or liabilities	Assets										
		Lending to non-banks (non-MFIs) in the euro area									Claims on non- euro-area residents	Other assets
		Total	Enterprises and households				General government					
	Total		Loans	Debt securities 2	Shares and other equities	Total	Loans	Debt securities 3				
Euro area (€ billion) ¹												
2004 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	17,892.3	11,992.9	9,550.4	8,288.1	553.6	708.8	2,442.5	847.5	1,595.0	4,009.0	1,890.4	
2006 Jan	18,201.5	12,127.9	9,668.2	8,386.5	558.0	723.7	2,459.7	842.5	1,617.2	4,125.9	1,947.7	
Feb	18,344.7	12,225.2	9,782.1	8,469.1	569.6	743.3	2,443.1	833.0	1,610.0	4,184.5	1,935.0	
Mar	18,475.4	12,353.5	9,908.0	8,552.1	575.8	780.1	2,445.4	837.0	1,608.4	4,199.2	1,922.8	
Apr	18,704.3	12,504.1	10,063.4	8,644.7	587.0	831.7	2,440.7	837.5	1,603.2	4,248.2	1,952.0	
May	18,782.7	12,531.2	10,125.4	8,708.5	595.4	821.6	2,405.8	826.9	1,578.8	4,279.2	1,972.3	
June	18,738.1	12,572.3	10,169.6	8,785.0	602.3	782.3	2,402.7	829.6	1,573.1	4,216.6	1,949.3	
July	18,867.3	12,647.7	10,262.4	8,859.6	614.6	788.3	2,385.2	826.5	1,558.7	4,309.3	1,910.3	
Aug	18,882.8	12,635.6	10,273.2	8,874.7	611.5	786.9	2,362.4	821.2	1,541.2	4,310.1	1,937.0	
Sep	19,260.9	12,762.9	10,404.1	8,981.3	620.5	802.3	2,358.9	824.6	1,534.3	4,453.3	2,044.7	
Oct	19,459.5	12,845.1	10,495.0	9,039.0	635.9	820.1	2,350.1	826.5	1,523.5	4,573.7	2,040.7	
German contribution (€ billion)												
2004 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	
Oct	4,886.3	3,500.9	2,787.3	2,361.5	112.9	313.0	713.6	423.2	290.4	1,204.4	181.0	

* 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										
	Total	of which in euro 5	Enterprises and households								End of year/month
			Total	Overnight	With agreed maturities of			At agreed notice of 6			
					up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		
Euro area (€ billion) 1											
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	2004 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	7,480.4	7,028.1	7,094.3	2,827.6	1,059.7	107.7	1,590.7	1,415.6	93.1	July	
559.0	7,456.5	7,010.5	7,082.9	2,780.7	1,090.7	109.5	1,593.0	1,414.3	94.6	Aug	
563.2	7,570.8	7,092.8	7,175.2	2,837.4	1,122.2	113.4	1,595.8	1,410.5	95.9	Sep	
567.1	7,587.9	7,122.5	7,199.2	2,810.0	1,153.2	119.4	1,614.6	1,403.9	98.0	Oct	
German contribution (€ billion)											
118.0	2,238.1	2,162.0	2,126.3	644.8	191.9	15.9	681.5	506.7	85.5	2004 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	
152.9	2,389.1	2,314.9	2,264.0	709.2	236.2	21.8	711.7	490.5	94.5	Oct	

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

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

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

Liabilities (cont'd)													
Deposits of non-banks (non-MFIs) in the euro area (cont'd)													
General government									Repo transactions with non-banks in the euro area			Debt securities	
End of year/month	Other general government								Total	of which Enterprises and households	Money market fund shares (net) ³	Total	of which denominated in euro
	Central governments	Total	Overnight	With agreed maturities of			At agreed notice of ²						
				up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months					
Euro area (€ billion) ¹													
2004 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	1,772.6
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	616.5	2,455.3	1,864.0
July	194.3	191.8	106.2	59.3	1.2	21.4	3.2	0.4	250.5	246.7	627.3	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	632.4	2,489.1	1,887.7
Sep	203.0	192.6	104.0	61.8	1.6	21.6	3.2	0.4	263.3	259.3	639.4	2,507.8	1,895.1
Oct	191.9	196.8	108.9	61.2	1.7	21.6	3.0	0.4	262.1	256.7	636.4	2,545.9	1,924.0
German contribution (€ billion)													
2004 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	896.8	663.1
Oct	46.3	78.8	19.0	37.4	1.2	19.1	1.8	0.4	32.1	32.1	29.7	896.1	657.2

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

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

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issued (net) ³						Other liability items			Memo item			Monetary liabilities of central governments (Post Office, Treasury) ¹⁴	End of year/month
With maturities of			Liabilities to non-euro-area residents ⁵	Capital and reserves ⁶	Excess of inter-MFI liabilities	Total ⁸	of which Intra-Eurosystem-liability/claim related to banknote issue ⁹	Monetary aggregates ⁷ (From 2002, German contribution excludes currency in circulation)			Monetary capital formation ¹³		
up to 1 year ⁴	over 1 year and up to 2 years	over 2 years						M1 ¹⁰	M2 ¹¹	M3 ¹²			
Euro area (€ billion) ¹													
75.9	25.2	1,948.7	2,861.6	1,044.6	14.6	1,808.9	–	2,857.1	5,451.1	6,376.7	4,396.2	176.0	2004 Sep
73.1	27.6	1,958.4	2,847.5	1,047.0	20.8	1,843.5	–	2,866.0	5,490.4	6,436.1	4,416.2	177.7	Oct
78.3	27.0	1,956.1	2,904.7	1,055.7	44.1	1,921.4	–	2,913.7	5,528.9	6,469.7	4,438.6	185.9	Nov
76.5	27.2	1,958.0	2,842.2	1,051.6	33.6	1,842.9	–	2,948.9	5,632.3	6,568.2	4,465.7	192.8	Dec
74.0	26.3	1,986.4	2,993.4	1,054.4	29.3	1,899.0	–	2,966.0	5,637.3	6,581.6	4,499.5	192.6	2005 Jan
81.0	33.9	2,008.7	3,029.0	1,058.9	21.9	1,903.2	–	2,970.1	5,643.4	6,599.9	4,534.0	195.5	Feb
75.1	31.5	2,038.9	3,110.5	1,068.0	0.4	1,942.9	–	2,997.6	5,680.4	6,627.8	4,589.2	194.2	Mar
89.1	31.9	2,055.8	3,224.7	1,068.8	15.5	2,020.0	–	3,031.1	5,738.4	6,713.4	4,612.0	194.8	Apr
84.4	29.9	2,089.4	3,310.2	1,081.1	– 12.2	2,056.9	–	3,064.1	5,778.4	6,766.0	4,658.8	194.1	May
87.2	32.5	2,123.6	3,251.9	1,133.2	– 14.7	2,152.4	–	3,304.4	5,851.9	6,830.7	4,804.1	196.6	June
87.5	32.3	2,130.0	3,288.1	1,136.2	– 15.6	2,149.1	–	3,321.8	5,890.0	6,882.9	4,815.3	200.9	July
87.2	34.8	2,141.5	3,279.6	1,143.0	– 1.9	2,156.3	–	3,268.6	5,852.9	6,862.8	4,834.0	201.9	Aug
87.5	34.8	2,161.8	3,381.1	1,166.2	– 17.8	2,181.2	–	3,322.5	5,933.0	6,918.7	4,878.8	203.0	Sep
92.7	30.1	2,193.2	3,446.6	1,163.5	– 11.2	2,172.6	–	3,349.3	5,970.3	6,962.0	4,916.5	204.7	Oct
99.2	32.0	2,202.9	3,638.9	1,178.6	– 5.0	2,332.8	–	3,378.5	5,995.7	6,994.7	4,954.4	211.3	Nov
94.7	32.1	2,195.9	3,545.6	1,200.6	13.7	2,258.9	–	3,479.6	6,152.9	7,116.8	5,005.8	222.6	Dec
109.5	33.9	2,193.7	3,646.9	1,225.6	– 4.1	2,436.7	–	3,451.0	6,130.7	7,119.5	5,034.9	223.9	2006 Jan
120.7	32.0	2,227.9	3,726.5	1,246.8	– 4.3	2,398.2	–	3,445.9	6,150.1	7,148.0	5,103.6	227.0	Feb
129.8	33.3	2,239.6	3,764.0	1,255.2	22.6	2,365.3	–	3,469.8	6,202.9	7,205.0	5,151.7	226.4	Mar
130.2	33.6	2,247.5	3,818.6	1,250.7	9.0	2,430.7	–	3,522.0	6,292.9	7,319.6	5,169.4	225.6	Apr
137.8	36.0	2,263.3	3,843.2	1,239.2	4.8	2,451.3	–	3,544.5	6,302.2	7,355.7	5,185.1	224.8	May
125.4	36.3	2,293.6	3,732.0	1,243.5	14.0	2,381.4	–	3,598.7	6,373.2	7,396.6	5,232.3	225.6	June
120.9	39.6	2,309.7	3,810.3	1,274.0	15.3	2,376.6	–	3,573.6	6,369.2	7,407.4	5,289.3	226.0	July
137.4	41.0	2,310.7	3,825.5	1,271.6	9.0	2,374.7	–	3,516.5	6,347.1	7,422.9	5,291.6	225.8	Aug
136.6	40.6	2,330.6	3,939.0	1,268.8	1.2	2,507.4	–	3,579.6	6,443.6	7,523.5	5,313.0	226.2	Sep
151.4	42.1	2,352.3	4,039.1	1,277.7	– 5.9	2,549.2	–	3,563.4	6,458.3	7,550.3	5,364.6	229.8	Oct
German contribution (€ billion)													
27.5	26.1	815.9	654.3	277.5	– 80.2	493.1	60.9	660.7	1,403.1	1,512.3	1,880.2	–	2004 Sep
27.2	25.1	813.3	639.6	278.9	– 58.8	502.5	62.3	656.9	1,402.1	1,511.7	1,882.2	–	Oct
29.5	22.7	808.7	669.7	277.1	– 73.6	510.9	63.1	685.2	1,420.6	1,529.0	1,879.6	–	Nov
27.5	22.5	800.2	627.6	277.6	– 69.5	516.2	63.4	655.4	1,423.3	1,518.6	1,875.2	–	Dec
27.6	21.2	805.8	667.8	279.2	– 76.0	506.0	64.5	679.0	1,432.3	1,536.4	1,883.1	–	2005 Jan
27.2	26.5	802.8	676.7	275.0	– 77.0	501.8	65.8	684.0	1,431.9	1,543.3	1,880.3	–	Feb
23.6	26.1	812.6	695.2	276.1	– 95.6	510.3	67.9	684.1	1,425.8	1,535.8	1,893.9	–	Mar
24.9	26.6	824.5	737.1	281.0	– 43.8	516.5	68.8	686.6	1,435.3	1,547.9	1,907.4	–	Apr
25.1	24.4	831.5	745.4	282.5	– 89.5	517.3	71.3	696.1	1,447.7	1,557.5	1,911.5	–	May
27.0	25.0	838.4	693.3	290.0	– 95.1	522.3	72.0	706.3	1,451.0	1,563.7	1,925.0	–	June
25.2	24.8	842.6	702.5	291.6	– 98.3	526.9	72.6	706.8	1,452.5	1,563.0	1,929.1	–	July
27.0	25.7	840.7	694.3	292.3	– 111.5	531.3	74.1	708.5	1,454.8	1,572.1	1,927.1	–	Aug
28.8	25.7	840.1	713.1	294.7	– 120.9	545.1	76.4	715.8	1,462.3	1,578.3	1,926.9	–	Sep
28.8	26.5	841.0	720.5	298.7	– 131.6	554.0	76.5	718.8	1,466.8	1,585.5	1,930.5	–	Oct
26.8	27.0	840.2	733.8	304.7	– 154.4	565.6	76.4	734.4	1,481.9	1,598.9	1,938.0	–	Nov
26.2	27.7	829.4	678.1	306.9	– 134.4	554.4	75.1	725.8	1,490.1	1,593.6	1,934.2	–	Dec
24.5	28.8	835.8	701.4	327.5	– 107.9	552.8	75.8	728.2	1,491.3	1,601.5	1,962.8	–	2006 Jan
23.5	27.7	845.2	720.2	332.3	– 126.0	551.4	77.8	725.6	1,489.2	1,600.0	1,982.6	–	Feb
23.8	29.2	837.2	729.6	336.7	– 134.5	561.8	78.2	733.4	1,496.1	1,616.0	1,979.6	–	Mar
22.8	29.5	829.7	723.2	340.8	– 104.1	571.1	78.7	742.5	1,515.9	1,633.7	1,980.6	–	Apr
23.0	31.5	831.9	729.4	336.0	– 122.8	576.7	79.5	746.9	1,517.1	1,639.0	1,980.8	–	May
20.8	33.4	839.4	712.3	336.5	– 114.0	568.3	80.6	750.3	1,522.8	1,643.8	1,991.6	–	June
18.9	34.3	841.9	698.3	348.5	– 118.1	569.0	81.2	740.4	1,513.6	1,627.3	2,009.4	–	July
20.8	36.8	836.0	703.2	344.1	– 137.3	570.2	83.9	734.1	1,512.5	1,635.3	2,003.5	–	Aug
20.5	38.8	837.5	723.6	336.2	– 121.3	588.9	85.9	735.0	1,520.1	1,647.1	1,997.3	–	Sep
19.5	40.0	836.7	723.2	340.0	– 118.7	594.8	86.5	728.2	1,517.1	1,638.3	2,002.4	–	Oct

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

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

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 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
Nov	327.4	311.9	120.0	0.1	–	0.1	–	592.8	60.2	– 60.6	167.0	759.8
Deutsche Bundesbank												
2004 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
Nov	82.8	162.6	78.9	0.1	–	0.0	–	161.1	0.1	122.4	40.8	202.0

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

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

II Overall monetary survey in the euro area

Flows

Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) 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												
- 3.1	+ 20.7	- 0.0	+ 0.2	-	- 0.4	-	+ 6.6	+ 12.8	- 3.0	+ 1.7	+ 8.0	2004 July
- 7.4	+ 8.2	± 0.0	- 0.3	-	+ 0.1	-	+ 11.8	- 3.9	- 7.7	+ 0.3	+ 12.0	Aug
- 1.4	- 2.0	- 0.0	+ 0.1	-	+ 0.0	-	+ 1.9	- 4.8	- 0.6	+ 0.2	+ 2.2	Sep
- 0.6	+ 4.8	+ 0.0	+ 0.2	-	- 0.2	-	+ 2.3	+ 1.9	+ 0.3	- 0.0	+ 2.1	Oct
- 0.5	+ 1.5	+ 0.0	- 0.2	+ 0.2	+ 0.3	-	+ 4.6	- 3.1	- 0.0	- 0.9	+ 4.0	Nov
- 0.3	+ 7.8	± 0.0	± 0.0	- 0.2	- 0.2	+ 0.5	+ 5.7	+ 5.1	- 3.9	+ 0.1	+ 5.7	Dec
- 7.7	+ 7.2	± 0.0	+ 0.1	+ 0.2	- 0.0	- 0.5	+ 20.6	- 14.9	- 5.9	+ 0.6	+ 21.1	2005 Jan
- 9.7	+ 3.7	+ 3.0	- 0.1	- 0.1	- 0.0	-	- 8.9	+ 18.5	- 13.6	+ 0.9	- 8.0	Feb
- 0.4	+ 1.2	+ 4.2	- 0.0	- 0.1	- 0.0	+ 0.1	+ 2.4	+ 4.7	- 3.7	+ 1.3	+ 3.7	Mar
+ 1.9	+ 0.4	+ 4.7	+ 0.1	-	+ 0.0	- 0.1	+ 9.1	- 1.1	- 2.9	+ 2.0	+ 11.1	Apr
+ 4.9	- 1.7	+ 3.1	- 0.1	-	+ 0.0	-	+ 6.9	- 4.5	+ 3.2	+ 0.7	+ 7.7	May
- 0.2	- 3.4	± 0.0	+ 0.0	-	+ 0.1	+ 0.1	+ 7.3	- 9.4	- 3.1	+ 1.5	+ 8.8	June
+ 6.5	+ 24.5	± 0.0	- 0.0	-	- 0.0	+ 0.2	+ 9.8	+ 13.9	+ 4.7	+ 2.4	+ 12.1	July
+ 12.2	+ 11.9	- 0.0	- 0.1	-	+ 0.1	- 0.3	+ 10.0	- 0.0	+ 12.3	+ 1.9	+ 12.1	Aug
- 0.7	- 6.0	- 0.0	+ 0.0	+ 0.3	- 0.2	- 0.0	- 1.1	- 4.3	- 1.2	+ 0.4	- 0.9	Sep
+ 3.1	- 14.9	+ 0.0	+ 0.1	- 0.3	+ 0.0	+ 0.2	+ 0.1	- 15.2	+ 1.6	+ 1.2	+ 1.3	Oct
+ 7.2	+ 4.8	+ 0.0	+ 0.0	-	+ 0.0	- 0.2	+ 4.0	+ 2.5	+ 6.7	- 1.2	+ 2.9	Nov
- 1.9	+ 7.9	+ 0.0	- 0.1	-	+ 0.0	+ 0.3	+ 4.2	+ 0.6	- 1.7	+ 2.8	+ 6.9	Dec
+ 4.4	+ 15.1	- 0.4	+ 0.2	+ 0.2	- 0.0	- 0.3	+ 19.4	- 6.8	+ 6.1	+ 1.1	+ 20.4	2006 Jan
+ 7.6	- 6.4	+ 6.6	- 0.2	+ 0.1	+ 0.0	-	- 10.8	+ 12.4	+ 4.8	+ 1.3	- 9.4	Feb
- 0.5	- 10.7	+ 8.5	+ 0.1	- 0.3	+ 0.1	+ 0.1	+ 2.4	- 3.3	- 5.3	+ 2.9	+ 5.3	Mar
+ 3.2	- 9.2	+ 9.0	+ 0.0	+ 0.7	+ 0.1	- 0.1	+ 5.6	- 1.7	- 1.2	+ 1.2	+ 7.0	Apr
+ 9.1	+ 1.2	+ 6.3	+ 0.1	- 0.7	- 0.1	+ 0.4	+ 12.7	- 0.5	+ 1.7	+ 1.7	+ 14.3	May
- 0.1	- 4.3	+ 0.0	- 0.1	-	- 0.1	- 0.3	+ 2.9	- 5.6	- 3.5	+ 2.1	+ 4.9	June
- 2.6	+ 29.5	- 0.0	+ 0.1	-	+ 0.5	+ 0.2	+ 6.8	+ 21.5	- 5.1	+ 3.0	+ 10.3	July
- 6.7	+ 13.2	± 0.0	+ 0.0	-	- 0.5	+ 0.3	+ 9.4	+ 6.0	- 9.4	+ 0.8	+ 9.7	Aug
- 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
+ 0.7	+ 3.2	± 0.0	+ 0.0	- 0.3	- 0.1	-	+ 4.3	+ 1.1	- 1.5	+ 0.0	+ 4.1	Nov
Deutsche Bundesbank												
- 1.0	+ 12.3	+ 0.1	+ 0.0	-	- 0.3	-	+ 1.5	- 0.0	+ 10.2	+ 0.1	+ 1.3	2004 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
+ 0.2	+ 7.0	+ 2.1	+ 0.0	- 0.2	- 0.1	-	+ 0.7	+ 0.0	+ 8.7	- 0.1	+ 0.5	Nov

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

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

III Consolidated financial statement of the Eurosystem
1 Assets *

€ billion

On reporting date/ End of month 1	Total assets	Gold and gold receivables	Claims on non-euro-area residents denominated in foreign currency			Claims on euro-area residents denominated in foreign currency	Claims on non-euro-area residents denominated in euro		
			Total	Receivables from the IMF	Balances with banks, security investments, external loans and other external assets		Total	Balances with banks, security investments and loans	Claims arising from the credit facility under ERM II
Eurosystem ²									
2006 Mar 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	–
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	–
2006 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	–
10	1 112.8	174.9	142.8	10.9	132.0	23.7	11.2	11.2	–
17	1 113.2	174.8	141.0	10.9	130.2	22.5	10.9	10.9	–
24	1 133.3	174.7	142.2	10.9	131.4	22.8	11.5	11.5	–
Dec 1	1 126.1	174.5	147.2	10.9	136.3	23.9	10.8	10.8	–
Deutsche Bundesbank									
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	–
Nov	359.2	52.3	33.3	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							Credits related to margin calls	Other claims on euro-area credit institutions denomi- nated in euro	Securities of euro-area residents denominated in euro	General government debt denominated in euro	Other assets	On reporting date/ End of month 1
Total	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations	Structural reverse operations	Marginal lending facility							
Eurosystem ²												
404.1	284.0	120.0	-	-	0.1	-	5.9	³ 94.8	40.6	³ 159.5	2006 Mar	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	³ 169.6		30
446.0	326.0	120.0	-	-	-	-	5.9	91.5	40.0	171.1	July	7
441.5	321.5	120.0	-	-	-	-	5.9	89.6	40.0	174.9		14
455.3	335.0	120.0	-	-	0.3	0.0	6.4	88.7	40.0	178.1		21
458.0	338.0	120.0	-	-	0.0	0.0	6.1	87.1	40.1	181.2		28
444.0	324.0	120.0	-	-	-	0.0	6.3	85.9	40.1	182.8	2006 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
423.0	303.0	120.0	-	-	-	0.0	9.1	79.8	40.0	208.3		10
424.0	304.0	120.0	-	-	-	-	10.1	79.4	40.0	210.4		17
441.5	321.5	120.0	-	-	0.0	0.0	9.4	79.0	40.0	212.2		24
428.2	308.0	120.0	-	-	0.2	-	9.8	79.0	40.0	212.7	Dec	1
Deutsche Bundesbank												
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	
232.0	155.2	76.7	-	-	0.0	-	3.0	-	4.4	34.0	Nov	

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 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
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
2006 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
10	1 112.8	595.6	172.7	172.6	0.0	—	—	0.0	0.1	—	54.8	46.7	8.1
17	1 113.2	594.4	175.6	175.6	0.0	—	—	—	0.1	—	55.9	47.7	8.1
24	1 133.3	593.7	170.8	170.8	0.0	—	—	—	0.1	—	79.0	70.6	8.4
Dec 1	1 126.1	601.8	184.0	184.0	0.0	—	—	0.0	0.1	—	44.2	35.9	8.4
Deutsche Bundesbank													
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
Nov	359.2	162.8	39.2	39.2	0.0	—	—	—	—	—	0.4	0.1	0.4

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

the Bundesbank: end-of-month financial statements. — 2 According to the accounting regime chosen by the Eurosystem on the issue of euro banknotes, a share of 8% of the total value of the euro banknotes in circulation is allocated to the ECB on a monthly basis. The counterpart of this adjustment is disclosed as an "Intra-Eurosystem liability related to euro-

III Consolidated financial statement of the Eurosystem

Liabilities to non-euro-area residents denominated in euro	Liabilities to euro-area residents in foreign currency	Liabilities to non-euro-area residents denominated in foreign currency			Counterpart of special drawing rights allocated by the IMF	Other liabilities 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													
14.7	0.1	9.2	9.2	—	5.8	5	66.7	—	5	132.4	62.0	2006 Mar	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	5	66.2	—	5	122.0	62.8		30
14.5	0.1	9.2	9.2	—	5.7		65.6	—		122.0	62.8	July	7
14.8	0.1	8.5	8.5	—	5.7		66.0	—		122.0	62.9		14
15.3	0.1	10.3	10.3	—	5.7		66.7	—		122.0	62.9		21
15.4	0.1	9.6	9.6	—	5.7		67.0	—		122.0	62.9		28
15.3	0.1	9.1	9.1	—	5.7		67.2	—		122.0	62.9	2006 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	5	69.9	—	5	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
16.3	0.1	8.6	8.6	—	5.7		70.6	—		123.7	64.6		10
16.1	0.1	5.4	5.4	—	5.7		71.5	—		123.7	64.6		17
16.3	0.1	6.9	6.9	—	5.7		72.3	—		123.7	64.6		24
16.5	0.1	12.9	12.9	—	5.7		72.5	—		123.7	64.6	Dec	1
Deutsche Bundesbank													
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	
3.9	0.0	1.4	1.4	—	1.4		12.4	86.3		46.4	5.0	Nov	

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

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

Period	Balance sheet total	Cash in hand	Lending to banks (MFIs) in the euro area						Lending to non-banks (non-MFIs) in the				
			Total	to banks in the home country			to banks in other member states			Total	to non-banks in the home country		
				Total	Loans	Secur-ities issued by banks	Total	Loans	Secur-ities issued by banks		Total	Total	Enterprises and house-holds	Loans
End of year or month													
1997	9,368.2	30.7	2,836.0	2,580.7	1,758.6	822.1	255.3	208.8	46.5	5,408.8	5,269.5	4,041.3	3,740.8
1998	10,355.5	29.9	3,267.4	2,939.4	1,977.4	962.0	328.1	264.9	63.1	5,833.9	5,615.9	4,361.0	3,966.5
1999	5,678.5	17.2	1,836.9	1,635.0	1,081.4	553.6	201.9	161.8	40.1	3,127.4	2,958.6	2,326.4	2,093.4
2000	6,083.9	16.1	1,977.4	1,724.2	1,108.9	615.3	253.2	184.5	68.6	3,249.9	3,062.6	2,445.7	2,186.6
2001	6,303.1	14.6	2,069.7	1,775.5	1,140.6	634.9	294.2	219.8	74.4	3,317.1	3,084.9	2,497.1	2,235.7
2002	6,394.2	17.9	2,118.0	1,769.1	1,164.3	604.9	348.9	271.7	77.2	3,340.2	3,092.2	2,505.8	2,240.8
2003	6,432.0	17.3	2,111.5	1,732.0	1,116.8	615.3	379.5	287.7	91.8	3,333.2	3,083.1	2,497.4	2,241.2
2004	6,617.4	15.1	2,174.3	1,750.2	1,122.9	627.3	424.2	306.3	117.9	3,358.7	3,083.4	2,479.7	2,223.8
2005	6,859.4	15.3	2,276.0	1,762.5	1,148.4	614.1	513.5	356.3	157.2	3,407.6	3,085.2	2,504.6	2,226.3
2005 Jan	6,672.1	13.2	2,182.9	1,749.0	1,124.6	624.4	433.9	312.6	121.4	3,377.2	3,092.4	2,478.8	2,216.8
Feb	6,717.4	12.8	2,220.8	1,752.4	1,124.4	628.1	468.3	339.6	128.7	3,372.3	3,080.6	2,474.4	2,219.9
Mar	6,723.0	13.6	2,215.6	1,757.1	1,123.7	633.4	458.5	325.4	133.0	3,379.8	3,084.0	2,475.2	2,216.6
Apr	6,908.4	13.1	2,275.5	1,814.0	1,174.8	639.1	461.6	325.9	135.6	3,442.4	3,127.8	2,518.2	2,217.5
May	6,892.0	13.8	2,284.9	1,808.0	1,167.1	640.9	477.0	338.3	138.6	3,422.1	3,107.1	2,500.9	2,220.6
June	6,851.3	13.6	2,279.3	1,788.0	1,141.2	646.8	491.4	348.5	142.8	3,392.9	3,073.3	2,482.3	2,222.8
July	6,871.3	14.0	2,282.1	1,797.8	1,149.9	647.8	484.3	342.6	141.7	3,395.6	3,082.2	2,488.3	2,224.4
Aug	6,849.5	13.5	2,270.8	1,787.5	1,143.7	643.8	483.3	338.5	144.8	3,397.7	3,085.8	2,491.0	2,225.3
Sep	6,873.8	14.0	2,271.5	1,770.2	1,129.9	640.3	501.3	353.7	147.6	3,403.1	3,089.8	2,505.3	2,238.3
Oct	6,888.8	14.1	2,270.7	1,754.8	1,123.5	631.3	515.9	368.7	147.2	3,412.5	3,098.7	2,512.0	2,244.5
Nov	6,924.1	13.3	2,287.0	1,760.4	1,133.3	627.1	526.6	373.7	152.9	3,417.1	3,093.2	2,510.3	2,240.3
Dec	6,859.4	15.3	2,276.0	1,762.5	1,148.4	614.1	513.5	356.3	157.2	3,407.6	3,085.2	2,504.6	2,226.3
2006 Jan	6,940.6	13.3	2,275.4	1,739.2	1,128.2	610.9	536.2	374.0	162.3	3,458.7	3,123.8	2,542.5	2,251.5
Feb	6,967.7	14.1	2,289.3	1,745.9	1,132.6	613.4	543.4	376.9	166.4	3,458.7	3,117.1	2,546.9	2,255.5
Mar	7,004.8	13.3	2,302.4	1,736.7	1,123.2	613.4	565.7	392.7	172.9	3,474.5	3,127.4	2,556.8	2,258.4
Apr	7,075.7	14.5	2,320.4	1,768.4	1,156.7	611.7	552.1	379.5	172.6	3,518.0	3,161.1	2,590.8	2,264.9
May	7,102.2	14.0	2,347.5	1,787.1	1,170.6	616.5	560.4	381.7	178.7	3,513.5	3,160.4	2,584.0	2,264.5
June	7,075.1	13.8	2,316.3	1,738.4	1,130.8	607.6	577.9	391.7	186.2	3,481.8	3,122.7	2,560.2	2,265.4
July	7,040.0	13.7	2,299.7	1,733.4	1,133.2	600.1	566.3	379.1	187.2	3,476.6	3,119.5	2,555.2	2,261.1
Aug	7,034.6	13.6	2,300.0	1,732.6	1,136.0	596.7	567.3	376.8	190.5	3,472.6	3,117.7	2,558.7	2,263.2
Sep	7,077.2	14.2	2,278.0	1,705.0	1,111.7	593.3	573.0	374.8	198.2	3,492.6	3,122.1	2,571.2	2,280.7
Oct	7,080.1	14.4	2,278.7	1,697.5	1,108.1	589.4	581.2	376.3	204.9	3,496.5	3,119.2	2,563.0	2,272.3
Changes ¹													
1998	1,001.0	- 0.8	422.2	355.7	215.1	140.6	66.4	56.2	10.2	440.4	363.3	337.5	245.2
1999	452.6	1.8	179.8	140.1	81.4	58.6	39.8	26.3	13.5	206.6	158.1	156.8	126.4
2000	401.5	- 1.2	143.0	91.7	28.1	63.6	51.4	22.8	28.6	123.2	105.4	116.8	89.5
2001	244.9	- 1.4	91.0	50.7	30.3	20.5	40.3	34.5	5.8	55.1	23.9	50.4	48.1
2002	165.7	3.3	63.6	6.5	23.7	- 17.1	57.1	51.9	5.2	34.1	15.7	16.5	10.4
2003	83.5	- 0.6	- 20.2	- 49.0	- 47.5	- 1.5	28.8	15.7	13.1	29.6	23.0	22.2	26.4
2004	207.5	- 2.1	68.9	22.5	9.5	13.1	46.3	15.8	30.5	44.1	17.5	- 0.4	- 1.2
2005	197.2	0.1	101.8	13.2	25.7	- 12.5	88.6	50.5	38.1	59.7	14.2	37.2	15.5
2005 Feb	50.7	- 0.4	38.0	3.6	- 0.2	3.8	34.5	27.1	7.4	- 2.2	- 9.4	- 2.0	5.4
Mar	- 0.5	0.8	- 4.9	4.9	- 0.6	5.6	- 9.9	- 14.2	4.3	8.5	4.8	2.2	- 1.9
Apr	183.0	- 0.5	59.4	56.8	51.1	5.7	2.6	0.5	2.1	63.2	44.4	43.7	1.4
May	- 32.5	0.7	9.2	- 6.1	- 7.7	1.6	15.3	12.4	2.9	- 21.7	- 21.4	- 18.0	2.6
June	- 46.3	- 0.2	- 5.5	- 19.8	- 25.9	6.1	14.4	10.2	4.2	- 27.7	- 32.1	- 16.7	4.4
July	22.1	0.4	2.9	10.0	8.8	1.2	- 7.0	- 5.9	- 1.1	3.9	10.0	7.0	2.7
Aug	- 19.9	- 0.5	- 11.3	- 10.5	- 6.2	- 4.3	- 0.9	- 3.6	- 2.7	2.8	4.3	3.4	1.3
Sep	20.2	0.5	0.7	- 17.3	- 13.8	- 3.5	18.0	15.2	2.8	5.1	4.0	14.0	12.8
Oct	14.7	0.1	- 0.8	- 15.4	- 6.4	- 9.0	14.6	15.1	- 0.5	10.3	9.6	7.4	6.8
Nov	29.4	- 0.8	16.6	5.9	9.8	- 3.8	10.7	4.9	5.7	4.2	- 5.7	- 1.8	- 4.0
Dec	- 64.0	2.0	- 10.8	2.3	15.2	- 12.9	- 13.1	- 17.4	4.3	- 7.7	- 6.1	- 3.9	- 11.8
2006 Jan	62.7	- 2.1	- 4.5	- 22.4	- 20.2	- 2.3	18.0	14.2	3.8	38.3	25.3	24.7	12.2
Feb	19.1	0.8	13.8	6.7	4.4	2.4	7.1	2.9	4.1	0.2	- 6.0	5.1	4.7
Mar	46.6	- 0.8	13.4	- 9.1	- 9.3	0.3	22.4	15.8	6.6	19.0	12.8	12.4	4.8
Apr	81.7	1.2	18.2	31.8	33.4	- 1.7	- 13.5	- 13.3	- 0.2	44.8	34.4	34.6	6.8
May	34.1	- 0.5	27.9	19.5	14.6	4.8	8.4	2.3	6.1	- 3.7	- 0.2	- 6.3	- 0.3
June	- 29.8	- 0.2	- 31.2	- 49.0	- 40.3	- 8.8	17.9	10.3	7.6	- 31.3	- 37.2	- 23.3	1.3
July	- 34.3	- 0.1	- 16.4	- 5.1	2.4	- 7.5	- 11.4	- 12.6	1.3	- 6.9	- 3.4	- 5.2	- 3.6
Aug	- 2.2	- 0.0	1.4	0.3	3.6	- 3.2	1.0	- 2.3	3.3	- 4.3	- 1.6	3.8	2.7
Sep	76.9	0.6	14.6	9.0	7.3	1.7	5.6	- 2.0	7.6	23.7	8.4	16.4	18.1
Oct	4.6	0.2	2.4	- 5.8	- 1.9	- 3.9	8.2	1.5	6.7	4.2	- 2.7	- 8.0	- 8.1

* This table serves to supplement the "Overall monetary survey" in section II. Unlike the other tables in section IV, this table includes – in addition to

the figures reported by banks (including building and loan associations) – data from money market funds. — 1 Statistical breaks have been eliminated

IV Banks

euro area										Claims on non-euro-area residents		Other assets	Period
to non-banks in other member states									Total	of which Loans			
General government			Total	Enterprises and households		General government							
Secur-ities	Total	Loans		Secur-ities 2	Total	Total	of which Loans	Total	Loans 3	Secur-ities	Total	of which Loans	Other assets	Period
End of year or month													
300.6	1,228.2	911.0	317.2	139.2	41.9	41.2	97.3	23.4	73.9	839.6	710.2	253.1	1997
394.5	1,254.9	939.1	315.8	218.0	62.5	56.0	155.5	35.6	119.9	922.0	758.0	302.2	1998
233.0	632.1	488.4	143.7	168.8	65.3	35.9	103.6	20.7	82.8	511.2	404.2	185.8	1999
259.1	616.9	478.5	138.4	187.3	83.8	44.2	103.5	20.0	83.5	622.4	481.7	218.1	2000
261.3	587.8	468.7	119.1	232.3	111.3	53.7	121.0	26.2	94.8	727.3	572.0	174.3	2001
265.0	586.4	448.5	137.9	248.0	125.0	63.6	123.0	25.5	97.5	738.1	589.2	179.9	2002
256.2	585.6	439.6	146.1	250.2	133.5	62.7	116.6	25.9	90.7	806.4	645.6	163.6	2003
255.9	603.8	423.0	180.8	275.3	140.6	61.9	134.7	25.7	109.0	897.8	730.4	171.4	2004
278.2	580.7	408.7	171.9	322.4	169.1	65.0	153.3	30.7	122.6	993.8	796.8	166.7	2005
262.0	613.6	427.5	186.2	284.9	145.2	66.3	139.7	25.8	113.9	935.8	762.7	163.1	2005 Jan
254.5	606.2	422.2	184.0	291.7	147.6	66.6	144.1	26.5	117.5	945.4	771.9	166.2	Feb
258.6	608.8	420.7	188.2	295.8	144.6	61.4	151.2	28.0	123.2	955.0	780.7	159.1	Mar
300.7	609.6	422.8	186.8	314.6	151.8	65.5	162.9	30.7	132.1	1,013.1	835.4	164.2	Apr
280.3	606.2	421.7	184.5	315.0	155.2	66.0	159.8	31.1	128.7	1,001.3	821.1	169.8	May
259.5	591.0	416.2	174.7	319.6	162.6	68.4	157.0	31.2	125.8	1,001.0	815.4	164.5	June
263.9	593.9	418.9	175.0	313.4	158.5	64.2	154.9	32.4	122.5	1,014.5	830.9	165.1	July
265.8	594.8	417.0	177.8	311.9	157.7	62.9	154.2	31.1	123.0	1,002.5	815.7	164.9	Aug
267.0	584.6	410.7	173.9	313.2	161.0	65.5	152.2	32.6	119.6	1,020.0	829.8	165.2	Sep
267.5	586.7	413.2	173.6	313.8	164.6	67.0	149.2	31.7	117.5	1,023.2	832.3	168.2	Oct
270.0	582.9	406.9	176.0	324.0	168.5	67.7	155.4	30.2	125.2	1,031.7	837.8	174.9	Nov
278.2	580.7	408.7	171.9	322.4	169.1	65.0	153.3	30.7	122.6	993.8	796.8	166.7	Dec
291.0	581.2	409.8	171.4	334.9	174.4	69.9	160.5	31.6	128.9	1,030.5	831.4	162.8	2006 Jan
291.4	570.2	401.1	169.1	341.5	182.5	73.6	159.1	31.0	128.1	1,045.4	846.5	160.2	Feb
298.5	570.5	401.3	169.2	347.1	186.7	76.2	160.4	30.8	129.6	1,055.1	856.0	159.6	Mar
325.9	570.3	402.8	167.4	356.9	196.8	84.1	160.1	30.4	129.8	1,056.7	859.5	166.0	Apr
319.5	576.4	394.9	181.4	353.2	193.3	81.5	159.9	30.7	129.2	1,055.0	854.9	172.0	May
294.9	562.5	391.0	171.5	359.1	200.3	82.2	158.8	31.1	127.7	1,097.0	892.0	166.1	June
294.0	564.3	392.1	172.2	357.1	200.6	80.9	156.6	31.8	124.8	1,084.4	880.4	165.6	July
295.5	559.0	389.0	170.0	354.9	200.6	81.6	154.3	30.8	123.5	1,084.5	880.1	163.8	Aug
290.5	550.9	387.9	163.0	370.5	217.2	87.0	153.3	27.8	125.5	1,123.3	904.0	169.2	Sep
290.7	556.2	392.6	163.6	377.3	224.3	89.2	153.0	26.1	126.9	1,118.3	893.3	172.2	Oct
Changes 1													
92.3	25.8	28.1	- 2.3	77.1	18.9	13.0	58.3	12.5	45.7	83.9	52.0	55.3	1998
30.4	1.3	7.7	- 6.4	48.4	12.2	6.4	36.2	2.0	34.2	33.1	13.8	31.3	1999
27.3	- 11.4	- 6.7	- 4.6	17.8	16.8	7.2	1.0	- 0.3	1.2	103.9	71.9	32.5	2000
2.4	- 26.5	- 9.8	- 16.7	31.3	24.3	7.7	7.0	2.2	4.8	110.1	86.6	- 9.9	2001
6.2	- 0.8	- 20.2	19.4	18.3	15.9	12.0	2.4	- 0.6	3.0	65.7	64.1	- 0.4	2002
- 4.3	0.8	- 8.7	9.6	6.6	13.4	2.7	- 6.8	- 0.8	- 6.0	116.2	98.5	- 41.5	2003
0.9	17.8	- 17.0	34.9	26.6	8.2	3.1	18.4	0.0	18.4	111.4	100.5	- 14.7	2004
21.7	- 23.0	- 14.3	- 8.6	45.5	27.4	2.1	18.2	4.6	13.5	57.7	31.6	- 22.2	2005
- 7.4	- 7.4	- 5.2	- 2.2	7.2	2.6	0.4	4.6	0.8	3.8	14.6	13.6	0.7	2005 Feb
4.1	2.6	- 1.6	4.2	3.7	- 3.3	- 5.4	7.0	1.4	5.6	4.1	3.7	- 9.0	Mar
42.2	0.8	2.2	- 1.4	18.8	7.2	4.1	11.6	2.8	8.9	56.7	53.5	4.2	Apr
- 20.6	- 3.4	- 1.2	- 2.3	- 0.3	2.9	0.1	- 3.2	0.3	- 3.5	- 25.7	- 27.2	5.0	May
- 21.0	- 15.4	- 5.7	- 9.8	4.4	7.3	2.3	- 2.9	0.1	- 3.0	- 5.5	- 10.6	- 7.4	June
4.3	3.0	2.7	0.3	- 6.1	- 4.1	- 4.2	- 2.0	1.2	- 3.2	15.0	16.9	- 0.2	July
2.1	0.9	- 1.9	2.8	- 1.5	- 0.8	- 1.0	- 0.7	- 1.3	0.5	- 10.2	- 12.8	- 0.7	Aug
1.2	- 10.0	- 6.2	- 3.9	1.2	3.1	2.4	- 2.0	1.4	- 3.4	14.3	11.1	- 0.4	Sep
0.6	2.2	2.5	- 0.3	0.7	3.6	1.6	- 2.9	- 0.9	- 2.0	3.1	2.3	1.9	Oct
2.2	- 3.9	- 6.3	2.4	9.9	3.8	0.5	6.1	- 1.5	7.6	3.2	0.7	6.3	Nov
7.9	- 2.2	1.9	- 4.0	- 1.6	0.6	- 2.7	- 2.1	0.4	- 2.6	- 37.4	- 40.5	- 10.2	Dec
12.5	0.6	0.9	- 0.3	13.0	5.3	4.8	7.7	1.2	6.5	36.8	34.4	- 5.9	2006 Jan
0.4	- 11.0	- 8.7	- 2.3	6.1	7.7	3.4	- 1.6	- 0.7	- 0.9	8.1	9.1	- 3.8	Feb
7.6	0.4	0.2	0.2	6.2	4.5	2.8	1.7	- 0.1	1.8	17.5	16.4	- 2.4	Mar
27.7	- 0.2	1.6	- 1.8	10.4	- 10.6	8.2	- 0.1	- 0.3	0.2	11.8	12.9	5.7	Apr
- 6.0	6.1	- 7.9	14.0	- 3.5	- 3.2	- 2.3	- 0.2	0.4	- 0.6	5.1	1.6	5.3	May
- 24.7	- 13.9	- 4.0	- 9.9	5.9	7.0	0.6	- 1.1	0.4	- 1.4	39.6	34.8	- 6.7	June
- 1.7	1.8	1.1	0.7	- 3.4	- 0.1	- 1.2	- 3.3	- 0.1	- 3.2	- 11.2	- 11.6	0.3	July
1.2	- 5.4	- 3.1	- 2.4	- 2.7	0.1	0.7	- 2.8	- 1.0	- 1.8	1.8	1.2	- 1.0	Aug
- 1.6	- 8.1	- 1.0	- 7.1	15.3	16.4	5.3	- 1.1	- 0.2	- 0.9	33.3	23.1	4.7	Sep
0.1	5.3	4.7	0.6	6.9	7.3	2.2	- 0.4	- 1.0	0.6	- 4.9	- 9.9	2.7	Oct

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

IV Banks

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

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

Period	Deposits of banks (MFIs) in the euro area				Deposits of non-banks (non-MFIs) in the euro area								
	Balance sheet total	of banks			Total	Deposits of non-banks in the home country					Deposits of non-banks		
		Total	in the home country	in other member states		Total	Over-night	With agreed maturities ²		At agreed notice ³		Total	Over-night
								Total	of which up to 2 years ⁴	Total	of which up to 3 months		
End of year or month													
1997	9,368.2	2,195.6	1,959.1	236.5	3,647.1	3,376.2	654.5	1,364.9	426.8	1,356.9	929.2	162.5	7.3
1998	10,355.5	2,480.3	2,148.9	331.4	3,850.8	3,552.2	751.6	1,411.1	461.6	1,389.6	971.9	187.4	9.4
1999	5,678.5	1,288.1	1,121.8	166.3	2,012.4	1,854.7	419.5	820.6	247.0	614.7	504.4	111.1	6.5
2000	6,083.9	1,379.4	1,188.9	190.5	2,051.4	1,873.6	441.4	858.8	274.3	573.5	450.5	107.9	6.9
2001	6,303.1	1,418.0	1,202.1	215.9	2,134.0	1,979.7	525.0	880.2	290.6	574.5	461.9	105.2	7.6
2002	6,394.2	1,478.7	1,236.2	242.4	2,170.0	2,034.9	574.8	884.9	279.3	575.3	472.9	87.4	8.1
2003	6,432.0	1,471.0	1,229.4	241.6	2,214.6	2,086.9	622.1	874.5	248.0	590.3	500.8	81.8	9.3
2004	6,617.4	1,528.4	1,270.8	257.6	2,264.2	2,148.5	646.2	898.9	239.9	603.5	515.5	71.9	9.8
2005	6,859.4	1,569.6	1,300.8	268.8	2,329.1	2,225.4	715.8	906.2	233.4	603.4	519.1	62.2	9.6
2005 Jan	6,672.1	1,524.6	1,258.7	265.9	2,275.1	2,155.3	665.1	886.0	225.7	604.1	516.4	74.7	13.5
Feb	6,717.4	1,552.6	1,282.7	269.8	2,278.4	2,160.3	670.4	885.0	220.6	605.0	516.7	73.7	13.2
Mar	6,723.0	1,524.3	1,255.2	269.1	2,271.6	2,159.7	672.3	882.2	214.5	605.2	516.5	70.9	11.5
Apr	6,908.4	1,630.5	1,328.3	302.2	2,278.7	2,170.3	675.5	890.0	220.1	604.8	516.6	66.5	10.7
May	6,892.0	1,593.7	1,303.3	290.5	2,285.4	2,177.0	683.3	889.6	223.2	604.1	516.4	67.9	12.4
June	6,851.3	1,577.1	1,301.4	275.7	2,288.5	2,179.8	691.4	885.7	218.6	602.7	515.6	67.4	14.5
July	6,871.3	1,581.0	1,311.5	269.5	2,288.7	2,185.9	694.8	889.3	220.8	601.9	515.5	61.1	11.6
Aug	6,849.5	1,557.4	1,290.4	267.0	2,290.1	2,188.2	697.1	890.7	221.6	600.4	515.0	60.2	11.0
Sep	6,873.8	1,553.7	1,290.8	262.9	2,296.1	2,192.6	703.0	890.7	221.8	598.9	515.0	61.5	12.4
Oct	6,888.8	1,553.0	1,276.7	276.3	2,298.0	2,196.8	706.7	892.9	223.8	597.2	513.9	60.3	11.6
Nov	6,924.1	1,546.0	1,273.1	272.9	2,315.2	2,213.4	722.5	894.9	224.6	596.0	512.5	61.2	11.5
Dec	6,859.4	1,569.6	1,300.8	268.8	2,329.1	2,225.4	715.8	906.2	233.4	603.4	519.1	62.2	9.6
2006 Jan	6,940.6	1,589.6	1,306.9	282.7	2,334.0	2,227.0	716.1	908.1	233.7	602.8	517.9	63.4	11.8
Feb	6,967.7	1,583.4	1,303.2	280.2	2,331.2	2,233.0	714.3	916.1	235.7	602.6	517.4	60.7	10.8
Mar	7,004.8	1,581.0	1,303.4	277.6	2,340.8	2,241.4	720.9	919.1	237.5	601.4	515.4	60.1	12.1
Apr	7,075.7	1,635.0	1,340.8	294.3	2,364.7	2,257.5	725.7	932.0	246.2	599.8	513.6	68.1	16.3
May	7,102.2	1,634.7	1,338.6	296.1	2,370.4	2,269.4	734.6	937.4	249.9	597.4	510.1	60.2	11.8
June	7,075.1	1,617.7	1,334.0	283.6	2,380.7	2,276.8	735.1	945.6	256.2	596.1	507.5	61.3	14.8
July	7,040.0	1,606.6	1,334.3	272.3	2,375.8	2,274.0	728.0	952.7	261.5	593.2	503.5	58.2	11.9
Aug	7,034.6	1,589.9	1,310.8	279.1	2,382.3	2,278.6	723.0	965.3	271.0	590.3	499.1	57.0	10.7
Sep	7,077.2	1,583.3	1,299.5	283.8	2,392.3	2,284.0	722.6	973.7	280.2	587.7	495.3	59.2	11.9
Oct	7,080.1	1,586.2	1,303.4	282.8	2,388.6	2,280.5	715.3	980.2	286.7	585.0	490.5	61.8	12.4
Changes ¹													
1998	1,001.0	277.0	182.8	94.2	205.9	176.8	97.8	46.3	34.8	32.7	42.0	26.2	2.0
1999	452.6	70.2	66.4	3.7	75.0	65.6	34.2	36.7	13.5	- 5.3	7.4	7.5	1.7
2000	401.5	87.5	66.0	21.5	38.7	19.8	22.5	37.8	27.0	- 40.5	- 53.6	- 4.2	0.3
2001	244.9	32.4	8.4	24.0	80.6	105.2	83.0	21.2	16.2	1.1	11.4	- 4.0	0.4
2002	165.7	70.2	37.2	33.1	53.0	57.0	50.3	5.9	- 11.0	0.8	11.0	- 2.6	0.6
2003	83.5	3.8	- 3.3	7.1	44.7	50.3	48.8	- 13.6	- 31.6	15.1	28.0	- 3.8	1.4
2004	207.5	62.3	42.9	19.5	53.5	64.9	26.3	25.5	- 8.3	13.1	14.7	- 9.3	- 0.4
2005	197.2	32.8	26.9	5.9	65.0	75.5	69.4	7.3	- 6.9	- 1.2	2.9	- 8.0	0.5
2005 Feb	50.7	28.8	24.3	4.5	3.6	5.3	5.4	- 0.9	- 5.1	0.8	0.3	- 0.8	- 0.2
Mar	- 0.5	- 29.7	- 28.1	- 1.5	- 6.9	- 0.5	2.3	- 1.7	- 5.5	- 1.0	- 1.0	- 3.0	- 1.8
Apr	183.0	105.9	73.0	32.9	7.0	10.6	3.2	7.7	5.6	- 0.3	0.1	- 4.4	- 0.8
May	- 32.5	- 39.7	- 26.1	- 13.6	5.8	6.1	7.4	- 0.5	2.9	- 0.8	- 0.3	1.0	1.6
June	- 46.3	- 17.7	- 2.2	- 15.5	2.8	2.6	7.9	- 4.0	- 4.6	- 1.4	- 0.8	- 0.6	2.0
July	22.1	4.3	10.2	- 6.0	3.0	6.2	3.4	3.6	2.2	- 0.8	- 0.1	- 3.6	- 2.8
Aug	- 19.9	- 23.2	- 21.0	- 2.3	1.0	2.3	2.3	1.5	0.8	- 1.5	- 0.5	- 0.8	- 0.6
Sep	20.2	- 4.4	0.2	- 4.5	5.8	4.2	5.8	- 0.1	0.2	- 1.5	0.1	1.2	1.4
Oct	14.7	- 0.9	- 14.2	13.3	1.9	4.2	4.2	1.6	1.5	- 1.6	- 1.1	- 1.2	- 0.8
Nov	29.4	- 8.2	- 4.1	- 4.1	16.9	16.4	15.7	1.9	0.7	- 1.2	- 1.4	0.8	- 0.1
Dec	- 64.0	23.8	27.8	- 4.0	13.9	12.0	- 6.6	11.3	8.8	7.4	6.6	1.0	- 1.9
2006 Jan	62.7	17.5	2.9	14.6	5.3	1.8	0.5	2.0	0.4	- 0.6	- 1.3	1.4	2.2
Feb	19.1	- 7.6	- 4.3	- 3.3	- 3.3	5.7	- 2.0	7.9	1.9	- 0.2	- 0.4	- 2.8	- 1.0
Mar	46.6	- 0.5	1.1	- 1.6	10.1	8.8	6.9	3.1	1.9	- 1.2	- 2.0	- 0.5	1.4
Apr	81.7	55.5	37.7	17.8	24.5	16.4	5.1	12.9	8.8	- 1.6	- 1.9	8.2	4.2
May	34.1	1.7	- 0.9	2.6	6.1	12.2	9.0	5.6	3.8	- 2.3	- 3.5	- 7.8	- 4.5
June	- 29.8	- 17.5	- 4.7	- 12.8	10.2	7.3	0.4	8.1	6.3	- 1.3	- 2.6	1.1	2.9
July	- 34.3	- 10.9	0.3	- 11.2	- 4.9	- 2.8	- 7.0	7.2	5.2	- 2.9	- 4.0	- 3.2	- 2.8
Aug	- 2.2	- 15.5	- 22.5	6.9	6.0	4.1	- 5.5	12.6	9.5	- 2.9	- 4.4	- 1.2	- 1.3
Sep	76.9	24.4	20.1	4.3	11.2	6.7	- 0.6	9.9	9.2	- 2.6	- 3.8	2.2	1.2
Oct	4.6	4.7	5.7	- 1.0	- 3.7	- 3.4	- 7.3	6.5	6.5	- 2.7	- 4.8	2.5	0.5

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

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

IV Banks

in other member states ⁵				Deposits of central governments		Liabilities arising from repos with non-banks in the euro area ⁶	Money market fund shares issued ⁷	Debt securities issued ⁷		Liabilities to non-euro-area residents	Capital and reserves	Other Liabilities	Period
With agreed maturities		At agreed notice		Total	of which domestic central governments			Total	of which with maturities of up to 2 years ⁷				
Total	of which up to 2 years ⁴	Total	of which up to 3 months			Total	of which domestic central governments			Total	of which with maturities of up to 2 years ⁷	Total	of which with maturities of up to 2 years ⁷
End of year or month													
145.8	9.2	9.4	9.4	108.3	108.3	-	28.6	1,998.3	62.5	599.2	388.1	511.3	1997
168.3	13.8	9.7	9.7	111.2	111.2	-	34.8	2,248.1	80.2	739.8	426.8	574.8	1998
99.7	8.9	4.8	3.7	46.6	45.9	2.0	20.8	1,323.6	97.4	487.9	262.6	281.1	1999
96.3	6.7	4.7	3.3	69.9	67.6	0.4	19.3	1,417.1	113.3	599.8	298.1	318.4	2000
92.4	9.0	5.2	3.8	49.1	46.9	4.9	33.2	1,445.4	129.3	647.6	319.2	300.8	2001
74.6	9.9	4.7	3.6	47.7	45.6	3.3	36.7	1,468.2	71.6	599.2	343.0	309.8	2002
68.6	11.4	3.9	3.1	45.9	44.2	14.1	36.7	1,486.9	131.3	567.8	340.2	300.8	2003
59.8	9.8	3.3	2.7	43.8	41.4	14.8	31.5	1,554.8	116.9	577.1	329.3	317.2	2004
50.2	9.8	2.4	2.0	41.6	38.8	19.5	31.7	1,611.9	113.8	626.2	346.8	324.5	2005
58.0	8.5	3.2	2.7	45.2	41.8	25.1	31.3	1,559.9	110.2	615.0	333.1	308.1	2005 Jan
57.3	8.0	3.2	2.7	44.3	41.5	27.3	31.6	1,570.4	117.3	623.3	332.7	301.2	Feb
56.3	8.0	3.1	2.6	41.0	40.5	28.3	34.0	1,585.3	114.8	639.3	334.6	305.7	Mar
52.8	9.3	3.1	2.5	41.8	39.4	28.6	34.4	1,606.5	117.7	680.0	341.0	308.7	Apr
52.5	9.5	2.9	2.5	40.5	39.2	28.3	33.9	1,614.2	115.8	686.9	343.8	305.7	May
50.4	8.5	2.5	2.1	41.3	39.7	28.3	34.2	1,637.1	118.2	636.2	343.9	306.0	June
47.0	7.4	2.5	2.1	41.7	41.4	26.7	35.7	1,640.1	116.2	645.0	346.2	307.9	July
46.8	7.7	2.4	2.0	41.6	40.5	30.6	35.8	1,639.6	118.1	640.3	344.0	311.6	Aug
46.6	7.6	2.4	2.0	42.1	40.8	28.0	35.6	1,637.1	117.9	657.6	344.2	321.5	Sep
46.3	8.3	2.4	2.0	40.9	39.7	32.3	32.8	1,634.0	116.2	662.6	346.8	329.3	Oct
47.3	8.4	2.4	2.0	40.7	38.7	33.2	31.8	1,631.2	113.8	679.3	348.6	338.8	Nov
50.2	9.8	2.4	2.0	41.6	38.8	19.5	31.7	1,611.9	113.8	626.2	346.8	324.5	Dec
49.3	9.6	2.4	2.0	43.6	40.4	27.4	31.2	1,617.4	112.2	646.3	369.7	325.0	2006 Jan
47.6	8.5	2.4	2.0	37.4	35.8	29.6	31.7	1,630.9	113.9	662.9	377.3	320.6	Feb
45.6	7.8	2.4	2.0	39.3	37.0	37.0	31.6	1,632.1	119.8	667.6	384.1	330.7	Mar
49.5	11.7	2.4	2.0	39.1	37.6	35.6	31.5	1,623.9	121.1	662.7	384.6	337.5	Apr
46.0	8.3	2.3	1.9	40.8	37.0	37.0	32.1	1,632.9	125.9	667.8	386.5	340.7	May
44.2	6.9	2.3	1.9	42.6	39.3	35.7	33.0	1,641.1	126.7	652.0	387.2	327.8	June
43.9	6.3	2.3	1.9	43.7	40.3	30.1	32.4	1,641.7	124.8	640.2	387.9	325.2	July
44.0	6.5	2.3	1.9	46.7	44.1	34.9	32.2	1,638.1	127.2	646.0	387.2	324.1	Aug
45.1	7.8	2.3	1.9	49.1	45.6	38.1	31.5	1,639.6	129.7	665.0	388.0	339.7	Sep
47.1	9.9	2.3	1.9	46.3	43.4	32.1	32.0	1,644.6	134.3	663.9	389.1	343.6	Oct
Changes ¹													
24.0	4.6	0.3	0.3	2.9	2.9	-	6.2	263.3	28.1	151.4	28.8	68.3	1998
5.9	1.5	- 0.2	- 1.3	1.9	1.2	0.6	3.5	168.0	65.1	89.7	38.0	7.7	1999
- 4.5	- 0.5	- 0.1	- 0.3	23.1	21.6	- 1.6	- 1.5	90.6	15.9	97.8	35.3	54.6	2000
- 4.6	1.6	0.2	0.4	- 20.5	- 20.4	4.6	13.3	59.5	18.6	34.8	20.9	- 1.1	2001
- 2.6	1.1	- 0.5	- 0.3	- 1.4	- 1.3	- 1.6	4.1	18.8	14.8	- 2.1	25.6	- 2.7	2002
- 4.4	2.0	- 0.8	- 0.4	- 1.8	- 1.4	10.7	0.1	49.8	- 2.2	4.6	- 3.9	- 26.3	2003
- 8.3	- 1.4	- 0.6	- 0.4	- 2.1	- 2.8	0.8	- 5.2	72.9	- 14.8	21.5	- 10.5	12.2	2004
- 7.7	- 0.4	- 0.9	- 0.7	- 2.5	- 3.0	4.7	0.2	39.3	- 9.4	22.4	14.4	18.5	2005
- 0.6	- 0.5	- 0.0	- 0.0	- 0.8	- 0.2	2.2	0.3	12.3	- 0.9	11.5	- 0.0	- 7.9	2005 Feb
- 1.2	- 0.0	- 0.1	- 0.0	- 3.3	- 1.0	- 1.0	2.4	12.9	- 2.5	12.2	1.5	6.0	Mar
- 3.6	1.3	- 0.1	- 0.1	0.8	- 1.1	0.3	0.4	20.1	- 3.0	39.7	5.7	3.9	Apr
- 0.5	0.1	- 0.1	- 0.1	- 1.3	- 0.2	- 0.3	- 0.5	2.4	- 1.9	- 3.1	1.7	1.1	May
- 2.2	- 1.1	- 0.4	- 0.4	0.8	0.5	- 0.1	0.3	21.0	2.4	- 54.2	- 0.3	1.9	June
- 0.7	- 1.1	- 0.0	- 0.0	0.4	1.7	- 1.5	1.5	1.5	- 2.1	10.0	2.5	0.8	July
- 0.2	0.3	- 0.0	- 0.0	- 0.4	- 1.2	3.9	0.1	0.0	- 1.9	- 3.6	- 2.1	4.0	Aug
- 0.2	- 0.1	- 0.0	- 0.0	0.5	0.3	- 2.6	- 0.2	- 3.9	- 0.2	15.1	0.0	10.5	Sep
- 0.3	0.7	- 0.0	- 0.0	- 1.1	- 1.1	4.3	- 2.9	- 3.2	- 1.6	4.7	2.6	8.1	Oct
0.9	0.1	- 0.0	- 0.0	- 0.3	- 1.0	0.9	- 1.0	- 4.7	- 2.7	13.1	1.5	10.8	Nov
2.9	1.3	0.0	0.0	0.9	0.0	- 13.6	- 0.1	- 19.1	- 0.1	- 52.6	- 1.7	- 14.8	Dec
- 0.8	- 0.2	- 0.0	- 0.0	2.0	1.7	7.9	- 0.5	4.4	- 1.9	24.3	5.3	- 1.5	2006 Jan
- 1.8	- 1.1	- 0.0	- 0.0	- 6.2	- 4.6	2.2	0.6	10.3	1.8	12.4	7.1	- 2.6	Feb
- 1.9	- 0.6	- 0.0	- 0.0	1.8	1.3	7.4	- 0.1	5.5	5.9	9.4	7.5	7.4	Mar
4.0	3.9	- 0.0	- 0.0	- 0.2	0.5	- 1.4	- 0.1	- 4.0	1.3	1.3	1.3	4.6	Apr
- 3.4	- 3.3	- 0.0	- 0.0	1.7	- 0.6	0.6	0.6	11.8	4.8	9.2	2.3	1.8	May
- 1.8	- 1.4	- 0.0	- 0.0	1.8	2.3	- 1.4	0.9	- 0.6	- 0.7	- 17.5	0.6	- 4.6	June
- 0.3	- 0.6	- 0.0	- 0.0	1.1	1.0	- 5.6	- 0.6	0.7	- 1.9	- 11.4	0.7	- 2.4	July
0.1	0.2	- 0.0	- 0.0	3.0	3.9	4.8	- 0.2	- 2.5	2.4	6.7	- 0.1	- 1.3	Aug
1.0	1.3	- 0.0	- 0.0	2.3	1.5	3.2	- 0.7	5.3	3.5	16.7	0.5	16.2	Sep
2.0	2.1	- 0.0	- 0.0	- 2.8	- 2.2	- 6.0	0.5	5.0	4.6	- 1.0	1.2	4.0	Oct

footnote 2). — 4 Up to December 1998, with maturities of less than four years. — 5 Excluding deposits of central governments. — 6 Data collected separately from 1999 only; up to December 1998, included in the deposits with agreed maturities of up to two years. — 7 In Germany, debt securities

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

IV Banks

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

€ billion

End of month	Number of reporting institutions	Balance sheet total	Cash in hand and credit balances with central banks	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Participating interests	Other assets	
				Total	of which		Total	of which					
					Balances and loans	Securities issued by banks		Loans for up to and including 1 year	for more than 1 year	Bills			Securities issued by non-banks
All categories of banks													
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
2006 Oct	2,050	7,115.4	63.0	2,812.4	2,006.4	781.6	3,816.3	496.9	2,600.9	2.4	704.3	155.6	268.1
Commercial banks ⁵													
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
2006 Oct	255	2,007.1	26.1	764.3	640.8	119.1	1,033.3	270.9	569.2	1.3	183.7	82.1	101.2
Big banks ⁶													
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
2006 Oct	5	1,283.0	15.5	492.8	422.4	68.0	625.9	185.4	299.5	1.0	133.2	72.1	76.6
Regional banks and other commercial banks													
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
2006 Oct	158	594.2	9.7	200.9	151.6	47.2	352.9	62.0	243.3	0.2	45.9	9.9	20.9
Branches of foreign banks													
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
2006 Oct	92	130.0	0.8	70.7	66.8	3.9	54.6	23.6	26.3	0.0	4.6	0.2	3.7
Landesbanken													
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
2006 Oct	12	1,427.7	1.9	774.3	571.0	188.2	576.6	87.6	386.1	0.2	99.7	26.3	48.6
Savings banks													
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
2006 Oct	458	1,011.7	19.6	233.1	86.3	145.5	722.9	63.4	551.3	0.6	107.5	16.1	20.1
Regional institutions of credit cooperatives													
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
2006 Oct	2	240.6	0.7	159.7	105.7	53.5	59.2	14.9	16.4	0.0	27.7	12.6	8.3
Credit cooperatives													
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
2006 Oct	1,259	601.3	13.0	150.4	63.6	84.4	410.7	37.1	323.6	0.3	49.5	9.5	17.7
Mortgage banks													
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
2006 Oct	22	870.9	1.3	252.3	150.7	101.3	594.7	13.2	434.6	-	146.9	2.6	20.0
Building and loan associations													
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
2006 Oct	26	193.7	0.0	56.3	42.1	14.3	119.4	1.4	103.7	.	14.3	0.4	17.6
Special purpose banks													
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
2006 Oct	16	762.4	0.4	422.0	346.2	75.3	299.5	8.3	215.9	-	75.0	6.0	34.5
Memo item: Foreign banks ⁷													
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
2006 Oct	139	784.0	7.3	293.4	229.1	62.2	446.6	79.5	275.5	0.4	90.7	12.6	24.1
of which: Banks majority-owned by foreign banks ⁸													
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
2006 Oct	47	654.0	6.5	222.7	162.3	58.4	392.0	55.9	249.1	0.4	86.1	12.4	20.4

* For the period up to December 1998, section IV (except for Table IV.1) shows the assets and liabilities of banks (excluding building and loan associations) in 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	Bank savings bonds	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month
Total	of which		Total	of which		Time deposits ¹	Memo item Liabilities arising from repos ²	Savings deposits ³						
	Sight deposits	Time deposits		Sight deposits	Time deposits			Total	of which At three months' notice					
All categories of banks														
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	2006 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
1,987.1	268.6	1,718.4	2,684.0	799.3	401.7	783.9	138.4	593.2	496.9	105.8	1,695.9	336.3	412.1	Oct
Commercial banks ⁵														
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	2006 Sep
718.8	148.6	570.2	810.8	379.3	204.3	119.1	105.9	97.0	87.2	11.1	226.8	101.6	149.1	Oct
Big banks ⁶														
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	2006 Sep
469.2	103.0	366.3	485.9	195.4	148.1	76.0	99.9	63.1	61.1	3.2	165.8	59.8	102.2	Oct
Regional banks and other commercial banks														
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	2006 Sep
152.3	26.7	125.5	300.5	168.2	50.3	40.3	6.0	33.8	26.1	7.8	61.0	38.6	41.8	Oct
Branches of foreign banks														
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	2006 Sep
97.3	18.9	78.4	24.5	15.6	5.9	2.9	0.0	0.0	0.0	0.1	0.0	3.1	5.1	Oct
Landesbanken														
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	2006 Sep
505.0	71.1	433.9	338.7	55.7	58.2	208.6	22.4	15.4	14.8	0.8	457.9	62.8	63.4	Oct
Savings banks														
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	2006 Sep
213.5	6.8	206.6	649.7	210.8	55.6	13.0	-	300.9	241.6	69.4	44.7	52.0	51.9	Oct
Regional institutions of credit cooperatives														
134.9	28.9	106.1	42.3	7.7	15.0	18.2	10.4	-	-	1.4	37.6	11.1	10.8	2006 Sep
138.5	28.8	109.7	41.9	7.7	14.8	18.0	9.8	-	-	1.4	38.2	11.1	10.8	Oct
Credit cooperatives														
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	2006 Sep
78.6	2.5	76.0	422.8	139.4	55.5	26.7	-	178.7	152.1	22.5	35.9	35.1	29.0	Oct
Mortgage banks														
155.4	5.9	149.4	177.3	2.7	6.2	167.6	0.1	0.9	0.8	0.0	494.1	23.7	25.0	2006 Sep
153.8	2.2	151.6	175.5	2.7	6.1	165.9	0.1	0.8	0.8	0.0	492.6	23.5	25.4	Oct
Building and loan associations														
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	2006 Sep
30.1	1.8	28.3	126.1	0.2	1.1	124.0	-	0.3	0.3	0.4	3.7	7.4	26.4	Oct
Special purpose banks														
138.4	5.8	132.6	123.6	3.1	10.1	110.2	0.2	-	-	0.2	390.0	42.9	57.3	2006 Sep
148.8	6.8	142.1	118.5	3.5	6.3	108.6	0.2	-	-	0.2	396.2	42.9	55.9	Oct
Memo item: Foreign banks ⁷														
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	2006 Sep
263.6	55.6	208.0	278.5	142.1	43.5	67.8	8.0	20.4	20.1	4.7	155.2	30.8	55.9	Oct
of which: Banks majority-owned by foreign banks ⁸														
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	2006 Sep
166.3	36.7	129.5	254.0	126.4	37.6	65.0	8.0	20.4	20.1	4.6	155.2	27.7	50.8	Oct

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.

IV Banks

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

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

Period	Cash in hand (euro-area banknotes and coins) 1	Credit balances with the Bundesbank	Lending to domestic banks (MFIs) 2,3					Lending to domestic non-banks (non-MFIs) 3,6					
			Total	Credit balances and loans	Bills 4	Negotiable money market paper issued by banks	Securities issued by banks	Memo item Fiduciary loans 5	Total	Loans	Bills 4	Treasury bills and negotiable money market paper issued by non-banks	Securities issued by non-banks 7
End of year or month *													
1996	28.9	59.7	2,134.0	1,443.3	17.9	3.4	657.2	12.2	4,773.1	4,097.9	44.8	5.9	437.2
1997	29.3	60.2	2,397.9	1,606.3	18.1	3.6	758.9	11.1	5,058.4	4,353.9	44.7	2.9	473.3
1998	28.5	63.6	2,738.2	1,814.7	14.6	12.2	887.7	9.1	5,379.8	4,639.7	32.8	5.0	527.8
1999	16.8	45.6	1,556.9	1,033.4	0.0	19.2	504.2	3.9	2,904.5	2,569.6	7.0	3.0	287.5
2000	15.6	50.8	1,639.6	1,056.1	0.0	26.8	556.6	3.6	3,003.7	2,657.3	6.5	2.3	304.7
2001	14.2	56.3	1,676.0	1,078.9	0.0	5.6	591.5	2.8	3,014.1	2,699.4	4.8	4.4	301.5
2002	17.5	45.6	1,691.3	1,112.3	0.0	7.8	571.2	2.7	2,997.2	2,685.0	4.1	3.3	301.9
2003	17.0	46.7	1,643.9	1,064.0	0.0	8.8	571.0	2.3	2,995.6	2,677.0	3.7	3.4	309.6
2004	14.9	41.2	1,676.3	1,075.8	0.0	7.4	592.9	2.1	3,001.3	2,644.0	2.7	2.6	351.0
2005	15.1	47.9	1,684.5	1,096.8	0.0	6.7	580.9	2.1	2,995.1	2,632.7	2.4	2.4	357.6
2005 May	13.3	41.4	1,732.2	1,118.4	0.1	8.1	605.7	2.1	3,022.1	2,639.8	2.4	2.2	376.7
June	13.1	36.9	1,716.9	1,097.2	0.0	8.3	611.4	2.1	2,988.9	2,636.7	2.3	1.5	347.5
July	13.5	41.7	1,719.7	1,100.0	0.0	8.7	611.0	2.1	2,998.0	2,640.9	2.5	2.1	352.6
Aug	13.0	39.7	1,712.2	1,095.9	0.0	9.8	606.5	2.1	3,001.1	2,639.8	2.4	2.0	356.9
Sep	13.6	40.7	1,693.9	1,081.2	0.1	10.5	602.2	2.1	3,004.7	2,646.6	2.3	1.1	354.5
Oct	13.7	37.7	1,684.9	1,081.2	0.0	9.9	593.8	2.1	3,012.9	2,655.3	2.4	4.2	351.0
Nov	12.8	42.1	1,687.2	1,087.7	0.0	9.8	589.7	2.1	3,004.8	2,644.9	2.3	3.5	354.0
Dec	15.1	47.9	1,684.5	1,096.8	0.0	6.7	580.9	2.1	2,995.1	2,632.7	2.4	2.4	357.6
2006 Jan	13.0	45.5	1,663.1	1,079.4	0.0	8.1	575.6	2.0	3,032.2	2,659.1	2.3	2.7	368.2
Feb	13.7	42.4	1,672.9	1,086.9	0.0	8.5	577.5	2.0	3,023.3	2,654.5	2.1	1.5	365.1
Mar	12.9	39.0	1,667.9	1,081.2	0.0	10.0	576.7	1.9	3,030.2	2,657.6	2.1	1.5	369.1
Apr	14.1	40.3	1,698.4	1,113.6	0.0	10.9	573.9	2.7	3,066.0	2,665.6	2.1	1.9	396.5
May	13.5	53.7	1,703.5	1,113.6	-	10.5	579.3	2.0	3,065.4	2,657.3	2.1	1.4	404.6
June	13.4	43.3	1,665.7	1,085.0	-	9.7	571.0	1.9	3,028.2	2,654.0	2.1	2.0	370.0
July	13.3	52.2	1,652.0	1,078.6	-	9.5	563.8	1.9	3,024.4	2,651.1	2.1	2.0	369.2
Aug	13.2	46.0	1,657.3	1,087.1	-	9.1	561.1	1.9	3,022.5	2,650.1	2.1	1.3	369.0
Sep	13.8	47.3	1,626.3	1,062.0	-	10.4	553.9	1.9	3,035.2	2,666.7	2.0	1.0	365.5
Oct	14.0	48.6	1,617.7	1,057.0	-	11.0	549.8	1.9	3,033.2	2,662.9	2.0	1.4	366.9
Changes *													
1997	+ 0.4	+ 0.5	+ 262.5	+ 160.7	+ 0.2	+ 0.2	+ 102.6	- 1.1	+ 285.2	+ 255.5	- 0.1	- 3.0	+ 36.5
1998	- 0.8	+ 3.4	+ 343.3	+ 210.3	- 3.6	+ 8.6	+ 130.0	- 2.0	+ 335.3	+ 302.1	- 11.9	+ 2.1	+ 52.1
1999	+ 2.2	+ 13.2	+ 122.1	+ 66.3	+ 0.0	+ 12.9	+ 42.8	- 0.7	+ 156.1	+ 136.9	+ 2.6	+ 0.4	+ 16.7
2000	- 1.1	+ 5.1	+ 83.6	+ 21.7	- 0.0	+ 7.6	+ 54.3	- 0.3	+ 100.7	+ 83.7	- 0.5	- 0.8	+ 19.0
2001	- 1.4	+ 5.5	+ 34.6	+ 20.1	- 0.0	- 21.3	+ 35.8	- 0.9	+ 11.9	+ 40.8	- 1.6	+ 1.6	+ 0.3
2002	+ 3.3	- 10.7	+ 15.0	+ 33.1	+ 0.0	+ 2.3	- 20.3	- 0.2	- 19.2	- 18.0	- 0.8	- 1.1	+ 1.7
2003	- 0.5	+ 1.1	- 47.2	- 48.2	+ 0.0	+ 1.0	+ 0.1	- 0.3	+ 0.1	- 8.0	- 0.4	+ 0.3	+ 9.3
2004	- 2.1	- 5.5	+ 35.9	+ 15.1	+ 0.0	- 1.4	+ 22.1	- 0.2	+ 3.3	- 35.0	- 1.0	+ 1.1	+ 39.2
2005	+ 0.2	+ 6.7	+ 8.4	+ 21.0	- 0.0	- 0.8	- 11.9	- 0.0	- 6.7	- 11.8	- 0.3	- 0.2	+ 6.6
2005 May	+ 0.6	+ 1.5	- 6.9	- 8.7	-	- 0.7	+ 2.5	- 0.0	- 20.2	+ 2.0	- 0.0	+ 0.3	- 22.5
June	- 0.2	- 4.5	- 15.2	- 21.3	- 0.0	+ 0.2	+ 5.9	- 0.0	- 33.4	- 3.2	- 0.1	- 0.7	- 29.3
July	+ 0.4	+ 4.8	+ 2.8	+ 2.8	+ 0.0	+ 0.4	- 0.5	- 0.0	+ 9.1	+ 4.2	+ 0.1	+ 0.6	+ 5.1
Aug	- 0.6	- 2.0	- 7.5	- 4.1	-	+ 1.1	- 4.5	+ 0.0	+ 3.1	- 1.0	- 0.0	- 0.1	+ 4.3
Sep	+ 0.6	+ 1.0	- 18.3	- 14.8	+ 0.0	+ 0.8	- 4.3	- 0.0	+ 3.1	+ 6.4	- 0.1	- 0.8	- 2.3
Oct	+ 0.2	- 2.9	- 9.0	+ 0.0	- 0.0	- 0.6	- 8.4	+ 0.0	+ 8.3	+ 8.6	+ 0.1	+ 3.1	- 3.5
Nov	- 0.9	+ 4.4	+ 2.3	+ 6.5	- 0.0	- 0.1	- 4.0	- 0.0	- 8.1	- 10.4	- 0.1	- 0.7	+ 3.1
Dec	+ 2.3	+ 5.8	- 2.8	+ 9.2	-	- 3.1	- 8.8	+ 0.0	- 9.7	- 12.2	+ 0.1	- 1.1	+ 3.6
2006 Jan	- 2.1	- 2.4	- 21.4	- 17.5	+ 0.0	+ 1.4	- 5.4	- 0.1	+ 19.6	+ 8.9	- 0.1	+ 0.3	+ 10.5
Feb	+ 0.7	- 3.1	+ 9.8	+ 7.5	- 0.0	+ 0.4	+ 1.9	- 0.1	- 8.9	- 4.6	- 0.1	- 1.2	- 3.1
Mar	- 0.7	- 3.4	- 5.0	- 5.6	- 0.0	+ 1.5	- 0.8	- 0.0	+ 6.9	+ 3.1	- 0.0	- 0.1	+ 4.0
Apr	+ 1.2	+ 1.3	+ 30.5	+ 32.3	- 0.0	+ 0.9	- 2.8	+ 0.7	+ 35.3	+ 7.5	+ 0.0	+ 0.4	+ 27.4
May	- 0.6	+ 13.4	+ 5.8	+ 0.7	- 0.0	- 0.4	+ 5.4	- 0.7	- 1.4	- 9.0	+ 0.0	- 0.4	+ 8.1
June	- 0.2	- 10.4	- 38.2	- 29.0	-	- 0.8	- 8.4	- 0.1	- 37.2	- 3.3	- 0.0	+ 0.6	- 34.6
July	- 0.1	+ 8.9	- 13.7	- 6.5	-	- 0.2	- 7.1	- 0.0	- 3.8	- 3.0	+ 0.0	- 0.0	- 0.8
Aug	- 0.1	- 6.2	+ 6.3	+ 9.5	-	- 0.4	- 2.8	- 0.0	- 1.9	- 0.9	- 0.1	- 0.7	- 0.3
Sep	+ 0.6	+ 1.3	+ 9.3	+ 6.5	-	+ 1.4	+ 1.4	+ 0.0	+ 12.7	+ 16.5	- 0.1	- 0.3	- 3.5
Oct	+ 0.2	+ 1.3	- 7.0	- 3.4	-	+ 0.5	- 4.1	+ 0.0	- 2.0	- 3.7	- 0.0	+ 0.3	+ 1.4

* See Table IV.2, footnote*; statistical breaks have been eliminated from the changes. The figures for the latest date are always to be regarded as provisional. Subsequent revisions which appear in the following *Monthly Report*, are not specially marked. — 1 Up to December 1998, domestic banknotes and coins. — 2 Up to December 1998, excluding loans to domestic building and loan associations. — 3 Up to December 1998, including fiduciary loans (see also footnote 5). — 4 Up to December 1998, bill-based lending (bill holdings plus endorsement liabilities arising from

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

IV Banks

Equalisation claims 8	Memo item Fiduciary loans 5	Participating interests in domestic banks and enterprises	Deposits of domestic banks (MFIs) 3,9,10					Deposits of domestic non-banks (non-MFIs) 3,15					Period	
			Total	Sight deposits 11,12	Time deposits 12,13	Redis-counted bills 14	Memo item Fiduciary loans 5	Total	Sight de-positions 11	Time deposits 13,16	Savings de-positions 17	Bank savings bonds 18		Memo item Fiduciary loans 5
End of year or month *														
81.3	106.0	89.7	1,731.0	401.1	1,202.4	75.4	52.2	3,241.5	675.1	1,109.8	1,143.0	227.8	85.8	1996
76.0	107.6	95.1	1,902.3	427.6	1,349.1	75.6	50.0	3,341.9	689.8	1,146.9	1,182.1	236.9	86.1	1997
71.6	102.8	129.2	2,086.9	472.5	1,505.2	59.4	49.7	3,520.3	799.5	1,194.1	1,211.0	234.9	80.9	1998
37.5	58.0	75.6	1,122.0	114.4	1,007.3	0.3	29.8	1,905.3	420.4	759.6	614.7	110.7	42.1	1999
33.1	58.5	82.7	1,189.2	113.4	1,075.3	0.4	30.1	1,945.8	443.4	819.9	573.5	109.0	42.1	2000
4.0	57.0	95.9	1,204.9	123.1	1,081.6	0.3	27.2	2,034.0	526.4	827.0	574.5	106.0	43.3	2001
3.0	54.8	119.0	1,244.0	127.6	1,116.2	0.2	25.6	2,085.9	575.6	830.6	575.3	104.4	42.1	2002
2.0	56.8	109.2	1,229.6	116.8	1,112.6	0.2	27.8	2,140.3	624.0	825.7	590.3	100.3	40.5	2003
1.0	61.8	99.6	1,271.2	119.7	1,151.4	0.1	30.3	2,200.0	646.9	851.2	603.5	98.4	43.7	2004
-	56.6	108.5	1,300.0	120.5	1,179.4	0.1	26.5	2,276.6	717.0	864.4	603.4	91.9	42.4	2005
1.0	60.7	103.2	1,303.9	151.6	1,152.3	0.1	29.7	2,232.9	683.9	850.1	604.1	94.8	43.0	2005 May
1.0	58.5	102.8	1,301.6	139.3	1,162.3	0.1	27.0	2,238.9	692.5	849.3	602.7	94.5	43.5	June
0.0	58.2	104.0	1,312.0	121.9	1,190.0	0.1	26.9	2,245.4	695.2	854.4	601.9	93.8	43.4	July
0.0	58.2	103.7	1,290.1	128.7	1,161.3	0.1	27.3	2,250.3	698.1	858.8	600.4	93.0	43.5	Aug
-	56.6	104.7	1,290.6	121.0	1,169.6	0.1	27.2	2,254.2	704.0	858.9	598.9	92.4	42.0	Sep
-	56.5	105.3	1,276.3	121.3	1,154.9	0.1	27.1	2,258.1	707.7	861.1	597.2	92.1	41.7	Oct
-	56.7	107.9	1,272.8	126.0	1,146.6	0.1	26.8	2,274.6	723.6	863.2	596.0	91.9	42.1	Nov
-	56.6	108.5	1,300.0	120.5	1,179.4	0.1	26.5	2,276.6	717.0	864.4	603.4	91.9	42.4	Dec
-	56.2	110.8	1,306.0	118.4	1,187.5	0.1	26.2	2,285.7	718.1	872.9	602.8	91.9	38.9	2006 Jan
-	55.1	113.2	1,302.1	115.2	1,186.8	0.1	25.1	2,287.7	715.3	877.7	602.6	92.1	38.2	Feb
-	54.0	115.8	1,302.7	110.3	1,192.3	0.1	23.2	2,303.4	722.4	887.1	601.4	92.4	37.8	Mar
-	53.9	113.7	1,340.4	128.1	1,212.2	0.1	23.5	2,322.4	726.5	903.1	599.8	93.0	38.1	Apr
-	53.8	113.6	1,338.3	132.3	1,205.9	0.1	22.7	2,333.8	742.5	900.6	597.4	93.3	37.9	May
-	53.7	113.2	1,333.2	116.2	1,216.9	0.1	22.5	2,342.7	742.0	911.0	596.1	93.6	37.4	June
-	53.3	113.8	1,333.5	117.5	1,216.0	0.0	22.1	2,336.9	730.6	919.0	593.2	94.1	37.5	July
-	53.4	113.9	1,310.4	114.2	1,196.2	0.0	22.3	2,347.5	725.6	936.9	590.3	94.7	37.5	Aug
-	53.7	108.2	1,299.3	120.7	1,178.6	0.0	22.3	2,356.4	724.2	950.0	587.7	94.5	37.9	Sep
-	53.5	107.2	1,303.3	113.4	1,189.9	0.0	22.5	2,348.2	716.9	950.5	585.0	95.8	38.0	Oct
Changes *														
- 5.3	+ 1.6	+ 5.4	+ 175.9	+ 31.6	+ 146.7	+ 0.2	- 2.6	+ 100.5	+ 13.0	+ 37.1	+ 39.1	+ 9.2	+ 2.1	1997
- 4.4	- 4.8	+ 34.1	+ 179.0	+ 39.7	+ 156.4	- 16.2	- 0.9	+ 179.3	+ 110.6	+ 47.2	+ 28.9	- 2.1	- 5.3	1998
- 0.6	+ 0.1	+ 9.3	+ 69.0	- 1.8	+ 81.8	- 11.1	- 0.4	+ 67.3	+ 32.7	+ 48.4	- 4.5	- 9.3	+ 0.7	1999
- 0.8	+ 0.5	+ 7.1	+ 64.7	- 2.3	+ 66.9	+ 0.1	+ 0.3	+ 41.3	+ 22.3	+ 61.1	- 40.5	- 1.7	- 0.0	2000
- 29.1	- 1.5	+ 13.3	+ 9.6	+ 7.4	+ 2.3	- 0.2	- 2.9	+ 88.5	+ 82.3	+ 8.1	+ 1.1	- 2.9	+ 1.0	2001
- 1.0	- 2.1	+ 24.2	+ 37.9	+ 1.7	+ 36.3	- 0.1	- 1.5	+ 51.7	+ 48.4	+ 4.1	+ 0.8	- 1.6	- 1.1	2002
- 1.0	+ 2.1	- 9.8	- 5.6	- 9.5	+ 3.9	+ 0.0	+ 2.4	+ 54.0	+ 48.4	- 4.8	+ 15.1	- 4.8	- 1.2	2003
- 1.1	+ 3.0	- 9.6	+ 41.3	+ 2.9	+ 38.5	- 0.1	+ 2.4	+ 62.0	+ 24.4	+ 25.9	+ 13.1	- 1.5	+ 1.2	2004
- 1.0	- 4.9	+ 8.9	+ 28.9	+ 0.8	+ 28.0	+ 0.0	- 3.5	+ 76.6	+ 70.7	+ 12.4	- 1.2	- 5.4	- 1.2	2005
-	+ 0.0	- 0.3	- 24.8	- 11.6	- 13.2	- 0.0	+ 0.3	+ 6.5	+ 8.0	- 0.3	- 0.8	- 0.4	- 0.3	2005 May
- 0.0	- 2.3	- 0.4	- 2.3	- 12.3	+ 10.0	+ 0.0	- 2.7	+ 6.1	+ 8.6	- 0.8	- 1.4	- 0.3	+ 0.5	June
- 1.0	- 0.2	+ 1.2	+ 10.6	- 17.4	+ 28.0	+ 0.0	- 0.1	+ 6.4	+ 2.7	+ 5.1	- 0.8	- 0.7	- 0.1	July
-	- 0.0	- 0.2	- 21.9	+ 6.8	- 28.6	+ 0.0	+ 0.4	+ 4.5	+ 2.4	+ 4.4	- 1.5	- 0.8	+ 0.0	Aug
- 0.0	- 1.6	+ 1.0	+ 0.5	- 7.7	+ 8.2	- 0.0	- 0.0	+ 3.9	+ 5.9	+ 0.1	- 1.5	- 0.6	- 1.4	Sep
-	- 0.1	+ 0.6	- 14.3	+ 0.3	- 14.6	+ 0.0	- 0.1	+ 3.9	+ 4.1	+ 1.5	- 1.6	- 0.2	- 0.4	Oct
-	+ 0.3	+ 2.5	- 3.6	+ 4.7	- 8.3	+ 0.0	- 0.3	+ 16.5	+ 15.9	+ 2.0	- 1.2	- 0.3	+ 0.4	Nov
-	- 0.1	+ 0.6	+ 27.2	- 5.5	+ 32.7	+ 0.0	- 0.3	+ 2.0	- 6.6	+ 1.2	+ 7.4	- 0.0	+ 0.3	Dec
-	- 0.4	+ 2.3	+ 2.2	- 2.1	+ 4.3	- 0.0	- 0.3	+ 9.0	+ 1.1	+ 8.5	- 0.6	+ 0.0	- 3.6	2006 Jan
-	- 1.1	+ 2.4	- 3.9	- 3.2	- 0.7	- 0.0	- 1.1	+ 2.0	- 2.8	+ 4.7	- 0.2	+ 0.2	- 0.1	Feb
-	- 1.1	+ 2.7	+ 0.8	- 4.9	+ 5.7	- 0.0	- 2.0	+ 15.7	+ 7.1	+ 9.5	- 1.2	+ 0.4	- 0.4	Mar
-	- 0.1	- 2.1	+ 37.1	+ 17.7	+ 19.4	- 0.0	+ 0.4	+ 19.0	+ 4.0	+ 16.0	- 1.6	+ 0.6	+ 0.3	Apr
-	- 0.1	- 0.0	- 1.3	+ 4.4	- 5.7	- 0.0	- 0.8	+ 10.6	+ 16.0	- 3.3	- 2.3	+ 0.3	- 0.2	May
-	- 0.1	- 0.4	- 5.1	- 15.9	+ 10.8	- 0.0	- 0.2	+ 8.9	- 0.5	+ 10.4	- 1.3	+ 0.3	- 0.4	June
-	- 0.4	+ 0.6	+ 0.3	+ 1.3	- 0.9	- 0.0	- 0.4	- 5.8	- 11.4	+ 8.0	- 2.9	+ 0.5	+ 0.0	July
-	+ 0.1	- 0.1	- 22.2	- 2.7	- 19.5	- 0.0	- 0.1	+ 10.0	- 5.6	+ 17.9	- 2.9	+ 0.7	+ 0.1	Aug
-	+ 0.3	- 5.7	+ 20.5	+ 7.5	+ 13.1	- 0.0	+ 0.0	+ 10.4	- 1.4	+ 13.1	- 2.6	+ 1.2	+ 0.4	Sep
-	- 0.3	- 0.9	+ 5.7	- 5.6	+ 11.3	+ 0.0	+ 0.1	- 8.2	- 7.3	+ 0.5	- 2.7	+ 1.3	+ 0.1	Oct

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

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

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

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

Period	Lending to foreign banks (MFIs) ²								Lending to foreign non-banks (non-MFIs) ²					
	Cash in hand (non-euro-area banknotes and coins) ¹	Credit balances and loans, bills ³				Negotiable money market paper issued by banks	Securities issued by banks	Memo item Fiduciary loans ⁴	Total	Loans and bills ³			Treasury bills and negotiable money market paper issued by non-banks	Securities issued by non-banks
		Total	Total	Short-term	Medium and long-term					Total	Short-term	Medium and long-term		
	End of year or month *													
1996	1.4	588.9	544.2	386.6	157.6	0.3	31.5	13.0	352.0	230.4	60.2	170.2	4.9	103.9
1997	1.5	689.1	635.3	456.1	179.2	0.2	43.1	10.5	474.8	312.7	96.2	216.5	6.0	140.3
1998	1.5	774.9	706.9	533.6	173.3	0.4	58.7	9.0	610.3	364.9	93.9	270.9	11.6	211.0
1999	0.4	427.1	383.5	279.5	104.1	0.4	43.2	4.2	396.1	235.8	52.7	183.1	7.5	152.7
2000	0.4	507.7	441.4	325.4	116.0	1.3	65.0	3.6	475.8	286.8	71.1	215.7	6.5	182.5
2001	0.4	596.1	521.7	383.7	138.0	0.8	73.6	3.5	570.3	347.2	99.7	247.5	5.2	217.9
2002	0.3	690.6	615.3	468.0	147.2	0.9	74.4	2.7	558.8	332.6	92.6	240.0	9.3	216.9
2003	0.3	769.6	675.8	515.7	160.1	1.5	92.3	1.6	576.3	344.8	110.9	233.9	6.0	225.4
2004	0.2	889.4	760.2	606.5	153.7	2.8	126.3	1.5	629.5	362.5	136.6	225.9	10.9	256.1
2005	0.2	1,038.8	860.0	648.5	211.5	5.8	173.0	1.5	712.0	387.9	132.8	255.1	9.3	314.8
2005 May	0.4	1,014.5	858.7	681.6	177.1	5.4	150.4	1.5	698.2	396.5	155.0	241.5	4.3	297.3
June	0.5	1,040.0	877.6	693.9	183.7	6.2	156.2	1.5	690.0	385.1	141.2	243.9	4.0	300.9
July	0.4	1,040.0	880.0	691.0	188.9	6.6	153.4	1.4	689.8	389.2	145.4	243.8	3.4	297.2
Aug	0.5	1,023.0	860.2	668.5	191.7	7.0	155.8	1.5	691.9	387.1	144.0	243.0	4.8	300.0
Sep	0.4	1,057.2	889.0	690.2	198.8	7.1	161.1	1.5	694.1	391.4	142.7	248.7	5.4	297.4
Oct	0.4	1,073.5	905.2	704.2	201.0	6.9	161.4	1.5	697.3	392.8	144.1	248.7	5.5	298.9
Nov	0.5	1,079.5	905.2	707.3	197.9	6.3	167.9	1.5	723.2	403.0	150.0	253.0	7.9	312.3
Dec	0.2	1,038.8	860.0	648.5	211.5	5.8	173.0	1.5	712.0	387.9	132.8	255.1	9.3	314.8
2006 Jan	0.3	1,079.3	895.3	678.6	216.7	6.0	178.0	1.5	741.6	411.1	154.8	256.2	9.5	320.9
Feb	0.4	1,111.4	920.5	701.9	218.6	6.7	184.2	1.5	736.8	406.7	144.3	262.5	7.5	322.6
Mar	0.4	1,153.7	952.8	729.0	223.8	7.6	193.3	1.4	732.4	402.7	140.1	262.6	6.9	322.8
Apr	0.4	1,136.1	933.9	710.2	223.8	8.6	193.6	1.4	747.2	419.3	160.6	258.7	8.0	319.9
May	0.5	1,144.1	935.5	709.1	226.5	9.3	199.3	1.4	740.0	412.9	155.5	257.4	7.9	319.1
June	0.4	1,201.7	981.5	748.5	232.9	12.0	208.2	1.0	745.9	414.7	151.9	262.8	9.3	321.9
July	0.4	1,172.9	950.8	715.4	235.5	12.8	209.3	1.0	748.6	420.3	155.9	264.4	10.3	318.0
Aug	0.4	1,167.5	943.7	706.9	236.8	11.7	212.1	0.9	753.4	425.0	159.6	265.4	11.3	317.1
Sep	0.4	1,202.0	966.8	726.1	240.7	12.2	223.0	0.8	767.0	426.7	160.9	265.8	9.4	331.0
Oct	0.4	1,194.8	949.5	708.7	240.7	13.5	231.8	0.7	783.1	435.3	166.2	269.1	10.4	337.4
														Changes *
1997	+ 0.1	+ 80.6	+ 71.5	+ 53.3	+ 18.2	- 0.1	+ 10.4	- 1.2	+ 109.3	+ 73.0	+ 33.7	+ 39.3	+ 0.7	+ 32.9
1998	- 0.0	+ 100.8	+ 89.5	+ 79.3	+ 10.2	+ 0.0	+ 13.1	- 1.8	+ 122.0	+ 42.7	- 6.4	+ 49.1	+ 5.5	+ 66.0
1999	- 0.3	+ 17.7	+ 5.7	- 5.3	+ 11.0	+ 0.2	+ 11.7	- 0.0	+ 85.8	+ 42.8	+ 8.4	+ 34.4	+ 1.3	+ 41.8
2000	- 0.0	+ 78.9	+ 56.5	+ 44.6	+ 11.8	+ 0.9	+ 21.6	- 0.7	+ 72.0	+ 45.0	+ 17.4	+ 27.7	- 1.2	+ 28.2
2001	+ 0.0	+ 83.7	+ 75.6	+ 54.4	+ 21.2	- 0.5	+ 8.5	- 0.2	+ 88.3	+ 53.4	+ 27.0	+ 26.4	- 1.5	+ 36.3
2002	- 0.1	+ 120.3	+ 118.0	+ 99.4	+ 18.6	+ 0.1	+ 2.2	- 0.9	+ 21.2	+ 12.7	- 0.4	+ 13.2	+ 4.6	+ 3.9
2003	- 0.1	+ 103.8	+ 84.6	+ 65.2	+ 19.3	+ 0.6	+ 18.7	- 0.4	+ 46.3	+ 35.1	+ 24.0	+ 11.0	- 2.7	+ 13.9
2004	- 0.1	+ 128.3	+ 89.4	+ 95.3	- 5.9	+ 1.3	+ 37.6	- 0.1	+ 65.8	+ 29.5	+ 31.7	- 2.2	+ 5.1	+ 31.1
2005	+ 0.0	+ 127.3	+ 78.9	+ 26.3	+ 52.6	+ 2.9	+ 45.4	- 0.0	+ 59.4	+ 7.3	- 9.4	+ 16.7	- 1.8	+ 54.0
2005 May	+ 0.1	+ 4.7	+ 0.7	- 4.1	+ 4.8	- 0.5	+ 4.4	+ 0.0	- 17.7	- 16.0	- 16.0	+ 0.1	- 2.2	+ 0.5
June	+ 0.0	+ 22.6	+ 16.0	+ 10.2	+ 5.7	+ 0.9	+ 5.8	- 0.0	- 11.1	- 13.9	- 14.5	+ 0.6	- 0.3	+ 3.1
July	- 0.0	+ 1.1	+ 3.4	- 2.2	+ 5.6	+ 0.3	- 2.7	- 0.1	+ 0.4	+ 4.5	+ 4.2	+ 0.3	- 0.6	- 3.5
Aug	+ 0.0	- 15.9	- 18.1	- 21.7	+ 3.6	+ 0.4	+ 1.8	+ 0.1	+ 3.1	- 0.4	- 1.1	+ 0.7	+ 1.4	+ 2.1
Sep	- 0.1	+ 32.2	+ 26.8	+ 20.3	+ 6.5	+ 0.1	+ 5.3	+ 0.2	+ 0.2	+ 2.6	- 1.8	+ 4.5	+ 0.6	- 3.0
Oct	- 0.0	+ 16.4	+ 16.2	+ 14.1	+ 2.1	- 0.1	+ 0.3	- 0.0	+ 3.1	+ 1.3	+ 1.5	- 0.2	+ 0.2	+ 1.6
Nov	+ 0.2	+ 3.1	- 2.7	+ 1.2	- 3.9	- 0.6	+ 6.4	+ 0.0	+ 22.7	+ 7.5	+ 5.1	+ 2.3	+ 2.4	+ 12.9
Dec	- 0.3	- 40.5	- 45.0	- 58.8	+ 13.7	- 0.5	+ 5.1	+ 0.0	- 11.0	- 14.8	- 17.1	+ 2.3	+ 1.3	+ 2.5
2006 Jan	+ 0.1	+ 35.3	+ 29.9	+ 32.9	- 3.0	+ 0.2	+ 5.2	- 0.0	+ 32.8	+ 25.5	+ 23.0	+ 2.5	+ 0.4	+ 6.8
Feb	+ 0.1	+ 28.2	+ 21.5	+ 20.6	+ 0.9	+ 0.7	+ 6.1	+ 0.0	- 8.8	- 7.3	- 11.4	+ 4.2	- 2.2	+ 0.7
Mar	- 0.0	+ 46.9	+ 36.6	+ 30.1	+ 6.5	+ 1.0	+ 9.2	- 0.1	+ 0.1	- 0.6	- 3.5	+ 2.8	- 0.5	+ 1.2
Apr	+ 0.0	- 11.7	- 13.0	- 14.8	+ 1.8	+ 0.9	+ 0.4	+ 0.0	+ 20.4	+ 20.8	+ 21.3	- 0.5	+ 1.2	- 1.6
May	+ 0.1	+ 11.9	+ 4.9	+ 1.2	+ 3.8	+ 0.7	+ 6.3	+ 0.0	- 3.6	- 3.0	- 4.1	+ 1.1	- 0.0	- 0.5
June	- 0.1	+ 56.8	+ 45.3	+ 38.9	+ 6.4	+ 2.8	+ 8.8	- 0.4	+ 4.4	+ 0.4	- 3.9	+ 4.4	+ 1.3	+ 2.6
July	- 0.1	- 28.3	- 30.4	- 33.0	+ 2.6	+ 0.8	+ 1.3	- 0.0	+ 2.9	+ 4.6	+ 4.0	+ 0.6	+ 1.0	- 2.7
Aug	+ 0.0	- 4.4	- 6.2	- 7.8	+ 1.6	- 1.1	+ 2.9	- 0.1	+ 5.9	+ 5.4	+ 3.9	+ 1.5	+ 1.1	- 0.6
Sep	- 0.0	+ 30.8	+ 21.1	+ 17.8	+ 3.2	+ 0.5	+ 9.2	- 0.2	+ 11.3	+ 5.3	+ 0.9	+ 4.5	- 1.9	+ 7.9
Oct	- 0.0	- 7.3	- 17.4	- 17.3	- 0.0	+ 1.3	+ 8.8	- 0.0	+ 16.1	+ 10.2	+ 5.2	+ 4.9	+ 1.1	+ 4.9

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

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

IV Banks

Memo item Fiduciary loans 4	Participating interests in foreign banks and enter- prises 5	Deposits of foreign banks (MFIs) 2						Deposits of foreign non-banks (non-MFIs) 2						Memo item Fiduciary loans 4	Period
		Total	Sight deposits 6	Time deposits (including bank savings bonds)			Total	Sight deposits 6	Time deposits (including savings deposits and bank savings bonds)			Memo item Fiduciary loans 4			
				Total 7	Short- term 7	Medium and long- term			Total 7	Short- term 7	Medium and long- term				
End of year or month *															
12.7	45.8	486.5	147.1	335.7	172.0	163.7	3.8	273.5	34.3	237.2	50.0	187.2	2.1	1996	
15.7	54.7	670.3	226.0	440.2	254.3	185.9	4.0	333.9	43.5	285.7	63.0	222.7	4.8	1997	
22.9	62.9	875.7	309.5	562.5	359.1	203.4	3.7	390.3	51.3	329.6	71.8	257.8	9.5	1998	
13.6	33.9	483.6	65.6	418.0	332.3	85.6	2.0	284.4	23.8	260.6	64.9	195.7	5.8	1999	
13.9	47.4	586.0	113.7	472.2	382.9	89.3	1.7	314.9	35.4	279.5	62.5	217.0	5.6	2000	
13.8	47.6	622.7	91.9	530.8	434.5	96.3	1.4	350.6	34.0	316.6	97.6	219.0	5.3	2001	
15.6	44.8	614.2	101.6	512.7	410.4	102.3	1.1	319.2	33.5	285.7	87.0	198.7	4.5	2002	
11.6	41.4	590.7	95.1	495.6	387.7	107.9	0.4	307.3	32.2	275.1	102.4	172.7	3.6	2003	
9.8	39.3	603.3	87.0	516.2	403.2	113.0	0.5	311.2	36.6	274.7	123.4	151.2	0.8	2004	
10.6	37.2	651.7	102.9	548.8	420.4	128.4	0.6	316.4	62.0	254.4	119.4	135.0	1.2	2005	
10.6	39.2	703.7	167.7	536.0	419.3	116.7	0.7	354.9	70.5	284.4	136.9	147.5	1.6	2005 May	
10.5	39.8	660.4	160.3	500.1	373.2	126.9	0.6	330.1	67.2	262.9	112.7	150.2	1.5	June	
10.4	39.8	655.2	141.9	513.3	387.5	125.8	0.8	329.8	65.2	264.6	115.8	148.8	1.1	July	
10.7	39.8	655.0	143.1	511.9	385.9	126.0	0.7	323.7	61.7	262.0	115.5	146.5	1.0	Aug	
10.7	39.8	655.2	146.5	508.7	381.8	127.0	0.7	335.8	68.6	267.2	120.7	146.5	0.9	Sep	
10.6	39.2	680.8	142.4	538.4	410.2	128.2	0.6	330.9	65.8	265.0	122.5	142.6	1.3	Oct	
10.5	37.2	681.2	150.5	530.8	402.1	128.7	0.6	345.3	82.1	263.2	124.5	138.6	1.3	Nov	
10.6	37.2	651.7	102.9	548.8	420.4	128.4	0.6	316.4	62.0	254.4	119.4	135.0	1.2	Dec	
7.0	38.8	666.4	143.6	522.7	397.4	125.3	0.6	339.5	86.0	253.5	119.6	134.0	1.1	2006 Jan	
7.1	39.5	691.3	136.8	554.5	428.8	125.7	0.6	326.4	79.4	247.0	114.1	133.0	1.7	Feb	
5.9	38.9	699.4	144.6	554.8	426.3	128.5	0.5	321.3	81.2	240.1	110.1	130.0	1.7	Mar	
5.8	39.4	712.0	151.1	560.9	433.7	127.2	0.5	323.9	76.9	247.0	119.0	128.0	1.7	Apr	
5.5	40.7	715.1	164.8	550.4	424.8	125.5	0.5	323.1	87.8	235.3	109.7	125.6	1.7	May	
5.6	40.9	689.4	165.7	523.7	398.0	125.7	0.6	321.0	89.2	231.9	102.7	129.2	1.7	June	
5.6	41.1	659.4	151.7	507.6	381.5	126.2	0.6	323.2	84.1	239.1	109.9	129.2	1.7	July	
5.8	41.1	658.4	150.7	507.6	384.4	123.2	0.6	337.0	95.8	241.2	111.8	129.4	1.7	Aug	
6.0	47.8	684.1	169.9	514.1	389.1	125.0	0.5	339.0	86.5	252.5	123.3	129.2	1.7	Sep	
5.9	48.4	683.7	155.2	528.5	404.4	124.1	0.5	335.8	82.4	253.4	123.3	130.1	1.6	Oct	
Changes *															
+ 2.7	+ 7.9	+ 157.3	+ 67.7	+ 89.5	+ 71.8	+ 17.7	+ 0.1	+ 51.0	+ 5.4	+ 43.3	+ 11.4	+ 31.9	+ 2.3	1997	
+ 7.7	+ 8.8	+ 215.6	+ 87.7	+ 128.1	+ 108.1	+ 20.0	- 0.3	+ 64.7	+ 10.4	+ 48.9	+ 10.3	+ 38.6	+ 5.5	1998	
+ 1.1	+ 10.9	+ 37.4	- 9.2	+ 46.6	+ 47.6	- 1.0	- 0.0	+ 61.0	+ 7.2	+ 53.8	+ 15.9	+ 37.9	+ 0.1	1999	
- 0.2	+ 12.8	+ 90.0	+ 47.0	+ 43.0	+ 42.9	+ 0.1	- 0.4	+ 24.4	+ 11.1	+ 13.3	- 2.9	+ 16.2	- 0.8	2000	
- 0.5	- 0.5	+ 23.5	- 23.6	+ 47.0	+ 42.4	+ 4.6	- 0.4	+ 30.8	- 1.8	+ 32.6	+ 33.3	- 0.7	- 0.6	2001	
+ 1.7	+ 1.6	+ 22.7	+ 14.6	+ 8.1	- 1.3	+ 9.4	- 0.3	+ 4.6	+ 0.8	+ 3.8	- 4.6	+ 8.4	- 0.9	2002	
- 0.7	- 1.9	+ 5.7	- 2.0	+ 7.7	- 2.4	+ 10.0	- 0.0	+ 4.5	+ 0.4	+ 4.1	+ 20.6	- 16.5	+ 1.9	2003	
+ 0.7	- 1.5	+ 19.8	- 6.1	+ 25.9	+ 21.1	+ 4.8	+ 0.1	+ 13.0	+ 5.4	+ 7.6	+ 22.8	- 15.2	- 0.3	2004	
+ 0.8	- 3.5	+ 28.6	+ 12.6	+ 16.0	+ 4.9	+ 11.1	+ 0.1	- 4.9	+ 23.9	- 28.8	- 7.7	- 21.1	+ 0.4	2005	
- 0.1	- 0.6	- 10.1	+ 12.0	- 22.1	- 21.3	- 0.8	+ 0.1	- 6.9	- 3.5	- 3.3	- 2.4	- 0.9	- 0.1	2005 May	
- 0.1	+ 0.4	- 46.0	- 8.1	- 37.9	- 47.6	+ 9.7	- 0.0	- 26.5	- 3.6	- 22.9	- 24.8	+ 1.9	- 0.1	June	
- 0.1	+ 0.1	- 4.5	- 18.2	+ 13.7	+ 14.7	- 1.0	+ 0.1	+ 3.1	- 1.9	+ 5.0	+ 3.2	+ 1.8	- 0.4	July	
+ 0.2	+ 0.1	+ 0.7	+ 1.4	- 0.7	- 1.1	+ 0.4	- 0.1	- 5.7	- 3.5	- 2.2	- 0.1	- 2.1	- 0.0	Aug	
+ 0.0	- 0.1	- 1.5	+ 3.0	- 4.5	- 5.2	+ 0.6	- 0.0	+ 11.1	+ 6.8	+ 4.3	+ 4.9	- 0.7	- 0.2	Sep	
- 0.1	- 0.6	+ 25.3	- 4.1	+ 29.4	+ 28.3	+ 1.2	- 0.1	- 5.0	- 2.9	- 2.2	+ 1.8	- 4.0	+ 0.4	Oct	
- 0.1	- 2.2	- 2.2	+ 7.6	- 9.8	- 9.7	- 0.1	- 0.0	+ 12.9	+ 16.0	- 3.1	+ 1.6	- 4.7	+ 0.0	Nov	
+ 0.0	+ 0.1	- 29.1	- 47.5	+ 18.3	+ 18.6	- 0.2	- 0.0	- 28.6	- 20.1	- 8.6	- 5.0	- 3.5	- 0.0	Dec	
- 3.5	+ 1.3	+ 17.7	+ 40.9	- 23.2	- 20.6	- 2.6	- 0.0	+ 24.9	+ 24.3	+ 0.6	+ 0.9	- 0.2	- 0.1	2006 Jan	
+ 0.0	+ 0.4	+ 21.9	- 7.6	+ 29.5	+ 29.6	- 0.2	- 0.0	- 15.1	- 6.9	- 8.2	- 6.1	- 2.2	+ 0.0	Feb	
- 1.2	- 0.2	+ 11.8	+ 8.6	+ 3.2	- 0.6	+ 3.8	- 0.0	- 2.9	+ 2.1	- 4.9	- 3.3	- 1.7	+ 0.0	Mar	
- 0.1	+ 0.8	+ 17.2	+ 7.5	+ 9.7	+ 10.1	- 0.4	- 0.0	+ 5.1	- 4.0	+ 9.1	+ 9.7	- 0.6	- 0.1	Apr	
- 0.3	+ 1.4	+ 6.3	+ 14.4	- 8.1	- 7.1	- 1.0	+ 0.0	+ 0.8	+ 11.1	- 10.3	- 8.8	- 1.5	+ 0.0	May	
+ 0.0	+ 0.2	- 27.0	+ 0.6	- 27.6	- 27.5	- 0.1	+ 0.0	- 2.7	+ 1.3	- 4.0	- 7.2	+ 3.3	+ 0.1	June	
+ 0.0	+ 0.1	- 29.6	- 13.9	- 15.8	- 16.3	+ 0.6	+ 0.0	+ 2.3	- 5.0	+ 7.3	+ 7.3	+ 0.0	- 0.0	July	
- 0.0	+ 0.1	- 0.2	- 0.7	+ 0.5	+ 3.2	- 2.7	-	+ 14.0	+ 11.8	+ 2.3	+ 2.0	+ 0.3	- 0.0	Aug	
+ 0.2	+ 6.5	+ 24.0	+ 18.7	+ 5.2	+ 3.8	+ 1.4	- 0.0	+ 1.0	- 9.5	+ 10.5	+ 11.2	- 0.7	- 0.0	Sep	
- 0.1	+ 0.6	+ 2.2	- 14.6	+ 16.8	+ 15.2	+ 1.6	- 0.1	- 5.9	- 4.1	- 1.8	- 0.1	- 1.7	- 0.1	Oct	

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

terms of less than one month. — 7 Up to December 1998, excluding time deposits with terms of less than one month.

IV Banks

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

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

Period	Lending to domestic non-banks, total 1,2		Short-term lending						Medium and long-term		
			including negotiable money market paper, securities, equalisation claims	excluding negotiable money market paper, securities, equalisation claims	to enterprises and households 1			to general government			to enter-
	Total	Total			Loans and bills 3,4	Negotiable money market paper	Total	Loans	Treasury bills	Total		Total
End of year or month *											
1996	4,773.1	4,248.7	662.2	617.2	616.2	1.0	45.1	40.2	4.9	4,110.8	3,007.2
1997	5,058.4	4,506.2	667.8	625.8	624.8	1.0	41.9	40.1	1.9	4,390.6	3,223.4
1998	5,379.8	4,775.4	704.3	661.3	660.8	0.5	43.0	38.5	4.5	4,675.5	3,482.4
1999	2,904.5	2,576.5	355.3	328.9	328.7	0.2	26.4	23.6	2.8	2,549.2	1,943.6
2000	3,003.7	2,663.7	371.2	348.2	347.7	0.5	22.9	21.2	1.7	2,632.5	2,038.6
2001	3,014.1	2,704.2	387.9	356.7	355.2	1.5	31.2	28.2	2.9	2,626.2	2,070.2
2002	2,997.2	2,689.1	365.4	331.9	331.0	1.0	33.5	31.1	2.4	2,631.8	2,079.7
2003	2,995.6	2,680.6	355.2	315.0	313.4	1.6	40.2	38.4	1.8	2,640.4	2,096.1
2004	3,001.3	2,646.7	320.9	283.8	283.0	0.8	37.1	35.3	1.8	2,680.4	2,114.2
2005	2,995.1	2,635.1	309.7	273.5	272.9	0.6	36.2	34.4	1.8	2,685.4	2,141.3
2005 May	3,022.1	2,642.3	331.0	286.3	285.1	1.2	44.7	43.7	1.0	2,691.2	2,130.1
June	2,988.9	2,639.0	325.7	289.1	288.2	1.0	36.5	36.0	0.5	2,663.3	2,109.2
July	2,998.0	2,643.3	323.1	284.0	283.0	1.0	39.1	38.0	1.1	2,674.9	2,120.4
Aug	3,001.1	2,642.3	318.5	280.5	279.3	1.3	37.9	37.2	0.7	2,682.7	2,126.2
Sep	3,004.7	2,649.0	326.2	293.5	292.9	0.6	32.7	32.2	0.5	2,678.4	2,126.9
Oct	3,012.9	2,657.7	339.3	298.0	297.0	1.0	41.3	38.1	3.2	2,673.6	2,128.6
Nov	3,004.8	2,647.2	325.1	288.7	288.1	0.6	36.4	33.5	2.9	2,679.7	2,133.6
Dec	2,995.1	2,635.1	309.7	273.5	272.9	0.6	36.2	34.4	1.8	2,685.4	2,141.3
2006 Jan	3,032.2	2,661.3	325.0	282.8	282.0	0.8	42.2	40.3	1.9	2,707.3	2,168.5
Feb	3,023.3	2,656.6	316.7	283.3	282.6	0.7	33.4	32.6	0.8	2,706.5	2,170.1
Mar	3,030.2	2,659.7	329.2	292.7	291.7	0.9	36.5	35.9	0.6	2,701.1	2,167.3
Apr	3,066.0	2,667.7	336.7	297.1	296.0	1.0	39.7	38.8	0.8	2,729.3	2,199.0
May	3,065.4	2,659.4	326.4	293.2	292.4	0.7	33.2	32.5	0.7	2,739.0	2,196.1
June	3,028.2	2,656.1	326.0	292.7	291.7	1.0	33.3	32.3	1.1	2,702.1	2,173.3
July	3,024.4	2,653.2	320.7	285.5	284.6	0.9	35.2	34.1	1.1	2,703.7	2,175.1
Aug	3,022.5	2,652.2	318.1	285.5	284.8	0.7	32.6	32.0	0.6	2,704.4	2,178.5
Sep	3,035.2	2,668.7	333.0	301.3	300.5	0.8	31.8	31.5	0.3	2,702.1	2,183.5
Oct	3,033.2	2,664.9	334.5	297.2	296.4	0.8	37.4	36.8	0.6	2,698.7	2,180.2
Changes *											
1997	+ 285.2	+ 256.9	+ 2.7	+ 5.9	+ 5.9	+ 0.0	- 3.2	- 0.1	- 3.0	+ 282.5	+ 219.9
1998	+ 335.3	+ 285.5	+ 51.7	+ 50.6	+ 51.2	- 0.6	+ 1.1	- 1.6	+ 2.7	+ 283.6	+ 258.3
1999	+ 156.1	+ 139.5	+ 9.6	+ 6.3	+ 6.4	- 0.0	+ 3.3	+ 2.9	+ 0.4	+ 146.4	+ 146.4
2000	+ 100.7	+ 83.2	+ 14.5	+ 18.1	+ 17.8	+ 0.3	- 3.6	- 2.5	- 1.1	+ 86.1	+ 93.8
2001	+ 11.9	+ 39.2	+ 15.3	+ 7.0	+ 5.9	+ 1.0	+ 8.4	+ 7.8	+ 0.6	+ 3.4	+ 32.0
2002	- 19.2	- 18.8	- 23.4	- 25.7	- 25.2	- 0.5	+ 2.3	+ 2.9	- 0.6	+ 4.3	+ 7.6
2003	+ 0.1	- 8.4	- 10.0	- 16.7	- 17.5	+ 0.9	+ 6.7	+ 7.3	- 0.6	+ 10.1	+ 16.0
2004	+ 3.3	- 36.0	- 31.7	- 30.5	- 29.7	- 0.8	- 1.2	- 3.2	+ 1.9	+ 35.0	+ 15.6
2005	- 6.7	- 12.1	- 11.5	- 10.6	- 10.4	- 0.2	- 0.9	- 0.9	+ 0.0	+ 4.8	+ 26.8
2005 May	- 20.2	+ 2.0	+ 2.2	+ 0.5	+ 0.5	+ 0.1	+ 1.6	+ 1.4	+ 0.2	- 22.4	- 17.4
June	- 33.4	- 3.3	- 5.3	+ 2.9	+ 3.1	- 0.2	- 8.1	- 7.7	- 0.5	- 28.1	- 20.9
July	+ 9.1	+ 4.3	- 2.6	- 5.1	- 5.2	+ 0.1	+ 2.5	+ 2.0	+ 0.6	+ 11.6	+ 11.2
Aug	+ 3.1	- 1.1	- 4.6	- 3.5	- 3.7	+ 0.2	- 1.1	- 0.8	- 0.3	+ 7.8	+ 5.8
Sep	+ 3.1	+ 6.3	+ 7.4	+ 12.6	+ 13.2	- 0.6	- 5.2	- 5.0	- 0.2	- 4.3	+ 0.6
Oct	+ 8.3	+ 8.7	+ 13.0	+ 4.5	+ 4.1	+ 0.3	+ 8.5	+ 5.8	+ 2.7	- 4.8	+ 1.6
Nov	- 8.1	- 10.5	- 14.0	- 9.1	- 8.8	- 0.4	- 4.9	- 4.6	- 0.3	+ 5.9	+ 4.9
Dec	- 9.7	- 12.2	- 15.5	- 15.2	- 15.2	- 0.0	- 0.2	+ 0.9	- 1.1	+ 5.7	+ 7.7
2006 Jan	+ 19.6	+ 8.8	+ 15.3	+ 9.3	+ 9.1	+ 0.2	+ 6.0	+ 5.9	+ 0.1	+ 4.3	+ 9.9
Feb	- 8.9	- 4.7	- 8.2	+ 0.5	+ 0.6	- 0.1	- 8.8	- 7.6	- 1.1	- 0.7	+ 1.5
Mar	+ 6.9	+ 3.0	+ 12.4	+ 9.3	+ 9.2	+ 0.2	+ 3.1	+ 3.3	- 0.2	- 5.5	- 2.7
Apr	+ 35.3	+ 7.5	+ 7.6	+ 4.3	+ 4.2	+ 0.1	+ 3.4	+ 3.1	+ 0.3	+ 27.6	+ 31.3
May	- 1.4	- 9.0	- 11.0	- 4.6	- 4.3	- 0.3	- 6.4	- 6.3	- 0.1	+ 9.7	- 2.9
June	- 37.2	- 3.3	- 0.3	- 0.5	- 0.7	+ 0.2	+ 0.1	- 0.2	+ 0.4	- 36.9	- 22.8
July	- 3.8	- 3.0	- 5.3	- 7.2	- 7.1	- 0.1	+ 1.9	+ 1.8	+ 0.1	+ 1.6	+ 1.8
Aug	- 1.9	- 1.0	- 2.6	+ 0.0	+ 0.2	- 0.2	- 2.6	- 2.1	- 0.5	+ 0.7	+ 3.4
Sep	+ 12.7	+ 16.5	+ 14.9	+ 15.8	+ 15.7	+ 0.1	- 0.8	- 0.5	- 0.4	- 2.2	+ 5.0
Oct	- 2.0	- 3.8	+ 1.5	- 4.1	- 4.1	+ 0.0	+ 5.6	+ 5.3	+ 0.3	- 3.5	- 3.2

* 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 Up to December 1998, including loans to domestic building and loan associations. — 2 Up to December 1998,

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

lending 2,5												Period
prises and households 1,2					to general government 2							
Loans			Securities 5	Memo item Fiduciary loans 8	Total	Loans			Secur- ities 5,9	Equal- isation claims 10	Memo item Fiduciary loans 8	
Total	Medium- term 6	Long- term 7				Total	Medium- term 6	Long- term 7				
End of year or month *												
2,713.3	215.8	2,497.5	205.9	88.0	1,103.6	773.0	69.5	703.6	231.3	81.3	18.0	1996
2,900.0	216.2	2,683.8	234.1	89.3	1,167.2	833.8	53.0	780.8	239.2	76.0	18.3	1997
3,104.5	206.8	2,897.8	292.4	85.4	1,193.2	868.8	33.1	835.7	235.4	71.6	17.3	1998
1,764.8	182.5	1,582.3	178.9	49.2	605.6	459.5	30.9	428.6	108.6	37.5	8.7	1999
1,838.9	192.8	1,646.0	199.7	50.1	593.9	455.9	30.4	425.5	104.9	33.1	8.4	2000
1,880.5	191.1	1,689.4	189.7	48.9	556.0	440.3	25.6	414.6	111.8	4.0	8.0	2001
1,909.8	193.5	1,716.3	169.9	47.3	552.1	417.1	27.4	389.7	132.0	3.0	7.5	2002
1,927.7	195.0	1,732.8	168.3	49.9	544.3	401.0	34.6	366.4	141.3	2.0	7.0	2003
1,940.8	194.3	1,746.5	173.5	55.3	566.1	387.7	32.9	354.8	177.5	1.0	6.5	2004
1,953.4	194.7	1,758.8	187.9	52.1	544.1	374.4	32.9	341.4	169.7	-	4.5	2005
1,935.5	191.0	1,744.5	194.6	54.5	561.1	378.0	31.2	346.8	182.1	1.0	6.2	2005 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
1,975.9	197.7	1,778.1	204.4	48.7	518.4	355.9	30.9	325.0	162.6	-	4.7	Oct
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
+ 2.7	+ 0.2	+ 2.5	- 20.1	+ 0.0	- 4.9	- 2.5	- 0.7	- 1.8	- 2.4	-	- 0.0	2005 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
- 4.4	- 1.2	- 3.2	+ 1.1	- 0.3	- 0.2	- 0.6	+ 0.1	- 0.6	+ 0.3	-	+ 0.0	Oct

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

Period	Lending to domestic enterprises and households (excluding holdings of negotiable money market paper and excluding securities portfolios) 1													
	Total	of which			Lending to enterprises and self-employed persons									
		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	
	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		Total	of which Housing loans	Period		
	Housing enterprises	Holding companies	Other real estate enterprises						Instalment loans 5	Debit balances on wage, salary and pension accounts					
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

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

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item			
			Total	for up to and including 1 year	for more than 1 year 2					Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos	
					Total	for up to and including 2 years	for more than 2 years						
Domestic non-banks, total												End of year or month *	
2003	2,140.3	624.0	825.7	237.8	587.9	8.3	579.6	590.3	100.3	40.5	30.4	9.3	
2004	2,200.0	646.9	851.2	235.0	616.2	8.0	608.2	603.5	98.4	43.7	32.2	10.1	
2005	2,276.6	717.0	864.4	231.3	633.1	8.2	624.9	603.4	91.9	42.4	31.6	12.6	
2005 Nov	2,274.6	723.6	863.2	232.8	630.3	8.0	622.3	596.0	91.9	42.1	31.9	22.6	
2005 Dec	2,276.6	717.0	864.4	231.3	633.1	8.2	624.9	603.4	91.9	42.4	31.6	12.6	
2006 Jan	2,285.7	718.1	872.9	237.1	635.9	8.4	627.5	602.8	91.9	38.9	31.7	18.4	
2006 Feb	2,287.7	715.3	877.7	235.0	642.7	8.6	634.1	602.6	92.1	38.2	31.7	19.0	
2006 Mar	2,303.4	722.4	887.1	243.8	643.4	8.6	634.8	601.4	92.4	37.8	31.6	25.0	
2006 Apr	2,322.4	726.5	903.1	255.1	648.0	8.7	639.4	599.8	93.0	38.1	31.6	27.4	
2006 May	2,333.8	742.5	900.6	250.1	650.4	8.9	641.6	597.4	93.3	37.9	31.5	27.5	
2006 June	2,342.7	742.0	911.0	258.4	652.5	9.0	643.5	596.1	93.6	37.4	31.5	26.7	
2006 July	2,336.9	730.6	919.0	263.5	655.5	9.1	646.3	593.2	94.1	37.5	31.2	22.7	
2006 Aug	2,347.5	725.6	936.9	273.7	663.2	10.1	653.1	590.3	94.7	37.5	31.4	24.8	
2006 Sep	2,356.4	724.2	950.0	285.9	664.1	10.7	653.5	587.7	94.5	37.9	30.4	26.9	
2006 Oct	2,348.2	716.9	950.5	285.1	665.4	11.1	654.3	585.0	95.8	38.0	30.5	24.4	
Changes *												End of year or month *	
2004	+ 62.0	+ 24.4	+ 25.9	- 3.7	+ 29.7	- 0.3	+ 29.9	+ 13.1	- 1.5	+ 1.2	+ 1.7	+ 0.9	
2005	+ 76.6	+ 70.7	+ 12.4	- 3.9	+ 16.4	+ 0.4	+ 16.0	- 1.2	- 5.4	- 1.2	- 0.2	+ 2.4	
2005 Nov	+ 16.5	+ 15.9	+ 2.0	+ 0.1	+ 2.0	+ 0.1	+ 1.8	- 1.2	- 0.3	+ 0.4	- 0.2	+ 0.9	
2005 Dec	+ 2.0	- 6.6	+ 1.2	- 1.6	+ 2.8	+ 0.2	+ 2.6	+ 7.4	- 0.0	+ 0.3	- 0.2	- 10.0	
2006 Jan	+ 9.0	+ 1.1	+ 8.5	+ 5.8	+ 2.7	+ 0.2	+ 2.5	- 0.6	+ 0.0	- 3.6	- 0.1	+ 5.9	
2006 Feb	+ 2.0	- 2.8	+ 4.7	- 2.1	+ 6.8	+ 0.2	+ 6.6	- 0.2	+ 0.2	- 0.1	+ 0.1	+ 0.6	
2006 Mar	+ 15.7	+ 7.1	+ 9.5	+ 8.8	+ 0.7	+ 0.0	+ 0.6	- 1.2	+ 0.4	- 0.4	- 0.1	+ 6.0	
2006 Apr	+ 19.0	+ 4.0	+ 16.0	+ 11.3	+ 4.7	+ 0.1	+ 4.6	- 1.6	+ 0.6	+ 0.3	- 0.0	+ 2.4	
2006 May	+ 10.6	+ 16.0	- 3.3	- 5.6	+ 2.4	+ 0.2	+ 2.2	- 2.3	+ 0.3	- 0.2	- 0.1	- 0.8	
2006 June	+ 8.9	- 0.5	+ 10.4	+ 8.3	+ 2.1	+ 0.2	+ 1.9	- 1.3	+ 0.3	- 0.4	- 0.0	- 0.8	
2006 July	- 5.8	- 11.4	+ 8.0	+ 5.1	+ 2.9	+ 0.1	+ 2.9	- 2.9	+ 0.5	+ 0.0	- 0.3	- 4.0	
2006 Aug	+ 10.0	- 5.6	+ 17.9	+ 10.2	+ 7.8	+ 1.0	+ 6.8	- 2.9	+ 0.7	+ 0.1	+ 0.2	+ 2.2	
2006 Sep	+ 10.4	- 1.4	+ 13.1	+ 12.2	+ 0.9	+ 0.6	+ 0.3	- 2.6	+ 1.2	+ 0.4	+ 0.5	+ 2.0	
2006 Oct	- 8.2	- 7.3	+ 0.5	- 0.8	+ 1.2	+ 0.4	+ 0.8	- 2.7	+ 1.3	+ 0.1	+ 0.1	- 2.5	
Domestic government												End of year or month *	
2003	108.1	17.8	86.6	29.1	57.5	0.5	57.0	2.0	1.7	34.9	1.1	-	
2004	103.6	16.8	82.5	30.5	52.0	0.9	51.1	2.7	1.5	34.6	1.1	-	
2005	103.7	21.0	78.7	31.7	47.0	0.5	46.5	2.4	1.5	32.3	1.0	-	
2005 Nov	102.0	21.5	76.3	29.2	47.1	0.5	46.6	2.7	1.5	32.2	1.0	-	
2005 Dec	103.7	21.0	78.7	31.7	47.0	0.5	46.5	2.4	1.5	32.3	1.0	-	
2006 Jan	106.1	21.2	81.1	33.7	47.3	0.6	46.8	2.3	1.5	29.5	1.0	-	
2006 Feb	104.4	22.0	78.6	31.1	47.5	0.6	47.0	2.3	1.5	29.5	1.0	-	
2006 Mar	106.2	20.6	81.9	35.1	46.7	0.6	46.1	2.3	1.5	29.2	1.0	-	
2006 Apr	107.7	19.7	84.3	37.2	47.0	0.7	46.3	2.2	1.5	29.4	1.0	-	
2006 May	114.7	22.6	88.3	40.8	47.4	0.7	46.7	2.3	1.6	29.2	0.9	-	
2006 June	122.1	24.8	93.4	46.2	47.2	0.7	46.5	2.3	1.6	28.4	0.9	-	
2006 July	121.6	24.6	93.2	45.8	47.4	0.7	46.7	2.2	1.6	28.4	0.7	-	
2006 Aug	125.5	23.8	97.8	46.1	51.7	1.4	50.2	2.3	1.6	28.4	0.7	-	
2006 Sep	128.1	22.5	101.6	50.0	51.6	1.7	49.8	2.3	1.6	28.7	0.7	-	
2006 Oct	122.2	20.6	97.7	45.6	52.0	1.8	50.3	2.3	1.6	28.3	0.9	-	
Changes *												End of year or month *	
2004	- 1.9	- 1.0	- 1.5	+ 1.4	- 2.8	+ 0.4	- 3.2	+ 0.7	- 0.1	- 2.2	- 0.1	-	
2005	- 0.2	+ 3.9	- 3.8	+ 1.2	- 5.1	- 0.4	- 4.6	- 0.3	- 0.0	- 2.4	- 0.1	-	
2005 Nov	+ 0.5	+ 0.8	- 0.0	- 0.2	+ 0.2	+ 0.0	+ 0.2	- 0.3	+ 0.0	- 0.0	-	-	
2005 Dec	+ 1.6	- 0.5	+ 2.4	+ 2.5	- 0.1	- 0.0	- 0.1	- 0.3	+ 0.0	+ 0.0	- 0.0	-	
2006 Jan	+ 2.5	+ 0.2	+ 2.4	+ 2.0	+ 0.4	+ 0.1	+ 0.3	- 0.1	+ 0.0	- 2.7	+ 0.0	-	
2006 Feb	- 1.7	+ 0.7	- 2.4	- 2.7	+ 0.2	+ 0.0	+ 0.2	+ 0.0	- 0.0	- 0.1	-	-	
2006 Mar	+ 1.8	- 1.4	+ 3.2	+ 4.0	- 0.8	+ 0.0	- 0.8	- 0.1	- 0.0	- 0.2	- 0.0	-	
2006 Apr	+ 1.4	- 1.0	+ 2.4	+ 2.1	+ 0.3	+ 0.1	+ 0.2	- 0.1	+ 0.0	+ 0.2	+ 0.0	-	
2006 May	+ 7.1	+ 3.0	+ 4.0	+ 3.6	+ 0.4	+ 0.1	+ 0.4	+ 0.1	+ 0.0	- 0.2	- 0.0	-	
2006 June	+ 7.4	+ 2.1	+ 5.2	+ 5.4	- 0.2	- 0.0	- 0.2	+ 0.0	+ 0.0	- 0.8	+ 0.0	-	
2006 July	- 0.5	- 0.2	- 0.2	- 0.4	+ 0.2	- 0.0	+ 0.2	- 0.1	- 0.0	- 0.0	- 0.2	-	
2006 Aug	+ 3.9	- 0.7	+ 4.5	+ 0.3	+ 4.2	+ 0.7	+ 3.5	+ 0.1	+ 0.0	- 0.0	+ 0.0	-	
2006 Sep	+ 2.6	- 1.3	+ 3.8	+ 3.9	- 0.1	+ 0.3	- 0.4	- 0.0	+ 0.0	+ 0.3	-	-	
2006 Oct	- 5.9	- 2.0	- 3.9	- 4.4	+ 0.5	+ 0.0	+ 0.4	- 0.1	+ 0.0	- 0.4	+ 0.1	-	

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

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

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

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item			
			Total	for up to and including 1 year	for more than 1 year 2					Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos	
					Total	for up to and including 2 years	for more than 2 years						
Domestic enterprises and households												End of year or month *	
2003	2,032.2	606.2	739.1	208.7	530.4	7.8	522.6	588.3	98.6	5.7	29.3	9.3	
2004	2,096.4	630.1	768.7	204.5	564.2	7.1	557.1	600.8	96.9	9.0	31.1	10.1	
2005	2,173.0	696.0	785.7	199.5	586.1	7.7	578.4	601.0	90.3	10.2	30.7	12.6	
2005 Nov	2,172.6	702.1	786.9	203.6	583.2	7.5	575.7	593.3	90.4	9.9	30.9	22.6	
Dec	2,173.0	696.0	785.7	199.5	586.1	7.7	578.4	601.0	90.3	10.2	30.7	12.6	
2006 Jan	2,179.6	696.8	791.9	203.3	588.6	7.8	580.7	600.5	90.3	9.3	30.7	18.4	
Feb	2,183.2	693.3	799.0	203.9	595.2	8.0	587.2	600.3	90.6	8.8	30.8	19.0	
Mar	2,197.2	701.8	805.3	208.7	596.6	8.0	588.6	599.1	90.9	8.6	30.7	25.0	
Apr	2,214.7	706.8	818.9	217.8	601.0	8.0	593.0	597.6	91.5	8.7	30.6	27.4	
May	2,219.1	719.9	812.3	209.3	603.0	8.1	594.9	595.1	91.7	8.6	30.6	27.5	
June	2,220.5	717.2	817.5	212.2	605.3	8.3	597.0	593.8	92.0	9.0	30.6	26.7	
July	2,215.2	706.0	825.7	217.7	608.0	8.4	599.6	591.0	92.5	9.1	30.5	22.7	
Aug	2,222.0	701.7	839.1	227.5	611.6	8.7	602.9	588.0	93.1	9.2	30.7	24.8	
Sep	2,228.3	701.6	848.4	235.8	612.5	8.9	603.6	585.4	92.9	9.2	29.7	26.9	
Oct	2,226.1	696.3	852.8	239.5	613.3	9.3	604.0	582.8	94.2	9.8	29.6	24.4	
Changes *													
2004	+ 63.9	+ 25.3	+ 27.4	- 5.1	+ 32.5	- 0.7	+ 33.1	+ 12.5	- 1.3	+ 3.4	+ 1.8	+ 0.9	
2005	+ 76.8	+ 66.8	+ 16.3	- 5.2	+ 21.4	+ 0.8	+ 20.6	- 0.9	- 5.4	+ 1.2	- 0.0	+ 2.4	
2005 Nov	+ 16.0	+ 15.1	+ 2.1	+ 0.3	+ 1.8	+ 0.1	+ 1.6	- 0.9	- 0.3	+ 0.5	- 0.2	+ 0.9	
Dec	+ 0.4	- 6.1	- 1.2	- 4.1	+ 2.9	+ 0.2	+ 2.7	+ 7.7	- 0.0	+ 0.3	- 0.2	- 10.0	
2006 Jan	+ 6.5	+ 0.9	+ 6.1	+ 3.8	+ 2.3	+ 0.1	+ 2.2	- 0.5	+ 0.0	- 0.8	- 0.1	+ 5.9	
Feb	+ 3.7	- 3.5	+ 7.1	+ 0.5	+ 6.6	+ 0.2	+ 6.4	- 0.2	+ 0.2	- 0.0	+ 0.1	+ 0.6	
Mar	+ 13.9	+ 8.5	+ 6.3	+ 4.8	+ 1.5	- 0.0	+ 1.5	- 1.2	+ 0.4	- 0.2	- 0.1	+ 6.0	
Apr	+ 17.5	+ 5.0	+ 13.6	+ 9.1	+ 4.4	- 0.0	+ 4.4	- 1.6	+ 0.5	+ 0.1	- 0.0	+ 2.4	
May	+ 3.6	+ 13.0	- 7.3	- 9.2	+ 2.0	+ 0.2	+ 1.8	- 2.4	+ 0.3	- 0.0	- 0.0	- 0.8	
June	+ 1.5	- 2.6	+ 5.2	+ 2.9	+ 2.3	+ 0.2	+ 2.1	- 1.3	+ 0.3	+ 0.4	- 0.0	- 0.8	
July	- 5.3	- 11.2	+ 8.2	+ 5.5	+ 2.8	+ 0.1	+ 2.6	- 2.9	+ 0.5	+ 0.1	- 0.1	- 4.0	
Aug	+ 6.2	- 4.9	+ 13.4	+ 9.8	+ 3.5	+ 0.2	+ 3.3	- 3.0	+ 0.6	+ 0.1	+ 0.2	+ 2.2	
Sep	+ 7.8	- 0.1	+ 9.3	+ 8.3	+ 1.0	+ 0.3	+ 0.7	- 2.6	+ 1.2	+ 0.0	+ 0.5	+ 2.0	
Oct	- 2.2	- 5.3	+ 4.4	+ 3.6	+ 0.8	+ 0.4	+ 0.4	- 2.6	+ 1.3	+ 0.5	- 0.1	- 2.5	
of which: Domestic enterprises												End of year or month *	
2003	730.8	205.8	498.1	102.1	396.0	1.6	394.4	4.8	22.1	5.4	17.3	9.3	
2004	762.3	202.0	533.4	110.2	423.1	1.7	421.5	5.1	21.8	8.7	18.3	10.1	
2005	809.9	233.2	550.8	108.7	442.0	2.4	439.6	5.0	21.0	9.7	19.4	12.6	
2005 Nov	821.6	237.6	557.7	115.8	441.9	2.3	439.6	5.1	21.3	9.4	19.5	22.6	
Dec	809.9	233.2	550.8	108.7	442.0	2.4	439.6	5.0	21.0	9.7	19.4	12.6	
2006 Jan	817.6	235.1	556.5	112.4	444.1	2.6	441.5	5.0	21.0	8.9	19.5	18.4	
Feb	817.6	229.7	561.9	111.6	450.3	2.7	447.6	5.0	21.0	8.3	19.4	19.0	
Mar	829.0	237.4	565.7	114.7	451.0	2.6	448.4	5.0	20.8	8.1	19.4	25.0	
Apr	842.3	237.8	578.7	123.6	455.1	2.6	452.5	5.0	20.8	8.2	19.4	27.4	
May	847.7	250.7	571.4	114.3	457.1	2.7	454.4	4.9	20.8	8.2	19.4	27.5	
June	848.5	247.5	575.4	116.1	459.3	2.8	456.6	4.9	20.7	8.5	19.4	26.7	
July	846.2	240.7	580.2	117.9	462.3	2.9	459.4	4.7	20.6	8.6	19.3	22.7	
Aug	856.2	241.9	589.1	123.6	465.5	2.9	462.6	4.7	20.5	8.7	19.6	24.8	
Sep	864.8	244.3	595.3	129.0	466.2	3.1	463.2	4.7	20.6	8.8	19.9	26.9	
Oct	863.1	240.2	597.8	130.8	467.0	3.2	463.8	4.6	20.5	9.3	19.9	24.4	
Changes *													
2004	+ 31.1	- 2.3	+ 33.0	+ 7.3	+ 25.7	+ 0.0	+ 25.7	+ 0.2	+ 0.1	+ 3.3	+ 1.0	+ 0.9	
2005	+ 46.7	+ 31.0	+ 16.4	- 1.5	+ 18.0	+ 0.7	+ 17.3	+ 0.1	- 0.8	+ 1.0	+ 0.3	+ 2.4	
2005 Nov	+ 5.0	+ 3.6	+ 1.7	+ 0.3	+ 1.4	+ 0.1	+ 1.3	- 0.1	- 0.2	+ 0.5	- 0.2	+ 0.9	
Dec	- 11.7	- 4.4	- 6.9	- 7.1	+ 0.2	+ 0.2	- 0.0	- 0.1	- 0.3	+ 0.3	- 0.2	- 10.0	
2006 Jan	+ 7.6	+ 1.9	+ 5.7	+ 3.7	+ 2.0	+ 0.1	+ 1.8	+ 0.0	- 0.0	- 0.9	+ 0.0	+ 5.9	
Feb	- 0.0	- 5.4	+ 5.4	- 0.8	+ 6.2	+ 0.1	+ 6.1	- 0.0	+ 0.0	- 0.0	- 0.0	+ 0.6	
Mar	+ 11.4	+ 7.7	+ 3.8	+ 3.1	+ 0.7	- 0.1	+ 0.8	- 0.0	- 0.1	- 0.2	- 0.0	+ 6.0	
Apr	+ 13.4	+ 0.4	+ 13.0	+ 8.9	+ 4.1	- 0.0	+ 4.1	+ 0.0	- 0.1	+ 0.1	+ 0.0	+ 2.4	
May	+ 4.6	+ 12.8	- 8.0	- 9.9	+ 1.9	+ 0.1	+ 1.8	- 0.1	- 0.0	- 0.0	- 0.0	- 0.8	
June	+ 0.8	- 3.1	+ 4.0	+ 1.7	+ 2.3	+ 0.1	+ 2.2	- 0.0	- 0.1	+ 0.4	- 0.0	- 0.8	
July	- 2.3	- 6.8	+ 4.8	+ 1.8	+ 3.0	+ 0.1	+ 2.9	- 0.2	- 0.1	+ 0.1	- 0.1	- 4.0	
Aug	+ 9.3	+ 0.6	+ 8.9	+ 5.6	+ 3.2	+ 0.1	+ 3.2	+ 0.0	- 0.1	+ 0.1	+ 0.2	+ 2.2	
Sep	+ 8.7	+ 2.4	+ 6.2	+ 5.5	+ 0.7	+ 0.1	+ 0.6	- 0.0	+ 0.1	+ 0.0	+ 0.4	+ 2.0	
Oct	- 1.8	- 4.1	+ 2.5	+ 1.7	+ 0.8	+ 0.1	+ 0.6	- 0.1	- 0.1	+ 0.5	- 0.0	- 2.5	

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

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

IV Banks

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

€ billion

Period	Sight deposits						Time deposits 1,2					
	Deposits of domestic households and non-profit institutions, total	by creditor group					Domestic non-profit institutions	by creditor group				
		Domestic households				Total		Domestic households				
		Total	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 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
Oct	1,363.0	456.1	440.9	79.6	298.2	63.1	15.2	255.0	237.4	28.7	192.5	16.2
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 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
Oct	- 0.5	- 1.2	- 1.2	+ 1.6	- 2.9	+ 0.0	- 0.0	+ 1.9	+ 2.7	+ 0.6	+ 1.8	+ 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		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans
				for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year		
End of year or month *													
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 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
Oct	122.2	43.4	1.7	8.5	33.2	0.0	9.5	16.6	3.2	3.7	9.7	0.1	18.5
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 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	- 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	- 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
Oct	- 5.9	- 2.2	- 0.1	- 2.5	+ 0.3	- 0.0	- 0.1	- 2.4	- 0.7	- 1.7	+ 0.1	+ 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									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	
		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	95.0	146.0	5.5	140.5	590.3	580.9	9.4	71.0	0.5	11.2	-	2006 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							
17.7	108.7	146.3	6.1	140.2	578.2	569.0	9.2	73.7	0.5	9.7	-	Oct							
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							
+ 0.1	+ 0.7	+ 0.1	+ 0.1	- 0.0	- 2.3	- 2.2	- 0.1	+ 0.3	+ 0.0	- 0.0	-	2006 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							
- 0.8	+ 1.9	+ 0.0	+ 0.2	- 0.2	- 2.6	- 2.5	- 0.1	+ 1.4	+ 0.0	- 0.1	-	Oct							

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
29.3	10.9	12.3	3.0	3.2	0.3	30.3	7.6	16.6	5.6	0.6	0.0	2006 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
27.7	9.6	11.8	3.2	3.1	0.3	34.4	6.1	21.7	5.9	0.6	0.0	Oct
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
+ 2.8	+ 1.1	+ 1.4	+ 0.1	+ 0.1	-	+ 4.7	+ 1.8	+ 2.7	+ 0.2	-	-	2006 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
- 1.5	- 0.8	- 0.8	+ 0.1	- 0.0	- 0.0	+ 0.2	- 0.4	+ 0.6	+ 0.1	- 0.0	-	Oct

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 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
Oct	593.2	585.0	490.5	386.1	94.5	85.3	8.2	6.4	0.4	105.8	95.8	71.8	10.0
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 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
Oct	- 2.7	- 2.7	- 4.8	- 3.8	+ 2.1	+ 2.1	- 0.1	- 0.1	.	+ 1.8	+ 1.3	- 0.6	+ 0.5

* 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	Certificates of deposit	up to and including 1 year	more than 1 year including 2 years	more than 2 years		up to and including 1 year	more than 1 year including 2 years	more than 2 years		
End of year or month *														
2003	1,490.1	353.4	20.8	177.5	39.0	70.1	105.2	1,314.8	2.4	0.6	0.5	1.2	40.2	3.2
2004	1,550.0	382.6	22.9	214.6	36.5	62.1	94.2	1,393.7	2.4	0.5	0.5	1.5	43.3	3.7
2005	1,608.7	400.7	25.3	274.5	32.0	61.8	94.8	1,452.1	1.5	0.2	0.5	0.8	45.8	2.5
2006 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
Oct	1,645.2	394.9	40.1	298.5	32.6	71.2	114.3	1,459.7	1.6	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 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
Oct	+ 5.6	- 7.9	+ 0.9	+ 6.6	- 1.1	+ 1.2	+ 3.9	+ 0.4	+ 0.0	-	+ 0.0	+ 0.0	- 0.0	+ 0.0

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

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

IV Banks

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

€ billion

End of year/month	Number of associ- ations	Balance sheet total	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Deposits of banks (MFIs) 5		Deposits of non- banks (non-MFIs)		Bearer debt secur- ities out- stand- ing	Capital (includ- ing pub- lished re- serves) 7	Memo item New con- tracts entered into in year or month 8
			Credit bal- ances and loans (ex- clud- ing building loans) 1	Building loans 2	Bank debt secur- ities 3	Building loans			Secur- ities (in- clud- ing Treasury bills and Treasury discount paper) 4	Deposits under savings and loan con- tracts	Sight and time deposits	Deposits under savings and loan con- tracts	Sight and time de- posits 6			
						Loans under savings and loan con- tracts	Interim and bridging loans	Other building loans								
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 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
Oct	26	193.7	42.1	0.0	14.3	27.7	66.1	11.2	14.3	0.4	29.7	121.1	5.0	3.7	7.4	7.3
Private building and loan associations																
2006 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
Oct	15	141.7	30.3	0.0	8.3	17.5	49.1	10.3	8.9	0.3	23.5	81.6	4.8	3.7	4.8	4.6
Public building and loan associations																
2006 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
Oct	11	52.1	11.7	0.0	6.0	10.2	17.0	1.0	5.4	0.1	6.2	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 allo- cated 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 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	2.1	0.0
Oct	1.8	0.2	0.5	3.9	2.9	3.4	1.6	0.4	0.6	0.3	1.1	11.1	7.9	0.9		0.0
Private building and loan associations																
2006 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	1.4	0.0
Oct	1.1	0.1	0.3	2.8	2.0	2.5	1.1	0.3	0.4	0.2	0.9	6.8	4.0	0.6		0.0
Public building and loan associations																
2006 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	0.7	0.0
Oct	0.7	0.0	0.2	1.1	0.9	0.9	0.5	0.1	0.2	0.1	0.2	4.3	3.9	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	Total	to German non-banks			of which enterprises and households	to foreign non-banks
Foreign branches															
End of year or month *															
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 Dec	54	211	1,626.5	713.1	640.8	180.1	460.7	72.3	805.8	587.7	22.0	21.5	565.7	218.1	107.6
2006 Jan	54	214	1,664.5	717.5	645.5	185.0	460.5	72.0	834.8	621.6	22.3	21.7	599.3	213.3	112.2
Feb	54	215	1,702.8	747.8	673.1	207.5	465.7	74.6	859.3	644.9	21.4	20.9	623.5	214.3	95.8
Mar	54	212	1,713.8	748.6	676.6	214.2	462.4	72.0	870.9	666.5	21.2	20.6	645.3	204.4	94.3
Apr	54	210	1,721.0	728.9	657.6	215.7	441.9	71.4	899.1	696.3	21.4	20.8	674.9	202.8	93.0
May	54	212	1,716.6	733.8	665.5	224.3	441.2	68.2	897.3	684.9	19.6	19.0	665.3	212.5	85.5
June	54	213	1,673.1	693.8	627.7	219.7	407.9	66.2	887.3	678.0	20.5	19.5	657.6	209.2	92.1
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
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
Sep	53	211	1,719.6	703.5	635.5	205.3	430.1	68.0	912.0	697.3	19.9	19.1	677.4	214.7	104.1
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 Dec	-	-	-147.3	- 77.8	- 76.4	- 13.6	- 62.8	- 1.4	- 20.8	- 20.6	- 1.3	- 0.8	- 19.3	- 0.2	- 48.7
2006 Jan	-	+ 3	+ 58.2	+ 12.2	+ 12.0	+ 4.8	+ 7.2	+ 0.2	+ 40.4	+ 42.2	+ 0.3	+ 0.1	+ 41.9	- 1.8	+ 5.6
Feb	-	+ 1	+ 20.9	+ 24.1	+ 21.9	+ 22.5	- 0.6	+ 2.2	+ 14.2	+ 15.6	- 0.9	- 0.8	+ 16.5	- 1.5	- 17.3
Mar	-	- 3	+ 31.1	+ 7.9	+ 10.0	+ 6.8	+ 3.3	- 2.1	+ 23.6	+ 30.9	- 0.2	- 0.3	+ 31.1	- 7.3	- 0.4
Apr	-	- 2	+ 35.2	- 10.2	- 10.1	+ 1.4	- 11.5	- 0.1	+ 43.4	+ 41.6	+ 0.2	+ 0.2	+ 41.4	+ 1.8	+ 2.1
May	-	+ 2	+ 12.8	+ 10.9	+ 13.7	+ 8.6	+ 5.1	- 2.8	+ 8.6	- 3.2	- 1.9	- 1.8	- 1.4	+ 11.8	- 6.7
June	-	+ 1	- 49.7	- 42.2	- 40.0	- 4.6	- 35.4	- 2.2	- 13.5	- 9.5	+ 0.9	+ 0.5	- 10.4	- 4.0	+ 6.0
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
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
Sep	- 1	- 1	- 2.2	- 19.1	- 20.2	+ 17.1	- 37.3	+ 1.1	+ 22.4	+ 21.5	+ 0.4	+ 0.4	+ 21.1	+ 0.9	- 5.5
Foreign subsidiaries															
End of year or month *															
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 Dec	43	153	713.6	320.9	249.4	119.9	129.6	71.4	324.6	224.0	39.0	35.8	185.0	100.6	68.1
2006 Jan	44	154	730.9	328.7	254.9	120.9	134.0	73.8	332.7	220.3	39.4	36.2	180.9	112.4	69.6
Feb	44	153	752.3	336.9	259.7	123.4	136.3	77.2	333.0	219.3	37.5	35.8	181.8	113.7	82.4
Mar	43	153	759.2	335.8	260.7	121.8	138.9	75.1	340.6	221.7	37.2	35.5	184.5	118.9	82.8
Apr	43	152	762.2	338.2	259.7	123.6	136.2	78.4	336.3	218.6	37.6	35.9	181.0	117.7	87.8
May	43	153	771.2	333.9	255.5	123.3	132.1	77.5	344.7	226.9	39.2	37.4	187.7	117.8	92.5
June	43	151	756.6	330.6	253.4	121.2	132.1	77.2	348.4	227.6	42.4	40.6	185.2	120.9	77.6
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
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
Sep	42	148	774.3	337.6	258.8	119.2	139.5	78.9	366.8	238.1	46.7	44.3	191.4	128.7	69.8
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 Dec	-	- 3	- 0.3	- 5.4	- 6.5	+ 0.9	- 7.4	+ 1.1	+ 4.3	+ 6.4	+ 1.9	- 0.2	+ 4.5	- 2.1	+ 0.8
2006 Jan	+ 1	+ 1	+ 20.6	+ 9.0	+ 6.4	+ 1.0	+ 5.4	+ 2.5	+ 10.0	- 2.7	+ 0.4	+ 0.4	- 3.0	+ 12.7	+ 1.6
Feb	-	- 1	+ 18.7	+ 6.4	+ 4.0	+ 2.6	+ 1.4	+ 2.4	- 0.4	- 1.6	- 1.8	- 0.3	+ 0.2	+ 1.2	+ 12.8
Mar	- 1	-	+ 10.6	+ 1.2	+ 2.2	- 1.7	+ 3.8	- 1.0	+ 8.7	+ 3.5	- 0.3	- 0.3	+ 3.8	+ 5.2	+ 0.7
Apr	-	- 1	+ 7.1	+ 5.0	+ 0.2	+ 1.8	- 1.5	+ 4.8	- 3.2	- 2.0	+ 0.4	+ 0.4	- 2.3	- 1.2	+ 5.2
May	-	+ 1	+ 11.4	- 2.5	- 3.5	- 0.3	- 3.3	+ 1.1	+ 9.1	+ 9.0	+ 1.6	+ 1.5	+ 7.3	+ 0.1	+ 4.8
June	-	- 2	- 15.5	- 4.0	- 2.3	- 2.1	- 0.2	- 1.6	+ 3.4	+ 0.4	+ 3.2	+ 3.2	- 2.8	+ 3.1	- 15.0
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
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
Sep	-	- 1	+ 23.9	+ 5.0	+ 6.6	+ 1.0	+ 5.7	- 1.6	+ 17.5	+ 10.4	- 1.5	- 2.0	+ 11.9	+ 7.1	+ 1.4

* 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
of banks (MFIs)				of non-banks (non-MFIs)						Foreign non-banks						
Total	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		
1,362.8	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	Feb		
1,425.6	941.6	355.5	586.1	484.1	70.0	62.0	59.3	8.0	7.7	414.1	180.3	21.6	86.3	Mar		
1,426.5	922.5	340.2	582.3	504.0	68.6	60.8	58.1	7.8	7.5	435.4	188.1	21.9	84.5	Apr		
1,422.8	911.5	342.4	569.1	511.3	70.1	62.5	59.6	7.6	7.4	441.1	185.0	22.5	86.4	May		
1,393.7	907.3	391.4	515.9	486.4	64.7	57.1	54.1	7.7	7.4	421.6	168.9	22.5	88.1	June		
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	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	Aug		
1,420.1	948.2	383.9	564.3	471.9	64.4	56.6	53.8	7.8	7.1	407.6	180.2	27.8	91.5	Sep		
Changes *																
+ 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		
- 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	Feb		
+ 18.7	+ 25.5	- 2.4	+ 27.9	- 6.8	- 0.6	- 0.5	+ 0.5	- 0.1	- 0.1	- 6.2	+ 4.6	+ 0.2	+ 7.7	Mar		
+ 19.4	- 7.6	- 15.3	+ 7.8	+ 27.0	- 1.4	- 1.2	- 1.2	- 0.2	- 0.2	+ 28.3	+ 7.8	+ 0.3	+ 7.7	Apr		
+ 9.1	- 3.4	+ 2.3	- 5.7	+ 12.5	+ 1.5	+ 1.7	+ 1.5	- 0.2	- 0.2	+ 11.0	- 3.1	+ 0.6	+ 6.2	May		
- 33.4	- 6.7	+ 48.9	- 55.7	- 26.7	- 5.4	- 5.4	- 5.6	+ 0.0	+ 0.0	- 21.3	- 16.1	+ 0.0	- 0.2	June		
+ 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	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	Aug		
- 2.4	- 0.4	+ 27.9	- 28.3	- 1.9	- 3.1	- 2.9	- 2.7	- 0.2	- 0.2	+ 1.1	- 0.0	+ 5.3	- 5.1	Sep		
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		
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	Feb		
557.1	336.0	108.7	227.3	221.1	34.8	26.8	25.7	8.0	7.9	186.3	90.8	41.1	70.3	Mar		
558.1	336.0	109.5	226.4	222.1	33.9	25.7	24.9	8.2	7.9	188.2	91.8	40.8	71.6	Apr		
564.2	341.0	115.4	225.6	223.2	36.5	28.1	27.0	8.3	8.1	186.7	91.8	41.2	74.0	May		
557.4	333.4	124.8	208.5	224.0	33.9	25.5	24.6	8.4	8.2	190.1	89.2	40.3	69.7	June		
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	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	Aug		
573.5	346.8	114.7	232.1	226.7	37.6	29.3	27.4	8.3	8.1	189.1	88.2	40.8	71.7	Sep		
Changes *																
+ 1.4	- 0.7	- 16.4	+ 15.7	+ 2.1	+ 1.9	+ 1.4	+ 2.6	+ 0.5	+ 0.4	+ 0.2	+ 5.4	- 2.2	+ 4.7	2004		
+ 48.6	+ 24.2	+ 19.9	+ 4.3	+ 24.4	+ 4.2	+ 1.7	+ 0.6	+ 2.5	+ 2.5	+ 20.2	+ 6.2	+ 1.9	- 6.7	2005		
- 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	Feb		
+ 6.9	+ 8.2	+ 7.6	+ 0.6	- 1.3	+ 0.4	+ 0.4	+ 0.4	+ 0.0	-	- 1.7	+ 2.8	+ 0.1	+ 0.8	Mar		
+ 4.5	+ 2.2	+ 0.8	+ 1.4	+ 2.3	- 0.9	- 1.1	- 0.8	+ 0.2	+ 0.1	+ 3.2	+ 1.0	- 0.3	+ 1.8	Apr		
+ 8.3	+ 6.6	+ 5.9	+ 0.7	+ 1.8	+ 2.6	+ 2.5	+ 2.1	+ 0.1	+ 0.2	- 0.8	+ 0.0	+ 0.4	+ 2.7	May		
- 7.7	- 8.3	+ 9.4	- 17.7	+ 0.6	- 2.5	- 2.6	- 2.4	+ 0.1	+ 0.1	+ 3.1	- 2.6	- 0.9	- 4.4	June		
+ 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	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	Aug		
+ 23.0	+ 15.9	- 0.8	+ 16.7	+ 7.1	+ 2.3	+ 2.5	+ 2.8	- 0.2	- 0.2	+ 4.7	+ 0.1	+ 0.1	+ 0.8	Sep		

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 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	8,336.5	166.7	0.5	166.2	167.0	0.8	0.0
Nov ^P	...	...	...	172.5	...	...	...
Dec	...	...	...	...	...	...	...
Of which: Germany (€ million)							
2006 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	2,039,249	40,785	200	40,585	40,812	227	1
Nov ^P	2,068,309	41,366	200	41,166	...	...	...
Dec ^P	2,063,618	41,272	200	41,073	...	...	...

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.

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
Nov 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 € million	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 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
Nov 22	392,901	321,500	—	3.25	3.30	3.31	7
Nov 29	385,957	308,000	—	3.25	3.30	3.31	7
Dec 6	374,364	329,000	—	3.25	3.30	3.31	7
Dec 13	383,656	320,000	—	3.50	3.55	3.56	7
Longer-term refinancing operations							
2006 Sep 28	49,801	40,000	—	—	3.30	3.32	84
Oct 26	62,854	40,000	—	—	3.48	3.50	98
Nov 30	72,782	40,000	—	—	3.58	3.58	91

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

4 Money market rates, by month

% per annum

Reporting period	Money market rates reported by Frankfurt banks ¹					EONIA ²	EURIBOR ³					
	Overnight money		Three-month funds		One-week funds		One-month funds	Three-month funds	Six-month funds	Nine-month funds	Twelve-month funds	
	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates	Monthly averages		Monthly averages	Monthly averages	Monthly averages	Monthly averages	Monthly averages	
2006 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	
Nov	3.33	3.30 – 3.37	3.58	3.53 – 3.63	3.33	3.35	3.42	3.60	3.73	3.81	3.86	

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 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	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	
Mar	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	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	
Apr	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	May	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
June	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	July	2.59	3.08	3.00	3.68	4.81	4.27	4.62	8.31	6.81	5.86	4.93	4.40	4.53
Aug	2.69	3.10	3.15	3.80	4.89	4.29	4.65	8.35	6.81	5.88	5.07	4.51	4.57	Sep													
Oct																											

(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 Feb	0.74	2.24	2.52	2.36	1.97	2.34	1.08	2.31	2.69	3.37	3.28	
Mar	0.76	2.37	2.60	2.45	1.98	2.37	1.14	2.48	2.93	3.71	3.38	
Apr	0.79	2.40	2.81	2.49	2.00	2.42	1.16	2.51	2.93	3.71	3.38	
May	0.79	2.45	2.86	2.48	2.00	2.48	1.18	2.58	3.18	3.38	3.27	
June	0.81	2.57	2.88	2.57	2.04	2.53	1.22	2.70	3.22	3.27	3.99	
July	0.81	2.70	3.04	2.80	2.08	2.58	1.24	2.78	3.31	3.99	3.78	
Aug	0.85	2.79	2.97	2.82	2.23	2.63	1.32	2.92	3.25	3.78	3.82	
Sep	0.86	2.87	3.15	2.66	2.26	2.68	1.36	2.98	3.45	3.82	4.24	
Oct	0.90	3.04	3.30	2.87	2.30	2.75	1.45	3.19	3.58	4.24		

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
2006 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	8.12	7.86	6.39	8.15	4.59	4.21	4.36	4.60	4.39	4.64	5.26	4.94	
Sep	10.06	7.98	7.86	6.26	8.09	4.65	4.30	4.36	4.61	4.44	4.76	5.30	4.98	
Oct	10.04	7.77	7.50	6.02	8.17	4.72	4.42	4.45	4.58	4.46	4.93	5.18	4.80	

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 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	4.60	3.97	4.33	4.49	
Sep	5.69	4.75	5.02	4.54	4.02	4.41	4.47	
Oct	5.76	4.91	5.16	4.56	4.24	4.38	4.46	

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 of outstanding amounts and new business of German banks (MFIs) *
(a) Outstanding amounts ^o

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 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	89,398	3.92	23,918
Oct	2.86	137,305	2.63	191,652	3.20	93,649	4.22	22,303

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 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	6,431	4.33	29,571	5.22	929,104	9.41	73,812	5.53	69,624	6.07	322,587
Oct	5.51	5,997	4.35	29,455	5.21	929,905	9.46	72,876	5.52	69,199	6.07	322,381

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 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
Oct	5.32	157,742	4.43	94,560	4.93	494,289

* 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). — ^o 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 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	31,948	3.41	1,691	2.54	2,121	2.10	495,091	2.69	92,142
Oct	1.47	456,617	2.97	35,091	3.52	2,494	2.82	2,530	2.17	490,352	2.75	94,253

Non-financial corporations' deposits								
Overnight		with an agreed maturity of						
		up to 1 year		over 1 year and up to 2 years		over 2 years		
Reporting period	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2005 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	51,870	3.79	488	4.04	797
Oct	1.81	161,921	3.20	61,003	4.09	315	4.71	985

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 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	1,046	5.29	5,422	8.90	2,858	4.41	10,978	5.30	1,861	5.08	2,323
Oct	7.19	5.61	1,660	5.02	7,064	9.01	3,092	4.63	11,892	5.04	1,810	4.76	2,726

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

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

VI Interest rates

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

Loans to households (cont'd)											
		Housing loans with an initial rate fixation of ³									
Overdrafts ¹¹		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 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	11.02	46,945	4.84	5.10	2,122	4.80	1,964	4.71	4,855	4.69	4,191
Oct	11.10	46,803	4.81	5.10	2,774	4.80	2,253	4.65	5,586	4.65	4,523

Loans to non-financial corporations									
		Loans up to €1 million with an initial rate fixation of ¹³							
Overdrafts ¹¹		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	Effective interest rate ¹ % pa
2005 Oct	5.93	70,819	4.38	6,822	4.45	1,371	4.39	1,375	4.39
Nov	5.84	69,640	4.52	6,735	4.54	1,075	4.31	1,545	4.31
Dec	5.79	69,127	4.57	7,716	4.61	1,321	4.46	2,155	4.46
2006 Jan	5.86	68,636	4.49	6,725	4.74	1,206	4.48	1,513	4.48
Feb	6.02	67,921	4.60	5,966	4.80	1,106	4.43	1,787	4.43
Mar	6.04	68,216	4.71	8,373	4.82	1,470	4.46	2,130	4.46
Apr	6.14	69,334	4.90	7,905	4.98	1,140	4.43	1,793	4.43
May	6.13	69,129	4.98	8,997	5.08	1,433	4.53	2,132	4.53
June	6.26	70,516	5.04	9,035	5.00	1,210	4.80	1,897	4.80
July	6.29	68,078	5.11	8,108	5.14	1,232	4.88	1,895	4.88
Aug	6.36	66,594	5.14	7,170	5.25	1,514	4.96	2,188	4.96
Sep	6.37	67,633	5.37	8,144	5.09	1,185	4.91	1,677	4.91
Oct	6.46	65,297	5.45	8,231	5.11	1,720	4.88	1,732	4.88

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	Effective interest rate ¹ % pa
2005 Oct	3.15	42,531	3.89	3,182	3.97	5,831	3.97
Nov	3.30	38,132	3.96	3,327	4.14	6,858	4.14
Dec	3.46	55,247	3.94	5,163	4.15	11,083	4.15
2006 Jan	3.40	44,581	4.04	5,404	4.17	6,838	4.17
Feb	3.41	38,352	4.81	6,422	4.19	6,126	4.19
Mar	3.75	48,056	4.03	4,699	4.38	6,675	4.38
Apr	3.61	36,866	4.07	5,379	4.47	4,994	4.47
May	3.76	36,909	4.37	5,659	4.61	6,865	4.61
June	3.98	52,421	4.35	5,165	4.45	7,267	4.45
July	4.00	46,079	4.59	4,567	4.74	5,697	4.74
Aug	4.19	42,375	4.56	2,537	4.66	4,578	4.66
Sep	4.24	46,903	4.62	5,533	4.65	7,369	4.65
Oct	4.38	45,975	4.45	4,751	4.59	7,482	4.59

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 Aug	–	15,487	–	6,638	–	3,467	–	2,519	–	14,470	–	7,527	–
Sep	–	15,804	–	2,292	–	189	–	15,459	–	13,214	–	7,620	–
Oct	–	41,302	–	8,694	–	14,248	–	18,196	–	23,035	–	14,687	–

Shares									
Period	Sales = total purchases	Sales			Purchases				
		Domestic shares 8	Foreign shares 9	Foreign debt securities 3	Residents				Non-residents 12
					Total 10	Credit institutions 5,11	Non-banks 6	Non-residents 12	
DM million									
1993	39,355	19,512	19,843	30,871	4,133	26,738	–	8,485	–
1994	55,125	29,160	25,966	54,466	1,622	52,844	–	659	–
1995	46,422	23,600	22,822	49,354	11,945	37,409	–	2,932	–
1996	72,491	34,212	38,280	55,962	12,627	43,335	–	16,529	–
1997	119,522	22,239	97,280	96,844	8,547	88,297	–	22,678	–
1998	249,504	48,796	200,708	149,151	20,252	128,899	–	100,353	–
€ million									
1999	150,013	36,010	114,003	103,136	18,637	84,499	–	46,877	–
2000	140,461	22,733	117,728	164,654	23,293	141,361	–	24,193	–
2001	82,665	17,575	65,090	–	2,252	12,462	–	84,917	–
2002	39,338	9,232	30,106	–	18,398	41,634	–	20,941	–
2003	15,470	16,838	–	–	11,829	18,885	–	27,300	–
2004	3,316	10,157	–	–	6,842	10,365	–	12,094	–
2005	31,803	13,766	18,037	–	27,039	37,247	–	58,842	–
2006 Aug	–	4,037	–	–	250	4,572	–	4,287	–
Sep	–	19,194	–	–	17,439	10,786	–	1,755	–
Oct	–	695	–	–	7,298	5,666	–	6,603	–

* 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 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	-		
Oct	76,663	52,039	1,001	9,516	9,650	31,872	1,647	22,977	-		
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 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	-		
Oct	24,370	12,426	291	3,670	1,566	6,899	1,298	10,646	-		
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 July	19,273	-	223	1,786	-	2,079	-	290	3,932	-	1,415
Aug	-	394	-	1,713	-	483	-	5,000	3,663	-	6,389
Sep	5,103	-	4,389	-	2,189	-	2,492	3,154	5,917	-	3,012
Oct	20,721	9,034	-	4,469	1,732	6,786	4,986	-	251	11,937	-

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

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

VII Capital market

3 Amounts outstanding of debt securities issued residents *

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

End of year or month/ Maturity in years	Bank debt securities ¹							Corporate bonds	Public debt securities	Memo item Foreign DM/euro bonds issued by German- managed syndicates
	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities					
DM million										
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 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	
Oct	3,045,299	1,813,324	148,812	506,851	366,119	791,541	101,660	1,130,315	116,795	

Breakdown by remaining period to maturity ²

Position at end-October 2006

	1,077,616	698,480	56,302	218,585	137,287	286,307	30,337	348,799	54,521
less than 2	699,839	467,134	38,554	155,166	95,860	177,555	17,741	214,964	39,144
2 to less than 4	454,761	242,609	29,081	70,893	41,223	101,414	18,243	193,910	6,636
4 to less than 6	265,515	134,190	15,698	30,953	21,931	65,606	11,498	119,828	7,721
6 to less than 8	312,907	174,501	8,725	19,168	23,653	122,956	12,268	126,137	2,886
8 to less than 10	43,653	34,056	399	6,716	17,370	9,571	2,121	7,476	2,527
10 to less than 15	25,696	12,835	55	1,818	6,877	4,084	463	12,398	1,657
15 to less than 20	165,314	49,522	-	3,554	21,918	24,048	8,989	106,803	1,705
20 and more									

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

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

4 Shares in circulation issued by residents *

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

Period	Share capital = circulation at end of period under review	Net increase or net decrease (-) during period under review	Change in domestic public limited companies' capital due to							Memo item Share circulation at market values (market capitalisation) 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	1,291	486	1,690	-	868	-	2,152	-	2,224	647,492
2003	162,131	-	6,585	4,482	923	211	-	322	-	10,806	-	1,584	851,001
2004	164,802	-	2,669	3,960	1,566	276	-	220	-	1,760	-	2,286	887,217
2005	163,071	-	1,733	2,470	1,040	694	-	1,443	-	3,060	-	1,703	1,058,532
2006 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
Oct	163,137	-	420	108	276	2	-	9	-	27	-	780	1,222,893

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

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

VII Capital market

5 Yields and indices on German securities

Period	Yields on debt securities outstanding issued by residents 1									Price indices 2,3			
	Public debt securities				Bank debt securities			Memo item Foreign DM/euro bonds issued by German- managed syndicates 1,5	Debt securities		Shares		
	Total	Total	Listed Federal securities		Total	With a residual maturity of more than 9 and including 10 years 4	With a residual maturity of more than 9 and including 10 years		Corporate bonds	German bond index (REX)	iBoxx € Germany price index	CDAX share price index	German share index (DAX)
			Total	With a residual maturity of more than 9 and including 10 years 4									
% per annum										Average daily rate	End-1998 = 100	End-1987 = 100	End-1987 = 1000
1994	6.7	6.7	6.7	6.9	6.8	7.2	7.0	6.9	99.90	.	176.87	2,106.58	
1995	6.5	6.5	6.5	6.9	6.5	7.2	6.9	6.8	109.18	.	181.47	2,253.88	
1996	5.6	5.6	5.6	6.2	5.5	6.4	5.8	5.8	110.37	.	217.47	2,888.69	
1997	5.1	5.1	5.1	5.6	5.0	5.9	5.2	5.5	111.01	.	301.47	4,249.69	
1998	4.5	4.4	4.4	4.6	4.5	4.9	5.0	5.3	118.18	100.00	343.64	5,002.39	
1999	4.3	4.3	4.3	4.5	4.3	4.9	5.0	5.4	110.60	92.52	445.95	6,958.14	
2000	5.4	5.3	5.2	5.3	5.6	5.8	6.2	6.3	112.48	94.11	396.59	6,433.61	
2001	4.8	4.7	4.7	4.8	4.9	5.3	5.9	6.2	113.12	94.16	319.38	5,160.10	
2002	4.7	4.6	4.6	4.8	4.7	5.1	6.0	5.6	117.56	97.80	188.46	2,892.63	
2003	3.7	3.8	3.8	4.1	3.7	4.3	5.0	4.5	117.36	97.09	252.48	3,965.16	
2004	3.7	3.7	3.7	4.0	3.6	4.2	4.0	4.0	120.19	99.89	268.32	4,256.08	
2005	3.1	3.2	3.2	3.4	3.1	3.5	3.7	3.2	120.92	101.09	335.59	5,408.26	
2006 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	
2006 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	
2006 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	
2006 Nov	3.8	3.7	3.7	3.7	3.9	4.0	4.2	4.1	118.17	98.26	388.03	6,309.19	

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

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

6 Sales and purchases of mutual fund shares in Germany

Period	Sales									Purchases					
	Sales = total pur- chases	Domestic mutual funds 1 (sales receipts)							Foreign funds 4	Residents					Non-resi- dents 5
		Total	Mutual funds open to the general public				Special- ised funds	Total		Credit institutions including building and loan associations 2		Non-banks 3			
			Money market funds	Secur- ities- based funds	Open- end real estate funds	of which Foreign mutual fund shares				of which Foreign mutual fund shares					
Total	Total	of which	of which	of which	of which	Total	Total	of which	Total	of which					
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 Aug	1,508	1,716	1,930	256	1,633	168	214	208	2,015	1,366	821	3,381	613	507	
2006 Sep	4,040	3,615	1,395	402	918	275	5,010	425	3,943	391	1,229	3,552	804	97	
2006 Oct	644	1,320	861	460	1,923	523	459	676	313	1,174	462	1,487	214	331	

1 Including public limited investment companies. — 2 Book values. — 3 Residual. — 4 Net purchases or net sales (-) of foreign fund shares by residents; transaction values. — 5 Net purchases or net sales (-) of domestic

fund shares by non-residents; transaction values (up to end-1988 recorded under shares). — The figures for the most recent date are provisional; revisions are not specially marked.

VIII Public finances in Germany

1 General government budgetary position *

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

Period	Central, state and local government 1									Social security funds 2			General government, total			
	Revenue		Expenditure							Balance	Re-venue 5	Ex-pend-iture	Balance	Re-venue	Ex-pend-iture	Balance
	Total	of which Taxes	Total 3	of which												
			Person-nel ex-pend-iture	Other operat-ing ex-pend-iture	Current grants	Interest	Fixed asset forma-tion	Finan-cial aid 4								
1994	995.2	786.2	1,102.2	315.5	137.3	353.4	114.0	93.2	86.5	-106.9	694.1	693.7	+ 0.4	1,596.4	1,702.9	-106.5
1995	1,026.4	814.2	1,136.4	324.8	135.5	367.2	129.0	90.1	86.3	-110.1	731.2	743.8	-12.5	1,664.9	1,787.5	-122.6
1996	1,000.3	800.0	1,121.8	326.2	137.0	362.2	130.7	83.9	80.1	-121.5	769.4	784.0	-14.6	1,665.6	1,801.6	-136.1
1997	1,014.3	797.2	1,108.9	325.0	135.7	356.3	132.1	80.1	79.2	-94.5	797.3	794.5	+ 2.9	1,705.3	1,797.0	-91.7
1998	1,072.1	833.0	1,128.8	325.4	137.4	373.7	133.7	79.7	79.8	-56.7	812.2	808.9	+ 3.3	1,765.5	1,818.9	-53.4
1999	566.1	453.1	592.9	168.7	72.4	202.7	69.8	40.8	38.0	-26.8	429.1	425.6	+ 3.5	925.2	948.6	-23.4
2000	612.3	467.3	595.5	169.3	73.7	205.7	67.6	40.7	37.9	+16.8	433.8	434.3	-0.5	974.6	958.2	+16.4
2001 6	555.4	446.2	599.6	169.9	69.8	213.9	66.6	40.1	39.2	-44.2	445.1	449.1	-4.0	923.3	971.4	-48.2
2002 p	554.7	441.7	610.9	173.3	70.6	226.9	66.1	38.7	33.5	-56.2	457.7	466.0	-8.3	927.7	992.2	-64.5
2003 pe	547.0	442.2	614.3	174.0	70.0	235.0	65.6	36.3	32.4	-67.3	467.7	474.3	-6.6	925.4	999.3	-73.9
2004 pe	543.9	442.8	609.3	173.5	69.8	236.9	64.7	34.5	28.8	-65.4	470.3	468.8	+1.5	925.3	989.3	-64.0
2005 pe	567.9	452.1	621.2	172.4	72.0	244.9	64.0	33.3	33.4	-53.2	468.8	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 €3.5 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 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	.	.	.
Oct	.	30,484	16,028	12,494	.	1,963	.	.	.

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.

VIII Public finances in Germany

5 Tax revenue, by type

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

Period	Joint taxes											Local business tax trans- fers 6,7	Central govern- ment taxes 8	State govern- ment taxes 8	EU customs duties	Memo item Local govern- ment share in income taxes 9
	Income taxes 2						Turnover taxes 5,6									
	Total 1	Total	Wage tax 3	As- sessed income tax	Corpora- tion tax	Invest- ment income taxes 4	Total	Value- added tax (VAT)	Turnover tax on imports							
1995	765,374	344,554	282,701	13,997	18,136	29,721	234,622	198,496	36,126	8,412	134,013	36,602	7,117	46,042		
1996	746,958	317,807	251,278	11,616	29,458	25,456	237,208	200,381	36,827	8,945	137,865	38,540	6,592	40,887		
1997	740,272	313,794	248,672	5,764	33,267	26,092	240,900	199,934	40,966	8,732	135,264	34,682	6,900	39,533		
1998	775,028	340,231	258,276	11,116	36,200	34,640	250,214	203,684	46,530	10,284	130,513	37,300	6,486	47,140		
1999	422,012	184,408	133,809	10,887	22,359	17,353	137,155	111,600	25,555	5,463	72,235	19,564	3,186	25,277		
2000	436,115	192,381	135,733	12,225	23,575	20,849	140,871	107,140	33,732	5,521	75,504	18,444	3,394	25,998		
2001	417,358	170,817	132,626	8,771	- 426	29,845	138,935	104,463	34,472	5,510	79,277	19,628	3,191	25,170		
2002	414,008	165,096	132,190	7,541	2,864	22,502	138,195	105,463	32,732	5,752	83,494	18,576	2,896	24,846		
2003	414,846	162,567	133,090	4,568	8,275	16,633	136,996	103,162	33,834	7,085	86,609	18,713	2,877	24,409		
2004	409,517	159,104	123,896	5,394	13,123	16,691	137,366	104,715	32,651	5,661	84,554	19,774	3,059	23,058		
2005	415,355	161,960	118,919	9,766	16,333	16,943	139,712	108,440	31,273	6,218	83,508	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 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		
Oct	32,110	10,176	9,183	- 392	520	864	12,023	9,129	2,895	1,238	6,610	1,717	346	1,626		

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 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	.	.	.
Oct	3,563	1,219	164	382	548	735	641	- 3	297	64	718	.	.	.

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

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

VIII Public finances in Germany

7 General government debt *

€ million

End of year or month	Total	Treasury discount paper (Bubills) 1	Treasury notes 2,3	Five-year Federal notes (Bobs) 2	Federal savings notes	Bonds 2	Direct lending by credit institutions 4	Loans from non-banks		Old debt		
								Social security funds	Other 4	arising from German unification 5,6	Equalisation 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 (Bobls) 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

10 Central government debt

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

End of year or month	Treasury discount paper (Bubills) 1			Federal Treasury notes (Schätze) 2	Five-year Federal notes (Bobs) 2	Federal savings notes	Federal bonds (Bunds) 2	Direct lending by credit institutions 3,4	Indebtedness to non-banks		Old debt		
	Total	of which Federal Treasury financing paper	Federal Treasury notes (Schätze) 2						Social security funds	Other 3,5,6	arising from German unification 7,8	Equalisation claims 8	Other 9
1998	958,004	24,666	4,558	84,760	199,274	92,698	519,718	24,125	-	2,603	1,290	8,684	186
1999 10	714,080	11,553	1,584	44,335	120,498	41,621	379,808	67,872	60	2,568	488	45,175	104
2000	715,835	11,516	1,805	44,678	123,642	35,991	400,490	52,836	29	2,099	301	44,146	107
2001	701,115	21,136	1,658	59,643	119,911	26,395	416,195	47,111	26	1,481	123	8,986	107
2002	725,443	30,227	1,618	78,584	127,484	17,898	422,558	39,517	0	1,167	66	7,845	97
2003	767,713	35,235	1,240	87,538	143,425	12,810	436,181	38,146	223	7,326	33	6,711	85
2004	812,123	34,440	1,074	95,638	159,272	10,817	460,380	34,835	333	10,751	2	5,572	81
2005 11	886,254	36,098	1,155	108,899	174,371	11,055	510,866	29,318	408	10,710	2	4,443	85
2005 Oct	888,191	35,734	1,073	113,486	168,448	11,088	503,350	40,541	408	10,608	2	4,443	85
Nov	890,379	35,275	1,118	115,057	169,537	10,981	509,857	34,125	408	10,608	2	4,443	86
Dec	886,254	36,098	1,155	108,899	174,371	11,055	510,866	29,318	408	10,710	2	4,443	85
2006 Jan	903,024	36,761	1,278	115,718	175,014	10,628	514,676	34,581	408	10,710	2	4,443	85
Feb	891,427	36,957	1,370	117,185	161,161	10,735	514,768	34,974	408	10,710	2	4,443	85
Mar	898,780	36,130	1,487	111,773	167,352	10,883	519,889	36,917	408	10,899	2	4,443	84
Apr	905,742	37,200	1,657	117,828	172,470	10,643	512,431	39,336	408	10,899	2	4,443	83
May	909,441	37,387	1,840	118,528	173,593	10,771	519,098	34,232	408	10,899	2	4,443	82
June	913,018	36,927	2,062	108,975	177,669	10,399	518,757	44,284	408	11,073	2	4,443	83
July	928,122	38,828	2,297	114,899	177,693	10,526	530,769	40,400	408	11,073	2	4,443	82
Aug	922,869	38,255	2,583	116,089	164,142	10,599	536,840	40,938	408	11,073	2	4,443	82
Sep	929,597	37,772	2,751	106,419	171,841	10,253	539,023	48,236	408	11,119	2	4,443	83
Oct	936,007	38,523	2,888	111,342	175,433	10,309	537,651	46,697	408	11,119	2	4,443	81

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

Germany to their home country. — 8 Excluding offsets against outstanding claims. — 9 Commutation and compensation debt and old debt mainly denominated in foreign currency. — 10 On 1 July 1999 central government assumed joint responsibility for the debts of the Redemption Fund for Inherited Liabilities, the Federal Railways Fund and the Equalisation Fund for Safeguarding the Use of Coal. — 11 On 1 January 2005 central government assumed joint responsibility for the debts of the German Unity Fund.

11 Central government borrowing in the market

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

Period	Total new borrowing		of which						Loans against borrowers' notes	Money market loans	Change in money market deposits	
			Federal bonds (Bunds)		Five-year Federal notes (Bobs)		Other securities 2					
	Gross 1	Net	Gross 1	Net	Gross 1	Net	Gross 1	Net				
1998	+ 228,050	+ 52,301	+ 78,304	+ 38,099	+ 55,078	+ 21,553	+ 85,706	- 1,327	+ 12,023	- 2,927	- 3,065	- 5,440
1999	+ 139,865	+ 31,632	+ 53,931	+ 114,080	+ 22,229	+ 18,610	+ 44,904	- 5,836	+ 14,861	+ 52,897	+ 3,937	+ 1,832
2000	+ 122,725	+ 1,755	+ 49,395	+ 20,682	+ 26,342	+ 3,144	+ 45,278	- 5,323	+ 7,273	- 9,973	+ 5,563	- 940
2001	+ 135,018	- 14,719	+ 36,511	+ 15,705	+ 19,603	- 3,730	+ 69,971	+ 14,989	+ 5,337	- 9,941	+ 3,595	- 1,495
2002	+ 178,203	+ 24,327	+ 41,378	+ 6,364	+ 36,037	+ 7,572	+ 93,853	+ 19,535	+ 4,716	- 10,155	+ 2,221	+ 22
2003	+ 227,483	+ 42,270	+ 62,513	+ 13,623	+ 42,422	+ 15,942	+ 109,834	+ 8,874	+ 11,480	+ 3,775	+ 1,236	+ 7,218
2004	+ 227,441	+ 44,410	+ 52,713	+ 24,199	+ 35,594	+ 15,847	+ 130,916	+ 5,313	+ 7,186	+ 1,620	+ 1,844	+ 802
2005	+ 224,922	+ 35,479	+ 53,197	+ 26,700	+ 33,278	+ 5,465	+ 131,620	+ 10,618	+ 2,317	- 10,689	+ 4,511	+ 6,041
2005 Jan-Oct	+ 199,711	+ 37,416	+ 45,681	+ 19,184	+ 27,354	- 458	+ 111,709	+ 14,873	+ 1,925	- 8,098	+ 13,042	+ 2,250
2006 Jan-Oct	+ 211,692	+ 49,753	+ 48,386	+ 26,785	+ 29,110	+ 1,062	+ 113,755	+ 4,122	+ 1,059	- 1,594	+ 19,382	+ 18,919
2005 Oct	+ 20,837	+ 2,999	- 654	- 10,823	+ 5,164	+ 5,164	+ 12,434	+ 6,421	+ 362	- 1,293	+ 3,532	- 1,720
Nov	+ 10,845	+ 2,188	+ 6,507	+ 6,507	+ 1,089	+ 1,089	+ 7,279	+ 1,006	+ 159	- 2,226	- 4,189	- 3,840
Dec	+ 14,366	- 4,124	+ 1,009	+ 1,009	+ 4,834	+ 4,834	+ 12,632	- 5,261	+ 233	- 365	- 4,341	+ 7,631
2006 Jan	+ 31,775	+ 16,770	+ 11,949	+ 3,810	+ 643	+ 643	+ 13,760	+ 7,055	+ 196	+ 36	+ 5,227	+ 915
Feb	+ 14,936	- 11,597	+ 6,326	+ 92	+ 160	- 13,853	+ 7,800	+ 1,770	+ 66	- 192	+ 585	- 14,595
Mar	+ 29,077	+ 7,353	+ 5,121	+ 5,121	+ 6,191	+ 6,191	+ 15,218	- 6,091	+ 184	- 229	+ 2,362	+ 6,384
Apr	+ 20,723	+ 6,962	- 231	- 7,459	+ 5,118	+ 5,118	+ 13,382	+ 6,885	+ 48	+ 14	+ 2,406	+ 5,080
May	+ 9,983	+ 3,699	+ 6,667	+ 6,667	+ 1,123	+ 1,123	+ 7,022	+ 1,015	+ 137	- 140	- 4,965	+ 4,448
June	+ 25,739	+ 3,577	- 341	- 341	+ 4,075	+ 4,075	+ 11,161	- 10,383	+ 56	- 562	+ 10,787	+ 5,121
July	+ 21,350	+ 15,105	+ 12,013	+ 12,013	+ 25	+ 25	+ 12,946	+ 6,951	+ 123	- 128	- 3,756	+ 3,092
Aug	+ 14,932	- 5,253	+ 6,071	+ 6,071	+ 484	- 13,552	+ 7,707	+ 1,689	+ 84	- 48	+ 587	- 2,698
Sep	+ 30,407	+ 6,728	+ 2,183	+ 2,183	+ 7,699	+ 7,699	+ 13,042	- 10,499	+ 132	- 7	+ 7,351	+ 8,518
Oct	+ 12,771	+ 6,410	- 1,373	- 1,373	+ 3,593	+ 3,593	+ 11,718	+ 5,730	+ 34	- 338	- 1,201	+ 2,653

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

VIII Public finances in Germany

12 Revenue, expenditure and assets of the German pension insurance fund *

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

Period	Revenue 1			Expenditure 1			Balance of revenue and expenditure	Assets 5				Memo item Administrative assets	
	Total	of which		Total	of which			Total	Deposits 6	Securities	Mortgage and other loans 7		Real estate
		Contributions 2	Payments from central government		Pension payments 3	Pensioners' health insurance 4							
1993	290,393	232,408	52,671	298,065	252,920	15,898	- 7,672	39,786	29,957	8,499	1,100	229	6,297
1994	322,335	256,662	61,891	324,323	273,880	17,751	- 1,988	33,578	24,194	8,170	909	305	6,890
1995	338,185	270,294	64,387	348,115	294,034	20,285	- 9,930	21,756	16,801	3,948	746	262	7,800
1996 8	353,672	282,616	68,388	362,667	305,780	21,660	- 8,995	14,456	9,608	2,119	2,500	229	8,863
1997	374,853	297,402	74,961	372,955	316,511	23,280	+ 1,898	14,659	10,179	1,878	2,372	230	9,261
1998	389,101	297,827	88,755	385,707	327,823	24,393	+ 3,394	18,194	14,201	1,493	2,274	226	9,573
1999	208,173	152,206	54,628	203,295	172,919	12,950	+ 4,878	13,623	11,559	824	1,127	114	4,904
2000	211,137	150,712	58,862	210,558	178,599	13,365	+ 579	14,350	11,459	1,676	1,105	110	4,889
2001 8	216,927	152,048	63,093	217,497	184,730	13,762	- 570	13,973	10,646	1,517	1,699	111	4,917
2002	221,563	152,810	66,958	225,689	191,133	14,498	- 4,126	9,826	6,943	1,072	1,685	126	4,878
2003	229,371	156,510	71,447	231,362	196,038	15,178	- 1,991	7,641	5,017	816	1,682	126	4,862
2004 9	231,684	156,535	71,680	233,011	198,587	14,258	- 1,327	5,158	4,980	19	41	118	4,834
2005	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	2005			2006			2005			2006			
	2003	2004	2005	2003	2004	2005	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Index 2000=100			Annual percentage change									
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	0.0	4.6	3.2	3.9	8.3	2.2	4.9
Construction	86.9	83.0	80.1	- 4.4	- 4.5	- 3.4	- 11.2	- 1.3	- 0.8	- 1.4	2.2	1.6	4.2
Wholesale/retail trade, hotel and restaurant services, transport and storage 1	101.6	105.1	106.5	- 1.0	3.5	1.3	- 0.2	2.6	1.9	0.8	4.0	1.9	3.2
Financing, renting and business services 2	105.6	106.1	107.3	0.7	0.5	1.1	1.4	1.5	0.8	0.8	1.3	1.4	2.0
Public and private services 3	102.4	102.5	102.5	0.1	0.1	- 0.1	0.0	- 0.3	0.2	- 0.1	0.3	- 0.2	0.2
Gross value added	101.7	103.4	104.5	- 0.1	1.6	1.1	- 0.1	1.9	1.3	1.2	3.3	1.3	2.6
Gross domestic product 4	101.1	102.3	103.2	- 0.2	1.2	0.9	- 0.6	1.7	1.4	1.1	3.2	1.3	2.3
II Use of domestic product													
Private consumption 5	101.0	101.1	101.1	- 0.1	0.1	0.1	- 0.6	0.8	1.0	- 0.9	1.4	- 0.0	0.6
Government consumption	102.5	101.2	101.8	0.4	- 1.3	0.6	- 0.7	1.2	0.9	1.1	2.2	0.0	0.9
Machinery and equipment	89.0	92.8	98.5	- 0.1	4.2	6.1	5.4	9.6	4.1	5.4	10.8	6.1	6.8
Premises	88.4	85.0	82.0	- 1.6	- 3.8	- 3.6	- 10.8	- 1.7	- 1.3	- 1.6	2.0	1.6	3.3
Other investment 6	110.2	111.6	116.8	2.5	1.2	4.7	0.9	5.9	6.4	5.5	5.8	4.8	4.3
Changes in inventories 7 8	.	.	.	0.7	0.3	0.2	- 0.1	0.8	- 0.5	0.4	0.5	0.2	0.3
Domestic use	98.1	98.1	98.6	0.6	0.0	0.5	- 1.2	2.1	0.5	0.5	2.9	0.8	1.7
Net exports 8	.	.	.	- 0.8	1.2	0.4	0.6	- 0.2	0.9	0.6	0.5	0.6	0.6
Exports	113.7	124.6	133.2	2.4	9.6	6.9	4.5	5.5	9.4	8.0	14.9	9.3	10.7
Imports	105.1	112.4	119.8	5.4	6.9	6.5	3.5	7.4	7.7	7.3	16.2	9.2	10.2
Gross domestic product 4	101.1	102.3	103.2	- 0.2	1.2	0.9	- 0.6	1.7	1.4	1.1	3.2	1.3	2.3
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	0.6	1.8	2.3	0.8	3.2	1.5	1.7
Government consumption	417.2	415.1	419.6	1.3	- 0.5	1.1	0.0	1.8	1.5	1.1	3.6	0.9	0.8
Machinery and equipment	147.3	151.9	159.4	- 3.0	3.1	5.0	4.5	8.2	3.2	4.1	9.7	5.4	6.1
Premises	213.1	207.9	202.3	- 1.6	- 2.5	- 2.7	- 9.0	- 0.9	- 0.9	- 1.0	2.9	3.3	6.4
Other investment 6	24.3	24.7	25.2	- 0.9	1.5	2.1	0.7	2.3	2.4	2.9	2.2	2.6	2.5
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	- 0.2	2.8	1.4	1.4	4.3	2.3	2.7
Net exports	85.5	110.9	116.0	.	.	.	.	.	.	.	.	.	.
Exports	770.7	844.1	912.3	0.7	9.5	8.1	5.9	6.6	10.3	9.4	15.7	10.5	12.5
Imports	685.2	733.2	796.3	2.6	7.0	8.6	5.4	9.1	9.8	9.8	20.8	13.9	13.4
Gross domestic product 4	2,161.5	2,207.2	2,241.0	0.9	2.1	1.5	0.3	2.2	1.9	1.7	3.4	1.6	2.8
IV Prices (2000 = 100)													
Private consumption	104.6	106.2	107.6	1.6	1.6	1.3	1.2	1.0	1.3	1.7	1.7	1.5	1.1
Gross domestic product	103.7	104.6	105.2	1.0	0.9	0.6	0.9	0.5	0.5	0.6	0.2	0.2	0.5
Terms of trade	102.9	102.8	101.9	1.0	- 0.2	- 0.8	- 0.5	- 0.6	- 1.0	- 1.0	- 3.2	- 3.0	- 1.3
V Distribution of national income													
Compensation of employees	1,131.7	1,136.8	1,129.3	0.3	0.5	- 0.7	- 0.6	- 0.6	- 0.8	- 0.7	0.2	1.1	1.5
Entrepreneurial and property income	465.3	513.8	545.9	3.9	10.4	6.2	3.7	7.7	6.5	7.1	10.9	1.8	6.3
National income	1,597.0	1,650.6	1,675.1	1.3	3.4	1.5	0.8	2.1	1.6	1.5	3.8	1.3	3.2
Memo item: Gross national income	2,145.8	2,209.4	2,248.2	1.4	3.0	1.8	1.0	2.4	2.1	1.6	3.4	1.7	2.8

Source: Federal Statistical Office; figures computed in November 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 Feb	94.7	43.3	107.8	98.1	99.2	100.5	85.8	94.1	107.0	101.8	93.1	112.2
Mar	106.6	60.3	112.3	110.3	108.7	117.8	95.9	102.5	116.5	109.2	113.8	126.4
Apr	102.7	80.5	101.3	104.9	106.1	109.4	87.1	97.4	108.6	106.2	101.2	122.5
May	100.6	83.2	97.8	102.5	105.2	104.6	79.6	97.8	108.6	102.8	99.0	112.1
June	106.3	88.5	92.5	109.5	109.3	117.3	90.5	99.1	108.0	107.7	115.6	122.3
July	106.8	93.0	96.5	109.1	110.2	114.0	83.9	102.8	112.7	108.3	107.7	122.3
Aug	95.7	84.2	92.4	97.2	101.5	94.9	70.0	98.7	108.2	96.1	92.0	90.4
Sep	110.8	92.3	93.6	114.3	113.4	121.4	97.8	106.3	111.4	109.6	114.5	129.7
Oct	113.0	93.2	104.0	115.8	115.6	119.5	100.4	112.8	118.0	112.8	108.0	131.5
Nov	112.2	85.7	107.8	115.1	113.6	122.1	99.2	108.2	110.7	111.0	113.3	130.0
Dec	100.3	61.3	115.5	102.3	94.4	115.5	81.6	97.9	100.9	84.5	128.6	95.7
2006 Jan	98.0	41.6	119.5	100.9	104.5	101.0	86.0	96.4	113.5	104.4	92.5	107.3
Feb	100.3	45.6	109.1	104.3	105.2	109.3	89.5	95.8	109.6	106.7	99.4	121.6
Mar	7 111.5	7 62.8	112.5	115.9	116.3	124.0	98.4	103.0	118.4	116.8	117.3	131.5
Apr	7 107.9	7 85.5	101.9	110.7	113.7	114.1	92.6	101.8	114.0	111.0	108.6	121.0
May	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	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	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	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	7 117.2	7 98.8	94.4	121.3	123.1	128.5	106.6	106.9	112.9	118.8	125.1	131.6
Oct + p	116.8	96.0	101.8	120.3	123.8	123.8	104.9	109.5	117.7	120.6	118.3	125.8
Annual percentage change												
2001	- 0.5	- 7.7	- 2.6	+ 0.5	- 0.5	+ 2.4	+ 0.6	- 1.1	- 1.9	+ 1.1	+ 2.2	+ 4.1
2002	- 1.2	- 4.3	+ 0.1	- 1.1	- 0.5	- 1.2	- 8.4	- 0.6	+ 3.8	+ 0.7	- 2.5	+ 1.3
2003	+ 0.1	- 4.3	+ 2.5	+ 0.2	+ 0.6	+ 0.9	- 5.2	- 0.8	+ 0.3	- 1.9	- 1.7	+ 2.1
2004	+ 2.5	- 5.1	+ 2.9	+ 3.0	+ 3.8	+ 3.6	+ 0.2	+ 0.6	+ 2.5	+ 3.8	+ 3.5	+ 4.0
2005	+ 2.8	- 5.6	+ 0.1	+ 3.7	+ 3.1	+ 5.0	+ 0.5	+ 3.1	+ 5.2	+ 0.9	+ 4.8	+ 4.4
2005 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	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	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	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	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	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	7 + 5.8	7 + 7.0	+ 0.9	+ 6.1	+ 8.6	+ 5.8	+ 9.0	+ 0.6	+ 1.3	+ 8.4	+ 9.3	+ 1.5
Oct + p	+ 3.4	+ 3.0	- 2.1	+ 3.9	+ 7.1	+ 3.6	+ 4.5	- 2.9	- 0.3	+ 6.9	+ 9.5	- 4.3

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. — + Adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the fourth quarter 2006.

IX Economic conditions

3 Orders received by industry *
Germany

Adjusted for working-day variations ◦

Period	Industry		of which									
	2000=100	Annual percent- age change	Intermediate goods		Capital goods 1		Consumer goods 2		of which			
			2000=100	Annual percent- age change	2000=100	Annual percent- age change	2000=100	Annual percent- age change	Durable goods	Non-durable goods 2		
								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 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	129.8	+ 10.5	130.7	+ 14.3	133.5	+ 8.4	111.7	+ 6.1	106.1	+ 7.1	115.2	+ 5.5
Oct p	128.9	+ 8.6	134.2	+ 14.5	128.6	+ 4.7	112.9	+ 5.9	111.1	+ 8.1	114.1	+ 4.8
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 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	86.8	+ 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	119.3	+ 13.1	122.1	+ 14.2	123.1	+ 14.6	100.7	+ 4.5	99.4	+ 7.7	101.5	+ 2.6
Oct p	117.6	+ 9.6	125.9	+ 13.4	114.7	+ 7.5	102.4	+ 3.9	104.3	+ 8.9	101.3	+ 1.0
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 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	142.9	+ 7.8	144.2	+ 14.5	143.1	+ 4.0	136.1	+ 8.8	120.9	+ 6.1	145.6	+ 10.3
Oct p	143.0	+ 7.6	147.1	+ 15.8	141.5	+ 2.8	136.1	+ 9.6	126.0	+ 6.8	142.4	+ 11.3

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

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

IX Economic conditions

4 Orders received by construction *

Adjusted for working-day variations ◊

Period	Germany					Western Germany 1					Eastern Germany 2				
	Total	Annual percentage change	Housing construction	Industrial construction 3	Public sector construction	Total	Annual percentage change	Housing construction	Industrial construction 3	Public sector construction	Total	Annual percentage change	Housing construction	Industrial construction 3	Public sector construction
			2000 = 100	2000 = 100	2000 = 100			2000 = 100	2000 = 100	2000 = 100			2000 = 100	2000 = 100	
2002	88.8	- 6.1	72.8	91.5	95.7	92.1	- 6.9	80.5	94.8	96.4	79.6	- 3.6	51.6	81.9	94.0
2003	79.3	- 10.7	67.5	78.6	87.5	82.0	- 11.0	75.6	79.7	88.7	72.0	- 9.5	45.1	75.4	84.4
2004	74.3	- 6.3	61.3	72.8	84.2	77.0	- 6.1	70.5	74.6	83.8	67.1	- 6.8	35.8	67.7	85.2
2005	73.8	- 0.7	56.9	74.5	83.5	77.8	+ 1.0	66.5	78.0	84.7	62.6	- 6.7	30.5	64.2	80.1
2005 Sep	89.1	+ 3.8	63.8	88.9	105.2	93.8	+ 5.3	74.4	92.5	107.7	76.2	- 0.9	34.6	78.5	98.7
Oct	74.6	+ 0.1	57.1	74.6	85.4	79.3	+ 0.5	67.7	78.2	87.9	61.6	- 1.4	28.0	64.2	78.9
Nov	67.6	+ 9.4	51.2	75.2	69.2	72.4	+ 12.8	59.5	81.6	70.0	54.2	- 1.5	28.4	56.7	67.1
Dec	74.9	+ 7.8	59.3	84.6	73.6	78.6	+ 9.5	68.9	87.8	74.2	64.6	+ 2.5	32.9	75.5	72.1
2006 Jan	50.3	+ 7.7	43.8	53.3	50.9	54.1	+ 8.0	53.1	56.4	52.2	39.6	+ 6.5	18.0	44.3	47.7
Feb	59.1	+ 13.4	46.9	64.7	60.4	64.9	+ 17.6	54.5	70.9	64.5	43.3	+ 0.0	26.0	46.8	50.0
Mar	82.2	+ 4.1	63.0	85.0	91.0	86.3	+ 3.6	74.1	87.2	92.9	70.8	+ 5.7	32.4	78.3	86.0
Apr	80.6	+ 13.7	63.5	80.9	90.8	84.9	+ 14.3	73.5	83.6	93.5	68.8	+ 11.9	36.1	73.0	83.9
May	86.0	+ 10.4	64.3	89.5	95.7	93.9	+ 14.7	75.8	97.3	101.5	64.4	- 3.6	32.5	67.2	80.6
June	93.5	+ 5.6	70.9	87.8	113.9	97.9	+ 4.7	82.8	87.2	119.9	81.2	+ 8.7	38.2	89.4	98.3
July	87.5	+ 7.4	68.6	84.7	102.4	91.7	+ 8.8	79.8	87.1	104.7	75.9	+ 2.6	37.8	77.9	96.6
Aug	84.1	+ 2.1	59.9	86.9	96.1	88.3	+ 1.6	70.6	89.7	97.9	72.8	+ 3.7	30.6	79.0	91.5
Sep	90.8	+ 1.9	66.5	93.9	102.5	94.6	+ 0.9	74.0	96.4	105.6	80.4	+ 5.5	45.7	86.8	94.5

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

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

5 Retail trade turnover *
Germany

Adjusted for working-day variations ◊

Period	Retail trade 1										Memo item					
	Total	Annual percentage change		of which: by enterprises' main product range 2						Retail trade plus retail sales of motor vehicles and motorcycles and sales of automotive fuel			of which			
		2003 = 100	Not adjusted	Price-adjusted 4	Food, beverages, tobacco		Cosmetic, pharmaceutical and medical products		Textiles, clothing, footwear and leather goods		Furniture and lighting equipments, domestic appliances, building materials		2003 = 100	Not adjusted	Price-adjusted 4	2003 = 100	Annual percentage change
1999	97.8	+ 0.5	+ 0.3	89.7	+ 0.7	82.9	+ 7.4	111.8	- 0.3	110.6	- 1.0	97.2	+ 0.9	+ 0.4	94.6	+ 3.3
2000	100.2	+ 2.5	+ 1.2	91.5	+ 2.0	87.8	+ 5.9	111.7	- 0.1	113.4	+ 2.5	98.6	+ 1.4	+ 0.3	92.6	- 2.1
2001	102.1	+ 1.9	.	95.7	+ 4.6	94.3	+ 7.4	111.3	- 0.4	109.6	- 3.4	100.7	+ 2.1	.	95.3	+ 2.9
2002	100.5	- 1.6	- 1.3	98.3	+ 2.7	97.6	+ 3.5	105.7	- 5.0	100.9	- 7.9	99.9	- 0.8	- 0.8	98.1	+ 2.9
2003 5	100.1	- 0.4	- 0.4	100.2	+ 1.9	100.1	+ 2.6	100.2	- 5.2	100.2	- 0.7	100.2	+ 0.3	+ 0.0	100.5	+ 2.4
2004	101.6	+ 1.5	+ 1.6	103.2	+ 3.0	99.6	- 0.5	103.1	+ 2.9	103.5	+ 3.3	101.9	+ 1.7	+ 1.3	102.5	+ 2.0
2005 6	103.9	+ 2.3	+ 1.7	106.6	+ 3.3	104.7	+ 5.1	106.5	+ 3.3	102.2	- 1.3	104.5	+ 2.6	+ 1.9	106.7	+ 4.1
2005 Oct 6	107.9	+ 1.1	+ 0.5	106.8	+ 2.4	108.3	+ 2.6	123.8	+ 2.4	108.8	- 1.6	108.4	+ 1.8	+ 0.7	110.2	+ 4.1
Nov	109.6	+ 1.5	+ 0.7	108.1	+ 1.4	108.0	+ 3.9	115.2	+ 3.8	109.5	- 1.9	110.7	+ 2.1	+ 1.0	116.1	+ 4.9
Dec	125.6	+ 0.8	+ 0.5	124.7	+ 1.1	123.3	+ 2.3	133.5	+ 2.7	122.0	- 0.3	119.5	+ 1.0	+ 0.3	100.1	+ 2.6
2006 Jan	98.3	+ 2.4	+ 2.0	100.2	+ 1.8	103.8	+ 8.2	94.2	+ 3.9	95.5	+ 0.8	95.6	+ 2.0	+ 1.0	86.3	- 0.1
Feb	92.0	+ 1.1	+ 0.2	98.3	+ 0.6	98.3	+ 2.1	78.3	+ 2.0	89.3	+ 1.0	92.0	+ 1.7	+ 0.3	92.2	+ 2.9
Mar	105.6	- 0.4	- 0.9	108.9	- 0.6	108.8	+ 3.1	104.6	- 0.9	106.4	- 0.7	107.9	- 0.2	- 1.2	117.1	+ 0.5
Apr	105.4	+ 1.8	+ 1.4	108.2	+ 1.1	106.4	+ 5.0	115.8	- 2.1	107.3	+ 4.6	108.6	+ 2.1	+ 1.0	119.4	+ 2.6
May	104.7	+ 0.7	+ 0.0	108.4	- 1.5	105.9	+ 2.3	112.1	+ 5.5	104.2	+ 3.3	107.6	+ 1.3	+ 0.2	116.7	+ 2.7
June	101.6	+ 2.2	+ 1.3	107.6	+ 1.6	105.0	+ 2.7	102.9	+ 3.9	97.9	+ 1.6	105.2	+ 2.3	+ 1.1	116.9	+ 2.5
July	103.2	+ 1.2	+ 0.3	111.0	+ 4.3	108.4	+ 0.7	103.5	- 0.2	97.7	- 1.2	106.6	+ 1.5	+ 0.3	116.8	+ 1.7
Aug	101.7	+ 1.4	+ 0.8	104.0	+ 0.2	102.6	+ 2.6	106.1	+ 5.8	101.1	+ 3.6	102.7	+ 2.7	+ 1.7	104.7	+ 7.7
Sep	100.7	- 0.3	- 0.7	101.2	+ 0.3	104.1	- 0.2	102.9	- 2.2	103.1	+ 4.2	103.2	+ 1.1	+ 0.4	111.3	+ 5.8
Oct	107.9	+ 0.0	- 0.5	105.1	- 1.6	108.0	- 0.3	124.6	+ 0.6	112.6	+ 3.5	110.1	+ 1.6	+ 1.0	118.7	+ 7.7

Source of the unadjusted figures: Federal Statistical Office. — * Excluding value-added tax. — ◊ Using the Census X-12-ARIMA method, version 0.2.8. — 1 Excluding sales of motor vehicles and motorcycles and excluding the sale of automotive fuel. — 2 Retail sales in stores. — 3 Including motor vehicle parts and accessories.— 4 Up to (and including) 2000, at 1995 prices;

from 2001, at 2000 prices. — 5 Figures for 2003 do not include Lower Saxony. — 6 Figures from January 2005 are provisional, some of them have been revised. Figures for recent months are particularly uncertain owing to estimates for missing returns.

IX Economic conditions

6 Labour market *

Period	Employed 1			Employees 1		Persons in employment 2		Short-time workers 5	Persons employed under employment promotion schemes 6,7	Persons undergoing vocational further training 7	Unemployed 7		Unemployment rate 7,8 in %	Vacancies, 7 thousands			
	Thousands	Annual change		Thousands	Annual percentage change	Mining and manufacturing sector 3	Construction 4				Thousands	Thousands			Thousands	Thousands	Annual change, thousands
		in %	Thousands															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	10.5	286		
2005	38,822	- 0.1	- 53	34,466	- 0.5		5,931	719	126	62	115	4,861	+ 479	11.7	413		
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	38,366	- 0.0	- 7				5,863	655	96	49	120	5,010	- 76	12.1	415		
2006 Feb	38,365	- 0.1	- 21	34,048	- 0.1		5,853	636	101	46	113	5,048	- 241	12.2	464		
2006 Mar	38,483	+ 0.1	+ 46				5,857	651	105	45	110	4,977	- 289	12.0	506		
2006 Apr	38,714	+ 0.4	+ 153				5,858	686	83	45	110	4,790	- 262	11.5	546		
2006 May	38,948	+ 0.6	+ 226	34,518	+ 0.6		5,861	698	72	49	114	4,535	- 349	10.8	565		
2006 June	39,101	+ 0.8	+ 297				5,888	706	62	51	118	4,399	- 382	10.5	581		
2006 July	39,111	+ 0.9	+ 340				5,895	709	54	51	114	4,386	- 451	10.5	627		
2006 Aug	39,187	+ 0.9	+ 338	34,852	+ 0.9		5,932	718	48	51	110	4,372	- 426	10.5	619		
2006 Sep	39,497	+ 0.9	+ 334				5,948	720	46	52	124	4,237	- 409	10.1	621		
2006 Oct	16 39,678	16 + 0.9	16 + 346				...	...	...	15 56	15 133	r 4,084	- 471	9.8	626
2006 Nov	...	...	...	...	...	...	...	...	...	15 56	15 138	r 3,995	- 536	9.6	609
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	8.5	239
2005	.	.	.	.	.		5,214	529	101	13	77	3,247	+ 464	9.9	325
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	9.2	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	10	76	2,941	- 297	8.8	480
2006 Sep	.	.	.	.	.		5,206	529	38	15	11	2,835	- 305	8.5	478
2006 Oct	.	.	.	.	.		...	...	...	15 12	15 94	r 2,738	- 360	8.2	473
2006 Nov	.	.	.	.	.		...	...	...	15 11	15 97	r 2,672	- 409	8.0	464
Eastern Germany +																	
2003	.	.	.	.	.	9	632	223	35	112	99	1,624	+ 61	18.5	63
2004	.	.	.	.	.		639	207	29	93	63	1,599	+ 4	18.4	47
2005	.	.	.	.	.		717	189	25	49	38	1,614	+ 16	18.7	88
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	17.4	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	34	1,431	- 129	16.7	139
2006 Sep	.	.	.	.	.		742	191	8	15	42	1,402	- 104	16.4	143
2006 Oct	.	.	.	.	.		...	...	...	15 45	15 39	r 1,346	- 111	15.7	153
2006 Nov	.	.	.	.	.		...	...	...	15 45	15 41	r 1,323	- 127	15.5	145

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

wards are positively affected by the first-time inclusion of firms which are required to report and which have been identified in the course of drawing up the corporate register. — 10 From January 2004, unemployed persons excluding all those participating in occupational aptitude testing and training schemes. — 11 From January 2005, unemployed persons including recipients of social assistance who are able to work. — 12 From January 2005, including offers of job opportunities. — 13 Provisional up to adjustment to the figures of the annual overall survey. — 14 From May 2006, calculated on the basis of new labour force figures. — 15 Annualised data from the Federal Employment Agency based on information received so far. — 16 Initial preliminary estimate by the Federal Statistical Office.

IX Economic conditions

7 Prices
Germany

Period	Consumer price index						Construction price index 2,3	Index of producer prices of industrial products sold on the domestic market 4	Index of producer prices of agricultural products 4	Indices of foreign trade prices		HWWA Index of World Market Prices of Raw Materials 5	
	Total	of which								Exports	Imports	Energy 6	Other raw materials 7
		Food	Other durable and non-durable consumer goods excluding energy 1,2	Energy 1	Services excluding house rents 2	House rents							
2000 = 100													
2001	102.0	105.1	100.3	105.7	102.4	101.2	100.3	103.0	107.1	101.0	100.6	91.4	91.9
2002	103.4	106.1	101.1	106.0	104.9	102.6	100.2	102.4	100.0	100.8	98.4	86.1	91.1
2003	104.5	106.0	101.4	110.2	106.4	103.8	100.3	104.1	101.3	100.6	96.2	82.9	86.9
2004	106.2	105.7	102.9	114.8	108.9	104.8	101.4	105.8	99.7	101.1	97.2	101.4	96.3
2005	108.3	105.8	103.8	126.6	111.1	105.9	102.7	110.7	98.8	102.4	101.4	139.5	105.4
2005 Feb	107.3	106.3	103.6	117.5	110.5	105.6	102.5	108.5	98.8	101.8	98.8	111.4	99.2
Mar	107.6	106.6	103.7	120.7	110.3	105.6	102.5	109.1	100.0	102.1	100.1	125.3	103.1
Apr	107.7	106.4	103.7	123.3	109.7	105.7	102.5	109.9	98.4	102.1	100.1	128.2	103.1
May	108.0	107.1	103.6	123.0	110.9	105.8	102.5	109.9	98.4	102.0	99.7	124.3	102.3
June	108.1	107.0	103.5	125.8	110.6	105.9	102.5	110.4	98.5	102.2	101.3	144.6	106.6
July	108.6	105.9	103.2	129.0	112.1	106.0	102.7	111.0	97.5	102.4	101.9	151.8	107.0
Aug	108.7	104.9	103.1	130.9	112.5	106.0	102.7	111.3	98.7	102.4	102.8	160.9	105.9
Sep	109.1	104.8	104.2	135.1	111.3	106.0	102.7	111.8	98.4	102.8	103.3	160.5	105.8
Oct	109.1	104.4	104.3	135.6	111.2	106.1	103.0	112.6	98.7	103.0	103.7	154.0	108.0
Nov	108.6	104.6	104.4	130.9	110.4	106.2	103.0	112.5	100.4	103.0	103.5	148.5	112.0
Dec	109.6	105.5	104.2	131.0	113.7	106.3	103.0	112.8	101.4	103.1	103.8	152.0	115.8
2006 Jan	109.1	106.6	103.7	134.4	110.7	106.5	103.7	114.1	101.1	103.3	104.7	163.7	120.1
Feb	109.5	107.1	104.0	134.7	111.6	106.7	103.7	114.9	103.3	103.7	105.1	160.9	124.5
Mar	109.5	107.0	104.4	135.0	111.3	106.7	103.7	115.5	104.8	104.0	105.6	163.6	123.7
Apr	109.9	107.4	104.4	139.2	111.2	106.8	104.4	116.6	105.9	104.5	107.0	177.8	129.3
May	110.1	108.4	104.3	139.8	111.3	106.9	104.4	116.7	106.2	104.8	107.2	171.6	134.5
June	110.3	108.5	104.2	140.7	111.7	107.0	104.4	117.1	106.9	104.8	107.0	172.7	130.0
July	110.7	108.1	103.9	142.1	113.6	107.1	105.9	117.7	105.9	105.2	108.3	182.1	135.6
Aug	110.6	107.7	103.8	141.3	113.3	107.2	105.9	117.9	109.9	105.2	108.5	178.5	134.3
Sep	110.2	108.0	104.4	136.1	112.3	107.2	105.9	117.5	109.4	105.2	107.1	155.4	133.7
Oct	110.3	107.5	105.2	135.4	112.2	107.3	...	117.8	...	105.6	106.8	146.8	139.0
Nov	110.2	107.8	105.4	134.6	111.6	107.4	...	...	...	...	...	144.9	137.7
Annual percentage change													
2001	+ 2.0	+ 5.1	+ 0.3	+ 5.7	+ 2.4	+ 1.2	+ 0.3	+ 3.0	+ 7.1	+ 1.0	+ 0.6	- 8.6	- 8.1
2002	+ 1.4	+ 1.0	+ 0.8	+ 0.3	+ 2.4	+ 1.4	- 0.1	- 0.6	- 6.6	- 0.2	- 2.2	- 5.8	- 0.9
2003	+ 1.1	- 0.1	+ 0.3	+ 4.0	+ 1.4	+ 1.2	+ 0.1	+ 1.7	+ 1.3	- 0.2	- 2.2	- 3.7	- 4.6
2004	+ 1.6	- 0.3	+ 1.5	+ 4.2	+ 2.3	+ 1.0	+ 1.1	+ 1.6	- 1.6	+ 0.5	+ 1.0	+ 22.3	+ 10.8
2005	+ 2.0	+ 0.1	+ 0.9	+ 10.3	+ 2.0	+ 1.0	+ 1.3	+ 4.6	- 0.9	+ 1.3	+ 4.3	+ 37.6	+ 9.4
2005 Feb	+ 1.8	- 0.1	+ 1.7	+ 6.6	+ 2.0	+ 1.1	+ 2.0	+ 4.2	- 6.1	+ 1.5	+ 3.7	+ 35.5	+ 3.1
Mar	+ 1.8	+ 0.5	+ 0.6	+ 8.3	+ 2.1	+ 1.0	+ 2.0	+ 4.2	- 4.9	+ 1.3	+ 3.8	+ 37.4	- 0.4
Apr	+ 1.6	+ 0.1	+ 0.4	+ 9.0	+ 1.5	+ 1.0	+ 1.1	+ 4.6	- 5.8	+ 1.0	+ 3.3	+ 35.1	- 1.9
May	+ 1.7	+ 0.5	+ 0.5	+ 5.9	+ 2.6	+ 1.1	+ 1.1	+ 4.1	- 5.6	+ 0.7	+ 2.2	+ 18.9	+ 1.2
June	+ 1.8	+ 0.3	+ 0.4	+ 10.2	+ 1.8	+ 1.0	+ 1.1	+ 4.6	- 8.1	+ 1.1	+ 4.4	+ 43.5	+ 7.6
July	+ 2.0	- 0.1	+ 0.4	+ 11.7	+ 2.0	+ 1.1	+ 0.9	+ 4.6	- 7.1	+ 1.2	+ 4.7	+ 45.0	+ 9.6
Aug	+ 1.9	+ 0.0	+ 0.3	+ 11.6	+ 2.0	+ 1.0	+ 0.9	+ 4.6	- 1.1	+ 0.9	+ 4.7	+ 40.8	+ 11.9
Sep	+ 2.5	+ 0.5	+ 1.3	+ 15.9	+ 1.9	+ 1.0	+ 1.0	+ 4.9	- 0.7	+ 1.3	+ 5.1	+ 42.4	+ 13.2
Oct	+ 2.3	+ 0.2	+ 1.4	+ 12.6	+ 2.1	+ 1.0	+ 1.0	+ 4.6	+ 1.3	+ 1.3	+ 4.3	+ 25.2	+ 17.4
Nov	+ 2.3	+ 0.5	+ 1.4	+ 11.7	+ 1.8	+ 1.0	+ 1.0	+ 5.0	+ 1.8	+ 1.4	+ 5.5	+ 37.4	+ 22.5
Dec	+ 2.1	+ 0.2	+ 0.5	+ 14.4	+ 1.8	+ 1.0	+ 1.0	+ 5.2	+ 2.7	+ 1.9	+ 6.8	+ 57.0	+ 29.8
2006 Jan	+ 2.1	+ 0.9	+ 0.2	+ 15.5	+ 0.8	+ 1.0	+ 1.2	+ 5.6	+ 3.6	+ 1.8	+ 6.8	+ 52.3	+ 25.5
Feb	+ 2.1	+ 0.8	+ 0.4	+ 14.6	+ 1.0	+ 1.0	+ 1.2	+ 5.9	+ 4.6	+ 1.9	+ 6.4	+ 44.4	+ 25.5
Mar	+ 1.8	+ 0.4	+ 0.7	+ 11.8	+ 0.9	+ 1.0	+ 1.2	+ 5.9	+ 4.8	+ 1.9	+ 5.5	+ 30.6	+ 20.0
Apr	+ 2.0	+ 0.9	+ 0.7	+ 12.9	+ 1.4	+ 1.0	+ 1.9	+ 6.1	+ 7.6	+ 2.4	+ 6.9	+ 38.7	+ 25.4
May	+ 1.9	+ 1.2	+ 0.7	+ 13.7	+ 0.4	+ 1.0	+ 1.9	+ 6.2	+ 7.9	+ 2.7	+ 7.5	+ 38.1	+ 31.5
June	+ 2.0	+ 1.4	+ 0.7	+ 11.8	+ 1.0	+ 1.0	+ 1.9	+ 6.1	+ 8.5	+ 2.5	+ 5.6	+ 19.4	+ 22.0
July	+ 1.9	+ 2.1	+ 0.7	+ 10.2	+ 1.3	+ 1.0	+ 3.1	+ 6.0	+ 8.6	+ 2.7	+ 6.3	+ 20.0	+ 26.7
Aug	+ 1.7	+ 2.7	+ 0.7	+ 7.9	+ 0.7	+ 1.1	+ 3.1	+ 5.9	+ 11.3	+ 2.7	+ 5.5	+ 10.9	+ 26.8
Sep	+ 1.0	+ 3.1	+ 0.2	+ 0.7	+ 0.9	+ 1.1	+ 3.1	+ 5.1	+ 11.2	+ 2.3	+ 3.7	- 3.2	+ 26.4
Oct	+ 1.1	+ 3.0	+ 0.9	- 0.1	+ 0.9	+ 1.1	...	+ 4.6	...	+ 2.5	+ 3.0	- 4.7	+ 28.7
Nov	+ 1.5	+ 3.1	+ 1.0	+ 2.8	+ 1.1	+ 1.1	...	...	...	...	...	- 2.4	+ 22.9

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

tion price level. — 4 Excluding value-added tax. — 5 For the euro area, in euro. — 6 Coal and crude oil. — 7 Food, beverages and tobacco as well as industrial raw materials.

IX Economic conditions

8 Households' income * Germany

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

Period	Gross wages and salaries 1		Net wages and salaries 2		Monetary social benefits received 3		Mass income 4		Disposable income 5		Saving 6		Saving ratio 7
	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	DM / €	Annual percentage change	
1995	1,575.1	3.2	1,034.9	0.8	553.5	4.6	1,588.4	2.1	2,344.9	3.0	257.6	- 0.6	11.0
1996	1,592.5	1.1	1,029.9	- 0.5	599.0	8.2	1,629.0	2.6	2,386.5	1.8	251.7	- 2.3	10.5
1997	1,589.7	- 0.2	1,012.9	- 1.7	613.2	2.4	1,626.1	- 0.2	2,427.6	1.7	245.4	- 2.5	10.1
1998	1,623.0	2.1	1,036.3	2.3	625.0	1.9	1,661.3	2.2	2,474.2	1.9	249.4	- 1.7	10.1
1999	854.6	3.0	547.5	3.3	330.5	3.4	878.0	3.4	1,297.7	2.6	122.7	- 3.8	9.5
2000	883.4	3.4	569.6	4.0	339.9	2.8	909.5	3.6	1,337.4	3.1	123.2	0.4	9.2
2001	902.0	2.1	590.0	3.6	353.8	4.1	943.9	3.8	1,389.5	3.9	130.9	6.2	9.4
2002	908.2	0.7	591.9	0.3	367.7	3.9	959.6	1.7	1,402.8	1.0	139.3	6.4	9.9
2003	908.1	- 0.0	588.6	- 0.6	377.7	2.7	966.3	0.7	1,429.1	1.9	147.4	5.8	10.3
2004	914.3	0.7	603.1	2.5	377.9	0.0	981.0	1.5	1,454.8	1.8	151.9	3.1	10.4
2005	911.4	- 0.3	601.4	- 0.3	377.4	- 0.1	978.8	- 0.2	1,477.9	1.6	156.9	3.3	10.6
2004 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	214.1	0.2	139.9	- 1.1	95.3	0.4	235.2	- 0.5	378.5	3.0	53.0	1.9	14.0
Q2	222.6	1.4	142.4	- 0.3	94.8	0.3	237.2	- 0.0	370.7	1.5	37.3	1.5	10.1
Q3	229.5	1.5	153.5	0.5	94.0	0.1	247.5	0.4	373.0	1.6	33.3	0.0	8.9

Source: Federal Statistical Office; figures computed in November 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	109.1	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	112.4	0.9	112.8	1.1	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	102.0	0.9	102.5	1.1	100.0	0.3	103.2	1.7	103.3	2.0	.	.
Q2	102.9	1.6	103.4	1.8	102.8	0.8	104.0	2.5	104.1	2.8	.	.
Q3	112.7	0.3	113.3	0.5	105.2	0.6	120.4	1.5	120.5	1.8	.	.
2006 Apr	103.8	2.2	104.3	2.4	.	.	103.9	2.6	104.0	2.9	.	.
May	102.6	1.5	103.2	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	133.5	- 0.4	134.1	- 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	.	.
Oct	102.5	- 0.1	103.0	0.1	.	.	103.8	- 0.0	103.8	0.3	.	.

1 Current data are normally revised upwards on account of additional reports. — 2 Source: Federal Statistical Office; figures computed in November 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	2006					
				Q1	Q2	Q3	July	Aug	Sep
A Current account	+ 32,441	+ 55,595	- 8,231	- 12,843	- 7,626	- 508	+ 2,450	- 2,114	- 844
1 Goods									
Exports (fob)	1,036,848	1,132,365	1,224,275	329,749	341,778	345,105	116,030	106,801	122,274
Imports (fob)	931,865	1,028,889	1,176,105	332,574	335,446	338,869	110,389	109,627	118,853
Balance	+ 104,983	+ 103,473	+ 48,170	- 2,826	+ 6,333	+ 6,237	+ 5,641	- 2,825	+ 3,421
2 Services									
Receipts	334,174	364,839	400,260	96,596	106,619	113,020	39,074	37,319	36,627
Expenditure	312,220	334,069	364,305	91,822	94,520	104,236	33,512	37,117	33,607
Balance	+ 21,955	+ 30,769	+ 35,953	+ 4,773	+ 12,098	+ 8,784	+ 5,562	+ 202	+ 3,020
3 Income	- 38,136	- 19,833	- 22,201	+ 1,383	- 10,290	+ 6,109	- 1,758	+ 7,243	+ 624
4 Current transfers									
Transfers from non-residents	82,796	81,647	85,060	29,620	17,309	14,695	4,564	5,921	4,210
Transfers to non-residents	139,158	140,462	155,216	45,792	33,077	36,331	11,557	12,655	12,119
Balance	- 56,363	- 58,816	- 70,155	- 16,172	- 15,768	- 21,636	- 6,994	- 6,734	- 7,908
B Capital account	+ 12,340	+ 16,605	+ 11,936	+ 2,010	+ 989	+ 1,973	+ 721	+ 1,099	+ 153
C Financial account (net capital exports: -)	- 490	- 21,089	+ 37,430	+ 65,740	+ 51,118	+ 49,112	+ 12,259	- 8,315	+ 45,168
1 Direct investment	- 11,416	- 64,182	- 202,294	- 31,540	- 12,146	- 36,841	- 9,378	- 7,579	- 19,884
By resident units abroad	- 146,433	- 154,832	- 294,007	- 50,546	- 111,032	- 54,865	- 13,055	- 8,222	- 33,588
By non-resident units in the euro area	+ 135,018	+ 90,648	+ 91,712	+ 19,005	+ 98,885	+ 18,025	+ 3,678	+ 643	+ 13,704
2 Portfolio investment	+ 73,607	+ 68,237	+ 156,896	+ 22,857	+ 98,890	+ 26,566	+ 1,018	- 14,994	+ 40,542
By resident units abroad	- 278,993	- 342,325	- 406,065	- 194,243	- 40,973	- 106,170	- 40,002	- 23,767	- 42,401
Equity	- 80,039	- 106,639	- 134,631	- 97,069	+ 19,144	- 25,837	- 5,959	- 9,731	- 10,147
Bonds and notes	- 176,936	- 177,286	- 257,237	- 89,943	- 49,131	- 65,499	- 14,267	- 16,993	- 34,239
Money market instruments	- 22,016	- 58,400	- 14,196	- 7,229	- 10,985	- 14,833	- 19,776	+ 2,958	+ 1,985
By non-resident units in the euro area	+ 352,600	+ 410,561	+ 562,961	+ 217,099	+ 139,862	+ 132,735	+ 41,019	+ 8,773	+ 82,943
Equity	+ 110,397	+ 123,931	+ 282,784	+ 121,235	+ 35,451	+ 73,658	+ 45,545	- 2,473	+ 30,586
Bonds and notes	+ 200,022	+ 272,086	+ 242,522	+ 80,841	+ 115,407	+ 56,755	+ 629	+ 8,365	+ 47,761
Money market instruments	+ 42,183	+ 14,543	+ 37,655	+ 15,024	- 10,995	+ 2,321	- 5,155	+ 2,881	+ 4,595
3 Financial derivatives	- 14,383	- 6,641	- 10,687	- 8,512	- 1,711	+ 4,696	+ 1,758	- 3,756	+ 6,694
4 Other investment	- 76,122	- 30,885	+ 75,500	+ 76,803	- 32,514	+ 57,347	+ 19,649	+ 18,843	+ 18,855
Eurosystem	+ 9,817	+ 7,561	+ 6,092	+ 3,289	+ 3,084	+ 2,515	+ 826	- 1,268	+ 2,957
General government	- 3,647	- 5,097	+ 2,787	+ 3,989	- 10,844	+ 18,035	+ 8,855	- 40	+ 9,220
MFIs (excluding the Eurosystem)	- 17,810	- 16,821	+ 81,633	+ 85,783	- 47,475	+ 44,814	+ 21,594	+ 26,366	- 3,146
Long-term	+ 1,553	- 12,979	- 46,932	- 434	- 10,297	- 18,218	- 5,494	- 1,916	- 10,808
Short-term	- 19,363	- 3,840	+ 128,566	+ 86,216	- 37,178	+ 63,033	+ 27,089	+ 28,282	+ 7,662
Other sectors	- 64,482	- 16,529	- 15,013	- 16,258	+ 22,720	- 8,016	- 11,626	- 6,215	+ 9,825
5 Reserve assets (Increase: -)	+ 27,823	+ 12,382	+ 18,016	+ 6,133	- 1,401	- 2,656	- 788	- 829	- 1,039
D Errors and omissions	- 44,291	- 51,111	- 41,131	- 54,910	- 44,481	- 50,579	- 15,431	+ 9,329	- 44,477

* Source: European Central Bank.

X External sector

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

Period	Current account						Capital transfers and acquisition/disposal of non-produced non-financial assets	Financial account		Errors and Omissions
	Balance on current account	Foreign trade 1,2	Supplementary trade items 3,4	Services 5	Income	Current transfers		Total 6	of which Change in reserve assets at transaction value 7	
DM million										
1992	- 35,438	+ 33,656	- 1,426	- 44,983	+ 28,481	- 51,167	- 1,963	+ 16,574	- 52,888	+ 20,827
1993	- 31,450	+ 60,304	- 3,217	- 52,549	+ 19,095	- 55,083	- 1,915	+ 43,448	+ 22,795	- 10,082
1994	- 49,418	+ 71,762	- 1,318	- 62,803	+ 2,393	- 59,451	- 2,637	+ 60,708	+ 2,846	- 8,653
1995	- 42,363	+ 85,303	- 4,294	- 63,985	- 3,975	- 55,413	- 3,845	+ 50,117	- 10,355	- 3,909
1996	- 21,086	+ 98,538	- 4,941	- 64,743	+ 1,052	- 50,991	- 3,283	+ 24,290	+ 1,882	+ 79
1997	- 17,336	+ 116,467	- 7,875	- 68,692	- 4,740	- 52,496	+ 52	+ 6,671	+ 6,640	+ 10,613
1998	- 28,695	+ 126,970	- 8,917	- 75,053	- 18,635	- 53,061	+ 1,289	+ 25,683	- 7,128	+ 1,724
1999	- 49,241	+ 127,542	- 15,947	- 90,036	- 22,325	- 48,475	- 301	- 20,332	+ 24,517	+ 69,874
2000	- 68,913	+ 115,645	- 17,742	- 95,848	- 16,302	- 54,666	+ 13,345	+ 66,863	+ 11,429	- 11,294
2001	+ 830	+ 186,771	- 14,512	- 97,521	- 21,382	- 52,526	- 756	+ 23,068	+ 11,797	+ 22,994
€ million										
1999	- 25,177	+ 65,211	- 8,153	- 46,035	- 11,415	- 24,785	- 154	- 10,396	+ 12,535	+ 35,726
2000	- 35,235	+ 59,128	- 9,071	- 49,006	- 8,335	- 27,950	+ 6,823	+ 34,187	+ 5,844	- 5,775
2001	+ 425	+ 95,495	- 7,420	- 49,862	- 10,932	- 26,856	- 387	- 11,794	+ 6,032	+ 11,757
2002	+ 43,375	+ 132,788	- 8,552	- 35,328	- 18,022	- 27,511	- 212	- 38,448	+ 2,065	- 4,716
2003	+ 40,291	+ 129,921	- 11,149	- 34,274	- 15,925	- 28,282	+ 312	- 48,054	+ 445	+ 7,451
2004	+ 81,925	+ 156,096	- 15,243	- 31,254	+ 635	- 28,309	+ 430	- 114,695	+ 1,470	+ 32,340
2005 r	+ 90,270	+ 158,179	- 20,148	- 27,484	+ 8,643	- 28,921	- 1,268	- 103,765	+ 2,182	+ 14,763
2003 Q4	+ 15,078	+ 31,815	- 2,994	- 4,886	- 2,571	- 6,285	- 16	- 27,506	+ 1,186	+ 12,444
2004 Q1	+ 24,233	+ 41,359	- 3,325	- 6,993	- 1,151	- 5,656	+ 280	+ 482	+ 205	- 24,996
Q2	+ 24,091	+ 43,303	- 3,510	- 5,945	- 2,401	- 7,357	+ 177	- 61,906	- 339	+ 37,638
Q3	+ 13,814	+ 36,436	- 4,269	- 11,476	+ 1,555	- 8,432	+ 191	- 23,665	+ 1,568	+ 9,660
Q4	+ 19,787	+ 34,998	- 4,139	- 6,841	+ 2,632	- 6,863	- 218	- 29,606	+ 37	+ 10,037
2005 Q1 r	+ 29,157	+ 43,196	- 4,421	- 5,405	+ 3,135	- 7,348	- 1,491	- 22,212	- 181	- 5,454
Q2 r	+ 22,545	+ 40,670	- 4,677	- 5,755	- 1,307	- 6,386	+ 107	- 24,952	+ 1,230	+ 2,300
Q3 r	+ 19,141	+ 40,695	- 5,182	- 12,038	+ 3,294	- 7,628	+ 60	- 15,553	- 783	- 3,648
Q4 r	+ 19,426	+ 33,619	- 5,868	- 4,287	+ 3,520	- 7,558	+ 57	- 41,048	+ 1,916	+ 21,566
2006 Q1	+ 26,486	+ 39,887	- 4,657	- 5,983	+ 3,276	- 6,037	+ 153	- 40,869	+ 1,082	+ 14,230
Q2	+ 21,622	+ 37,556	- 4,872	- 4,111	- 2,113	- 4,837	+ 13	- 52,327	+ 367	+ 30,692
Q3	+ 19,320	+ 40,090	- 5,142	- 11,331	+ 3,269	- 7,566	- 253	- 16,712	+ 844	- 2,355
2004 May	+ 7,634	+ 14,140	- 1,223	- 1,409	- 1,232	- 2,642	- 30	- 7,317	+ 607	- 287
June	+ 8,741	+ 14,791	- 1,219	- 2,347	+ 442	- 2,926	+ 123	- 14,496	- 318	+ 5,633
July	+ 6,300	+ 13,572	- 1,722	- 2,426	+ 178	- 3,301	+ 164	+ 2,957	+ 847	- 9,421
Aug	+ 2,543	+ 10,917	- 1,411	- 4,865	+ 300	- 2,398	+ 80	+ 7,626	+ 517	+ 5,003
Sep	+ 4,972	+ 11,947	- 1,135	- 4,184	+ 1,078	- 2,733	- 52	- 18,996	+ 204	+ 14,077
Oct	+ 6,360	+ 12,387	- 1,438	- 2,820	+ 709	- 2,478	- 22	- 1,620	+ 839	- 4,718
Nov	+ 7,293	+ 11,763	- 1,336	- 1,592	+ 906	- 2,448	- 186	- 19,467	- 182	+ 12,360
Dec	+ 6,134	+ 10,848	- 1,365	- 2,429	+ 1,017	- 1,938	- 10	- 8,520	- 621	+ 2,396
2005 Jan r	+ 7,778	+ 13,312	- 1,621	- 1,857	+ 581	- 2,637	- 1,221	+ 12,632	- 353	- 19,189
Feb r	+ 9,450	+ 13,616	- 1,372	- 1,385	+ 963	- 2,372	- 107	- 8,536	+ 494	- 807
Mar r	+ 11,929	+ 16,268	- 1,428	- 2,163	+ 1,591	- 2,340	- 164	- 26,308	- 322	+ 14,543
Apr r	+ 5,995	+ 12,407	- 1,474	- 1,737	- 1,809	- 1,392	- 199	- 17,735	+ 404	+ 11,939
May r	+ 5,363	+ 11,966	- 1,376	- 2,271	- 809	- 2,146	+ 272	+ 8,006	- 141	+ 13,641
June r	+ 11,187	+ 16,296	- 1,826	- 1,746	+ 1,312	- 2,848	+ 34	- 15,223	+ 967	+ 4,002
July r	+ 7,420	+ 13,545	- 1,662	- 2,913	+ 876	- 2,426	+ 104	- 5,743	+ 324	- 1,781
Aug r	+ 3,703	+ 12,235	- 1,707	- 5,364	+ 883	- 2,345	- 86	+ 580	+ 932	- 4,196
Sep r	+ 8,018	+ 14,915	- 1,813	- 3,761	+ 1,535	- 2,858	+ 42	- 10,389	- 2,039	+ 2,329
Oct r	+ 5,769	+ 11,788	- 2,350	- 2,757	+ 1,425	- 2,337	+ 329	- 7,280	+ 207	+ 1,181
Nov r	+ 8,032	+ 12,951	- 1,851	- 1,027	+ 1,059	- 3,100	- 108	- 15,291	+ 1,059	+ 7,366
Dec r	+ 5,624	+ 8,880	- 1,668	- 503	+ 1,036	- 2,121	- 165	- 18,478	+ 650	+ 13,018
2006 Jan	+ 6,254	+ 12,583	- 1,714	- 3,043	+ 815	- 2,386	+ 7	- 11,489	- 26	+ 5,227
Feb	+ 10,986	+ 12,951	- 1,217	- 924	+ 1,552	- 1,376	+ 283	- 15,867	+ 1,534	+ 4,599
Mar	+ 9,246	+ 14,354	- 1,726	- 2,016	+ 910	- 2,274	- 137	- 13,514	+ 426	+ 4,404
Apr	+ 6,982	+ 11,235	- 1,489	- 1,067	+ 539	- 2,237	- 144	- 9,868	+ 1,475	+ 3,030
May	+ 3,914	+ 12,971	- 1,577	- 1,618	- 4,753	- 1,109	- 282	- 13,147	- 1,067	+ 9,515
June	+ 10,727	+ 13,350	- 1,806	- 1,426	+ 2,100	- 1,491	+ 439	- 29,312	- 41	+ 18,147
July	+ 7,170	+ 13,193	- 1,916	- 2,294	+ 785	- 2,598	- 228	+ 6,852	- 332	- 13,794
Aug	+ 2,469	+ 11,223	- 1,575	- 5,670	+ 764	- 2,273	+ 146	- 10,535	+ 698	+ 7,921
Sep	+ 9,682	+ 15,674	- 1,651	- 3,368	+ 1,720	- 2,695	- 171	- 13,030	+ 478	+ 3,519
Oct P	+ 11,573	+ 17,296	- 1,777	- 2,151	+ 1,060	- 2,855	+ 5	- 1,942	+ 401	- 9,636

1 Special trade according to the official foreign trade statistics: imports cif, exports fob. — 2 From January 1993, including additional estimates for external transactions which do not have to be reported and which are included up to December 1992 in the supplementary trade items. — 3 Mainly warehouse transactions for account of residents and deduction of

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

X External sector

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

€ million

Country / group of countries		2003	2004	2005 r	2006					
					Jan / Sep	Jun	Jul	Aug	Sep	Oct P
All countries 1	Exports	664,455	731,544	786,266	653,384	73,449	73,058	69,362	4 79,457	4 84,070
	Imports	534,534	575,448	628,087	535,851	60,099	59,865	58,139	63,783	66,774
	Balance	+ 129,921	+ 156,096	+ 158,179	+ 117,534	+13,350	+13,193	+11,223	4 +15,674	4 +17,296
I European countries	Exports	490,672	541,395	581,611	483,516	55,347	53,736	50,370	57,707	...
	Imports	384,939	408,698	443,508	378,558	43,391	42,288	40,072	44,738	...
	Balance	+ 105,733	+ 132,697	+ 138,103	+ 104,958	+11,956	+11,448	+10,298	+12,970	...
1 EU member states (25)	Exports	426,342	466,326	498,558	412,137	47,478	45,413	42,281	47,943	...
	Imports	324,043	342,636	366,580	307,357	35,518	34,590	32,058	36,364	...
	Balance	+ 102,299	+ 123,691	+ 131,978	+ 104,780	+11,960	+10,823	+10,223	+11,579	...
<i>Memo item</i>										
EU member states (15)	Exports	369,776	404,770	429,698	351,243	40,455	38,640	35,470	40,370	...
	Imports	266,404	285,049	306,627	255,800	29,824	28,689	26,342	29,928	...
	Balance	+ 103,372	+ 119,720	+ 123,071	+ 95,443	+10,631	+ 9,951	+ 9,128	+10,442	...
Euro-area countries	Exports	288,668	317,696	339,583	277,833	32,205	30,609	27,377	31,867	...
	Imports	215,705	230,717	246,124	207,268	24,395	23,077	21,263	24,518	...
	Balance	+ 72,963	+ 86,979	+ 93,459	+ 70,565	+ 7,810	+ 7,522	+ 6,115	+ 7,349	...
<i>of which</i>										
Austria	Exports	35,857	40,244	43,305	35,897	4,084	4,143	3,854	4,305	...
	Imports	21,453	24,020	26,048	21,658	2,458	2,519	2,215	2,647	...
	Balance	+ 14,404	+ 16,224	+ 17,256	+ 14,239	+ 1,626	+ 1,624	+ 1,639	+ 1,658	...
Belgium and Luxembourg	Exports	38,413	43,992	47,512	39,796	4,719	4,151	4,166	4,432	...
	Imports	26,132	28,818	31,426	28,542	3,362	3,330	3,028	3,498	...
	Balance	+ 12,282	+ 15,173	+ 16,085	+ 11,255	+ 1,357	+ 821	+ 1,138	+ 933	...
France	Exports	69,025	74,360	79,039	63,402	7,380	6,823	5,986	7,249	...
	Imports	48,545	51,535	53,700	45,691	5,781	4,881	4,366	5,310	...
	Balance	+ 20,480	+ 22,825	+ 25,339	+ 17,711	+ 1,600	+ 1,942	+ 1,620	+ 1,939	...
Italy	Exports	48,414	51,479	53,855	44,352	5,279	5,050	3,822	5,090	...
	Imports	34,259	35,676	36,348	29,235	3,400	3,518	2,978	3,417	...
	Balance	+ 14,156	+ 15,803	+ 17,507	+ 15,117	+ 1,879	+ 1,533	+ 844	+ 1,672	...
Netherlands	Exports	42,219	46,730	49,033	41,144	4,501	4,604	4,477	4,556	...
	Imports	42,301	46,204	51,823	44,660	4,898	4,873	4,905	5,294	...
	Balance	- 83	+ 526	- 2,789	- 3,515	- 397	- 269	- 428	- 738	...
Spain	Exports	32,364	36,249	40,018	31,032	3,769	3,495	2,890	3,586	...
	Imports	16,518	17,426	18,070	14,151	1,697	1,614	1,310	1,575	...
	Balance	+ 15,846	+ 18,823	+ 21,948	+ 16,881	+ 2,072	+ 1,882	+ 1,580	+ 2,011	...
Other EU member states	Exports	137,674	148,630	158,975	134,304	15,273	14,804	14,904	16,076	...
	Imports	108,337	111,919	120,456	100,089	11,123	11,503	10,796	11,846	...
	Balance	+ 29,336	+ 36,711	+ 38,520	+ 34,215	+ 4,150	+ 3,301	+ 4,108	+ 4,230	...
<i>of which</i>										
United Kingdom	Exports	55,597	59,986	60,394	49,354	5,502	5,624	5,437	5,503	...
	Imports	31,712	34,466	39,069	31,779	3,631	3,703	3,366	3,433	...
	Balance	+ 23,885	+ 25,520	+ 21,325	+ 17,575	+ 1,871	+ 1,921	+ 2,071	+ 2,070	...
2 Other European countries	Exports	64,331	75,069	83,053	71,379	7,869	8,323	8,089	4 9,764	...
	Imports	60,897	66,062	76,928	71,201	7,873	7,699	8,013	8,374	...
	Balance	+ 3,434	+ 9,007	+ 6,125	+ 178	- 4	+ 625	+ 76	4 + 1,391	...
II Non-European countries	Exports	172,329	188,782	203,229	168,622	17,925	19,241	18,905	4 21,486	...
	Imports	148,895	166,132	183,940	156,791	16,654	17,523	18,010	18,984	...
	Balance	+ 23,434	+ 22,650	+ 19,289	+ 11,831	+ 1,271	+ 1,718	+ 895	4 + 2,502	...
1 Africa	Exports	12,072	13,785	14,807	11,967	1,246	1,398	1,350	4 1,548	...
	Imports	10,239	11,092	13,762	12,344	1,228	1,410	1,378	1,749	...
	Balance	+ 1,832	+ 2,694	+ 1,045	- 377	+ 18	- 13	- 28	4 - 201	...
2 America	Exports	79,629	84,694	91,994	75,503	8,256	8,521	7,934	4 9,458	...
	Imports	51,948	54,679	58,574	51,906	5,716	5,980	6,394	6,009	...
	Balance	+ 27,681	+ 30,016	+ 33,420	+ 23,597	+ 2,540	+ 2,541	+ 1,540	4 + 3,448	...
<i>of which</i>										
United States	Exports	61,654	64,860	69,299	56,724	6,179	6,500	5,891	4 7,004	...
	Imports	39,231	40,709	41,798	35,550	3,989	3,966	4,101	4,054	...
	Balance	+ 22,423	+ 24,151	+ 27,501	+ 21,174	+ 2,189	+ 2,534	+ 1,790	4 + 2,950	...
3 Asia	Exports	75,620	84,789	90,498	76,607	7,958	8,806	9,083	4 9,853	...
	Imports	84,783	98,177	109,304	90,679	9,526	9,870	9,989	11,040	...
	Balance	- 9,162	- 13,388	- 18,805	- 14,072	- 1,568	- 1,064	- 906	4 - 1,187	...
<i>of which</i>										
Middle East	Exports	15,511	17,357	20,420	16,487	1,697	1,950	1,933	4 2,037	...
	Imports	4,469	4,398	5,077	4,639	660	608	492	617	...
	Balance	+ 11,043	+ 12,959	+ 15,343	+ 11,848	+ 1,037	+ 1,342	+ 1,441	4 + 1,420	...
Japan	Exports	11,889	12,719	13,338	10,177	1,020	1,178	1,081	4 1,304	...
	Imports	19,684	21,583	21,772	17,438	1,942	1,940	1,881	1,987	...
	Balance	- 7,795	- 8,865	- 8,434	- 7,261	- 922	- 762	- 800	4 - 682	...
People's Republic of China 2	Exports	18,265	20,992	21,235	19,388	2,107	2,350	2,445	4 2,486	...
	Imports	25,681	32,791	40,845	34,423	3,561	3,740	3,815	4,180	...
	Balance	- 7,417	- 11,800	- 19,610	- 15,035	- 1,454	- 1,389	- 1,370	4 - 1,694	...
4 Oceania and polar regions	Exports	5,008	5,513	5,930	4,544	465	516	537	4 627	...
	Imports	1,925	2,184	2,301	1,862	184	262	248	186	...
	Balance	+ 3,083	+ 3,329	+ 3,629	+ 2,683	+ 281	+ 254	+ 289	4 + 441	...
<i>Memo item</i>										
Emerging markets in South-East Asia 3	Exports	24,515	26,838	27,538	22,828	2,373	2,499	2,676	4 3,063	...
	Imports	27,119	30,012	31,520	24,800	2,463	2,572	2,795	2,967	...
	Balance	- 2,603	- 3,174	- 3,982	- 1,972	- 89	- 73	- 120	4 + 96	...

* Source: Federal Statistical Office. Exports (fob) by country of destination, imports (cif) by country of origin. Individual countries and groups of countries according to the current position. — 1 Including fuel and other supplies for ships and aircraft and other data not classifiable by region. —

2 Excluding Hong Kong. — 3 Brunei Darussalam, Hong Kong, Indonesia, Malaysia, Philippines, Republic of Korea, Singapore, Taiwan and Thailand. 4 Positively influenced by later reports.

X External sector

4 Services and income of the Federal Republic of Germany
(balances)

€ million

Period	Services							Other services			Compensation of employees ⁵	Investment income
	Total	Travel ¹	Transportation ²	Financial services	Patents and licences	Government services ³	Total	of which				
								Services of self-employed persons ⁴	Construction and assembly work, repairs			
2001	- 49,862	- 37,821	+ 4,254	+ 1,080	- 2,431	+ 3,488	- 18,433	- 2,544	- 591	- 1,817	- 9,115	
2002	- 35,328	- 35,154	+ 2,789	+ 1,424	- 1,549	+ 5,237	- 8,075	- 2,073	+ 506	- 1,418	- 16,603	
2003	- 34,274	- 36,761	+ 1,791	+ 1,365	- 748	+ 5,088	- 5,009	- 1,836	+ 1,485	- 1,241	- 14,684	
2004	- 31,254	- 34,813	+ 3,885	+ 1,316	- 480	+ 5,349	- 6,511	- 1,364	+ 973	- 940	+ 1,575	
2005	- 27,484	- 34,957	+ 6,358	+ 1,629	+ 114	+ 3,592	- 4,221	- 1,701	+ 832	- 1,618	+ 10,262	
2005 Q1	- 5,405	- 6,222	+ 1,014	+ 411	+ 1,027	+ 1,024	- 2,660	- 334	+ 124	+ 223	+ 2,912	
Q2	- 5,755	- 8,045	+ 1,465	+ 494	- 246	+ 833	- 256	- 398	+ 107	- 487	- 819	
Q3	- 12,038	- 14,207	+ 1,830	+ 283	- 323	+ 853	- 473	- 420	+ 87	- 972	+ 4,266	
Q4	- 4,287	- 6,482	+ 2,049	+ 442	- 344	+ 882	- 833	- 549	+ 514	- 382	+ 3,902	
2006 Q1	- 5,983	- 6,382	+ 1,006	+ 451	- 521	+ 730	- 1,268	- 414	- 34	+ 179	+ 3,097	
Q2	- 4,111	- 7,976	+ 1,554	+ 466	- 229	+ 1,016	+ 1,058	- 425	+ 327	- 461	- 1,653	
Q3	- 11,331	- 13,841	+ 1,509	+ 428	- 596	+ 824	+ 345	- 427	+ 225	- 1,017	+ 4,286	
2005 Dec	- 503	- 948	+ 647	+ 170	+ 22	+ 402	- 795	- 258	+ 227	- 93	+ 1,128	
2006 Jan	- 3,043	- 2,379	+ 311	+ 176	- 386	+ 185	- 950	- 153	- 103	+ 60	+ 755	
Feb	- 924	- 1,626	+ 413	+ 162	+ 10	+ 246	- 131	- 114	+ 90	+ 60	+ 1,492	
Mar	- 2,016	- 2,377	+ 282	+ 113	- 145	+ 299	- 188	- 146	- 21	+ 60	+ 850	
Apr	- 1,067	- 2,633	+ 542	+ 88	- 225	+ 375	+ 786	- 110	+ 121	- 146	+ 685	
May	- 1,618	- 2,637	+ 632	+ 291	- 33	+ 289	- 160	- 175	+ 130	- 169	+ 4,584	
June	- 1,426	- 2,706	+ 380	+ 86	+ 29	+ 353	+ 431	- 140	+ 76	- 146	+ 2,246	
July	- 2,294	- 3,470	+ 684	+ 111	- 408	+ 252	+ 536	- 123	+ 91	- 341	+ 1,126	
Aug	- 5,670	- 5,833	+ 514	+ 121	- 112	+ 270	- 629	- 144	+ 66	- 341	+ 1,104	
Sep	- 3,368	- 4,539	+ 311	+ 196	- 76	+ 302	+ 438	- 160	+ 69	- 335	+ 2,055	
Oct	- 2,151	- 3,804	+ 726	+ 288	- 184	+ 248	+ 577	- 141	+ 35	- 155	+ 1,214	

1 From January 2001, figures subject to significant uncertainty. — 2 Excluding the expenditure on freight included in the cif import figure. — 3 Including the receipts from foreign military agencies for goods and ser-

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

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

€ million

Period	Public ¹					Private ¹		
	Total	Total	International organisations ²		Other current transfers ³	Total	Workers' remittances	Other current transfers
			Total	of which European Communities				
2001	- 26,856	- 16,367	- 14,257	- 12,587	- 2,110	- 10,489	- 3,520	- 6,969
2002	- 27,511	- 15,710	- 13,045	- 11,214	- 2,665	- 11,801	- 3,470	- 8,331
2003	- 28,282	- 18,277	- 15,428	- 13,731	- 2,849	- 10,005	- 3,332	- 6,672
2004	- 28,309	- 17,128	- 14,307	- 12,730	- 2,821	- 11,180	- 3,180	- 8,000
2005	- 28,921	- 17,907	- 16,253	- 14,725	- 1,654	- 11,014	- 2,926	- 8,088
2005 Q1	- 7,348	- 4,671	- 3,739	- 3,194	- 932	- 2,678	- 732	- 1,946
Q2	- 6,386	- 3,253	- 3,762	- 3,322	+ 509	- 3,134	- 732	- 2,402
Q3	- 7,628	- 4,927	- 4,457	- 4,138	- 470	- 2,702	- 732	- 1,970
Q4	- 7,558	- 5,057	- 4,296	- 4,071	- 762	- 2,501	- 732	- 1,769
2006 Q1	- 6,037	- 3,479	- 2,934	- 2,433	- 545	- 2,558	- 732	- 1,826
Q2	- 4,837	- 1,762	- 3,575	- 3,234	+ 1,813	- 3,075	- 732	- 2,343
Q3	- 7,566	- 5,021	- 4,708	- 4,519	- 314	- 2,545	- 732	- 1,813
2005 Dec	- 2,121	- 1,465	- 1,393	- 1,317	- 72	- 656	- 244	- 412
2006 Jan	- 2,386	- 1,555	- 1,402	- 1,143	- 152	- 832	- 244	- 588
Feb	- 1,376	- 538	- 156	+ 22	- 381	- 839	- 244	- 595
Mar	- 2,274	- 1,387	- 1,376	- 1,313	- 11	- 887	- 244	- 644
Apr	- 2,237	- 1,327	- 1,480	- 1,375	+ 152	- 910	- 244	- 666
May	- 1,109	+ 82	- 1,480	- 1,385	+ 1,562	- 1,191	- 244	- 947
June	- 1,491	- 517	- 615	- 474	+ 98	- 974	- 244	- 730
July	- 2,598	- 1,735	- 1,576	- 1,476	- 158	- 864	- 244	- 620
Aug	- 2,273	- 1,395	- 1,258	- 1,204	- 136	- 878	- 244	- 634
Sep	- 2,695	- 1,892	- 1,874	- 1,838	- 19	- 803	- 244	- 559
Oct	- 2,855	- 2,096	- 2,093	- 1,892	- 3	- 759	- 244	- 515

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

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

6 Capital transfers
(balances)

€ million

Period	Total ⁴	Public ¹	Private ¹
2002	- 212	- 1,416	+ 1,205
2003	+ 312	- 1,238	+ 1,550
2004	+ 430	- 1,094	+ 1,524
2005	- 1,268	- 3,419	+ 2,151
2005 Q1	- 1,491	- 2,038	+ 547
Q2	+ 107	- 315	+ 422
Q3	+ 60	- 331	+ 391
Q4	+ 57	- 734	+ 791
2006 Q1	+ 153	- 310	+ 463
Q2	+ 13	- 663	+ 676
Q3	- 253	- 424	+ 171
2005 Dec	- 165	- 521	+ 356
2006 Jan	+ 7	- 81	+ 88
Feb	+ 283	- 77	+ 359
Mar	- 137	- 152	+ 16
Apr	- 144	- 80	- 64
May	- 282	- 137	- 145
June	+ 439	- 446	+ 885
July	- 228	- 206	- 23
Aug	+ 146	- 107	+ 253
Sep	- 171	- 111	- 60
Oct	+ 5	- 146	+ 152

7 Financial account of the Federal Republic of Germany

€ million

Item	2003	2004	2005	2005		2006				
				Q4	Q1	Q2	Q3	Aug	Sep	Oct
I Net German investment abroad (Increase/capital exports: -)	- 203,369	- 260,875	- 371,910	- 43,487	- 167,991	- 92,573	- 69,465	- 29,454	- 56,029	- 21,325
1 Direct investment 1	- 5,470	- 1,516	- 36,695	+ 4,008	- 16,070	- 10,288	- 16,866	+ 3,077	- 15,245	- 5,751
Equity capital	- 33,417	+ 17,642	- 16,779	- 3,646	- 6,493	- 10,069	- 19,937	- 364	- 17,750	- 1,364
Reinvested earnings 2	+ 3,784	- 5,605	- 9,715	- 2,449	- 3,182	- 1,727	- 3,376	- 1,571	- 696	- 2,108
Other capital transactions of German direct investors	+ 24,163	- 13,553	- 10,201	+ 10,103	- 6,394	+ 1,508	+ 6,447	+ 5,012	+ 3,202	- 2,279
2 Portfolio investment	- 41,720	- 110,592	- 210,891	- 59,927	- 62,144	- 30,427	- 22,095	- 1,719	- 20,866	- 16,713
Shares 3	+ 4,468	+ 3,520	- 22,884	- 20,584	- 1,220	+ 11,279	- 1,875	- 4,029	- 4,983	+ 2,160
Mutual fund shares 4	- 2,795	- 10,933	- 39,864	- 5,260	- 18,413	+ 2,664	- 1,125	- 208	- 425	- 676
Bonds and notes 5	- 53,224	- 90,734	- 143,604	- 32,630	- 42,262	- 36,382	- 17,616	+ 2,276	- 15,510	- 16,203
Money market instruments	+ 9,831	- 12,445	- 4,540	- 1,454	- 250	- 7,988	- 1,479	+ 243	+ 52	- 1,993
3 Financial derivatives 6	- 1,901	- 5,412	- 4,697	- 3,159	- 5,457	+ 2,001	- 318	- 731	+ 805	- 1,696
4 Other investment	- 154,722	- 144,826	- 121,810	+ 13,676	- 85,401	- 54,226	- 31,031	- 30,778	- 21,201	+ 2,434
MFIs 7,8	- 122,352	- 121,833	- 85,781	+ 37,903	- 107,125	- 56,824	+ 889	+ 1,089	- 26,022	+ 7,239
Long-term	- 32,602	+ 5,854	- 69,977	- 16,496	- 15,280	- 17,094	- 14,278	- 3,247	- 7,810	- 4,916
Short-term	- 89,750	- 127,687	- 15,804	+ 54,399	- 91,845	- 39,731	+ 15,167	+ 4,336	- 18,212	+ 12,156
Enterprises and households	- 33,329	- 22,284	- 17,112	+ 6,087	- 13,003	+ 1,341	- 5,818	- 5,908	- 4,768	- 3,180
Long-term	- 4,920	- 7,482	- 8,924	- 2,085	- 3,220	- 2,825	- 6,278	- 3,125	- 1,615	- 3,047
Short-term 7	- 28,409	- 14,802	- 8,188	+ 8,173	- 9,783	+ 4,166	+ 460	- 2,783	- 3,153	- 134
General government	+ 728	+ 2,143	+ 3,156	- 7,232	+ 7,438	- 13,165	+ 1,031	- 873	+ 903	- 6,466
Long-term	+ 156	+ 49	+ 7,695	+ 179	+ 244	+ 250	+ 6,533	- 61	+ 6,428	+ 30
Short-term 7	+ 572	+ 2,094	- 4,539	- 7,412	+ 7,194	- 13,415	- 5,502	- 812	- 5,525	- 6,496
Bundesbank	+ 230	- 2,851	- 22,073	- 23,082	+ 27,288	+ 14,422	- 27,133	- 25,087	+ 8,686	+ 4,841
5 Change in reserve assets at transaction values (Increase:-)	+ 445	+ 1,470	+ 2,182	+ 1,916	+ 1,082	+ 367	+ 844	+ 698	+ 478	+ 401
II Net foreign investment in Germany (Increase/capital imports: +)	+ 155,315	+ 146,180	+ 268,145	+ 2,439	+ 127,121	+ 40,246	+ 52,753	+ 18,918	+ 42,999	+ 19,382
1 Direct investment 1	+ 25,873	- 12,172	+ 26,264	+ 16,472	+ 297	+ 5,813	+ 3,848	+ 1,169	+ 5,528	+ 1,461
Equity capital	+ 44,233	+ 27,493	+ 12,103	+ 4,714	- 487	+ 1,370	+ 2,232	+ 2,205	+ 691	+ 1,236
Reinvested earnings 2	- 3,163	+ 677	+ 6,530	+ 2,033	+ 1,789	+ 946	+ 2,196	+ 1,298	+ 1,199	+ 1,421
Other capital transactions of foreign direct investors	- 15,197	- 40,343	+ 7,632	+ 9,725	- 1,006	+ 3,496	- 580	- 2,334	+ 3,638	- 1,196
2 Portfolio investment	+ 112,629	+ 120,068	+ 196,987	+ 15,039	+ 60,906	+ 20,849	+ 26,131	+ 3,748	+ 4,441	+ 23,233
Shares 3	+ 23,093	- 12,763	+ 40,030	+ 140	+ 656	+ 8,550	+ 6,478	+ 4,258	+ 1,755	+ 5,298
Mutual fund shares	- 1,757	+ 4,671	+ 932	- 1,903	+ 4,976	+ 1,509	+ 1,240	+ 507	+ 97	- 331
Bonds and notes 5	+ 69,628	+ 142,689	+ 158,690	+ 24,663	+ 45,965	+ 8,177	+ 22,714	- 2,964	+ 7,027	+ 13,820
Money market instruments	+ 21,665	- 14,529	- 2,665	- 7,862	+ 9,308	+ 2,612	- 4,301	+ 1,947	- 4,437	+ 4,447
3 Other investment	+ 16,813	+ 38,285	+ 44,893	- 29,072	+ 65,919	+ 13,585	+ 22,775	+ 14,002	+ 33,030	- 5,312
MFIs 7,8	+ 10,708	+ 32,337	+ 22,455	- 27,316	+ 58,864	+ 833	+ 12,142	+ 14,390	+ 25,327	- 3,831
Long-term	- 5,964	- 10,083	- 9,830	- 11,354	- 2,988	+ 28	- 950	- 2,314	+ 841	- 191
Short-term	+ 16,672	+ 42,421	+ 32,285	- 15,962	+ 61,852	+ 805	+ 13,091	+ 16,704	+ 24,486	- 3,640
Enterprises and households	+ 429	+ 11,057	+ 20,803	- 1,413	+ 9,842	+ 15,119	+ 6,610	- 778	+ 5,828	- 1,670
Long-term	- 297	+ 7,810	+ 7,836	- 3,296	+ 79	+ 9,316	+ 2,951	+ 628	+ 1,650	+ 218
Short-term 7	+ 726	+ 3,247	+ 12,967	+ 1,882	+ 9,763	+ 5,803	+ 3,659	- 1,406	+ 4,178	- 1,888
General government	+ 3,693	- 2,658	+ 3,740	+ 1,049	- 2,850	- 1,980	+ 4,873	+ 1,186	+ 2,288	+ 113
Long-term	+ 4,872	- 1,425	+ 2,818	- 381	- 1,264	- 329	+ 328	- 132	- 10	- 244
Short-term 7	- 1,179	- 1,233	+ 922	+ 1,430	- 1,586	- 1,651	+ 4,545	+ 1,317	+ 2,298	+ 357
Bundesbank	+ 1,983	- 2,451	- 2,105	- 1,391	+ 63	- 387	- 850	- 795	- 412	+ 75
III Financial account balance 9 (Net capital exports: -)	- 48,054	- 114,695	- 103,765	- 41,048	- 40,869	- 52,327	- 16,712	- 10,535	- 13,030	- 1,942

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

action values shown here are mostly derived from changes in stocks. Purely statistical changes have been eliminated as far as possible. — 8 Excluding the Deutsche Bundesbank. — 9 Financial account balance including change in reserve assets.

X External sector

8 External position of the Bundesbank *

DM million

End of year or month	Reserve assets and other claims on non-residents						Liabilities vis-à-vis non-residents				Net external position (col 1 less col 8)
	Total	Reserve assets			Reserve position in the Inter- national Monetary Fund and special drawing rights	Claims on the ECB 2 (net)	Loans and other claims on non- residents 3	Total	Liabilities arising from external trans- actions 4	Liabilities arising from liquidity Treasury discount paper	
		Gold	Foreign currency balances 1								
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				
		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 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
Nov	114,116	85,307	53,218	3,048	29,040	350	27,546	914	5,273	108,843

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

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

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

€ million

End of year or month	Claims on non-residents							Liabilities vis-à-vis non-residents						
	Total	Balances with foreign banks	Claims on foreign non-banks					Total	Loans from foreign banks	Liabilities vis-à-vis foreign non-banks				
			Total	from financial operations	from trade credits					Total	from financial operations	from trade credits		
					Total	Credit terms granted	Advance payments effected					Total	Credit terms used	Advance payments received
All countries														
2002 ³	331,671	63,817	267,854	148,913	118,941	111,406	7,535	533,423	57,696	475,727	387,850	87,877	62,622	25,255
2003	362,099	86,627	275,472	159,653	115,819	108,515	7,304	543,186	54,822	488,364	400,431	87,933	60,464	27,469
2004	377,540	98,632	278,908	159,764	119,144	112,342	6,802	506,434	50,211	456,223	361,111	95,112	63,762	31,350
2005	409,493	97,333	312,160	179,738	132,422	125,497	6,925	548,107	65,557	482,550	375,114	107,436	73,270	34,166
2006 May	441,393	108,835	332,558	194,397	138,161	130,536	7,625	579,341	76,630	502,711	393,902	108,809	70,352	38,457
June	441,999	109,025	332,974	192,017	140,957	133,422	7,535	592,303	86,136	506,167	394,466	111,701	72,827	38,874
July	435,078	104,969	330,109	192,538	137,571	129,774	7,797	589,802	88,028	501,774	391,399	110,375	69,899	40,476
Aug	439,317	113,127	326,190	191,936	134,254	126,493	7,761	590,614	91,409	499,205	390,705	108,500	67,259	41,241
Sep	450,057	117,373	332,684	191,992	140,692	133,037	7,655	609,715	95,945	513,770	399,433	114,337	73,094	41,243
Oct	457,213	119,591	337,622	196,093	141,529	133,652	7,877	608,657	93,782	514,875	398,452	116,423	74,574	41,849
Industrial countries ¹														
2002 ³	278,074	62,861	215,213	133,509	81,704	75,996	5,708	493,155	55,770	437,385	372,464	64,921	50,731	14,190
2003	310,454	85,390	225,064	144,980	80,084	75,236	4,848	499,436	53,087	446,349	383,919	62,430	48,210	14,220
2004	335,809	97,485	238,324	148,649	89,675	84,903	4,772	468,592	48,304	420,288	349,293	70,995	53,480	17,515
2005	362,704	95,847	266,857	167,314	99,543	94,278	5,265	508,106	63,924	444,182	364,680	79,502	60,907	18,595
2006 May	391,394	107,282	284,112	180,445	103,667	97,669	5,998	537,109	74,688	462,421	383,199	79,222	58,711	20,511
June	390,600	107,533	283,097	177,263	105,834	99,856	5,978	547,470	84,219	463,251	381,615	81,636	61,052	20,584
July	383,669	103,302	280,367	177,640	102,727	96,498	6,229	544,587	86,112	458,475	378,713	79,762	58,354	21,408
Aug	387,507	111,112	276,395	176,877	99,518	93,338	6,180	544,742	89,504	455,238	378,282	76,956	55,313	21,643
Sep	397,650	115,406	282,244	176,743	105,501	99,468	6,033	561,522	94,158	467,364	385,545	81,819	60,326	21,493
Oct	404,453	117,128	287,325	181,123	106,202	99,978	6,224	559,904	91,991	467,913	384,564	83,349	61,586	21,763
EU member states ¹														
2002 ³	200,930	60,118	140,812	84,643	56,169	51,693	4,476	402,561	52,503	350,058	307,920	42,138	32,650	9,488
2003	230,673	81,430	149,243	94,092	55,151	51,459	3,692	411,811	50,304	361,507	321,010	40,497	30,855	9,642
2004	259,480	92,867	166,613	101,254	65,359	61,563	3,796	376,461	43,838	332,623	284,173	48,450	36,494	11,956
2005	270,808	91,882	178,926	108,523	70,403	66,156	4,247	414,377	60,186	354,191	300,022	54,169	41,305	12,864
2006 May	298,392	102,265	196,127	121,895	74,232	69,495	4,737	442,429	70,048	372,381	317,768	54,613	40,288	14,325
June	298,953	101,866	197,087	120,521	76,566	71,842	4,724	453,120	79,494	373,626	317,693	55,933	41,671	14,262
July	292,064	97,952	194,112	119,760	74,352	69,398	4,954	451,885	81,363	370,522	315,491	55,031	40,081	14,950
Aug	298,509	105,795	192,714	120,990	71,724	66,827	4,897	454,389	84,618	369,771	316,943	52,828	37,790	15,038
Sep	309,519	109,498	200,021	123,430	76,591	71,779	4,812	476,517	88,838	387,679	331,520	56,159	41,236	14,923
Oct	312,999	110,809	202,190	124,364	77,826	72,828	4,998	475,645	87,323	388,322	330,692	57,630	42,571	15,059
of which: Euro-area member states														
2002 ³	129,490	32,521	96,969	54,542	42,427	39,350	3,077	331,733	37,366	294,367	263,863	30,504	22,996	7,508
2003	147,633	45,887	101,746	59,279	42,467	39,619	2,848	338,794	29,541	309,253	279,101	30,152	22,748	7,404
2004	164,160	55,995	108,165	63,310	44,855	42,231	2,624	305,864	28,295	277,569	244,860	32,709	24,258	8,451
2005	175,532	59,160	116,372	69,048	47,324	44,369	2,955	332,261	29,443	302,818	268,483	34,335	25,225	9,110
2006 May	192,803	65,201	127,602	77,835	49,767	46,440	3,327	354,313	36,220	318,093	284,183	33,910	24,038	9,872
June	192,640	64,074	128,566	77,322	51,244	47,949	3,295	356,714	37,658	319,056	284,488	34,568	24,842	9,726
July	187,653	61,642	126,011	76,753	49,258	45,772	3,486	355,886	38,722	317,164	283,332	33,832	23,846	9,986
Aug	194,154	68,785	125,369	78,289	47,080	43,679	3,401	360,502	43,335	317,167	284,649	32,518	22,189	10,329
Sep	200,153	70,425	129,728	79,426	50,302	47,055	3,247	372,489	45,304	327,185	291,709	35,476	25,124	10,352
Oct	201,775	70,427	131,348	80,479	50,869	47,485	3,384	371,508	43,952	327,556	291,240	36,316	25,879	10,437
Emerging economies and developing countries ²														
2002 ³	53,597	956	52,641	15,404	37,237	35,410	1,827	40,268	1,926	38,342	15,386	22,956	11,891	11,065
2003	51,645	1,237	50,408	14,673	35,735	33,279	2,456	43,750	1,735	42,015	16,512	25,503	12,254	13,249
2004	41,731	1,147	40,584	11,115	29,469	27,439	2,030	37,842	1,907	35,935	11,818	24,117	10,282	13,835
2005	46,789	1,486	45,303	12,424	32,879	31,219	1,660	40,001	1,633	38,368	10,434	27,934	12,363	15,571
2006 May	49,999	1,553	48,446	13,952	34,494	32,867	1,627	42,232	1,942	40,290	10,703	29,587	11,641	17,946
June	51,399	1,522	49,877	14,754	35,123	33,566	1,557	44,833	1,917	42,916	12,851	30,065	11,775	18,290
July	51,409	1,667	49,742	14,898	34,844	33,276	1,568	45,215	1,916	43,299	12,686	30,613	11,545	19,068
Aug	51,810	2,015	49,795	15,059	34,736	33,155	1,581	45,872	1,905	43,967	12,423	31,544	11,946	19,598
Sep	52,407	1,967	50,440	15,249	35,191	33,569	1,622	48,193	1,787	46,406	13,888	32,518	12,768	19,750
Oct	52,760	2,463	50,297	14,970	35,327	33,674	1,653	48,753	1,791	46,962	13,888	33,074	12,988	20,086

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

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

X External sector

11 Deutsche Mark and euro exchange rates of selected currencies *

Yearly or monthly average	United States	Japan	Denmark	United Kingdom	Sweden	Switzerland	Norway	Canada	Australia	New Zealand
	USD	JPY	DKK	GBP	SEK	CHF	NOK	CAD	AUD 1	NZD 1
Historic spot middle rates on the Frankfurt exchange (1 or 100 currency units = DEM ...)										
1991	1.6612	1.2346	25.932	2.926	27.421	115.740	25.580	1.4501	1.2942	0.9589
1992	1.5595	1.2313	25.869	2.753	26.912	111.198	25.143	1.2917	1.1476	0.8406
1993	1.6544	1.4945	25.508	2.483	21.248	111.949	23.303	1.2823	1.1235	0.8940
1994	1.6218	1.5870	25.513	2.4816	21.013	118.712	22.982	1.1884	1.1848	0.9605
1995	1.4338	1.5293	25.570	2.2620	20.116	121.240	22.614	1.0443	1.0622	0.9399
1996	1.5037	1.3838	25.945	2.3478	22.434	121.891	23.292	1.1027	1.1782	1.0357
1997	1.7348	1.4378	26.249	2.8410	22.718	119.508	24.508	1.2533	1.2889	1.1453
1998	1.7592	1.3484	26.258	2.9142	22.128	121.414	23.297	1.1884	1.1070	0.9445
Euro reference exchange rates published by the European Central Bank (EUR 1 = currency units ...) ²										
1999	1.0658	121.32	7.4355	0.65874	8.8075	1.6003	8.3104	1.5840	1.6523	2.0145
2000	0.9236	99.47	7.4538	0.60948	8.4452	1.5579	8.1129	1.3706	1.5889	2.0288
2001	0.8956	108.68	7.4521	0.62187	9.2551	1.5105	8.0484	1.3864	1.7319	2.1300
2002	0.9456	118.06	7.4305	0.62883	9.1611	1.4670	7.5086	1.4838	1.7376	2.0366
2003	1.1312	130.97	7.4307	0.69199	9.1242	1.5212	8.0033	1.5817	1.7379	1.9438
2004	1.2439	134.44	7.4399	0.67866	9.1243	1.5438	8.3697	1.6167	1.6905	1.8731
2005	1.2441	136.85	7.4518	0.68380	9.2822	1.5483	8.0092	1.5087	1.6320	1.7660
2005 May	1.2694	135.37	7.4443	0.68399	9.1931	1.5449	8.0814	1.5942	1.6571	1.7665
June	1.2165	132.22	7.4448	0.66895	9.2628	1.5391	7.8932	1.5111	1.5875	1.7175
July	1.2037	134.75	7.4584	0.68756	9.4276	1.5578	7.9200	1.4730	1.6002	1.7732
Aug	1.2292	135.98	7.4596	0.68527	9.3398	1.5528	7.9165	1.4819	1.6144	1.7675
Sep	1.2256	136.06	7.4584	0.67760	9.3342	1.5496	7.8087	1.4452	1.6009	1.7515
Oct	1.2015	138.05	7.4620	0.68137	9.4223	1.5490	7.8347	1.4149	1.5937	1.7212
Nov	1.1786	139.59	7.4596	0.67933	9.5614	1.5449	7.8295	1.3944	1.6030	1.7088
Dec	1.1856	140.58	7.4541	0.67922	9.4316	1.5479	7.9737	1.3778	1.5979	1.7072
2006 Jan	1.2103	139.82	7.4613	0.68598	9.3111	1.5494	8.0366	1.4025	1.6152	1.7616
Feb	1.1938	140.77	7.4641	0.68297	9.3414	1.5580	8.0593	1.3723	1.6102	1.7741
Mar	1.2020	140.96	7.4612	0.68935	9.4017	1.5691	7.9775	1.3919	1.6540	1.8956
Apr	1.2271	143.59	7.4618	0.69463	9.3346	1.5748	7.8413	1.4052	1.6662	1.9733
May	1.2770	142.70	7.4565	0.68330	9.3310	1.5564	7.7988	1.4173	1.6715	2.0240
June	1.2650	145.11	7.4566	0.68666	9.2349	1.5601	7.8559	1.4089	1.7104	2.0462
July	1.2684	146.70	7.4602	0.68782	9.2170	1.5687	7.9386	1.4303	1.6869	2.0551
Aug	1.2811	148.53	7.4609	0.67669	9.2098	1.5775	7.9920	1.4338	1.6788	2.0220
Sep	1.2727	148.99	7.4601	0.67511	9.2665	1.5841	8.2572	1.4203	1.6839	1.9453
Oct	1.2611	149.65	7.4555	0.67254	9.2533	1.5898	8.3960	1.4235	1.6733	1.9066
Nov	1.2881	151.11	7.4564	0.67397	9.1008	1.5922	8.2446	1.4635	1.6684	1.9263

* Calculated from daily quotations. — 1 Exchange rates from Australia and New Zealand; those for New Zealand calculated from rates as at the middle and end of the month. — 2 The ECB publishes daily euro reference exchange rates, which are calculated on the basis of the concertation between

central banks at 2.15 p.m. ECB time. For additional euro reference exchange rates of the ECB, see Statistical Supplement to the Monthly Report 5, *Exchange rate statistics*.

12 Exchange rates for the national currencies of the euro-area member states, the Deutsche Mark value of the ECU * and euro conversion rates

Yearly average	France	Italy	Netherlands	Belgium/ Luxembourg	Austria	Spain	Finland	Ireland	Portugal	Greece GRD 100 / EUR 1 ²	ECU values ¹ ECU 1
	FRF 100	ITL 1,000	NLG 100	BEF/LUF 100	ATS 100	ESP 100	FIM 100	IEP 1	PTE 100		
Historic spot middle rates on the Frankfurt exchange in DEM											
1991	29.409	1.3377	88.742	4.857	14.211	1.597	41.087	2.671	1.149	0.9103	2.05076
1992	29.500	1.2720	88.814	4.857	14.211	1.529	34.963	2.656	1.157	0.8178	2.02031
1993	29.189	1.0526	89.017	4.785	14.214	1.303	28.915	2.423	1.031	0.7213	1.93639
1994	29.238	1.0056	89.171	4.8530	14.214	1.2112	31.108	2.4254	0.9774	0.6683	1.92452
1995	28.718	0.8814	89.272	4.8604	14.214	1.1499	32.832	2.2980	0.9555	0.6182	1.87375
1996	29.406	0.9751	89.243	4.8592	14.214	1.1880	32.766	2.4070	0.9754	0.6248	1.90954
1997	29.705	1.0184	88.857	4.8464	14.210	1.1843	33.414	2.6297	0.9894	0.6349	1.96438
1998	29.829	1.0132	88.714	4.8476	14.213	1.1779	32.920	2.5049	0.9763	0.5952	1.96913
1999	.	.	.	.	.	.	.	.	.	325.76	.
2000	.	.	.	.	.	.	.	.	.	336.63	.
Irrevocable euro conversion rates (EUR 1 = currency units ...) ³											
	6.55957	1936.27	2.20371	40.3399	13.7603	166.386	5.94573	0.787564	200.482	⁴ 340.750	⁵ 1.95583

* Calculated from daily quotations. — 1 As per data from the European Commission. — 2 Up to 1998, reciprocal values of the exchange rates for the Deutsche Mark, published by the Bank of Greece; from 1999, euro reference

exchange rates of the ECB (EUR 1 = GRD ...). — 3 Applicable from 1 January 1999. — 4 Applicable from 1 January 2001. — 5 Deutsche Mark conversion rate.

13 Effective exchange rates * of the euro and selected foreign currencies

1999 Q1 = 100

Period	Effective exchange rate of the euro				Memo item Indicators of the German economy's price competitiveness 1,2				Effective nominal exchange rates of selected foreign currencies against the currencies of 19 industrial countries 1,3			
	EER-23 4		EER-42 5		19 industrial countries 3		49 countries 6		US dollar	Pound sterling	Japanese yen	
	Nominal	In real terms based on the consumer prices	In real terms based on the GDP deflator 7	In real terms based on the unit labour costs of the national economy 7	Nominal	In real terms based on the consumer prices	based on the deflators of total sales 7	based on consumer prices				
1999	95.9	95.9	95.5	96.5	96.5	95.8	97.7	98.2	97.7	100.8	102.3	105.1
2000	86.1	86.0	85.3	85.2	87.9	85.8	91.3	92.8	91.1	105.4	105.2	117.9
2001	86.7	86.8	86.3	84.9	90.4	87.0	91.4	93.2	91.4	112.0	103.6	106.7
2002	89.2	90.3	89.7	88.2	94.8	90.8	92.3	94.2	92.6	110.7	104.2	100.8
2003	99.9	101.7	100.8	99.2	106.6	101.6	95.7	97.9	97.2	97.7	99.2	99.9
2004	103.8	105.9	104.4	103.6	111.0	105.4	96.0	99.3	98.8	89.8	103.4	101.7
2005	102.9	105.2	103.2	101.5	109.5	103.5	p 94.9	99.5	97.6	88.7	102.9	99.8
2002 Oct	91.1	92.4			97.7	93.5		94.7	93.9	108.5	105.0	99.8
2002 Nov	91.9	93.1	92.7	91.1	98.5	93.9	93.3	94.7	93.6	106.8	104.3	100.8
2002 Dec	92.9	94.4			99.6	95.1		95.5	94.5	106.0	104.0	99.6
2003 Jan	95.3	96.9			102.3	97.6		96.2	95.5	103.0	102.6	100.4
2003 Feb	96.6	98.2	97.1	95.2	103.7	98.9	94.6	96.9	96.4	102.2	101.2	99.2
2003 Mar	97.4	98.9			104.4	99.5		97.1	96.5	101.4	99.3	99.8
2003 Apr	97.9	99.5			104.6	99.5		97.3	96.5	101.4	98.7	98.6
2003 May	101.8	103.5	101.6	99.6	108.5	103.3	96.2	98.7	98.0	96.7	96.9	97.7
2003 June	102.2	104.2			108.8	103.7		99.0	98.3	96.1	98.9	96.3
2003 July	101.0	102.9			107.2	102.2		98.4	97.5	97.8	98.5	97.3
2003 Aug	99.8	101.7	101.2	100.0	106.0	101.1	95.8	98.0	96.9	99.1	98.1	98.3
2003 Sep	99.6	101.6			105.9	101.0		97.5	96.8	97.2	98.2	101.1
2003 Oct	101.3	103.3			108.0	102.9		98.0	97.5	93.3	98.8	103.7
2003 Nov	101.2	103.2	103.3	101.8	108.0	102.9	96.2	98.0	97.4	93.0	99.5	103.9
2003 Dec	104.2	106.3			111.2	105.9		99.1	99.0	90.6	99.5	102.9
2004 Jan	105.4	107.4			112.5	107.0		99.9	99.7	88.9	101.6	102.9
2004 Feb	105.3	107.4	105.8	104.6	112.3	106.8	96.7	99.6	99.5	89.3	104.1	102.4
2004 Mar	103.4	105.4			110.2	104.7		99.0	98.6	90.9	104.2	102.1
2004 Apr	101.6	103.6			108.3	103.0		98.5	97.7	91.8	104.3	104.0
2004 May	102.4	104.4	102.9	102.1	109.5	104.1	95.3	98.7	98.3	93.4	103.7	100.0
2004 June	102.3	104.2			109.6	104.0		98.5	98.1	91.9	104.9	101.6
2004 July	102.8	104.8			110.1	104.5		98.9	98.3	90.9	105.0	101.2
2004 Aug	102.7	104.7	103.2	102.8	109.9	104.4	95.7	99.1	98.4	91.3	104.6	100.5
2004 Sep	103.0	105.1			110.3	104.6		99.2	98.4	90.7	102.8	100.8
2004 Oct	104.2	106.2			111.5	105.8		99.5	98.8	88.9	101.8	100.8
2004 Nov	105.6	107.7	105.6	104.9	113.1	107.1	96.3	99.9	99.3	85.4	101.4	102.6
2004 Dec	107.1	109.3			114.4	108.5		100.8	100.1	84.3	102.8	102.0
2005 Jan	105.8	108.0			112.9	106.9		100.4	99.2	85.3	101.7	103.6
2005 Feb	105.1	107.2	105.5	104.3	111.9	105.9	p 96.3	100.1	98.8	86.1	102.9	102.4
2005 Mar	106.0	108.2			112.9	106.8		100.4	99.0	85.3	103.0	101.4
2005 Apr	105.1	107.2			111.9	105.7		99.9	98.5	86.8	104.0	100.4
2005 May	104.0	106.2	102.9	102.6	110.6	104.6	p 95.1	99.7	98.0	87.8	103.2	102.0
2005 June	101.2	103.4			107.6	101.9		98.6	96.6	89.6	104.4	102.0
2005 July	101.7	103.8			108.0	102.0		99.0	96.9	90.7	101.6	99.8
2005 Aug	102.3	104.5	101.3	100.2	108.7	102.7	p 94.4	99.3	97.2	89.2	102.4	99.9
2005 Sep	101.8	104.0			108.2	102.3		99.5	97.3	88.8	103.4	99.5
2005 Oct	101.4	103.5			107.8	101.7		99.2	96.7	90.5	102.7	97.1
2005 Nov	100.7	103.0	103.0	99.0	106.9	100.9	p 93.9	99.1	96.4	92.3	102.7	95.2
2005 Dec	100.7	103.1			106.9	101.0		99.2	96.4	91.6	102.9	94.7
2006 Jan	101.4	103.7			107.5	101.4		99.2	96.2	90.0	102.2	96.3
2006 Feb	100.7	103.0	103.0	98.8	106.6	100.5	p 93.8	99.1	96.0	91.0	102.5	94.9
2006 Mar	101.5	103.9			107.4	101.3		99.1	96.0	90.8	101.7	95.2
2006 Apr	102.7	105.0			108.6	102.3		99.7	96.6	89.7	101.5	94.5
2006 May	103.8	106.1	105.1	100.4	110.3	103.8	p 94.2	99.9	97.3	86.1	103.8	96.7
2006 June	103.9	106.1			110.9	104.2		100.0	97.6	87.2	103.3	94.7
2006 July	104.3	106.5			111.0	104.4		100.3	97.8	87.6	103.3	93.8
2006 Aug	104.4	106.5	...	...	111.1	104.2	p 94.5	100.1	97.5	87.0	105.4	93.0
2006 Sep	104.2	106.4			110.9	104.0		100.2	97.5	87.4	105.6	92.4
2006 Oct	103.7	105.9			110.2	103.4		100.3	97.3	88.4	105.9	91.6
2006 Nov	104.4	106.7	...	...	110.9	104.1	...	100.5	97.5	87.4	106.1	91.7

* The effective exchange rate corresponds to the weighted external value of the currency concerned. — 1 The method of calculation is consistent with the procedure used by the ECB to compute the effective exchange rates of the euro (see *Monthly Bulletin*, November 2001, pp 51–65). In contrast to footnote 4, the weights used are based on the relevant trade in the period from 1995 to 1997. — 2 Decline in the figures implies an increase in competitiveness. — 3 Euro-area countries as well as Canada, Denmark, Japan, Norway, Sweden, Switzerland, United Kingdom and United States. — 4 ECB calculations based on the weighted averages of the effective exchange rates of the euro against the currencies of the following countries: Australia, Canada, China, Cyprus, Czech Republic, Denmark, Estonia, Hong Kong, Hungary, Japan, Latvia, Lithuania, Malta, Norway, Poland, Singapore, Slovakia, Slovenia, South Korea, Sweden, Switzerland,

United Kingdom and United States. The weights used in these calculations are based on manufactured goods trade between 1999 and 2001 and capture third-market effects. Where consumer prices were not yet available, estimates have been used. For details of the methodology, see ECB, *Monthly Bulletin*, September 2004, pp 69–72 and the ECB's Occasional Paper No 2, which can be downloaded from the ECB's website (www.ecb.int). — 5 ECB calculations. In addition to the countries belonging to the EER-23 group (see footnote 4), this group also includes the following countries: Algeria, Argentina, Brazil, Bulgaria, Croatia, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, Philippines, Romania, Russian Federation, South Africa, Taiwan, Thailand and Turkey. — 6 Euro-area countries and countries belonging to the EER-42 group except Bulgaria, Latvia, Lithuania and Malta. — 7 Annual and quarterly averages.

Overview of publications by the Deutsche Bundesbank

This overview provides information about selected recent economic and statistical publications by the Deutsche Bundesbank. Unless otherwise indicated, these publications are available in both English and German, in printed form and on the internet.

The publications are available free of charge from the Communication Division. For a small fee to cover costs, a file which is updated monthly and contains approximately 40,000 time series published by the Bundesbank can be obtained on magnetic tape cassette or CD-ROM from the Division Statistical data processing, mathematical methods. Orders should be sent, in writing, to one of the addresses listed on the reverse of the title page. Selected time series can also be downloaded from the internet.

Annual Report

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

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

December 2006

- Germany in the globalisation process
- The economic situation of small and medium-sized enterprises in Germany since 1997
- Transporting the new Basel capital rules into German law
- Recent developments in payment cards and innovative electronic payment procedures

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 Be-
reich 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 Politik-
bereiche außerhalb der Wirtschafts- und Wäh-
rungsunion, 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 clas-
sification, July 2003³

2 Bankenstatistik Kundensystematik Firmenver-
zeichnisse, December 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 Fed-
eral 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 Zah-
lungsbilanz, 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 Stat-
istics", "External position" and "Customer classification"
("Overall survey on sectoral classification", "Survey on
breakdown by industry or activity" and "Explanatory
notes on the system of customer classification by industry
or activity") are available in English.

⁴ Current version only available on the internet at quar-
terly 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*.