

## MONTHLY REPORT

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## Commentaries

### Economic conditions

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#### Industry

Industrial activity picked up markedly again in the third quarter. Seasonally and calendar-day adjusted output grew by 1¾% in August, compared with an increase of just ¼% at the beginning of the quarter. The volatile pattern of growth is due primarily to the shift in the dates of holidays. On an average of July and August, industrial output was 1½% up on the second-quarter level, when growth, at ½%, was rather subdued on the whole. In sectoral terms, the recent growth in output was broadly based, with declines in output being recorded by the manufacturers of food products and passenger cars. After adjustment for calendar effects, year-on-year industrial output was up by just over 6% in August.

*Output*

There was also stronger demand for industrial goods in August. The volume of orders, for example, was up 1¼% on July after adjustment for seasonal variations. The average of the two-month period of July and August was not quite 1½% down on the level of the previous quarter, which had been marked by an exceptional number of large orders in June. By contrast, a comparison of July and August with April and May, which better reflects the underlying trend, shows an increase of ¾%. A similar result emerges when the data are adjusted for the exceptional large orders. Thus, the flow of orders continued on an upward course, albeit no longer as buoyantly as in the first two quarters of the year. In the same two-month comparison, export

*Orders received*

## Economic conditions in Germany \*

Seasonally adjusted

Period	New orders (volume); 2000 = 100			
	Industry			Con- struction
	Total	Domestic	Foreign	
2006 Q4	121.8	108.4	138.6	73.3
2007 Q1	125.6	110.7	144.3	78.8
Q2	130.9	112.6	153.9	76.2
June	136.6	113.5	165.5	72.5
July	128.2	112.6	147.7	79.1
Aug	129.8	112.7	151.2	...
Period	Output; 2000 = 100			
	Industry			Con- struction
	Total	of which		
Inter- mediate goods		Capital goods		
2006 Q4	116.3	119.3	122.1	85.2
2007 Q1	119.0	121.9	125.7	87.5
Q2	119.5	122.3	126.4	79.8
June	120.0	123.7	127.1	78.8
July	120.3	123.6	128.7	79.5
Aug	122.5	125.4	130.2	81.1
Period	Foreign trade; € billion			Memo item Current account balance; € billion
	Exports	Imports	Balance	
	2006 Q4	239.21	188.83	
2007 Q1	238.18	192.11	46.07	32.34
Q2	239.49	191.33	48.16	39.35
June	80.57	65.64	14.93	14.51
July	80.34	63.82	16.52	14.00
Aug	82.73	67.40	15.33	13.48
Period	Labour market			
	Employed	Vacancies	Un- employed	Un- employ- ment rate in %
	Number in thousands			
2007 Q1	39,593	638	3,941	9.4
Q2	39,703	607	3,841	9.2
Q3	...	614	3,736	8.9
July	39,780	611	3,771	9.0
Aug	39,814	615	3,744	8.9
Sep	...	615	3,694	8.8
Period	Import prices	Producer prices of industrial products	Con- struction prices	Con- sumer prices
	2000 = 100			
	2007 Q1	106.1	118.1	111.7
Q2	107.7	118.8	112.6	112.1
Q3	...	119.2	113.3	112.8
July	108.8	119.0	.	112.6
Aug	107.4	119.2	.	112.7
Sep	...	119.3	.	113.0

\* Explanatory notes, see Statistical Section, X, and Statistical Supplement, Seasonally adjusted business statistics.

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orders grew more sharply, at 1%, than the volume of orders from domestic customers, which rose by just under ½%. Manufacturers of intermediate goods and capital goods benefited particularly from the ordering activity, whereas manufacturers of consumer goods recorded a decline in demand.

The value of exports of goods rose significantly in August. Compared with July, it was 3% up in seasonally adjusted terms. In July and August, exports were 2% up on the average of the second quarter, in which they showed only a slight rise. The value of imported goods went up even more sharply, increasing by a seasonally adjusted 5½% in August. On an average of the two-month period of July and August, the value of imported goods was 3% up on the second quarter. After adjustment for price increases, foreign trade flows also expanded relatively sharply in the period under review.

Foreign trade

## Construction

Construction output rose considerably on the month in August. Seasonally adjusted construction activity went up by 2%, after having increased by just under 1% in July. In the construction industry, too, the monthly rates of change at the beginning of the third quarter are likely to have been influenced by the shift in holiday dates. Output in July and August, taken together, was up ½% on the quarter. Above-average growth, at 1%, was recorded in general construction during this period. Civil engineering, however, remained at its second-quarter level.

Construction output

*Construction  
demand*

Demand for construction in July, the most recent month for which figures are available, showed a clear recovery on the weak level in June, with a rise of 3¾% on the second quarter. There was exceptionally strong growth (10¼%) in industrial demand for construction work, in particular, whereas orders for housing construction declined by 1¼%. The public sector did not place as many orders as in the second quarter either.

**Economy as a whole***Macroeconom-  
ic outlook for  
the third  
quarter*

According to the indicators available so far, activity in the economy as a whole increased discernibly in the third quarter after the effects of the VAT increase on private consumption and on housing construction had significantly dampened growth in the first half of the year. These effects are likely to have abated in the third quarter with the result that the cyclical expansionary forces began to have a greater influence again. According to estimates, the economy grew at a more rapid rate in the third quarter than on an average of the first half of the year. Increased stimuli from the domestic market played a role in this context. Given subdued traditional retail sales, private consumption is likely to have picked up noticeably mainly on account of the substantial growth in the motor vehicle trade. Furthermore, it is anticipated that both the upward trend in the demand for machinery and equipment will remain stable and that construction investment will rise. Exports were also on a clear upward course in the third quarter. Imports also showed a sharp increase. The high level of imports may have

been used, not least, to restock the inventories.

**Labour market**

The favourable underlying trend in the labour market continued in August. According to initial estimates by the Federal Statistical Office, the seasonally adjusted number of persons in employment rose by 34,000 to 39.81 million. This is equivalent to a year-on-year increase of 637,000. The positive trend in employment subject to social security contributions also continued with a marked increase again in July, namely by 53,000, compared with 6,000 in June. By contrast, the scale of government-assisted forms of employment remained virtually unchanged.

*Employment*

There was a further decline in the official unemployment figure in September. The seasonally adjusted number of persons officially registered as unemployed stood at 3.69 million persons in total. This was 50,000 fewer than in the previous month. The year-on-year decrease was 694,000. After adjustment for seasonal variations, the unemployment rate was 8.8%, compared with 10.5% in September 2006. This improvement was due primarily to the cyclical rise in employment. Furthermore, the demographically induced decline in the supply of labour also eased the burden on the labour market.

*Unemployment***Prices**

Prices in the international commodity markets went up again in September following a temporary easing in August. On a monthly aver-

*International  
crude oil prices*

age, the spot quotation for a barrel of Brent North Sea oil reached a new record high at US\$76¾. As this report went to press, the market price stood at US\$84½. The sharp rise in prices also has to be seen against the backdrop of the declining stocks in the USA and production stoppages owing to the tropical hurricanes and the heightened tensions along the Turkish-Iraqi border. Given that the forward quotations did not rise as sharply as the spot prices, the forward discounts have expanded. The discount on six-month contracts was US\$2¼. On long-term contracts, the figure was US\$6¾.

*Import and  
producer prices*

German import prices declined perceptibly by a seasonally adjusted 1.3% on the month in August, which was due mainly to the temporarily lower market prices for crude oil and the appreciation of the euro. Nevertheless, domestic inflationary pressures at the industrial producer level continued. This applies, in particular, to food industry prices. On the whole, industrial producer prices (excluding energy) increased by 2.7% on the year.

*Consumer  
prices*

Consumer prices in September were clearly up on the month. The cost of both energy and food products went up again. Although there were lower prices in the case of seasonal food products, these were masked by price rises, especially for dairy products. Consumers had to pay more for industrial goods as well. On the whole, consumer price inflation (CPI) was up 2.4% on the year, compared with +1.9% in August. According to the Harmonised Index of Consumer Prices (HICP), the increase was 2.7%, compared with +2.0% in August.

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

### Autumn notification outturns and general government debt

Under the European budgetary surveillance procedure, revised figures for the general government deficit and debt level were transmitted to the European Commission at the end of September. The deficit ratio for 2006 calculated by the Federal Statistical Office was revised downwards by 0.1 percentage point compared with the figure in the spring notification to 1.6%. By contrast, the Federal Ministry of Finance's estimate of the deficit for the current year was, at 0.1% of GDP, significantly below the figure transmitted at the end of March (1.2%). The debt level at the end of 2006 – calculated by the Bundesbank – was revised upwards by just over €1½ billion to €1.568 trillion in the light of updated data from central and local government. However, the debt-to-GDP ratio was 0.4 percentage point lower at 67.5% as a result of the considerably higher nominal GDP that was meanwhile recorded. This is equivalent to a decline of 0.3 percentage point compared with the end of 2005.

*Autumn  
notification  
outturns*

The debt level as defined in the Maastricht Treaty continued to rise up to mid-2007, reaching €1.587 trillion. However, the ratio of debt to GDP of the four preceding quarters

*Further decline  
in debt ratio up  
to mid-year  
alongside rise in  
nominal debt  
level*

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



decreased further to 67% due to the strong growth in nominal GDP. The debt ratio could fall even more sharply in the second half of the year, not least because a reduction in the money market assets of central government and its off-budget special funds, which were topped up significantly compared with the end of last year, could have a dampening effect on the development of gross debt.

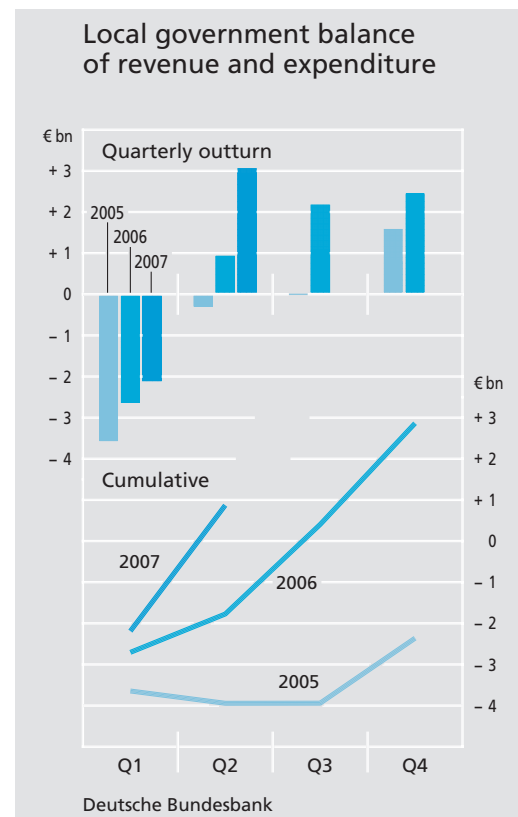
### Local government finances

*Far higher surplus in 2007 Q2 thanks to marked rise in revenue ...*

According to recently published cash statistics data, in the second quarter of 2007 local government budgets recorded a surplus of just over €3 billion, which was considerably higher than during the same period of last year (€1 billion). The main reason for this was that, although last year's figures contained windfall gains from the sale of Dresden's municipal housing company (€1 billion), revenue increased noticeably (+7% or + €2½ billion). Tax receipts again rose more strongly (+13½% or €2 billion), with significant growth in local business tax (+14%) and, in particular, income tax (+22%), which in the previous quarter had fallen slightly. The sharp increase in general-purpose grants dependent on state government tax receipts and in state government transfers earmarked for investment, which has been evident since the beginning of this year, continued (+15½% overall).

*... and moderate expenditure development*

Expenditure increased by 1½% (+€½ billion) on the year. The decline in personnel expenditure accelerated (-2½%) and spending on social benefits increased only slightly (+1%), with payments for accommodation costs for



recipients of unemployment benefit II virtually unchanged. By contrast, not least other operating expenditure (+4%) rose sharply. The marked growth in fixed investment, which was also supported in the first quarter by the unusually mild weather conditions, continued at a subdued pace (+7%).

Against the backdrop of sharp rises in tax revenue, marked increases in state government transfers and subdued growth in expenditure on personnel and job seekers, local government is likely to generate a higher surplus in 2007 than last year (€3 billion). However, the development of short-term cash advances suggests that many municipalities are still encountering difficulties in balancing their current budgets. Despite the high local government financial surplus recorded in the

*In 2007 higher surplus possible, but continued rise in cash advances*

second quarter, cash advances rose further by a total of €½ billion compared with the end of the first quarter (to a current total of just over €29 billion). The increase was concentrated on the federal states of North Rhine-Westphalia and Hesse, but there were also notable increases in the average cash advance *per capita* in the local governments of Saxony-Anhalt and Lower Saxony, although on an aggregated level local government budget surpluses were also recorded in each of these federal states.

## Securities markets

### Bond market

*Sales of debt securities*

In August, the issue volume in the German bond market was down on the previous month with gross sales amounting to €93.5 billion (July: €109.9 billion). In view of increased redemptions and taking account of changes in issuers' holdings of their own bonds and notes, the volume of domestic debt securities outstanding fell by €32.6 billion on balance. In July, debt securities worth €1.3 billion net had been issued. In August, foreign debt securities totalling €8.1 billion (net) were placed in the German market.

*Public debt securities*

The public sector reduced its capital market debt by €18.0 billion in line with high gross redemptions. The outstanding amount of Federal debt securities fell by €18.7 billion. On balance, central government redeemed above all five-year Federal notes (Bobls) (€20.3 billion). To a lesser extent, 30-year Federal bonds (Bunds), two-year Federal Treasury

notes (Schätze) and Treasury discount paper (Bubills) worth €0.7 billion, €0.6 billion and €0.5 billion respectively were also redeemed. In the longer-term maturity segment, however, net sales of ten-year Bunds amounted to €3.5 billion. The outstanding amount of debt securities issued by state governments increased slightly by €0.7 billion net.

Credit institutions reduced their capital market debt by €13.9 billion. This was likewise attributable to high redemptions and repurchases. As a result, there was a drop in the amount of other bank debt securities outstanding by €9.1 billion and of debt securities issued by specialised credit institutions by €3.9 billion. However, mortgage Pfandbriefe were also redeemed to a lesser extent (€0.9 billion).

*Bank debt securities*

In August, domestic enterprises redeemed own debt securities with a net value of €0.7 billion. In doing so, they focused exclusively on commercial paper (€1.3 billion).

*Corporate bonds*

In August, foreign investors were the sole purchasers of domestic debt securities, topping up their German bond portfolios by €16.7 billion. By contrast, German non-banks and credit institutions sold debt securities for €39.4 billion and €1.8 billion respectively. Overall, they sold only German paper and, to a lesser extent, invested capital in foreign bonds.

*Purchases of debt securities*

### Equity market

In the month under review, domestic enterprises issued new shares worth €0.3 billion in

*Sales and purchases of shares*

the German equity market, two-thirds of which was attributable to listed instruments. Foreign equities worth €3.6 billion were sold by German investors. On the buyers' side, German credit institutions and non-banks sold equity instruments worth €4.9 billion and €4.2 billion respectively. They sold both domestic and foreign shares. By contrast, foreign investors added German equities worth €5.8 billion to their portfolios, exclusively in the form of portfolio investment.

**Mutual fund shares**

*Sales of mutual fund shares*

In August, domestic investment funds recorded an outflow of €5.1 billion. Especially domestic mutual funds open to the general public repurchased their own shares in the amount of €5.3 billion net. However, foreign mutual fund shares worth €2.1 billion net were also redeemed.

*Purchases of mutual fund shares*

In the case of mutual funds open to the general public, outflows of funds in the wake of the tensions on the European and US money markets affected mainly money market funds (€2.7 billion) but also equity-based funds (€1.6 billion) and bond-based funds (€1.1 billion). Mixed funds on the other hand raised €0.2 billion. Mutual fund shares were returned mainly by German non-banks (€6.0 billion). Credit institutions were also active on the sellers' side, albeit to a much lesser extent (€1.5 billion).

**Sales and purchases of debt securities**

€ billion

Item	2006		2007	
	August	July	August	
Sales of domestic debt securities <sup>1</sup>	- 13.0	1.3	- 32.6	
<i>of which</i>				
Bank debt securities	- 6.6	8.4	- 13.9	
Public debt securities	- 3.5	- 10.5	- 18.0	
Foreign debt securities <sup>2</sup>	- 2.9	- 1.1	8.1	
Purchases				
Residents	- 16.2	- 18.0	- 41.2	
Credit institutions <sup>3</sup>	- 7.5	- 0.1	- 1.8	
Non-banks <sup>4</sup>	- 8.7	- 17.9	- 39.4	
<i>of which</i>				
Domestic debt securities	- 9.5	- 14.1	- 39.9	
Non-residents <sup>2</sup>	0.3	18.2	16.7	
Total sales/purchases	- 15.8	0.1	- 24.5	

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

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**Balance of payments**

The German current account recorded a surplus – in unadjusted terms – of €9.1 billion in August. The result was thus €4.4 billion down on the level of the previous month. This can be attributed to a smaller trade surplus and a larger deficit on invisible current transactions, which comprise services, income and current transfers.

*Current account*

According to provisional figures from the Federal Statistical Office, the foreign trade surplus in August went down by €3.8 billion on the month to €14.1 billion. After adjustment for seasonal and calendar variations, it decreased by €1¼ billion to €15¼ billion. This is attributable to strong growth in the nominal imports of goods (5½%), which was notice-

*Foreign trade*

## Major items of the balance of payments

€ billion			
Item	2006	2007	
	Aug	July r	Aug
I Current account			
1 Foreign trade <sup>1</sup>			
Exports (fob)	69.2	81.3	77.7
Imports (cif)	58.1	63.4	63.6
Balance	+ 11.0	+ 17.9	+ 14.1
<i>Memo item</i>			
Seasonally adjusted figures			
Exports (fob)	73.6	80.3	82.7
Imports (cif)	61.5	63.8	67.4
2 Supplementary trade items <sup>2</sup>	- 1.2	- 1.3	- 0.6
3 Services			
Receipts	11.4	13.9	12.7
Expenditure	15.8	17.1	17.3
Balance	- 4.4	- 3.1	- 4.6
4 Income (net)	+ 2.1	+ 2.9	+ 3.0
5 Current transfers			
from non-residents	1.3	0.7	1.0
to non-residents	3.7	3.7	3.8
Balance	- 2.3	- 2.9	- 2.8
Balance on current account	+ 5.3	+ 13.5	+ 9.1
II Capital transfers (net) <sup>3</sup>	+ 0.1	+ 0.4	- 0.0
III Financial account (net capital exports: -)			
1 Direct investment	+ 3.6	- 6.5	- 4.0
German investment abroad	+ 2.1	- 10.8	- 7.8
Foreign investment in Germany	+ 1.5	+ 4.3	+ 3.8
2 Portfolio investment	+ 4.0	+ 10.0	+ 21.0
German investment abroad	- 1.1	- 0.6	- 1.8
<i>of which</i>			
Shares	- 4.0	+ 3.2	+ 4.2
Bonds and notes <sup>4</sup>	+ 2.7	- 0.1	- 2.1
Foreign investment in Germany	+ 5.1	+ 10.6	+ 22.8
<i>of which</i>			
Shares	+ 4.2	- 8.0	+ 5.8
Bonds and notes <sup>4</sup>	- 2.0	+ 12.1	+ 10.7
3 Financial derivatives	- 1.1	- 9.5	- 15.5
4 Other investment <sup>5</sup>	- 14.7	+ 2.1	- 8.4
Monetary financial institutions <sup>6</sup>	+ 15.5	- 11.5	+ 8.6
<i>of which</i>			
Short-term	+ 21.0	- 10.4	+ 25.6
Enterprises and households	- 4.7	- 1.0	- 5.4
General government	+ 0.4	+ 17.4	+ 12.0
Bundesbank	- 25.9	- 2.8	- 23.6
5 Change in the reserve assets at transaction values (increase: -) <sup>7</sup>	+ 0.7	+ 0.1	- 0.0
Balance on financial account <sup>8</sup>	- 7.5	- 3.7	- 7.0
IV Errors and omissions	+ 2.1	- 10.2	- 2.1

<sup>1</sup> Special trade according to the official foreign trade statistics (source: Federal Statistical Office). From January 2007, excluding supplies of goods for or after repair/maintenance, which up to December 2006 were deducted via supplementary trade items. — <sup>2</sup> Including warehouse transactions for account of residents and deduction of goods returned. — <sup>3</sup> Including the acquisition/disposal of non-produced non-financial assets. — <sup>4</sup> Original maturity of more than one year. — <sup>5</sup> Includes financial and trade credits, bank deposits and other assets. — <sup>6</sup> Excluding Bundesbank. — <sup>7</sup> Excluding allocation of SDRs and excluding changes due to value adjustments. — <sup>8</sup> Balance on financial account including change in the reserve assets.

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ably greater than the expansion in exports (3%). Import turnover for July and August together was 3% higher than the second-quarter average after seasonal adjustment whereas earnings from exports increased by 2%.

Compared with July, the deficit on invisible current transactions increased in August by €1.3 billion to €4.4 billion. This was due to the increase in the deficit on services to €4.6 billion compared with a deficit of €3.1 billion in the previous month. By contrast, net receipts from cross-border income increased by €0.1 billion to €3.0 billion. The deficit on current transfers sank by the same amount to €2.8 billion.

*Invisibles*

Cross-border portfolio investment again recorded net capital imports in August. At €21.0 billion, these were around twice as high as in July. This can be attributed to greater investment by non-residents in German securities (€22.8 billion following €10.6 billion in July). They invested primarily in German debt securities (€16.7 billion) concentrating mainly on bonds and notes (€10.7 billion) and money market paper (€6.0 billion). They also purchased shares (€5.8 billion) after selling these in the previous month (€8.0 billion). However, German investors' portfolio investment abroad was moderate (€1.8 billion). On the one hand, they purchased foreign debt securities (€8.1 billion) investing in money market paper (€6.0 billion) and bonds (€2.1 billion). On the other hand, they sold shares (€4.2 billion) and mutual fund shares (€2.1 billion). Outside the field of portfolio investment, financial derivatives transactions gener-

*Portfolio investment*

ated net outflows of €15.5 billion, compared with €9.5 billion in July.

*Direct investment*

Direct investment resulted in net capital exports of €4.0 billion in August, compared with €6.5 billion in July. German enterprises provided their foreign branches with additional funds of €7.8 billion. This took the form of intra-group credits (€3.0 billion) as well as reinvested earnings (€2.5 billion) and equity capital (€2.3 billion). Foreign enterprises also increased their capital in Germany (€3.8 billion), predominantly in the form of loans to their subsidiaries resident in Germany and reinvested earnings.

*Other investment by non-banks and ...*

Non-banks' transactions in other statistically recorded investment, which comprises financial and trade credits as well as bank deposits and other assets, recorded inflows of funds of €6.6 billion. This was due to activities of general government which led to capital imports of €12.0 billion. Bank deposits abroad de-

creased and short-term loans were taken up in broadly equal proportions. However, enterprises and households recorded outflows of capital (€5.4 billion) mainly as a result of the repayment of short-term financial liabilities and the building-up of bank balances abroad.

Partly as a counterpart to the non-banks' transactions detailed above, the net external assets of the German banking system increased by €15.1 billion on balance. The external position of the Bundesbank rose by €23.6 billion, which was almost exclusively due to an increase in claims in connection with the TARGET large-value payment system. By contrast, the non-securitised external operations of the credit institutions generated inflows of €8.6 billion.

*... the banking system*

The Bundesbank's reserve assets – at transaction values – remained broadly unchanged in August.

*Reserve assets*



## Globalisation and monetary policy

Recently, the significance of the globalisation process for monetary policy has come increasingly under the spotlight. There are two issues at play here: the influence of global factors on price developments – and thus on the monetary policy target – as well as the implications of globalisation for the transmission of monetary policy.

This article provides an overview of the current status of the debate. It comes to the conclusion that the globalisation process neither lessens the need for a stability-oriented monetary policy nor fundamentally calls into question the ability of an independent central bank to guarantee price stability over the medium term. However, it may be assumed that the growing interlinkages between the goods and financial markets have altered the price dynamics and the monetary transmission process. The relative strength of the potential changes and thus their net impact on the monetary policy data set are very difficult to quantify, though. Increasing globalisation ultimately raises the degree of uncertainty with which monetary policy decisions are taken. This concern is addressed by means of a broad analysis of economic indicators.

## Significance of globalisation for central banks

*Globalisation and maintenance of price stability*

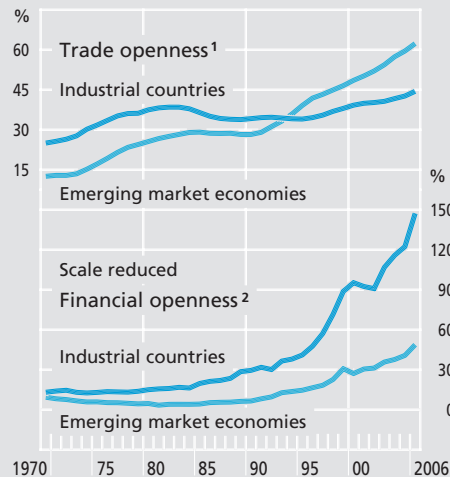
The phenomenon of globalisation and its social, political and economic dimensions have attracted a lot of attention in the past few years. This article addresses the implications of globalisation for price developments and monetary policy.<sup>1</sup> The main task of the Eurosystem as well as of most other central banks is to maintain price stability. From a monetary policy perspective, therefore, the question of whether and how globalisation affects the fulfilment of this task is a core issue. There are two aspects of particular interest here. First, it must be examined whether and in what form, if at all, globalisation affects macroeconomic price developments. In this connection, there are many who claim, for instance, that greater world economic integration has dampened inflation rates in the developed world. Second, it must be examined whether globalisation – as some observers have asserted – has altered the channels of influence of monetary policy measures. Any evidence of such changes must accordingly be taken into account in the monetary policy analysis and the decision-making process.

### Globalisation – definition and key variables

*Measures of the degree of globalisation*

In economic terms, globalisation denotes the process of a progressively greater international division of labour, as a consequence of which goods, financial and labour markets, once primarily national in their scope, are becoming increasingly integrated.<sup>2</sup> To pin down

### Trade and financial openness



Source: IMF. Definition of country aggregates: see World Economic Outlook, April 2006, p 101. — 1 Sum of exports and imports as a percentage of GDP (five-year moving average). — 2 Sum of the stocks of external assets and liabilities of foreign direct investment and portfolio investment as a percentage of GDP.

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the term, reference is often made to the worldwide integration of markets, the internationalisation of production, the integration of economic activities or the increasing mutual interdependency of the world's economies. The extent to which a national economy or economic zone is exposed to the globalisation process can accordingly be measured using indicators such as the degree of financial and trade openness of the country concerned.

The degree of trade openness – defined as the sum of the exports and imports of goods

*Degree of trade openness*

<sup>1</sup> For more on the significance of greater world economic integration for the German economy, see Deutsche Bundesbank, Germany in the globalisation process, Monthly Report, December 2006, pp 17-34.

<sup>2</sup> See IMF (2006), How has globalization affected inflation?, World Economic Outlook, April 2006, pp 97-134.



and services divided by gross domestic product (GDP) – has risen distinctly in many countries over the past few decades. This process already surged visibly in the 1970s and has been doing so again with renewed vigour since the mid-1990s. The recent trend has been spurred, in particular, by falling communication and transport costs as well as the opening up of the markets in China, India and central and eastern Europe.

*Degree of financial openness*

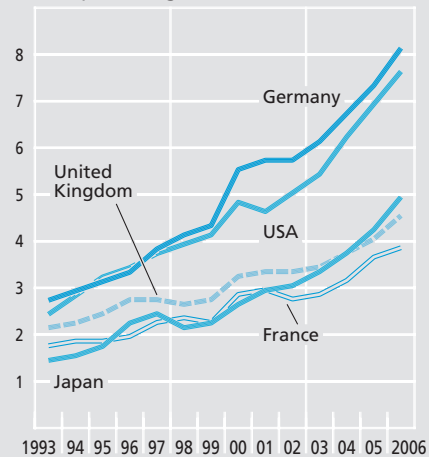
Financial integration has grown at an even more visibly accelerated pace. In many countries, including Germany, both cross-border portfolio investment and foreign direct investment (FDI) have skyrocketed since the beginning of the 1990s. Accordingly, these countries' degree of financial openness – defined as the sum of external assets and liabilities divided by GDP – has increased much more sharply than the degree of trade openness since the beginning of the 1990s.

*Drivers of globalisation*

Technological progress, especially in information and communications technology, the opening up of markets in many countries and the deregulation of the product and labour markets as well as of the financial sector, have all been drivers of the increasing division of labour in the world economy. These developments, which also affect the conditions under which monetary policy operates, are, however, not detached from the degree of international integration and the extent of international competition. Consequently, any attempt to empirically estimate globalisation's isolated contribution to changes in national price formation processes or monetary policy

### Share of imports from low-cost countries\*

As a percentage of GDP



Sources: IMF and Bundesbank calculations. — \* Definition of the group of countries: new EU member states (since 2004); Croatia, Serbia and Montenegro, Turkey and Ukraine; Russia; Algeria, Egypt, Morocco and Tunisia; China, India, Indonesia, Malaysia, Pakistan, the Philippines, Thailand and Vietnam; Argentina, Brazil, Chile and Mexico.

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transmission is fraught with considerable uncertainty.

### The significance of globalisation for the worldwide decline in inflation rates

In parallel with the acceleration of globalisation since the beginning of the 1990s, a distinct decline in inflation rates has also been recorded. This trend first appeared in the developed world. The emerging market economies (EMEs) then followed suit, with a certain time lag. The variability of inflation rates declined at the same time. It is largely agreed that the main reason for this positive trend lies in the greater orientation and focusing of monetary policy towards safeguarding price stability. The institutional foundations were

*Monetary policy reorientation as the main reason for global disinflation*



created by giving more and more central banks independence, legally enshrining the goal of price stability and adopting a variety of transparency-enhancing measures, such as introducing quantitative targets. Some observers, however, also emphasise the fact that globalisation has fostered the process of disinflation, thus alleviating the work of central banks.<sup>3</sup>

### Possible channels of influence

In principle, there are various ways in which globalisation may have contributed to lower rates of inflation. A possible channel could be that globalisation itself has strengthened the monetary authorities' orientation towards price stability. In that vein, there are several theoretical arguments in support of the con-

tention that central banks' awareness of the need for price stability increases in line with the degree of openness, for instance, because greater capital mobility enhances the incentive for monetary policy discipline.<sup>4</sup> However, it must also be noted that the disinflation process had begun not only in Germany but also in other European countries as well as the United States as early as the beginning of the 1980s, ie long before the most recent acceleration of the pace of globalisation.<sup>5</sup>

Another line of argument asserts that consumer price developments in the industrial countries have been dampened by the availability of cheap imports of finished goods from Asia as well as central and eastern Europe in two ways: directly, through the effect that falling import prices for these products has on domestic prices (import price channel), and indirectly, through greater pressure on the prices and wages in those sectors of the domestic economy which are particularly exposed to foreign competition (competition channel).

What is correct here is that many of the goods contained in the consumer price index are tradable goods whose prices are increas-

*Import price and competition channels*

*Both price-dampening and price-increasing effects of globalisation ...*

*Globalisation as a reason for monetary policy reorientation?*

<sup>3</sup> Examples include K Rogoff (2003), Globalization and Global Disinflation, Jackson Hole 2003 Symposium Proceedings, Federal Reserve Bank of Kansas City, and BIS (2006), 76th Annual Report, pp 82-89.

<sup>4</sup> For more details, see E Gnan and M T Valderrama (2006), Globalization, inflation and monetary policy, Monetary Policy and the Economy Q4/06, Oesterreichische Nationalbank, pp 37-54.

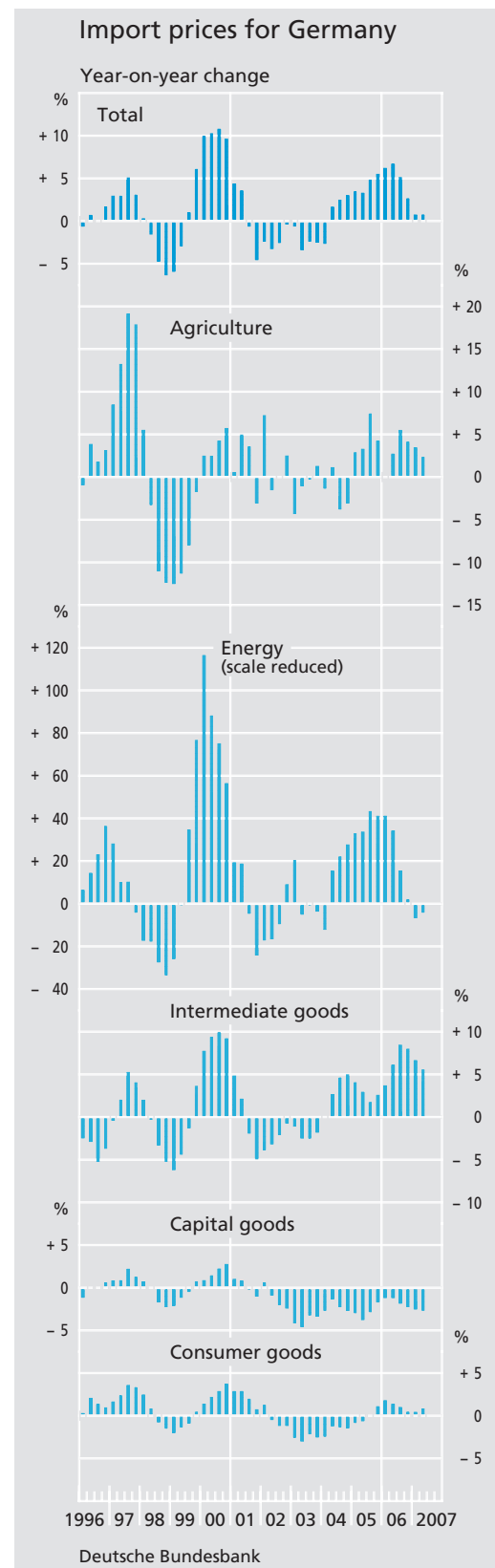
<sup>5</sup> See IMF (2006), loc cit, p 123.

ingly being set on international markets.<sup>6</sup> The consequence of this is that market developments, even in geographically distant countries, can be felt by domestic consumers (and the domestic producers of these goods). The impact of globalisation, however, can fundamentally be double-edged, ie it can dampen as well as increase prices. The recent rise in the consumer prices for milk products in Germany, reflecting a tighter supply situation and growing demand in international markets, is a topical example of globalisation's possible price-increasing effects. This example clearly shows that the overall effect of greater market integration on consumer prices in the industrial countries is initially indeterminate. For instance, over the past few years, the prices of many manufactured goods have risen only very weakly or even fallen, probably also as a consequence of the growing international division of labour. However, strong global demand for raw materials has driven up prices, especially energy prices, and this development is also associated with the fast pace of growth of major EMEs, such as China.

*... but overall effect is unclear*

Generally, the rapid industrialisation of relatively energy-inefficient EMEs means that the prices of certain non-renewable resources will probably tend to rise faster than on average. This effect of globalisation on prices in the in-

<sup>6</sup> Local distribution costs, which weaken the international price relationship, also need to be included. See, in particular, A Burstein, J Neves and S Rebelo (2003), Distribution costs and real exchange rate dynamics during exchange-rate-based stabilizations, *Journal of Monetary Economics*, Vol 50, pp 1189-1214; J Anderson and E van Wincoop (2004), Trade Costs, *Journal of Economic Literature*, Vol 42, September 2004, pp 691-751; L Goldberg and J Campa (2006), Distribution margins, imported inputs, and the sensitivity of the CPI to exchange rates, NBER Working Paper 12121.



## Globalisation and sectoral relative prices

This box examines the relationship between the openness of selected sectors of the manufacturing industry (relative to the average degree of openness of all the sectors considered) and sectoral inflationary pressure (relative to the average rate of inflation of the sectors considered) in Germany. The sectoral perspective complements the aggregate perspective and can foster greater understanding of the relationship between globalisation and price developments. Sectoral data can be used, in particular, to check the validity of the argument that the increased supply of finished goods from abroad has had a dampening effect on the prices of domestically manufactured competing products. This "global competition hypothesis" implies a negative correlation between the (relative) degree of globalisation of a sector and sector-specific inflationary pressures.<sup>1</sup> However, this does not mean that varying intensities in the pace of globalisation are the only or the main reason for diverging sectoral price developments. Different productivity trends – which can themselves however be the result of varying degrees of openness – are also likely to play a significant role. Sectoral differences in the capital and commodities intensity of production can also have a significant impact on relative prices.

In order to test the global competition hypothesis, the trends in the producer prices of selected sectors of the German manufacturing industry are compared with the respective industry-specific significance of imports. The latter is determined as a share of real imports<sup>2</sup> in the net output of each sector. The underlying monthly data in the representation for the period from 1976 to April 2007 relate to ten consolidated sectors of the manufacturing industry. Consolidation became necessary following the changeover in 1995 from the GP<sup>3</sup> 1989 to the GP 2002, which resulted in the fundamental reclassification of the manufacturing industry's sectors. Some categories of goods were assigned to new sectors, others were no longer recorded at all and some new categories of goods were added. In order to avoid a break in the time series of prices, output and foreign trade values, 21 (West German) sectors covering the period up to 1994 and

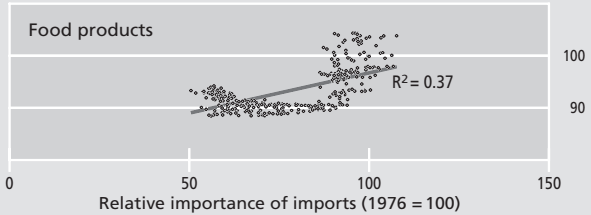
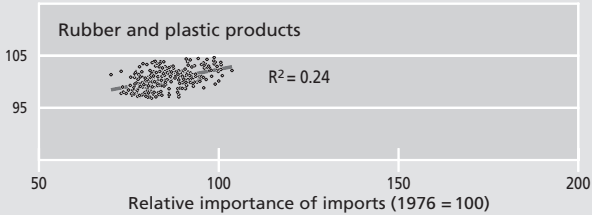
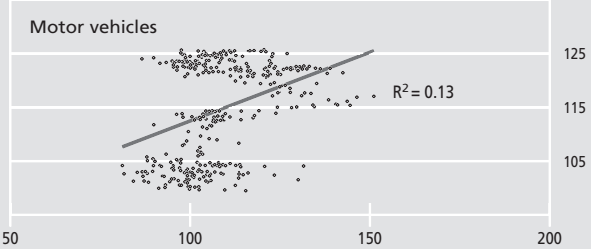
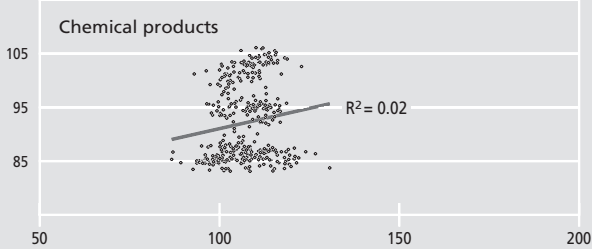
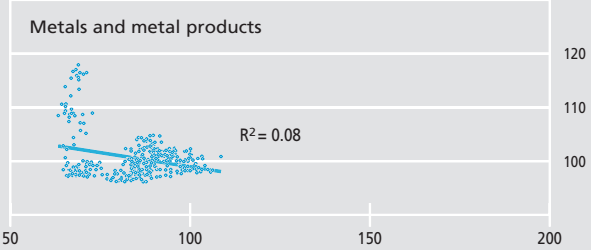
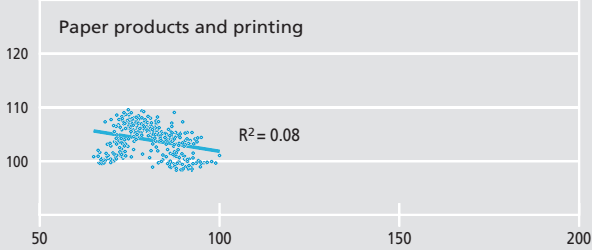
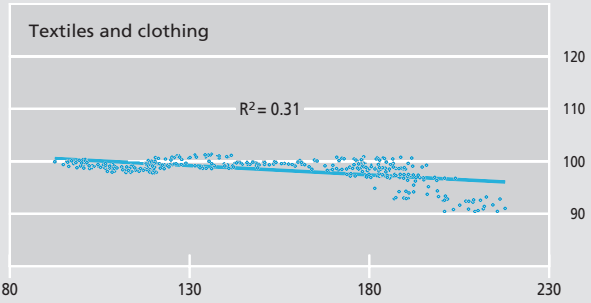
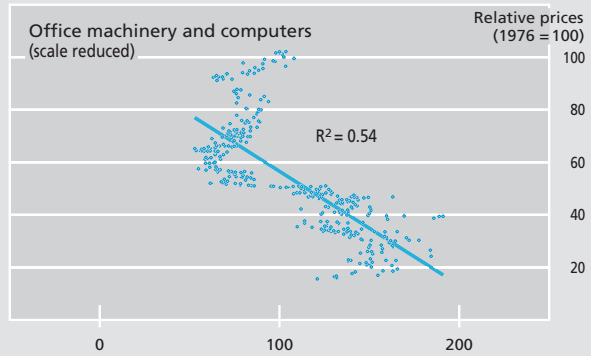
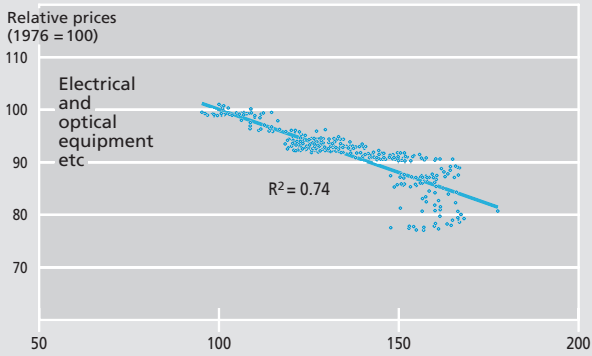
16 sectors (for Germany as a whole) covering the period as of 1995 were consolidated into ten comparable sectors and then linked.<sup>4</sup> Measured in terms of net output, these groups make up around 75% of the manufacturing industry. All of the sectoral data are taken from the monthly reports for the manufacturing industry compiled by the Federal Statistical Office; these data were seasonally adjusted prior to being consolidated and linked.

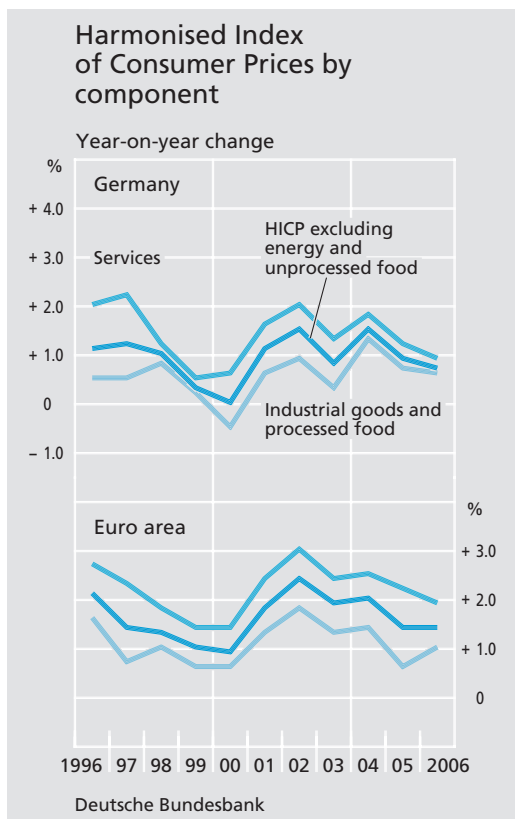
The sectoral developments in both prices and foreign trade links are compared with the weighted average of all the manufacturing industry sectors considered here (see chart on page 21). A high correlation between developments in the relative significance of imports and the relative price trend over time is apparent for the following sectors: food products, textiles, plastic products, machinery, office machinery and computers, and electrical equipment. The blue dots indicate an expected negative correlation and the black dots indicate an unexpected positive correlation between international economic integration and price developments. Overall, the negative indicators are predominant. This means that an increase in the share of imports normally leads to a decline in relative inflationary pressures. If the sectors with only a weak correlation are also taken into consideration, then two further economic sectors with negative indicators (paper and metal products) and two with positive indicators (chemical products and motor vehicles) are added. Strong positive correlations are apparent only in the food products and the rubber and plastic products sectors. However, when assessing those sectors with a positive correlation, special factors should also be taken into consideration. For example, in the past, food prices were influenced by the EU agricultural market regulation to a greater extent than they are today. In the chemicals industry, the downward pressure on prices owing to increasing competition is likely, at times, to have been obscured by oil price changes. On the whole, it can therefore be seen that the price trend was generally more moderate in sectors with relatively stronger growth in import penetration.

<sup>1</sup> See IMF (2006), How has globalization affected inflation?, World Economic Outlook, April 2006, p 111 ff. — <sup>2</sup> Import values deflated by import prices. — <sup>3</sup> German product classification for production statistics. — <sup>4</sup> The selection of product groups is based to a large extent on K Stahn, Has the export pricing behaviour of German enterprises changed? Empirical evidence from German sectoral export prices, Research Centre, Deutsche Bundesbank, Discussion Paper, Series 1, Economic Studies, No 37/2006, Table 1, p 8. Deviations: tobacco products were counted here as food; wood pulp, cellulose, and paper and pulp

(55) were added to the product group "paper products and printing" in accordance with GP 1989; refined petroleum products were excluded. — <sup>5</sup> Globalisation is defined as the ratio of imports (import values deflated by import prices) to net output; blue = negative correlation, black = positive correlation; sectors in which  $R^2 > 0.2$  are shaded in dark grey. Data source: Bundesbank calculations based on data from the Federal Statistical Office. — <sup>6</sup> In each case relating to the weighted average of the ten sectors considered here.

Relative prices and globalisation<sup>5</sup> (1976 to 2007<sup>6</sup>)





dustrial countries counteracts the price-dampening influence of cheap imports of finished goods from low-cost countries, which shows once again that the overall effect on domestic prices is not definite *a priori*.

In principle, the influence of such external price movements on the rate of change in domestic prices is, in many cases, merely temporary. In a regime of flexible exchange rates, the trend rate of inflation ultimately hinges on the increase in the general price level supported by the central bank. If the central bank is pursuing a clearly defined goal of price stability, it will counteract downward or upward pressure on the overall inflation rate resulting from changes in relative prices by pursuing a correspondingly expansionary or restrictive monetary policy. Both external and

domestic price impulses will then ultimately be reflected merely in changes in relative prices but not in the overall price trend.

In the adjustment stages, (temporary) effects on consumer prices may very well occur in these cases, too. Thus, for instance, the sequence of negative price shocks, especially oil price shocks, since 1999 has caused actual inflation rates in the euro area to overshoot the price stability target and inflation expectations time and again (see chart on page 23).

In addition, the knowledge that, over the medium to long term, the rate of change of the general price level is determined by monetary policy does not mean that monetary policy makers can afford to ignore globalisation's influence on price formation. On the contrary: any influence on the determinants of the price formation process is highly relevant to a stability-oriented monetary policy.

### Existing empirical evidence

Empirical studies largely find that globalisation has slightly dampened worldwide inflation. For instance, a 2006 OECD study estimates that the direct effect of cheaper imports of finished goods from China and other dynamic Asian countries has been to reduce inflation in the euro area by an average of 0.3 percentage point per year in the 2000 to 2005 period and 0.1 percentage point per year in the United States (1996 to 2005).<sup>7</sup> An ECB study published in 2007 places the direct

*Although effects of external price impulses are fundamentally only temporary, ...*

*... they are still important for a stability-oriented monetary policy*

*Price-dampening effects of rising imports from low-cost countries*

<sup>7</sup> See N Pain, I Koske and M Sollie (2006), Globalisation and inflation in the OECD economies, OECD Working Paper 2006/524.

*Inflation rate determined by monetary policy over the longer term*

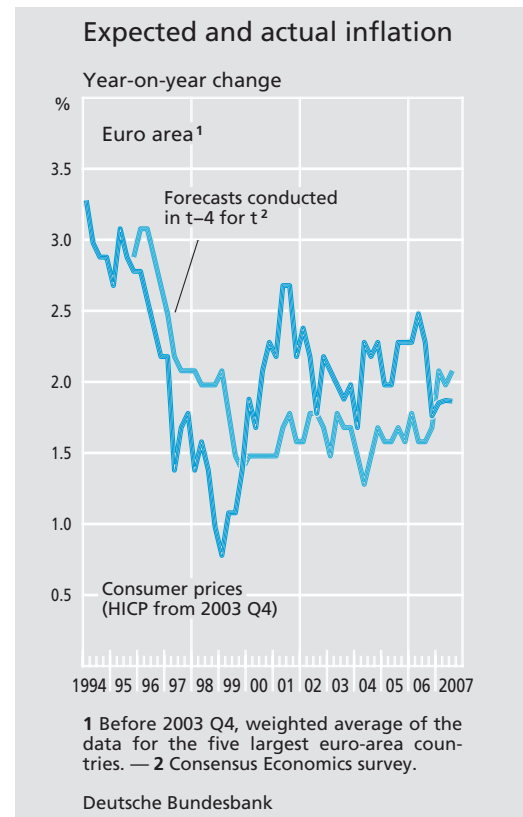
effect of rising shares of imports from low-cost countries (industrial goods excluding energy) on euro-area consumer prices at -0.05 percentage point per year and the sum of direct and indirect effects in a range from -0.1 to -0.2 percentage point (in the 1995 to 2004 period).<sup>8</sup> In some cases, however, these studies are subject to the caveat that they derive the price effects of the greater international division of labour from unit values and their trends, which are not directly comparable with standard price indices.

*Counterbalancing effect of rising commodity prices*

The aforementioned figures, in addition, overstate the actual effects because they fail to take account of the (counterbalancing) effects of globalisation on commodity prices. The OECD study therefore attempts to quantify globalisation's contribution to recent commodity price trends, too. It finds that the fast growth of the non-OECD countries could have increased real oil prices by between 20% and 40% in the 2000 to 2005 period (relative to a scenario in which the non-OECD countries' share in world trade and global GDP is kept constant). This assessment leads the authors to adjust the inflation-dampening effect of falling import prices for non-commodities by a "commodity factor" which, for example for Germany, would be in an average range of 0.05 to 0.15 percentage point per year.

*Overall effect, at most, is to dampen prices slightly*

Taking into account the price-increasing and price-dampening effects of globalisation calculated in this manner, the OECD study concludes that the net effect on consumer prices for OECD countries could have ranged from 0 to -0.25 percentage point per year (for the



1995 to 2005 period). An IMF study reaches very similar conclusions. It also finds that the impact of unexpected import price changes (which deviate from the longer-term trend) is potentially quite perceptible at the beginning, but diminishes relatively quickly over time.<sup>9</sup>

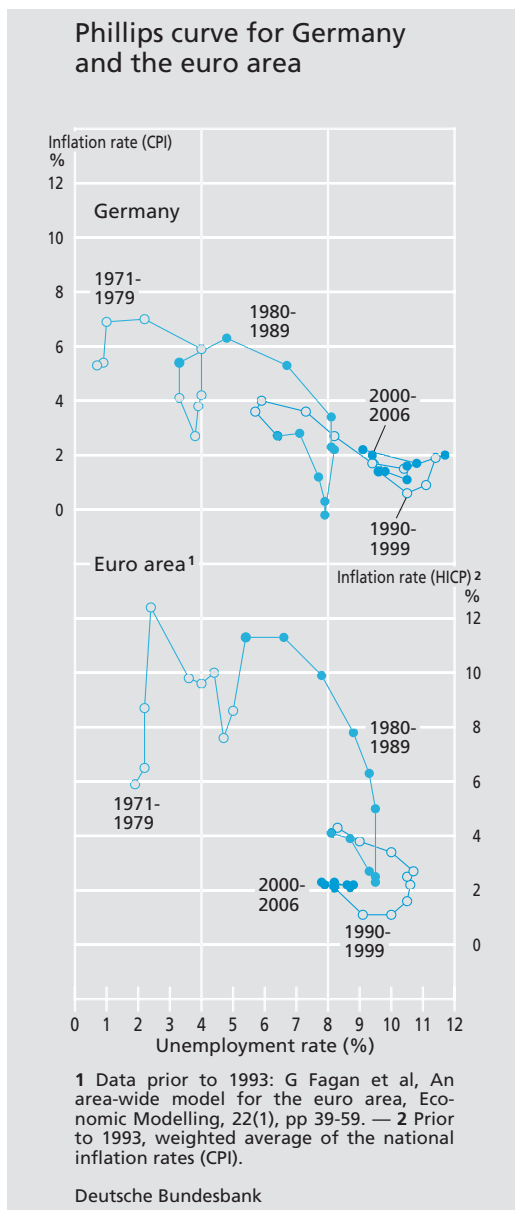
### Globalisation and the Phillips curve relationship

Another question that presents itself concerns the influence that increasing international integration may have on the relation-

*Flattening of the Phillips curve observable in many countries*

<sup>8</sup> See G Pula and F Skudelny (2007), The impact of rising imports from low-cost countries on euro area prices and labour markets, paper presented at the ECB conference on "Globalisation and the Macroeconomy" in Frankfurt am Main, Germany, 23-24 July 2007.

<sup>9</sup> See IMF (2006), loc cit, p 108 ff.



ship between price developments and domestic economic activity (the “Phillips curve”). The short-term trade-off between the inflation rate and economic activity – measured in terms of the (cyclical) unemployment rate or the output gap – has recently flattened distinctly in many countries, including Germany and the euro area. As the above chart indicates, the Phillips curve was almost vertical in Germany in the 1970s but became

increasingly flatter in the 1980s and 1990s. Since the mid-1990s, the relationship seems to be virtually horizontal.

This weakening of the Phillips curve relationship may have been influenced by the process of globalisation. Free foreign trade means that buyers are no longer dependent on a domestic supply of goods. In a regime with free movement of capital, the value of imports can also exceed that of exports (and vice versa). This weakens the link between domestic demand and domestic output and reduces the influence which the domestic output gap has on the rate of inflation. At the same time, increased openness makes prices more vulnerable to changes in capacity utilisation in the rest of the world.<sup>10</sup>

*Possible causes: increasing trade and capital flows ...*

In addition, growing competitive pressure owing to low-cost countries may have weakened the link between prices and production costs and/or between costs and the output gap. Stiffer competition may have forced companies in industrial countries to reduce their margins in order to offset rising costs because they were unable to effect any price increases. However, this is more likely to be a temporary rather than a lasting effect. In principle, the impact of reduced market power on the Phillips curve relationship should be limited to the period of falling profit margins. Once they have fallen to a sufficiently low level – in an extreme case, to zero – com-

*... as well as stiffer international competition*

<sup>10</sup> See A Razin and C W Yuen (2002), The “New Keynesian” Phillips curve: closed economy vs. open economy, Economics Letters, Vol 75, May, pp 1-9, as well as J Gali and T Monacelli (2005), Monetary policy and exchange rate volatility in a small open economy, Review of Economic Studies, Vol 72, pp 707-734.



panies will, sooner or later, be forced to pass on increased costs, which will cause prices to be more flexible and the Phillips curves to steepen again.<sup>11</sup> In addition, on average, margins have increased – not decreased – over the past few years.<sup>12</sup>

*Production relocation and immigration*

In addition, globalisation may have also weakened the link between production costs and capacity utilisation. Companies' improved opportunities for relocating jobs to low-cost countries is likely in general to have had a moderating effect on the wage demands of the domestic labour force, thus weakening the link between the domestic labour market situation and wage developments. Another factor which may have watered down the impact of activity shifts on unit labour costs is the greater international mobility of labour, which has led to immigration by workers from low-cost countries.

*Globalisation as a possible reason for an increase in potential output*

The greater opening up of labour markets, as well as immigration, may not only have caused the Phillips curve to flatten but could also have had a positive impact on industrial countries' potential output. The efficiency gains associated with the greater international division of labour and the intensification of competition are likely to be having a similar effect.<sup>13</sup> An increase in potential output would lead to a downward shift of the Phillips curve, which may possibly be very difficult to distinguish empirically from a flattening of the curve. However, in order to harness these positive effects successfully, firms and workers in the economies concerned have to be willing to undertake a process of structural change and adjustment.<sup>14</sup>

On the whole, however, it must also be noted that, in many countries, the period of accelerating globalisation saw a simultaneous increase in the orientation of monetary policy towards monetary stability. The concomitant stronger anchoring of inflation expectations has probably reduced the cyclical variability of inflation rates and their sensitivity to shocks.<sup>15</sup> An empirically observable flattening of the Phillips curve is therefore not necessarily attributable to the increasing division of labour in the world economy.

*Role of monetary policy*

### Empirical evidence

The theory that globalisation has made prices less dependent on the domestic output gap yet at the same time more vulnerable to changes in capacity utilisation in the rest of the world has recently been subjected to empirical review from various quarters. A BIS study finds that, for 16 selected OECD countries, on the whole, the global output gap makes a significant contribution to explaining

*Studies bear out negative influence of openness on rising Phillips curve*

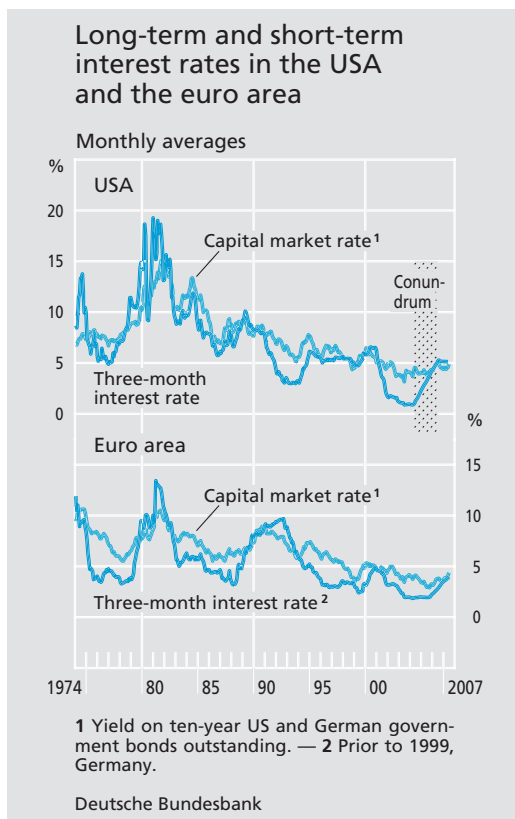
11 See J Boeckx (2006), *Globalisation and Monetary Policy*, Economic Review, September 2006, National Bank of Belgium.

12 Thus, the GDP deflator to unit labour cost ratio, a standard macroeconomic measure of the overall profit margin, has widened distinctly in the past few years.

13 In addition, the globalisation-related improvement in the terms of trade is likely to increase the industrial countries' potential output and reduce the non-accelerating inflation rate of unemployment (NAIRU). See K Rogoff (2006), *Impact of Globalization on Monetary Policy*, Jackson Hole 2006 Symposium Proceedings, Federal Reserve Bank of Kansas City.

14 The process whereby Germany's potential output has been adjusting to the changed environment is described in the article "Advances in strengthening the economy's growth potential" in this Monthly Report on pages 35-45.

15 This is because, in the (extended) Phillips curve model, the inflation rate is dependent not only on capacity utilisation but also on expectations. If a central bank succeeds in firmly anchoring inflation expectations at a low level, this dampens, in isolation, the extent of shock-induced deviations from the longer-term price trend.



price movements and reduces the influence of domestic variables on price movements.<sup>16</sup> By contrast, Ihrig et al (2007), using a somewhat different specification for the estimation equation, find no evidence of any such developments.<sup>17</sup> Gadzinski and Hoffmann (2007) study the influence of trade integration on the slope of the Phillips curve in the G7 countries using a non-linear model in which the slope is time-varying and depends on the degree of openness. Although the results of this study bear out the imputed negative correlation between openness and the slope of the Phillips curve, it is impossible to identify a significant positive impact of the global output gap.<sup>18</sup>

A fundamental problem afflicting this analysis and similar analyses is that the estimated Phil-

lips curves do not capture any real structural relationships. Consequently, an observed flattening of the Phillips curve in a country can reflect not only a “real” change in the structural relationship between the output gap and the price trend but also, for instance, a change in the behaviour of monetary policy makers (with all other structures remaining unaltered) which has loosened the empirical link between the output gap and price developments.<sup>19</sup> In order to gauge the significance of the increased stability orientation of monetary policy and the associated stabilisation of inflation expectations in relation to the influence of globalisation, the IMF study includes measures of trade openness and monetary policy credibility in the estimation equation.<sup>20</sup> The estimation results indicate that greater openness and the increased stability orientation of monetary policy are each roughly 50% responsible for the fall in the slope of the Phillips curve.

*Stabilisation of inflation expectations likewise significant*

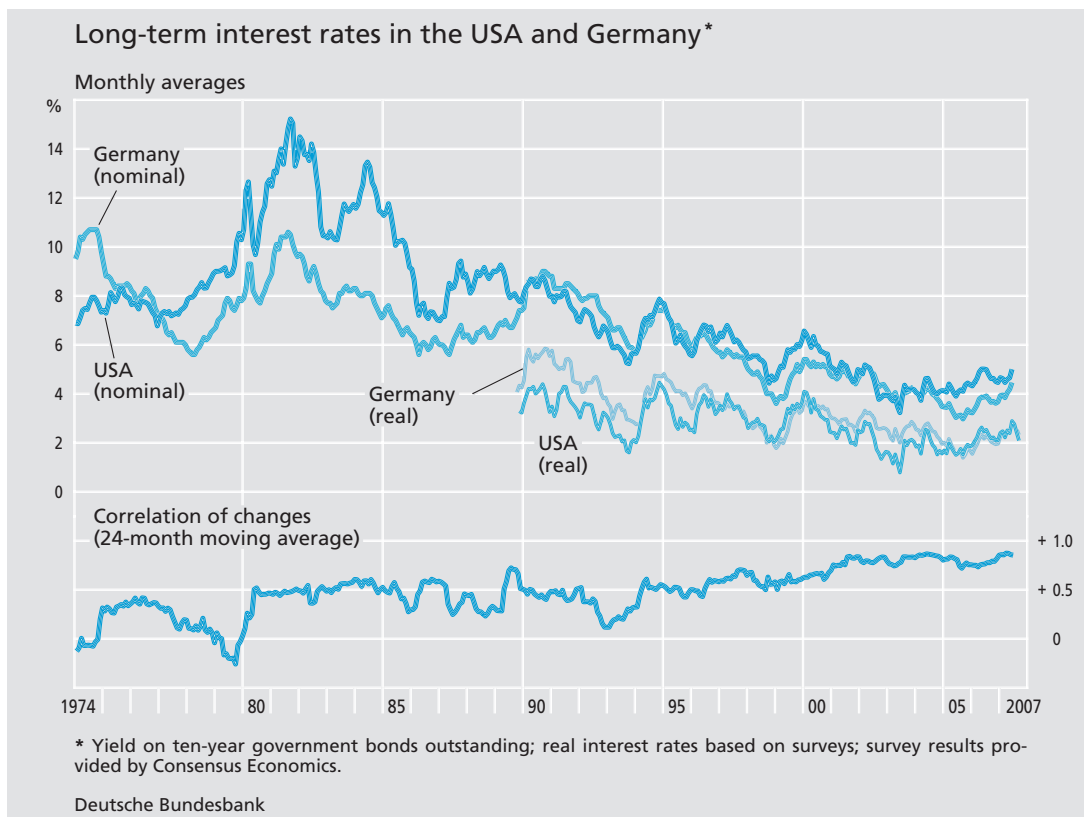
<sup>16</sup> See C Borio and A Filardo (2007), Globalisation and inflation: New cross-country evidence on the global determinants of domestic inflation, BIS Working Paper No 227. The authors detect hardly any effects for the euro area, however.

<sup>17</sup> See J Ihrig et al (2007), Some Simple Tests of the Globalization and Inflation Hypothesis, Board of Governors of the Federal Reserve System, International Finance Discussion Paper No 891.

<sup>18</sup> See G Gadzinski and M Hoffmann (2007), Trade Integration and the Phillips Curve, unpublished manuscript, forthcoming as a Deutsche Bundesbank discussion paper. Gnan and Valderrama obtain similar results for the euro area. See E Gnan and M T Valderrama (2006), loc cit, pp 37-54.

<sup>19</sup> For instance, Roberts finds that a higher weighting of the inflation gap in the monetary policy reaction function explains most of the flattening of the Phillips curve relationship for the USA observed since the early 1980s. See J Roberts (2006), Monetary Policy and Inflation Dynamics, International Journal of Central Banking, Vol 2, pp 193-230.

<sup>20</sup> See IMF (2006), loc cit, p 106 ff.



## Globalisation, monetary policy and financial markets

*Increasing integration of capital markets ...*

Up to now, this article has focused on the impact of growing trade linkages on price developments in the industrial countries. The increasing integration of capital markets is another key aspect of globalisation. As mentioned earlier, the financial openness of many economies has increased even more strongly than their degree of trade openness over the past few years. Growing stocks of cross-border financial assets have brought with them greater potential for extensive and (possibly) volatile capital movements.

## Globalisation and capital market rates

These developments may have far-reaching implications for both financial stability and monetary policy. Risks to financial stability can arise, for instance, from the existence of persistent imbalances in trade and capital flows as well as from the increased danger of contagion effects.<sup>21</sup> The degree to which financial market globalisation has changed the extent and manner in which monetary policy measures can take effect requires examination from a monetary policy perspective. The key question in this respect is whether growing financial market integration – as some observers fear – has impaired or even completely undermined monetary policy makers' influ-

*... calls into question the influence of national monetary policy on domestic capital market rates*

<sup>21</sup> See Deutsche Bundesbank, Financial Stability Review, November 2006, p 16 ff.

## International linkage of interest rates and the national term structure

This box will firstly examine the co-movement of the yields on ten-year German and US government bonds. The existence of international linkages between interest rates is based on the theoretical concept of uncovered interest parity (UIP).<sup>1</sup> In order to take into account the risk aversion among investors observed in practice, a risk premium is added to the UIP for the purposes of empirical testing. If both the expected exchange rate changes and the risk premium are stationary, this implies the existence of a cointegration relationship between the two long-term interest rates.

As a rule, studies on German-US interest rate linkages that start before 1985 cannot prove the existence of a cointegration relationship.<sup>2</sup> An analysis of the total estimation period available (1974 to 2007) confirms this finding. However, if the estimation period begins at a later date, from the mid-1980s the Johansen test statistic provides the first indications of a stable long-term relationship; from 1990 onwards, ie the period of dynamic financial market globalisation, it is possible to speak of a stable cointegration relationship, which also continues to exist with slight variations in estimation periods and lag lengths.

Johansen test statistic for the cointegration of nominal US and German long-term interest rate yields<sup>3</sup>

Period	Eigenvalue	Trace test	P-value	Number of cointegration vectors
1985 to 2007 (lag 1)	0.0556	18.58	0.084	None*
1990 to 2007 (lag 1)	0.0115	3.13	0.556	At least 1
1990 to 2007 (lag 1)	0.0964	24.54	0.012	None**
1990 to 2007 (lag 1)	0.0153	3.25	0.536	At least 1

An analysis of the adjustment coefficients and the impulse-response functions within the framework of a bivariate vector error correction model (VECM) confirms the overall picture painted by earlier studies, namely that the German long-term interest rate is characterised by a high dependency on the US interest rate.<sup>4</sup> Thus the question arises – particu-

larly from a European perspective – as to the remaining significance of domestic determinants for the level of long-term interest rates.

Therefore, in a second step, the respective national short-term interest rates (measured in terms of the three-month interest rates) are included in the analysis.<sup>5</sup> A link between national interest rates of different maturities can be derived from the expectations hypothesis of the term structure (EHT), which assumes an arbitrage relationship between short-term and long-term interest rates.<sup>6</sup> According to this method, the long-term interest rate is the average of the current and the expected future short-term interest rates. A risk premium which is assumed to be stationary is also added to this equation for the purposes of empirical testing. In order to test the influence of domestic factors (as predicted by the EHT) while at the same time taking account of the international co-movement of interest rates, a VECM is estimated whose variables are the two long-term interest rates as well as the three-month interest rates for the USA and Germany/the euro area.<sup>7</sup> With a lag length of three (as required by the Akaike Information Criterion), the Johansen cointegration test at the 10% level produces the three theoretically expected cointegration vectors which result from the UIP between the two markets and the EHT for the US market and the German/European market. The expected constraints on the relationships between the differing interest rates are also not rejected empirically (LR test statistic: 3.58; p-value: 0.31).

The analysis of the adjustment to the long-term equilibrium shows that the VEC system is driven by a long-term trend which is determined by the US short-term interest rate.<sup>8</sup> The chart on page 29 depicts the reaction of the long-term domestic interest rate to relevant shocks in the individual variables. An impulse in US short-term interest rates induces a permanent effect on German/European long-term interest rate yields, while the effect of a shock in the US long-term interest rate is only transitory. A shock in the German/European short-term interest rates brings about a significant impulse lasting over four months. Even taking into account the international co-movement of interest rates, the short-term domestic interest rate thus has a significant influence on the capital market rate.

1 For more details, see Deutsche Bundesbank, Covered and uncovered interest rate parity, Monthly Report, July 2005, p 29. — 2 See M Kremer (1999), Die Kapitalmarktzinsen in Deutschland und den USA: Wie eng ist der Zinsverbund? Eine Anwendung der multivariaten Kointegrationsanalyse, Deutsche Bundesbank, Discussion paper, No 02/1999. — 3 In the cointegration tests, a constant is permitted, but a trend is not. P-values according to MacKinnon/Haug/Michelis (1999); \* significant at the 10% level; \*\* significant at the 5% level. — 4 See, for example, F A Den Butter and P W Jansen (2004), An Empirical Analysis of the German Long-Term Interest Rate, Applied Financial Economics 14, pp 731-741. — 5 See R Brüggemann and H Lütkepohl (2005), Uncovered Interest Rate Parity and the Expectations Hypothesis of the Term Structure: Empirical Results for the U.S. and Europe, Applied Economics Quarterly 51, pp 143-

154. — 6 For more details, see Deutsche Bundesbank, Determinants of the term structure of interest rates – approaches to combining arbitrage-free models and monetary macroeconomics, Monthly Report, April 2006, pp 15-28. — 7 The underlying data are based on the monthly averages from January 1985 to July 2007. Up to 1998, German data are used for Germany/the euro area; from 1999 onwards, the ten-year government bond yields for the euro area calculated by the ECB and the three-month EURIBOR are used. — 8 One possible explanation for this is that the US economic cycle had a lead over the European economic cycle during the period of analysis; another is that US monetary policy reacts more quickly and aggressively to synchronised shocks. See L Christiano et al (2007), Shocks, Structures or Monetary Policies?, ECB Working Paper No 774.

ence on national capital market rates. This issue is of particular interest because capital market rates are one of the main channels through which monetary policy makers can exert an influence on decisions in the real economy and therefore also on price developments.

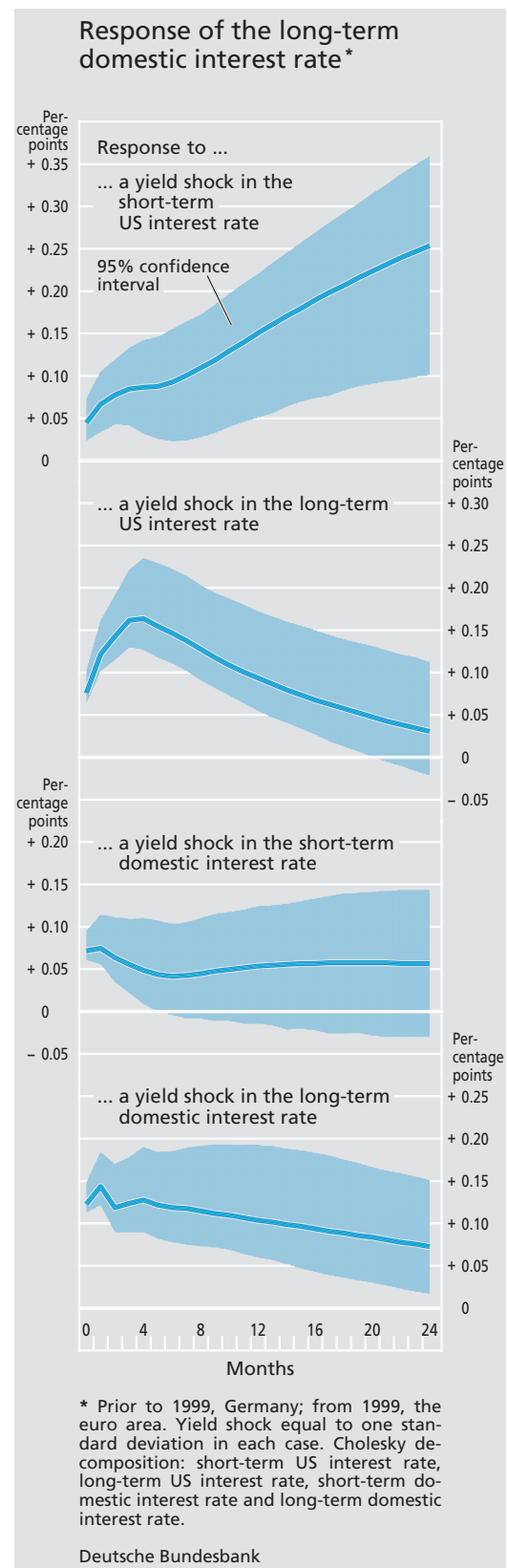
*“Conundrum”*

The apparent breakdown in the conventional relationship between the fed funds target rate and the long-term US capital market rates during the latest period of interest rate hikes is a recent addition to the debate. As the chart on page 26 shows, the increase in the fed funds target rate of 4.25 percentage points from June 2004 to June 2006 initially did not have any visible impact on the long-term interest rate, which even fell by around  $\frac{3}{4}$  percentage point up until June 2005. The stark contrast between this pattern and the hitherto prevailing positive relationship between short-term and long-term interest rates led then-Federal Reserve chairman, Alan Greenspan, to speak of a “conundrum”.<sup>22</sup>

*Significance of external factors for the level of long-term interest rates*

Against the background of the exceptionally high inflows of capital into the United States, it seemed appropriate to examine the greater influence of external factors on US capital market rates as a possible explanation for their unusually low level. The theory that the level of long-term (real) interest rates in globalised financial markets is increasingly being determined by global factors also offers an explanation as to why long-term interest rates have fallen not only in the United States

<sup>22</sup> See A Greenspan, Testimony before the Committee on Banking, Housing, and Urban Affairs of the United States Senate on 16 February 2005.



over the past few years but in other parts of the world as well (see chart on page 27). Some observers believe that this sustained decline is due to a surplus of available worldwide savings in excess of worldwide demand for funds, also known as the “global saving glut”.<sup>23</sup> Other factors are also being discussed in this context, such as the increase in monetary policy and real stability (“the Great Moderation”) and a decrease in risk aversion that has lasted for many years.<sup>24</sup>

### Empirical evidence

Empirical studies confirm the significance of global factors for the level of long-term real interest rates. However, this is not necessarily a new phenomenon, but was already demonstrated to have been true for the 1958 to 1989 period, ie prior to the latest surge of globalisation.<sup>25</sup> The high degree of synchronisation between movements in the long-term nominal interest rates of key industrial countries, however, is much more recent. US and German capital market rates have converged significantly since the beginning of the 1990s and are very highly correlated at the current end.<sup>26</sup>

*Increasing convergence of long-term nominal interest rates*

However, the high correlation between movements in national interest rates does not necessarily imply that central banks no longer have any influence on capital market rates. Rather, the greater co-movement of long-term interest rates could also reflect a more frequent occurrence of global shocks – ie affecting countries equally – as well as similar monetary policy reactions to these shocks. The question of whether the influence of

*No clear-cut signs that monetary policy has lost influence*

monetary policy stimuli on national long-term interest rates has diminished significantly therefore needs to be studied separately. Simple correlation analyses indicate that, in the euro area and selected OECD countries, the link between long-term nominal interest rates and short-term interest rates has loosened recently.<sup>27</sup> However, this result does not constitute any clear-cut evidence that monetary policy has lost influence, but might instead also reflect more stable inflation expectations against the background of increased monetary policy credibility. Simply looking at changes in actual short-term interest rates is insufficient to examine the influence of changes in key interest rates on long-term interest rates insofar as it disregards the potential impact of changes in expectations about the future path of money market interest rates (“the expectations component”) on capital market rates. Studies which focus on the impact of unexpected changes in short-term interest rates or of “monetary policy

<sup>23</sup> See B Bernanke, The Global Saving Glut and the US Current Account Deficit, speech delivered in Richmond, Virginia, USA on 10 March 2005.

<sup>24</sup> One of the first articles written on this topic is O Blanchard and J Simon (2001), The long and large decline in US output volatility, *Brookings Papers on Economic Activity*, pp 135-164. See also T Wu (2006), Globalization's Effect on Interest Rates and the Yield Curve, *Economic Letter Vol 1 No 9*, Federal Reserve Bank of Dallas, pp 1-7.

<sup>25</sup> See R Barro and X Sala-i-Martin (1990), *World Real Interest Rates*, NBER Working Paper 3317, as well as C Upper and A Worms (2003), Real long-term interest rates and monetary policy: a cross-country perspective, *BIS Papers No 19*, Monetary Policy in a Changing Environment.

<sup>26</sup> See R Brüggemann and H Lütkepohl (2005), Uncovered Interest Rate Parity and the Expectations Hypothesis of the Term Structure: Empirical Results for the US and Europe, *Applied Economics Quarterly* 51, pp 143-154.

<sup>27</sup> See, for example, L Reichlin (2006), Panel remarks at the Thirteenth International Conference on “Financial Markets and the Real Economy in a Low Interest Rate Environment”, Tokyo, Bank of Japan.

news", at any rate, find no evidence that either the Eurosystem's or the US Federal Reserve's monetary policy influence on long-term interest rates has diminished.<sup>28</sup>

### Conclusions – consequences for monetary policy decision-making

*Uncertainty regarding sign and extent of future price effects of globalisation*

Although increasing trade and financial openness neither impair an independent central bank's ability to fundamentally safeguard medium-term price stability, nor relieve it of its obligation to be stability-oriented, the globalisation process presents monetary policy with a series of challenges. Firstly, central banks must expect the growing interlinkages between national economies to also involve more major shifts in relative prices in future, yet there is considerable uncertainty *a priori* surrounding the sign and the extent of the effects. For instance, experience over the past few years has shown that the internationalisation of markets can generate not only price-dampening but also price-increasing effects.

*Tolerating the impact of temporary price shocks*

Given well-anchored inflation expectations, the efficient monetary policy reaction to such relative price shocks would be to tolerate their first-round effects and to change the direction of monetary policy only if signs of second-round effects appear or if the price movements prove to be persistent, thus jeop-

ardising the central bank's stability objective. Such a strategy has also been successfully applied by the Eurosystem in the past few years. In this context, it is important that the central bank reacts symmetrically to negative and positive price shocks. After all, if it were only to tolerate the first-round effects of negative (inflation-raising) price shocks but loosen interest rate policy immediately at the first sign of positive (inflation-dampening) shocks, the resultant monetary policy would, on average, be too expansionary.

Moreover, the above considerations have shown that globalisation may well have lessened the influence of national cyclical swings on general price movements. An advantage of such a loosening would be that inflation rates would react less strongly to demand shocks and policy errors (for instance, owing to a flawed assessment of the output gap). However, at the same time, it would make it more difficult for monetary policy makers to influence price developments via the traditional (goods) demand channel. Although the same factors which weaken the (structural) link between price developments and the output gap may be expected to also dampen the effects of supply-side price shocks on consumer prices, it could be more difficult to realign the inflation rate once inflation expectations have begun to diverge from the definition of price stability. To that extent, the potential weakening of the link between price developments and domestic economic activity provides a further reason for a forward-looking monetary policy which is also oriented towards the stabilisation of inflation expectations. This is all the more so as

*Possible loosening of the Phillips curve relationship reinforces the significance of stable inflation expectations*

<sup>28</sup> This is demonstrated, for instance, by the studies published by M Ehrmann et al (2005), Stocks, Bonds, Money Markets and Exchange Rates, ECB Working Paper No 452, and C Brand et al (2006), The Impact of ECB Monetary Policy Decisions and Communication on the Yield Curve, ECB Working Paper No 657.

the empirically observed diminished sensitivity of inflation to cyclical fluctuations – as mentioned earlier – may at least partly be precisely the result of a stability-oriented policy. If this is the case, a lagged monetary policy reaction to risks to price stability, motivated by the supposedly high real economic costs of reducing inflation owing to what is assumed to be a flatter Phillips curve relationship, would jeopardise the foundations of its own success and contribute to the destabilisation of inflation expectations.

*Considerable problems regarding the measurement of global output gaps*

It has hitherto not been possible to demonstrate unequivocally that measures of the global output gap have a significant influence on the (shorter-term) price developments in the euro area and other key industrial countries. However, even if this were the case, it should still be borne in mind that estimates of global potential output and the global output gap are fraught with even greater uncertainty than estimates of national output gaps. Consequently, the usefulness of such measures for gauging future inflationary pressures is likely to be rather limited in practice.

*Long-term interest rates still also dependent on monetary policy*

Finally, the possibility that the international integration of capital markets has diminished the influence of monetary policy on long-term market interest rates cannot be ruled out. This does not mean, however, that monetary policy has fundamentally become ineffective. For one thing, it can be assumed that the level of longer-term interest rates will continue to depend not only on global factors but also on the private sector's expectations about the future direction of monetary policy and future inflation. Transparency, communi-

cation and monetary policy credibility take on a position of decisive importance here. For another, mainstream open economy models state that, as capital mobility increases, changes in interest rates trigger sharper exchange rate changes and that the impact of these exchange rate movements on domestic prices more than offset the diminishing opportunities to influence interest rates. On balance, globalisation might thus weaken some transmission channels while reinforcing others.

The empirical evidence available for the euro area does not clearly answer the question of whether and how globalisation has actually altered the transmission channels of monetary policy impulses. On the one hand, this result may mean that the greater degree of openness has so far not been of any major significance for monetary policy transmission. On the other hand, it may also be attributable to the fact that these are relatively new developments whose impact cannot yet be pinned down empirically, or that these developments have hitherto been eclipsed by other factors, such as the change of monetary regime with the introduction of the euro, which has had an even greater influence on structural relationships.

All in all, therefore, the globalisation process is heightening the already considerable level of data, parameter and model uncertainty under which monetary policy decisions need to be taken. One important consequence is surely that the database as well as the methods and models of analysis used need to be constantly reviewed and continuously im-

*Hitherto no clear-cut signs of changes in the transmission process*

*Increased uncertainty requires a broadly based monetary policy strategy*



proved.<sup>29</sup> Owing to the problem of model uncertainty, it is generally advisable, when assessing the outlook for prices, not to focus on a single model but to pursue a broadly based approach for analysing information which takes into account different specifications of the channels of the monetary transmission mechanism. The Eurosystem addresses these

requirements by means of a broad analytical framework which, in particular, cross-checks the results obtained through the (real) economic analysis with those of the monetary analysis.

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<sup>29</sup> See Deutsche Bundesbank, Monetary policy under uncertainty, Monthly Report, June 2004, pp 15-27.



## Advances in strengthening the economy's growth potential

Following a prolonged period of stagnation in growth and persistently high unemployment, the German economy is now on quite a stable upswing. Stronger investment activity and the turnaround in the labour market which began in 2006 are not just cyclical but are, at the same time, a reflection of structural adjustments which also promise higher growth in the medium term. The restructuring efforts in the business sector have likewise played a part in this, as have moderate wage policy, greater flexibility in the deployment of labour and the reorientation of labour market policy.

This article takes this development as a starting point for reassessing the earlier estimates of the German economy's potential output. At present, potential output growth may be estimated at between 1½% and 1¾% annually and, therefore, around ¼ percentage point higher than in the preceding period. This means that the German economy has made up some ground again in the intensified competition among production locations. However, strengthening the sources of growth must remain an integral part of the economic policy reform agenda, especially since the recently identifiable improvement was preceded by a protracted process of deceleration.

## Upswing marked by special structural features and economic policy reforms

*Upswing with  
retarding  
elements*

The German economy is currently in quite a stable upswing. At first, the economic recovery was being sustained almost exclusively by extremely dynamic exports, before business investment started to form the second pillar of the cyclical upturn in mid-2004. The basis for growth strengthened and broadened in the past year, as private consumption and housing construction, which are quantitatively important components of domestic demand, turned positive. When observing its course, the ongoing upswing matches the pattern typically seen in Germany. However, in terms of the underlying momentum and the duration of the recovery period hitherto, it is marked partially by a sluggishness that may be classified as exceptional by historical standards. Apart from last year's anticipatory effects, which were generated by the increase in the standard rate of VAT and the abolition of the grant to homebuyers, the propensity of households to spend has remained quite subdued given that the economic upturn has already lasted four years now,<sup>1</sup> and the underlying trend in housing construction is still weak, too.

*Accumulation  
of structural  
deficits in the  
1990s*

The retarding elements in the cyclical development point to after-effects of reunification and deeper-lying problems of the German economy. Following the fall of the Iron Curtain, it not only had to accomplish the transformation of the economic system in eastern Germany but also had to hold its ground in the competition for products and production locations which has become increasingly

fierce in view of the rapid catching-up process pursued by transition countries and emerging market economies. The abrupt and often pressing challenges that also accompanied the reunification process in economic terms tied up energies and resources during the 1990s and, moreover, obscured the view of the adverse implications stemming from the, overall, too hesitant adjustment of the German economy's structure to the changed global economic setting.

The economic performance of the 1990s, which had begun promisingly with the unification boom, was ultimately disappointing. Already in the second half of that decade, Germany was mostly ranked at the bottom of the growth table of countries which now constitute the euro area. Afterwards, with the bursting of the "New Economy" bubble and the occurrence of adverse shocks, the German economy experienced a stagnation which lasted three years. During that period, numerous full-time jobs subject to social security contributions were lost. In particular, the large hard core of unemployment and the overstrained social security schemes became a persistent burden on the economy and society. The necessity of making adjustments in the areas of economic, social and wage policy was becoming ever more apparent.

The unfavourable price competitiveness position in which German enterprises found themselves in the mid-1990s had to be corrected partly under the conditions of the

*Sobering  
economic  
performance  
at the start of  
the decade*

*Fiercer competi-  
tion among  
production  
locations*

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<sup>1</sup> For more details, see Deutsche Bundesbank, Private consumption in Germany since reunification, Monthly Report, September 2007, pp 41-55.

monetary union by the arduous adjustment process of a moderate wage and price development.<sup>2</sup> The fairly long period of marked wage moderation began at that time. This strategy helped to restore Germany's diminished attractiveness as a location for investment and production.<sup>3</sup> Furthermore, in order to cut production costs, firms used the opportunity of offshoring labour-intensive stages of the production chain, which initially intensified the problems in the labour market.<sup>4</sup> At the peak of the economic crisis in 2003, the Federal Government of the time introduced first reform steps as part of its Agenda 2010 and what is known as "Hartz legislation" in order to modernise outdated labour market structures and to lower the high employment threshold of economic growth.

### Potential output path and labour market

*Level effects  
on potential  
output*

It seems appropriate to make a connection between the strong expansion in the total number of hours worked observable since early 2006, especially in the business sector, and the wage and economic policy efforts to break up the hardened structures on the labour market. When calculating the growth potential, however, the cyclical revival has to be separated analytically from the structural improvement. Moreover, the positive overall effect on potential output is not confined solely to labour since interactions exist between labour market developments and fixed capital formation.<sup>5</sup> In addition, a major part of technological progress is embodied in capital, which means that, through fixed investment, the degree of the economy's mod-

ernity is also likely to have benefited from the improved interaction of labour and capital.

Above all, the "promote and push" principle of the Agenda 2010, the introduction of a means-tested basic allowance for persons able to work, and the strengthening of the risk insurance nature of unemployment benefit were important guidelines and measures of the reform agenda that has been implemented by economic policymakers since 2003. Furthermore, the correction of generous early retirement schemes and the gradual raising of the statutory retirement age have removed the previous reduction in the labour supply. Since they have also contributed to the financial stabilisation of the social security systems, leeway was created for a lowering of the high tax wedge, which, owing to the reduced additional burden of taxation, has had a positive influence on the supply of and demand for labour. "Mini-jobs" and "midi-jobs" as well as a flexible use of temporary employment have simplified (re-)entry into the labour market. In this way, some proportion of the inactive part of the working-age population is also likely to have been encouraged to take up employment. In terms of negotiated pay policy, it was important that

*Efforts to  
overcome the  
crisis in growth  
and employ-  
ment*

<sup>2</sup> See also Deutsche Bundesbank, German intra-euro-area trade: cyclical effects and structural determinants, Monthly Report, March 2007, pp 35-45.

<sup>3</sup> See also Deutsche Bundesbank, Investment activity in Germany under the influence of technological change and competition among production locations, Monthly Report, January 2007, pp 17-30.

<sup>4</sup> See also Deutsche Bundesbank, The labour market in Germany: general developments seen in an international context, Monthly Report, January 2007, pp 31-51.

<sup>5</sup> This relationship was already addressed in Deutsche Bundesbank, Factor prices, employment and capital stock in Germany: results of a simulation study, Monthly Report, July 2001, pp 49-61.

the recent corrections in the wage structure and increased degrees of freedom for enterprises have established a sound basis for the effectiveness of the reform measures. This applies, not least, to working time schedules. The flexibility granted, together with longer working hours in some cases, has directly enlarged the potential deployment of labour and has improved its time availability, which is now also counteracting the risk of a potential shortage of specialised labour. Indirectly, the improved working hour arrangements allowed a higher utilisation of fixed capital. Furthermore, longer working hours have undoubtedly also alleviated the problem of nominal wage rigidity and preserved the purchasing power of labour income.

Since the reform measures, as a whole, can be used either to increase the willingness to take up a job and thus reduce the length of time spent in unemployment or in the inactive part of the labour force or to make a higher labour input attractive for enterprises, positive effects on potential output in terms of a positive level shift may be expected. This applies even when taking into account the fact that, from a macroeconomic perspective, the statistically measured average labour productivity is being dampened by (re-)integrating persons from so-called problem groups into the labour market. A similar short-term effect is that the pressure to rationalise, which is reflected by an accelerated capital deepening, has now become less of an acute issue and that there has been a clear shift in investment motives towards the enlargement of capacities. All in all, in the past few years it has been possible to increase

employment intensity without impairing the actual basic conditions for economic growth. In reality, however, the adjustment to the new, higher trend path of total output will also take place as a function of cyclical influences over a longer period of time, which means that temporarily stronger growth rates may be expected for the convergence period. This is also the case because experience shows that room for manoeuvre which has been created is exploited only gradually.

#### Disaggregated estimation of potential output on the basis of production theory

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The potential output of an economy cannot be determined exactly. The uncertainty is increased further if the estimation – as in the present case – relates to a period of adjustment to a setting of broadened economic flexibility, in particular to new labour market structures, which has not yet been completed. The effectiveness of the reform measures to make the labour market more flexible can be assessed only provisionally at present, especially as no reliable findings concerning the sustainability of the effects are available.

*Potential output estimations surrounded by uncertainty*

In economic analysis, numerous measures and procedures are applied in order to estimate the potential output of an economy.<sup>6</sup> Technically speaking, it is obtained by extracting the trend component from real gross domestic product (GDP). Against this background, it seems self-evident to use statistical

*Diversity of approaches to estimating potential output growth*

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<sup>6</sup> See Deutsche Bundesbank, The development of production potential in Germany, Monthly Report, March 2003, pp 41-52.

filtering techniques that generally adjust the time series for those (stylised) fluctuations which, owing to their frequency, are generally to be ascribed to the business cycle, the seasonal pattern or an irregular component. In contrast to these purely statistical techniques, methods based on production theory are applied as an alternative. At their core is the theoretical construct of an aggregated production function with several input factors. Even though this approach can, in practice, hardly work without smoothing the basic series needed, it is to be seen as an advantage that the potential output can be traced back to major economic determinants. This property is especially important in the present context, as the direct effects of the structural reforms can be integrated into the estimation of the potential output through the trend component of hours worked. Furthermore, the interactions between labour, on the one hand, and productivity and fixed capital formation, on the other, can – at least in part – also be considered.

*Disaggregated approach*

In general, however, the foundation in production theory does not fit every economic sector equally. From a conceptual point of view, it is fundamentally appropriate for the sector of market-oriented production enterprises. In the case of public and private service providers, however, the necessary preconditions for a production function approach are effectively not met because this sector is predominantly characterised by non-market production, which is statistically measured by input developments to a large extent. In addition, real estate and healthcare are treated separately in the analysis owing to

#### Shares of selected economic sectors in nominal GDP in 2006

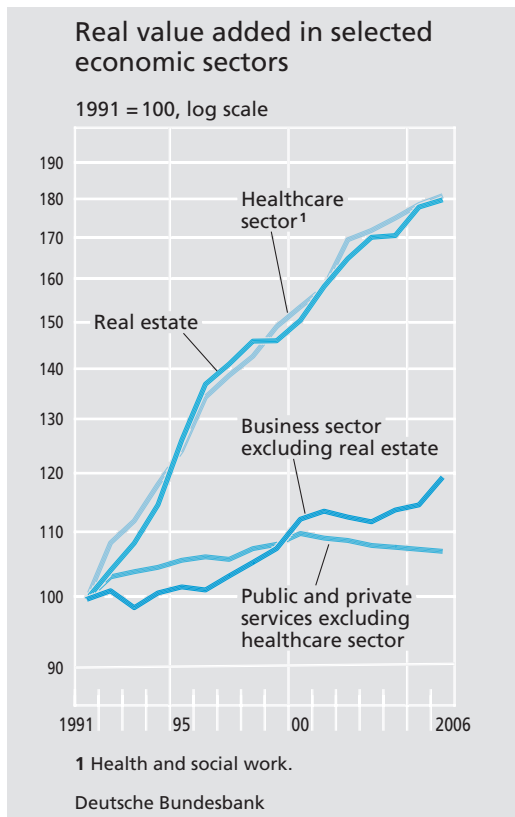
Economic sector	Gross value added in € bn	Percentage shares of gross domestic product
Agriculture, hunting, forestry and fishing	17.84	0.8
Business sector	1,608.38	69.3
<i>of which</i>		
Manufacturing	474.31	20.4
Real estate	250.04	10.8
Public and private services	468.00	20.2
<i>of which</i>		
Public administration and defence, compulsory social security	120.68	5.2
Education	92.95	4.0
Health and social work	149.49	6.4
Other public and private services	97.94	4.2
Household services	6.94	0.3
All economic sectors	2,094.22	90.2
<i>Memo item</i>		
Net taxes on products	227.98	9.8
Gross domestic product	2,322.20	100

Deutsche Bundesbank

the specific properties of the economic development of each subcomponent as compared with the respective main sector.

At the centre of the disaggregated approach to potential output estimation is the business sector excluding real estate, which comprises the production sector, trade, transportation and communication, hotels and restaurants as well as commercial service providers (accordingly, excluding real estate), and which produces about two-thirds of the German economy's output (valued at basic prices). Using simplified assumptions regarding the factor substitutability, the output of this core segment is generated by the two primary factors of production, which are labour and capital, with the production function showing constant returns to scale and auto-

*Business sector excluding real estate*



nomous technological progress being permitted through total factor productivity (TFP). Labour services are measured by the sector's amount of hours worked, while capital services are approximated by the sector's capital stock (excluding residential buildings). The potential output growth of the business sector (excluding real estate) is obtained by smoothing the rates of change of the factors of production as well as TFP and linking them via Solow's growth accounting equation. For an estimation of the medium to long-term growth prospects, perfect competition in the goods and factor markets is assumed, making it possible to use the sectoral labour income share as a weighting factor for determining the growth contributions.

In the branches of the business sector under consideration, fixed capital formation has picked up perceptibly over the past three years in the wake of the renewed strong demand for machinery and equipment as well as for commercial buildings, with the latter showing something of a time lag. In purely arithmetical terms, the contribution of the business sector's capital stock to the total-economy potential output growth may amount to, on average, just over  $\frac{1}{4}$  percentage point in this and the coming year, which is a noticeable increase compared with the first half of the decade. According to the estimate, the TFP contribution will go down somewhat from the relatively high level of the preceding year. The dampening effect of the labour input which has persisted for several years seems to be fading away at the current juncture. Given the steadily negative contributions, which have been lowering potential output growth by up to  $\frac{1}{4}$  percentage point annually since 1991, this finding is something conspicuously new in the economic development of Germany as a whole.

The production of the real estate sector, which yields just over one-tenth of GDP, is modelled by means of a fixed-proportions production function, with the stock of dwellings serving as the determining factor of production. The long-lasting adjustment crisis, which corrected the exaggerations in housing construction in the aftermath of German reunification, as well as the unfavourable demographic outlook have left visible marks of a slowdown in the capital accumulation of this sector. Not least owing to the typically long service life of residential buildings, this

*Real estate*



will limit the growth outlook of the real estate sector in the longer term.

*Public and  
private services*

In the area of public and private services, which contribute just over one-fifth to German GDP, the assumption of a traditional production function is conceptionally unsuitable for the reasons cited. Nevertheless, the value added generated by public and private service providers is generally likely to be subject to both permanent and temporary influences. Besides its intensity, however, the transitory component of this sector differs from the cycles in the business sector mainly in that it reflects politically initiated or controlled adjustment processes rather than market-driven cyclical movements. According to the structure of the national accounts, the economic sector of public and private service providers – apart from quantitatively subordinate household services – comprises four sub-segments, whose shares of value added are similar in size.

*Healthcare*

Owing to its growth dynamics, healthcare assumes a special position and is therefore dealt with separately in the estimation of potential output. Until 2003, this subsector was expanding very sharply, which – leaving aside economic policy mismanagement – is generally linked to the fact that, first, demand for healthcare services increases more than proportionately with rising income and, second, advances in medical technology also promote a relatively strong growth in services in this area from the supply side. The healthcare reform, which entered into force on 1 January 2004, dampened the steep trend with a view to curbing the cost explosion in the social

security systems; however, this should not place in doubt the intrinsic dynamics of this typical growth market in the longer term. Given the demographic outlook, the demand for healthcare products is more likely to grow in importance, and medical and pharmaceutical progress remains desirable.<sup>7</sup>

In the estimation procedure, the growth possibilities of the healthcare sector are set at the trend rate of the business sector plus a mark-up rate which takes account of the fact that demand for healthcare services tends to increase more than proportionately with rising income. At roughly 1 percentage point, the mark-up is comparatively low in this and the following year. The supply of public and private services excluding healthcare is approximated by the developments in employment in these sectors. The constraints of budget consolidation have had to be taken into account regarding the trend in public spending in recent years. Among private service providers, flexibility measures in the area of services to households are having a positive impact, but these are quantitatively of minor significance relative to the macroeconomic issue in question.

Finally, account has to be taken of a residual component, which makes up roughly one-tenth of GDP (at market prices). This component contains economic sectors such as agriculture, hunting, forestry and fishing, which are not modelled separately owing to their minor quantitative importance for the

*Residual  
component*

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<sup>7</sup> Ultimately, the healthcare reform was about the financial situation of the statutory health insurance institutions and about ensuring an efficient provision of services.

German economy. For the greatest part, the residual component captures the net taxes on products,<sup>8</sup> which, in arithmetical terms, form a wedge between the sum of the gross value added of all the economic sectors at basic prices and GDP at market prices.<sup>9</sup>

### Estimation results and interpretation

#### *Estimation results*

According to the estimates, the potential output of the whole economy is likely to expand this year and in the coming year by about 1½% to 1¾% respectively, compared with potential output growth of no more than around 1¼% to 1½% annually between 2003 and 2006. At the current juncture, it is thus tending to move back towards rates that characterised the German growth trend in the second half of the 1990s. The improvement should thus also be seen as part of a return to normal. While, at the start of this decade, the market-based sectors as well as public and private services contributed to the flattening of the trend path of output, the current strengthening of potential output growth stems primarily from the business sector. Real estate is showing an exceptional development with a continuing decrease in contributions to potential output growth. On the whole, the public and private services sector is providing no new impulses for the aggregate supply.

#### *Direct and indirect effects of the labour market reforms*

In order to estimate the direct effect of the labour market reforms on potential output growth, the trend path of hours worked in the business sector was adjusted from 2003 onwards so that, despite the extremely strong

recovery characterising the actual development of this variable since 2006, no major elements of tension are signalled at the current juncture. In this and the coming year, this is undoubtedly a realistic assumption for the German labour market as a whole. The trend path without this “constraint” is considered in comparison, which, in the context of the potential output estimation, corresponds to the hypothetical case of a scenario without labour market reforms. With regard to the direct effect, it should also be taken into account that the more favourable trend in hours worked is likely to be accompanied by a weaker development in aggregate productivity. The sharp rise in the number of “mini-jobs” and “midi-jobs” mainly in 2003-04 and the ensuing rise in temporary work, which has been used mostly for jobs with a low and medium skills profile, allow the assumption that lower-skilled workers benefit to a considerable extent from greater flexibility in the labour market. Even if the TFP contribution therefore turns out to be somewhat weaker,<sup>10</sup> the net effect on potential output should

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<sup>8</sup> In the national accounts, taxes on products are production and import taxes that are payable per unit of a good or service produced or transacted (for example, sales tax, insurance tax, real property transfer tax). The subsidies payable per unit of a good or service produced or transacted are deducted from this.

<sup>9</sup> In terms of production theory, the net taxes on products should not be able to have an effect on the potential output of an economy. The value added by all the economic sectors at basic prices would thus be the suitable reference for measuring the production potential. In practice, however, the estimations of potential output are generally based on GDP at market prices, which means that, for reasons of comparability, an average contribution of the net taxes on products enters into the estimation of the growth potential.

<sup>10</sup> These are changes to the average hourly productivity which are due to shifts in the employment structure. Productivity effects that are based on an adjustment of the capital deepening, on the other hand, do not come under this category.

### Results of the disaggregated estimate of total-economy potential output

Year	Potential output growth <sup>1</sup> (rounded)	Contributions to potential output growth <sup>2</sup>							Residual component
		Business sector	of which				Public and private services	of which	
			Total factor productivity <sup>3</sup>	Capital stock <sup>3</sup>	Hours worked <sup>3</sup>	Real estate			
1996	1.6	1.03	0.59	0.20	-0.26	0.50	0.32	0.18	0.22
1997	1.6	1.07	0.67	0.18	-0.27	0.49	0.28	0.19	0.23
1998	1.6	1.10	0.66	0.17	-0.20	0.47	0.31	0.20	0.23
1999	1.6	1.09	0.67	0.16	-0.16	0.42	0.33	0.20	0.23
2000	1.8	1.24	0.82	0.14	-0.11	0.39	0.36	0.21	0.22
2001	1.7	1.21	0.83	0.12	-0.13	0.39	0.31	0.21	0.22
2002	1.5	1.03	0.78	0.07	-0.21	0.39	0.30	0.23	0.20
2003	1.3	0.91	0.74	0.06	-0.27	0.38	0.23	0.21	0.19
2004	1.4	0.95	0.74	0.06	-0.19	0.34	0.23	0.21	0.17
2005	1.4	0.98	0.75	0.05	-0.16	0.34	0.24	0.20	0.17
2006	1.5	1.10	0.77	0.08	-0.06	0.31	0.22	0.20	0.17
2007 <sup>4</sup>	1.6	1.21	0.65	0.23	0.06	0.27	0.22	0.18	0.16
2008 <sup>4</sup>	1.6	1.26	0.62	0.30	0.09	0.25	0.22	0.18	0.16

<sup>1</sup> As a percentage. — <sup>2</sup> In percentage points. — <sup>3</sup> Business sector excluding real estate. — <sup>4</sup> Projected.

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still be regarded as positive. The estimation of the indirect effect on potential output through fixed capital formation is based on the consideration that, in a growth equilibrium, the additional persons in employment are supplied with capital according to their labour efficiency and the optimal factor input combination, with adjustment measures of this kind typically being time-lagged and partial.

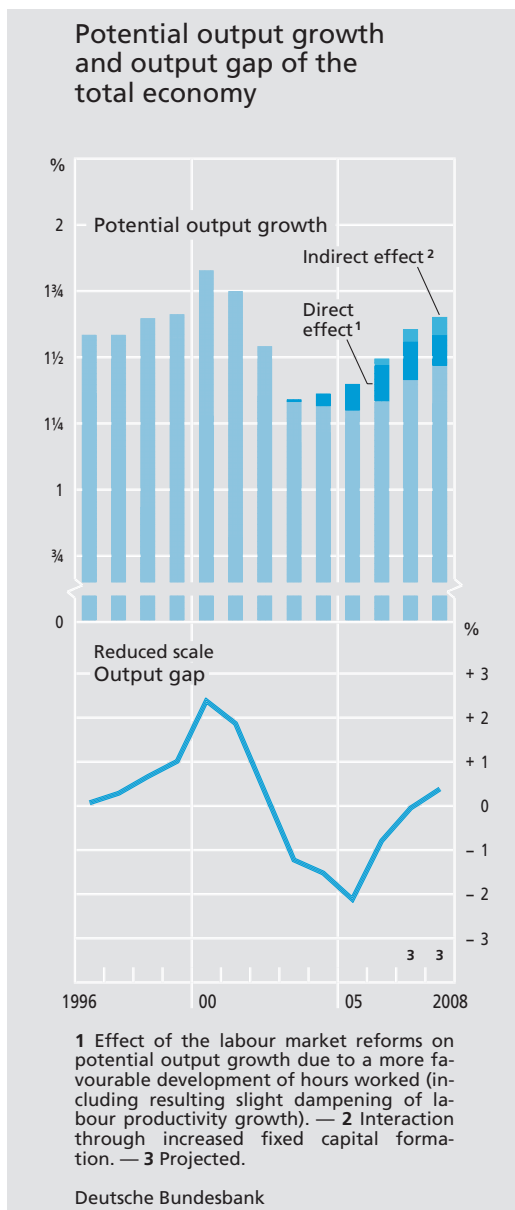
Owing to the direct and indirect effects of the labour market reforms, the potential output of the German economy is estimated to grow this year and in the coming year by just under  $\frac{1}{5}$  percentage point more than in the hypothetical scenario without increased labour market flexibility. On account of the adjustment process towards an equilibrium with

low structural unemployment, potential output growth is currently showing annual rates above the  $1\frac{1}{2}\%$  mark again. In this context, the indirect interactions via fixed capital formation are becoming increasingly important. In the period between 2004 and 2006, by contrast, the direct effect was most effective and helped to stabilise potential output growth at annual rates of between  $1\frac{1}{4}\%$  and  $1\frac{1}{2}\%$ .

In spite of the strengthening of the supply-side forces of growth, the dynamic upturn, which is currently characterising the German economy, is mainly of a cyclical nature. The output gap, which was still above 2% of production capacity in 2005, was reduced by over 1 percentage point last year. The decline has continued so far this year. All in all, the

*Quantitative assessment of the effects on the growth potential*

*Output gap*



German economy is likely to be within the corridor of normal utilisation at present, although – from a sectoral point of view – there are still discernable substantial differences in the degree of capacity utilisation. In view of the cyclical position that has now been reached, there is still a good outlook for the upswing. This is all the more the case as the medium-term growth prospects have also brightened owing to the fact that the trend is

more favourable again. This should be especially helpful for the development of private propensity to consume, which has been subdued for a number of years.

Following the weakening during the lengthy period of stagnation there are now clear signs of a regeneration of potential output growth in Germany. This is revealed not only by a higher trend rate. It is just as noteworthy that the medium-term path of economic activity has also improved in quality, meaning that the strengthening of the growth process is stemming from the business sector by means of an increased level of fixed capital formation and structurally higher labour input. By contrast, the need for adjustment in real estate has still had a dampening effect. Added to this were the consolidation and restructuring requirements in the government sector, which, in turn, nevertheless constituted a major precondition for structural improvements in the business sector.

*Preliminary conclusion positive*

The documented procyclical reaction of potential output is not the outcome of purely statistical filtering techniques, which, by construction, regularly produce such results at the end of the sample. Rather, it can be explained economically by the reduction of structural shortcomings in the labour market. Seen in this light, the labour market reforms implemented since 2003 have been a major step in the right direction. As a necessary supplement, it has bolstered wage policy which has geared more strongly towards raising employment and improving the attractiveness of domestic production sites. In their current stage, however, these reforms are not suffi-

*Continue reform policy*

cient to exploit fully the opportunities that, in principle, exist in the German economy in terms of potential output growth. A trend rate of 2% annually, which should by no means be regarded as too ambitious in the medium term, is currently not in sight despite a positive development in actual output. This requires staying power in reform policy. An extended pause in reform or even a watering-down of the measures already implemented

would again jeopardise the ground strenuously regained by the German economy. In particular, the fundamental character of unemployment insurance as risk insurance should be retained and the incentives for taking up employment should be further strengthened. The current upswing clearly shows the employment-promoting effect of the reform measures undertaken in the labour market over the past few years.



## Reform of German budgetary rules

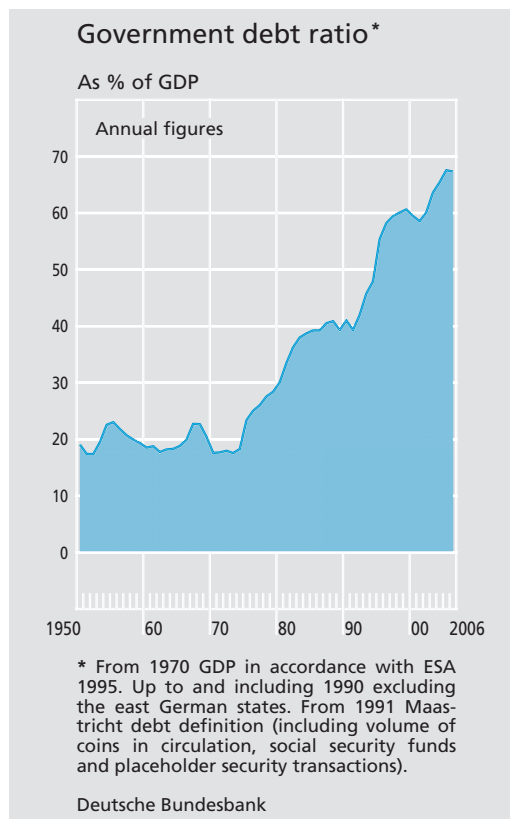
Government debt in Germany has steadily increased over recent decades. The debt ceiling of 60% of GDP established for euro-area countries has also been clearly exceeded for some years now. Owing to the ageing of society, the pay-as-you-go social security systems will place an additional burden on future generations. It is therefore widely recognised that a reform of the national budgetary rules is necessary in order to curb government debt. There are several different possible approaches to achieving this. With the adoption of the European Stability and Growth Pact, which provides an important basis for euro-area monetary policy, a first step was taken in favour of attaining a structural budget position that is at least close to balance. The impact of cyclical fluctuations can still be cushioned by the automatic stabilisers and the pact also allows more room for manoeuvre in exceptional circumstances. In order to strengthen the binding effect of the established limits, clear and comprehensible regulations in both the federal constitution and those of the individual states appear to be equally as important as transparent short and medium-term budget plans and explanations of deviations from the plan. Infringements could then be easily identified and, as a result, promptly corrected.

## The development of government debt

*Sharp rise in government debt...*

Government debt has increased significantly since the Federal Republic of Germany was founded. Starting from a level equivalent to €10 billion in 1950, it had risen to €64 billion by 1970. However, growth in gross domestic product (GDP) was somewhat stronger still, meaning that the debt-to-GDP ratio decreased slightly overall to just under 18%. In the years that followed, however, the debt ratio increased markedly. At the end of 1985, central, state and local government liabilities already amounted to nearly €390 billion, almost 40% of GDP. This ratio remained virtually unchanged until the end of the 1980s, after which it experienced a sharp increase in the wake of the unification of Germany. The reference value of 60%, which was introduced in 1992 in connection with the negotiations regarding European monetary union, was exceeded for the first time in 1998 (according to current data). The debt level then continued to increase steadily above this threshold with an interruption in 2000 and 2001, when the ample proceeds from the sale of UMTS licences were used to redeem part of the debt. Large government deficits in the years that followed caused the debt ratio to rise to almost 68% by 2005. In 2006, despite very strong growth in nominal GDP and a marked decrease in the deficit ratio, there was only a very limited reduction in the debt ratio and the debt level increased to almost €1,570 billion.

Debt evolution varied considerably on the various levels of government. Up until the early 1970s, local government liabilities rose



significantly faster than those of central government, almost reaching the same level. Subsequently, debt growth accelerated – primarily in central government but also significantly in the federal states – while the development in local government was distinctly more subdued overall. The rate of increase diverged widely across the individual states. At €20,300, the debt level *per capita* in Bremen at the end of last year was six-and-a-half times as high as in Bavaria (including the local government level). However, just over three-fifths of government liabilities are currently attributable to the central government budget (including its subsidiary budgets), thus increasing central government's share by 20 percentage points compared with 1973.

*... particularly in central government and certain federal states*



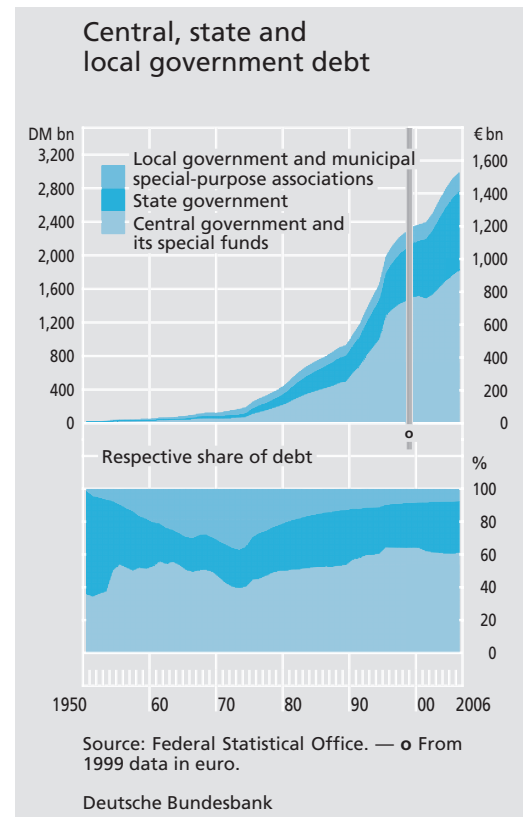
*Opaque distribution of debt burden aids its increase*

Both past experience and politico-economic rationale (see box on page 50) suggest that in political praxis government debt is frequently incurred on a scale that is later considered excessive. A particularly important factor in this regard is the fact that future burdens resulting from the incurrence of liabilities are often not fully reflected in calculations, thus placing an excessive strain on future generations of tax payers. In the run-up to elections, for instance, there is an additional incentive to satisfy the wishes of certain vested interest groups through increased borrowing. In this respect, establishing budgetary rules in advance can counteract the tendency towards credit financing. Introducing such budgetary rules can therefore be justified in a similar way to the transfer of monetary policy responsibility to an independent central bank.

### Existing rules to curb borrowing

*Originally object-based rule for central government*

The German Basic Law of 1949 already contained a rule for curbing central government borrowing, which was largely based on its forerunner in the Weimar Imperial Constitution. Article 115 of the Basic Law originally only permitted borrowing "in cases of exceptional need and, as a rule, only for expenditure having a productive purpose". The latter was to be understood as costs that would effectively finance themselves through higher central government revenue in the following years. Borrowing was thus always object-based. However, this provision was sometimes interpreted much more loosely than the legislators intended, not least by stretching the definition of "exceptional need".<sup>1</sup>



A standard borrowing limit linked to investment expenditure was then introduced in the late 1960s with the reform of the fiscal constitution. In addition, the management of macroeconomic activity based on Keynesian ideas was included as one of the constitutional objectives. Thereafter, the requirements for maintaining the macroeconomic equilibrium were to be taken into account in the budget pursuant to Article 109 (2) of the Basic Law. Success in overcoming an economic slowdown in the second half of the 1960s was a contributory factor in the legislators' decision when amending the Basic Law to allow the borrowing limit to be exceeded if this is necessary in order to avert a disruption of the

*Current rule focuses on macroeconomic management*

<sup>1</sup> See W Patzig (1991), Haushaltsrecht des Bundes und der Länder. Kommentar zu den Rechts- und Verwaltungsvorschriften, A/115/9 (in German only).

## Possible justifications for and necessary limits of government borrowing

Fundamentally the attainment of a fair balance of intergenerational burden-sharing can be seen as a justification for government borrowing. The argument behind this is that future generations will also benefit from a part of today's government spending and, therefore, should also contribute to its financing. In line with this argument, a policy which promotes growth and thus implies a deliberate expansion of economic output in the future could be used to justify the transfer of financial burdens to future generations. However, measures with positive growth effects cannot be reliably identified or their effects quantified.

The argument that government assets will be passed on to future generations has similar foundations. According to this idea, incurring debt in order to increase assets can be justified if the debt service can be offset against a corresponding benefit accruing from the stock of government assets accumulated. However, depreciation must also be subtracted from the value of the assets, so that net investment must be the variable that sets the ceiling for government borrowing. But it must be questioned whether the future generations obliged to service these debts really will be able to draw the benefit from these assets as is envisaged today. It must also be remembered that government purchases of non-financial assets tied to a specific use may not be easily resellable and that their operation may involve significant costs. In the case of financial assets it must be taken into account that the loan portfolio, for example, often contains promotional components and can only be sold at corresponding discounts. Finally, it should be noted that intergenerational burden-sharing is also subject to significant – countervailing – influences from other areas of the government budget (eg pay-as-you-go statutory social security systems).

Whilst the arguments mentioned above aim to justify structural borrowing, in the case of cyclically induced borrowing the debt is only incurred temporarily. In principle, it seems sensible not to offset cyclical fluctuations in revenue and expenditure by taking short-term countermeasures which may amplify the cyclical swings and distort allocation. This makes it possible to cushion the cyclical fluctuations

by allowing government budgets to correspondingly grow and contract. In the case of a symmetric business cycle, the upward and downward influences on public finances largely cancel each other out on average, so that the debt level ultimately remains constant. While allowing the automatic stabilisers to take effect is generally supported, actively managing the economy using targeted measures to stabilise the macroeconomic development is often viewed more sceptically. Not least owing to the long lags between the occurrence of a disturbance, its diagnosis, the adoption of countermeasures and the effect of such measures, there is significant doubt as to whether it is possible to macro-manage the economy using active measures. Furthermore, it has been shown that expansionary impulses are generally more popular than making cuts during an upturn, which is likely to have contributed to the structural expansion of government debt in the past.

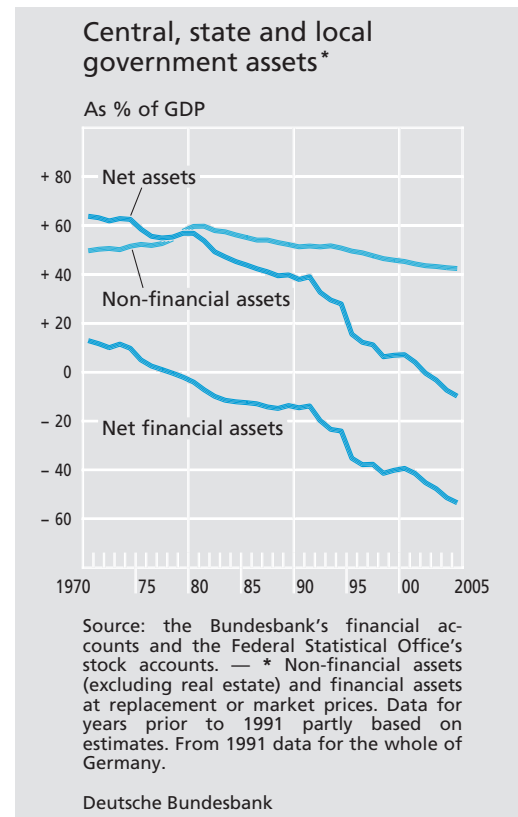
Furthermore, specific exceptional circumstances may justify borrowing. For example, major natural disasters may impose strains on public finances, the short-term correction of which requires tax rates to be significantly increased on a temporary basis. In order to avoid this and the associated macroeconomic distortions, the prefinancing of special expenditure burdens and the spread of the funding over several years by temporarily incurring debt seems justifiable in such a situation.

Essentially, however, the negative effects of high government debt and the resulting interest rate burden are always to be borne in mind. For example, a very high level of debt servicing resulting from debt accumulated in the past could raise doubts as to whether the government is still able to fulfil its tasks. The fear of future tax increases could significantly inhibit the propensity to invest and consume. In the event of spiralling government debt, the capital market will demand risk premiums (sometimes very abruptly) for government borrowing, thus increasing budgetary strains. In extreme cases, monetary policymakers may be pressurised to ease the debt service burden by permitting higher inflation. Monetary stability and economic growth would then both be seriously endangered.

macroeconomic equilibrium. In boom phases in which there is a threat of strong price increases, the rule established in Article 109 (2) of the Basic Law should actually help to reduce government debt, thus preventing the situation from snowballing. However, the marked acceleration in the debt ratio growth of central, state and local government since the 1970s, which – as illustrated in the adjacent chart – was not accompanied by a rise in total assets and thus led to an almost continuous decrease in net assets, suggests that the introduction of this borrowing limit did not have the desired dampening effect (see the box on the shortcomings of Article 115 of the Basic Law on pages 52 and 53).

*European rules  
for deficit and  
debt level*

In addition to the requirements of the Basic Law, government budgets in Germany must also meet European fiscal rules. With the signing of the Maastricht Treaty in 1992 in preparation for monetary union, upper limits were defined for the participating countries' general government deficit and debt levels. A reference value of 60% was agreed upon for the debt-to-GDP ratio; should this be exceeded, it must be brought back towards the reference value at a satisfactory pace. The deficit, which is primarily calculated in accordance with the specifications of the national accounts, may not amount to more than 3% of GDP. If a euro-area country exceeds the deficit limit for several years running, the Council of Finance Ministers may impose a fine of up to 0.5% of GDP. In 1997, the European Stability and Growth Pact set down the aim of attaining over the course of the business cycle budgetary positions which were close to balance or in surplus, not least



in order to ensure a sufficient safety margin below the 3% deficit limit. Given the moderate trend growth and the strains that will be placed on future budgets owing to the ageing of the population, Germany's express aim is to achieve a structurally balanced budget.<sup>2</sup>

**The debate on redefining the central government borrowing limit**

Experience over the past decades has shown that rules restricting government borrowing should be as clear and transparent as possible in order to restrict opportunities to circumvent them and to make monitoring compliance easier. The rules should state that the

*Transparency  
and binding  
nature of rules  
important  
principles*

<sup>2</sup> See Federal Ministry of Finance (2006), German stability programme, updated version from December 2006.

## Shortcomings of Article 115 of the Basic Law

The sharp increase in central government debt since the constitutional framework of the German public finance system was reformed at the end of the 1960s has been facilitated by the definition of the borrowing rule. Article 115 (1) second sentence of the Basic Law (*Grundgesetz*) specifies the investment expenditure envisaged in the budget plan as the net borrowing limit. This limit was only enshrined in law following the request of the Federal Constitutional Court from 1989. While the judges evidently had a stricter delimitation in mind, the definition in use at the time was selected as the standard. Thus the current borrowing limit is usually determined by the budget estimates for total expenditure on construction investment, acquisitions of tangible fixed assets and participating interests, loans, utilised underwriting commitments as well as investment grants to the public and private sector (the main categories 7 and 8 in the budget classification table).

An assessment of the impact of the aforementioned expenditure on government assets shows that decisions regarding central government's financial investments are generally not made on the basis of maximising returns. For example, participating interests in development aid associations generate almost no financial returns and loans which are often granted for promotional purposes generally only lead to repayments that are significantly lower than the cost of financing. In the case of utilised underwriting commitments, a decline in the share of sovereign debtors appears to suggest that it is increasingly uncertain whether repayments can be expected at all. The growth in government assets, at least, clearly lags behind expenditure. Investment grants to enterprises cause a rise in value outside the general government sector. Investment subsidies for public entities, such as Deutsche Bahn (principal railways operator), raise government assets only slightly, if at all, owing to the limited market returns of the national rail infrastructure.

Another critical point is the fact that neither the depreciation of central government's stock of tangible fixed assets, which, while not recorded in the camera-

listic accounting system currently used in the public sector, is ascertainable from the national accounts, nor the proceeds from asset sales are deducted in order to determine the borrowing limit. Hence such proceeds need not be used to repay old debt but are available to finance current expenditure. This creates an opening to circumvent the intention of the borrowing cap laid down in Article 115 of the Basic Law. Central government's recent extensive asset sales indicate that this opening is exploited to a considerable extent.

The exemption clause of Article 115 (1) of the Basic Law has also contributed greatly to the provision's fundamental ineffectiveness. It allows almost unlimited overshooting of the borrowing limit if this is deemed necessary to avert a disruption of the macroeconomic equilibrium. In its ruling from 1989, the Federal Constitutional Court demanded specific justifications for these cases. It said that evidence of a serious and prolonged disruption of the macroeconomic equilibrium, which is generally regarded as unstable, would have to exist and the additional borrowing – and hence the amount chosen – would have to be appropriate for stabilisation purposes. However, over the period from 2002 to 2004 alone the exemption clause was invoked four times without this notably improving the development of the German economy or the labour market. Against this background the Federal Constitutional Court, in its judgement from July 2007 on the 2004 Federal budget, declared the existing borrowing limit to be broadly ineffective overall. The majority of the judges felt that they could rule out neither the existence of a disruption of the macroeconomic equilibrium that merits action nor the suitability of central government measures to avert such a disruption. While the credit financing of an accelerated tax cut could still be regarded as an active measure in the 2004 regular budget, simply maintaining this course was reason enough for the court to approve the supplementary budget with a planned overshooting of the borrowing limit by a total of €18 billion.

An additional cause for concern is that, pursuant to section 18 (3) of the Federal Budgetary Regulation (*Bundeshaushaltsordnung*), borrowing authorisations that have not yet been used remain valid until at least the end of the following financial year and, in the budget implementation process, are often used first to pre-empt their expiry. In 2004 the reserve of residual borrowing authorisations which had accumulated over the previous years was further topped up by invoking the exemption clause. The extensive use of these borrowing authorisations (approximately €9 billion) in the course of implementing the 2005 Federal budget meant that it was unnecessary to re-invoke the exemption clause so as to avert a disruption of the macroeconomic equilibrium. This was possible because the constitutional limit for central government borrowing relates explicitly to the budget adoption stage. If funding gaps occur when implementing the budget as a result of revenue shortfalls or unforeseen expenditure arising from benefits based on a legal entitlement, these can be plugged by using residual borrowing authorisations without having to submit a supplementary budget which would require justifications for overshooting the borrowing limit. Such a buffer of residual borrowing authorisations means that policymakers can evade consolidation pressure by deliberately overstating revenue and understating expenditure on benefits. The leeway available, without violating the budgetary principles of completeness and truthfulness enshrined in Article 110 of the Basic Law, is considerable.

To date the Federal Constitutional Court has never detected a violation of the borrowing limits in a Federal budget. However, effective sanctions against a violation do not appear possible either. By the time a ruling by the Federal Constitutional Court has been promulgated, the budget in question has long been adopted and the implementation can no longer be stopped. Public interest usually focuses on more current issues, meaning that the possible political fallout is likely to remain limited. The court can, admittedly, tighten the standards for future budgets. If the opposition parties are confident that they will gain power then the incentive for such a procedure is limited,

however. Thus in the past, parliamentary motions against budgetary acts have occasionally been dropped following a change of government.

Another severe shortcoming of Article 115 of the Basic Law is the second paragraph which revokes the borrowing limits for special Federal funds without qualification. This paragraph was originally intended to provide enterprises that are managed in this form with a relatively large degree of freedom. In the case of Deutsche Bundespost (Federal post office), the debts were later assigned to its successor enterprises. By contrast, Deutsche Bahn's liabilities of almost €40 billion were transferred to the Federal Railways Fund in the mid-1990s and taken over by central government in 1999. In addition, at the beginning of the 1990s, the "German Unity" Fund and the Treuhand agency were established to provide the necessary financial resources for the injection of start-up funds into state and local government in eastern Germany and for the privatisation of GDR state-owned enterprises, mainly by means of debt financing. In 1995 the Treuhand agency, which was recorded outside the general government sector, was likewise integrated into a special Federal fund – the Redemption Fund for Inherited Liabilities – with debts totalling over €100 billion with the intention to repay the debt from the Federal budget within one generation. In mid-1999 central government took on joint responsibility for these liabilities and they thus became central government debt. The liabilities from the "German Unity" Fund, which were to be partly serviced by the state governments, were also integrated into central government debt from 2005 (with an exception clause for possible remaining debt) as part of the reform of the state government revenue-sharing scheme. In 2007 central government also took on the debts from the ERP Special Fund. These actions were not regarded as central government borrowing under the current budgetary rules. The possibility of circumventing borrowing limits by forming special funds or – as is the case of the ERP Special Fund – by integrating both the debts and the realisable assets into the Federal budget reduces the pressure to consolidate but only for a limited time. However, the consequence of this is lastingly higher debt levels.

overshooting of limits must be reversed in order to prevent an undesirable lasting increase in debt levels and strategic behaviour in the budget process. Rule-based adjustment mechanisms that aid in reducing deficits and debt could also be helpful in this context. In order to prevent the budgetary rules from forcing policymakers to act procyclically and to ensure that they have some radius of action in particularly turbulent times, permitting a limited margin of debt incurrence in certain situations would seem advisable. Transparent and meaningful short and medium-term budget plans as well as statements of account regarding deviations from said plans are of particular importance both as a basis for parliamentary decisions and in providing the general public with information.

*Asset-based debt rule difficult to implement*

A tightening of the borrowing limit set in Article 115 of the Basic Law, whereby only investment expenditure that leads to a net increase in government assets would be taken into account when determining maximum permissible net borrowing, is currently being considered with a view to curbing the long-term accumulation of central government debt.<sup>3</sup> Proceeds from asset sales and the depreciation of tangible fixed assets would thus need to be deducted and rises in the market value of the stock of government assets might have to be added. In addition, at least investment grants made to non-government entities as well as the utilisation of underwriting commitments and the granting of loans that have an important promotional element would have to be excluded. The acquisition of equity stakes would be fully countable as investment only if a normal market rate of re-

turn was expected. Such a definition would exclude a large part of past investment expenditure.

If the investment expenditure of €24.3 billion contained in the draft federal budget for 2008 is adjusted, in a simplified way, for participating interests (€0.8 billion), loans to other entities (primarily development aid, €1.7 billion in total), the utilisation of underwriting commitments (€1.1 billion) and grants to other entities (especially enterprises and foreign entities, €8.3 billion in total), just over €12 billion remain. If the proceeds from asset sales (€1.5 billion in loan repayments and €10.8 billion in privatisation proceeds) are then also deducted, there is no scope left at all to run a budget deficit. If, following a strict interpretation of the net investment concept, the total is additionally adjusted for the depreciation of central government's tangible fixed assets – which, according to the latest national accounts figures, will amount to around €5 billion – a surplus of the same magnitude would actually be required in order to prevent a further deterioration in the central government asset position (see the chart on page 55 for the fiscal year 2006). Sizeable depreciation of tangible fixed assets acquired using investment transfers to other levels of government would likewise have to be subtracted.

*Strict implementation necessitates surplus*

The introduction of a stricter, basically investment-oriented deficit limit would be a significant step forward and should lead to

*Definition of investment open to interpretation*

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<sup>3</sup> See, for example, German Council of Economic Experts (2007): *Staatsverschuldung wirksam begrenzen*, page 76 ff (in German only).

noticeably sounder public finances. At the same time, it should be borne in mind that the definitions are debatable and that not least the changes in the value of the asset stocks are likely to be controversial. Thus, a borrowing limit based on the concept of net investment would only partially fulfil the criteria of transparency and clarity. There is reason to fear that the provisions would be interpreted to suit the situation and would be difficult for the general public to understand.

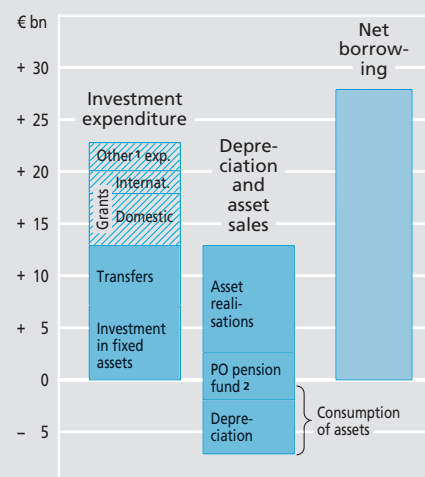
*European requirement for a balanced budget is clearer*

By contrast, gearing national fiscal rules to the European Stability and Growth Pact, from which the Federal Government derived its aim of a zero structural deficit for Germany's general government budget, would offer more clarity. This objective could be enshrined in the German Basic Law, thus explicitly reinforcing the European agreement, which was designed to ensure monetary stability, and allowing Germany to set an important example in this respect. This could also be a way of increasing the propensity of the states to adapt their borrowing limits in a similar fashion.

*Deficit definition close to the national accounts' approach*

In view of the European regulations, the task of calculating the fiscal balance under the national budgetary rules could also be based on a definition close to that used in the national accounts. Under this definition, transactions involving government financial assets (eg the granting of loans or the sale of participating interests) are disregarded when calculating the deficit. Privatisation proceeds, which have often been used to bridge budget gaps in the past years, thus masking the true fiscal position, would no longer be counted towards

### Central government's net investment\* and net borrowing in 2006

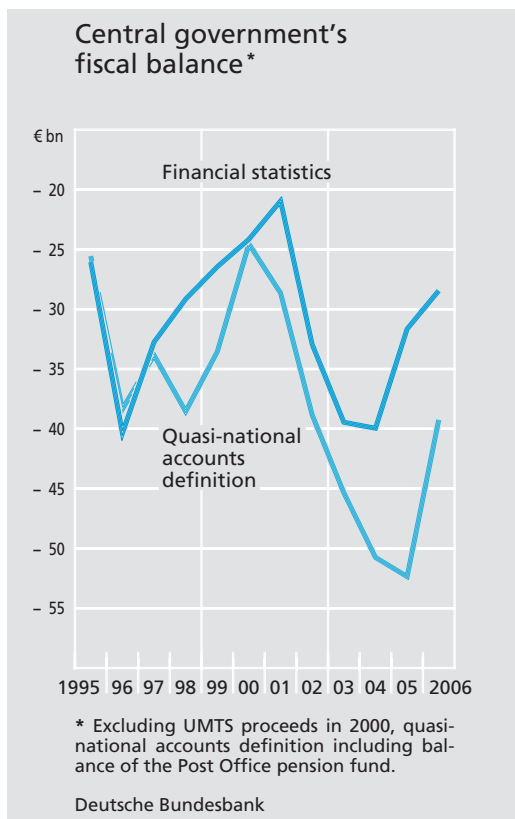


\* Excluding depreciation on (investment) transfers made to other government budgets and excluding valuation gains. — 1 Loans, utilisation of underwriting commitments and equity acquisitions. — 2 The Post Office pension fund's asset securitisations.

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the current financing resources. Moreover, aligning budgetary definitions with the national accounts would also be advantageous in that international standards (ESA 95) have to be observed when booking a transaction that does not affect the deficit and this observance is critically monitored by the Statistical Office of the European Communities (Eurostat). Adopting such a quasi-national accounts definition could ensure that conflicts with the European fiscal rules are avoided even after a possible changeover to a budget system based on commercial accounting.<sup>4</sup>

<sup>4</sup> With such a changeover, the entity using the new budgeting system would have to ensure that the statutory statistics can be transparently derived from the budget data.



*Higher borrowing subject to greater approval*

Borrowing above the established limit could be generally permissible in the event of a natural disaster or serious crisis. A significantly greater degree of approval could be made a legal requirement for these cases. This would obviate the need for an exact definition of such contingencies.

*Need to close loopholes*

A reform of the budgetary rules should include the aim of closing loopholes or possibilities of circumventing the rules. Thus even under a quasi-national accounts definition, there is some discretionary latitude, eg by replacing direct grants with credit-financed promotional loans, which in the end place a burden on future budgets. It would have to be examined whether these count as subsidies and, where appropriate, they would have to be booked as having an impact on the deficit.

Another possible ploy to circumvent the rule could be hiving expenditure off from the budgets. To prevent the formation of off-budget special funds which are authorised to run up deficits, these funds would need to have similarly strict limits. If structural deficits were prohibited, greater use could be made of public-private partnerships for financing government infrastructure, which would, in the end, come close to the kind of investment-oriented deficit limit described above. Under such agreements, private companies take over the financing and running of a government entity for an agreed period of time in exchange for receiving fees and charges. If this entity is returned to the government after the agreement expires, the fees and charges include interest payments and principal repayments as well as purchases of services. The transaction thus shares similarities with a loan. When concluding such agreements, it must therefore be carefully considered whether they will place too great a burden on future budgets. Limits might have to be set for the overall volume.<sup>5</sup> In general, however, such agreements could help to restrict the budgetary burden in the longer term as they may only be concluded if the cost-efficiency check pursuant to section 7 of the Federal Budgetary Regulations shows that they have cost advantages over a budget-financed investment project. A crucial requirement in this case, too, is transparent reporting which provides parliament and the

<sup>5</sup> According to the national accounts rules, this recording of investment expenditure outside of the government account is only permitted if the majority of the risks are taken on by the private partner.



general public with an accurate picture of the cost burdens entailed.

*Adjustment  
of the balance  
for cyclical  
influences*

Regardless of whether the aim is to achieve a balanced budget or to peg borrowing to net investment, it would appear sensible to allow the automatic stabilisers to take effect. This implies that the budgetary rules would need to be based on cyclically adjusted variables, preferably calculated by a standardised procedure with minimal discretionary leeway. In addition, the strong fluctuations in revenue from profit-related taxes should be taken into account – likewise using a standardised approach. In some cases, these fluctuations have no direct relationship with the macroeconomic reference variables and are therefore not classified as cyclically induced in the standard procedure currently in use. It should be noted that the underlying projection of the trend component is generally subject to *ex post* revisions as the assessment of the future development required for calculating a trend is inherently subject to uncertainty. If, for instance, the increase in potential output is overestimated (as has often been the case in medium-term financial plans over the past few decades), low economic growth is initially wrongly interpreted as a cyclical problem, when in fact it is a structural issue.

*Dealing with  
missed  
targets...*

The budgetary rules must first be observed during the budget preparation process. Once the budget is implemented, however, deviations from the plans can occur for a variety of reasons. These may be strategically motivated if, for example, revenue is deliberately overestimated or expenditure underestimated in order to ensure that the budget plan com-

plies with the fiscal rules. But they may also be due to “genuine” forecasting errors as, in particular, the estimation of tax revenue and the assessment of the macroeconomic situation are fraught with all manner of uncertainties. Where smaller tolerance thresholds are exceeded, borrowing in contravention of the rules would have to be combined with adjustment measures within the framework of a supplementary budget which should ensure timely compliance with the rule (eg in the next fiscal year) and possibly also repayment of the debt resulting from the under-budgeting. This could be particularly useful in reducing incentives for making unrealistic budget estimates. For individual volatile categories, it might be expedient to stagger this compulsory correction rather than requiring a correction of deviations from the budget plan in the very next fiscal year. This would be conceivable, for instance, with respect to the tax revenue level adjusted for the cyclical and exceptional fluctuations in profit-related taxes. The rules could include a mandatory path for reducing both positive and negative deviations, which would tend to lead to a shock-absorbing fiscal stance (see also the annex on pages 63 to 68).

In the case of unbiased plans and forecasts, missed targets should generally balance themselves out over a longer period of time and should not result in any systematic growth in debt. At the same time, there should be continuous reporting on the debt development and the factors behind it, not least in order to minimise the incentives for strategic misbudgeting by increasing transparency. Another possibility would be to

*... and the  
resulting debt  
increase*

make repayment of the accumulated debt compulsory when a given ceiling is overshot. A longer period of time could be allowed for this.

*Transparency  
of budget  
plans and  
implementation*

Should the budgetary rules initially allow indebtedness owing to errors in assessing the macroeconomic development or other unanticipated developments, they would need to be linked with more stringent requirements – possibly involving institutional changes – for budget planning and monitoring as well as the underlying forecasts. Transparent and comprehensible short and medium-term budget plans and regular public evaluations of budget implementation and deviations from plan are particularly important in this respect.

*Increased  
monitoring*

In order to ensure the effectiveness of the rules, the procedures for monitoring compliance with the borrowing limit should be made more stringent. Stipulations ensuring sufficient corrections in the event that the rules are breached are also required. Parliament should then examine the extent to which the draft budgets and the medium-term budget plans comply with the stipulations in that sufficient concrete and possibly rule-bound countermeasures have been announced or are already being implemented.<sup>6</sup>

### **Revision of borrowing limits for state government**

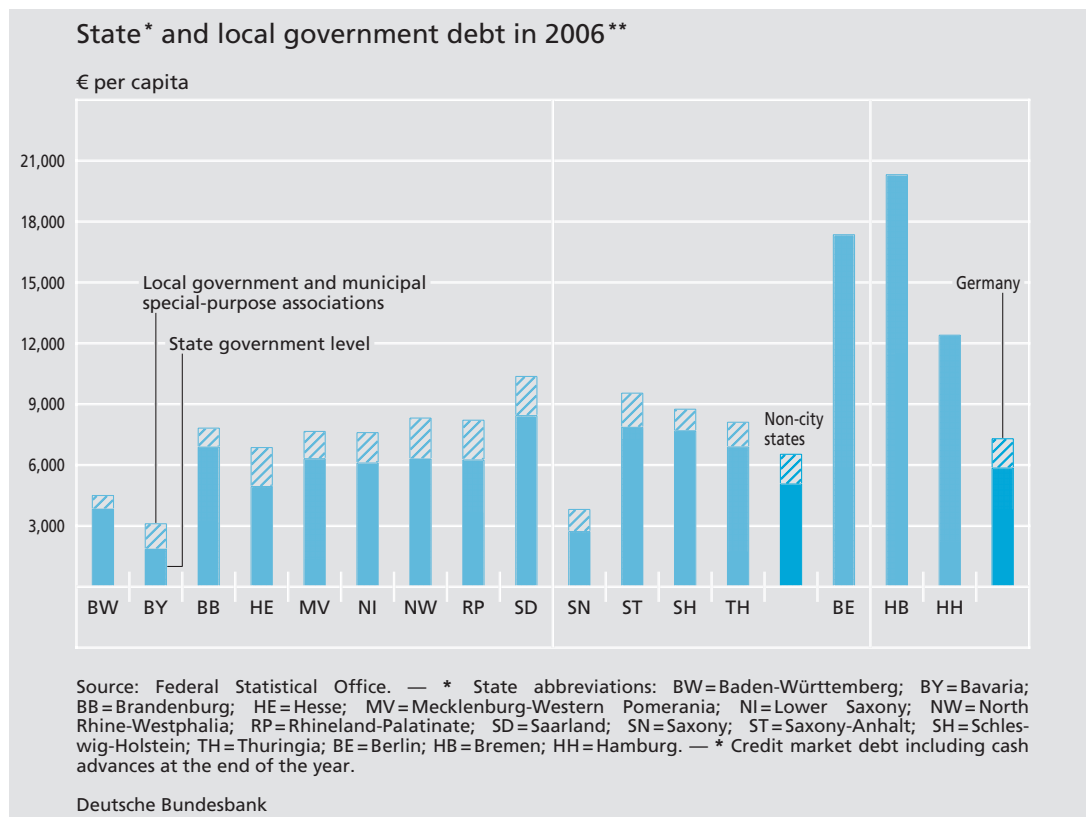
A similar tightening of borrowing limits to that described for central government would also seem logical for state government, espe-

cially as the implicit debt guarantees among central and state government could be providing an additional borrowing incentive. In the city-states, the debt *per capita* even exceeds that of central government, while in many non-city states the increase over the past few years likewise gives cause for concern given the massive civil servant pension costs which are foreseeable for the future. Even if the market alternative mentioned in the discussion on curbing borrowing levels (which is seemingly not currently being pursued further in this reform) were to be implemented – according to which the state government implicit debt guarantees would be dissolved in favour of capital market deterrents to pursuing an unsound fiscal policy in the form of higher interest rates and credit rationing (see the box on pages 60 and 61) – a tightening of the budgetary rules for state government seems warranted. However, given their very different starting positions (see the chart on page 59), it is currently unclear whether the federal states will willingly commit to an ambitious constitutional provision. In particular, the high debt burden of certain states and, in some cases, ongoing deficits make the acceptance of tougher regulations more difficult. Therefore, it has been suggested that central government take on all state government debt coupled with a reweighting of turnover tax shares in order to offset the extra costs to central government. However, following the Federal Constitutional Court's most recent ruling on the budget

*Differing  
starting  
positions  
hamper  
necessary  
tightening of  
rules for state  
government*

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<sup>6</sup> See Deutsche Bundesbank, Deficit-limiting budgetary rules and a national stability pact in Germany, Monthly Report, April 2005, pp 23-37 for suggestions on corrective procedures.



situation in Berlin, which expressly underscored the states' own responsibility, this seems problematic. Federal states with a high level of debt would thus be able to pass the blame for past fiscal policy mistakes on to the other states and their current consolidation efforts might also flag at the prospect of such a move. A less radical approach would be a one-off transfer of part of the old debt at the end of a past reference year to central government along with the amount of turnover tax shares required for the corresponding interest payments in the context of tightening the rules.

discussed above. Alternatively, central government could shoulder the effects of cyclical fluctuations in their entirety by guaranteeing the states tax revenue amounting to a certain share of trend-GDP.<sup>7</sup> However, the concrete implementation of this would involve numerous practical problems. Moreover, it would have to be ensured that sufficient importance is placed on regional economic development so that there is an incentive for nurturing the regional economies. If such a system were implemented, the state government budgets would be largely shielded from cyclical effects and it would not be necessary to take them

*Taking cyclical  
fluctuations  
into account*

Cyclical effects should be taken into account with respect to budgetary rules for state government, too. This could be achieved along the lines of the rules for central government

<sup>7</sup> See H Grossekkettler (2007): Für einen Bundesstaat mit zentralisierten Verschuldungskompetenzen, in: Konrad/Jochimsen (eds): Der Föderalstaat nach dem Berlin-Urteil, pp 89-104 S (in German only).

## The disciplining effect of financial markets on government budgetary policy

Fiscal deficits are, as a general rule, financed by borrowing on the capital markets. The creditworthiness of sovereign borrowers is reflected in the required interest rates. If market participants have doubts about whether the debt will be serviced punctually, owing to what they perceive to be an increasingly problematic fiscal development, they will require higher interest rates for new government debt. Increasing risk premiums make credit financing less attractive and can thus contribute to limiting it ("market discipline"). This aspect also has a bearing on the discussion on reforming the budgetary rules in Germany and avoiding federal states experiencing budgetary hardship.

A prerequisite for the functioning of market discipline, however, is that investors require state-specific premiums on issued debt instruments, as they will assess the default risk, in particular, of heavily indebted federal states as being higher than for states with a sound financial policy and a low level of debt. At present, this is not really the case. While a higher *per capita* debt does tend to be associated with a higher bond return (see the trend line in the adjacent chart), the difference is fairly small.<sup>1</sup> The rating agencies estimate the current creditworthiness of the federal states to be at least good. The fact that investors do not require significant risk premiums, despite the independence of the federal states' budgetary policy (Article 109 (1) of the Basic Law) and, in some cases, a high debt level and no stringent borrowing limit in the state government constitution, may ultimately be due to the fact that, given the constitutional rules, they assume that the central government and the federation of states will provide bail-out payments. This is supported by past assistance given to states that have found themselves in "acute budgetary hardship", even though in 2006 the Federal Constitutional Court underscored the individual responsibility of the federal states in its rejection of Berlin's plea demanding assistance.

The national federal structure therefore needs credible arrangements for limiting liability if the financial markets are to exert the required disciplining effect. These could relate either to the whole or just part of the debt. The majority of the Economic Advisory Council at the Federal

1 See K Heppke-Falk and G Wolff (2007), Moral hazard and bailout in fiscal federations: evidence for the German Länder, Deutsche Bundesbank Research Centre, Discussion paper, Series 1, Economic studies, No 7/2007, who also demonstrate in an econometric study that the interest rates to be paid by the federal states react significantly to the level of debt. However, the scale of the reaction is small. — 2 For Länder Treasury notes (Landesschatzanweisungen) with a residual maturity of four to seven years. — 3 See Economic Advisory Council at the Federal



Ministry of Economics, for example, who advocate greater financial market discipline in the federation of states, propose retaining the principle of intergovernmental liability only for unforeseeable emergencies, such as natural disasters, and for debt incurred by expenditure on tasks delegated by central government.<sup>3</sup> However, in practice it may be difficult to make such a clear distinction.

Those opposed to abolishing the system of intergovernmental assistance have repeatedly argued that this would immediately plunge federal states with high levels of debt into budgetary hardship as they would only be able to refinance maturing debt instruments at significantly higher interest rates. To address this problem, one proposal is to introduce the exclusion of liability only for new net debt accruing from a defined date.<sup>4</sup> Thus the old debt could be refinanced at favourable interest rates, while highly indebted federal states would have to pay higher risk premiums on new deficits. This would reduce the incentive to finance expenditure with debt, particularly for federal states with problematic

Ministry of Economics and Labour (2005), Zur finanziellen Stabilität des deutschen Föderalstaates, Documentation No 551, p 24 (only available in German). — 4 See K Konrad (2007), Vorschläge zur wirksamen Verschuldungsbegrenzung der Länder, Wirtschaftsdienst, 87. (9), pp 581-585 (only available in German). — 5 See B Jochimsen (2007), Haftungsbegrenzungen im internationalen Vergleich – Was kann Deutschland lernen?, in: Konrad/ Jochimsen (eds.), Der Föderalstaat nach dem Berlin-Urteil, pp 135-154 (only available in German) and B Jochimsen

debt situations. Overall, the at least partial abolition of the intergovernmental assistance scheme would mean that even federal states with better budgetary positions may also incur higher financing costs (owing to the abolition of central government liability, banks' obligation to back risk exposures with capital and greater dilution of their debt portfolio). Countervailing advantages would be a sounder future budgetary policy and reduced co-responsibility for excess indebtedness of other federal states.

Nevertheless, financial markets are likely to demand significant risk premiums only if investors actually expect perceptible losses if a federal state defaults. The non-bail-out commitment would therefore have to be credible. The credibility can be questioned in two respects. Firstly, despite regulations to the contrary, investors could expect that in an emergency central government and the other federal states would want to avoid the political costs of insolvency and would therefore be prepared to pay the debt. However, this political incentive could be limited by means of suitable insolvency legislation, as exists, for example, for local government in the USA. Secondly, investors might hope that general government would help out if high macroeconomic costs were expected ("too big to fail"). A federal state's default could lead to financial market instability and make it far more difficult for other government authorities to borrow. This could be counteracted by ensuring that creditors are involved to a limited extent in budgetary hardship events preceding a possible insolvency. Overall, the credibility of the exclusion of liability could also be increased by introducing suitable insolvency legislation that provides for burden-sharing between creditors and debtors in the event of a debt service default and ensures that the federal state continues to exist and to carry out its constitutional tasks.

International experience indicates that market discipline can be implemented in federal states.<sup>5</sup> Local government insolvency in, for example, the USA is at the same time rare. In the cases that have occurred, the insolvency law regulated the sharing of the burden between the creditors and the debtor, who had to pass this onto its taxpayers, and

(2007), *Staatsschulden ohne Haftung – Eine Option für deutsche Bundesländer?*, in: *Wirtschaftsdienst*, 87. (8), pp 518-524 (only available in German). — 6 See P G Farnham (1988), *The Impact of State Regulatory Activity on the Use of Local Government Debt*, in: *Journal of Urban Affairs*, Vol. 10 (1), pp 63-76. — 7 See J Poterba (1994), *State responses to fiscal crises: the effects of budgetary institutions and politics*, in: *Journal of Political Economy*, Vol. 102 (4), pp 799-821. — 8 For an overview see: A Alesina und R Perotti (1995), *The Political Economy of Budget*

ensured the continued existence of the local government. However, most US states combine market discipline with budgetary rules. In many states, there are effective borrowing limits at a local level, too.<sup>6</sup> Empirical evidence shows that the adjustment reaction to negative fiscal shocks depends on the strictness of the relevant budget institutions.<sup>7</sup> Hence it is unclear to what extent the low number of insolvencies and cases of credit rationing of central, state and local government is attributable to market discipline.

Against this backdrop, it is questionable whether, even given a credible exclusion of liability, the financial market reactions are large enough to ensure sound public finances and, if necessary, influence short-termist political behaviour, without a supplementary fiscal framework of budgetary rules. To the extent that the steep growth in indebtedness of the German federal states is attributable to the incentive to shift the debt burden to the federation of states by claiming budgetary hardship, an exclusion of liability may prevent this. However, the literature shows a wide range of explanatory approaches for the rise in debt.<sup>8</sup> A sharp increase can also be observed in the debt ratio of central government, which in view of the scale of its debt, is effectively subject to an exclusion of liability despite the obligation of the federal states to assist it. This indicates that financial markets only react significantly enough to influence political behaviour when there are very high levels of debt. Empirical studies show that the risk premium is initially low and increases more strongly with increasing levels of debt.<sup>9</sup> If perceptible interest rate rises occur, stronger adjustments are required to avert insolvency than is the case with prior tight borrowing limits. This impairs the macroeconomic development and shifts burdens to the generations then affected.

On balance, therefore, it seems worthwhile to consider arrangements to strengthen financial market discipline for the federal states by, say, involving creditors more in the event of budgetary hardship. However, preventive budgetary rules – as are used not only in the USA but also in the European Economic and Monetary Union – are indispensable.

*Deficits*, IMF Staff papers, Vol. 42 (1). — 9 See: T Bayoumi, M Goldstein and G. Woglom (1995), *Do Credit Markets Discipline Sovereign Borrowers? Evidence from U.S. States*, in: *Journal of Money, Credit, and Banking*, Vol. 27 (4), pp 1046-1059 who show non-linearities for the USA; K Bernoth, J von Hagen and L Schuknecht (2004), *Sovereign Risk Premia in the European Government Bond Market*, ECB Working Paper Series, No 369 show non-linearities for the EU countries.

specifically into account in the budgetary rules.

*Flexibility for individual states*

If the budgetary rules were tightened, it would seem necessary to give the individual federal states more flexibility elsewhere as part of the reform of the fiscal constitution. Their income, which is derived primarily from tax receipts, is determined to a large extent by national legislation and is largely levelled out by means of the state government revenue-sharing scheme. Possibilities for rapid adjustment on the expenditure side remain limited – even after the transfer of legislative responsibility for state government civil servants' salaries to the states as part of the first stage of the reform of the federal structure. Particular thought could be given to allowing states to levy limited multipliers on taxes accruing to them or on income taxes in order to increase their financial flexibility. The extra revenue this would raise should then have to be only partly recognised in the state government revenue-sharing scheme. Also to allow room for individual states' preferences regarding the extent of public spending, they should be granted greater flexibility to adjust their revenue.

### Concluding remarks

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*Tightening of budgetary rules required*

Developments over the past decades have demonstrated that the borrowing limits in Germany are insufficient. As future generations will face additional burdens, not least in view of the pay-as-you-go social security systems and the ageing of society, it would seem appropriate to minimise any further

burden ensuing from the incurrence of government debt. This could be achieved via the requirement of a structurally balanced budget. In addition, this would avoid any conflict with the European fiscal rules, which have already set this aim for Germany. The alternative of pegging borrowing to net investment could also be conducive to attaining this objective in principle. However, it seems that this could have some disadvantages, particularly with regard to the desired transparency and clarity of the rules, and could also conflict with European requirements.

Alongside permitting borrowing in the event of a natural disaster or serious crisis, the cyclical effects on public finances, in particular, should be duly taken into account. Automatic cyclical fluctuations in the fiscal balance, including temporary swings in profit-related taxes, could be tolerated as deficits run up during downturns and surpluses generated during upturns tend to balance each other out. At the end of the cycle, the debt level should not have risen. Much the same applies to deficits and surpluses resulting from inaccurate projections, particularly regarding the macroeconomic development and the level of tax revenue. Institutional safeguards should be put in place to ensure that projections of the course of macroeconomic development and the evolution of the individual government budgets are as unbiased as possible and that there is a regular comprehensive analysis of the budgetary outturns. If a sustained expansion of government debt levels owing to inaccurate projections is imminent, corrective measures should be implemented as promptly as possible.

*Cyclical fluctuations should be tolerated and slippages corrected*

*Transparent reporting and clear rules in the event of infringements*

Presenting budget plans and outturns transparently is an important prerequisite for enabling parliaments and the general public to monitor them effectively and ensuring the observance of budgetary rules. Having clear rules is another precondition for facilitating the rapid identification of infringements,

which could, if necessary, be corrected using rule-bound mechanisms specified *ex ante*. Overall, the revision of the budgetary rules as part of the second stage of the reform of the federal structure presents an opportunity to take an important step towards long-term fiscal sustainability in Germany.

## Annex

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### Budgetary rules and forecasting uncertainty

#### Budgetary developments fraught with uncertainty

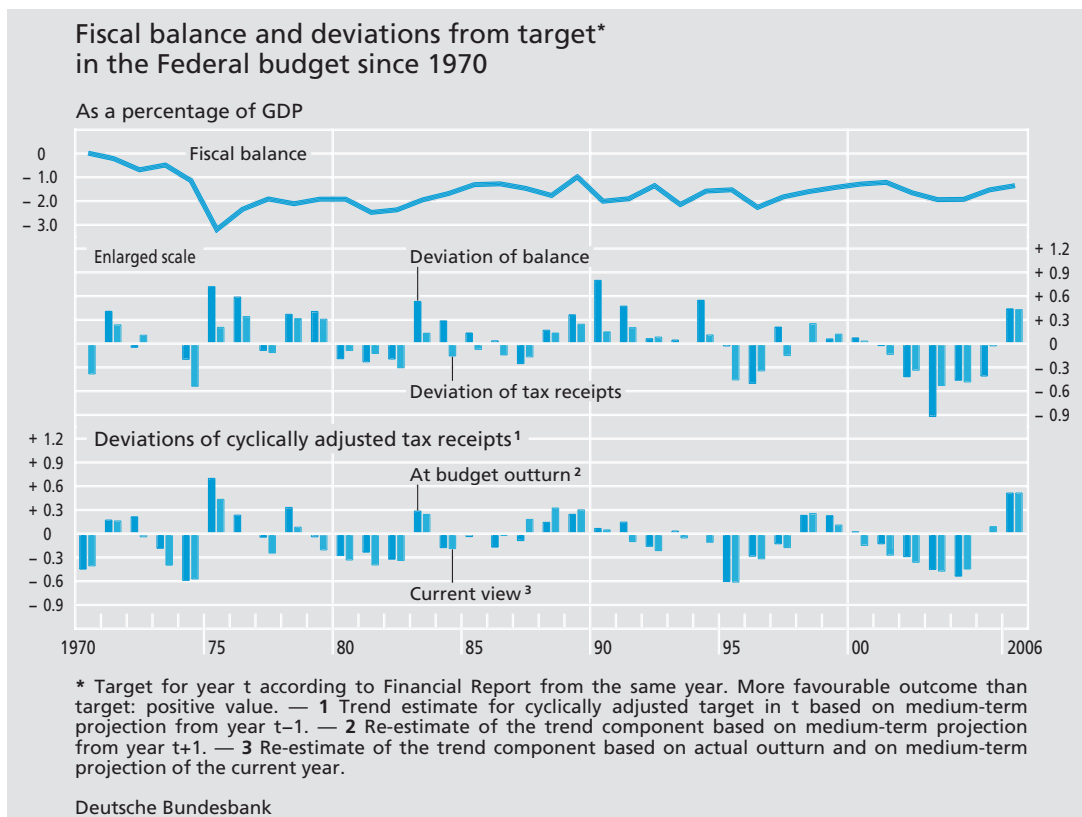
When framing budgetary rules, it should be borne in mind that both the course of macroeconomic development, on which the budget estimates are based, and other influencing factors are fraught with considerable uncertainty. For this reason, deviations from the budgeted figures regularly occur in the course of implementing the budget – irrespective of any additional fiscal policy decisions that may have been taken in the meantime. This is due to the fact that tax receipts, in particular, are crucially affected by the macroeconomic development, the effects of changes in legislation as well as behavioural adjustments and special factors, which may be difficult to forecast. Estimation errors may also occur in the other budget items and lead to deviations from the targeted figures. Such errors may be classified as cyclical or as temporary for reasons other than cyclical ones, or as affecting the trend component. Moreover, the assessment of the cyclical impact in a given year may change retrospectively as a result of new macroeconomic data or expectations. Quantifying cyclic-

al influences becomes relevant when budgetary rules – as under discussion at present – specify cyclically adjusted target values, say, for the general government deficits, and cyclically induced deviations are to be expressly permitted.

Especially in view of the estimation uncertainties, it is important to decide how to deal with deviations from target that occur when the budget is implemented. In this connection, it should be noted that the forecasting errors do not necessarily cancel each other out over time and that (in the event of regularly overoptimistic expectations) they can ultimately lead to a sustained build-up of debt, even though the budgetary rules have (formally) been observed when setting up the budget.

#### Deviations from the planned central government budget since the introduction of medium-term financial planning

The fact that inaccurate projections in the budget plans play a considerable role can be seen by analysing past deviations from the planned Federal budget. When looking at the fiscal balance, it is apparent that, up to the mid-1990s, it mostly turned out to be more positive than estimated, whereas negative deviations have predominated



since then (see chart above). Such deviations may have been due not only to inaccurate projections in the narrower sense, say, owing to uncertainties with regard to the macroeconomic development or the effects of earlier legislative changes, but also to measures deliberately deviating from the budget during its implementation (concerning proceeds from asset disposals, for example).

An analysis of the inaccurate projections and their relevance to budgetary developments – much like that recently undertaken by the German Council of Economic Experts<sup>8</sup> – is conducted below. The study focuses on tax receipts, since the related deviations from target are likely to be due in large part to estimation errors in the narrower sense.<sup>9</sup> Deviations in the other budget items are excluded. It turns out that the deviations from target for the fiscal balance and the tax receipts are positively

correlated. Over the period as a whole, the deviations from target in the fiscal balance are, however, slightly positive (underestimation), whereas they are, in sum, negative for tax receipts (overestimation). The revisions of the nominal GDP growth rates were also negative on average, although downward revisions of GDP growth rates and of the fiscal balance and/or tax receipts do not always coincide. This suggests that there are other key

<sup>8</sup> See also German Council of Economic Experts (2007), *Staatsverschuldung wirksam begrenzen* (in German only). Unlike the calculations made here, the Council of Economic Experts looks at the Federal budget in the period 1995-2005 and uses the GDP forecast published in its annual reports for each of the years under consideration for the real-time calculation of the cyclical influence.

<sup>9</sup> Here, too, there are exceptions, however. For example, in December 2003, the parliamentary mediation committee of the two houses of the German parliament agreed on a final version of various tax law amendments (including the elimination of various subsidies) which deviated from the appropriations in the 2004 Federal budget.



causes of deviations besides the uncertainty regarding macroeconomic developments as measured by GDP.

In order to adjust the fiscal balance for cyclical effects, for the sake of simplicity, only tax receipts are treated below as being cyclically susceptible.<sup>10</sup> More precisely, it is assumed that, given a 1% deviation of real GDP from its trend, tax receipts, too, will deviate by 1% from their normal medium-term level. The trend and cyclical components of GDP are estimated using the Hodrick-Prescott filter (smoothing parameter  $\lambda=100$ ), which is applied to the Federal government's data and projection from the Financial Report available.<sup>11</sup> A comparison of the cyclically adjusted tax receipts (year  $t$ ) with a current view shows the estimation of the trend was largely overoptimistic when the budget was prepared (year  $t-1$ ). This was only partly recognised at the budget outturn stage (year  $t+1$ ), however (see chart on page 64).

### **Making allowance for estimation errors in the budgetary rules**

Forecasts of the macroeconomic development (including for the medium term) and of the volatile tax receipts are a major component of budgetary rules based on the trend development. To avoid debts building up systemically as a result of inaccurate estimations, relevant developments should be analysed on a regular basis. Furthermore, thought has to be given to whether compensatory measures might have to be taken. Economic experience suggests that the stringency of such compensatory measures should be tailored to the amount of discretionary scope available to policymakers in making the estimates.

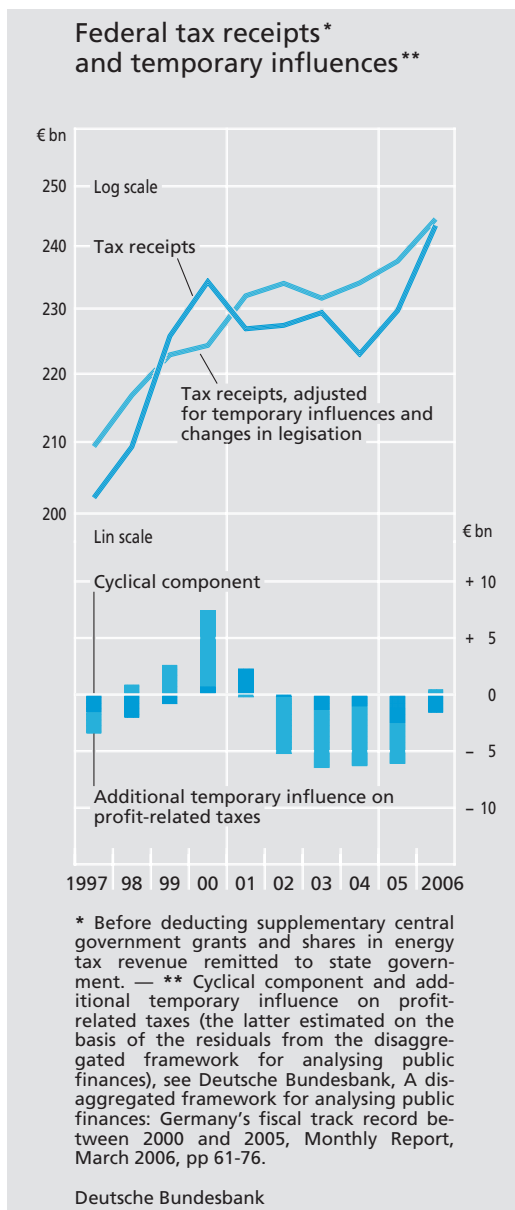
To enhance transparency, first, the cyclical fiscal balances could be determined after the budget outturn and shown separately, for example. In addition, the erratic deviations of the very volatile profit-related taxes from their normal level, which involve large temporary deviations, could also be estimated and incorporated. A standardised method, like that used for cyclical adjustment, should be used for this (see chart on page 66 for a rough estimate).<sup>12</sup> If the cyclical effects on the government budget and the related estimation errors are symmetric, these balances should offset each other over time. However, studies undertaken from a current view show that, in the past, the size of the cyclical deficits was, on average, overstated at the budget outturn owing to the regularly overoptimistic medium-term expectations for the macroeconomic development.

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10 Not only tax receipts but also labour market-related expenditure by the Federal government, in particular, is subject to certain cyclical fluctuations. The impact of cyclical fluctuations is likely to be distinctly lower following the recent reforms, however, since the central government grant to the Federal Employment Agency, which finances the very cyclically sensitive unemployment benefit I, has been stabilised.

11 The Bundesbank otherwise uses an analytically more sophisticated disaggregated cyclical adjustment procedure for analysing budgetary developments, see Deutsche Bundesbank, A disaggregated framework for analysing public finances: Germany's fiscal track record between 2000 and 2005, Monthly Report, March 2006, pages 61-76. The aggregated method used here has the advantage of being more consistent with the approach taken by the EU budgetary surveillance procedure. To estimate the GDP trend, GDP has to be projected for a number of years beyond the estimation year. The Federal Government's spring medium-term forecasts are an obvious option for this purpose. The related estimation error tends to be overstated in the process, however, since it is not until November that the target values of the Federal budget are set on the basis of an updated forecast.

12 Even under the legal status quo, revenue from profit-related taxes fluctuates markedly more sharply than can be explained by developments in the economy as a whole. These fluctuations are therefore not usually captured by the cyclical adjustment procedure and are not considered below. The temporary influences on profit-related taxes have to be distinguished from the estimation errors, even though they are a major cause of forecasting errors.



In addition, the estimation errors regarding cyclically adjusted tax receipts<sup>13</sup> determined at the budget outturn could be shown separately. Another factor that could be included is that, given no change in policy, revisions of the estimation of the cyclically adjusted revenue level for an individual year are likely in most cases to continue to hold for the future (baseline effect). In order to avoid sharp, erratic fluctuations in budgetary policy following unexpected trend developments, the re-

duction in the cyclically adjusted deficit or surplus implied by this baseline effect could be prescribed not directly but successively over a medium-term period. It would then likewise be possible to capture the further differential amounts in the balance from the ensuing fiscal years that occur during the reduction period. Besides this, any growing residue from the aforementioned estimation errors of the economic situation could then also be taken into consideration.

Furthermore, an upper limit could be set for debts due to estimation errors for which there would have to be medium-term fixed minimum repayments if this limit is exceeded. Congruently, credit balances should be usable in the budget only above a defined ceiling. Setting an upper limit for debts which accumulate owing to estimation errors would, in particular, counter incentives for systematic inaccurate projections. By simultaneously limiting the use of possible credit balances, a certain corridor could be created within which both positive and negative estimation errors can be tolerated even though the actual budget ceiling would be breached *ex post* as a result.

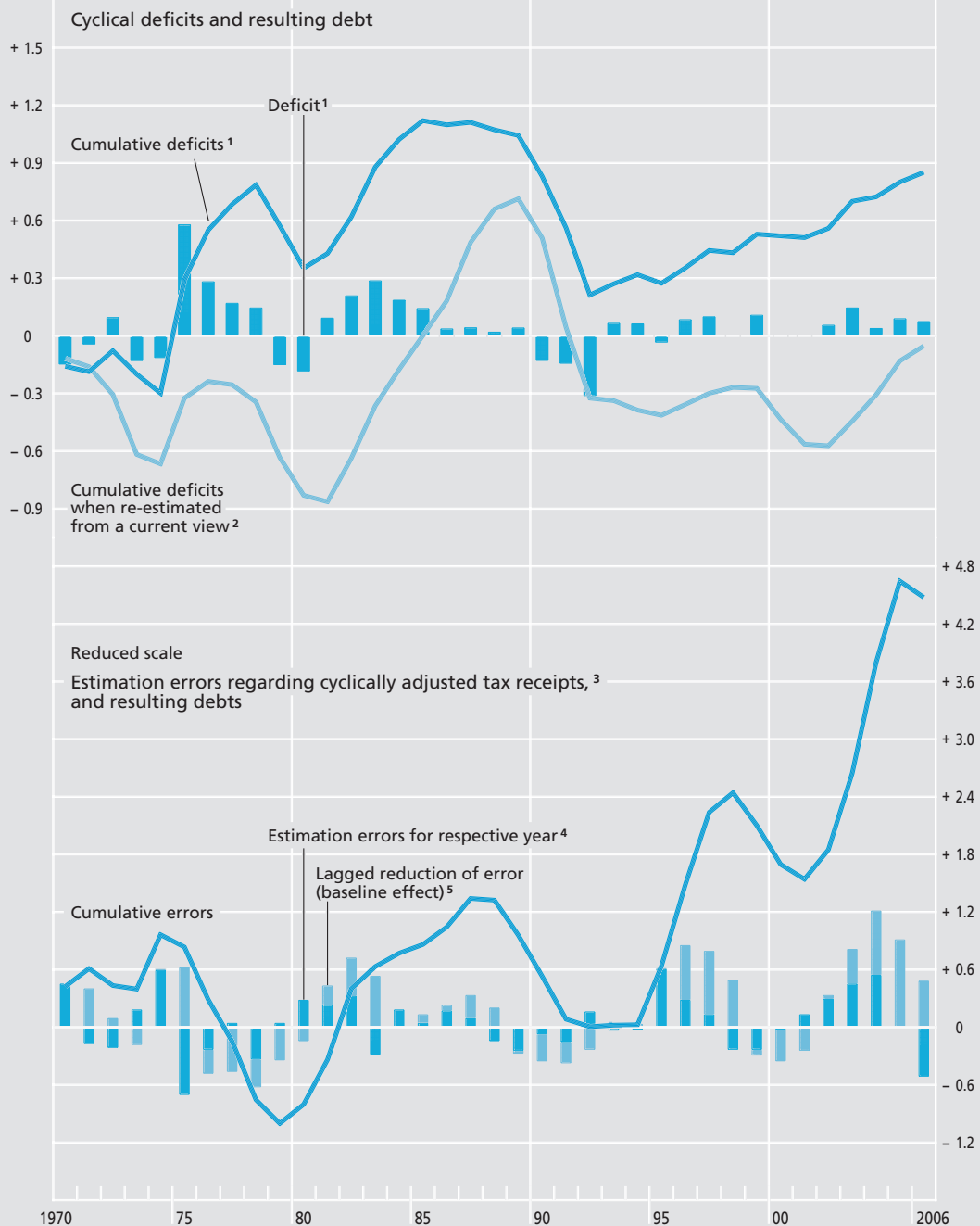
#### Model calculation for the Federal budget

Simulations based on Federal budgets, economic projections and deviations from target for the period 1970 to 2006 can retrospectively illustrate the pattern of debts and/or credit balances which would have resulted from (estimated) cyclical effects and estimation errors of cyclically adjusted tax receipts (see chart on page 67). Taking 1970 as a starting point, the cyclical deficits and the cyclically adjusted differentials in the tax receipts result-

<sup>13</sup> Less the deviations due to changes in legislation adopted in the meantime.

## Debts and balances owing to cyclical influences and inaccurate estimates

As a percentage of GDP



1 Estimate of cyclical deficit of year  $t$  based on tax revenue outturn for  $t$  and medium-term projection from year  $t+1$ . — 2 Re-estimate of the trend component based on actual outturn and on medium-term projection of the current year. — 3 Deficit-increasing estimation error (ie outturn less favourable than expected): positive value. — 4 Error of the estimation from  $t-1$  for year  $t$  as seen from year  $t+1$ . — 5 Baseline effect of an estimation error of size  $x$  for year  $t$  is calculated as  $x$  in  $t+1$ ,  $2/3 \cdot x$  in  $t+2$ ,  $1/3 \cdot x$  in  $t+3$ , 0 from  $t+4$ .

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ing for the budget of a given year (t) are calculated and shown for the year t in each case as seen from the subsequent year (t +1) using the data and projections available at that point in time and shown for year t. The development is based on the assumption, by way of an example, that the estimation errors regarding cyclically adjusted tax receipts that were detected at the budget outturn are reduced in three equal steps (baseline effect).

The simulation shows that debts build up over the reporting period as a result of the cyclical deficits calculated in real time. Debts due to estimation

errors regarding cyclically adjusted tax receipts occur mainly in the last ten years. In this context, the medium-term rise in the "cyclical debts" is the outcome of the fact that, in the model calculation, the cyclical deficits were typically overestimated at the budget outturn owing to comparatively optimistic expectations regarding the future macroeconomic development. The estimation errors regarding cyclically adjusted tax receipts were simultaneously underestimated at this point in time. The cumulative deficits resulting from the real-time analysis totalled almost €125 billion (just under 5½% of GDP) in 2006.

## TARGET2 – the new payment system for Europe

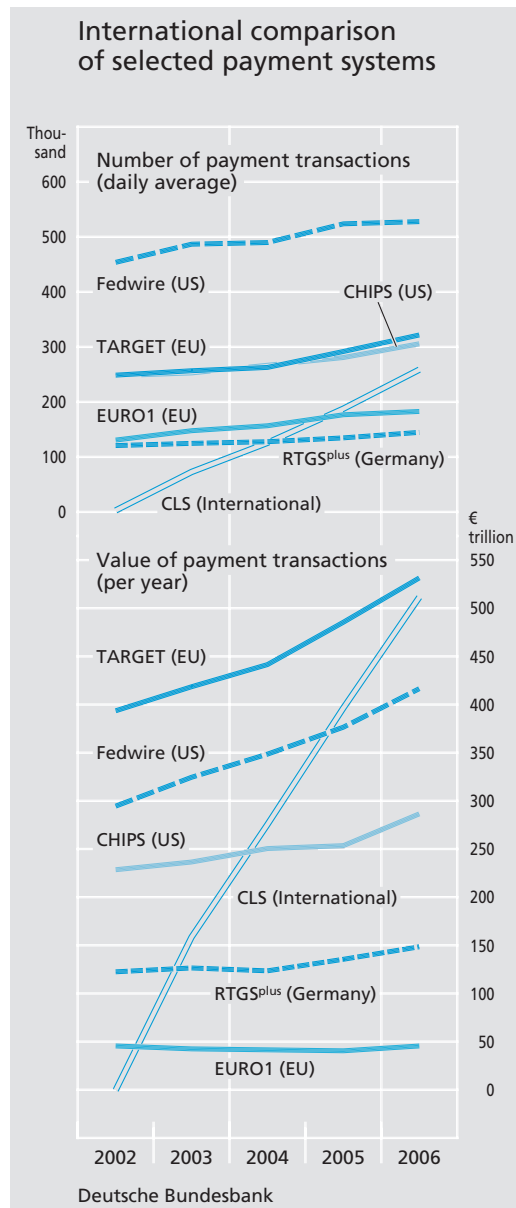
On 19 November 2007, the new TARGET2 system for settling urgent payment orders in real time will come into operation. In so doing, it will replace the current TARGET system, which for the eight years since the start of the European monetary union has made it possible to transfer euro balances between accounts held at European central banks in a matter of minutes. This has been instrumental in laying the basis for a single European money market. The Bundesbank's RTGS<sup>plus</sup> system, which represents the German component of the TARGET system, will cease to operate after the close of business on 16 November 2007 and be superseded by the new system. Around 150 RTGS<sup>plus</sup> participants are currently preparing for the transition from the "old" RTGS<sup>plus</sup>-TARGET environment to TARGET2. Following on from past Bundesbank monthly reports already focused on RTGS<sup>plus</sup> and recent developments in the area of individual payments (September 2005), the following article describes the most important elements which make up TARGET2 and its advantages for the European financial market. The article is particularly effective in illustrating the considerable importance of this new TARGET generation to the Bundesbank, the German banking industry and those involved in the business of securities settlement in Germany.

## Importance of TARGET in individual payments in euro

*Global and European importance*

Handling more than 350,000 transactions every day with a value of €2.4 trillion, the TARGET<sup>1</sup> system, operated by the European System of Central Banks (ESCB), is of paramount importance to the European financial infrastructure. Using TARGET it is possible to transfer balances held at a central bank to another account in Europe at great speed. Not least owing to the large volume of transactions involved and the wide range of centralised functions it offers, TARGET has acquired great systemic relevance.

- TARGET is used for the purposes of settling Eurosystem monetary policy operations, supplying market participants with central bank money and absorbing excess central bank liquidity.
- The trading of central bank balances between banks, also known as money market activity, is also settled using TARGET.
- Other, privately operated settlement systems, for example in the area of foreign currency payments and securities trading, settle their transactions via bank accounts held at the central banks and likewise use TARGET to achieve this.
- Bank customers can also use TARGET for the settlement of domestic or European credit transfers that need to be settled as speedily as possible owing to their special urgency. In addition, banks frequently use TARGET to settle payments arising from



their correspondent banking activity in non-European countries.

Accordingly, security plays a major role in connection with payments settlement. This includes, in particular, the immediate (ie real-

<sup>1</sup> Trans-European Automated Real-Time Gross Settlement Express Transfer system, which links up the ESCB's individual Real-Time Gross Settlement (RTGS) systems.

time) clearing and settlement (ie “gross”) in central bank money.

With an annual volume growth of 9% and a corresponding value growth of 35%, TARGET has developed very positively over the past five years. In the area of “individual payments”, TARGET enjoys approximately a 90% share of the European market in terms of value and a market share in excess of 60% in terms of volume. Most of the remaining share is handled by the EURO1 system operated by the Euro Banking Association. In terms of international standing, TARGET ranks alongside the Federal Reserve Bank’s Fedwire system, the private US dollar clearing system CHIPS<sup>2</sup> and the global foreign exchange settlement system CLS<sup>3</sup> as one of the world’s largest individual payment systems.

### The Deutsche Bundesbank and TARGET

*Bundesbank  
as a system  
operator*

The Bundesbank’s official mandate enshrined in section 3 of the Bundesbank Act since 1957 stipulates that the Bundesbank has to arrange for the execution of domestic and cross-border payments. The Bundesbank fulfils this function *inter alia* by operating its own payment systems. With RTGS<sup>plus</sup> the Bundesbank operates an innovative Real Time Gross Settlement (RTGS) system. RTGS<sup>plus</sup> also functions as the national TARGET component. TARGET comprises 16 national RTGS systems together with the ECB payment mechanism (EPM). The individual national components are connected with one another via technical interlinking. The importance of the German TARGET component

is reflected in the fact that approximately 45% of all domestic and cross-border TARGET payments are settled using RTGS<sup>plus</sup>. Measured in terms of volume, the share is just under 30%.

### Transition from TARGET to TARGET2

As early as October 2002, the Governing Council of the ECB adopted the main principles for the next generation of the TARGET system. Accordingly, individual EU central banks were allowed to decide for themselves whether to continue operating their own real-time gross settlement system or to take advantage of the Single Shared Platform (SSP). All Eurosystem NCBs – including those of Malta and Cyprus, which will join the Eurosystem on 1 January 2008 – have since opted to use the new SSP.

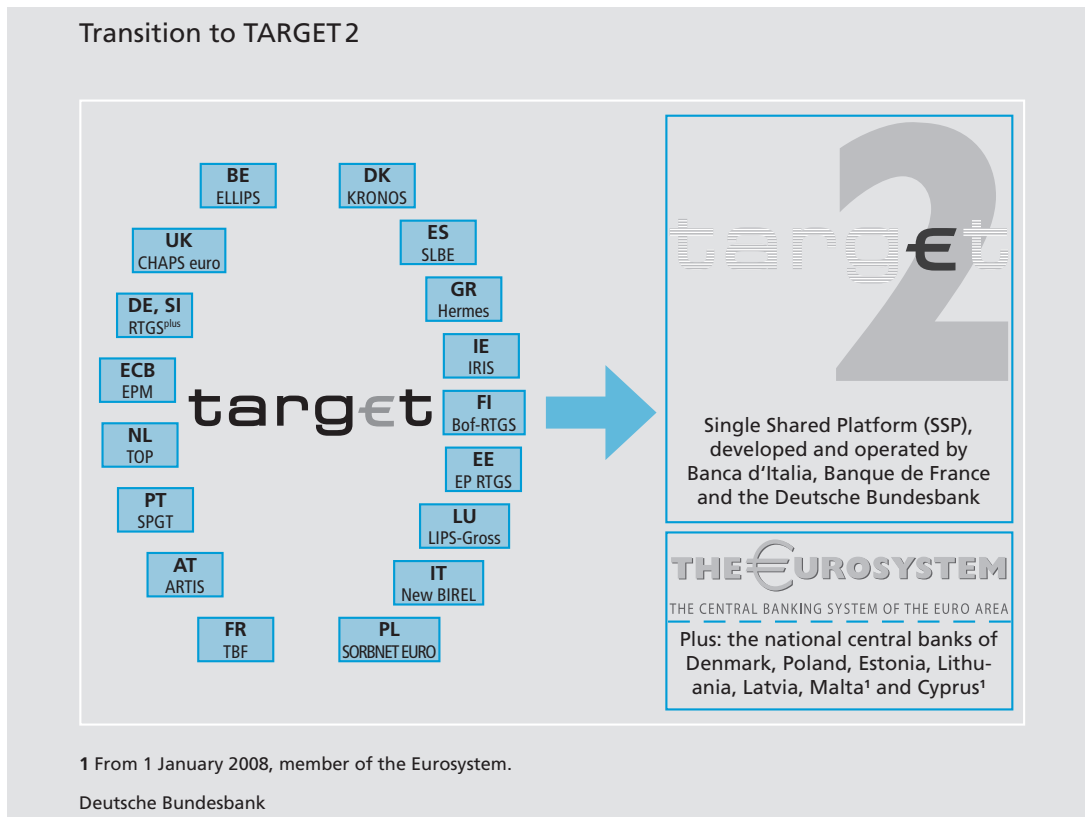
*From the RTGS  
network ...*

In addition, the central banks of Denmark, Estonia, Lithuania, Latvia and Poland will also be joining TARGET2. The remaining EU countries are not expected to take advantage of the SSP until they join the euro area. However, banks in these countries can participate in TARGET2 by means of remote access via a participating TARGET2 central bank.

In order to reduce migration risk, participating countries will link up with TARGET2 on a gradual basis, migrating in three different windows on 19 November 2007, 18 February 2008 and 19 May 2008. Germany will switch to TARGET2 with the first group of countries.

<sup>2</sup> Clearing House Interbank Payments System.

<sup>3</sup> Continuous linked settlement system.



... to the single technical platform

The most significant conceptual innovation of TARGET2 is the way in which it consolidates the existing decentralised TARGET infrastructure. The creation of a single technical platform promises the following results

- A standard Europe-wide interface to connect to TARGET via SWIFT<sup>4</sup>
- Complete harmonisation of the range of TARGET services, thereby guaranteeing all European credit institutions the same level of service
- Elimination of the difference in the treatment of domestic and cross-border euro payments

- Enhanced opportunity for participants to control central bank liquidity throughout Europe
- Standardised prices for all TARGET2 countries

#### Considerable flexibility in liquidity management

When TARGET2 was being designed, the European banking industry attached special importance to offering an extensive range of individual, appropriately tailored and easy-to-

*Growing importance of liquidity management*

<sup>4</sup> Society for Worldwide Interbank Financial Telecommunication. SWIFT operates a secure, high-availability communication service and plays a major role in the area of standardising message transmission in the financial sector.



use liquidity management features. Available liquidity is to be used as efficiently as possible as the demands on liquidity management have steadily multiplied in recent years. For example, the CLS system requires “pay-ins” of central bank money to be injected precisely to the minute. Equally, in times of scarce liquidity in the money market, possibly as a result of sudden changes in market participant behaviour triggered by a crisis of confidence, it is very important to make particularly efficient use of the liquidity that is available. With RTGS<sup>plus</sup> the Bundesbank had already implemented a system that incorporated benchmark-setting liquidity management elements. TARGET2 will retain several of the essential basic elements already familiar to users of RTGS<sup>plus</sup>.

*Use of tried and tested RTGS<sup>plus</sup> elements*

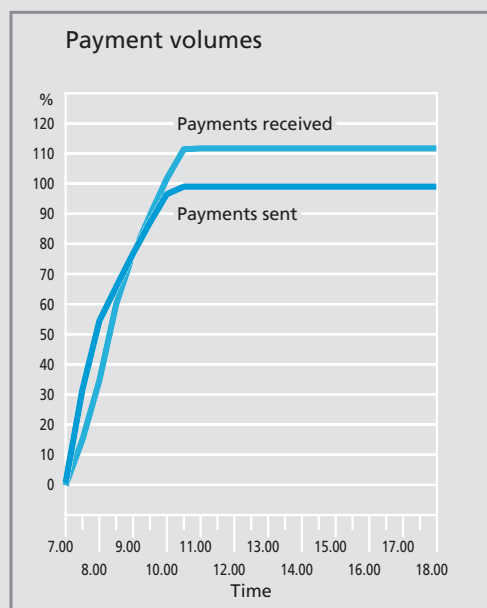
- Liquidity-saving elements ensure an optimised supply of liquidity during payment processing. This means that in addition to account balances and intraday facilities, use is made of “offsetting payments” as cover for processing payments. In the case of submitted payments, for example, the system examines whether payments placed in a queue by the beneficiary may also be used as cover and executed at the same time. Moreover, all participants’ “queues” are continuously optimised.
- By setting limits, a direct participant can restrict the amount of liquidity he uses for “normal” (non-priority) payments to other participants. A bilateral limit enables the direct participant to control his use of liquidity for the settlement of “normal” payments vis-à-vis another direct partici-

pant. A multilateral limit can be used to the same effect vis-à-vis those participants to whom he did not apply a bilateral limit. Limits result in a high degree of transparency and ensure early finality in payment processing. They also enable participants to submit payments early without running the risk of unlimited unilateral outflows of liquidity. Furthermore, they provide bilateral partners with an incentive to submit their own payments early. By means of such offsetting, payments can be executed in finality with little recourse to liquidity and channelled to the recipient as early in the day as possible. This contributes to the optimal deployment of liquidity and has a positive effect on financial stability.

- Like RTGS<sup>plus</sup>, TARGET2 rigorously embodies the tenet that a high degree of efficiency is best achieved if participants are responsible for managing their own liquidity. To this end, participants are given a variety of “tools” for liquidity management. One such tool is transparency with regard to incoming payments that are still parked in queues. This assists participants in planning the management of their own liquidity positions. Furthermore, participants have the opportunity – as in the case of RTGS<sup>plus</sup> – to manage the processing situation interactively to suit their changing needs. For example, they can adjust limits or rearrange the order of payments waiting in a queue.

## Payment behaviour when setting bilateral limits

Direct RTGS<sup>plus</sup> participants generally set bilateral limits vis-à-vis some of their counterparties. The chart below clearly illustrates the positive effects of these limits. One advantage is that participants can submit their entire payment volume at an early opportunity without incurring any risk. This is why the number of payments submitted is around 50% higher than the number of payments received during the first RTGS<sup>plus</sup> operating hour, thus prompting the other participant to act in a similar fashion and submit his payments, too. After another operating hour incoming and outgoing payments are already in balance, and by 11.00 the complete payment volume for that day has, in practical terms, already been processed. In addition, this reduces the risk of damage in the event of a service disruption.



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TARGET2 will also offer a number of functional improvements to performance with regard to liquidity management.

*TARGET offers additional benefits*

- The ability to assign priorities and utilise liquidity reserves allows direct participants to manage their payment flows in line with their own individual needs. TARGET2 offers three different classes of priority. These are: “highly urgent”, “urgent” and “normal”. “Highly urgent” payments (eg for CLS and securities settlement) as well as “urgent” payments (eg those for time-critical interbank payments) have priority access to liquidity. What is more, liquidity for these kinds of payment can be reserved so as to guarantee immediate settlement in every case.
- In future, TARGET2 participants will also have the option of combining various accounts – including those held at different central banks – to form an account group for the purpose of consolidated information or central processing (“virtual account”, “aggregated liquidity”). In the case of a virtual account, the available liquidity of all members of an account group will be aggregated in a liquidity pool during the business day. Each account holder within the group will therefore have the possibility of making payments through his own account up to the total level of intraday liquidity available to the account group. In the case of the consolidated information option, only consolidated information will be offered to the account group. Processing will still be

carried out exclusively at the individual account level.

Participants will be aided in their liquidity management by an Information and Control Module (ICM) which enables them, for instance, to view their current liquidity position, payments status or ingoing and outgoing queues as well as to carry out control operations at any given time.

*Enhanced liquidity efficiency through single platform*

The centralised European TARGET2 platform will eliminate the fragmentation of current flows in individual payment transactions in euro and euro-denominated liquidity holdings. The associated improvement in the utilisation of offsetting payment flows should further boost the effectiveness of liquidity-saving features. In addition, in contingency situations, which past experience has shown to be accompanied by a liquidity shortage, the liquidity-saving model can mitigate negative effects. Participants greatly benefit from the improved information content which results from the merging of separate liquidity flows in Europe into just one technical system. Another positive aspect is that in future, limits to the active management of liquidity outflows can be defined individually for each direct TARGET2 participant, not just in national terms but also on a Europe-wide basis.

#### **Interface reduction and settlement by ancillary systems**

*Complexity of settling ancillary systems*

The settlement of cash leg transactions (eg securities and foreign exchange operations as well as retail payments) coming through

other (ancillary) systems is being increasingly effected in "safe" central bank money. For this reason, in recent years there has also been an increase in the interdependencies between these ancillary systems and TARGET. As a general rule, the participants in such ancillary systems are required to hold an account with the central bank responsible for that system within the national RTGS framework in order to initiate cash settlement. Hence, at a European level, a highly complex entity has evolved within which the multiple interlinked RTGS systems maintained by the various NCBs are in turn connected with a number of ancillary systems for the purpose of cash settlement. The individual interfaces and procedures involved differ in shape and form. At present, more than 50 ancillary systems use TARGET to carry out their cash settlements.

TARGET2 will greatly simplify the complex structure described above. One reason is the reduced number of interfaces. In future, all ancillary systems will be able to conduct settlement directly in the SSP using central bank money. As a matter of principle, settlement can be executed using any central bank account belonging to the TARGET2 SSP. This will also make it much easier for banks to use remote access to link up with securities and retail payment systems elsewhere in Europe while opening up new business opportunities for the ancillary systems themselves. Consequently, TARGET2 will make a significant contribution to the closer integration of European financial markets.

*Improved interaction with ancillary systems*

*Additional  
advantages for  
settlement by  
ancillary  
systems*

The following elements are further proof of the improved processing offered by TARGET2.

- In future, ancillary systems can take advantage of standardised access and clearing procedures. In this context, the Ancillary System Interface (ASI) will offer a special range of services featuring additional functions tailored to meet the requirements of ancillary systems. Banks will therefore be informed in advance (for example, 30 minutes prior to actual clearing) about the balances to be settled in TARGET2, for instance in the case of multilateral settlement processes, where transactions need to be booked on several different participant accounts at the same time. This will have the effect of reducing settlement risk.
- The better liquidity efficiency offered by the common platform will also have a positive impact on the settlement by ancillary systems.
- TARGET2 will allow for night-time securities settlement. In some countries – including Germany – the lion's share of securities transactions is already being processed during the night without any repercussions on standard payment transactions.

However, in terms of risk factors, the new options available for the settlement by ancillary systems warrant close monitoring by the Eurosystem. It is precisely for this reason that the Eurosystem has sought and publicised information on the settlement times involved in

ancillary systems as well as on their dependence on other ancillary systems. This will increase transparency for market participants and reduce the risk of conflicting demands for access to the liquidity that will be centrally maintained in the platform. What is more, adequate contingency provisions on both sides will have a vital role to play, precisely in the event of interaction with other systems, as any serious disruption, particularly at critical periods, might have a resoundingly adverse impact on the European – and possibly even the international – financial markets.

#### **Improved business continuity**

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The current TARGET environment, with its decentralised structure and large number of participating national RTGS systems, can give rise to operational risks. These can be offset by applying the appropriate contingency measures. Owing to the interconnected nature of the system, however, these risks will be inclined to affect other TARGET components as well. The SSP will eradicate such dependencies. Nevertheless, to ensure that this works there must be a guarantee of high SSP availability as in future any such disruptions will have a direct effect on all TARGET2 participants. Another reason behind this need for a high level of business continuity is that in future TARGET2 will be reopened for the overnight processing of securities transactions as early as 90 minutes after the close of the last business day, primarily for the night-time processing of securities transactions.

*TARGET2 offers  
high downtime  
security*

The TARGET2 system is therefore based on a two-region model where, in the event of a regional disaster, each region is equipped to take over full live operation within a short period of time. Within each region two separately located operational sites are available to guarantee uninterrupted operation if local problems arise. Should it be necessary to relocate operations from one region to the other, time-critical payments, for instance, CLS liquidity “pay-ins”, can be handled by using a special standby contingency module.

*Operational demands on participants*

TARGET2 will also place greater importance on the contingency measures which participants are required to apply. Participants who are major players on account of the scale of their business are particularly affected by the future requirement to prove that they have access to a substitute facility at a second location. This regulation is not least a reflection of the increasingly exacting standards applying to payment systems supervision. In order to allow enough time for internal adjustments, however, the rules will not take effect until the second half of 2010. If a participant’s internal IT application suffers a system failure, he has the further option of using the Information and Control Module to make targeted liquidity transfers to other participants or generate payments for settlement within certain ancillary systems.

### TARGET2 pricing scheme

*One price for domestic and cross-border payments*

TARGET2 will not distinguish between domestic and cross-border payments. In future, the common pricing scheme shown on page 78

### TARGET2 pricing scheme

Prices in euro

#### Option A

Fixed monthly fee	100.00
Transaction fee	0.80

#### Option B

Fixed monthly fee	1,250.00
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#### Price scale

Level	Monthly transactions		Fee
	Number	Cumulated	
1	10,000	10,000	0.60
2	15,000	25,000	0.50
3	25,000	50,000	0.40
4	50,000	100,000	0.20
5	more than 100,000		0.125

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will apply to “core services”. This approach pursues two particular objectives. Firstly, it should guarantee broad access to the system, ie small institutions should also be able to participate directly in TARGET2. Secondly, the pricing scheme should be attractive to major players who process a high volume of urgent customer payments (known also as “commercial” payments) and who account for a very large share of the current TARGET transactions. The significance of this participant group is underscored by the fact that, for example, in Germany the 10 biggest RTGS<sup>plus</sup> participants account for about 65% of all transactions in RTGS<sup>plus</sup> in terms of both volume and value. The processing of commercial payments in the secure TARGET environment will contribute to financial stability in the euro area and make better use of the system while

also offering cost recovery at reasonable prices, as envisaged by the Eurosystem.

### Impact of TARGET2 on Bundesbank

*National  
customer  
connection*

To comply with the principle of decentralisation enshrined in the EU Treaty and to guarantee that their services are tailored as closely to customers needs as possible, the participating central banks will continue to be responsible for all operational aspects with regard to their customers despite the technically centralised nature of the TARGET2 system. Furthermore, from a legal perspective, the TARGET2 system will retain its multiple-layer structure, meaning that each central bank will be regarded as a separate system operator. Consequently, in Germany the relationship between a participant and the Bundesbank will be governed by German law and will be regulated by the TARGET2 conditions of the Bundesbank. The German system will be called TARGET2-Bundesbank (TARGET2-BBk).

To avoid competitive distortions in Europe and to provide a standardised service level, the Eurosystem also agreed that national regulations should be harmonised as far as possible. Exceptions are possible only in situations where a difference in national law makes this absolutely necessary. This approach will make it possible to retain the tried and tested system of participation under the national law of the respective countries and at the same time take into account the requirements of European integration.

In the autumn of 2003 the Bundesbank and the central banks of France and Italy submitted a joint proposal to develop and operate a TARGET2 platform, which was then adopted by the Governing Council of the ECB in December 2004. In designing and developing the TARGET2 payment system, the Bundesbank drew on its experience gained in setting up and operating RTGS<sup>plus</sup> and further enhanced the main features of the system to reflect the requirements of European market participants. Moreover, together with Banca d'Italia the Bundesbank will have primary responsibility for SSP operations while some specific modules used mainly by central banks (eg Datawarehouse) will be offered by the Banque de France as a supplementary service. TARGET2 presents a first-time opportunity to realise a service centre concept within the ESCB. It will capitalise on the expertise, resources and technical infrastructure that are already to be found in national central banks by applying these to generate a common range of services for the ESCB where previously these would have been provided individually by each and every central bank.

*Bundesbank as  
joint operator  
of SSP*

At present about 190 institutions participate in the German RTGS<sup>plus</sup> TARGET component on a direct basis. Numbered among these are banks and central banks from Slovenia, Cyprus and Malta, which prior to TARGET2 had, for reasons of cost, been against creating their own euro-based RTGS systems and instead decided to use an existing RTGS system. All in all, by the end of 2006 approximately 1,000 European financial institutions had made use of TARGET as direct participants.

*Participation  
via TARGET2-  
Bundesbank*

There will be no great change in substance from the forms of participation offered by the current RTGS<sup>plus</sup> and TARGET concepts. However, since TARGET2 has standardised technical access across Europe, it enables multinational banks, in particular, which still participate in several different TARGET components in various countries to focus their TARGET2 access on a single country and thus consolidate the settlement of their payments.

Being able to concentrate the majority of business activities in one RTGS account will also greatly simplify the task of liquidity management. Once access has been consolidated in one main office, a number of foreign bank subsidiaries are likely to stop participating directly via TARGET2-BBk. Direct RTGS<sup>plus</sup> participants from Slovenia and Cyprus will also participate in future in TARGET2 directly via their respective central banks.

In total, about 150 direct TARGET2-BBk participants are expected to take part in the launch.

Measured in terms of the total figure of almost 2,300 institutions in Germany, this low level of direct participation in RTGS<sup>plus</sup> might come as a surprise. However, it is important to remember in this context that a majority of savings banks and credit cooperatives already choose to participate in RTGS<sup>plus</sup> only on an indirect basis – ie via the relevant Landesbank or regional institution of credit cooperatives – in order to benefit from internal network synergies. Affiliated institutions take regular advantage of the direct access that is available to them through their parent company.

Generally speaking, it cannot be ruled out that indirect forms of access to TARGET2 may also gain in appeal for other institutions in the wake of rising price pressures, increased consolidation and further outsourcing. Frequently the actual implementation costs are not the only significant factor. A role is also played by the administrative burden which is associated with direct participation and which involves the ongoing monitoring and control of business activities inside the system. In the final analysis, however, the decision to participate or not depends on the fundamental, long-term strategy position of each institution. What remains important for the Bundesbank is that the design, technology and pricing of TARGET2 should not prevent smaller institutions from directly participating in this payments system. The harmonisation and stronger European integration that TARGET2 will induce are likely to lead to a sharp increase in competition for the custom of German and other European banks that are interested only in indirect access to the system as well as for correspondent banking services sought by institutions domiciled outside Europe.

The harmonisation within the Eurosystem that is bound to accompany TARGET2 will, in the medium term, oblige the Bundesbank to undergo some structural adjustments as well. As the situation stands at present, around 220 German credit institutions use the Bundesbank's Customer Access Mechanism (CAM) to participate indirectly in RTGS<sup>plus</sup>. Under a joint agreement within the ESCB these arrangements will be tolerated for a maximum transitional period of four years,

*Indirect access via TARGET2-Bundesbank even more important*

## Forms of participation in TARGET2

Forms of participation	Geographical area	Maintenance of own RTGS account	Submission and receipt of payments	Remarks
Direct	EEA	Yes	Direct	
Multi addressee access	EEA	No	Direct	Possible for the branches and subsidiaries of the direct participant; transaction settled through the direct participant's RTGS account
Indirect	EEA	No	Via the direct participant	Indirect participants are expressly recognised by the system and therefore benefit from the protection of the EU Settlement Finality Directive (SFD), depending on how this has been implemented in respective national law
Addressable BIC	Worldwide	No	Via the direct participant	No participation within the meaning of the system rules. A direct participant can, for instance, arrange for his correspondent banks or branches to be registered

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after which such "residual" payments will have to be settled using the TARGET2 SSP. Apart from the cost factor, the main explanation for this was the realisation that full enjoyment of the advantages which Europe-wide harmonisation aims to achieve will be possible only if all payment transactions are processed in their entirety by the SSP.

### Initial use of platform limited to payments

The TARGET2 SSP comprises several modules. Among the "core services" to be used by all central banks are the payments module, including the management of TARGET2 accounts and the ICM. In addition to this, individual central banks can make use of optional components, such as a module for supple-

mentary central bank account management, for calculating minimum reserve requirements and for handling the marginal lending facility and the deposit facility. Central banks which do not use these modules perform the corresponding functions using their own applications outside the SSP. In the interest of distributing the burden and for reasons of migration safety, the Bundesbank has, for the time being, decided in favour of this option. As a result, the Bundesbank will remove the participants' liquidity from the SSP and return it to their home account management system shortly after the close of the business day at 18.00 – as in the case of RTGS<sup>plus</sup> today. Following a close-of-day processing period that will be very short compared with the time expended today, participants will be required to make liquidity available to the platform again

*Platform has modular structure*



by no later than 19.30 as some ancillary systems – in particular, securities settlement systems – will need to access TARGET2 accounts in the course of night-time processing.

In the medium to long term virtually all of the central banks are likely to heed a marked trend within the ESCB towards using optional modules, thus accommodating a strong preference on the part of the banking business for this approach and cost-effectiveness considerations.

#### Securities settlement via TARGET2

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##### *Cash settlement via Clearstream*

Approximately 80% of all securities transactions are now settled overnight by the German central securities depository, Clearstream Banking Frankfurt AG (Clearstream). For reasons of efficiency and security the model is based on the use of central bank money, which participants make available on the evening prior to the value date by reserving it in the respective accounts at the Bundesbank. To this end they can make use of any unused minimum reserves as well as the entire pool of unpledged collateral held by the Bundesbank. Utilising the statutorily guaranteed amounts that are reserved by the Bundesbank, Clearstream is able to settle its securities transactions securely and with immediate finality during the night. In the early hours of the value date the amounts to be credited and debited as a result of this settlement process are transferred within the Bundesbank's system of accounts, and the reservation is simultaneously lifted. Consequently, participants are given unlimited access to liquidity

again before the opening of TARGET. Shortly after the launch of TARGET2 Clearstream will likely use only the new TARGET2 functions along with the participants' TARGET2 accounts for this procedure. Foreign Clearstream participants will no longer need to hold an account with the Bundesbank and will instead be able to use the TARGET2 account that is maintained by their own national central bank. In the course of 2008, Clearstream same-day settlement as well as the German derivatives exchange, Eurex Clearing and the European energy exchange, European Commodity Clearing AG (ECC) will likewise switch to TARGET2 accounts for the purpose of financial settlement. Until such time, the respective settlement processes will be handled using the Bundesbank's home account system, as is currently the case.

As a consequence of the interdependencies which exist between securities settlement and payments transactions, the question of liquidity is becoming more and more important. In order to guarantee even greater efficiency in the area of securities settlement, to equip the banks with a more flexible and robust system of liquidity management and to provide a further liquidity saving option, the Bundesbank will offer a self-collateralisation procedure from the fourth quarter of 2007. Should there be insufficient liquidity for settling certain purchase transactions during Clearstream's night-time processing, this procedure offers banks the possibility of automatically borrowing on the strength of the securities underpinning the transactions in accordance with the general rules governing intra-day refinancing at the central bank. In

*Self-collateralisation option  
means greater  
efficiency*

such an event the Bundesbank makes the corresponding shortfall in liquidity – less haircuts – available to the participants.

### Further consolidation of infrastructure probable

*Integrated securities settlement in TARGET2-Securities*

With TARGET2 the Eurosystem will make a major contribution to supporting the European financial infrastructure, especially in the form of enhanced euro liquidity at the European level and improved links with other settlement and clearing systems. This will make the settlement of transactions in central bank money much more efficient. Nonetheless, it is foreseeable that TARGET2 will be just the starting point of a medium to long-term process of development. The specific demands of market players in an increasingly interlinked European financial arena and the cost benefits that can be achieved in the Eurosystem by using common systems all bear witness to this fact. In this connection, the central banks of the Eurosystem are at present discussing, for example, the merits of setting up a joint system for managing collateral for monetary policy operations, to be known as Collateral Central Bank Management. In addition to this, the Eurosystem is currently working in close collaboration with market participants and CSDs to produce a set of user requirements for the TARGET2-Securities system. TARGET2-Securities (T2S) takes the concept behind TARGET2 and ap-

plies it to securities settlement using central bank money. Designed to provide a single, central platform for integrating both central bank money and securities transactions, it would greatly harmonise European securities settlement and offer an efficient and secure means of settling transactions in central bank money while contributing to the integration of the European capital market. By contrast, securities settlement as it is practised today in Europe is still highly fragmented, translating into relatively high costs for cross-border transactions. With T2S, the Eurosystem does not intend to create a European CSD. Rather, the safe custody of securities and the services associated with this should remain in the hands of national CSDs.

The Governing Council of the ECB has already decided that, conditional on its implementation, TARGET2-Securities will be made available on the SSP as an additional service. Among other things this will achieve cost synergies while also exploiting a benchmark-setting strategy for contingency provisions and allowing participants to enjoy the functional benefits offered by, say, liquidity management as well as by harmonised interfaces (for example, in the shape of the ICM). The Governing Council of the ECB is expected to decide on the final implementation of the project in the first six months of 2008, once the user requirements have been finalised and a public consultation has taken place.

*Implementing TARGET2-Securities via the SSP*

# Statistical Section

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## Abbreviations and symbols

---

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

Discrepancies in the totals are due to rounding.

I Key economic data for the euro area

1 Monetary developments and interest rates

Period	Money stock in various definitions 1,2				Determinants of the money stock 1			Interest rates		
	M1	M2	M 3 3		MFI lending, total	MFI lending to enterprises and households	Monetary capital formation 4	Eonia 5,7	3-month Euribor 6,7	Yield on European government bonds outstanding 8
				3-month moving average (centred)						
	Annual percentage change							% per annum as a monthly average		
2005 Dec	11.3	8.5	7.3	7.5	8.3	9.5	8.9	2.28	2.47	3.4
2006 Jan	10.0	8.3	7.5	7.6	8.5	10.0	8.7	2.33	2.51	3.4
Feb	9.8	8.6	7.9	8.0	8.8	10.8	8.9	2.35	2.60	3.5
Mar	10.0	9.0	8.5	8.4	9.6	11.6	8.8	2.52	2.72	3.7
Apr	10.1	9.5	8.8	8.7	9.7	11.9	8.9	2.63	2.79	4.0
May	10.3	9.2	8.9	8.7	9.5	11.9	8.8	2.58	2.89	4.1
June	9.1	9.0	8.4	8.4	9.2	11.5	8.0	2.70	2.99	4.1
July	7.5	8.2	7.8	8.1	9.3	11.9	8.6	2.81	3.10	4.1
Aug	7.3	8.4	8.2	8.1	9.2	12.0	8.4	2.97	3.23	4.0
Sep	7.2	8.4	8.5	8.4	9.4	12.2	8.3	3.04	3.34	3.8
Oct	6.3	8.2	8.5	8.8	9.1	12.0	8.4	3.28	3.50	3.9
Nov	6.7	8.9	9.4	9.3	8.7	11.9	8.5	3.33	3.60	3.8
Dec	7.5	9.3	9.9	9.8	8.2	11.5	8.5	3.50	3.68	3.9
2007 Jan	6.9	9.1	10.1	10.0	8.1	11.3	8.6	3.56	3.75	4.1
Feb	6.7	8.9	10.1	10.4	7.9	10.8	8.4	3.57	3.82	4.1
Mar	7.0	9.5	11.0	10.5	7.8	10.9	9.2	3.69	3.89	4.0
Apr	6.0	8.8	10.3	10.6	7.6	10.8	9.1	3.82	3.98	4.2
May	5.9	9.3	10.6	10.6	8.3	11.1	8.7	3.79	4.07	4.3
June	6.1	9.5	10.9	11.1	8.6	11.5	9.4	3.96	4.15	4.6
July	6.8	10.4	11.7	11.4	8.7	11.6	9.3	4.06	4.22	4.6
Aug	6.8	10.6	11.6	...	8.8	11.8	9.4	4.05	4.54	4.4
Sep	...	...	...	...	...	...	...	4.03	4.74	4.3

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 Dec	-	1,163	+ 1,234	- 29,013	- 16,501	- 5,369	- 14,392	+ 7,250	1.1856	101.2	102.0
2006 Jan	-	9,696	- 6,532	+ 3,484	- 1,844	- 41,795	+ 49,578	- 2,454	1.2103	101.8	102.7
Feb	-	3,690	+ 390	+ 22,514	- 31,999	+ 23,321	+ 29,221	+ 1,971	1.1938	101.2	102.0
Mar	-	1,146	+ 2,630	+ 46,776	- 1,532	+ 33,976	+ 7,956	+ 6,375	1.2020	101.9	102.9
Apr	-	5,729	+ 1,144	+ 12,114	+ 1,974	- 15,304	+ 26,650	- 1,207	1.2271	103.0	104.0
May	-	10,571	+ 365	+ 25,600	- 6,217	+ 40,405	- 6,851	- 1,738	1.2770	104.0	104.9
June	+ 9,116	+ 5,310	+ 1,381	- 15,794	+ 70,440	- 54,670	+ 1,405	1.2650	104.2	105.0	
July	- 1,220	+ 4,095	+ 8,218	- 10,783	+ 7,981	+ 12,330	- 1,311	1.2684	104.5	105.5	
Aug	- 5,883	- 2,203	+ 3,667	- 5,490	- 25,009	+ 34,984	- 818	1.2811	104.6	105.5	
Sep	+ 1,441	+ 5,582	+ 39,069	- 27,672	+ 47,288	+ 20,509	- 1,055	1.2727	104.4	105.2	
Oct	- 826	+ 5,601	+ 5,109	- 10,003	+ 37,159	- 22,107	+ 60	1.2611	103.9	104.7	
Nov	+ 4,791	+ 7,213	- 11,001	- 12,909	+ 56,896	- 54,375	- 614	1.2881	104.5	105.3	
Dec	+ 13,685	+ 5,008	- 39,873	- 36,534	+ 26,246	- 27,696	- 1,889	1.3213	105.5	106.1	
2007 Jan	- 6,081	- 4,355	+ 43,067	- 7,412	+ 28,950	+ 24,533	- 3,004	1.2999	104.9	105.6	
Feb	- 5,749	+ 2,318	- 11,006	- 10,951	+ 14,686	- 14,221	- 519	1.3074	105.4	106.1	
Mar	+ 9,425	+ 9,592	- 44,024	- 5,851	+ 61,391	- 101,722	+ 2,158	1.3242	106.1	106.7	
Apr	- 4,298	+ 4,319	+ 17,699	- 24,514	+ 11,519	+ 32,462	- 1,769	1.3516	107.1	107.8	
May	- 14,041	+ 4,229	+ 1,122	- 13,433	+ 3,014	+ 12,253	- 713	1.3511	107.3	107.9	
June	+ 12,648	+ 10,997	- 40,666	- 44,998	+ 63,046	- 56,791	- 1,923	1.3419	106.9	107.4	
July	+ 3,251	+ 7,867	+ 50,629	+ 2,650	+ 23,274	+ 27,896	- 3,191	1.3716	107.6	108.1	
Aug	...	...	...	...	...	...	...	1.3622	107.1	107.7	
Sep	...	...	...	...	...	...	...	1.3896	108.2	108.9	

\* Source: ECB. — 1 See also Tables XI.12 and 13, pp 75–76. — 2 Including financial derivatives. — 3 Vis-à-vis the currencies of The-EER-24 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	Slovenia	Spain	Euro area
<b>Real gross domestic product <sup>1</sup></b>														
2004	3.0	1.1	3.7	2.5	4.7	4.4	1.2	4.9	2.2	2.3	1.5	4.4	3.3	2.0
2005	1.1	0.8	2.9	1.7	3.7	6.1	0.1	5.0	1.5	2.0	0.5	4.0	3.6	1.5
2006	3.2	2.9	5.0	2.0	...	5.7	1.9	6.1	3.0	3.3	1.3	5.2	3.9	2.8
2006 Q1	3.6	3.4	4.6	2.2	4.1	6.3	2.1	6.6	3.5	4.1	1.2	5.0	3.8	2.5
Q2	2.8	1.6	4.7	1.7	4.1	3.9	1.4	6.3	3.1	2.8	0.9	4.7	4.0	2.9
Q3	2.5	2.7	3.2	2.0	...	8.0	1.3	6.2	2.8	3.0	1.5	5.6	3.5	2.9
Q4	3.7	3.7	7.4	2.1	...	4.5	2.7	5.4	2.7	3.4	1.6	5.5	4.1	3.3
2007 Q1	3.1	3.3	5.5	1.9	...	8.1	2.3	4.9	2.5	3.5	2.0	7.2	4.3	3.2
Q2	2.3	2.5	4.5	1.2	...	5.4	2.0	5.0	2.6	3.5	1.6	5.9	3.9	2.5
<b>Industrial production <sup>1,2</sup></b>														
2004	3.2	3.1	5.0	2.0	1.2	0.3	- 0.3	4.0	4.1	6.3	- 2.7	4.6	1.6	2.2
2005	- 0.4	3.3	0.3	0.2	- 0.9	3.0	- 0.8	0.4	- 1.1	4.2	0.3	3.9	0.6	1.3
2006	5.1	5.9	8.1	0.9	0.5	5.1	2.6	2.3	1.2	8.2	2.7	6.5	3.9	4.0
2006 Q1	6.2	5.1	4.2	0.9	0.9	2.9	3.3	5.8	3.1	5.9	1.4	6.0	2.6	3.6
Q2	5.5	5.9	14.4	1.7	0.4	9.8	1.6	1.1	0.9	7.7	1.7	5.1	4.0	4.3
Q3	4.0	6.4	10.2	0.7	0.0	6.3	1.3	0.0	0.2	10.1	3.5	7.8	4.2	4.2
Q4	4.7	6.0	4.0	0.3	0.6	1.5	3.9	2.2	0.3	9.0	4.3	7.2	4.6	4.0
2007 Q1	3.9	6.8	1.6	0.7	2.9	14.4	1.1	1.4	- 3.2	7.2	4.2	9.8	4.2	3.9
Q2	1.6	5.8	0.0	0.1	0.7	- 1.4	0.6	2.7	0.4	5.2	1.6	8.2	2.4	2.6
<b>Capacity utilisation in industry <sup>3</sup></b>														
2004	80.4	83.2	84.5	84.1	75.6	75.6	76.4	85.6	82.7	81.3	80.4	81.6	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	82.2	80.2	81.2
2006	82.7	85.5	86.0	85.0	75.7	75.7	77.6	85.2	82.0	83.4	78.4	83.9	80.5	83.0
2006 Q2	82.8	84.4	85.1	84.5	74.6	76.1	77.3	84.0	81.9	83.2	78.0	83.8	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	84.7	79.4	83.6
Q4	83.5	86.8	85.4	86.3	76.7	76.7	78.1	87.2	83.0	84.3	77.4	84.1	80.6	83.9
2007 Q1	83.4	87.6	89.3	86.0	76.9	76.8	78.2	87.4	83.4	85.1	79.7	85.6	81.2	84.4
Q2	83.2	88.2	86.9	86.2	76.9	77.1	78.9	88.8	83.3	85.5	81.7	86.2	81.3	84.8
Q3	82.8	87.1	86.7	86.0	76.7	75.9	78.2	86.5	83.8	85.2	84.3	85.9	81.4	84.2
<b>Unemployment rate <sup>4</sup></b>														
2004	8.4	9.5	8.8	9.6	10.5	4.5	8.0	5.1	4.6	4.8	6.7	6.3	10.6	8.8
2005	8.4	9.4	8.4	9.7	9.8	4.3	7.7	4.5	4.7	5.2	7.6	6.5	9.2	8.6
2006	8.2	8.4	7.7	9.5	8.9	4.4	6.8	4.7	3.9	4.7	7.7	6.0	8.5	7.9
2007 Mar	7.7	6.9	6.9	8.9	8.6	4.3	6.2	5.0	3.4	4.3	8.2	5.0	8.1	7.1
Apr	7.9	6.6	6.9	8.9	8.4	4.3	5.9	4.9	3.2	4.4	8.3	5.0	8.1	7.0
May	7.8	6.5	6.8	8.8	8.4	4.4	5.9	4.9	3.3	4.3	8.2	4.9	8.1	7.0
June	7.7	6.5	6.8	8.7	8.4	4.4	5.9	4.9	3.3	4.3	8.2	4.9	8.1	6.9
July	7.7	6.4	6.9	8.7	...	4.7	...	4.9	3.2	4.3	8.2	4.9	8.0	6.9
Aug	7.6	6.3	6.9	8.6	...	4.8	...	5.0	3.3	4.3	8.3	4.8	8.0	6.9
Sep	7.5	...	...	...	...	4.7	...	...	...	4.2	...	...	...	...
<b>Harmonised Index of Consumer Prices <sup>1</sup></b>														
2004	1.9	1.8	0.1	2.3	3.0	2.3	2.3	3.2	1.4	2.0	2.5	3.7	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	2.5	3.4	2.2
2006	2.3	1.8	1.3	1.9	3.3	2.7	2.2	3.0	1.7	1.7	3.0	2.5	3.6	2.2
2007 Mar	1.8	2.0	1.6	1.2	2.8	2.9	2.1	2.4	1.9	1.9	2.4	2.6	2.5	1.9
Apr	1.8	2.0	1.5	1.3	2.6	2.9	1.8	2.5	1.9	1.8	2.8	2.9	2.5	1.9
May	1.3	2.0	1.3	1.2	2.6	2.7	1.9	2.3	2.0	1.9	2.4	3.1	2.4	1.9
June	1.3	2.0	1.4	1.3	2.6	2.8	1.9	2.3	1.8	1.9	2.4	3.8	2.5	1.9
July	1.3	2.0	1.6	1.2	2.7	2.7	1.7	2.0	1.4	2.0	2.3	4.0	2.3	1.8
Aug	1.2	2.0	1.3	1.3	2.7	2.3	1.7	1.9	1.1	1.7	1.9	3.4	2.2	1.7
Sep	1.4	2.7	1.7	1.6	3.0	2.9	1.7	2.5	1.3	2.1	2.0	3.6	2.7	2.1
<b>General government financial balance <sup>6</sup></b>														
2004	0.0	- 3.8	2.3	- 3.6	- 7.9	1.4	- 3.5	- 1.2	- 1.8	- 1.2	- 3.3	- 2.3	- 0.2	- 2.8
2005	- 2.3	- 3.4	2.7	- 3.0	- 5.5	1.0	- 4.2	- 0.3	- 0.3	- 1.6	- 6.1	- 1.5	1.1	- 2.6
2006	0.2	- 1.6	3.9	- 2.5	- 2.6	2.9	- 4.4	0.1	0.6	- 1.1	- 3.9	- 1.4	1.8	- 1.6
<b>General government debt <sup>6</sup></b>														
2004	94.3	65.6	44.1	64.3	108.5	29.7	103.8	6.6	52.6	63.9	58.2	28.9	46.2	69.6
2005	93.2	67.8	41.4	66.2	107.5	27.4	106.2	6.1	52.7	63.5	63.6	28.4	43.2	70.5
2006	89.1	67.5	39.1	63.9	104.6	24.9	106.8	6.8	48.7	62.2	64.7	27.8	39.9	68.8

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

sonally adjusted. — <sup>5</sup> Including Slovenia from January 2007 onwards. — <sup>6</sup> As a percentage of GDP; Maastricht Treaty definition; euro-area aggregate: European Central Bank, member states: European Commission. The results of the revised national accounts of August 2007 for Germany concerning deficit and GDP, which are already reported here, are not yet included in the calculation of the aggregate.

## 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								
2006 Jan	127.9	106.0	20.7	21.9	27.0	- 12.3	112.3	124.6	8.4	6.2	0.7	0.7	0.8
Feb	92.8	109.6	28.3	- 16.8	- 7.2	- 26.1	18.6	44.7	57.9	12.4	0.3	25.0	20.2
Mar	141.9	129.1	44.7	12.8	8.7	0.4	71.6	71.2	48.1	17.6	0.8	21.8	7.9
Apr	162.3	161.5	64.1	0.7	0.1	- 16.4	79.5	95.9	25.7	14.9	0.4	17.9	- 7.4
May	43.2	71.4	3.9	- 28.2	- 17.7	6.4	49.8	43.4	28.1	10.4	1.3	21.8	- 5.4
June	52.2	47.8	- 30.1	4.4	1.8	70.3	- 49.7	- 119.9	48.0	10.9	1.2	21.8	14.1
July	69.4	89.8	13.5	- 20.4	- 16.6	3.9	83.6	79.7	47.6	9.2	1.2	16.3	20.9
Aug	- 14.1	12.7	- 5.3	- 26.8	- 21.2	- 19.0	1.6	20.6	5.3	2.4	1.5	5.5	- 4.1
Sep	126.9	134.5	21.8	- 7.6	- 13.7	17.2	120.5	103.3	28.2	4.3	1.4	14.4	8.2
Oct	81.4	84.5	30.5	- 3.1	- 5.8	25.8	118.1	92.2	51.3	15.8	2.1	29.0	4.4
Nov	110.7	105.9	11.6	4.8	6.5	69.2	144.7	- 75.5	28.3	10.6	2.6	23.0	- 7.9
Dec	- 8.2	44.6	2.3	- 52.8	- 58.6	81.1	51.4	- 29.7	50.3	24.1	2.1	18.7	5.5
2007 Jan	120.5	103.2	14.9	17.3	21.2	- 22.9	143.9	166.9	14.4	4.0	1.9	7.8	0.7
Feb	70.9	69.5	3.3	1.4	4.3	40.6	124.9	84.4	53.0	2.8	1.9	39.9	8.4
Mar	146.6	154.5	46.8	- 7.9	- 6.5	84.3	125.6	41.2	90.2	31.3	0.9	28.1	29.8
Apr	153.1	169.7	77.7	- 16.6	- 17.0	- 39.9	151.4	191.2	26.8	12.9	0.3	17.6	- 4.0
May	136.2	105.4	30.5	30.8	36.4	- 14.3	77.3	91.6	8.8	16.5	- 0.2	20.8	- 28.3
June	91.9	98.1	- 21.3	- 6.1	- 5.7	36.4	- 20.7	- 57.1	87.2	20.1	0.7	31.0	35.4
July	85.4	107.8	7.0	- 22.4	- 23.9	21.6	79.6	58.0	48.7	14.3	0.8	11.6	22.0
Aug	- 2.3	34.6	- 4.3	- 36.8	- 30.3	- 52.8	- 12.1	40.7	11.7	- 2.8	0.2	9.7	4.6

#### (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								
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	3.0	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	- 4.6	- 5.1	- 0.5	5.1	- 0.1	2.1	- 0.9	4.0
Nov	12.6	5.5	7.3	7.2	6.6	42.0	42.1	0.1	- 0.8	1.3	2.6	- 0.3	- 4.3
Dec	- 40.7	- 22.9	4.2	- 17.8	- 14.9	43.0	25.4	- 17.6	5.2	3.9	2.0	- 0.0	- 0.7
2007 Jan	36.3	25.6	12.0	10.7	12.2	- 11.2	17.8	29.0	18.7	- 0.2	1.8	5.8	11.3
Feb	- 7.0	0.8	- 7.1	- 7.8	- 3.4	5.7	26.9	21.2	5.7	0.8	2.0	- 0.6	3.5
Mar	10.4	14.4	6.4	- 4.0	2.2	14.9	20.6	5.7	- 5.3	- 0.8	1.5	- 4.5	- 1.4
Apr	32.6	33.4	35.6	- 0.9	- 2.8	- 12.4	25.2	37.6	8.8	2.8	0.2	3.6	2.2
May	- 13.9	- 16.0	- 15.2	2.1	5.0	- 2.5	10.9	13.4	- 2.3	- 0.0	- 0.2	6.6	- 8.6
June	- 27.5	- 11.9	- 24.8	- 15.6	- 10.1	58.7	24.1	- 34.6	9.6	2.1	0.6	- 3.8	10.7
July	7.2	7.3	5.8	- 0.1	- 5.4	17.4	13.1	- 4.3	9.7	1.4	0.6	- 0.7	8.4
Aug	- 3.9	13.9	- 3.8	- 17.8	- 11.9	- 10.1	5.6	15.7	- 10.3	0.2	0.2	- 8.8	- 1.8

\* The data in this table are based on the consolidated balance sheet of monetary financial institutions (MFIs) (Table II.2); statistical breaks have been eliminated from the flow figures (see also the "Notes to 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						
18.0	83.0	-	6.1	- 26.6	- 35.2	- 12.0	- 23.2	- 7.9	16.4	15.2	6.6	10.9	2006 Jan
8.0	- 29.5	-	30.2	20.3	- 2.5	4.0	- 6.5	19.4	3.4	- 2.1	3.2	8.8	Feb
- 6.5	31.2	-	69.4	59.0	27.9	7.4	20.5	29.3	1.8	1.0	- 0.8	10.3	Mar
- 10.5	0.2	-	130.5	106.1	65.9	8.1	57.8	41.7	- 1.5	13.9	10.1	0.4	Apr
- 15.4	- 1.2	-	38.0	7.4	18.9	3.3	15.6	- 10.7	- 0.8	7.8	9.9	12.9	May
41.1	- 3.9	-	37.2	63.9	47.6	10.1	37.5	19.0	- 2.8	- 11.6	- 5.2	- 9.8	June
- 13.1	25.2	-	13.6	- 4.3	- 25.6	9.0	- 34.6	24.4	- 3.1	5.3	12.0	0.6	July
- 9.5	- 43.2	-	14.3	- 21.2	- 56.6	- 3.7	- 52.9	35.4	0.1	14.5	2.7	18.3	Aug
18.0	5.2	-	92.5	96.8	64.7	4.2	60.5	36.0	- 3.8	- 1.2	- 4.9	1.8	Sep
- 9.8	38.4	-	27.3	12.1	- 17.9	3.9	- 21.8	37.0	- 7.1	- 2.5	2.2	15.5	Oct
0.8	69.2	-	81.7	68.8	47.9	4.4	43.5	29.0	- 8.2	- 0.4	13.2	0.1	Nov
- 36.5	- 107.9	-	167.0	201.5	139.9	20.7	119.2	47.7	13.9	- 12.8	- 22.1	0.4	Dec
11.2	66.6	-	5.4	- 59.9	- 83.4	- 17.0	- 66.4	23.1	0.4	14.2	28.9	22.2	2007 Jan
19.0	3.2	-	36.1	7.3	- 6.5	3.1	- 9.6	25.1	- 11.3	6.6	11.5	10.7	Feb
- 5.4	- 15.4	-	161.5	125.3	62.1	9.7	52.4	65.4	- 2.2	13.2	14.1	8.9	Mar
- 10.2	25.5	-	71.2	52.0	18.5	6.3	12.2	41.0	- 7.5	- 0.1	18.0	1.4	Apr
26.2	11.1	-	75.8	45.2	22.9	2.8	20.1	26.1	- 3.8	3.4	15.6	11.6	May
21.6	- 54.8	-	74.4	95.1	66.7	7.3	59.3	34.5	- 6.1	- 4.5	- 2.6	- 13.6	June
- 42.7	49.2	-	51.8	34.5	- 17.1	8.0	- 25.1	61.7	- 10.2	5.6	13.7	- 1.9	July
- 6.2	- 74.0	-	13.5	- 12.5	- 74.2	- 2.3	- 71.9	69.3	- 7.6	10.4	- 7.0	22.6	Aug

(b) German contribution

IV De- posits of central gov- ernments	V Other factors		VI Money stock M3 (balance I plus II less III less IV less V) 10										Period
	Total	of which Intra- Eurosystem liability/ claim related to banknote issue 9,11	Currency in cir- culation	Total	Components of the money stock						Money market fund shares (net) 7,8	Debt securities with maturities of up to 2 years (incl money market paper)(net) 7	
					Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6	Repo transac- tions					
									Total	Overnight deposits			
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		
2.1	29.2	- 0.1	1.8	24.1	28.0	7.3	- 6.2	- 4.5	- 0.2	- 0.3	Nov		
- 2.9	- 11.7	- 2.0	5.4	11.8	4.3	15.7	- 3.1	- 10.5	- 0.2	- 0.6	Dec		
- 1.9	0.1	1.1	- 4.3	8.3	- 1.1	2.7	- 6.2	8.0	0.2	4.7	2007 Jan		
0.2	- 12.3	1.1	0.7	5.1	- 0.6	4.2	- 3.9	4.7	- 0.7	1.5	Feb		
- 0.3	15.9	1.0	2.5	15.0	3.8	8.1	- 3.3	0.1	1.2	5.0	Mar		
0.3	1.3	0.0	2.2	9.8	- 2.6	17.4	- 4.1	- 0.4	- 0.0	0.5	Apr		
5.2	- 29.5	2.9	- 0.0	10.2	8.3	6.4	- 4.2	- 1.5	0.3	0.9	May		
0.9	- 1.1	1.2	2.6	21.9	9.8	12.3	- 4.1	3.2	1.5	- 0.7	June		
- 7.3	18.7	0.5	2.3	3.5	2.7	9.3	- 5.8	- 7.0	- 0.4	4.7	July		
- 0.3	- 19.9	2.3	- 0.9	16.5	- 7.5	26.9	- 3.9	2.7	- 3.8	2.2	Aug		

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									Claims on non- euro-area residents	Other assets
		Lending to non-banks (non-MFIs) in the euro area										
		Total	Enterprises and households				General government					
Total	Loans		Debt securities 2	Shares and other equities	Total	Loans	Debt securities 3					
<b>Euro area (€ billion) <sup>1</sup></b>												
2005 July	17,103.2	11,572.0	9,202.8	7,982.2	507.2	713.4	2,369.1	830.8	1,538.3	3,728.3	1,802.9	
Aug	17,069.9	11,566.3	9,205.2	7,984.8	506.0	714.4	2,361.1	827.2	1,533.9	3,717.9	1,785.7	
Sep	17,308.3	11,669.2	9,310.1	8,073.4	507.0	729.7	2,359.1	832.9	1,526.2	3,830.8	1,808.3	
Oct	17,442.4	11,766.5	9,370.1	8,140.3	523.6	706.2	2,396.5	830.1	1,566.4	3,885.5	1,790.4	
Nov	17,887.3	11,956.0	9,480.0	8,223.5	544.6	711.8	2,476.0	824.4	1,651.6	4,056.4	1,875.0	
Dec	17,870.7	11,992.3	9,549.8	8,285.7	553.6	710.5	2,442.5	847.5	1,595.0	3,989.7	1,888.7	
2006 Jan	18,162.0	12,129.8	9,670.4	8,384.4	558.0	728.0	2,459.4	842.3	1,617.2	4,088.8	1,943.4	
Feb	18,295.2	12,227.2	9,784.4	8,467.1	569.6	747.7	2,442.8	832.8	1,610.0	4,137.4	1,930.5	
Mar	18,450.2	12,355.4	9,910.3	8,550.1	575.8	784.4	2,445.2	836.7	1,608.5	4,174.1	1,920.8	
Apr	18,671.1	12,506.1	10,065.7	8,642.7	587.0	836.0	2,440.4	837.2	1,603.2	4,217.4	1,947.6	
May	18,748.8	12,533.3	10,127.7	8,706.5	595.3	825.9	2,405.5	826.7	1,578.9	4,247.6	1,967.9	
June	18,712.1	12,574.4	10,172.0	8,783.0	602.4	786.6	2,402.4	829.3	1,573.1	4,192.7	1,945.1	
July	18,838.8	12,649.5	10,264.5	8,857.7	614.5	792.3	2,385.0	826.3	1,558.7	4,284.2	1,905.1	
Aug	18,860.3	12,647.3	10,287.3	8,874.1	613.9	799.3	2,360.0	820.7	1,539.4	4,280.2	1,932.9	
Sep	19,232.3	12,768.7	10,413.4	8,983.9	620.2	809.3	2,355.2	824.0	1,531.3	4,418.2	2,045.3	
Oct	19,416.4	12,850.0	10,500.2	9,036.7	634.9	828.6	2,349.7	825.9	1,523.8	4,540.9	2,025.5	
Nov	19,715.5	12,945.4	10,592.9	9,118.2	638.2	836.5	2,352.5	824.1	1,528.4	4,620.9	2,149.2	
Dec	19,743.5	12,933.3	10,639.1	9,161.0	648.3	829.9	2,294.2	830.2	1,464.0	4,681.5	2,128.7	
2007 Jan	20,097.3	13,086.0	10,769.5	9,276.4	646.8	846.3	2,316.5	826.1	1,490.5	4,851.0	2,160.3	
Feb	20,284.1	13,153.7	10,834.7	9,337.6	660.6	836.5	2,319.0	823.0	1,496.0	4,941.4	2,189.1	
Mar	20,649.7	13,296.0	10,987.2	9,441.6	687.9	857.6	2,308.8	821.1	1,487.7	5,044.2	2,309.5	
Apr	20,919.1	13,442.3	11,151.9	9,526.6	708.5	916.8	2,290.4	821.4	1,469.0	5,157.9	2,318.9	
May	21,217.6	13,585.8	11,264.8	9,600.8	736.0	928.0	2,321.0	815.9	1,505.1	5,255.2	2,376.7	
June	21,398.4	13,666.5	11,353.0	9,712.2	760.4	880.4	2,313.5	815.9	1,497.6	5,226.6	2,505.3	
July	21,461.0	13,744.9	11,453.3	9,810.1	777.7	865.5	2,291.6	817.5	1,474.1	5,284.8	2,431.3	
Aug	21,452.0	13,741.9	11,485.4	9,848.6	783.0	853.8	2,256.5	810.9	1,445.5	5,276.5	2,433.7	
<b>German contribution (€ billion)</b>												
2005 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	
Nov	4,933.0	3,510.9	2,790.3	2,357.2	117.9	315.2	720.6	423.7	296.9	1,234.4	187.7	
Dec	4,922.2	3,466.6	2,764.1	2,327.2	120.7	316.2	702.4	420.8	281.6	1,258.1	197.5	
2007 Jan	4,972.0	3,501.3	2,788.2	2,343.3	118.1	326.9	713.1	419.4	293.6	1,279.4	191.3	
Feb	4,987.2	3,491.8	2,786.6	2,349.6	120.5	316.5	705.2	415.0	290.2	1,300.8	194.5	
Mar	5,010.4	3,500.9	2,800.3	2,357.3	123.5	319.5	700.6	408.3	292.4	1,316.2	193.3	
Apr	5,064.5	3,530.4	2,830.8	2,353.3	130.1	347.4	699.6	410.1	289.5	1,333.0	201.1	
May	5,076.7	3,516.3	2,814.6	2,352.1	131.6	330.9	701.7	407.3	294.5	1,346.5	213.9	
June	5,070.7	3,488.8	2,801.2	2,364.9	133.7	302.6	687.6	402.2	285.3	1,368.3	213.5	
July	5,084.0	3,494.2	2,806.6	2,365.9	139.8	300.9	687.6	407.6	280.0	1,377.5	212.4	
Aug	5,097.5	3,490.3	2,820.4	2,383.6	141.2	295.6	669.8	401.7	268.1	1,387.0	220.3	

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

and other money market paper issued by general government. — 4 Euro currency in circulation (see also footnote 8 on p 12\*). Excluding MFIs' cash in hand (in euro). The German contribution includes the volume of euro banknotes put into circulation by the Bundesbank in accordance with

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Liabilities											End of year/month
Currency in circulation 4	Deposits of non-banks (non-MFIs) in the euro area										
	Total	of which in euro 5	Enterprises and households							At agreed notice of 6	
			Total	Overnight	With agreed maturities of			over 3 months	over 3 months		
					up to 1 year	over 1 year and up to 2 years	over 2 years				
<b>Euro area (€ billion) 1</b>											
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	2005 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	7,025.7	6,602.2	6,669.7	2,683.8	955.2	86.9	1,463.5	1,393.8	86.4	Nov	
532.8	7,178.0	6,776.7	6,833.5	2,761.4	985.8	90.2	1,498.4	1,410.4	87.3	Dec	
520.8	7,190.8	6,760.8	6,827.5	2,745.9	974.5	91.0	1,504.2	1,424.0	87.9	2006 Jan	
524.8	7,224.4	6,773.0	6,850.7	2,734.7	990.4	94.7	1,517.3	1,425.4	88.2	Feb	
532.2	7,291.9	6,848.9	6,928.7	2,761.3	1,009.8	97.9	1,544.3	1,426.3	89.0	Mar	
540.3	7,378.4	6,941.9	7,018.3	2,802.8	1,044.5	99.7	1,558.1	1,423.9	89.4	Apr	
543.6	7,381.3	6,957.9	7,027.1	2,819.0	1,025.0	102.1	1,567.8	1,422.5	90.7	May	
553.7	7,494.2	7,031.0	7,094.4	2,860.6	1,038.9	104.5	1,579.1	1,419.3	91.9	June	
562.7	7,478.0	7,025.7	7,091.9	2,827.7	1,059.6	107.6	1,588.3	1,415.6	93.1	July	
559.0	7,454.2	7,008.1	7,080.5	2,780.8	1,090.6	109.5	1,590.7	1,414.2	94.6	Aug	
563.2	7,568.4	7,090.5	7,173.0	2,837.7	1,122.2	113.4	1,593.4	1,410.4	95.9	Sep	
567.1	7,582.0	7,115.3	7,192.2	2,809.6	1,152.3	119.4	1,609.2	1,403.7	98.0	Oct	
571.5	7,646.2	7,176.6	7,241.4	2,838.1	1,165.4	124.6	1,617.3	1,395.3	100.7	Nov	
592.2	7,816.5	7,375.3	7,445.8	2,961.1	1,209.5	123.7	1,640.9	1,407.8	102.7	Dec	
575.6	7,815.2	7,354.2	7,435.6	2,909.5	1,235.7	129.6	1,647.5	1,408.0	105.4	2007 Jan	
578.7	7,839.6	7,363.6	7,440.8	2,900.3	1,250.8	136.5	1,649.5	1,396.5	107.3	Feb	
588.4	7,980.2	7,496.8	7,589.8	2,956.5	1,304.2	146.2	1,680.7	1,394.0	108.2	Mar	
594.7	8,023.0	7,548.5	7,637.9	2,962.0	1,339.0	148.9	1,692.7	1,386.7	108.5	Apr	
597.6	8,113.2	7,601.9	7,690.7	2,979.7	1,357.1	152.5	1,709.6	1,383.5	108.3	May	
604.9	8,240.6	7,709.9	7,794.3	3,037.4	1,384.0	156.7	1,729.6	1,377.6	109.0	June	
612.9	8,238.3	7,735.1	7,827.6	3,006.0	1,437.6	162.7	1,743.4	1,368.1	109.8	July	
610.5	8,215.4	7,722.8	7,812.0	2,936.0	1,497.2	168.2	1,740.8	1,359.9	110.0	Aug	
<b>German contribution (€ billion)</b>											
136.3	2,289.1	2,221.5	2,185.0	688.3	189.1	16.0	690.0	515.3	86.4	2005 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	2,225.0	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	
154.7	2,423.5	2,346.4	2,286.5	733.7	235.9	22.6	712.8	484.4	97.1	Nov	
160.1	2,449.6	2,375.2	2,311.5	735.3	249.6	23.1	716.6	487.7	99.1	Dec	
155.7	2,445.2	2,372.5	2,313.6	737.8	252.4	24.2	716.6	481.6	100.9	2007 Jan	
156.4	2,447.5	2,373.6	2,314.3	735.9	255.1	25.4	717.3	477.6	102.9	Feb	
158.9	2,456.2	2,381.8	2,323.9	740.7	261.0	26.6	716.7	474.4	104.4	Mar	
161.1	2,470.3	2,398.3	2,336.5	737.5	276.8	27.7	719.5	470.3	104.6	Apr	
161.1	2,485.8	2,408.2	2,340.0	744.1	277.2	28.7	719.4	466.2	104.4	May	
163.7	2,507.3	2,427.9	2,359.0	755.7	284.4	30.2	721.5	462.2	105.0	June	
166.0	2,508.5	2,434.9	2,365.2	756.8	291.7	31.7	722.9	456.5	105.6	July	
165.1	2,524.5	2,451.5	2,377.8	751.5	311.8	32.7	723.4	452.7	105.8	Aug	

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

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

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

Liabilities (cont'd)													
Deposits of non-banks (non-MFIs) in the euro area (cont'd)													
General government										Repo transactions with non-banks in the euro area		Debt securities	
End of year/month	Other general government								Total	of which Enterprises and households	Money market fund shares (net) <sup>3</sup>	Total	of which denominated in euro
	Central governments	Total	Overnight	With agreed maturities of			At agreed notice of <sup>2</sup>						
				up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months					
<b>Euro area (€ billion) <sup>1</sup></b>													
2005 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	628.9	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	20.9	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	20.8	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	56.1	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	627.4	2,469.7	1,872.3
Aug	184.8	188.8	101.6	60.9	1.3	21.4	3.2	0.4	264.9	260.7	639.7	2,489.8	1,887.7
Sep	202.9	192.6	104.0	61.8	1.6	21.6	3.2	0.4	263.8	259.7	645.6	2,509.2	1,896.2
Oct	193.1	196.7	108.8	61.2	1.7	21.6	3.0	0.4	261.3	255.8	644.7	2,554.3	1,930.0
Nov	193.9	210.9	116.3	67.1	1.7	22.6	2.9	0.4	260.8	256.8	636.9	2,569.7	1,949.2
Dec	157.9	212.8	114.5	70.4	2.1	22.6	2.7	0.4	248.0	244.8	614.1	2,587.9	1,958.5
2007 Jan	170.4	209.2	112.1	68.8	2.4	22.8	2.6	0.4	262.3	258.7	641.5	2,625.3	1,984.5
Feb	189.5	209.4	111.5	69.6	2.4	22.8	2.6	0.4	268.8	264.1	652.5	2,668.2	2,024.7
Mar	183.8	206.6	107.5	71.2	2.5	22.4	2.5	0.4	282.0	277.3	666.3	2,701.6	2,053.4
Apr	173.6	211.5	111.6	72.2	2.5	22.3	2.5	0.4	281.8	276.6	682.3	2,710.9	2,058.6
May	199.8	222.6	117.1	77.8	2.6	22.5	2.3	0.4	285.2	280.4	702.5	2,749.1	2,081.8
June	221.4	224.9	116.3	80.1	3.5	22.3	2.2	0.5	282.1	277.8	699.6	2,766.0	2,082.5
July	179.3	231.4	121.9	81.1	3.6	22.3	2.1	0.5	287.7	282.5	712.6	2,771.9	2,086.8
Aug	173.1	230.3	116.3	85.6	3.7	22.3	2.0	0.5	298.1	292.9	706.1	2,805.0	2,117.9
<b>German contribution (€ billion)</b>													
2005 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
Nov	48.4	88.6	22.1	44.0	1.2	19.2	1.7	0.4	27.5	27.5	29.5	889.7	654.0
Dec	45.5	92.6	24.8	45.1	1.5	19.1	1.6	0.4	17.1	17.1	29.3	888.7	646.5
2007 Jan	43.7	88.0	21.3	43.7	1.8	19.1	1.6	0.4	25.0	25.0	29.5	903.2	655.3
Feb	43.8	89.4	22.4	43.9	1.9	19.2	1.6	0.4	29.7	29.7	28.3	901.1	655.8
Mar	43.4	88.9	21.3	44.8	1.9	18.9	1.6	0.4	29.8	29.8	29.5	899.9	659.5
Apr	43.6	90.1	22.1	45.3	1.8	18.9	1.5	0.4	29.4	29.4	28.5	898.9	663.0
May	48.9	97.0	23.9	50.3	1.9	19.0	1.4	0.4	28.0	28.0	28.8	907.9	667.6
June	49.7	98.5	22.1	52.9	2.8	18.9	1.3	0.5	32.7	32.7	30.3	902.7	658.2
July	43.0	100.4	23.6	53.3	2.9	18.9	1.2	0.5	25.7	25.7	29.9	906.0	665.5
Aug	42.6	104.1	21.6	59.0	2.9	18.9	1.2	0.5	28.4	28.4	26.0	900.2	662.3

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

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

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issued (net) <sup>3</sup>									Memo item					End of year/month
									With maturities of		Liabilities to non-euro-area residents <sup>5</sup>	Capital and reserves <sup>6</sup>	Excess of inter-MFI liabilities	
up to 1 year <sup>4</sup>	over 1 year and up to 2 years	over 2 years	Total <sup>8</sup>	of which Intra-Eurosystem-liability/claim related to banknote issue <sup>9</sup>	M1 <sup>10</sup>	M2 <sup>11</sup>	M3 <sup>12</sup>							
Euro area (€ billion) <sup>1</sup>														
87.5	32.3	2,130.0	3,288.1	1,136.2	- 15.6	2,121.9	-	3,321.8	5,890.0	6,882.9	4,815.3	200.9	2005 July	
87.2	34.8	2,141.5	3,279.6	1,143.0	- 1.9	2,125.6	-	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	2,165.6	-	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	2,152.3	-	3,349.3	5,970.3	6,962.0	4,916.5	204.7	Oct	
99.2	32.0	2,202.9	3,639.0	1,178.6	- 5.0	2,331.6	-	3,378.5	5,995.7	6,994.7	4,952.1	211.3	Nov	
94.7	32.1	2,195.9	3,545.6	1,200.6	- 13.7	2,239.7	-	3,479.6	6,152.9	7,116.8	5,003.5	222.6	Dec	
109.5	33.9	2,193.7	3,646.9	1,225.6	- 4.1	2,399.5	-	3,443.1	6,122.5	7,111.3	5,032.7	215.9	2006 Jan	
120.7	32.0	2,227.9	3,726.5	1,246.8	- 4.3	2,351.1	-	3,442.0	6,146.1	7,143.9	5,101.3	223.1	Feb	
129.8	33.3	2,239.6	3,764.0	1,255.2	- 22.7	2,342.5	-	3,468.2	6,201.2	7,203.3	5,149.4	224.8	Mar	
130.2	33.6	2,247.5	3,818.6	1,250.7	- 9.1	2,399.8	-	3,532.3	6,303.1	7,329.7	5,167.1	235.9	Apr	
137.8	35.9	2,263.3	3,843.3	1,239.2	- 4.9	2,419.7	-	3,550.1	6,307.7	7,361.2	5,182.9	230.4	May	
125.4	36.3	2,293.6	3,732.0	1,243.5	- 14.1	2,357.7	-	3,598.1	6,372.5	7,395.9	5,230.0	225.0	June	
120.8	39.5	2,309.4	3,810.3	1,274.0	- 15.4	2,350.8	-	3,572.5	6,368.0	7,406.2	5,286.6	224.8	July	
138.0	41.0	2,310.7	3,825.8	1,272.8	- 10.6	2,343.5	-	3,515.9	6,346.3	7,430.0	5,290.6	225.1	Aug	
138.1	40.6	2,330.5	3,934.3	1,275.6	- 4.0	2,468.2	-	3,581.4	6,445.1	7,533.2	5,317.3	227.6	Sep	
152.3	42.0	2,360.0	4,027.8	1,283.8	- 1.5	2,497.0	-	3,563.5	6,457.1	7,557.3	5,373.0	230.3	Oct	
160.6	38.9	2,370.2	4,046.0	1,279.9	- 38.1	2,666.3	-	3,609.7	6,520.5	7,617.6	5,391.2	237.7	Nov	
151.2	47.7	2,389.0	4,026.5	1,276.5	- 15.7	2,566.1	-	3,756.5	6,728.4	7,789.3	5,432.2	244.4	Dec	
166.2	54.6	2,404.4	4,218.6	1,283.7	- 18.3	2,656.8	-	3,681.8	6,686.5	7,811.1	5,464.1	242.2	2007 Jan	
173.5	58.4	2,436.4	4,270.3	1,296.0	- 35.8	2,674.1	-	3,674.0	6,690.6	7,843.7	5,512.3	241.7	Feb	
179.9	60.1	2,461.7	4,295.3	1,341.8	- 18.7	2,775.4	-	3,735.3	6,814.2	8,002.5	5,615.3	241.2	Mar	
174.6	67.8	2,468.4	4,450.8	1,345.1	- 8.0	2,838.5	-	3,752.7	6,862.5	8,069.0	5,637.5	242.4	Apr	
180.7	74.3	2,494.0	4,562.2	1,316.4	- 13.2	2,878.4	-	3,776.3	6,909.4	8,152.1	5,651.2	239.3	May	
166.6	75.3	2,524.1	4,501.4	1,347.4	- 0.0	2,956.4	-	3,844.1	7,004.8	8,228.3	5,732.9	242.1	June	
155.3	84.8	2,531.7	4,540.6	1,369.3	- 9.9	2,917.7	-	3,826.3	7,037.5	8,277.9	5,777.0	241.5	July	
174.1	86.3	2,544.6	4,584.6	1,373.0	- 19.6	2,878.8	-	3,752.5	7,025.6	8,290.1	5,791.1	246.2	Aug	
German contribution (€ billion)														
25.2	24.8	842.6	702.5	291.6	- 98.3	526.9	72.6	706.8	1,452.5	1,563.0	1,929.1	-	2005 July	
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	723.3	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	
21.3	37.9	830.6	714.5	337.0	- 95.7	607.0	86.3	755.7	1,545.7	1,661.8	1,997.0	-	Nov	
20.3	38.2	830.2	697.1	336.0	- 106.4	610.9	84.3	760.0	1,568.7	1,673.6	2,001.5	-	Dec	
20.6	42.7	839.9	729.6	348.1	- 119.2	610.7	85.5	759.1	1,564.5	1,682.2	2,025.1	-	2007 Jan	
20.2	44.5	836.4	745.5	353.5	- 134.7	616.3	86.5	758.3	1,563.8	1,686.6	2,029.7	-	Feb	
22.2	47.4	830.2	748.7	350.3	- 131.7	627.7	87.5	762.0	1,572.3	1,701.4	2,021.0	-	Mar	
19.6	49.6	829.7	780.5	352.6	- 131.8	636.2	87.5	759.7	1,583.2	1,710.3	2,025.7	-	Apr	
17.2	52.9	837.7	796.4	342.6	- 149.7	636.9	90.4	768.0	1,593.7	1,720.6	2,023.6	-	May	
14.7	54.7	833.4	761.0	352.3	- 162.7	647.1	91.6	777.8	1,611.6	1,744.0	2,031.6	-	June	
14.4	60.4	831.2	753.5	361.7	- 148.8	647.6	92.1	780.4	1,617.7	1,748.0	2,040.8	-	July	
15.2	59.9	825.1	772.0	360.3	- 170.4	656.6	94.4	773.0	1,633.3	1,762.8	2,033.9	-	Aug	

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

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

## II Overall monetary survey in the euro area

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

€ billion; period averages of daily positions

Reserve maintenance period ending in 1	Liquidity-providing factors						Liquidity-absorbing factors				Credit institutions' current account balances (including minimum reserves) 5	Base money 6
	Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem					Banknotes in circulation 3	Central government deposits	Other factors (net) 4			
		Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations	Deposit facility				Other liquidity-absorbing operations		
<b>Eurosystem 2</b>												
2005 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
Dec	327.0	313.1	120.0	0.1	0.1	0.1	–	598.6	54.9	– 66.4	173.2	771.8
2007 Jan	325.8	322.3	120.0	0.1	–	0.2	1.0	619.5	45.0	– 72.7	175.3	794.9
Feb	322.1	300.5	124.6	0.1	0.1	0.1	1.5	604.6	47.9	– 83.1	176.5	781.2
Mar	321.6	288.7	134.6	0.0	–	0.5	0.8	606.2	47.1	– 90.0	180.6	787.2
Apr	323.6	281.7	145.7	0.5	–	0.3	0.9	614.8	48.2	– 95.2	182.6	797.7
May	326.1	281.6	150.0	0.3	–	0.5	0.1	620.0	51.3	– 97.2	183.2	803.8
June	326.4	284.9	150.0	0.3	–	0.2	0.2	625.2	49.1	– 99.4	186.2	811.7
July	323.0	295.4	150.0	0.2	0.1	0.3	–	631.3	53.9	– 106.4	189.6	821.2
Aug	316.7	301.7	150.0	0.1	–	0.4	–	639.7	52.3	– 115.8	192.0	832.1
Sep	317.3	268.7	171.7	0.2	10.7	0.4	1.7	639.2	52.3	– 117.8	192.7	832.4
<b>Deutsche Bundesbank</b>												
2005 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
Dec	82.7	155.3	78.4	0.1	0.1	0.0	–	162.4	0.1	112.6	41.4	203.8
2007 Jan	82.5	165.0	81.0	0.0	–	0.0	–	167.8	0.1	119.4	41.4	209.2
Feb	82.2	153.7	86.6	0.0	0.0	0.0	–	164.8	0.1	115.7	41.9	206.7
Mar	82.0	135.0	95.7	0.0	–	0.2	–	165.3	0.1	104.5	42.8	208.2
Apr	82.7	128.2	103.9	0.1	–	0.2	0.2	167.1	0.1	104.2	43.2	210.4
May	83.4	130.6	107.1	0.2	–	0.1	0.0	168.3	0.1	109.2	43.5	212.0
June	83.6	124.0	108.7	0.1	–	0.0	0.0	170.6	0.1	101.4	44.1	214.8
July	82.7	125.1	108.8	0.1	0.0	0.1	–	171.8	0.1	99.7	45.0	216.8
Aug	81.1	135.4	104.9	0.1	–	0.0	–	173.9	0.1	102.6	44.9	218.8
Sep	81.1	125.0	114.2	0.2	4.1	0.3	0.6	174.1	0.1	104.4	45.2	219.6

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

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



II Overall monetary survey in the euro area

Flows

Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) <sup>5</sup>	Base money <sup>6</sup>	Reserve maintenance period ending in <sup>1</sup>
Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation <sup>3</sup>	Central government deposits	Other factors (net) <sup>4</sup>			
	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations								
<b>Eurosystem <sup>2</sup></b>												
+ 1.9	+ 0.4	+ 4.7	+ 0.1	-	+ 0.0	- 0.1	+ 9.1	- 1.1	- 2.9	+ 2.0	+ 11.1	2005 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
- 0.4	+ 1.2	- 0.0	- 0.0	+ 0.1	- 0.0	-	+ 5.8	- 5.3	- 5.8	+ 6.2	+ 12.0	Dec
- 1.2	+ 9.2	± 0.0	- 0.0	- 0.1	+ 0.1	+ 1.0	+ 20.9	- 9.9	- 6.3	+ 2.1	+ 23.1	2007 Jan
- 3.7	- 21.8	+ 4.6	- 0.0	+ 0.1	- 0.1	+ 0.5	- 14.9	+ 2.9	- 10.4	+ 1.2	- 13.7	Feb
- 0.5	- 11.8	+ 10.0	- 0.1	- 0.1	+ 0.4	- 0.7	+ 1.6	- 0.8	- 6.9	+ 4.1	+ 6.0	Mar
+ 2.0	- 7.0	+ 11.1	+ 0.5	-	- 0.2	+ 0.1	+ 8.6	+ 1.1	- 5.2	+ 2.0	+ 10.5	Apr
+ 2.5	- 0.1	+ 4.3	- 0.2	-	+ 0.2	- 0.8	+ 5.2	+ 3.1	- 2.0	+ 0.6	+ 6.1	May
+ 0.3	+ 3.3	+ 0.0	- 0.0	-	- 0.3	+ 0.1	+ 5.2	- 2.2	- 2.2	+ 3.0	+ 7.9	June
- 3.4	+ 10.5	+ 0.0	- 0.1	+ 0.1	+ 0.1	- 0.2	+ 6.1	+ 4.8	- 7.0	+ 3.4	+ 9.5	July
- 6.3	+ 6.3	± 0.0	- 0.1	- 0.1	+ 0.1	-	+ 8.4	- 1.6	- 9.4	+ 2.4	+ 10.9	Aug
+ 0.6	- 33.0	+ 21.7	+ 0.0	+ 10.7	+ 0.0	+ 1.7	- 0.5	- 0.0	- 2.0	+ 0.7	+ 0.3	Sep
<b>Deutsche Bundesbank</b>												
+ 0.4	- 12.0	+ 0.9	+ 0.1	-	+ 0.0	- 0.0	+ 2.7	- 0.0	- 13.7	+ 0.5	+ 3.2	2005 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
- 0.1	- 7.3	- 0.5	- 0.0	+ 0.1	- 0.0	-	+ 1.3	- 0.0	- 9.7	+ 0.5	+ 1.9	Dec
- 0.2	+ 9.8	+ 2.7	- 0.0	- 0.1	+ 0.0	-	+ 5.3	+ 0.0	+ 6.8	+ 0.0	+ 5.3	2007 Jan
- 0.4	- 11.4	+ 5.5	- 0.0	+ 0.0	- 0.0	-	- 2.9	- 0.0	- 3.7	+ 0.5	- 2.4	Feb
- 0.1	- 18.7	+ 9.1	+ 0.0	- 0.0	+ 0.1	-	+ 0.5	+ 0.0	- 11.2	+ 0.9	+ 1.5	Mar
+ 0.7	- 6.8	+ 8.2	+ 0.0	-	- 0.0	+ 0.2	+ 1.8	- 0.0	- 0.3	+ 0.4	+ 2.2	Apr
+ 0.7	+ 2.4	+ 3.2	+ 0.1	-	- 0.0	- 0.2	+ 1.2	- 0.0	+ 5.0	+ 0.4	+ 1.6	May
+ 0.1	- 6.6	+ 1.6	- 0.1	-	- 0.1	- 0.0	+ 2.3	+ 0.0	- 7.8	+ 0.6	+ 2.8	June
- 0.8	+ 1.1	+ 0.0	- 0.1	+ 0.0	+ 0.0	- 0.0	+ 1.1	± 0.0	- 1.7	+ 0.9	+ 2.0	July
- 1.6	+ 10.3	- 3.9	+ 0.0	- 0.0	- 0.0	-	+ 2.1	- 0.0	+ 2.9	- 0.1	+ 2.0	Aug
+ 0.1	- 10.4	+ 9.3	+ 0.1	+ 4.1	+ 0.2	+ 0.6	+ 0.2	- 0.0	+ 1.9	+ 0.3	+ 0.7	Sep

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

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

### III Consolidated financial statement of the Eurosystem

#### 1 Assets \*

€ billion

On reporting date/ End of month 1	Total assets	Gold and gold receivables	Claims on non-euro-area residents denominated in foreign currency			Claims on euro-area residents denominated in foreign currency	Claims on non-euro-area residents denominated in euro		
			Total	Receivables from the IMF	Balances with banks, security investments, external loans and other external assets		Total	Balances with banks, security investments and loans	Claims arising from the credit facility under ERM II
<b>Eurosystem <sup>2</sup></b>									
2007 Feb 2	1,136.7	176.7	143.8	10.6	133.2	23.1	14.4	14.4	–
9	1,127.2	176.6	144.2	10.0	134.1	22.9	13.4	13.4	–
16	1,135.1	176.5	144.4	10.0	134.4	22.0	15.6	15.6	–
23	1,150.4	176.5	143.3	10.0	133.3	21.4	14.1	14.1	–
Mar 2	1,148.2	176.5	142.5	10.0	132.5	22.2	15.6	15.6	–
9	1,139.8	176.4	141.6	10.0	131.6	22.1	15.5	15.5	–
16	1,130.0	176.2	140.2	9.9	130.4	22.7	15.5	15.5	–
23	1,142.7	176.0	141.7	9.9	131.9	22.9	15.9	15.9	–
30	3 1,162.6	3 181.4	3 140.7	9.8	3 130.9	23.2	15.7	15.7	–
Apr 5	1,171.4	181.2	139.2	9.8	129.5	23.7	14.3	14.3	–
13	1,161.6	181.2	140.6	9.8	130.8	23.6	14.6	14.6	–
20	1,164.2	180.9	140.3	9.8	130.6	24.9	15.4	15.4	–
27	1,176.3	180.7	142.1	9.6	132.4	25.0	14.5	14.5	–
May 4	1,165.4	180.5	141.4	9.6	131.8	25.3	15.1	15.1	–
11	1,164.2	180.5	142.4	9.6	132.9	25.0	15.0	15.0	–
18	1,169.0	180.2	142.3	9.7	132.6	24.6	15.1	15.1	–
25	1,187.1	180.0	142.5	10.0	132.6	25.0	14.9	14.9	–
2007 June 1	1,178.4	180.0	143.3	10.1	133.2	25.4	15.4	15.4	–
8	1,176.3	179.9	143.9	10.1	133.8	25.6	15.3	15.3	–
15	1,180.3	179.9	144.2	10.1	134.2	24.6	16.1	16.1	–
22	1,186.7	179.9	143.4	10.0	133.4	26.0	15.8	15.8	–
29	3 1,208.5	3 172.8	3 141.6	9.9	3 131.8	24.4	16.7	16.7	–
July 6	1,191.8	172.7	144.4	9.8	134.5	22.8	16.5	16.5	–
13	1,185.4	172.6	143.2	9.8	133.4	23.9	15.9	15.9	–
20	1,196.4	172.3	143.6	9.8	133.8	23.5	16.3	16.3	–
27	1,212.6	172.1	143.2	9.7	133.5	24.3	16.2	16.2	–
Aug 3	1,195.1	172.1	146.1	9.7	136.5	22.5	16.5	16.5	–
10	1,253.1	172.1	145.2	9.7	135.4	23.7	17.2	17.2	–
17	1,207.7	172.0	144.5	9.7	134.8	24.5	17.4	17.4	–
24	1,216.9	172.0	143.5	9.7	133.8	24.9	18.1	18.1	–
31	1,157.5	172.0	144.2	9.7	134.5	26.4	17.5	17.5	–
Sep 7	1,207.4	171.9	144.7	9.7	135.1	25.2	15.9	15.9	–
14	1,299.3	171.9	145.4	9.7	135.7	23.9	16.3	16.3	–
21	1,189.6	171.9	147.0	9.6	137.4	23.2	14.8	14.8	–
28	3 1,250.4	3 186.2	3 142.0	9.4	3 132.6	3 23.9	16.1	16.1	–
Oct 5	1,228.4	186.1	141.9	9.4	132.6	25.0	15.4	15.4	–
<b>Deutsche Bundesbank</b>									
2005 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	–
Dec	373.7	3 53.1	3 31.7	3.0	3 28.6	–	0.3	0.3	–
2007 Jan	357.9	53.1	32.1	3.0	29.1	0.0	0.3	0.3	–
Feb	365.5	53.1	31.5	2.7	28.8	–	0.3	0.3	–
Mar	3 371.4	3 54.8	3 31.3	2.6	28.7	–	0.3	0.3	–
Apr	370.9	54.8	32.5	2.6	29.9	–	0.3	0.3	–
May	377.2	54.8	33.2	2.7	30.5	–	0.3	0.3	–
June	3 373.5	3 52.8	3 32.0	2.7	3 29.4	–	0.3	0.3	–
July	382.1	52.8	31.9	2.6	29.3	–	0.3	0.3	–
Aug	369.6	52.8	31.9	2.6	29.3	–	0.3	0.3	–
Sep	3 394.0	3 57.2	3 31.4	2.5	3 28.9	–	0.3	0.3	–

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

III Consolidated financial statement of the Eurosystem

Lending to euro-area credit institutions related to monetary policy operations denominated in euro							Other claims on euro-area credit institutions denomi- nated in euro	Securities of euro-area residents denominated in euro	General government debt denominated in euro	Other assets	On reporting date/ End of month 1
Total	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations	Structural reverse operations	Marginal lending facility	Credits related to margin calls					
<b>Eurosystem <sup>2</sup></b>											
422.5	292.5	130.0	-	-	-	0.0	11.6	82.2	39.3	223.2	2007 Feb 2
409.5	279.5	130.0	-	-	-	0.0	-	83.4	39.3	225.3	9
416.5	286.5	130.0	-	-	-	-	-	84.9	39.3	223.3	16
431.5	301.5	130.0	-	-	-	-	0.0	85.9	39.3	224.4	23
429.0	289.0	140.0	-	-	-	-	0.0	86.5	39.3	223.9	Mar 2
420.0	280.0	140.0	-	-	-	-	-	86.8	39.3	224.4	9
411.5	271.5	140.0	-	-	-	0.0	0.0	87.7	39.3	223.4	16
422.0	282.0	140.0	-	-	-	-	-	88.1	39.3	222.3	23
433.6	283.5	150.0	-	-	-	0.1	-	88.9	39.3 <sup>3</sup>	225.1	30
443.5	291.5	150.0	-	-	-	2.0	-	90.3	39.3	225.0	Apr 5
430.7	280.0	150.0	-	-	-	0.7	-	90.6	39.3	226.4	13
431.5	281.5	150.0	-	-	-	0.0	0.0	90.5	39.3	227.3	20
440.0	288.5	150.0	-	-	-	1.5	-	92.4	39.2	226.7	27
429.7	279.5	150.0	-	-	-	0.2	-	93.1	38.7	227.6	May 4
426.1	276.0	150.0	-	-	-	0.1	-	93.5	37.7	230.0	11
431.2	281.0	150.0	-	-	-	0.2	-	93.4	37.7	230.7	18
445.7	295.5	150.0	-	-	-	0.2	0.0	94.5	37.7	232.5	25
434.5	284.5	150.0	-	-	-	0.0	-	94.9	37.6	233.0	2007 June 1
429.2	279.0	150.0	-	-	-	0.2	-	96.2	37.6	234.6	8
432.0	282.0	150.0	-	-	-	0.0	-	95.8	37.6	235.6	15
438.1	288.0	150.0	-	-	-	0.1	-	93.9	37.6	237.4	22
464.6	313.5	150.0	-	-	-	1.1	0.0	93.7 <sup>3</sup>	37.1 <sup>3</sup>	243.7	29
448.2	298.0	150.0	-	-	-	0.0	0.2	93.9	37.1	242.6	July 6
442.0	292.0	150.0	-	-	-	-	-	93.1	37.1	243.4	13
451.8	301.5	150.0	-	-	-	0.3	-	93.3	37.1	244.4	20
465.7	315.5	150.0	-	-	-	0.2	0.0	94.2	37.1	245.6	27
448.0	298.0	150.0	-	-	-	-	0.0	93.1	37.1	245.4	Aug 3
503.6	292.5	150.0	61.1	-	-	-	-	94.2	37.1	247.1	10
460.0	310.0	150.0	-	-	-	-	0.0	91.6	37.1	247.6	17
465.2	275.0	190.0	-	-	-	0.2	-	92.3	37.1	250.9	24
400.1	210.0	190.0	-	-	-	0.1	0.0	93.3	37.1	255.2	31
446.3	256.0	190.0	-	-	-	0.3	0.0	94.9	37.1	260.3	Sep 7
534.0	269.0	265.0	-	-	-	0.0	0.0	94.7	37.1	264.7	14
420.6	155.0	265.0	-	-	-	0.6	0.0	94.5	37.1	267.6	21
455.2	190.0	265.0	-	-	-	0.2	0.0	95.4 <sup>3</sup>	37.1 <sup>3</sup>	281.2	28
428.0	163.0	265.0	-	-	-	0.0	0.0	97.3	37.1	283.7	Oct 5
<b>Deutsche Bundesbank</b>											
195.0	140.8	54.2	-	-	-	0.0	-	0.1	-	4.4	2005 Nov
203.9	146.5	56.4	-	-	-	0.9	-	0.1	-	4.4	Dec
227.2	162.5	64.7	-	-	-	0.0	-	0.1	-	4.4	2006 Jan
218.9	146.4	72.5	-	-	-	0.0	-	0.2	-	4.4	Feb
224.5	147.1	77.4	-	-	-	0.1	-	0.3	-	4.4	Mar
233.0	158.0	74.9	-	-	-	0.1	-	0.3	-	4.4	Apr
227.6	152.6	74.9	-	-	-	0.0	-	0.3	-	4.4	May
248.8	177.3	71.5	-	-	-	0.1	-	0.3	-	4.4	June
253.8	177.9	72.8	-	-	-	3.2	-	0.3	-	4.4	July
223.0	147.3	75.7	-	-	-	0.0	-	1.6	-	4.4	Aug
234.1	155.2	78.5	-	-	-	0.5	-	3.0	-	4.4	Sep
243.3	164.0	79.3	-	-	-	0.0	-	3.0	-	4.4	Oct
232.0	155.2	76.7	-	-	-	0.0	-	3.0	-	4.4	Nov
256.3	173.9	82.3	-	-	-	0.1	-	3.0	-	4.4	Dec
232.5	150.1	82.3	-	-	-	0.0	-	3.1	-	4.4	2007 Jan
235.0	143.5	91.5	-	-	-	0.0	-	3.1	-	4.4	Feb
237.3	130.8	106.4	-	-	-	0.1	-	3.1	-	4.4	Mar
247.4	139.6	107.5	-	-	-	0.4	-	3.1	-	4.4	Apr
236.9	126.6	110.3	-	-	-	0.0	-	3.2	-	4.4	May
243.4	136.2	107.0	-	-	-	0.2	-	3.2	-	4.4	June
248.5	146.0	102.4	-	-	-	-	-	3.3	-	4.4	July
210.4	89.9	120.5	-	-	-	0.0	-	3.3	-	4.4	Aug
223.3	83.8	139.3	-	-	-	0.2	-	4.3	-	4.4 <sup>3</sup>	Sep

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

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

### III Consolidated financial statement of the Eurosystem

#### 2 Liabilities \*

€ billion

On reporting date/ End of month <sup>1</sup>	Total liabilities	Banknotes in circulation <sup>2</sup>	Liabilities to euro-area credit institutions related to monetary policy operations denominated in euro					Other liabilities to euro-area credit institutions denominated in euro	Debt certificates issued	Liabilities to other euro-area residents denominated in euro			
			Total	Current accounts (covering the minimum reserve system)	Deposit facility	Fixed-term deposits	Fine-tuning reverse operations			Deposits related to margin calls	Total	General government	Other liabilities
<b>Eurosystem <sup>4</sup></b>													
2007 Feb 2	1,136.7	605.8	182.1	180.8	0.0	1.2	–	0.0	0.1	–	48.3	39.4	8.9
9	1,127.2	606.0	173.8	172.7	0.0	1.1	–	0.0	0.1	–	46.3	37.7	8.6
16	1,135.1	605.3	182.9	181.9	0.0	1.0	–	0.0	0.1	–	46.9	38.4	8.5
23	1,150.4	603.6	179.1	177.8	0.5	0.8	–	–	0.1	–	68.6	60.2	8.5
Mar 2	1,148.2	608.5	183.1	182.6	0.0	0.5	–	–	0.1	–	57.7	49.2	8.4
9	1,139.8	609.8	179.2	178.6	0.1	0.4	–	–	0.1	–	52.3	43.8	8.5
16	1,130.0	609.2	182.2	181.9	0.0	0.3	–	–	0.1	–	45.7	37.2	8.5
23	1,142.7	608.3	178.8	178.4	0.0	0.3	–	0.0	0.1	–	62.0	53.4	8.6
30	5 1,162.6	613.6	181.0	179.8	1.1	0.2	–	0.0	0.1	–	65.8	57.1	8.7
Apr 5	1,171.4	626.0	185.9	185.1	0.6	0.2	–	0.0	0.1	–	60.1	51.3	8.8
13	1,161.6	619.4	183.7	183.5	0.1	0.1	–	–	0.1	–	57.6	48.6	8.9
20	1,164.2	615.8	183.8	183.6	0.0	0.1	–	0.0	0.1	–	64.6	55.6	9.0
27	1,176.3	619.7	183.7	183.6	0.0	0.1	–	0.0	0.1	–	70.0	60.8	9.1
May 4	1,165.4	624.0	182.0	182.0	0.1	–	–	–	0.1	–	55.8	46.8	9.0
11	1,164.2	623.1	186.1	185.9	0.1	–	–	–	0.1	–	49.3	40.0	9.3
18	1,169.0	624.1	189.9	189.6	0.2	–	–	0.0	0.1	–	49.9	41.2	8.6
25	1,187.1	623.4	187.4	187.2	0.2	–	–	0.0	0.2	–	68.8	60.2	8.6
2007 June 1	1,178.4	626.8	188.2	188.0	0.2	–	–	–	0.2	–	54.6	46.1	8.5
8	1,176.3	629.3	185.7	185.6	0.1	–	–	0.0	0.2	–	51.1	42.6	8.5
15	1,180.3	628.2	192.1	192.0	0.1	–	–	0.0	0.2	–	50.2	41.6	8.6
22	1,186.7	627.9	189.6	189.5	0.1	–	–	0.0	0.2	–	58.5	49.9	8.6
29	5 1,208.5	633.1	183.2	182.1	1.1	–	–	–	0.2	–	77.9	69.7	8.2
July 6	1,191.8	638.2	191.6	190.5	1.1	–	–	0.0	0.2	–	56.9	49.4	7.5
13	1,185.4	638.8	193.1	193.0	0.1	–	–	–	0.2	–	50.1	42.5	7.6
20	1,196.4	638.2	190.2	190.1	0.1	–	–	–	0.2	–	63.8	56.1	7.6
27	1,212.6	639.0	196.8	195.2	1.6	–	–	–	0.2	–	71.0	63.6	7.5
Aug 3	1,195.1	645.0	189.7	189.6	0.1	–	–	–	0.2	–	52.9	45.1	7.8
10	1,253.1	644.1	256.8	256.7	0.1	–	–	–	0.2	–	44.4	36.6	7.8
17	1,207.7	641.9	210.5	210.3	0.3	–	–	–	0.2	–	48.7	41.1	7.6
24	1,216.9	636.1	209.4	209.1	0.3	–	–	–	0.2	–	63.5	56.0	7.5
31	1,157.5	637.2	132.6	132.3	0.3	–	–	–	0.2	–	73.2	65.4	7.8
Sep 7	1,207.4	639.2	182.6	181.5	1.0	–	–	–	0.1	–	68.1	60.1	7.9
14	1,299.3	637.5	276.3	274.6	1.7	–	–	0.0	0.1	–	64.3	56.6	7.7
21	1,189.6	635.0	155.1	154.7	0.4	–	–	0.0	0.1	–	76.3	68.7	7.6
28	5 1,250.4	637.3	192.2	186.7	5.5	–	–	0.0	0.2	–	73.6	66.1	7.4
Oct 5	1,228.4	641.3	169.9	165.3	4.6	–	–	0.0	0.1	–	67.9	60.3	7.5
<b>Deutsche Bundesbank</b>													
2005 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
Dec	373.7	170.9	48.0	47.9	0.0	–	–	–	–	–	0.4	0.0	0.4
2007 Jan	357.9	163.6	37.8	37.8	0.0	–	–	–	–	–	0.4	0.1	0.4
Feb	365.5	164.1	43.7	43.6	0.1	–	–	–	–	–	0.5	0.1	0.4
Mar	5 371.4	166.6	47.9	47.8	0.0	–	–	–	–	–	0.4	0.1	0.3
Apr	370.9	169.7	43.3	43.0	0.2	–	–	–	–	–	0.4	0.1	0.3
May	377.2	169.9	45.1	45.1	0.0	–	–	–	–	–	0.4	0.1	0.4
June	5 373.5	171.9	39.8	39.6	0.3	–	–	–	–	–	0.4	0.1	0.4
July	382.1	173.9	46.6	46.5	0.0	–	–	–	–	–	0.4	0.1	0.3
Aug	369.6	173.1	31.8	31.5	0.2	–	–	–	–	–	0.3	0.0	0.3
Sep	5 394.0	173.1	47.0	42.2	4.8	–	–	–	–	–	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						
<b>Eurosystem 4</b>										
16.7	0.2	15.8	15.8	—	5.6	73.7	—	122.0	66.4	2007 Feb 2
17.2	0.2	16.5	16.5	—	5.6	72.6	—	122.0	66.9	9
17.6	0.2	15.3	15.3	—	5.6	72.1	—	122.0	67.1	16
17.9	0.3	13.6	13.6	—	5.6	72.3	—	122.0	67.1	23
18.1	0.2	13.9	13.9	—	5.6	71.9	—	122.0	67.2	Mar 2
18.4	0.2	12.9	12.9	—	5.6	72.2	—	122.0	67.2	9
18.1	0.2	11.9	11.9	—	5.6	67.7	—	122.0	67.2	16
18.3	0.2	13.2	13.2	—	5.6	66.9	—	122.0	67.2	23
18.8	0.2	13.5	13.5	—	5.6	71.1	5	125.5	67.5	30
18.4	0.2	12.6	12.6	—	5.6	68.9	—	125.5	68.3	Apr 5
18.9	0.2	13.2	13.2	—	5.6	69.0	—	125.5	68.4	13
18.5	0.2	14.1	14.1	—	5.6	67.7	—	125.5	68.3	20
19.5	0.3	15.9	15.9	—	5.6	67.8	—	125.5	68.3	27
19.5	0.2	15.6	15.6	—	5.6	68.7	—	125.5	68.3	May 4
19.5	0.2	16.2	16.2	—	5.6	70.4	—	125.5	68.3	11
20.1	0.2	14.8	14.8	—	5.6	70.6	—	125.5	68.3	18
20.1	0.2	15.5	15.5	—	5.6	72.1	—	125.5	68.3	25
20.3	0.2	16.4	16.4	—	5.6	72.4	—	125.5	68.3	2007 June 1
20.2	0.2	17.3	17.3	—	5.6	73.0	—	125.5	68.3	8
19.9	0.2	16.8	16.8	—	5.6	73.3	—	125.5	68.3	15
19.5	0.2	17.8	17.8	—	5.6	73.6	—	125.5	68.3	22
28.1	0.2	16.1	16.1	—	5.5	78.9	5	117.0	68.3	29
19.5	0.2	17.2	17.2	—	5.5	77.2	—	117.0	68.3	July 6
18.9	0.2	16.9	16.9	—	5.5	76.3	—	117.0	68.3	13
18.8	0.2	17.0	17.0	—	5.5	77.2	—	117.0	68.3	20
18.7	0.3	17.3	17.3	—	5.5	78.4	—	117.0	68.3	27
18.9	0.2	18.5	18.5	—	5.5	78.9	—	117.0	68.3	Aug 3
19.1	0.1	18.4	18.4	—	5.5	79.2	—	117.0	68.3	10
19.1	0.1	18.2	18.2	—	5.5	77.5	—	117.0	68.8	17
19.5	0.2	17.1	17.1	—	5.5	79.5	—	117.0	68.8	24
20.9	0.1	19.4	19.4	—	5.5	82.5	—	117.0	68.9	31
20.9	0.1	18.6	18.6	—	5.5	86.3	—	117.0	68.9	Sep 7
22.1	0.6	18.1	18.1	—	5.5	88.9	—	117.0	68.9	14
21.8	0.6	18.5	18.5	—	5.5	90.7	—	117.0	68.9	21
23.9	0.6	18.1	18.1	—	5.4	99.2	5	131.1	68.9	28
23.9	0.3	19.1	19.1	—	5.4	100.4	—	131.1	68.9	Oct 5
<b>Deutsche Bundesbank</b>										
3.4	0.0	2.9	2.9	—	1.5	11.2	76.4	39.2	5.0	2005 Nov
3.4	0.0	2.8	2.8	—	1.5	11.3	75.1	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	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	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	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
3.7	0.0	1.1	1.1	—	1.4	13.0	84.3	45.9	5.0	Dec
3.8	0.0	1.6	1.6	—	1.4	12.9	85.5	45.9	5.0	2007 Jan
3.7	0.0	1.2	1.2	—	1.4	13.5	86.5	45.9	5.0	Feb
3.8	0.0	1.3	1.3	—	1.4	10.1	87.5	47.4	5.0	Mar
3.8	0.0	2.5	2.5	—	1.4	10.0	87.5	47.4	5.0	Apr
4.0	0.0	3.0	3.0	—	1.4	10.8	90.4	47.4	5.0	May
3.8	0.0	2.3	2.3	—	1.4	12.4	91.6	44.9	5.0	June
4.1	0.0	2.2	2.2	—	1.4	11.6	92.1	44.9	5.0	July
4.1	0.0	2.2	2.2	—	1.4	12.6	94.4	44.9	5.0	Aug
5.4	0.0	2.6	2.6	—	1.3	13.6	96.1	49.5	5.0	Sep

bank-note issue". The remaining 92 % of the value of the euro banknote in circulation is also allocated to the NCBs on a monthly basis, and each NCB shows in its balance sheet the share of the euro banknotes issued which corresponds to its paid-up share in the ECB's capital. The difference between the value of the euro banknotes allocated to the NCB according to

the aforementioned accounting regime and the value of euro banknotes put into circulation is also disclosed as an "Intra-Eurosystem claim/ liability related to banknote issue". — 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
<b>End of year or month</b>													
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
2006	7,154.4	16.4	2,314.4	1,718.6	1,138.6	580.0	595.8	376.8	219.0	3,462.1	3,085.5	2,536.1	2,241.9
2005 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
2005 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 Nov	7,141.2	13.6	2,293.7	1,712.4	1,126.3	586.2	581.3	365.9	215.3	3,506.4	3,123.3	2,560.4	2,268.4
2006 Dec	7,154.4	16.4	2,314.4	1,718.6	1,138.6	580.0	595.8	376.8	219.0	3,462.1	3,085.5	2,536.1	2,241.9
2007 Jan	7,192.4	13.3	2,308.2	1,711.1	1,138.1	573.0	597.1	378.2	218.9	3,496.9	3,109.2	2,554.6	2,252.7
2007 Feb	7,230.9	13.4	2,332.2	1,717.7	1,146.7	570.9	614.5	386.6	227.9	3,487.3	3,096.0	2,547.2	2,256.2
2007 Mar	7,288.3	13.5	2,364.4	1,749.8	1,180.5	569.3	614.6	378.3	236.3	3,496.5	3,100.8	2,555.8	2,261.3
2007 Apr	7,357.2	14.4	2,379.0	1,736.7	1,167.0	569.7	642.3	406.1	236.2	3,525.9	3,128.3	2,580.7	2,256.9
2007 May	7,389.3	14.7	2,398.4	1,744.1	1,167.2	576.9	654.3	414.7	239.6	3,511.9	3,106.1	2,558.9	2,253.1
2007 June	7,381.7	14.2	2,396.3	1,724.1	1,156.2	567.9	672.3	423.8	248.5	3,484.4	3,071.9	2,538.0	2,261.7
2007 July	7,371.2	13.9	2,373.0	1,708.4	1,146.0	562.5	664.6	415.4	249.2	3,489.7	3,080.8	2,541.9	2,265.9
2007 Aug	7,417.4	14.1	2,405.9	1,735.3	1,178.1	557.2	670.5	419.3	251.2	3,485.8	3,071.6	2,544.4	2,271.6
<b>Changes <sup>1</sup></b>													
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
2006	349.0	1.1	76.2	- 2.4	25.2	- 27.6	78.6	17.3	61.3	56.0	1.5	32.5	13.3
2005 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 Nov	75.6	- 0.8	15.3	15.1	18.2	- 3.0	0.2	- 10.3	10.5	12.6	6.1	- 0.6	- 1.9
2006 Dec	13.9	2.8	21.3	6.6	12.9	- 6.4	14.7	10.9	3.8	- 40.7	- 34.3	- 21.0	- 23.5
2007 Jan	33.9	- 3.1	- 6.5	- 6.0	- 0.5	- 5.5	- 0.5	- 0.4	- 0.1	36.3	26.8	21.3	9.8
2007 Feb	46.3	0.1	23.7	6.7	8.7	- 1.9	17.0	8.4	8.7	- 7.0	- 11.6	- 5.9	4.8
2007 Mar	61.6	0.1	32.3	32.2	33.8	- 1.6	0.1	- 8.3	8.4	10.4	5.8	9.6	5.8
2007 Apr	77.8	0.9	13.0	- 14.6	- 14.0	- 0.6	27.6	27.6	- 0.0	32.6	29.9	27.2	- 3.2
2007 May	28.0	0.3	19.0	7.4	0.2	7.2	11.6	8.2	3.4	- 13.9	- 22.3	- 21.9	- 3.7
2007 June	- 6.0	- 0.5	- 1.0	- 19.0	- 9.9	- 9.0	18.0	9.0	9.0	- 27.5	- 34.3	- 21.0	8.1
2007 July	- 4.4	- 0.3	- 23.3	- 15.0	- 9.5	- 5.4	- 8.3	- 8.8	0.5	7.2	10.4	5.5	4.4
2007 Aug	42.4	0.2	32.8	26.9	32.2	- 5.3	5.9	3.9	2.0	- 3.7	- 9.1	2.6	6.0

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

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

IV Banks

euro area										Claims on non-euro-area residents		Other assets	Period
										to non-banks in other member states			
General government				Enterprises and households		General government				Total	of which Loans		
Secur-ities	Total	Loans	Secur-ities 2	Total	of which Loans	Total	Loans 3	Secur-ities	Total				
End of year or month													
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
294.1	549.5	390.2	159.2	376.6	228.1	85.2	148.5	26.1	122.4	1,172.7	936.2	188.8	2006
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	2005 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
292.0	562.9	393.2	169.8	383.2	229.9	88.8	153.2	26.1	127.2	1,148.4	916.9	179.0	Nov
294.1	549.5	390.2	159.2	376.6	228.1	85.2	148.5	26.1	122.4	1,172.7	936.2	188.8	Dec
301.9	554.5	389.0	165.5	387.7	233.6	90.5	154.1	26.0	128.1	1,191.3	947.7	182.6	2007 Jan
291.0	548.8	384.8	164.0	391.3	239.4	93.4	151.9	25.8	126.1	1,212.1	955.0	185.9	Feb
294.5	545.0	379.2	165.8	395.7	244.5	96.0	151.2	24.7	126.5	1,229.3	969.4	184.6	Mar
323.9	547.6	380.6	167.0	397.6	250.0	96.4	147.6	25.0	122.5	1,245.5	980.9	192.3	Apr
305.8	547.2	378.5	168.7	405.8	255.7	99.0	150.1	24.3	125.8	1,259.2	979.3	205.1	May
276.3	533.9	372.3	161.6	412.5	263.2	103.1	149.2	25.5	123.8	1,282.6	996.3	204.3	June
276.1	538.9	378.0	160.9	408.9	264.6	100.0	144.3	25.2	119.1	1,291.5	1,004.7	203.1	July
272.8	527.2	371.6	155.6	414.3	276.0	112.0	138.2	25.7	112.5	1,300.5	1,005.8	211.0	Aug
Changes 1													
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
19.3	- 31.0	- 18.6	- 12.4	54.5	59.6	20.9	- 5.1	- 1.3	- 3.8	205.9	165.7	9.8	2006
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	2005 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
1.3	6.8	0.5	6.2	6.5	6.1	0.1	0.4	0.0	0.4	42.2	34.7	6.2	Nov
2.5	- 13.3	- 2.9	- 10.4	- 6.4	- 1.9	- 3.6	- 4.5	0.0	- 4.5	25.8	19.0	4.8	Dec
11.5	5.5	- 1.2	6.7	9.4	4.2	3.8	5.2	- 0.3	5.5	17.3	9.9	- 10.2	2007 Jan
- 10.7	- 5.7	- 4.3	- 1.4	4.6	6.7	3.1	- 2.1	- 0.1	- 2.0	27.4	13.5	2.2	Feb
3.8	- 3.8	- 5.6	1.8	4.6	4.8	2.2	- 0.2	- 0.6	0.4	20.6	17.4	- 1.8	Mar
30.4	2.7	1.5	1.2	2.7	6.3	1.0	- 3.5	0.4	- 4.0	23.9	18.5	7.4	Apr
- 18.2	- 0.4	- 2.1	1.7	8.4	5.9	2.9	2.5	- 0.7	3.3	10.1	- 4.9	12.4	May
- 29.1	- 13.2	- 6.1	- 7.1	6.8	9.2	4.8	- 2.3	0.6	- 3.0	24.6	19.4	- 1.7	June
1.1	4.9	5.6	- 0.7	- 3.2	1.7	- 2.9	- 5.0	- 0.2	- 4.8	13.3	12.4	- 1.3	July
- 3.4	- 11.7	- 6.4	- 5.3	5.4	11.5	11.9	- 6.1	0.5	- 6.6	5.6	- 2.4	7.5	Aug

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

IV Banks

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

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

Period	Deposits of banks (MFIs) in the euro area				Deposits of non-banks (non-MFIs) in the euro area								
	Balance sheet total	of banks			Total	Deposits of non-banks in the home country					Deposits of non-banks		
		Total	in the home country	in other member states		Total	Over-night	With agreed maturities <sup>2</sup>		At agreed notice <sup>3</sup>		Total	Over-night
								Total	of which up to 2 years <sup>4</sup>	Total	of which up to 3 months		
	End of year or month												
1998	10,355.5	2,480.3	2,148.9	331.4	3,850.8	3,552.2	751.6	1,411.1	461.6	1,389.6	971.9	187.4	9.4
1999	5,678.5	1,288.1	1,121.8	166.3	2,012.4	1,854.7	419.5	820.6	247.0	614.7	504.4	111.1	6.5
2000	6,083.9	1,379.4	1,188.9	190.5	2,051.4	1,873.6	441.4	858.8	274.3	573.5	450.5	107.9	6.9
2001	6,303.1	1,418.0	1,202.1	215.9	2,134.0	1,979.7	525.0	880.2	290.6	574.5	461.9	105.2	7.6
2002	6,394.2	1,478.7	1,236.2	242.4	2,170.0	2,034.9	574.8	884.9	279.3	575.3	472.9	87.4	8.1
2003	6,432.0	1,471.0	1,229.4	241.6	2,214.6	2,086.9	622.1	874.5	248.0	590.3	500.8	81.8	9.3
2004	6,617.4	1,528.4	1,270.8	257.6	2,264.2	2,148.5	646.2	898.9	239.9	603.5	515.5	71.9	8.8
2005	6,859.4	1,569.6	1,300.8	268.8	2,329.1	2,225.4	715.8	906.2	233.4	603.4	519.1	62.2	9.6
2006	7,154.4	1,637.7	1,348.6	289.0	2,449.2	2,341.6	745.8	1,009.3	310.1	586.5	487.4	62.0	13.9
2005 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
2005 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 Oct	7,080.1	1,586.2	1,303.4	282.8	2,388.6	2,280.6	715.3	980.2	286.7	585.0	490.5	61.8	12.4
2006 Nov	7,141.2	1,618.6	1,320.5	298.1	2,423.1	2,310.9	742.3	987.1	293.7	581.4	484.3	63.8	13.0
2006 Dec	7,154.4	1,637.7	1,348.6	289.0	2,449.2	2,341.6	745.8	1,009.3	310.1	586.5	487.4	62.0	13.9
2007 Jan	7,192.4	1,619.6	1,334.6	285.1	2,444.8	2,341.1	744.5	1,014.4	313.0	582.2	481.3	60.0	14.2
2007 Feb	7,230.9	1,623.5	1,339.1	284.4	2,447.0	2,345.0	744.5	1,020.2	317.4	580.3	477.4	58.2	13.4
2007 Mar	7,288.3	1,652.4	1,368.1	284.3	2,455.8	2,350.8	745.9	1,026.3	324.4	578.5	474.2	61.7	15.7
2007 Apr	7,357.2	1,669.5	1,370.7	298.7	2,469.9	2,366.6	745.8	1,046.2	342.2	574.6	470.0	59.6	13.5
2007 May	7,389.3	1,664.2	1,356.6	307.6	2,485.4	2,376.3	751.7	1,054.5	349.9	570.1	465.8	60.3	16.0
2007 June	7,381.7	1,653.4	1,357.7	295.7	2,506.8	2,394.5	760.0	1,067.8	360.3	566.7	461.7	62.6	17.4
2007 July	7,371.2	1,650.1	1,351.7	298.5	2,508.2	2,401.0	764.7	1,074.7	366.9	561.6	456.0	64.2	15.4
2007 Aug	7,417.4	1,665.0	1,359.9	305.1	2,524.1	2,418.5	759.1	1,101.6	393.4	557.8	452.1	63.0	13.6
	Changes <sup>1</sup>												
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
2006	349.0	105.5	81.5	24.0	123.0	118.6	30.4	105.0	77.1	- 16.8	- 31.7	0.5	4.4
2005 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 Oct	4.6	4.7	5.7	- 1.0	- 3.7	- 3.4	- 7.2	6.5	6.5	- 2.7	- 4.8	2.5	0.5
2006 Nov	75.6	34.6	17.9	16.7	35.2	30.9	27.5	7.0	7.1	- 3.5	- 6.1	2.2	0.6
2006 Dec	13.9	19.1	28.2	- 9.1	26.1	30.7	3.4	22.2	16.5	5.1	3.1	- 1.8	0.9
2007 Jan	33.9	- 19.2	- 14.3	- 4.9	- 5.0	- 0.8	- 1.4	5.0	2.8	- 4.4	- 6.2	- 2.2	0.3
2007 Feb	46.3	4.9	4.9	0.1	2.6	4.2	0.2	5.9	4.4	- 1.8	- 3.8	- 1.8	- 0.8
2007 Mar	61.6	29.4	29.3	0.1	9.2	5.9	1.5	6.1	7.0	- 1.8	- 3.3	3.6	2.3
2007 Apr	77.8	18.6	3.2	15.4	14.0	15.6	- 0.4	20.0	17.9	- 3.9	- 4.1	- 1.9	- 2.1
2007 May	28.0	- 5.8	- 14.3	8.5	15.3	9.5	5.8	8.2	7.7	- 4.5	- 4.2	0.6	2.4
2007 June	- 6.0	- 9.0	2.7	- 11.7	21.5	18.3	8.4	13.4	10.5	- 3.5	- 4.1	2.4	1.5
2007 July	- 4.4	- 2.7	- 5.8	3.1	1.0	6.7	4.8	7.0	6.6	- 5.1	- 5.7	1.6	- 2.0
2007 Aug	42.4	14.8	8.2	6.6	15.6	17.1	- 5.6	26.5	26.4	- 3.7	- 3.9	- 1.2	- 1.8

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

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



IV Banks

in other member states <sup>5</sup>				Deposits of central governments		Liabilities arising from repos with non-banks in the euro area <sup>6</sup>	Money market fund shares issued <sup>7</sup>	Debt securities issued <sup>7</sup>		Liabilities to non-euro-area residents	Capital and reserves	Other Liabilities	Period
With agreed maturities		At agreed notice		Total	of which domestic central governments			Total	of which with maturities of up to 2 years <sup>7</sup>				
Total	of which up to 2 years <sup>4</sup>	Total	of which up to 3 months			Total	of which domestic central governments			Total	of which with maturities of up to 2 years <sup>7</sup>	Total	of which with maturities of up to 2 years <sup>7</sup>
End of year or month													
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
45.9	9.3	2.3	1.9	45.5	41.9	17.1	32.0	1,636.7	136.4	638.5	389.6	353.7	2006
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	2005 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	2005 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	2006 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	2006 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	2006 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	2006 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	2006 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	2006 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	2006 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	2006 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	2006 Oct
48.6	10.1	2.3	1.8	48.4	43.7	27.5	32.0	1,641.7	137.5	653.0	391.7	353.6	2006 Nov
45.9	9.3	2.3	1.9	45.5	41.9	17.1	32.0	1,636.7	136.4	638.5	389.6	353.7	2006 Dec
43.5	9.2	2.3	1.9	43.7	40.6	25.0	31.9	1,653.8	145.9	667.6	393.0	356.6	2007 Jan
42.5	8.9	2.3	1.8	43.8	41.8	29.7	31.6	1,657.3	149.5	682.1	399.7	359.9	2007 Feb
43.6	10.0	2.3	1.9	43.4	42.2	29.8	32.7	1,659.7	158.3	681.3	405.5	371.2	2007 Mar
43.8	9.5	2.3	1.8	43.6	43.2	29.4	33.6	1,657.7	158.0	708.9	410.7	377.5	2007 Apr
42.0	8.2	2.3	1.8	48.9	46.9	28.0	33.9	1,666.3	158.4	720.2	416.8	374.6	2007 May
42.9	10.0	2.3	1.8	49.7	46.6	32.7	35.3	1,670.4	162.2	685.8	417.8	379.5	2007 June
46.6	12.6	2.3	1.8	43.0	41.8	25.7	34.9	1,673.2	168.2	675.2	426.0	378.0	2007 July
47.1	13.1	2.3	1.8	42.6	41.1	28.4	32.3	1,665.3	168.8	694.4	423.3	384.6	2007 Aug
Changes <sup>1</sup>													
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
- 3.9	- 0.2	- 0.1	- 0.2	3.9	3.1	- 3.2	0.3	34.3	21.7	32.1	27.9	29.2	2006
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	2005 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	2006 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	2006 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	2006 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	2006 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	2006 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	2006 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	2006 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	2006 Sep
2.0	2.1	- 0.0	- 0.0	- 2.8	- 2.2	- 6.0	- 0.5	4.8	4.6	- 1.1	1.2	4.2	2006 Oct
1.6	0.2	- 0.0	- 0.0	2.1	0.3	- 4.5	- 0.0	3.1	3.3	- 3.2	3.5	6.9	2006 Nov
- 2.7	- 0.8	0.0	0.0	- 2.9	- 1.8	- 10.5	0.0	- 4.6	- 1.2	- 14.8	- 2.0	0.5	2006 Dec
- 2.5	- 0.2	- 0.0	- 0.0	- 1.9	- 1.4	8.0	- 0.0	14.7	9.5	26.0	3.8	5.8	2007 Jan
- 1.0	- 0.3	0.0	- 0.0	0.2	1.1	4.7	- 0.3	6.5	3.6	19.2	7.2	1.5	2007 Feb
1.2	1.1	0.0	0.0	- 0.3	0.4	0.1	1.0	4.2	8.9	1.5	6.0	10.2	2007 Mar
0.3	- 0.4	- 0.0	- 0.0	0.3	1.0	- 0.4	0.9	2.1	- 0.3	32.5	6.0	4.0	2007 Apr
- 1.9	- 1.3	- 0.0	- 0.0	5.2	3.7	- 1.5	0.3	7.1	0.4	9.0	5.8	- 2.2	2007 May
1.0	1.8	- 0.0	- 0.0	0.9	- 0.3	3.2	1.5	4.8	3.7	- 33.7	1.1	4.5	2007 June
3.7	2.7	- 0.0	- 0.0	- 7.3	- 5.3	- 7.0	- 0.4	3.4	5.2	- 7.7	8.4	0.6	2007 July
0.6	0.4	0.0	- 0.0	- 0.3	- 0.7	2.7	- 2.7	- 8.2	2.6	16.5	- 2.9	6.5	2007 Aug

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

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

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

€ billion

End of month	Number of reporting institutions	Balance sheet total	Cash in hand and credit balances with central banks	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Participating interests	Other assets	
				Total	of which		Total	of which					
					Balances and loans	Securities issued by banks		Loans	Bills	Securities issued by non-banks			
													for up to and including 1 year
<b>All categories of banks</b>													
2007 Mar	2,038	7,320.6	62.9	2,985.2	2,148.7	806.8	3,842.7	501.7	2,584.7	2.1	744.5	151.8	278.0
Apr	2,038	7,389.1	59.3	3,007.7	2,168.9	809.4	3,883.0	515.5	2,577.8	2.1	777.5	152.2	286.9
May	2,037	7,420.1	60.4	3,022.8	2,171.8	820.8	3,884.6	509.0	2,585.2	2.1	778.2	152.7	299.6
June	2,037	7,409.7	55.5	3,043.3	2,189.7	817.9	3,858.7	510.2	2,592.1	2.2	743.4	153.6	298.5
July	2,032	7,399.1	62.3	3,026.8	2,177.3	812.5	3,858.5	512.5	2,592.2	2.1	743.8	155.5	296.0
Aug	2,026	7,447.4	47.5	3,070.4	2,222.1	809.9	3,870.0	513.9	2,609.1	2.1	731.5	155.6	303.9
<b>Commercial banks <sup>5</sup></b>													
2007 July	255	2,186.3	20.2	900.8	760.6	132.3	1,064.4	284.5	579.4	1.1	195.4	78.4	122.5
Aug	256	2,190.9	13.8	905.4	764.3	132.5	1,064.9	284.4	586.1	1.1	188.9	78.3	128.6
<b>Big banks <sup>6</sup></b>													
2007 July	5	1,373.3	8.3	568.0	482.3	80.1	638.9	192.3	293.8	0.8	149.7	67.5	90.6
Aug	5	1,382.6	5.3	579.9	494.2	80.0	632.7	191.0	295.3	0.8	143.5	67.3	97.4
<b>Regional banks and other commercial banks</b>													
2007 July	157	672.7	11.0	255.0	203.1	49.6	368.5	69.2	253.7	0.2	43.7	10.5	27.7
Aug	158	669.7	7.8	254.9	201.9	50.1	369.5	69.6	255.6	0.3	42.0	10.6	26.9
<b>Branches of foreign banks</b>													
2007 July	93	140.3	0.8	77.8	75.1	2.6	57.0	23.0	32.0	0.1	1.9	0.4	4.2
Aug	93	138.6	0.7	70.6	68.2	2.4	62.6	23.8	35.3	0.1	3.4	0.4	4.3
<b>Landesbanken</b>													
2007 July	12	1,470.8	5.5	786.6	574.0	192.2	597.3	98.7	389.6	0.2	106.9	25.6	55.8
Aug	12	1,503.0	3.1	817.1	604.1	192.2	601.8	96.3	395.6	0.2	103.5	25.6	55.4
<b>Savings banks</b>													
2007 July	448	1,017.9	20.0	237.1	94.9	139.9	722.5	61.9	551.9	0.5	108.3	18.8	19.6
Aug	447	1,020.1	16.3	243.5	102.3	138.7	721.5	60.5	553.3	0.5	107.2	19.0	19.8
<b>Regional institutions of credit cooperatives</b>													
2007 July	2	257.6	0.1	173.4	116.1	56.3	61.4	10.9	16.2	0.0	34.1	13.1	9.6
Aug	2	257.5	1.2	167.5	111.1	55.2	65.6	13.3	16.6	0.0	35.6	13.1	10.0
<b>Credit cooperatives</b>													
2007 July	1,251	614.9	12.9	157.3	67.2	85.8	414.6	35.8	327.2	0.2	51.3	10.4	19.7
Aug	1,246	618.0	11.9	161.1	72.6	84.6	414.8	35.0	328.6	0.2	50.9	10.4	19.8
<b>Mortgage banks</b>													
2007 July	22	847.7	1.8	257.3	149.1	108.1	566.4	12.0	407.2	-	147.1	2.8	19.4
Aug	22	843.7	0.7	254.9	147.3	107.6	564.8	12.3	407.3	-	145.2	2.8	20.5
<b>Building and loan associations</b>													
2007 July	26	190.6	0.0	53.4	41.0	12.0	120.8	1.8	105.1	.	14.0	0.4	16.0
Aug	25	190.4	0.0	54.2	41.8	12.0	119.9	1.8	105.2	.	12.9	0.4	16.0
<b>Special purpose banks</b>													
2007 July	16	813.3	1.8	460.9	374.4	85.9	311.1	7.0	215.7	-	86.8	6.1	33.4
Aug	16	823.9	0.5	466.7	378.5	87.2	316.7	10.3	216.4	-	87.4	6.1	33.9
<b>Memo item: Foreign banks <sup>7</sup></b>													
2007 July	136	842.9	7.1	361.3	292.2	66.6	444.0	74.5	274.9	0.4	93.7	5.7	24.8
Aug	137	859.4	6.3	364.6	294.4	67.3	452.6	75.1	280.9	0.4	95.6	6.6	29.3
<b>of which: Banks majority-owned by foreign banks <sup>8</sup></b>													
2007 July	43	702.6	6.3	283.5	217.1	64.0	386.9	51.4	242.9	0.3	91.8	5.3	20.6
Aug	44	720.8	5.6	294.0	226.2	64.9	390.0	51.3	245.7	0.3	92.2	6.2	25.1

\* For the period up to December 1998, section IV (except for Table IV.1) shows the assets and liabilities of banks (excluding building and loan associations) in Germany; from January 1999, the assets and liabilities of monetary financial institutions (MFIs) in Germany. The assets and liabilities of foreign branches, of money market funds (which are also classified as

MFIs) and of the Bundesbank are not included. For the definitions of the respective items, see the footnotes to Table IV.3. — 1 For building and loan associations: Including deposits under savings and loan contracts (see Table IV.12). — 2 Included in time deposits. — 3 Excluding deposits under savings and loan contracts (see also footnote 2). — 4 Including subordinated

IV Banks

Deposits of banks (MFIs)			Deposits of non-banks (non-MFIs)								Bearer debt securities outstanding <sup>4</sup>	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month
Total	of which		Total	Sight deposits	Time deposits <sup>1</sup>		Memo item Liabilities arising from repos <sup>2</sup>	Savings deposits <sup>3</sup>		Bank savings bonds				
	Sight deposits	Time deposits			for up to and including 1 year	for more than 1 year <sup>1</sup>		Total	of which At three months' notice					
<b>All categories of banks</b>														
2,090.3	336.2	1,754.1	2,729.3	837.7	414.6	777.7	126.1	586.9	480.5	112.5	1,719.1	344.6	437.3	2007 Mar
2,123.3	344.1	1,779.2	2,754.6	848.1	428.4	781.5	131.4	583.0	476.4	113.6	1,720.2	346.8	444.2	Apr
2,114.0	350.2	1,763.8	2,783.9	872.1	434.6	783.2	146.1	578.5	472.1	115.6	1,732.8	348.9	440.5	May
2,084.5	348.4	1,736.0	2,794.4	880.3	434.5	787.3	135.6	575.0	467.9	117.3	1,736.7	350.1	444.1	June
2,080.2	341.4	1,738.7	2,779.0	870.5	426.4	792.0	111.4	569.8	462.2	120.3	1,742.4	355.4	442.0	July
2,114.7	314.0	1,800.7	2,797.2	861.2	456.2	791.6	116.2	566.1	458.2	122.3	1,733.9	353.4	448.2	Aug
<b>Commercial banks <sup>5</sup></b>														
779.7	197.3	582.3	870.5	419.0	211.0	126.6	91.3	100.7	84.4	13.2	248.4	107.2	180.4	2007 July
771.0	175.9	595.1	883.1	416.0	227.0	126.1	93.0	100.5	83.7	13.4	248.0	107.6	181.2	Aug
<b>Big banks <sup>6</sup></b>														
501.2	139.6	361.6	499.2	220.1	137.7	75.2	84.3	61.6	59.0	4.5	182.2	63.9	126.7	2007 July
501.4	127.5	373.9	507.6	218.4	148.1	75.4	86.0	61.2	58.5	4.5	182.3	64.0	127.4	Aug
<b>Regional banks and other commercial banks</b>														
176.3	35.0	141.2	341.5	180.9	67.0	45.9	7.0	39.0	25.3	8.6	66.2	40.0	48.8	2007 July
169.1	26.7	142.4	345.9	180.4	72.0	45.4	6.9	39.3	25.2	8.8	65.7	40.3	48.7	Aug
<b>Branches of foreign banks</b>														
102.2	22.7	79.6	29.8	17.9	6.3	5.4	0.0	0.0	0.0	0.1	0.0	3.3	4.9	2007 July
100.5	21.7	78.8	29.6	17.2	6.9	5.3	0.0	0.0	0.0	0.1	0.0	3.4	5.2	Aug
<b>Landesbanken</b>														
526.5	88.8	437.6	351.9	68.9	62.2	205.2	18.4	14.6	14.1	1.0	461.8	65.1	65.6	2007 July
562.9	71.3	491.6	347.0	60.0	67.0	204.5	20.3	14.5	14.0	1.0	461.8	65.0	66.2	Aug
<b>Savings banks</b>														
203.5	5.7	197.8	660.9	219.6	63.3	13.1	-	285.9	221.4	79.1	49.5	54.1	49.9	2007 July
199.7	10.0	189.7	666.2	221.7	67.1	13.1	-	284.0	219.6	80.4	49.7	54.2	50.3	Aug
<b>Regional institutions of credit cooperatives</b>														
151.5	32.8	118.7	38.9	8.6	10.7	18.1	1.4	-	-	1.5	45.0	11.0	11.2	2007 July
150.6	34.7	116.0	38.7	8.4	10.7	18.1	2.8	-	-	1.5	44.8	11.0	12.3	Aug
<b>Credit cooperatives</b>														
80.1	3.1	77.0	427.8	145.7	62.1	27.8	-	167.6	141.3	24.6	39.7	37.4	29.8	2007 July
79.6	3.4	76.2	431.6	146.7	65.9	27.9	-	166.0	139.9	25.0	39.8	37.5	29.6	Aug
<b>Mortgage banks</b>														
154.6	3.2	151.3	189.1	4.1	8.5	175.5	-	0.7	0.7	0.4	456.0	23.8	24.2	2007 July
156.3	3.6	152.7	190.0	5.0	7.8	176.1	-	0.7	0.7	0.4	449.0	23.8	24.6	Aug
<b>Building and loan associations</b>														
23.8	2.6	21.2	127.8	0.4	1.3	125.4	-	0.3	0.3	0.4	6.9	7.3	24.9	2007 July
23.9	2.4	21.5	127.4	0.4	1.3	125.1	-	0.3	0.3	0.4	6.8	7.3	25.0	Aug
<b>Special purpose banks</b>														
160.5	7.9	152.6	112.1	4.3	7.3	100.3	0.3	-	-	0.2	435.2	49.5	56.1	2007 July
170.6	12.7	157.9	113.2	3.0	9.3	100.7	0.1	-	-	0.2	434.1	47.0	59.0	Aug
<b>Memo item: Foreign banks <sup>7</sup></b>														
290.9	58.2	232.7	298.7	148.9	55.9	70.7	8.9	17.9	17.6	5.3	147.9	33.2	72.3	2007 July
283.4	57.0	226.4	309.3	149.8	65.0	71.7	10.3	17.6	17.3	5.2	155.0	35.1	76.6	Aug
<b>of which: Banks majority-owned by foreign banks <sup>8</sup></b>														
188.7	35.5	153.2	268.9	130.9	49.6	65.2	8.9	17.9	17.6	5.2	147.9	29.9	67.3	2007 July
182.9	35.3	147.6	279.7	132.6	58.1	66.4	10.2	17.5	17.2	5.1	155.0	31.8	71.4	Aug

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

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

IV Banks

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

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

Period	Cash in hand (euro-area banknotes and coins) 1	Credit balances with the Bundesbank	Lending to domestic banks (MFIs) 2,3						Lending to domestic non-banks (non-MFIs) 3,6				
			Total	Credit balances and loans	Bills 4	Negotiable money market paper issued by banks	Securities issued by banks	Memo item Fiduciary loans 5	Total	Loans	Bills 4	Treasury bills and negotiable money market paper issued by non-banks	Securities issued by non-banks 7
<b>End of year or month *</b>													
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
2006	16.0	49.4	1,637.8	1,086.3	–	9.3	542.2	1.9	3,000.7	2,630.3	1.9	2.0	366.5
2006 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
Nov	13.3	41.2	1,640.2	1,082.3	–	10.4	547.5	1.9	3,037.8	2,659.6	1.9	1.5	374.9
Dec	16.0	49.4	1,637.8	1,086.3	–	9.3	542.2	1.9	3,000.7	2,630.3	1.9	2.0	366.5
2007 Jan	13.0	39.5	1,639.9	1,095.8	0.0	10.3	533.8	1.9	3,024.5	2,640.0	1.8	1.6	381.2
Feb	12.9	43.7	1,643.2	1,101.0	–	11.7	530.4	2.0	3,011.3	2,639.3	1.7	1.7	368.6
Mar	13.1	49.4	1,669.5	1,128.8	0.0	13.2	527.5	1.9	3,016.1	2,638.8	1.6	1.8	373.9
Apr	13.9	44.9	1,660.0	1,118.8	0.0	12.8	528.4	1.9	3,043.3	2,635.9	1.6	2.4	403.4
May	14.2	45.6	1,668.3	1,119.7	0.0	13.4	535.1	1.9	3,021.0	2,630.0	1.6	1.3	388.0
June	13.7	41.3	1,651.1	1,112.2	0.0	16.7	522.2	1.9	2,986.2	2,632.4	1.7	1.7	350.5
July	13.4	48.4	1,629.8	1,095.7	0.0	17.2	517.0	1.8	2,993.2	2,642.2	1.6	1.3	348.1
Aug	13.5	33.2	1,670.8	1,141.6	0.0	17.7	511.5	1.8	2,984.1	2,641.6	1.6	1.3	339.6
<b>Changes *</b>													
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
2006	+ 0.9	+ 1.5	– 3.6	+ 24.5	– 0.0	+ 2.6	– 30.6	– 0.2	– 12.4	– 20.3	– 0.5	– 0.4	+ 8.8
2006 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
Nov	– 0.8	– 7.4	+ 22.5	+ 25.3	–	– 0.6	– 2.3	– 0.0	+ 4.7	– 3.2	– 0.1	+ 0.1	+ 7.9
Dec	+ 2.8	+ 8.3	– 2.4	+ 4.5	–	– 1.1	– 5.8	–	– 36.4	– 28.6	+ 0.0	+ 0.5	– 8.4
2007 Jan	– 3.0	– 9.9	+ 2.2	+ 9.6	+ 0.0	+ 1.1	– 8.4	– 0.0	+ 24.3	+ 6.6	– 0.1	– 0.4	+ 18.2
Feb	– 0.1	+ 4.1	+ 3.3	+ 5.3	– 0.0	+ 1.4	– 3.4	+ 0.1	– 13.2	– 0.7	– 0.1	+ 0.2	– 12.5
Mar	+ 0.2	+ 5.7	+ 26.3	+ 27.8	+ 0.0	+ 1.4	– 3.0	– 0.1	+ 4.8	– 0.5	– 0.1	+ 0.0	+ 5.3
Apr	+ 0.9	– 4.5	– 11.0	– 10.4	+ 0.0	– 0.4	– 0.3	– 0.0	+ 28.1	– 3.1	+ 0.0	+ 0.6	+ 30.6
May	+ 0.3	+ 0.7	+ 8.2	+ 0.9	–	+ 0.6	+ 6.7	– 0.0	– 22.4	– 5.8	– 0.0	– 1.1	– 15.4
June	– 0.5	– 4.3	– 16.1	– 6.4	– 0.0	+ 3.2	– 12.9	+ 0.0	– 35.8	+ 1.3	+ 0.1	+ 0.4	– 37.5
July	– 0.3	+ 7.1	– 20.6	– 15.9	– 0.0	+ 0.5	– 5.2	– 0.1	+ 8.1	+ 9.4	– 0.1	– 0.4	– 0.9
Aug	+ 0.1	– 15.2	+ 41.0	+ 46.0	+ 0.0	+ 0.5	– 5.5	– 0.0	– 9.2	– 0.7	– 0.0	+ 0.0	– 8.5

\* 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 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 *														
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
-	53.0	106.3	1,348.2	125.4	1,222.7	0.0	22.3	2,394.6	747.7	962.8	586.5	97.5	37.8	2006
-	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	2006 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
-	53.3	107.0	1,320.5	135.1	1,185.4	0.0	22.3	2,375.0	744.4	952.5	581.5	96.7	38.1	Nov
-	53.0	106.3	1,348.2	125.4	1,222.7	0.0	22.3	2,394.6	747.7	962.8	586.5	97.5	37.8	Dec
-	53.5	106.9	1,334.2	130.9	1,203.2	0.0	21.9	2,401.4	746.2	973.6	582.2	99.4	38.9	2007 Jan
-	53.3	107.3	1,338.9	128.1	1,210.8	0.0	21.8	2,409.8	746.2	982.5	580.3	100.8	38.8	Feb
-	52.9	107.5	1,367.4	135.9	1,231.4	0.0	21.7	2,417.2	747.5	988.7	578.6	102.5	38.5	Mar
-	54.2	107.9	1,370.2	143.6	1,226.6	0.0	21.3	2,434.0	756.1	999.6	574.6	103.7	38.3	Apr
-	53.8	108.0	1,356.0	142.1	1,213.9	0.0	21.2	2,445.1	761.0	1,008.9	570.1	105.0	37.6	May
-	53.5	108.5	1,357.0	137.8	1,219.2	0.0	21.0	2,464.9	772.5	1,019.0	566.7	106.6	37.5	June
-	52.2	110.3	1,351.2	131.5	1,219.7	0.0	20.6	2,464.7	775.2	1,019.2	561.6	108.7	36.6	July
-	52.0	110.3	1,359.0	134.5	1,224.5	0.0	20.4	2,483.5	769.6	1,045.6	557.8	110.5	36.4	Aug
Changes *														
- 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
-	- 3.7	- 2.2	+ 79.0	+ 8.6	+ 70.5	- 0.1	- 4.5	+ 118.0	+ 30.0	+ 97.7	- 16.8	+ 7.2	- 4.1	2006
-	- 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	2006 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
-	- 0.2	- 0.3	+ 17.2	+ 21.7	- 4.5	- 0.0	- 0.1	+ 26.8	+ 27.5	+ 2.0	- 3.6	+ 0.9	+ 0.0	Nov
-	- 0.3	- 0.6	+ 27.6	- 9.7	+ 37.4	- 0.0	- 0.0	+ 19.5	+ 3.3	+ 10.3	+ 5.1	+ 0.8	- 0.3	Dec
-	- 0.4	+ 0.6	- 14.0	+ 5.6	- 19.5	- 0.0	- 0.4	+ 6.7	- 1.5	+ 10.9	- 4.4	+ 1.6	- 0.1	2007 Jan
-	- 0.3	+ 0.4	+ 4.7	- 2.9	+ 7.6	- 0.0	- 0.1	+ 8.4	- 0.1	+ 8.8	- 1.8	+ 1.4	- 0.1	Feb
-	- 0.4	+ 0.2	+ 28.5	+ 7.9	+ 20.6	- 0.0	- 0.2	+ 7.4	+ 1.3	+ 6.2	- 1.8	+ 1.6	- 0.3	Mar
-	+ 1.3	+ 0.4	+ 2.9	+ 7.7	- 4.8	+ 0.0	- 0.3	+ 16.2	+ 8.1	+ 10.9	- 3.9	+ 1.2	- 0.2	Apr
-	- 0.3	+ 0.1	- 14.2	- 1.5	- 12.7	+ 0.0	- 0.2	+ 11.1	+ 4.9	+ 9.3	- 4.5	+ 1.4	- 0.7	May
-	- 0.4	+ 0.4	+ 2.5	- 4.4	+ 6.8	- 0.0	- 0.1	+ 18.3	+ 11.5	+ 8.6	- 3.5	+ 1.6	- 0.1	June
-	- 0.7	+ 1.8	- 5.8	- 6.3	+ 0.5	- 0.0	- 0.4	- 0.8	+ 2.6	- 0.3	- 5.1	+ 2.0	- 0.4	July
-	- 0.3	+ 0.0	+ 7.8	+ 3.0	+ 4.8	-	- 0.3	+ 18.4	- 5.7	+ 26.2	- 3.7	+ 1.6	- 0.1	Aug

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) <sup>2</sup>								Lending to foreign non-banks (non-MFIs) <sup>2</sup>					
	Cash in hand (non-euro-area banknotes and coins) <sup>1</sup>	Credit balances and loans, bills <sup>3</sup>				Negotiable money market paper issued by banks	Securities issued by banks	Memo item Fiduciary loans <sup>4</sup>	Total	Loans and bills <sup>3</sup>			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 *													
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
2006	0.4	1,266.9	1,003.2	744.5	258.7	13.3	250.4	0.8	777.0	421.0	156.0	264.9	7.2	348.9
2006 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	193.3	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
Nov	0.4	1,217.8	958.7	714.8	243.9	13.5	245.6	0.8	795.4	438.9	169.5	269.4	10.5	346.0
Dec	0.4	1,266.9	1,003.2	744.5	258.7	13.3	250.4	0.8	777.0	421.0	156.0	264.9	7.2	348.9
2007 Jan	0.4	1,275.2	1,001.6	734.0	267.6	15.4	258.3	0.9	805.1	440.8	176.7	264.1	7.9	356.5
Feb	0.5	1,303.2	1,018.2	750.8	267.4	15.8	269.2	0.8	818.5	442.3	178.4	263.9	8.1	368.2
Mar	0.4	1,315.7	1,020.2	752.4	267.8	16.2	273.5	0.8	826.5	448.1	181.4	266.7	7.8	370.6
Apr	0.5	1,347.6	1,050.3	778.5	271.8	16.2	281.1	0.7	839.7	457.9	192.1	265.8	7.7	374.1
May	0.5	1,354.6	1,052.3	776.9	275.4	16.5	285.7	0.7	863.6	464.6	193.0	271.6	8.8	390.2
June	0.5	1,392.2	1,077.8	799.8	278.0	18.6	295.8	0.8	872.5	470.4	192.3	278.1	9.2	392.9
July	0.5	1,397.0	1,081.9	802.4	279.4	19.6	295.6	0.7	865.3	463.0	184.7	278.3	6.6	395.7
Aug	0.6	1,399.5	1,080.7	794.4	286.4	20.4	298.4	0.6	886.0	481.8	195.3	286.5	12.2	391.9
														Changes *
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
2006	+ 0.1	+ 238.3	+ 153.5	+ 109.7	+ 43.8	+ 7.5	+ 77.2	- 0.7	+ 81.4	+ 51.6	+ 25.9	+ 25.8	- 1.8	+ 31.5
2006 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	- 0.1	+ 16.1	+ 10.2	+ 5.2	+ 4.9	+ 1.1	+ 4.9
Nov	- 0.0	+ 31.1	+ 16.8	+ 11.4	+ 5.4	+ 0.1	+ 14.2	+ 0.1	+ 18.5	+ 8.3	+ 4.0	+ 4.3	+ 0.2	+ 9.9
Dec	+ 0.0	+ 49.0	+ 44.3	+ 29.7	+ 14.7	- 0.2	+ 4.9	+ 0.0	- 18.6	- 18.1	- 13.5	- 4.6	- 3.4	+ 2.9
2007 Jan	- 0.0	+ 5.1	- 4.7	- 12.5	+ 7.9	+ 2.1	+ 7.7	-	+ 24.9	+ 17.3	+ 19.8	- 2.5	+ 0.7	+ 6.8
Feb	+ 0.1	+ 31.4	+ 20.6	+ 19.4	+ 1.2	+ 0.4	+ 10.5	- 0.1	+ 18.1	+ 4.7	+ 2.8	+ 1.9	+ 0.2	+ 13.2
Mar	- 0.0	+ 14.6	+ 3.9	+ 2.8	+ 1.1	+ 0.4	+ 10.3	- 0.1	+ 10.0	+ 7.2	+ 3.5	+ 3.7	- 0.2	+ 3.0
Apr	+ 0.0	+ 36.2	+ 34.1	+ 29.1	+ 5.1	+ 0.1	+ 2.0	- 0.0	+ 18.2	+ 13.5	+ 11.8	+ 1.7	- 0.1	+ 4.8
May	+ 0.1	+ 4.6	- 0.4	- 2.9	+ 2.6	+ 0.3	+ 4.7	+ 0.0	+ 22.2	+ 5.4	+ 0.3	+ 5.1	+ 1.1	+ 15.7
June	+ 0.0	+ 38.1	+ 25.9	+ 23.2	+ 2.7	+ 2.1	+ 10.1	+ 0.0	+ 9.7	+ 7.7	+ 0.9	+ 6.8	- 1.0	+ 2.9
July	- 0.0	+ 3.3	+ 2.6	+ 0.9	+ 1.7	+ 1.0	- 0.3	- 0.0	- 1.0	- 1.9	- 3.5	+ 1.6	- 2.7	+ 3.6
Aug	+ 0.1	+ 2.5	- 1.1	- 8.1	+ 7.0	+ 0.8	+ 2.9	- 0.1	+ 17.1	+ 15.3	+ 7.1	+ 8.2	+ 5.6	- 3.9

\* 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						Period
		Total	Sight deposits 6	Time deposits (including bank savings bonds)			Memo item Fiduciary loans 4	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		
<b>End of year or month *</b>														
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
5.8	50.4	689.7	168.1	521.6	397.3	124.3	0.4	310.1	82.1	228.0	111.5	116.5	1.5	2006
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	2006 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
5.9	48.4	691.6	171.7	519.8	394.7	125.1	0.4	335.4	81.6	253.8	124.2	129.6	1.7	Nov
5.8	50.4	689.7	168.1	521.6	397.3	124.3	0.4	310.1	82.1	228.0	111.5	116.5	1.5	Dec
5.8	44.6	704.6	170.0	534.6	408.8	125.8	0.3	317.2	88.2	229.0	114.6	114.4	1.5	2007 Jan
5.7	44.6	709.9	177.7	532.1	406.6	125.6	0.3	324.0	93.2	230.8	118.1	112.7	1.5	Feb
5.8	44.3	723.0	200.3	522.6	398.3	124.3	0.3	312.1	90.2	221.9	112.2	109.7	1.4	Mar
5.7	44.3	753.1	200.5	552.6	429.8	122.8	0.3	320.6	91.9	228.7	118.5	110.2	3.2	Apr
5.7	44.7	757.9	208.0	549.9	424.0	125.9	0.3	338.8	111.1	227.8	116.9	110.8	3.2	May
5.8	45.2	727.5	210.6	516.9	390.7	126.1	0.2	329.5	107.7	221.8	111.5	110.3	3.1	June
5.7	45.2	729.0	210.0	519.1	394.5	124.6	0.2	314.3	95.3	219.0	105.2	113.9	3.1	July
5.7	45.3	755.8	179.5	576.3	452.1	124.2	0.2	313.7	91.6	222.1	109.5	112.6	3.1	Aug
<b>Changes *</b>														
+ 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
- 5.1	+ 13.8	+ 56.2	+ 68.3	- 12.1	- 13.7	+ 1.6	- 0.2	- 0.8	+ 21.2	- 22.0	- 5.1	- 17.0	- 0.2	2006
- 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	2006 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
+ 0.0	+ 0.5	+ 13.8	+ 17.9	- 4.1	- 6.0	+ 1.9	- 0.1	+ 3.0	- 0.2	+ 3.2	+ 2.0	+ 1.2	+ 0.1	Nov
- 0.1	+ 1.9	- 1.9	- 3.6	+ 1.7	+ 2.5	- 0.7	+ 0.0	- 25.5	+ 0.4	- 25.9	- 12.7	- 13.2	- 0.1	Dec
- 0.0	- 5.8	+ 12.1	+ 1.3	+ 10.9	+ 9.9	+ 1.0	- 0.1	+ 5.6	+ 5.8	- 0.2	+ 2.6	- 2.8	- 0.0	2007 Jan
- 0.0	+ 0.2	+ 8.7	+ 8.5	+ 0.2	- 0.1	+ 0.3	- 0.0	+ 8.6	+ 5.3	+ 3.4	+ 4.2	- 0.8	- 0.1	Feb
+ 0.0	- 0.2	+ 14.6	+ 23.0	- 8.4	- 7.2	- 1.2	- 0.0	- 10.8	- 2.9	- 8.0	- 5.5	- 2.4	- 0.1	Mar
- 0.0	+ 0.2	+ 34.2	+ 1.2	+ 33.0	+ 33.9	- 0.9	+ 0.0	+ 10.2	+ 2.0	+ 8.2	+ 6.9	+ 1.3	+ 1.8	Apr
- 0.0	+ 0.3	+ 3.0	+ 7.1	- 4.1	- 6.9	+ 2.8	-	+ 17.4	+ 19.0	- 1.6	- 1.8	+ 0.3	- 0.0	May
+ 0.0	+ 0.5	- 29.8	+ 2.8	- 32.6	- 33.0	+ 0.4	- 0.1	- 9.2	- 3.3	- 5.9	- 5.4	- 0.6	- 0.1	June
- 0.0	+ 0.1	+ 0.3	+ 0.0	+ 0.3	+ 1.5	- 1.2	- 0.0	- 10.6	- 12.1	+ 1.5	- 2.5	+ 4.0	+ 0.0	July
-	+ 0.1	+ 26.6	- 30.5	+ 57.1	+ 57.5	- 0.4	+ 0.0	- 3.4	- 5.0	+ 1.7	+ 2.9	- 1.3	- 0.0	Aug

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

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

IV Banks

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

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

Period	Lending to domestic non-banks, total 1,2		Short-term lending						Medium and long-term			
			to enterprises and households 1			to general government			Total	to enter-		
			Total	Loans and bills 3,4	Negotiable money market paper	Total	Loans	Treasury bills				
	including negotiable money market paper, securities, equalisation claims	excluding negotiable money market paper, securities, equalisation claims										
			Total	Total	Loans and bills 3,4	Negotiable money market paper	Total	Loans	Treasury bills	Total	Total	
			End of year or month *									
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	
2006	3,000.7	2,632.2	303.1	269.8	269.3	0.6	33.3	31.9	1.4	2,697.6	2,181.8	
2006 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	33.8	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	
Nov	3,037.8	2,661.5	325.7	290.2	289.4	0.8	35.5	34.8	0.7	2,712.2	2,185.1	
Dec	3,000.7	2,632.2	303.1	269.8	269.3	0.6	33.3	31.9	1.4	2,697.6	2,181.8	
2007 Jan	3,024.5	2,641.8	313.0	278.9	278.2	0.7	34.1	33.2	0.9	2,711.5	2,191.4	
Feb	3,011.3	2,641.0	316.4	284.1	283.2	1.0	32.2	31.5	0.8	2,695.0	2,178.8	
Mar	3,016.1	2,640.4	324.2	291.8	291.1	0.6	32.4	31.3	1.2	2,691.9	2,179.7	
Apr	3,043.3	2,637.5	327.9	291.1	290.1	1.0	36.8	35.4	1.4	2,715.4	2,205.0	
May	3,021.0	2,631.6	319.3	284.2	283.3	0.9	35.1	34.7	0.4	2,701.6	2,189.7	
June	2,986.2	2,634.1	321.7	293.5	292.7	0.8	28.2	27.3	0.9	2,664.6	2,159.1	
July	2,993.2	2,643.8	331.2	295.7	294.9	0.8	35.5	35.0	0.5	2,662.0	2,158.9	
Aug	2,984.1	2,643.2	321.9	292.0	291.4	0.7	29.9	29.3	0.6	2,662.2	2,165.0	
										Changes *		
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	
2006	- 12.4	- 20.8	- 7.1	- 4.5	- 4.4	- 0.0	- 2.7	- 2.3	- 0.4	+ 5.2	+ 23.6	
2006 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	
Nov	+ 4.7	- 3.3	- 8.9	- 7.0	- 7.0	- 0.0	- 1.9	- 2.0	+ 0.1	+ 13.6	+ 4.9	
Dec	- 36.4	- 28.6	- 22.5	- 20.3	- 20.1	- 0.2	- 2.2	- 2.9	+ 0.7	- 13.9	- 2.5	
2007 Jan	+ 24.3	+ 6.5	+ 9.9	+ 9.0	+ 8.9	+ 0.2	+ 0.8	+ 1.4	- 0.5	+ 14.4	+ 10.1	
Feb	- 13.2	- 0.8	+ 3.4	+ 5.3	+ 5.0	+ 0.3	- 1.9	- 1.8	- 0.1	- 16.5	- 12.6	
Mar	+ 4.8	- 0.5	+ 7.9	+ 7.6	+ 8.0	- 0.3	+ 0.2	- 0.2	+ 0.4	- 3.0	+ 0.9	
Apr	+ 28.1	- 3.1	+ 3.7	- 0.7	- 1.1	+ 0.4	+ 4.4	+ 4.1	+ 0.2	+ 24.4	+ 26.1	
May	- 22.4	- 5.9	- 8.6	- 6.8	- 6.8	- 0.1	- 1.7	- 0.7	- 1.0	- 13.8	- 15.2	
June	- 35.8	+ 1.3	+ 1.5	+ 8.4	+ 8.5	- 0.2	- 6.9	- 7.4	+ 0.5	- 37.3	- 30.8	
July	+ 8.1	+ 9.4	+ 9.9	+ 2.7	+ 2.6	+ 0.0	+ 7.2	+ 7.7	- 0.4	- 1.9	+ 0.5	
Aug	- 9.2	- 0.7	- 9.3	- 3.7	- 3.6	- 0.1	- 5.6	- 5.7	+ 0.1	+ 0.1	+ 6.1	

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

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



lending 2,5												Period
prises and households 1,2					to general government 2							
Loans			Securities 5	Memo item Fiduciary loans 8	Total	Loans			Securities 5,9	Equalisation claims 10	Memo item Fiduciary loans 8	
Total	Medium-term 6	Long-term 7				Total	Medium-term 6	Long-term 7				
End of year or month *												
2,900.0	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
1,972.7	194.5	1,778.1	209.1	48.2	515.8	358.4	31.7	326.6	157.4	–	4.8	2006
1,966.6	193.2	1,773.5	200.7	49.6	533.7	365.3	31.9	333.4	168.4	–	4.4	2006 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
1,978.9	198.2	1,780.7	206.1	48.6	527.1	358.4	31.4	327.0	168.7	–	4.7	Nov
1,972.7	194.5	1,778.1	209.1	48.2	515.8	358.4	31.7	326.6	157.4	–	4.8	Dec
1,974.6	198.6	1,776.0	216.9	48.8	520.1	355.8	31.6	324.2	164.3	–	4.7	2007 Jan
1,973.1	197.3	1,775.7	205.8	48.6	516.1	353.3	31.5	321.8	162.8	–	4.7	Feb
1,970.1	196.5	1,773.6	209.6	48.2	512.2	347.9	31.4	316.5	164.4	–	4.7	Mar
1,966.8	195.7	1,771.1	238.1	49.5	510.5	345.2	31.6	313.6	165.3	–	4.7	Apr
1,969.8	199.1	1,770.7	219.9	49.2	511.9	343.8	32.2	311.6	168.1	–	4.7	May
1,969.0	198.8	1,770.3	190.1	48.8	505.4	345.0	33.9	311.1	160.4	–	4.6	June
1,970.9	199.0	1,772.0	188.0	47.6	503.1	343.0	33.3	309.7	160.1	–	4.6	July
1,980.2	202.7	1,777.5	184.8	47.4	497.1	342.3	33.9	308.4	154.8	–	4.6	Aug
Changes *												
+ 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
+ 2.3	+ 0.2	+ 2.2	+ 21.2	– 3.9	– 28.8	– 16.4	– 1.4	– 15.0	– 12.4	–	+ 0.3	2006
– 6.3	– 0.3	– 6.0	+ 3.5	– 1.1	– 2.7	– 3.2	– 0.3	– 2.9	+ 0.4	–	– 0.0	2006 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
+ 3.2	+ 0.6	+ 2.6	+ 1.7	– 0.1	+ 8.7	+ 2.5	+ 0.5	+ 2.0	+ 6.2	–	– 0.0	Nov
– 5.5	– 3.1	– 2.4	+ 3.0	– 0.4	– 11.4	+ 0.0	+ 0.4	– 0.4	– 11.4	–	+ 0.1	Dec
– 1.2	+ 0.5	– 1.7	+ 11.3	– 0.4	+ 4.3	– 2.6	– 0.2	– 2.4	+ 6.9	–	– 0.0	2007 Jan
– 1.5	– 1.3	– 0.2	– 11.1	– 0.2	– 3.9	– 2.5	– 0.1	– 2.4	– 1.4	–	– 0.0	Feb
– 2.9	– 0.5	– 2.4	+ 3.8	– 0.3	– 3.9	– 5.4	– 0.1	– 5.3	+ 1.5	–	– 0.0	Mar
– 3.5	– 0.8	– 2.7	+ 29.6	+ 1.3	– 1.7	– 2.7	+ 0.1	– 2.8	+ 1.0	–	+ 0.0	Apr
+ 3.0	+ 3.4	– 0.5	– 18.2	– 0.3	+ 1.4	– 1.4	+ 0.7	– 2.0	+ 2.8	–	– 0.0	May
– 1.0	– 0.6	– 0.4	– 29.9	– 0.4	– 6.4	+ 1.2	+ 1.7	– 0.5	– 7.7	–	– 0.0	June
+ 1.1	+ 0.2	+ 0.9	– 0.6	– 0.7	– 2.3	– 2.0	– 0.6	– 1.4	– 0.3	–	– 0.0	July
+ 9.3	+ 3.8	+ 5.5	– 3.2	– 0.2	– 6.0	– 0.7	+ 0.6	– 1.3	– 5.3	–	– 0.0	Aug

and long-term lending no longer possible. — 6 Up to December 1998, maturity or period of notice of more than one year to less than four years; from 1999, more than one year up to and including five years. — 7 Up to December 1998, maturity or period of notice of four years and more; from

1999, of more than five years. — 8 From 1999, no longer included in lending (see also footnote 2). — 9 Excluding debt securities arising from the exchange of equalisation claims (see also footnote 10). — 10 Including debt securities arising from the exchange of equalisation claims.

IV Banks

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

€ billion

Lending to domestic enterprises and households (excluding holdings of negotiable money market paper and excluding securities portfolios) 1														
Period	of which													
	Total	Mortgage loans, total	Housing loans			Lending to enterprises and self-employed persons								
			Total	Mortgage loans secured by residential real estate	Other housing loans	Total	of which Housing loans	Manufacturing	Electricity, gas and water supply, mining 2	Construction	Wholesale and retail trade 3	Agriculture, forestry and fishing	Transport, storage and communication	Financing institutions (excluding MFIs) and insurance corporations
Lending, total														End of year or quarter *
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	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 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
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
Dec	2,242.2	1,177.5	1,114.7	921.2	193.5	1,204.2	316.1	133.0	39.3	47.2	131.4	32.4	60.9	76.0
2007 Mar	2,261.5	1,174.9	1,110.9	918.8	192.0	1,229.1	314.4	138.5	39.6	47.7	128.7	32.5	61.2	102.5
June	2,262.0	1,172.6	1,106.6	917.4	189.2	1,230.7	311.4	141.2	39.6	48.0	130.6	33.2	62.5	100.6
Short-term lending														
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	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 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
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
Dec	269.6	-	10.5	-	10.5	228.6	6.3	39.6	3.1	8.8	48.6	3.2	5.5	35.0
2007 Mar	291.4	-	10.5	-	10.5	251.6	6.1	42.6	3.5	9.5	46.2	3.4	5.6	58.6
June	292.9	-	9.6	-	9.6	252.5	5.0	45.3	3.1	9.7	46.9	3.8	6.1	55.2
Medium-term lending														
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	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 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
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
Dec	194.5	-	34.4	-	34.4	124.6	10.5	18.5	2.2	5.1	11.4	2.9	10.6	11.7
2007 Mar	196.5	-	33.5	-	33.5	128.2	10.5	20.5	2.1	5.1	11.3	2.9	10.5	14.6
June	198.8	-	33.1	-	33.1	131.2	10.6	20.3	2.1	5.3	12.4	2.9	11.1	15.6
Long-term lending														
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	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 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
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
Dec	1,778.1	1,177.5	1,069.8	921.2	148.6	850.9	299.3	74.9	34.0	33.3	71.4	26.4	44.7	29.3
2007 Mar	1,773.6	1,174.9	1,066.8	918.8	148.0	849.3	297.9	75.5	34.0	33.1	71.2	26.2	45.1	29.3
June	1,770.3	1,172.6	1,063.9	917.4	146.5	847.0	295.8	75.5	34.3	33.0	71.3	26.4	45.3	29.9
Lending, total														Change during quarter *
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
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
Q4	- 37.9	- 3.6	+ 0.1	- 0.5	+ 0.6	- 36.8	- 2.1	- 3.3	+ 0.2	- 2.2	+ 1.2	- 0.5	- 0.3	- 27.4
2007 Q1	+ 16.2	- 1.7	- 3.8	- 1.8	- 2.0	+ 21.6	- 1.7	+ 5.5	+ 0.3	+ 0.5	- 2.6	+ 0.1	+ 0.4	+ 22.7
Q2	- 0.8	- 5.8	- 3.0	- 2.9	- 0.0	+ 0.4	- 1.8	+ 2.5	+ 0.0	+ 0.3	+ 2.0	+ 0.7	+ 1.2	- 3.0
Short-term lending														
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
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
Q4	- 31.2	-	- 0.5	-	- 0.5	- 29.9	- 0.2	- 3.7	- 0.2	- 1.4	+ 1.8	- 0.7	- 0.8	- 25.4
2007 Q1	+ 21.8	-	- 0.0	-	- 0.0	+ 23.0	- 0.2	+ 3.0	+ 0.4	+ 0.7	- 2.3	+ 0.2	+ 0.1	+ 23.5
Q2	+ 0.7	-	- 0.0	-	- 0.0	+ 0.1	- 0.1	+ 2.8	- 0.4	+ 0.2	+ 0.7	+ 0.5	+ 0.5	- 4.3
Medium-term lending														
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
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
Q4	- 3.7	-	- 0.0	-	- 0.0	+ 2.6	+ 0.0	- 0.3	- 0.1	- 0.3	- 0.1	- 0.1	+ 0.1	+ 0.6
2007 Q1	- 1.2	-	- 0.5	-	- 0.5	- 0.0	+ 0.0	+ 1.9	- 0.1	+ 0.1	- 0.1	- 0.0	- 0.1	- 0.8
Q2	+ 2.1	-	- 0.2	-	- 0.2	+ 2.8	+ 0.3	- 0.1	+ 0.0	+ 0.2	+ 1.1	+ 0.0	+ 0.6	+ 0.8
Long-term lending														
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
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
Q4	- 3.0	- 3.6	+ 0.6	- 0.5	+ 1.1	- 4.2	- 1.9	+ 0.7	+ 0.5	- 0.5	- 0.5	+ 0.3	+ 0.3	- 1.4
2007 Q1	- 4.4	- 1.7	- 3.3	- 1.8	- 1.5	- 1.4	- 1.5	+ 0.6	+ 0.0	- 0.2	- 0.2	- 0.1	+ 0.4	- 0.1
Q2	- 3.5	- 5.8	- 2.7	- 2.9	+ 0.2	- 2.5	- 2.0	- 0.1	+ 0.4	- 0.0	+ 0.2	+ 0.2	+ 0.2	+ 0.6

\* 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. —

Services sector (including the professions)				Memo items		Lending to employees and other individuals					Lending to non-profit institutions		Period	
Total	of which			Lending to self-employed persons <sup>4</sup>	Lending to craft enterprises	Total	Housing loans	Other lending			Total	of which Housing loans		
	Housing enterprises	Holding companies	Other real estate enterprises					Total	Instalment loans <sup>5</sup>	Debit balances on wage, salary and pension accounts				
<b>End of year or quarter *</b>													<b>Lending, total</b>	
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	
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	2005	
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	2006 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	
684.0	164.2	39.5	197.0	396.6	60.2	1,023.4	795.0	228.4	130.6	17.6	14.7	3.7	Dec	
678.4	163.0	40.3	195.2	392.7	59.7	1,017.9	792.7	225.2	129.8	16.9	14.6	3.7	2007 Mar	
675.1	162.4	41.6	193.4	390.5	59.9	1,017.0	791.6	225.4	129.6	17.6	14.3	3.6	June	
<b>Short-term lending</b>													<b>Lending, total</b>	
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	
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	2005	
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	2006 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	
84.9	13.9	10.1	22.1	36.7	10.0	39.8	4.2	35.6	2.8	17.6	1.2	0.0	Dec	
82.2	12.6	10.1	22.1	36.2	10.3	38.9	4.5	34.4	2.6	16.9	1.0	0.0	2007 Mar	
82.4	12.5	11.0	22.0	36.2	10.3	39.5	4.6	35.0	2.6	17.6	0.9	0.0	June	
<b>Medium-term lending</b>													<b>Lending, total</b>	
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	
63.7	7.3	6.5	15.9	29.8	3.8	71.5	25.0	46.5	37.2	-	0.7	0.1	2005	
64.6	7.8	6.0	16.1	28.8	3.8	70.2	24.1	46.1	37.3	-	0.6	0.1	2006 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	
62.3	6.9	5.9	15.8	27.7	3.8	69.3	23.9	45.4	37.0	-	0.6	0.1	Dec	
61.2	6.5	6.3	15.7	27.5	3.8	67.7	23.0	44.7	36.9	-	0.6	0.0	2007 Mar	
61.5	6.5	6.8	16.0	27.4	3.8	66.9	22.5	44.4	36.8	-	0.7	0.0	June	
<b>Long-term lending</b>													<b>Lending, total</b>	
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	
534.4	138.9	23.8	159.6	337.6	46.2	899.6	749.4	150.2	90.3	-	12.0	3.1	2005	
541.9	145.4	22.8	160.7	336.3	45.8	907.9	758.9	149.0	90.6	-	12.4	3.6	2006 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	
536.9	143.4	23.4	159.1	332.1	46.5	914.3	766.8	147.4	90.8	-	12.9	3.6	Dec	
535.0	143.9	24.0	157.5	328.9	45.7	911.3	765.2	146.1	90.3	-	12.9	3.7	2007 Mar	
531.2	143.4	23.8	155.4	326.9	45.8	910.5	764.6	146.0	90.3	-	12.7	3.6	June	
<b>Change during quarter *</b>													<b>Lending, total</b>	
+ 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	2006 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	
- 4.4	- 0.5	- 1.0	- 2.6	- 4.3	- 1.3	- 1.2	+ 2.1	- 3.3	- 0.5	- 0.8	+ 0.1	+ 0.0	Q4	
- 5.3	- 1.2	+ 0.9	- 1.4	- 4.2	- 0.0	- 5.3	- 2.1	- 3.1	- 0.7	- 0.6	- 0.1	+ 0.0	2007 Q1	
- 3.4	- 0.5	+ 1.2	- 2.0	- 2.1	+ 0.1	- 0.9	- 1.0	+ 0.1	+ 0.3	+ 0.7	- 0.3	- 0.1	Q2	
<b>Short-term lending</b>													<b>Lending, total</b>	
+ 0.5	- 0.4	+ 1.0	+ 0.2	- 0.5	- 0.1	+ 0.2	+ 0.0	+ 0.2	+ 0.1	+ 0.3	- 0.1	-	2006 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	
+ 0.4	+ 0.6	- 0.2	- 0.4	- 1.4	- 1.2	- 1.2	- 0.3	- 0.9	- 0.0	- 0.8	- 0.0	- 0.0	Q4	
- 2.6	- 1.4	- 0.1	+ 0.0	- 0.8	+ 0.3	- 0.9	+ 0.2	- 1.2	- 0.2	- 0.6	- 0.2	- 0.0	2007 Q1	
+ 0.2	- 0.0	+ 0.9	- 0.1	- 0.0	- 0.0	+ 0.7	+ 0.1	+ 0.6	- 0.0	+ 0.7	- 0.1	- 0.0	Q2	
<b>Medium-term lending</b>													<b>Lending, total</b>	
+ 1.3	+ 0.2	+ 0.0	+ 0.6	- 0.6	+ 0.1	+ 0.1	- 0.3	+ 0.4	+ 0.7	-	- 0.0	- 0.0	2006 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	
- 1.2	+ 0.2	- 0.8	- 0.4	- 0.7	+ 0.0	- 1.1	- 0.0	- 1.0	- 0.5	-	- 0.0	+ 0.0	Q4	
- 0.9	- 0.4	+ 0.4	+ 0.1	- 0.2	- 0.0	- 1.3	- 0.6	- 0.7	- 0.2	-	+ 0.1	- 0.0	2007 Q1	
+ 0.2	- 0.0	+ 0.5	+ 0.3	- 0.1	+ 0.0	- 0.8	- 0.6	- 0.2	- 0.1	-	+ 0.0	- 0.0	Q2	
<b>Long-term lending</b>													<b>Lending, total</b>	
- 1.2	- 1.5	- 0.4	+ 0.2	- 0.9	- 0.3	+ 3.0	+ 2.6	+ 0.3	+ 0.7	-	+ 0.0	+ 0.0	2006 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	
- 3.5	- 1.2	+ 0.0	- 1.8	- 2.1	- 0.2	+ 1.1	+ 2.5	- 1.4	+ 0.0	-	+ 0.1	+ 0.0	Q4	
- 1.8	+ 0.5	+ 0.6	- 1.5	- 3.1	- 0.4	- 3.0	- 1.8	- 1.2	- 0.3	-	+ 0.0	+ 0.1	2007 Q1	
- 3.9	- 0.4	- 0.1	- 2.3	- 2.0	+ 0.1	- 0.8	- 0.6	- 0.2	+ 0.4	-	- 0.2	- 0.1	Q2	

1 Excluding fiduciary loans. — 2 Including quarrying. — 3 Including the maintenance and repair of motor vehicles and durable consumer goods. —

4 Including sole proprietors. — 5 Excluding mortgage loans and housing loans, even in the form of instalment credit.

IV Banks

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

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item				
			Total	for up to and including 1 year	for more than 1 year 2		Fiduciary loans			Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos			
					Total	for up to and including 2 years						for more than 2 years		
<b>Domestic non-banks, total</b>													<b>End of year or month *</b>	
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		
2006	2,394.6	747.7	962.8	289.5	673.3	11.7	661.6	586.5	97.5	37.8	30.4	11.2		
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		
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		
Nov	2,375.0	744.4	952.5	286.1	666.3	11.2	655.1	581.5	96.7	38.1	30.4	20.6		
Dec	2,394.6	747.7	962.8	289.5	673.3	11.7	661.6	586.5	97.5	37.8	30.4	11.2		
2007 Jan	2,401.4	746.2	973.6	296.4	677.3	12.4	664.9	582.2	99.4	38.9	30.3	19.8		
Feb	2,409.8	746.2	982.5	302.4	680.1	12.7	667.4	580.3	100.8	38.8	30.1	23.1		
Mar	2,417.2	747.5	988.7	309.0	679.7	13.2	666.4	578.6	102.5	38.5	30.0	24.3		
Apr	2,434.0	756.1	999.6	316.6	683.0	13.5	669.5	574.6	103.7	38.3	30.0	24.2		
May	2,445.1	761.0	1,008.9	324.3	684.6	13.9	670.8	570.1	105.0	37.6	29.8	22.0		
June	2,464.9	772.5	1,019.0	329.6	689.4	15.3	674.1	566.7	106.6	37.5	30.2	23.9		
July	2,464.7	775.2	1,019.2	327.8	691.5	16.0	675.5	561.6	108.7	36.6	33.4	22.0		
Aug	2,483.5	769.6	1,045.6	353.1	692.5	16.4	676.1	557.8	110.5	36.4	33.3	23.9		
<b>Changes *</b>														
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		
2006	+ 118.0	+ 30.0	+ 97.7	+ 57.5	+ 40.2	+ 3.5	+ 36.6	- 16.8	+ 7.2	- 4.1	+ 0.1	- 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		
Oct	- 8.2	- 7.3	+ 0.5	- 0.7	+ 1.3	+ 0.4	+ 0.8	- 2.7	+ 1.3	+ 0.1	+ 0.1	- 2.5		
Nov	+ 26.8	+ 27.5	+ 2.0	+ 1.0	+ 1.0	+ 0.1	+ 0.8	- 3.6	+ 0.9	+ 0.0	- 0.1	- 3.8		
Dec	+ 19.5	+ 3.3	+ 10.3	+ 3.3	+ 7.0	+ 0.5	+ 6.5	+ 5.1	+ 0.8	- 0.3	- 0.0	- 9.4		
2007 Jan	+ 6.7	- 1.5	+ 10.9	+ 6.9	+ 4.1	+ 0.7	+ 3.4	- 4.4	+ 1.6	- 0.1	- 0.1	+ 8.6		
Feb	+ 8.4	- 0.1	+ 8.8	+ 6.0	+ 2.8	+ 0.3	+ 2.5	- 1.8	+ 1.4	- 0.1	- 0.1	+ 3.3		
Mar	+ 7.4	+ 1.3	+ 6.2	+ 6.6	- 0.4	+ 0.6	- 0.9	- 1.8	+ 1.6	- 0.3	- 0.1	+ 1.2		
Apr	+ 16.2	+ 8.1	+ 10.9	+ 7.6	+ 3.3	+ 0.2	+ 3.0	- 3.9	+ 1.2	- 0.2	- 0.0	- 0.0		
May	+ 11.1	+ 4.9	+ 9.3	+ 7.7	+ 1.7	+ 0.4	+ 1.3	- 4.5	+ 1.4	- 0.7	- 0.1	- 2.2		
June	+ 18.3	+ 11.5	+ 8.6	+ 3.8	+ 4.8	+ 1.4	+ 3.4	- 3.5	+ 1.6	- 0.1	- 0.1	+ 0.5		
July	- 0.8	+ 2.6	- 0.3	- 1.8	+ 1.5	+ 0.6	+ 0.9	- 5.1	+ 2.0	- 0.4	+ 2.7	- 2.0		
Aug	+ 18.4	- 5.7	+ 26.2	+ 25.3	+ 0.9	+ 0.5	+ 0.4	- 3.7	+ 1.6	- 0.1	- 0.1	+ 2.0		
<b>Domestic government</b>													<b>End of year or month *</b>	
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	-		
2006	134.4	26.7	104.0	51.1	52.9	2.1	50.8	2.1	1.6	28.2	0.8	-		
2006 Sep	128.1	22.5	101.6	50.0	51.6	1.7	49.8	2.3	1.6	28.7	0.7	-		
Oct	122.2	20.6	97.7	45.6	52.0	1.8	50.3	2.3	1.6	28.3	0.9	-		
Nov	132.3	24.2	104.3	51.9	52.4	1.8	50.6	2.2	1.6	28.4	0.8	-		
Dec	134.4	26.7	104.0	51.1	52.9	2.1	50.8	2.1	1.6	28.2	0.8	-		
2007 Jan	128.6	23.0	102.0	48.4	53.6	2.5	51.1	2.0	1.6	29.3	0.8	-		
Feb	131.1	24.1	103.4	49.5	53.8	2.5	51.3	2.1	1.6	29.2	0.8	-		
Mar	131.0	22.8	104.6	51.3	53.2	2.5	50.7	2.1	1.6	29.0	0.8	-		
Apr	133.3	23.7	106.0	52.6	53.4	2.5	51.0	2.0	1.6	28.9	0.8	-		
May	143.8	25.4	115.0	61.3	53.7	2.5	51.2	1.9	1.6	28.8	0.8	-		
June	145.0	25.4	116.3	61.6	54.6	3.4	51.2	1.8	1.5	28.7	1.3	-		
July	142.1	26.0	112.9	57.6	55.3	3.5	51.8	1.7	1.5	27.8	4.6	-		
Aug	145.1	23.1	118.8	63.5	55.3	3.5	51.8	1.6	1.5	27.7	4.5	-		
<b>Changes *</b>														
2005	- 0.2	+ 3.9	- 3.8	+ 1.2	- 5.1	- 0.4	- 4.6	- 0.3	- 0.0	- 2.4	- 0.1	-		
2006	+ 30.7	+ 5.7	+ 25.3	+ 19.4	+ 5.9	+ 1.6	+ 4.3	- 0.4	+ 0.1	- 4.0	- 0.1	-		
2006 Sep	+ 2.6	- 1.3	+ 3.8	+ 3.9	- 0.1	+ 0.3	- 0.4	- 0.0	+ 0.0	+ 0.3	-	-		
Oct	- 5.9	- 2.0	- 3.9	- 4.4	+ 0.5	+ 0.0	+ 0.4	- 0.1	+ 0.0	- 0.4	+ 0.1	-		
Nov	+ 10.1	+ 3.6	+ 6.6	+ 6.2	+ 0.4	+ 0.0	+ 0.4	- 0.1	- 0.0	+ 0.1	- 0.0	-		
Dec	+ 2.1	+ 2.6	- 0.3	- 0.8	+ 0.4	+ 0.3	+ 0.1	- 0.1	- 0.0	- 0.2	- 0.0	-		
2007 Jan	- 6.0	- 3.7	- 2.2	- 2.7	+ 0.5	+ 0.3	+ 0.2	- 0.0	- 0.0	- 0.1	+ 0.0	-		
Feb	+ 2.5	+ 1.1	+ 1.4	+ 1.1	+ 0.3	+ 0.0	+ 0.3	+ 0.1	- 0.0	- 0.1	+ 0.0	-		
Mar	- 0.1	- 1.3	+ 1.2	+ 1.8	- 0.6	+ 0.0	- 0.6	- 0.0	- 0.0	- 0.3	- 0.0	-		
Apr	+ 2.2	+ 0.9	+ 1.4	+ 1.3	+ 0.2	- 0.0	+ 0.2	- 0.1	+ 0.0	- 0.1	+ 0.0	-		
May	+ 10.5	+ 1.7	+ 8.9	+ 8.7	+ 0.2	+ 0.0	+ 0.2	- 0.1	- 0.0	- 0.1	- 0.0	-		
June	+ 1.2	+ 0.0	+ 1.3	+ 0.3	+ 1.0	+ 0.9	+ 0.1	- 0.1	- 0.1	- 0.1	- 0.0	-		
July	- 3.4	+ 0.6	- 3.9	- 4.1	+ 0.1	+ 0.1	+ 0.0	- 0.1	+ 0.0	- 0.4	+ 2.7	-		
Aug	+ 3.0	- 2.9	+ 6.0	+ 5.9	+ 0.1	+ 0.1	- 0.0	- 0.0	- 0.0	- 0.1	+ 0.0	-		

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

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

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

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item				
			Total	for up to and including 1 year	for more than 1 year 2					Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos		
					Total	for up to and including 2 years	for more than 2 years							
<b>Domestic enterprises and households</b>													<b>End of year or month *</b>	
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		
2006	2,260.2	721.0	858.8	238.4	620.4	9.6	610.8	584.5	95.9	9.6	29.5	11.2		
2006 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		
Nov	2,242.8	720.2	848.2	234.3	613.9	9.4	604.5	579.3	95.1	9.7	29.6	20.6		
Dec	2,260.2	721.0	858.8	238.4	620.4	9.6	610.8	584.5	95.9	9.6	29.5	11.2		
2007 Jan	2,272.9	723.2	871.7	247.9	623.7	9.9	613.8	580.2	97.9	9.6	29.4	19.8		
Feb	2,278.7	722.1	879.1	252.9	626.2	10.2	616.0	578.3	99.3	9.6	29.3	23.1		
Mar	2,286.1	724.6	884.1	257.6	626.5	10.7	615.7	576.5	100.9	9.6	29.2	24.3		
Apr	2,300.7	732.4	893.6	264.0	629.5	11.0	618.5	572.6	102.1	9.4	29.1	24.2		
May	2,301.3	735.6	893.9	263.0	631.0	11.4	619.6	568.3	103.5	8.8	29.0	22.0		
June	2,319.9	747.1	902.8	268.0	634.8	11.9	622.9	564.9	105.2	8.8	28.9	23.9		
July	2,322.6	749.2	906.4	270.2	636.2	12.5	623.7	559.9	107.2	8.8	28.8	22.0		
Aug	2,338.4	746.4	926.8	289.6	637.2	12.9	624.3	556.2	109.0	8.8	28.8	23.9		
<b>Changes *</b>														
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		
2006	+ 87.3	+ 24.3	+ 72.3	+ 38.1	+ 34.2	+ 1.9	+ 32.4	- 16.5	+ 7.1	- 0.1	+ 0.3	- 2.2		
2006 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		
Nov	+ 16.7	+ 23.9	- 4.7	- 5.2	+ 0.6	+ 0.1	+ 0.5	- 3.5	+ 0.9	- 0.1	- 0.1	- 3.8		
Dec	+ 17.4	+ 0.7	+ 10.7	+ 4.1	+ 6.5	+ 0.2	+ 6.3	+ 5.2	+ 0.8	- 0.1	- 0.0	- 9.4		
2007 Jan	+ 12.7	+ 2.3	+ 13.1	+ 9.5	+ 3.6	+ 0.3	+ 3.2	- 4.3	+ 1.6	+ 0.0	- 0.1	+ 8.6		
Feb	+ 5.8	- 1.1	+ 7.4	+ 4.9	+ 2.5	+ 0.3	+ 2.2	- 1.9	+ 1.4	- 0.0	- 0.1	+ 3.3		
Mar	+ 7.4	+ 2.6	+ 5.0	+ 4.8	+ 0.2	+ 0.6	- 0.3	- 1.8	+ 1.6	+ 0.0	- 0.1	+ 1.2		
Apr	+ 14.0	+ 7.2	+ 9.5	+ 6.4	+ 3.1	+ 0.3	+ 2.8	- 3.9	+ 1.1	- 0.1	- 0.1	- 0.0		
May	+ 0.6	+ 3.2	+ 0.4	- 1.0	+ 1.4	+ 0.3	+ 1.1	- 4.4	+ 1.4	- 0.6	- 0.1	- 2.2		
June	+ 17.2	+ 11.5	+ 7.3	+ 3.5	+ 3.8	+ 0.6	+ 3.3	- 3.4	+ 1.7	+ 0.0	- 0.1	+ 0.5		
July	+ 2.7	+ 2.1	+ 3.6	+ 2.2	+ 1.4	+ 0.6	+ 0.8	- 5.0	+ 2.0	- 0.0	- 0.0	- 2.0		
Aug	+ 15.4	- 2.8	+ 20.3	+ 19.4	+ 0.9	+ 0.4	+ 0.4	- 3.7	+ 1.6	+ 0.0	- 0.0	+ 2.0		
<b>of which: Domestic enterprises</b>													<b>End of year or month *</b>	
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		
2006	874.9	256.1	594.1	122.8	471.3	3.2	468.1	4.5	20.2	9.1	20.0	11.2		
2006 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		
Nov	869.2	253.6	590.7	123.2	467.6	3.2	464.4	4.5	20.3	9.2	20.0	20.6		
Dec	874.9	256.1	594.1	122.8	471.3	3.2	468.1	4.5	20.2	9.1	20.0	11.2		
2007 Jan	891.4	263.5	602.9	128.4	474.5	3.4	471.1	4.6	20.4	9.1	20.0	19.8		
Feb	891.5	257.5	609.1	132.0	477.1	3.5	473.6	4.6	20.4	9.1	19.9	23.1		
Mar	893.5	258.8	609.6	132.9	476.7	3.7	473.0	4.6	20.6	9.1	19.9	24.3		
Apr	906.5	263.7	617.7	137.8	479.9	3.8	476.1	4.5	20.5	8.9	19.9	24.2		
May	903.6	263.8	614.9	133.4	481.5	3.9	477.6	4.5	20.4	8.3	19.8	22.0		
June	913.4	268.4	620.2	134.9	485.3	4.1	481.2	4.4	20.4	8.3	19.7	23.9		
July	919.2	273.9	620.7	133.8	486.9	4.3	482.7	4.3	20.3	8.3	19.8	22.0		
Aug	926.1	267.8	634.0	146.2	487.8	4.3	483.4	4.1	20.1	8.3	19.8	23.9		
<b>Changes *</b>														
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		
2006	+ 63.5	+ 22.2	+ 42.5	+ 13.4	+ 29.1	+ 0.7	+ 28.4	- 0.5	- 0.8	- 0.1	+ 0.6	- 2.2		
2006 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		
Nov	+ 6.1	+ 13.4	- 7.0	- 7.6	+ 0.6	- 0.0	+ 0.6	- 0.1	- 0.1	- 0.1	+ 0.1	- 3.8		
Dec	+ 5.7	+ 2.5	+ 3.4	- 0.4	+ 3.7	- 0.0	+ 3.7	- 0.0	- 0.1	- 0.1	+ 0.0	- 9.4		
2007 Jan	+ 16.5	+ 7.4	+ 9.1	+ 5.6	+ 3.5	+ 0.2	+ 3.3	+ 0.0	- 0.1	+ 0.0	- 0.0	+ 8.6		
Feb	+ 0.1	- 6.0	+ 6.2	+ 3.6	+ 2.6	+ 0.1	+ 2.5	+ 0.0	- 0.1	- 0.0	- 0.1	+ 3.3		
Mar	+ 2.1	+ 1.3	+ 0.6	+ 0.9	- 0.4	+ 0.3	- 0.6	- 0.0	+ 0.2	+ 0.0	- 0.0	+ 1.2		
Apr	+ 12.4	+ 4.3	+ 8.1	+ 4.8	+ 3.2	+ 0.1	+ 3.1	- 0.0	- 0.0	- 0.1	+ 0.0	- 0.0		
May	- 2.8	+ 0.1	- 2.8	- 4.4	+ 1.6	+ 0.1	+ 1.5	- 0.1	- 0.2	- 0.6	- 0.1	- 2.2		
June	+ 8.3	+ 4.6	+ 3.7	- 0.0	+ 3.8	+ 0.2	+ 3.6	- 0.1	+ 0.0	+ 0.0	- 0.1	+ 0.5		
July	+ 5.8	+ 5.5	+ 0.6	- 1.1	+ 1.6	+ 0.2	+ 1.5	- 0.1	- 0.1	- 0.0	+ 0.1	- 2.0		
Aug	+ 6.7	- 6.1	+ 13.2	+ 12.4	+ 0.8	+ 0.0	+ 0.8	- 0.2	- 0.2	+ 0.0	- 0.0	+ 2.0		

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

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

IV Banks

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

€ billion

Period	Sight deposits						Time deposits 1,2					
	Deposits of domestic households and non-profit institutions, total	by creditor group					Domestic non-profit institutions	by creditor group				
		Domestic households				Total		Domestic households				Total
		Total	Self-employed persons	Employees	Other individuals			Total	Self-employed persons	Employees	Other individuals	
<b>End of year or month *</b>												
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	1,385.3	464.9	450.3	81.7	307.4	61.1	14.6	264.7	245.7	30.1	198.6	16.9
2007 Mar	1,392.6	465.8	449.9	79.9	308.7	61.3	16.0	274.5	254.9	31.2	205.3	18.5
Apr	1,394.2	468.7	453.0	82.0	309.4	61.6	15.7	275.9	256.1	31.1	206.3	18.7
May	1,397.7	471.8	455.5	81.8	311.2	62.5	16.3	279.0	258.7	32.0	207.6	19.1
June	1,406.5	478.7	462.5	81.6	317.4	63.6	16.1	282.6	261.7	32.5	209.6	19.7
July	1,403.4	475.3	459.7	82.5	313.8	63.4	15.6	285.6	265.0	33.2	211.6	20.1
Aug	1,412.4	478.6	463.2	84.7	314.6	64.0	15.4	292.8	271.1	34.9	215.2	20.9
<b>Changes *</b>												
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	+ 23.8	+ 2.1	+ 2.2	+ 1.9	- 0.9	+ 1.2	- 0.2	+ 29.8	+ 28.7	+ 5.8	+ 19.9	+ 3.0
2007 Mar	+ 5.3	+ 1.2	+ 1.5	- 1.2	+ 2.4	+ 0.3	- 0.2	+ 4.4	+ 3.9	+ 0.4	+ 2.8	+ 0.7
Apr	+ 1.6	+ 2.9	+ 3.1	+ 2.0	+ 0.8	+ 0.4	- 0.2	+ 1.4	+ 1.2	- 0.0	+ 1.0	+ 0.2
May	+ 3.4	+ 3.1	+ 2.5	- 0.1	+ 1.8	+ 0.9	+ 0.5	+ 3.1	+ 2.6	+ 0.9	+ 1.3	+ 0.4
June	+ 8.8	+ 6.9	+ 7.0	- 0.2	+ 6.2	+ 1.1	- 0.1	+ 3.6	+ 3.0	+ 0.5	+ 2.0	+ 0.6
July	- 3.1	- 3.4	- 2.8	+ 1.0	- 3.6	- 0.2	- 0.6	+ 3.0	+ 3.2	+ 0.7	+ 2.1	+ 0.4
Aug	+ 8.7	+ 3.3	+ 3.5	+ 2.2	+ 0.8	+ 0.6	- 0.2	+ 7.1	+ 6.0	+ 1.7	+ 3.5	+ 0.8

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

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

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

€ billion

Period	Deposits												
	Domestic government, total	Federal Government and its special funds 1					State governments						
		Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans
				for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year		
<b>End of year or month *</b>													
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	134.4	41.9	2.1	6.2	33.6	0.0	9.5	18.0	5.4	2.5	10.0	0.1	18.5
2007 Mar	131.0	42.2	1.6	6.7	33.8	0.0	9.1	19.4	4.9	4.6	9.8	0.1	19.6
Apr	133.3	43.2	1.6	7.5	34.0	0.0	9.1	20.7	5.9	5.0	9.8	0.1	19.5
May	143.8	46.9	1.6	11.2	34.1	0.0	9.1	20.0	4.8	5.3	9.8	0.1	19.4
June	145.0	46.6	3.4	8.9	34.2	0.0	9.1	22.6	5.1	7.6	9.7	0.1	19.3
July	142.1	41.8	2.4	4.5	34.8	0.0	8.3	24.0	6.3	7.9	9.7	0.1	19.2
Aug	145.1	41.1	1.6	4.7	34.8	0.0	8.3	24.7	4.2	10.6	9.7	0.1	19.1
<b>Changes *</b>													
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	+ 30.7	+ 3.1	+ 0.8	- 1.7	+ 4.0	- 0.0	- 3.4	+ 1.7	+ 1.6	+ 0.1	+ 0.1	- 0.0	- 0.6
2007 Mar	- 0.1	+ 0.4	- 0.1	+ 0.9	- 0.4	+ 0.0	- 0.0	+ 0.6	+ 0.1	+ 0.7	- 0.1	- 0.0	- 0.2
Apr	+ 2.2	+ 1.0	- 0.0	+ 0.8	+ 0.2	+ 0.0	+ 0.0	+ 1.3	+ 1.0	+ 0.3	- 0.0	+ 0.0	- 0.1
May	+ 10.5	+ 3.7	- 0.1	+ 3.7	+ 0.1	- 0.0	+ 0.0	- 0.8	- 1.1	+ 0.3	+ 0.0	- 0.0	- 0.1
June	+ 1.2	- 0.3	+ 1.9	- 2.3	+ 0.1	-	+ 0.0	+ 2.6	+ 0.3	+ 2.3	- 0.1	+ 0.0	- 0.1
July	- 3.4	- 5.3	- 1.0	- 4.4	+ 0.1	- 0.0	- 0.3	+ 1.5	+ 1.2	+ 0.3	- 0.0	+ 0.0	- 0.1
Aug	+ 3.0	- 0.7	- 0.9	+ 0.2	- 0.0	- 0.0	+ 0.0	+ 0.6	- 2.1	+ 2.7	+ 0.0	+ 0.0	- 0.2

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

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

					Savings deposits <sup>3</sup>			Memo item				
by maturity					Total	Domestic households	Domestic non-profit institutions	Bank savings bonds <sup>4</sup>	Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities) <sup>5</sup>	Included in time deposits: liabilities arising from repos	Period
Domestic non-profit institutions	up to and including 1 year	more than 1 year <sup>2</sup>										
		Total	of which									
		up to and including 2 years	more than 2 years									
<b>End of year or month *</b>												
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
19.1	115.6	149.2	6.4	142.7	580.0	571.1	8.9	75.7	0.5	9.5	–	2006
19.6	124.7	149.8	7.0	142.7	571.9	563.3	8.6	80.4	0.5	9.3	–	2007 Mar
19.8	126.2	149.6	7.2	142.4	568.1	559.7	8.4	81.5	0.5	9.2	–	Apr
20.3	129.5	149.5	7.4	142.0	563.8	555.4	8.4	83.1	0.5	9.2	–	May
20.9	133.1	149.5	7.8	141.7	560.5	552.2	8.3	84.8	0.5	9.1	–	June
20.7	136.3	149.3	8.2	141.1	555.6	547.4	8.1	86.9	0.5	9.0	–	July
21.7	143.4	149.4	8.6	140.8	552.1	544.0	8.0	88.9	0.5	9.0	–	Aug
<b>Changes *</b>												
– 0.5	– 3.7	+ 3.5	+ 0.2	+ 3.3	– 1.0	– 1.1	+ 0.1	– 4.5	+ 0.2	– 0.3	–	2005
+ 1.1	+ 24.7	+ 5.1	+ 1.1	+ 4.0	– 16.0	– 15.3	– 0.7	+ 7.9	+ 0.0	– 0.3	–	2006
+ 0.5	+ 3.8	+ 0.6	+ 0.3	+ 0.3	– 1.8	– 1.7	– 0.1	+ 1.4	– 0.0	– 0.1	–	2007 Mar
+ 0.2	+ 1.5	– 0.2	+ 0.2	– 0.3	– 3.8	– 3.6	– 0.2	+ 1.2	– 0.0	– 0.1	–	Apr
+ 0.6	+ 3.3	– 0.2	+ 0.2	– 0.4	– 4.3	– 4.3	– 0.0	+ 1.5	+ 0.0	– 0.0	–	May
+ 0.5	+ 3.5	+ 0.1	+ 0.4	– 0.3	– 3.3	– 3.2	– 0.1	+ 1.7	–	– 0.1	–	June
– 0.2	+ 3.3	– 0.2	+ 0.4	– 0.6	– 4.9	– 4.8	– 0.1	+ 2.1	–	– 0.1	–	July
+ 1.1	+ 7.0	+ 0.0	+ 0.4	– 0.4	– 3.5	– 3.4	– 0.1	+ 1.8	– 0.0	– 0.0	–	Aug

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

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

Local government and local government associations (including municipal special-purpose associations)						Social security funds						
Total	Sight deposits	Time deposits <sup>3</sup>		Savings deposits and bank savings bonds <sup>2,4</sup>	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds <sup>2</sup>	Memo item Fiduciary loans	Period
		for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year			
<b>End of year or month *</b>												
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
30.5	11.5	12.7	3.4	3.0	0.3	44.0	7.8	29.7	6.0	0.6	0.0	2006
29.5	9.8	13.2	3.6	2.9	0.3	39.9	6.5	26.8	6.1	0.6	0.0	2007 Mar
29.6	10.1	13.0	3.5	2.9	0.3	39.8	6.0	27.1	6.1	0.6	0.0	Apr
33.7	11.2	16.1	3.6	2.8	0.3	43.2	7.8	28.7	6.2	0.5	0.0	May
32.5	10.7	15.6	3.6	2.8	0.3	43.3	6.2	29.5	7.2	0.4	0.0	June
32.3	10.3	15.9	3.5	2.7	0.3	43.9	7.0	29.3	7.2	0.4	0.0	July
36.1	11.4	18.5	3.5	2.7	0.3	43.2	5.9	29.7	7.3	0.4	0.0	Aug
<b>Changes *</b>												
+ 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
+ 2.5	– 0.3	+ 2.3	+ 0.7	– 0.2	– 0.0	+ 23.3	+ 3.6	+ 18.7	+ 1.1	– 0.1	– 0.0	2006
– 0.4	– 0.5	+ 0.1	– 0.0	– 0.0	– 0.0	– 0.7	– 0.7	+ 0.2	– 0.1	– 0.0	– 0.0	2007 Mar
+ 0.1	+ 0.3	– 0.1	– 0.1	– 0.1	+ 0.0	– 0.1	– 0.4	+ 0.3	+ 0.0	– 0.0	–	Apr
+ 4.2	+ 1.1	+ 3.1	+ 0.0	– 0.0	–	+ 3.5	+ 1.8	+ 1.7	+ 0.1	– 0.1	–	May
– 1.2	– 0.6	– 0.5	+ 0.0	– 0.1	– 0.0	+ 0.1	– 1.6	+ 0.8	+ 1.0	– 0.1	–	June
– 0.2	– 0.4	+ 0.3	– 0.0	– 0.1	–	+ 0.6	+ 0.7	– 0.2	+ 0.1	– 0.0	–	July
+ 3.7	+ 1.1	+ 2.6	+ 0.0	– 0.0	–	– 0.6	– 1.1	+ 0.4	+ 0.0	– 0.0	–	Aug

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

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

## IV Banks

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

€ billion

Period	Savings deposits 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 *													
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	594.9	586.5	487.4	384.4	99.1	89.8	8.3	6.4	13.2	107.6	97.5	70.5	10.0
2007 Apr	583.0	574.6	470.0	371.6	104.6	96.3	8.4	6.3	0.3	113.6	103.7	67.9	10.0
May	578.5	570.1	465.8	369.7	104.4	96.1	8.3	6.3	0.3	115.6	105.0	67.2	10.6
June	575.0	566.7	461.7	366.2	105.0	96.8	8.3	6.2	0.3	117.3	106.6	66.8	10.7
July	569.8	561.6	456.0	362.3	105.6	97.5	8.3	6.2	0.4	120.3	108.7	66.4	11.6
Aug	566.1	557.8	452.1	359.9	105.8	97.9	8.2	6.1	0.4	122.3	110.5	66.2	11.8
Changes *													
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	- 17.0	- 16.8	- 31.7	- 20.4	+ 14.9	+ 15.5	- 0.2	- 0.4	.	+ 7.3	+ 7.2	- 5.5	+ 0.1
2007 Apr	- 3.9	- 3.9	- 4.1	- 1.7	+ 0.2	+ 0.3	- 0.0	- 0.0	.	+ 1.2	+ 1.2	- 0.7	- 0.0
May	- 4.5	- 4.5	- 4.2	- 1.9	- 0.2	- 0.2	- 0.0	- 0.1	.	+ 2.0	+ 1.4	- 0.6	+ 0.6
June	- 3.5	- 3.5	- 4.1	- 3.5	+ 0.6	+ 0.7	- 0.0	- 0.0	.	+ 1.7	+ 1.6	- 0.4	+ 0.1
July	- 5.1	- 5.1	- 5.7	- 3.8	+ 0.6	+ 0.7	- 0.0	- 0.1	.	+ 3.0	+ 2.0	- 0.4	+ 1.0
Aug	- 3.7	- 3.7	- 3.9	- 2.5	+ 0.2	+ 0.4	- 0.0	- 0.1	.	+ 1.8	+ 1.6	- 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 Excluding deposits under savings and

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

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

€ billion

Period	Negotiable bearer debt securities and money market paper								Non-negotiable bearer debt securities and money market paper 5			Subordinated		
	Total	of which				with maturities of			Total	of which with maturities of				
		Floating rate bonds 1	Zero coupon bonds 1,2	Foreign currency bonds 3,4	Certificates of deposit	up to and including 1 year	more than 1 year including 2 years	more than 2 years		up to and including 1 year	more than 1 year including 2 years	more than 2 years		
		negotiable debt securities	non-negotiable debt securities											
End of year or month *														
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	1,636.2	392.5	41.1	301.5	30.9	68.3	118.3	1,449.5	1.8	0.2	0.8	0.7	51.4	1.2
2007 Apr	1,668.3	385.8	47.5	307.9	37.6	80.1	140.2	1,448.0	1.8	0.1	1.0	0.7	52.0	1.3
May	1,680.8	384.0	49.2	315.9	38.6	81.3	143.3	1,456.2	1.7	0.1	1.0	0.6	52.0	1.3
June	1,684.0	380.9	49.6	319.8	39.8	85.3	142.8	1,455.8	1.8	0.1	1.0	0.6	52.7	1.3
July	1,689.2	378.7	50.2	318.5	41.7	88.9	148.2	1,452.1	1.7	0.1	1.0	0.6	53.3	1.3
Aug	1,680.7	376.1	51.5	315.6	43.0	89.2	147.9	1,443.6	1.9	0.1	1.0	0.8	53.2	1.3
Changes *														
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	+ 21.6	- 27.3	+ 8.2	+ 25.4	- 2.3	+ 6.0	+ 22.9	- 7.4	+ 0.2	- 0.0	+ 0.3	- 0.0	+ 4.0	+ 0.2
2007 Apr	+ 1.2	- 1.5	+ 0.4	- 1.9	- 0.1	- 0.4	+ 3.2	- 1.6	- 0.0	- 0.0	+ 0.0	- 0.0	- 0.1	+ 0.1
May	+ 12.5	- 1.7	+ 1.8	+ 8.0	+ 1.0	+ 1.2	+ 3.1	+ 8.2	- 0.1	- 0.0	+ 0.0	- 0.1	+ 0.0	+ 0.0
June	+ 3.2	- 3.1	+ 0.3	+ 3.9	+ 1.2	+ 4.0	- 0.4	- 0.3	+ 0.0	- 0.0	+ 0.0	+ 0.0	+ 0.7	- 0.0
July	+ 4.3	- 2.7	+ 0.7	- 1.3	+ 1.9	+ 3.6	+ 4.5	- 3.8	- 0.1	- 0.0	- 0.1	+ 0.0	+ 0.5	- 0.0
Aug	- 8.8	- 2.7	+ 1.1	- 2.9	+ 1.3	+ 0.3	+ 1.6	- 10.7	+ 0.0	+ 0.0	+ 0.1	+ 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 associations	Balance sheet total	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Deposits of banks (MFIs) 5		Deposits of non-banks (non-MFIs)		Bearer debt securities outstanding	Capital (including published reserves) 7	Memo item New contracts entered into in year or month 8
			Credit balances and loans (excluding building loans) 1	Building loans 2	Bank debt securities 3	Building loans			Securities (including Treasury bills and Treasury discount paper) 4	Deposits under savings and loan contracts	Sight and time deposits	Deposits under savings and loan contracts	Sight and time deposits 6			
						Loans under savings and loan contracts	Interim and bridging loans	Other building loans								
<b>All building and loan associations</b>																
2006	26	193.9	41.5	0.0	14.4	27.4	66.7	11.7	14.2	0.4	28.6	123.8	5.2	3.7	7.4	95.2
2007 June	26	193.9	43.2	0.0	12.7	27.2	67.2	12.1	14.7	0.3	25.8	123.2	5.2	6.9	7.3	7.3
July	26	190.6	41.0	0.0	12.4	27.4	67.3	12.2	14.0	0.3	23.5	122.6	5.2	6.9	7.3	7.5
Aug	25	190.4	41.8	0.0	12.4	27.4	67.4	12.3	12.9	0.3	23.7	122.2	5.2	6.8	7.3	7.3
<b>Private building and loan associations</b>																
2007 June	15	141.8	29.8	0.0	7.6	17.3	50.6	11.2	9.3	0.2	20.5	82.5	4.9	6.9	4.7	4.6
July	15	138.8	27.6	0.0	7.4	17.3	50.9	11.3	8.7	0.2	18.3	82.0	5.0	6.9	4.7	4.7
Aug	15	138.7	28.2	0.0	7.3	17.4	51.1	11.3	7.8	0.2	18.6	81.8	5.0	6.8	4.7	4.6
<b>Public building and loan associations</b>																
2007 June	11	52.1	13.4	0.0	5.1	9.9	16.6	0.9	5.4	0.1	5.3	40.7	0.2	-	2.6	2.8
July	11	51.9	13.4	0.0	5.1	10.0	16.4	0.9	5.3	0.1	5.2	40.6	0.2	-	2.6	2.8
Aug	10	51.7	13.6	0.0	5.0	10.0	16.3	0.9	5.0	0.1	5.1	40.5	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 received 12	
	Amounts paid into savings and loan accounts 9	Interest credited on deposits under savings and loan contracts	Repayments of deposits under cancelled savings and loan contracts	Total	of which Net allocations 11	Total	Allocations				Newly granted interim and bridging loans and other building loans	Total	of which Under allocated contracts	Total		of which Repayments during quarter
							Deposits under savings and loan contracts	Loans under savings and loan contracts 9		Total						
								of which Applied to settlement of interim and bridging loans	of which Applied to settlement of interim and bridging loans							
<b>All building and loan associations</b>																
2006	25.1	3.7	6.5	42.4	29.8	38.6	18.5	4.1	6.8	3.4	13.3	10.4	7.5	11.4	9.5	0.5
2007 June	1.9	0.1	0.5	4.0	2.8	3.5	1.7	0.3	0.7	0.3	1.1	10.7	7.6	0.8	2.0	0.0
July	1.9	0.1	0.6	4.5	3.3	4.4	2.0	0.4	0.9	0.4	1.5	10.7	7.7	0.9	2.0	0.0
Aug	1.9	0.1	0.6	3.6	2.7	3.5	1.7	0.3	0.7	0.3	1.1	10.5	7.6	0.8	2.0	0.0
<b>Private building and loan associations</b>																
2007 June	1.2	0.1	0.3	2.8	1.8	2.6	1.2	0.2	0.4	0.2	0.9	6.4	3.8	0.5	1.3	0.0
July	1.2	0.0	0.3	3.1	2.1	3.2	1.4	0.3	0.5	0.2	1.3	6.4	3.8	0.6	1.3	0.0
Aug	1.2	0.0	0.3	2.6	1.8	2.6	1.2	0.3	0.5	0.2	0.9	6.3	3.8	0.6	1.3	0.0
<b>Public building and loan associations</b>																
2007 June	0.7	0.0	0.2	1.2	1.0	1.0	0.5	0.1	0.2	0.1	0.2	4.3	3.9	0.3	0.7	0.0
July	0.7	0.0	0.3	1.4	1.2	1.2	0.6	0.2	0.4	0.2	0.2	4.3	3.8	0.3	0.7	0.0
Aug	0.7	0.0	0.2	1.1	0.9	0.9	0.5	0.1	0.2	0.1	0.2	4.2	3.8	0.3	0.7	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
<b>Foreign branches</b>															
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
2006 Oct	53	212	1,748.1	715.8	645.6	196.6	449.1	70.2	917.5	695.4	21.3	20.6	674.0	222.1	114.8
Nov	53	213	1,766.3	712.9	641.3	196.1	445.1	71.6	918.4	696.2	19.7	19.0	676.4	222.2	135.1
Dec	53	213	1,743.7	711.6	635.5	194.1	441.4	76.1	897.7	671.8	18.5	17.9	653.3	226.0	134.3
2007 Jan	53	214	1,876.7	758.9	679.9	208.4	471.5	79.0	970.4	749.8	19.2	18.4	730.6	220.6	147.4
Feb	53	214	1,917.0	757.3	677.1	208.1	469.0	80.2	1,018.4	786.9	22.5	21.7	764.4	231.4	141.4
Mar	53	215	1,910.2	739.8	661.9	225.4	436.5	77.9	1,040.2	814.0	23.0	22.2	791.0	226.2	130.2
Apr	53	214	1,902.2	736.1	658.6	225.9	432.7	77.5	1,024.4	798.6	25.0	24.3	773.6	225.8	141.6
May	53	215	1,962.5	763.0	684.6	232.9	451.8	78.3	1,057.5	822.4	26.8	26.0	795.6	235.1	142.1
June	53	216	2,037.9	801.8	714.6	224.6	490.0	87.2	1,076.4	837.3	26.1	25.3	811.2	239.1	159.7
July	52	216	2,091.4	806.6	724.4	221.4	503.0	82.2	1,133.0	880.6	24.2	23.2	856.4	252.4	151.7
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
2006 Oct	-	+ 1	+ 28.5	+ 12.7	+ 10.5	- 8.8	+ 19.3	+ 2.1	+ 5.2	- 2.4	+ 1.4	+ 1.5	- 3.8	+ 7.6	+ 10.7
Nov	-	+ 1	+ 49.1	+ 7.3	+ 5.3	- 0.4	+ 5.7	+ 2.1	+ 20.1	+ 15.6	- 1.6	- 1.6	+ 17.2	+ 4.6	+ 21.6
Dec	-	-	- 22.6	- 1.1	- 5.7	- 2.0	- 3.6	+ 4.5	- 20.9	- 24.6	- 1.2	- 1.1	- 23.4	+ 3.7	- 0.6
2007 Jan	-	+ 1	+119.1	+ 42.7	+ 40.2	+ 14.3	+ 25.9	+ 2.5	+ 64.1	+ 71.4	+ 0.7	+ 0.5	+ 70.7	- 7.4	+ 12.2
Feb	-	-	+ 57.7	+ 4.0	+ 2.4	- 0.3	+ 2.7	+ 1.6	+ 58.8	+ 45.8	+ 3.3	+ 3.3	+ 42.5	+ 13.0	- 5.2
Mar	-	+ 1	+ 2.3	- 14.8	- 12.7	+ 17.3	- 30.0	- 2.1	+ 27.2	+ 31.4	+ 0.5	+ 0.6	+ 30.9	- 4.2	- 10.1
Apr	-	- 1	+ 11.3	+ 2.4	+ 2.3	+ 0.5	+ 1.9	+ 0.0	- 3.4	- 5.7	+ 2.0	+ 2.0	- 7.8	+ 2.3	+ 12.3
May	-	+ 1	+ 51.1	+ 23.8	+ 23.2	+ 7.0	+ 16.2	+ 0.6	+ 27.2	+ 19.1	+ 1.8	+ 1.7	+ 17.3	+ 8.1	+ 0.1
June	-	+ 1	+ 77.9	+ 39.7	+ 30.8	- 8.2	+ 39.0	+ 8.9	+ 20.5	+ 16.0	- 0.7	- 0.6	+ 16.7	+ 4.5	+ 17.8
July	- 1	-	+ 63.6	+ 5.5	+ 10.3	- 3.2	+ 13.5	- 4.8	+ 65.8	+ 51.1	- 2.0	- 2.1	+ 53.1	+ 14.7	- 7.7
<b>Foreign subsidiaries</b>															
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
2006 Oct	42	147	765.2	337.9	259.8	117.1	142.7	78.1	360.3	229.4	46.5	44.2	182.9	130.9	67.0
Nov	42	145	757.4	341.0	262.9	118.6	144.4	78.1	347.7	219.1	46.4	44.7	172.7	128.6	68.7
Dec	40	142	761.2	341.9	262.8	124.1	138.7	79.1	347.3	218.7	38.0	36.4	180.7	128.6	72.1
2007 Jan	40	113	603.6	298.9	224.9	122.7	102.2	74.0	248.9	134.1	36.2	34.1	97.9	114.8	55.8
Feb	40	113	597.2	292.1	218.9	115.6	103.3	73.2	248.0	133.2	35.5	34.1	97.7	114.8	57.1
Mar	40	113	603.5	299.1	224.8	118.9	105.8	74.3	247.9	133.1	34.9	33.6	98.2	114.7	56.6
Apr	40	112	602.3	295.8	221.3	115.0	106.3	74.5	250.7	136.5	35.1	33.7	101.4	114.3	55.8
May	40	112	613.6	299.0	222.3	112.2	110.1	76.6	255.0	138.2	36.5	35.1	101.7	116.8	59.6
June	40	112	608.2	286.4	210.5	106.1	104.4	75.9	261.9	141.6	36.3	35.0	105.2	120.3	59.9
July	40	109	599.3	280.8	208.2	103.7	104.5	72.6	259.7	143.6	36.2	34.8	107.4	116.1	58.7
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
2006 Oct	-	- 1	- 9.0	+ 0.4	+ 1.1	- 2.1	+ 3.1	- 0.7	- 6.5	- 8.6	- 0.2	- 0.1	- 8.4	+ 2.1	- 2.8
Nov	-	- 2	- 2.5	+ 6.8	+ 4.9	+ 1.4	+ 3.5	+ 1.9	- 11.1	- 9.0	- 0.1	+ 0.5	- 8.9	- 2.1	+ 1.7
Dec	- 2	- 3	+ 4.0	+ 0.9	- 0.1	+ 5.6	- 5.7	+ 1.0	- 0.3	- 0.3	- 8.4	- 8.3	+ 8.1	- 0.1	+ 3.4
2007 Jan	-	- 29	-159.7	- 44.5	- 38.7	- 1.5	- 37.3	- 5.8	- 98.9	- 85.0	- 1.8	- 2.3	- 83.2	- 13.8	- 16.3
Feb	-	-	- 3.9	- 5.0	- 5.0	- 7.1	+ 2.1	+ 0.0	- 0.2	- 0.3	- 0.7	- 0.0	+ 0.4	+ 0.1	+ 1.3
Mar	-	-	+ 7.6	+ 7.8	+ 6.3	+ 3.3	+ 3.0	+ 1.5	+ 0.2	+ 0.3	- 0.5	- 0.5	+ 0.8	- 0.0	- 0.5
Apr	-	- 1	+ 1.5	- 1.5	- 2.7	- 3.9	+ 1.3	+ 1.2	+ 3.6	+ 4.0	+ 0.2	+ 0.1	+ 3.9	- 0.4	- 0.7
May	-	-	+ 9.9	+ 2.3	+ 0.7	- 2.8	+ 3.4	+ 1.6	+ 3.9	+ 1.4	+ 1.4	+ 1.4	+ 0.0	+ 2.5	+ 3.7
June	-	-	- 5.1	- 12.4	- 11.8	- 6.1	- 5.7	- 0.6	+ 7.0	+ 3.4	- 0.2	- 0.1	+ 3.6	+ 3.6	+ 0.4
July	-	- 3	- 7.3	- 4.5	- 1.8	- 2.5	+ 0.6	- 2.6	- 1.7	+ 2.4	- 0.1	- 0.1	+ 2.5	- 4.1	- 1.1

\* In this table "foreign" also includes the country of domicile of the foreign branches and foreign subsidiaries. Statistical revisions have been eliminated from the changes. (Breaks owing to changes in the reporting population have not been eliminated from the flow figures for the foreign subsidiar-

ies.) The figures for the latest date are always to be regarded as provisional; subsequent revisions, which appear in the following *Monthly Report*, are not specially marked. — 1 Several branches in a given country of domicile

IV Banks

Deposits														Money market paper and debt securities outstanding <sup>5</sup>	Working capital and own funds	Other liabilities <sup>6</sup>	Period
of banks (MFIs)				of non-banks (non-MFIs)						Foreign non-banks							
Total	Total	German banks	Foreign banks	Total	German non-banks <sup>4</sup>												
					Total	Short-term		Medium and long-term									
						Total	of which enterprises and households	Total	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			
1,446.6	966.0	378.8	587.2	480.6	61.3	53.6	50.7	7.7	7.1	419.3	185.5	28.0	88.0	2006 Oct			
1,457.1	968.0	384.2	583.8	489.1	58.5	51.0	48.5	7.5	6.8	430.6	183.8	28.2	97.2	Nov			
1,442.7	984.9	398.5	586.4	457.8	53.8	49.3	46.2	4.6	4.1	403.9	181.5	27.8	91.7	Dec			
1,542.1	1,003.5	399.1	604.4	538.6	61.6	56.8	53.2	4.8	4.2	477.0	191.5	27.9	115.2	2007 Jan			
1,588.9	1,011.3	398.7	612.6	577.6	60.9	56.0	52.5	4.9	4.2	516.7	204.0	27.6	96.6	Feb			
1,592.4	1,014.8	406.6	608.2	577.5	60.6	55.8	52.2	4.8	4.2	517.0	201.0	28.0	88.9	Mar			
1,565.0	996.5	382.1	614.4	568.5	58.0	53.2	50.1	4.8	4.2	510.5	210.0	28.9	98.2	Apr			
1,611.6	1,012.2	386.5	625.7	599.4	59.0	54.1	50.2	4.8	4.2	540.4	217.9	29.8	103.3	May			
1,677.2	1,076.6	442.8	633.8	600.6	59.0	54.6	50.2	4.5	3.8	541.5	214.8	29.7	116.2	June			
1,725.9	1,097.9	438.6	659.3	628.0	58.1	53.6	51.3	4.5	4.0	569.9	219.8	29.7	115.9	July			
Changes *														Foreign subsidiaries			
+ 186.4	+ 93.2	+ 28.1	+ 65.1	+ 93.3	- 4.4	- 4.8	- 4.4	+ 0.5	+ 0.4	+ 97.7	+ 0.4	- 8.7	+ 29.4	2004			
+ 59.5	+ 69.4	+ 78.4	- 8.9	- 10.0	+ 2.0	+ 3.3	+ 2.9	- 1.2	- 1.2	- 12.0	+ 32.1	- 0.8	- 16.7	2005			
+ 26.6	+ 18.2	- 5.1	+ 23.3	+ 8.4	- 3.0	- 3.0	- 3.1	- 0.0	- 0.0	+ 11.4	+ 5.4	+ 0.1	- 3.5	2006 Oct			
+ 33.2	+ 15.4	+ 5.4	+ 9.9	+ 17.8	- 2.8	- 2.5	- 2.2	- 0.3	- 0.2	+ 20.6	- 1.7	+ 0.3	+ 17.4	Nov			
- 14.6	+ 16.9	+ 14.3	+ 2.6	- 31.5	- 4.7	- 1.8	- 2.3	- 2.9	- 2.7	- 26.8	- 2.3	- 0.4	- 5.4	Dec			
+ 89.0	+ 12.2	+ 0.6	+ 11.6	+ 76.8	+ 7.7	+ 7.5	+ 7.0	+ 0.2	+ 0.1	+ 69.0	+ 10.0	+ 0.0	+ 20.0	2007 Jan			
+ 59.3	+ 15.0	- 0.4	+ 15.4	+ 44.3	- 0.7	- 0.7	- 0.6	+ 0.0	+ 0.1	+ 45.0	+ 12.5	- 0.3	- 13.8	Feb			
+ 10.0	+ 7.2	+ 8.0	- 0.8	+ 2.8	- 0.3	- 0.3	- 0.3	- 0.0	- 0.0	+ 3.2	- 3.0	+ 0.5	- 5.1	Mar			
- 12.6	- 9.7	- 24.5	+ 14.8	- 2.9	- 2.6	- 2.5	- 2.2	- 0.0	- 0.0	- 0.4	+ 9.0	+ 0.9	+ 14.0	Apr			
+ 39.5	+ 11.7	+ 4.4	+ 7.3	+ 27.8	+ 0.9	+ 0.9	+ 0.2	+ 0.1	+ 0.1	+ 26.9	+ 7.9	+ 0.9	+ 2.8	May			
+ 67.8	+ 65.9	+ 56.3	+ 9.6	+ 1.9	+ 0.1	+ 0.5	- 0.0	- 0.4	- 0.4	+ 1.8	- 3.1	- 0.1	+ 13.4	June			
+ 56.3	+ 21.1	- 4.3	+ 25.4	+ 35.2	- 0.9	- 1.0	+ 1.2	+ 0.1	+ 0.1	+ 36.1	+ 5.0	- 0.0	+ 2.2	July			
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			
558.6	334.9	116.3	218.6	223.7	37.5	29.2	26.6	8.2	8.1	186.2	91.2	41.0	74.4	2006 Oct			
550.3	328.6	117.5	211.1	221.7	41.0	32.9	31.1	8.1	8.0	180.6	89.0	39.4	78.8	Nov			
557.3	329.4	121.5	207.9	227.9	40.8	33.0	31.6	7.8	7.7	187.1	87.9	40.0	76.0	Dec			
446.1	278.8	111.5	167.3	167.3	39.1	31.5	30.6	7.6	7.5	128.2	65.5	28.7	63.3	2007 Jan			
440.7	274.8	109.1	165.8	165.9	40.5	31.8	30.5	8.6	8.5	125.4	66.4	28.3	61.8	Feb			
447.2	277.5	110.2	167.4	169.6	41.4	32.8	31.1	8.6	8.5	128.2	66.8	28.6	60.9	Mar			
446.9	276.6	109.5	167.2	170.3	43.3	34.9	33.0	8.5	8.3	127.0	67.0	28.0	60.3	Apr			
457.7	282.7	106.4	176.2	175.1	43.0	34.4	32.4	8.6	8.4	132.1	66.7	28.2	61.0	May			
453.4	280.8	114.7	166.1	172.5	41.2	32.7	30.6	8.5	8.4	131.3	66.6	28.5	59.7	June			
445.9	278.4	111.0	167.4	167.5	37.7	30.7	29.4	7.1	7.0	129.7	66.7	27.9	58.8	July			
Changes *														Foreign subsidiaries			
+ 1.4	- 0.7	- 16.4	+ 15.7	+ 2.1	+ 1.9	+ 1.4	+ 2.6	+ 0.5	+ 0.4	+ 0.2	+ 5.4	- 2.2	+ 4.7	2004			
+ 48.6	+ 24.2	+ 19.9	+ 4.3	+ 24.4	+ 4.2	+ 1.7	+ 0.6	+ 2.5	+ 2.5	+ 20.2	+ 6.2	+ 1.9	- 6.7	2005			
- 14.9	- 11.9	+ 1.6	- 13.5	- 3.0	- 0.1	- 0.1	- 0.8	- 0.0	- 0.0	- 2.9	+ 3.0	+ 0.2	+ 2.8	2006 Oct			
- 4.2	- 3.8	+ 1.2	- 5.0	- 0.4	+ 3.6	+ 3.6	+ 4.5	- 0.1	- 0.1	- 3.9	- 2.2	- 1.6	+ 5.5	Nov			
+ 7.0	+ 0.9	+ 4.0	- 3.1	+ 6.1	- 0.2	+ 0.1	+ 0.5	- 0.3	- 0.3	+ 6.3	- 1.1	+ 0.7	- 2.6	Dec			
- 113.1	- 51.6	- 10.1	- 41.5	- 61.4	- 1.7	- 1.5	- 1.0	- 0.2	- 0.2	- 59.7	- 22.4	- 11.4	- 12.9	2007 Jan			
- 3.4	- 2.9	- 2.4	- 0.5	- 0.5	+ 1.3	+ 0.4	- 0.2	+ 1.0	+ 1.0	- 1.8	+ 0.9	- 0.4	- 1.0	Feb			
+ 7.4	+ 3.2	+ 1.1	+ 2.1	+ 4.2	+ 1.0	+ 1.0	+ 0.6	- 0.0	- 0.0	+ 3.2	+ 0.4	+ 0.3	- 0.6	Mar			
+ 2.0	+ 0.3	- 0.7	+ 1.1	+ 1.6	+ 1.9	+ 2.1	+ 1.9	- 0.2	- 0.2	- 0.3	+ 0.2	- 0.6	- 0.0	Apr			
+ 9.8	+ 5.4	- 3.0	+ 8.5	+ 4.3	- 0.3	- 0.4	- 0.6	+ 0.1	+ 0.1	+ 4.6	- 0.3	+ 0.1	+ 0.4	May			
- 4.1	- 1.6	+ 8.3	- 9.9	- 2.5	- 1.8	- 1.7	- 1.8	- 0.1	- 0.1	- 0.7	- 0.0	+ 0.3	- 1.2	June			
- 6.3	- 1.8	- 3.7	+ 1.8	- 4.4	- 3.5	- 2.0	- 1.2	- 1.5	- 1.4	- 1.0	+ 0.0	- 0.5	- 0.6	July			

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

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

## V Minimum reserves

### 1 Reserve ratios

#### Germany

% of liabilities subject to reserve requirements

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

#### Euro area

% of reserve base <sup>1</sup>

Applicable from	Ratio
1999 Jan 1	2

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

### 2 Reserve maintenance in Germany up to the end of 1998

– pursuant to the Minimum Reserves Order of the Bundesbank

DM million

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

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

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

### 3 Reserve maintenance in the euro area

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

Maintenance period beginning in <sup>1</sup>	Reserve base <sup>2</sup>	Required reserves before deduction of lump-sum allowance <sup>3</sup>	Lump-sum allowance <sup>4</sup>	Required reserves after deduction of lump-sum allowance	Current account <sup>5</sup>	Excess reserves <sup>6</sup>	Deficiencies <sup>7</sup>
<b>Euro area (€ billion)</b>							
2007 Feb	9,013.6	180.3	0.5	179.8	180.6	0.8	0.0
Mar	9,117.3	182.3	0.5	181.8	182.6	0.8	0.0
Apr	9,136.2	182.7	0.5	182.2	183.2	1.0	0.0
May	9,291.6	185.8	0.5	185.3	186.2	0.9	0.0
June	9,441.8	188.8	0.5	188.3	189.6	1.2	0.0
July	9,588.2	191.8	0.5	191.3	192.0	0.7	0.0
Aug	9,618.1	192.4	0.5	191.9	192.7	0.9	0.0
Sep <sup>p,8</sup>	9,650.1	193.0	0.5	192.5	193.4	0.9	...
Oct <sup>p</sup>	...	...	...	193.7	...	...	...
<b>Of which: Germany (€ million)</b>							
2007 Feb	2,137,811	42,756	199	42,557	42,757	200	2
Mar	2,153,768	43,075	199	42,876	43,186	309	0
Apr	2,163,044	43,261	199	43,062	43,538	476	7
May	2,196,880	43,938	199	43,739	44,124	385	2
June	2,225,699	44,514	198	44,316	45,009	693	2
July	2,240,603	44,812	198	44,614	44,879	265	1
Aug	2,248,867	44,977	197	44,780	45,221	441	1
Sep	2,253,006	45,060	197	44,864	45,217	353	1
Oct <sup>p</sup>	2,292,287	45,846	196	45,649	...	...	...

<sup>1</sup> From March 2004, the reserve maintenance period will start on the settlement day of the main refinancing operation immediately following the meeting of the Governing Council of the ECB for which the monthly discussion of the monetary policy stance is scheduled. — <sup>2</sup> Article 3 of the Regulation of the European Central Bank on the application of minimum reserves (excluding liabilities to which a reserve ratio of 0% applies, pursuant to Article 4 (1)). — <sup>3</sup> Amount after applying the reserve ratios to the

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

VI Interest rates

1 ECB interest rates

2 Base rates

% per annum

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

% per annum

Applicable from	Base rate as per Discount Rate Transition Act <sup>2</sup>	Applicable from	Base rate as per Civil Code <sup>3</sup>
1999 Jan 1	2.50	2002 Jan 1	2.57
May 1	1.95	July 1	2.47
2000 Jan 1	2.68	2003 Jan 1	1.97
May 1	3.42	July 1	1.22
Sep 1	4.26	2004 Jan 1	1.14
2001 Sep 1	3.62	July 1	1.13
2002 Jan 1	2.71	2005 Jan 1	1.21
to Apr 3		July 1	1.17
		2006 Jan 1	1.37
		July 1	1.95
		2007 Jan 1	2.70
		July 1	3.19

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

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

3 Eurosystem monetary policy operations allotted through tenders \*

Date of settlement	Bid amount € million	Allotment amount	Fixed rate tenders		Variable rate tenders		Running for ... days
			Fixed rate % per annum	Minimum bid rate	Marginal rate <sup>1</sup>	Weighted average rate	
<b>Main refinancing operations</b>							
2007 Aug 29	352,724	210,000	—	4.00	4.08	4.09	7
Sep 5	426,352	256,000	—	4.00	4.15	4.19	7
Sep 12	406,119	269,000	—	4.00	4.14	4.17	7
Sep 19	356,281	155,000	—	4.00	4.15	4.16	7
Sep 26	368,995	190,000	—	4.00	4.27	4.29	7
Okt 3	298,721	163,000	—	4.00	4.14	4.16	7
Okt 10	322,684	218,000	—	4.00	4.12	4.16	7
Okt 17	283,439	171,000	—	4.00	4.11	4.14	7
<b>Longer-term refinancing operations</b>							
2007 Aug 24	125,787	40,000	—	—	4.49	4.61	91
Aug 30	119,755	50,000	—	—	4.56	4.62	91
Sep 13	139,021	75,000	—	—	4.35	4.52	90
Sep 27	85,353	50,000	—	—	4.50	4.63	84

Source: ECB. — \* Enlargement of the euro area on 1 January 2007 to include Slovenia. — 1 Lowest or highest interest rate at which funds were allotted or collected.

4 Money market rates, by month

% per annum

Reporting period	Money market rates reported by Frankfurt banks <sup>1</sup>				EONIA <sup>2</sup>	EURIBOR <sup>3</sup>					
	Overnight money		Three-month funds			One-week funds	One-month funds	Three-month funds	Six-month funds	Nine-month funds	Twelve-month funds
	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates		Monthly averages					
2007 Mar	3.69	2.80 – 3.93	3.87	3.83 – 3.92	3.69	3.78	3.84	3.89	4.00	4.06	4.11
Apr	3.81	3.63 – 3.89	3.96	3.89 – 4.01	3.82	3.85	3.86	3.98	4.10	4.19	4.25
May	3.79	3.20 – 3.86	4.05	3.99 – 4.12	3.79	3.85	3.92	4.07	4.20	4.30	4.37
June	3.95	3.60 – 4.19	4.13	4.09 – 4.18	3.96	4.04	4.10	4.15	4.28	4.40	4.51
July	4.06	3.99 – 4.10	4.20	4.15 – 4.26	4.06	4.08	4.11	4.22	4.36	4.47	4.56
Aug	4.05	3.74 – 4.75	4.52	4.23 – 4.75	4.05	4.14	4.31	4.54	4.59	4.63	4.67
Sep	4.03	3.35 – 4.65	4.71	4.66 – 4.79	4.03	4.22	4.43	4.74	4.75	4.73	4.72

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

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

## VI Interest rates

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

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

End of month	Households' deposits				Loans to households						Loans to non-financial corporations		
	Non-financial corporations' deposits				Housing loans			Consumer credit and other loans					
	with an agreed maturity of				with a maturity of								
	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
2007 Jan <sup>3</sup>	2.99	3.06	3.45	3.91	5.05	4.38	4.72	8.53	6.83	5.95	5.30	4.76	4.77
Feb	3.07	3.12	3.49	3.92	5.11	4.46	4.79	8.66	6.95	5.96	5.37	4.83	4.83
Mar	3.16	3.05	3.61	3.93	5.14	4.45	4.79	8.62	6.88	5.95	5.43	4.90	4.84
Apr	3.23	3.06	3.67	3.93	5.14	4.48	4.80	8.67	6.96	5.97	5.50	4.94	4.87
May	3.30	3.03	3.72	3.96	5.16	4.48	4.82	8.71	6.95	5.97	5.50	4.98	4.90
June	3.39	3.04	3.87	3.99	5.21	4.53	4.86	8.68	6.94	6.01	5.62	5.09	4.96
July	3.49	3.02	3.92	4.00	5.29	4.57	4.89	8.80	6.96	6.06	5.70	5.15	5.00
Aug	3.58	3.02	4.03	4.09	5.36	4.59	4.90	8.85	7.00	6.07	5.76	5.24	5.04

### (b) New business +

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

Reporting period	Households' deposits						Non-financial corporations' deposits					
	Overnight	with an agreed maturity of			redeemable at notice of		Overnight	with an agreed maturity of				
		up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		up to 1 year	over 1 year and up to 2 years	over 2 years		
2007 Jan <sup>3</sup>	0.98	3.33	3.48	2.92	2.35	2.98	1.61	3.49	3.91	4.07		
Feb	1.00	3.37	3.64	2.72	2.35	3.07	1.64	3.48	3.80	4.15		
Mar	1.02	3.51	3.65	2.68	2.39	3.14	1.71	3.67	3.84	3.72		
Apr	1.04	3.59	3.68	2.78	2.42	3.20	1.75	3.74	4.01	3.87		
May	1.06	3.62	3.51	2.72	2.43	3.25	1.78	3.74	3.80	3.72		
June	1.08	3.78	3.79	2.64	2.42	3.32	1.77	3.94	4.09	4.16		
July	1.10	3.86	3.90	2.86	2.45	3.40	1.81	4.01	4.16	4.51		
Aug	1.15	3.93	3.93	2.65	2.53	3.46	1.87	4.08	4.33	4.20		

Reporting period	Loans to households												
	Over-drafts	Consumer credit				Housing loans					Other loans		
		Total <sup>2</sup>	with an initial rate fixation			Total <sup>2</sup>	with an initial rate fixation				over 10 years	floating rate or up to 1 year	
floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years	floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years and up to 10 years		floating rate or up to 1 year	over 1 year and up to 5 years					
2007 Jan <sup>3</sup>	10.14	8.25	7.63	6.68	8.39	4.83	4.68	4.60	4.60	4.50	5.13	5.43	4.92
Feb	10.31	8.28	7.69	6.83	8.27	4.90	4.71	4.71	4.70	4.61	5.27	5.38	5.14
Mar	10.22	8.14	7.51	6.68	8.34	4.94	4.79	4.76	4.71	4.62	5.26	5.60	5.20
Apr	10.29	8.15	7.77	6.69	8.24	5.00	4.85	4.73	4.75	4.67	5.28	5.57	5.21
May	10.32	8.27	8.10	6.73	8.30	5.02	4.88	4.80	4.81	4.74	5.38	5.65	5.32
June	10.38	8.25	8.07	6.66	8.25	5.15	5.00	4.93	4.90	4.82	5.49	5.77	5.37
July	10.49	8.35	8.06	6.75	8.30	5.26	5.06	4.93	5.02	4.91	5.54	5.80	5.41
Aug	10.55	8.55	8.42	6.89	8.46	5.26	5.13	4.95	5.07	4.88	5.36	5.89	5.37

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
2007 Jan <sup>3</sup>	5.94	5.16	5.31	4.69	4.44	4.67	4.70
Feb	6.03	5.21	5.44	4.86	4.50	4.69	4.71
Mar	6.04	5.30	5.45	4.88	4.65	4.81	4.87
Apr	6.12	5.37	5.47	4.88	4.69	4.99	4.90
May	6.12	5.43	5.57	4.95	4.71	5.10	5.12
June	6.17	5.53	5.70	5.03	4.89	5.28	5.17
July	6.30	5.58	5.77	5.09	4.90	4.95	5.17
Aug	6.41	5.76	5.85	5.10	5.01	5.31	5.23

Source: ECB. — For footnotes \*, o and 1 see p 45. For footnote + see p 46. —  
<sup>2</sup> Annual percentage rate of charge as defined in Directive 87/102/EEC, which contains other related charges which may occur for enquiries, adminis-

tration, preparation of the documents, guarantees and credit insurance. —  
<sup>3</sup> Enlargement of the euro area on 1 January 2007 to include Slovenia.

VI Interest rates

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

End of month	Households' deposits				Non-financial corporations' deposits			
	with an agreed maturity of							
	up to 2 years		over 2 years		up to 2 years		over 2 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2006 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	137,322	2.63	191,665	3.20	93,649	4.22	22,303
Nov	2.92	141,570	2.62	191,012	3.28	91,322	4.23	22,310
Dec	3.07	147,707	2.61	193,277	3.47	90,662	4.25	22,252
2007 Jan	3.16	154,215	2.60	192,300	3.50	93,632	4.26	22,342
Feb	3.21	157,913	2.59	191,354	3.52	93,871	4.24	21,929
Mar	3.33	163,774	2.58	191,196	3.67	94,996	4.23	22,215
Apr	3.40	167,316	2.57	190,215	3.71	95,725	4.25	22,243
May	3.46	172,864	2.56	189,352	3.78	96,130	4.28	22,042
June	3.55	178,758	2.55	188,711	3.90	95,736	4.27	22,252
July	3.66	184,931	2.55	187,763	3.98	99,560	4.29	22,518
Aug	3.77	194,419	2.54	187,501	4.12	106,493	4.29	22,603

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
2006 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	5,995	4.35	29,456	5.21	929,886	9.50	72,878	5.52	69,198	6.07	322,399
Nov	5.57	5,847	4.36	29,155	5.20	931,063	9.43	70,535	5.50	69,528	6.06	322,042
Dec	5.53	6,043	4.36	29,536	5.19	930,830	9.69	71,510	5.48	67,373	6.06	320,395
2007 Jan	5.58	5,652	4.38	29,312	5.17	928,584	9.79	69,358	5.48	66,954	6.06	319,205
Feb	5.60	5,804	4.39	29,068	5.17	928,119	9.77	68,726	5.48	66,426	6.06	318,745
Mar	5.64	6,270	4.41	28,581	5.16	927,728	9.84	69,704	5.47	66,593	6.07	317,772
Apr	5.65	5,893	4.43	28,304	5.14	926,985	9.87	69,322	5.52	65,831	6.07	317,188
May	5.67	5,944	4.44	28,090	5.13	926,349	9.94	68,725	5.53	66,151	6.07	316,791
June	5.70	6,343	4.45	27,849	5.13	926,985	10.04	70,236	5.53	66,528	6.08	316,288
July	5.85	5,643	4.48	27,778	5.12	926,457	10.17	69,915	5.55	66,991	6.10	316,380
Aug	5.90	5,672	4.50	27,648	5.12	927,310	10.19	67,467	5.56	67,239	6.10	316,778

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
2006 Aug	5.15	156,471	4.28	492,296	4.90	496,535
Sep	5.21	158,696	4.32	494,768	4.92	495,304
Oct	5.32	157,742	4.43	494,563	4.93	494,286
Nov	5.38	158,418	4.47	495,324	4.93	497,001
Dec	5.53	154,061	4.57	493,621	4.94	497,339
2007 Jan	5.59	154,768	4.65	494,733	4.97	498,816
Feb	5.66	154,784	4.68	494,268	4.97	500,380
Mar	5.79	156,009	4.76	494,383	4.98	500,891
Apr	5.81	157,892	4.81	494,834	4.99	501,087
May	5.80	159,526	4.84	497,867	5.00	502,283
June	5.94	161,936	4.98	497,605	5.02	502,136
July	6.00	161,742	4.98	497,599	5.04	503,967
Aug	6.02	161,502	5.08	499,908	5.06	508,115

\* The MFI interest rate statistics are based on the interest rates applied by MFIs and the related volumes of euro-denominated deposits and loans to households and non-financial corporations domiciled in the euro area. The household sector comprises individuals (including sole proprietors) and non-profit institutions serving households. Non-financial corporations include all enterprises other than insurance companies, banks and other financial institutions. The interest rate statistics gathered on a harmonised basis in the euro area from January 2003 are being collected in Germany on a sample basis. The most recent figures are in all cases to be regarded as provisional. Subsequent revisions appearing in the following *Monthly Report* are not specially marked. Further information on the new interest rate statistics can be found on the Bundesbank's website (Statistics / Reporting system / Banking statistics / MFI interest rate statistics). — ° The statistics on outstanding amounts are collected at the end of the month. — 1 The effective

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

VI Interest rates

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

Households' deposits												
Overnight		with an agreed maturity of						redeemable at notice of 8				
		up to 1 year		over 1 year and up to 2 years		over 2 years		up to 3 months		over 3 months		
Reporting period	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2006 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	456,615	2.97	35,094	3.52	2,495	2.82	2,531	2.17	490,334	2.75	94,253
Nov	1.45	467,261	3.05	34,218	3.54	2,240	2.58	1,897	2.15	484,245	2.82	96,851
Dec	1.49	465,228	3.23	39,250	3.60	2,069	2.67	1,582	2.20	487,476	2.87	98,851
2007 Jan	1.58	460,252	3.34	47,561	3.69	2,974	2.98	1,639	2.22	481,378	2.98	100,630
Feb	1.61	465,012	3.33	37,779	3.89	3,178	2.84	1,389	2.23	477,454	3.08	102,659
Mar	1.63	466,577	3.48	40,365	3.92	2,715	2.76	1,316	2.27	474,191	3.15	104,158
Apr	1.67	469,364	3.54	41,888	3.96	2,647	2.85	1,547	2.36	470,120	3.21	104,368
May	1.70	472,490	3.60	40,887	4.02	1,934	3.00	1,169	2.35	465,973	3.26	104,138
June	1.73	479,163	3.72	44,261	4.19	3,006	2.92	1,582	2.33	461,997	3.32	104,744
July	1.77	475,744	3.84	49,733	4.28	2,928	3.25	1,619	2.33	456,327	3.40	105,360
Aug	1.85	479,150	3.94	53,951	4.29	2,415	3.23	2,175	2.38	452,446	3.47	105,719

Non-financial corporations' deposits									
Overnight		with an agreed maturity of							
		up to 1 year		over 1 year and up to 2 years		over 2 years			
Reporting period	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa
2006 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	
Nov	1.87	167,499	3.25	56,101	3.82	256	3.88	1,290	
Dec	1.90	175,389	3.44	58,936	3.58	229	4.44	690	
2007 Jan	2.01	170,634	3.48	61,502	4.18	700	4.45	1,021	
Feb	2.03	167,001	3.50	56,356	3.99	331	4.66	908	
Mar	2.12	167,475	3.67	59,631	4.09	447	4.10	898	
Apr	2.20	174,310	3.72	54,853	4.12	248	4.52	900	
May	2.23	173,628	3.76	54,833	4.18	290	4.33	265	
June	2.27	174,943	3.90	54,211	4.26	781	4.53	719	
July	2.33	174,104	4.01	61,305	4.42	742	4.83	1,864	
Aug	2.34	174,373	4.07	67,761	4.51	808	4.36	728	

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
2006 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	1,662	5.02	7,074	9.01	3,092	4.63	11,899	5.03	1,815	4.76	2,727
Nov	7.03	5.56	940	4.92	6,222	8.85	3,030	4.63	10,908	5.20	1,407	4.90	2,379
Dec	6.71	5.31	1,288	4.85	5,931	8.45	2,734	4.68	16,567	5.21	2,326	4.82	3,524
2007 Jan	7.85	5.63	1,472	5.62	4,034	9.29	2,872	4.80	11,776	5.39	1,793	4.95	3,064
Feb	8.04	5.74	1,072	5.91	3,680	9.13	2,501	4.90	6,720	5.21	1,468	5.09	2,194
Mar	7.88	5.71	1,589	5.81	5,349	9.15	3,973	4.94	13,362	5.60	2,087	5.17	2,622
Apr	7.81	5.35	1,121	5.89	5,126	9.08	3,213	4.97	15,958	5.58	1,488	5.16	2,556
May	7.86	5.99	916	5.88	4,881	9.02	3,252	5.01	13,774	5.66	1,743	5.21	2,492
June	7.80	5.97	1,179	5.75	4,703	8.92	3,157	5.18	15,090	5.76	2,009	5.30	2,899
July	8.03	6.31	1,352	5.93	5,248	9.06	3,332	5.22	18,606	5.77	1,697	5.44	3,442
Aug	8.18	6.44	1,003	6.03	4,003	9.12	3,376	5.04	23,231	5.89	1,346	5.43	2,895

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

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



VI Interest rates

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

Loans to households (cont'd)											
Overdrafts 11		Housing loans with an initial rate fixation of 3									
		Total	floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years and up to 10 years		over 10 years		
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Annual percentage rate of charge 9 % pa	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2006 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	46,782	4.81	5.10	2,781	4.80	2,254	4.65	5,609	4.65	4,527
Nov	11.02	45,132	4.82	5.27	2,111	4.84	2,295	4.65	5,434	4.61	4,580
Dec	11.27	46,268	4.80	5.23	2,315	4.86	2,494	4.60	5,664	4.56	4,528
2007 Jan	11.40	44,820	4.85	5.44	2,619	4.87	2,744	4.64	6,651	4.67	5,200
Feb	11.36	44,645	4.96	5.45	1,824	4.98	2,009	4.78	4,898	4.78	4,032
Mar	11.47	45,010	4.95	5.46	2,506	4.99	2,565	4.78	6,003	4.76	5,329
Apr	11.52	44,326	4.99	5.54	2,286	4.99	2,315	4.80	6,525	4.81	5,131
May	11.59	44,228	5.04	5.56	2,012	5.06	2,167	4.87	6,281	4.85	5,236
June	11.66	45,364	5.19	5.64	2,372	5.22	2,128	5.01	6,144	5.03	5,466
July	11.76	44,782	5.33	5.69	2,745	5.37	2,484	5.14	6,855	5.16	5,229
Aug	11.85	43,748	5.37	5.93	2,220	5.36	2,207	5.18	5,578	5.16	4,883

Loans to non-financial corporations									
Overdrafts 11		Loans up to €1 million with an initial rate fixation of 13							
		floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years			
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	
2006 Aug	6.36	66,594	5.14	7,170	5.25	1,514	4.96	2,188	
Sep	6.37	67,633	5.37	8,144	5.09	1,185	4.91	1,677	
Oct	6.46	65,477	5.45	8,234	5.11	1,720	4.89	1,731	
Nov	6.46	67,111	5.53	7,461	5.16	1,243	4.96	2,014	
Dec	6.54	65,780	5.67	8,528	5.21	1,440	4.96	2,414	
2007 Jan	6.59	65,849	5.61	7,463	5.25	1,389	4.87	2,675	
Feb	6.67	66,262	5.72	7,165	5.44	1,055	5.03	2,402	
Mar	6.78	68,119	5.73	9,581	5.42	1,375	5.09	1,958	
Apr	6.78	66,910	5.89	7,609	5.46	1,217	5.12	1,981	
May	6.84	65,747	5.93	7,749	5.53	1,065	5.11	2,515	
June	6.89	69,428	6.09	8,714	5.67	1,407	5.27	2,293	
July	6.96	68,935	6.08	8,903	5.75	1,555	5.38	3,056	
Aug	7.05	65,292	6.26	8,510	5.83	1,110	5.41	2,393	

Loans to non-financial corporations (cont'd)							
Loans over €1 million with an initial rate fixation of 13							
floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years			
		Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2006 Aug	4.19	42,375	4.56	2,537	4.66	4,578	
Sep	4.24	46,903	4.62	5,533	4.65	7,369	
Oct	4.38	45,975	4.45	4,751	4.59	7,482	
Nov	4.36	40,795	4.81	3,452	4.62	5,945	
Dec	4.58	55,961	4.89	5,963	4.76	9,312	
2007 Jan	4.63	45,112	4.84	6,013	4.86	5,322	
Feb	4.70	35,257	4.69	3,117	4.76	4,820	
Mar	4.90	47,651	4.82	5,945	4.95	7,272	
Apr	4.94	37,983	5.05	6,685	5.01	5,430	
May	4.86	41,431	5.13	5,479	5.05	6,565	
June	5.08	52,140	5.50	4,054	5.19	9,513	
July	5.12	44,655	5.17	3,937	5.24	7,317	
Aug	5.21	44,384	5.55	3,737	5.27	7,867	

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												
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	184,679	134,455	31,404	30,262	72,788	50,224	105,557	35,748	69,809	–	79,122	
2004	232,863	133,711	64,231	10,778	58,703	99,152	106,949	121,841	– 14,892	–	125,914	
2005	252,775	110,542	39,898	2,682	67,965	142,233	96,314	61,740	34,574	–	156,461	
2006	243,664	102,379	40,995	8,943	52,446	141,285	119,885	68,893	50,992	–	123,779	
2007 June	20,548	5,898	– 1,973	1,207	6,664	14,650	6,215	6,081	134	–	14,333	
July	146	1,257	8,441	3,328	– 10,512	– 1,111	– 18,032	– 87	– 17,945	–	18,178	
Aug	– 24,457	– 32,565	– 13,934	– 655	– 17,976	– 8,108	– 41,150	– 1,755	– 39,395	–	16,693	

Shares									
Period	Sales = total purchases	Sales			Purchases				
		Domestic shares 8	Foreign shares 9	Foreign debt securities 3	Residents			Non-residents 12	
					Total 10	Credit institutions 5,11	Non-banks 6		
DM million									
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	117,729	164,654	23,293	141,361	–	24,194	
2001	82,665	17,575	65,091	2,252	– 14,714	12,462	–	84,918	
2002	39,338	9,232	30,106	18,398	– 23,236	41,634	–	20,941	
2003	11,896	16,838	4,946	15,121	7,056	22,177	–	27,016	
2004	– 1,818	10,157	11,974	11,865	5,045	6,820	–	13,684	
2005	25,117	13,766	11,350	15,282	10,208	25,490	–	40,398	
2006	23,997	9,061	14,937	8,276	11,323	19,599	–	32,272	
2007 June	– 1,149	494	1,643	42,032	– 41,092	940	–	40,883	
July	– 1,990	272	2,262	4,163	– 4,908	9,071	–	6,153	
Aug	– 3,306	290	3,596	9,081	– 4,858	4,223	–	5,775	

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

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

VII Capital market

2 Sales of debt securities issued by residents \*

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

Period	Bank debt securities 1						Corporate bonds 2	Public debt securities 3	Memo item Foreign DM/euro bonds issued by German- managed syndicates		
	Total	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities					
<b>Gross sales 4</b>											
1994	627,331	412,585	44,913	150,115	39,807	177,750	486	214,261	61,465		
1995	620,120	470,583	43,287	208,844	41,571	176,877	200	149,338	102,719		
1996	731,992	563,076	41,439	246,546	53,508	221,582	1,742	167,173	112,370		
1997	846,567	621,683	53,168	276,755	54,829	236,933	1,915	222,972	114,813		
1998	1,030,827	789,035	71,371	344,609	72,140	300,920	3,392	238,400	149,542		
<b>€ million</b>											
1999	571,269	448,216	27,597	187,661	59,760	173,200	2,570	120,483	57,202		
2000	659,148	500,895	34,528	143,107	94,556	228,703	8,114	150,137	31,597		
2001	687,988	505,646	34,782	112,594	106,166	252,103	11,328	171,012	10,605		
2002	818,725	569,232	41,496	119,880	117,506	290,353	17,574	231,923	10,313		
2003	958,917	668,002	47,828	107,918	140,398	371,858	22,510	268,406	2,850		
2004	990,399	688,844	33,774	90,815	162,353	401,904	31,517	270,040	12,344		
2005	988,911	692,182	28,217	103,984	160,010	399,969	24,352	272,380	600		
2006	925,863	622,055	24,483	99,628	139,193	358,750	29,975	273,834	69		
2007 May	83,670	60,273	416	4,226	13,854	41,778	1,978	21,418	–		
June	79,211	57,041	827	6,261	11,053	38,899	1,372	20,799	–		
July	88,199	61,645	706	5,313	16,709	38,917	1,182	25,372	–		
Aug	71,605	55,656	305	7,922	14,221	33,207	1,227	14,722	–		
<b>of which: Debt securities with maturities of more than four years 5</b>											
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		
<b>€ million</b>											
1999	324,888	226,993	16,715	124,067	37,778	48,435	2,565	95,331	44,013		
2000	319,330	209,187	20,724	102,664	25,753	60,049	6,727	103,418	27,008		
2001	299,751	202,337	16,619	76,341	42,277	67,099	7,479	89,933	6,480		
2002	309,157	176,486	16,338	59,459	34,795	65,892	12,149	120,527	9,213		
2003	369,336	220,103	23,210	55,165	49,518	92,209	10,977	138,256	2,850		
2004	424,769	275,808	20,060	48,249	54,075	153,423	20,286	128,676	4,320		
2005	425,523	277,686	20,862	63,851	49,842	143,129	16,360	131,479	400		
2006	337,969	190,836	17,267	47,814	47,000	78,756	14,422	132,711	69		
2007 May	29,822	14,688	198	2,661	3,251	8,579	1,977	13,157	–		
June	23,373	14,446	454	3,414	3,276	7,303	1,296	7,630	–		
July	28,779	16,099	470	2,971	7,218	5,440	1,162	11,519	–		
Aug	22,505	13,376	151	1,362	2,268	9,594	1,185	7,944	–		
<b>Net sales 6</b>											
1994	270,088	116,519	18,184	54,316	–	6,897	50,914	–	62	153,630	21,634
1995	205,482	173,797	18,260	96,125	3,072	56,342	–	354	32,039	61,020	
1996	238,427	195,058	11,909	121,929	6,020	55,199	–	585	42,788	69,951	
1997	257,521	188,525	16,471	115,970	12,476	43,607	–	1,560	67,437	63,181	
1998	327,991	264,627	22,538	162,519	18,461	61,111	–	3,118	60,243	84,308	
<b>€ million</b>											
1999	209,096	170,069	2,845	80,230	31,754	55,238	–	2,185	36,840	–	22,728
2000	155,615	122,774	5,937	29,999	30,089	56,751	–	7,320	25,522	–	16,705
2001	84,122	60,905	6,932	9,254	28,808	34,416	–	8,739	14,479	–	30,657
2002	131,976	56,393	7,936	26,806	20,707	54,561	–	14,306	61,277	–	44,546
2003	124,556	40,873	2,700	42,521	44,173	36,519	–	18,431	65,253	–	54,990
2004	167,233	81,860	1,039	52,615	50,142	83,293	–	18,768	66,605	–	22,124
2005	141,715	65,798	–	2,151	34,255	37,242	–	10,099	65,819	–	35,963
2006	129,423	58,336	–	12,811	20,150	44,890	–	15,605	55,482	–	19,208
2007 May	27,651	15,201	–	610	5,282	6,778	–	1,366	11,084	–	719
June	–	11,075	–	1,703	5,307	2,161	–	6,352	808	–	1,063
July	6,388	6,394	–	802	8,078	4,841	–	275	269	–	4,195
Aug	–	16,488	–	3,607	924	131	–	660	–	–	366

\* For definitions, see the explanatory notes in the Statistical Supplement 2 Capital market statistics on p 21 ff. — 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 by residents\*

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

End of year or month/ Maturity in years	Bank debt securities <sup>1</sup>								Corporate bonds	Public debt securities	Memo item Foreign DM/euro bonds issued by German- managed syndicates
	Total	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities					
DM million											
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	3,044,145	1,809,899	144,397	499,525	368,476	797,502	99,545	1,134,701	115,373		
2007 June	3,116,355	1,863,591	136,723	476,926	403,716	846,226	96,808	1,155,956	104,181		
July	3,122,742	1,869,985	135,921	468,848	408,557	856,659	96,532	1,156,226	99,986		
Aug	3,106,254	1,866,378	134,997	468,717	404,901	857,763	97,192	1,142,684	99,621		

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

#### Position at end-August 2007

less than 2	1,167,993	776,638	56,205	208,532	168,357	343,545	21,476	369,879	60,894
2 to less than 4	706,899	466,463	34,132	147,957	91,040	193,335	20,475	219,962	22,314
4 to less than 6	431,987	241,364	31,309	59,894	48,349	101,813	19,147	171,475	4,242
6 to less than 8	271,362	134,049	6,407	26,017	24,706	76,920	15,351	121,961	5,149
8 to less than 10	265,462	138,425	6,518	15,652	23,020	93,235	5,373	121,664	2,973
10 to less than 15	45,126	35,779	372	5,587	18,072	11,748	2,255	7,092	952
15 to less than 20	40,078	14,542	54	1,780	7,574	5,134	1,320	24,216	1,912
20 and more	177,346	59,117	-	3,300	23,783	32,034	11,795	106,436	1,186

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

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

### 4 Shares in circulation issued by residents\*

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

Period	Share capital = circulation at end of period under review	Net increase or net decrease (-) during period under review	Change in domestic public limited companies' capital due to								Memo item Share circulation at market values (market capita- lisation) level at end of period under review <sup>2</sup>
			cash payments and ex- change of convertible bonds <sup>1</sup>	issue of bonus shares	contribution of claims and other real assets	contribution of shares, mining shares, GmbH shares, etc	merger and transfer of assets	change of legal form	reduction of capital and liquidation		
DM million											
1995	211,231	21,217	5,894	1,498	1,421	1,421	- 623	13,739	- 2,133	553,110	
1996	216,461	7,131	8,353	1,355	396	1,684	- 3,056	833	- 2,432	723,077	
1997	221,575	5,115	4,164	2,722	370	1,767	- 2,423	197	- 1,678	1,040,769	
1998	238,156	16,578	6,086	2,566	658	8,607	- 4,055	3,905	- 1,188	1,258,042	
€ million											
1999	133,513	11,747	5,519	2,008	190	1,075	2,099	1,560	- 708	1,603,304	
2000	147,629	14,115	3,620	3,694	618	8,089	- 1,986	1,827	- 1,745	1,353,000	
2001	166,187	18,561	7,987	4,057	1,106	8,448	1,018	905	- 3,152	1,205,613	
2002	168,716	2,528	4,307	1,291	486	1,690	- 868	- 2,152	- 2,224	647,492	
2003	162,131	6,585	4,482	923	211	513	- 322	- 10,806	- 1,584	851,001	
2004	164,802	2,669	3,960	1,566	276	696	220	- 1,760	- 2,286	887,217	
2005	163,071	1,733	2,470	1,040	694	268	- 1,443	3,060	- 1,703	1,058,532	
2006	163,764	695	2,670	3,347	604	954	- 1,868	1,256	- 3,761	1,279,638	
2007 June	164,484	381	402	317	4	10	- 23	79	- 250	1,494,788	
July	164,576	92	110	120	35	6	18	118	- 78	1,452,848	
Aug	164,362	214	87	274	1	7	- 356	183	- 46	1,423,385	

\* Excluding shares of public limited investment companies. — 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	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	
1995	6.5	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	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	5.1	5.6	5.0	5.9	5.2	5.5	111.01	.	301.47	4,249.69		
1998	4.5	4.4	4.4	4.4	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	4.3	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	5.3	5.6	5.8	6.2	6.3	112.48	94.11	396.59	6,433.61		
2001	4.8	4.7	4.7	4.7	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	4.6	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	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	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	3.2	3.4	3.1	3.5	3.7	3.2	120.92	101.09	335.59	5,408.26		
2006	3.8	3.7	3.7	3.7	3.8	3.8	4.0	4.2	4.0	116.78	96.69	407.16	6,596.92		
2007 June	4.6	4.6	4.6	4.6	4.6	4.7	4.8	4.9	4.9	113.61	93.33	482.48	8,007.32		
July	4.6	4.6	4.5	4.5	4.7	4.7	4.8	5.5	4.9	114.42	94.45	459.72	7,584.14		
Aug	4.4	4.3	4.3	4.3	4.6	4.6	4.6	5.5	4.8	115.13	94.97	459.38	7,638.17		
Sep	4.3	4.3	4.2	4.2	4.2	4.5	4.5	5.6	4.8	114.71	94.63	471.60	7,861.51		

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	of which Foreign mutual fund shares				
Total	Total	Money market funds	Secur- ities- based funds	Open- end real estate funds	Special- ised funds	Foreign funds 4	Total	Total	of which Foreign mutual fund shares	Total	of which Foreign mutual fund shares	Total				
DM million																
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	47,754	43,943	20,079	924	7,408	14,166	23,864	3,811	49,547	2,658	734	52,205	3,077	1,793		
2004	13,601	1,453	3,978	6,160	1,246	3,245	5,431	12,148	9,016	8,446	3,796	570	8,352	4,585		
2005	85,243	41,718	6,400	124	7,001	3,186	35,317	43,525	84,144	21,290	7,761	62,854	35,764	1,099		
2006	43,960	19,535	14,257	490	9,362	8,814	33,791	24,425	34,611	14,676	5,221	19,935	19,204	9,349		
2007 June	1,746	678	1,143	1,389	3,454	978	465	2,424	1,549	2,302	2,132	753	292	197		
July	5,615	711	290	319	1,084	1,584	420	4,904	5,218	571	680	4,647	4,224	397		
Aug	7,167	5,106	5,332	2,718	2,657	17	226	2,061	7,512	1,478	721	6,034	2,782	345		

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 Financial accounts**
**1 Acquisition of financial assets and financing of private non-financial sectors**

€ billion

Item	2005	2006	2005				2006				2007
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Households <sup>1</sup></b>											
<b>I Acquisition of financial assets</b>											
Currency and deposits	43.9	42.5	9.6	12.2	2.8	19.2	9.4	12.2	1.3	19.6	8.9
Money market paper	0.1	1.0	0.0	0.0	- 0.0	0.1	0.2	0.3	0.4	0.2	0.1
Bonds	9.1	36.0	14.0	1.7	0.0	- 6.5	22.9	6.2	19.2	- 12.3	8.6
Shares	- 4.0	- 5.0	- 1.0	- 1.0	- 1.0	- 1.0	- 1.0	- 2.0	- 1.0	- 1.0	- 1.0
Other equity	3.0	2.9	0.7	0.8	0.7	0.7	0.7	0.8	0.7	0.8	0.8
Mutual funds shares	22.6	- 8.4	5.5	6.5	10.7	- 0.1	- 0.1	- 0.1	- 8.7	0.5	11.7
Claims on insurance corporations <sup>2</sup>	59.5	55.4	14.9	9.8	10.8	24.0	15.5	12.2	13.6	14.2	15.2
Short-term claims	2.7	3.0	1.7	0.4	1.4	- 0.8	0.8	0.7	0.8	0.7	0.8
Longer-term claims	56.8	52.5	13.3	9.4	9.4	24.8	14.8	11.4	12.8	13.4	14.5
Claims from company pension commitments	7.3	7.9	1.8	1.8	1.8	1.9	1.9	1.9	2.0	2.1	2.1
Other claims <sup>3</sup>	- 6.2	- 4.9	- 0.2	0.2	0.9	- 7.2	- 1.2	- 1.3	- 1.2	- 1.2	- 1.2
<b>Total</b>	<b>135.2</b>	<b>127.5</b>	<b>45.4</b>	<b>31.9</b>	<b>26.8</b>	<b>31.1</b>	<b>48.4</b>	<b>30.2</b>	<b>26.2</b>	<b>22.8</b>	<b>45.0</b>
<b>II Financing</b>											
Loans	- 3.4	- 7.2	- 13.5	4.4	3.6	2.2	- 8.3	1.4	6.0	- 6.2	- 10.1
Short-term loans	- 5.1	- 5.4	- 2.9	- 0.8	- 0.8	- 0.6	- 2.4	- 0.3	- 0.2	- 2.6	- 2.0
Longer-term loans	1.7	- 1.7	- 10.6	5.1	4.4	2.8	- 5.9	1.6	6.1	- 3.6	- 8.0
Other liabilities	- 2.6	0.4	0.3	- 1.4	0.2	- 1.6	0.2	0.3	- 0.1	0.0	0.1
<b>Total</b>	<b>- 6.0</b>	<b>- 6.8</b>	<b>- 13.3</b>	<b>2.9</b>	<b>3.8</b>	<b>0.6</b>	<b>- 8.1</b>	<b>1.7</b>	<b>5.9</b>	<b>- 6.2</b>	<b>- 10.0</b>
<b>Corporations</b>											
<b>I Acquisition of financial assets</b>											
Currency and deposits	38.8	24.3	4.5	8.1	18.1	8.1	2.2	6.8	4.5	10.9	23.2
Money market paper	2.4	7.6	4.8	5.3	- 1.3	- 6.4	3.3	- 1.4	3.9	1.9	5.7
Bonds	- 9.6	- 27.5	- 15.6	12.4	- 9.3	- 14.8	2.9	- 14.8	13.2	- 25.2	- 0.7
Financial derivatives	2.9	1.4	3.4	- 0.7	- 2.2	2.3	1.3	- 1.7	1.3	0.6	6.0
Shares	- 8.8	- 17.4	5.8	- 3.6	- 7.4	- 3.6	- 8.9	18.9	11.3	- 38.7	3.1
Other equity	- 7.0	31.2	- 1.2	- 1.0	11.0	- 15.8	1.2	8.1	12.9	8.9	2.3
Mutual funds shares	4.9	- 8.1	2.3	1.6	- 0.5	1.4	- 1.7	- 0.4	- 6.0	0.0	- 1.5
Loans	45.2	16.6	4.0	14.7	- 10.5	37.0	- 10.1	7.4	- 8.0	27.3	- 19.6
Short-term loans	38.3	10.9	1.4	10.2	- 9.2	36.0	- 12.3	7.8	- 7.7	23.1	- 16.9
Longer-term loans	6.8	5.7	2.7	4.5	- 1.4	1.1	2.2	- 0.4	- 0.3	4.2	- 2.8
Claims on insurance corporations <sup>2</sup>	1.7	1.5	0.9	0.2	0.7	- 0.2	0.4	0.4	0.4	0.4	0.4
Short-term claims	1.7	1.5	0.9	0.2	0.7	- 0.2	0.4	0.4	0.4	0.4	0.4
Longer-term claims	.	.	.	.	.	.	.	.	.	.	.
Other claims	- 10.3	44.6	- 14.2	- 14.0	4.6	13.3	29.2	- 0.5	9.9	5.9	30.6
<b>Total</b>	<b>60.0</b>	<b>74.3</b>	<b>- 5.2</b>	<b>23.0</b>	<b>3.3</b>	<b>38.9</b>	<b>2.3</b>	<b>50.7</b>	<b>4.9</b>	<b>16.4</b>	<b>39.6</b>
<b>II Financing</b>											
Money market paper	- 6.9	1.8	4.7	- 1.9	- 4.7	- 5.1	6.5	3.2	- 3.8	- 4.1	6.1
Bonds	10.1	15.6	2.5	0.8	3.4	3.4	3.7	6.3	8.0	- 2.4	- 1.8
Financial derivatives	.	.	.	.	.	.	.	.	.	.	.
Shares	6.0	4.7	1.3	0.6	2.6	1.5	- 0.9	2.5	2.8	0.3	1.9
Other equity	- 1.6	18.7	3.5	4.9	4.2	- 14.2	2.9	2.3	9.3	4.3	5.7
Loans	- 4.8	39.1	- 8.3	1.3	- 17.9	20.1	- 18.7	23.4	11.5	23.0	- 4.1
Short-term loans	0.4	20.9	- 5.8	5.1	- 10.5	11.6	- 4.1	7.6	8.3	9.1	4.4
Longer-term loans	- 5.2	18.2	- 2.5	- 3.8	- 7.4	8.4	- 14.6	15.8	3.1	13.8	- 8.5
Claims from company pension commitments	5.5	5.5	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Other liabilities	10.9	- 2.7	3.2	- 1.2	11.5	- 2.6	9.3	- 6.2	- 2.2	- 3.5	9.6
<b>Total</b>	<b>19.1</b>	<b>82.7</b>	<b>8.3</b>	<b>5.9</b>	<b>0.5</b>	<b>4.5</b>	<b>4.1</b>	<b>32.8</b>	<b>26.8</b>	<b>18.9</b>	<b>18.8</b>

<sup>1</sup> Including non-profit institutions serving households. — <sup>2</sup> Including private pension funds, burial funds, occupational pension schemes and supplementary pension funds. — <sup>3</sup> Including accumulated interest-bearing surplus shares with insurance corporations.

VIII Financial accounts

2 Financial assets and liabilities of private non-financial sectors

End-of-year level, end-of-quarter level; € billion

Item	2005	2006	2005				2006				2007
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Households 1</b>											
<b>I Financial assets</b>											
Currency and deposits	1,492.3	1,534.8	1,458.0	1,470.2	1,473.0	1,492.3	1,501.7	1,513.9	1,515.2	1,534.8	1,543.7
Money market paper	1.0	2.0	1.0	1.0	0.9	1.0	1.2	1.5	1.8	2.0	2.0
Bonds	422.1	480.0	427.4	429.8	442.6	422.1	460.1	469.3	471.8	480.0	495.3
Shares	320.1	372.3	283.8	287.8	302.6	320.1	353.7	337.5	346.4	372.3	396.9
Other equity	205.5	211.8	189.6	198.9	202.3	205.5	211.1	209.5	214.4	211.8	205.2
Mutual funds shares	518.7	524.7	472.8	489.6	511.4	518.7	524.1	514.3	513.9	524.7	538.6
Claims on insurance corporations 2	1,053.2	1,107.8	1,009.0	1,018.8	1,029.5	1,053.2	1,068.6	1,080.6	1,094.0	1,107.8	1,122.9
Short-term claims	77.6	80.6	76.6	77.0	78.4	77.6	78.4	79.1	79.9	80.6	81.3
Longer-term claims	975.6	1,027.2	932.5	941.7	951.0	975.6	990.2	1,001.5	1,014.1	1,027.2	1,041.5
Claims from company pension commitments	240.5	248.4	235.0	236.9	238.7	240.5	242.5	244.4	246.4	248.4	250.5
Other claims 3	51.6	46.7	57.7	57.9	58.8	51.6	50.5	49.2	48.0	46.7	45.5
<b>Total</b>	<b>4,305.1</b>	<b>4,528.6</b>	<b>4,134.3</b>	<b>4,190.8</b>	<b>4,259.8</b>	<b>4,305.1</b>	<b>4,413.4</b>	<b>4,420.1</b>	<b>4,451.8</b>	<b>4,528.6</b>	<b>4,600.6</b>
<b>II Liabilities</b>											
Loans	1,555.9	1,556.1	1,543.9	1,549.6	1,553.7	1,555.9	1,555.8	1,557.6	1,562.8	1,556.1	1,546.7
Short-term loans	85.6	80.2	87.4	86.6	86.2	85.6	83.2	82.9	82.8	80.2	78.5
Longer-term loans	1,470.3	1,475.9	1,456.6	1,463.0	1,467.5	1,470.3	1,472.6	1,474.7	1,480.0	1,475.9	1,468.2
Other liabilities	12.8	9.7	17.3	16.0	16.1	12.8	12.8	11.6	11.2	9.7	11.1
<b>Total</b>	<b>1,568.7</b>	<b>1,565.9</b>	<b>1,561.3</b>	<b>1,565.6</b>	<b>1,569.8</b>	<b>1,568.7</b>	<b>1,568.6</b>	<b>1,569.2</b>	<b>1,574.0</b>	<b>1,565.9</b>	<b>1,557.7</b>
<b>Corporations</b>											
<b>I Financial assets</b>											
Currency and deposits	396.1	438.7	368.2	371.8	400.2	396.1	420.4	424.6	443.3	438.7	474.4
Money market paper	22.9	28.4	29.7	32.5	28.1	22.9	26.0	23.1	27.5	28.4	34.6
Bonds	39.8	13.0	33.6	46.0	38.1	39.8	26.5	39.8	13.2	13.0	1.8
Financial derivatives	.	.	.	.	.	.	.	.	.	.	.
Shares	808.5	948.9	721.0	726.0	751.2	808.5	882.0	870.2	913.3	948.9	1,019.1
Other equity	257.6	292.9	245.7	255.7	270.2	257.6	265.0	270.2	288.6	292.9	285.0
Mutual funds shares	108.8	99.9	108.3	111.8	112.3	108.8	108.4	104.3	101.6	99.9	97.8
Loans	126.1	146.6	119.7	130.7	119.1	126.1	119.2	127.8	118.5	146.6	129.6
Short-term loans	91.1	107.3	82.9	93.5	84.4	91.1	81.6	90.8	83.1	107.3	96.9
Longer-term loans	35.0	39.3	36.8	37.2	34.8	35.0	37.6	37.0	35.4	39.3	32.7
Claims on insurance corporations 2	41.4	42.8	40.6	40.8	41.6	41.4	41.7	42.1	42.5	42.8	43.2
Short-term claims	41.4	42.8	40.6	40.8	41.6	41.4	41.7	42.1	42.5	42.8	43.2
Longer-term claims	.	.	.	.	.	.	.	.	.	.	.
Other claims	379.0	426.3	358.3	360.4	369.8	379.0	396.0	404.3	410.1	426.3	449.4
<b>Total</b>	<b>2,180.3</b>	<b>2,437.6</b>	<b>2,025.1</b>	<b>2,075.7</b>	<b>2,130.6</b>	<b>2,180.3</b>	<b>2,285.1</b>	<b>2,306.5</b>	<b>2,358.5</b>	<b>2,437.6</b>	<b>2,535.0</b>
<b>II Liabilities</b>											
Money market paper	17.1	18.9	28.7	26.8	22.1	17.1	23.5	26.8	23.0	18.9	25.0
Bonds	89.6	93.7	80.9	84.2	88.2	89.6	90.9	93.8	94.7	93.7	92.4
Financial derivatives	.	.	.	.	.	.	.	.	.	.	.
Shares	1,137.4	1,359.8	1,007.0	1,046.4	1,095.1	1,137.4	1,273.1	1,230.9	1,251.8	1,359.8	1,439.5
Other equity	597.5	616.2	602.6	607.5	611.8	597.5	600.4	602.7	612.0	616.2	621.9
Loans	1,259.2	1,325.1	1,260.2	1,265.9	1,249.4	1,259.2	1,273.8	1,293.8	1,315.1	1,325.1	1,335.5
Short-term loans	334.8	358.7	329.8	334.4	322.8	334.8	330.7	337.4	349.1	358.7	366.4
Longer-term loans	924.3	966.4	930.4	931.5	926.5	924.3	943.2	956.4	966.0	966.4	969.1
Claims from company pension commitments	206.1	211.6	201.9	203.3	204.7	206.1	207.4	208.8	210.2	211.6	213.0
Other liabilities	361.4	388.1	338.2	345.2	356.9	361.4	365.0	368.1	370.9	388.1	397.1
<b>Total</b>	<b>3,668.3</b>	<b>4,013.5</b>	<b>3,519.5</b>	<b>3,579.4</b>	<b>3,628.2</b>	<b>3,668.3</b>	<b>3,834.2</b>	<b>3,824.9</b>	<b>3,877.7</b>	<b>4,013.5</b>	<b>4,124.4</b>

1 Including non-profit institutions serving households. — 2 Including private supplementary pension funds. — 3 Including accumulated interest-bearing pension funds, burial funds, occupational pension schemes and surplus shares with insurance corporations.

IX Public finances in Germany

1 General government: deficit and debt level as defined in the Maastricht Treaty

Period	General government	Central government	State government	Local government	Social security funds	General government	Central government	State government	Local government	Social security funds
	€ billion					as a percentage of GDP				
Deficit / surplus <sup>1</sup>										
2001	- 59.6	- 27.5	- 27.3	- 1.1	- 3.8	- 2.8	- 1.3	- 1.3	- 0.1	- 0.2
2002	- 78.3	- 36.0	- 30.6	- 5.0	- 6.8	- 3.7	- 1.7	- 1.4	- 0.2	- 0.3
2003	- 87.2	- 39.6	- 32.7	- 7.1	- 7.7	- 4.0	- 1.8	- 1.5	- 0.3	- 0.4
2004 P	- 83.6	- 52.1	- 27.8	- 2.3	- 1.3	- 3.8	- 2.4	- 1.3	- 0.1	- 0.1
2005 P	- 75.4	- 47.5	- 23.0	- 0.9	- 4.0	- 3.4	- 2.1	- 1.0	- 0.0	- 0.2
2006 P	- 37.0	- 34.6	- 10.7	+ 4.9	+ 3.5	- 1.6	- 1.5	- 0.5	+ 0.2	+ 0.2
2005 H1 P	- 41.7	- 34.6	- 12.1	- 0.0	+ 5.0	- 3.8	- 3.2	- 1.1	- 0.0	+ 0.5
H2 P	- 33.9	- 13.1	- 10.9	- 0.8	- 9.1	- 2.9	- 1.1	- 0.9	- 0.1	- 0.8
2006 H1 P	- 23.0	- 20.6	- 5.9	+ 1.7	+ 1.8	- 2.0	- 1.8	- 0.5	+ 0.1	+ 0.2
H2 P	- 14.3	- 14.4	- 4.9	+ 3.3	+ 1.7	- 1.2	- 1.2	- 0.4	+ 0.3	+ 0.1
2007 H1 pe	+ 1.2	- 11.2	+ 4.4	+ 2.7	+ 5.2	+ 0.1	- 0.9	+ 0.4	+ 0.2	+ 0.4
Debt level <sup>2</sup>										
End of year or quarter										
2001	1,241.5	776.7	377.1	102.6	2.3	58.8	36.8	17.8	4.9	0.1
2002	1,293.0	798.1	404.1	104.3	3.0	60.3	37.2	18.9	4.9	0.1
2003	1,381.0	845.4	435.3	111.4	5.3	63.8	39.1	20.1	5.1	0.2
2004	1,451.1	887.1	459.7	116.1	4.2	65.6	40.1	20.8	5.3	0.2
2005	1,521.5	933.0	481.9	119.7	2.7	67.8	41.6	21.5	5.3	0.1
2006	1,568.5	968.6	491.5	122.0	1.7	67.5	41.7	21.2	5.3	0.1
2005 Q1	1,479.3	908.4	466.3	116.6	3.9	66.9	41.1	21.1	5.3	0.2
Q2	1,493.2	917.4	469.8	118.2	3.5	67.2	41.3	21.1	5.3	0.2
Q3	1,513.4	932.7	474.5	118.4	3.4	67.7	41.7	21.2	5.3	0.2
Q4	1,521.5	933.0	481.9	119.7	2.7	67.8	41.6	21.5	5.3	0.1
2006 Q1	1,540.2	944.5	487.8	121.3	2.3	68.0	41.7	21.5	5.4	0.1
Q2	1,560.2	963.5	488.5	122.2	1.7	68.5	42.3	21.4	5.4	0.1
Q3	1,575.3	979.5	488.3	121.3	1.7	68.6	42.6	21.3	5.3	0.1
Q4	1,568.5	968.6	491.5	122.0	1.7	67.5	41.7	21.2	5.3	0.1
2007 Q1 pe	1,573.1	973.0	492.5	121.0	1.4	66.9	41.4	21.0	5.1	0.1
Q2 pe	1,591.8	995.5	488.9	120.9	1.5	67.0	41.9	20.6	5.1	0.1

Source: Federal Statistical Office and Bundesbank calculations. — 1 Unlike the fiscal balance as shown in the national accounts, the deficit as defined in the Maastricht Treaty includes interest flows from swaps and forward

rate agreements. The half-year figures correspond to the deficit / surplus according to the national accounts. — 2 Quarterly GDP ratios are based on the national output of the four preceding quarters.

2 General government: revenue, expenditure and fiscal deficit / surplus as shown in the national accounts \*

Period	Revenue				Expenditure						Deficit / surplus	Memo item Total tax burden <sup>1</sup>
	Total	of which			Total	of which						
		Taxes	Social contributions	Other		Social benefits	Compensation of employees	Interest	Gross capital formation	Other		
€ billion												
2001	945.5	477.7	383.7	84.1	1,005.1	551.2	166.2	64.5	36.8	186.4	- 59.6	875.1
2002	952.5	477.5	390.7	84.3	1,030.8	579.8	168.7	62.7	36.1	183.6	- 78.3	879.2
2003	961.9	481.8	396.3	83.9	1,049.2	594.2	169.2	64.3	33.9	187.6	- 87.3	889.3
2004 P	958.1	481.3	396.9	80.0	1,041.7	592.7	169.5	62.4	31.6	185.5	- 83.6	888.4
2005 P	977.0	493.0	396.9	87.1	1,052.6	598.2	168.5	62.5	30.7	192.8	- 75.6	900.8
2006 P	1,017.2	530.5	401.1	85.7	1,054.5	600.1	167.7	64.9	32.8	189.1	- 37.3	942.8
as a percentage of GDP												
2001	44.7	22.6	18.2	4.0	47.6	26.1	7.9	3.1	1.7	8.8	- 2.8	41.4
2002	44.4	22.3	18.2	3.9	48.1	27.1	7.9	2.9	1.7	8.6	- 3.7	41.0
2003	44.5	22.3	18.3	3.9	48.5	27.5	7.8	3.0	1.6	8.7	- 4.0	41.1
2004 P	43.3	21.8	17.9	3.6	47.1	26.8	7.7	2.8	1.4	8.4	- 3.8	40.2
2005 P	43.5	22.0	17.7	3.9	46.9	26.6	7.5	2.8	1.4	8.6	- 3.4	40.1
2006 P	43.8	22.8	17.3	3.7	45.4	25.8	7.2	2.8	1.4	8.1	- 1.6	40.6
Percentage growth rates												
2001	- 1.3	- 4.3	+ 1.4	+ 5.0	+ 8.0	+ 3.5	+ 0.1	- 0.9	+ 1.8	+ 43.0	.	- 2.0
2002	+ 0.7	- 0.1	+ 1.8	+ 0.3	+ 2.6	+ 5.2	+ 1.5	- 2.8	- 2.1	- 1.5	.	+ 0.5
2003	+ 1.0	+ 0.9	+ 1.4	- 0.5	+ 1.8	+ 2.5	+ 0.3	+ 2.6	- 6.1	+ 2.2	.	+ 1.1
2004 P	- 0.4	- 0.1	+ 0.2	- 4.7	- 0.7	- 0.3	+ 0.2	- 3.0	- 6.7	- 1.1	.	- 0.1
2005 P	+ 2.0	+ 2.4	+ 0.0	+ 8.9	+ 1.0	+ 0.9	- 0.6	+ 0.2	- 3.0	+ 3.9	.	+ 1.4
2006 P	+ 4.1	+ 7.6	+ 1.1	- 1.6	+ 0.2	+ 0.3	- 0.4	+ 3.7	+ 6.9	- 1.9	.	+ 4.7

Source: Federal Statistical Office. — \* Figures in accordance with ESA 1995. In the Monthly Reports up to December 2006, customs duties, the EU share in VAT revenue and EU subsidies were included in the national accounts'

data (without affecting the fiscal deficit / surplus). This information can still be found on the Bundesbank's website. — 1 Taxes and social contributions plus customs duties and the EU share in VAT revenue.



IX Public finances in Germany

3 General government: budgetary development (as per government's financial statistics)

€ billion

Period	Central, state and local government 1									Social security funds 2			General government, total			
	Revenue			Expenditure						Deficit / surplus	Revenue 6	Expenditure	Deficit / surplus	Revenue	Expenditure	Deficit / surplus
	Total 4	of which		Total 4	of which 3											
		Taxes	Financial transactions 5		Personnel expenditure	Current grants	Interest	Fixed asset formation	Financial transactions 5							
2000	612.3	467.3	12.6	595.5	169.3	205.7	67.6	40.7	15.7	+ 16.8	433.8	434.3	- 0.5	974.6	958.2	+ 16.4
2001	555.5	446.2	23.5	599.6	169.9	213.9	66.6	40.1	16.7	- 44.2	445.1	449.1	- 4.0	923.3	971.5	- 48.2
2002 p	554.7	441.7	20.5	610.9	173.3	226.8	66.1	38.7	11.3	- 56.2	457.7	466.0	- 8.3	927.7	992.2	- 64.5
2003 pe	547.0	442.2	21.5	614.3	174.0	235.0	65.6	36.3	10.0	- 67.3	467.7	474.3	- 6.6	925.4	999.3	- 73.9
2004 pe	545.9	442.8	24.1	610.7	173.4	237.0	64.8	34.3	9.6	- 64.8	470.3	468.8	+ 1.5	927.3	990.7	- 63.3
2005 pe	569.3	452.1	31.1	622.6	172.4	245.0	64.1	33.2	14.5	- 53.3	468.8	471.6	- 2.8	948.5	1,004.6	- 56.1
2006 pe	590.5	488.4	18.1	626.1	169.6	252.0	64.4	33.5	12.0	- 35.6	486.7	467.1	+ 19.6	987.7	1,003.7	- 16.0
2005 Q1	121.6	99.2	1.4	159.8	41.1	66.3	25.2	4.6	3.1	- 38.2	117.1	117.5	- 0.4	211.2	249.7	- 38.6
Q2	138.9	112.5	7.7	144.8	41.2	62.8	10.1	6.4	2.4	- 6.0	117.3	118.2	- 0.9	233.5	240.4	- 6.9
Q3	144.2	110.6	13.7	154.2	41.3	59.3	19.7	8.6	2.5	- 10.0	114.1	117.0	- 2.9	235.9	248.8	- 12.9
Q4 p	162.4	129.5	7.8	161.9	47.1	55.4	8.8	12.5	6.0	+ 0.5	118.1	118.3	- 0.2	264.3	264.0	+ 0.3
2006 Q1 p	131.3	106.3	3.8	160.3	40.6	65.6	25.1	4.8	2.9	- 29.0	120.5	116.6	+ 3.9	228.9	254.0	- 25.1
Q2 p	144.3	121.8	4.1	139.9	40.7	59.9	9.5	6.4	2.5	+ 4.5	122.2	117.1	+ 5.0	245.1	235.6	+ 9.5
Q3 p	146.4	121.9	5.9	156.0	40.6	61.2	20.5	8.4	2.6	- 9.5	117.0	115.2	+ 1.7	241.4	249.2	- 7.8
Q4 p	166.0	138.6	4.0	167.8	46.1	64.1	9.0	12.9	3.5	- 1.8	127.2	117.2	+ 10.0	271.1	263.0	+ 8.1
2007 Q1 p	148.4	122.4	2.8	164.5	42.7	64.9	25.5	5.3	3.4	- 16.1	112.5	115.8	- 3.3	237.6	257.0	- 19.4

Source: Bundesbank calculations based on the data from the Federal Statistical Office. — 1 Including subsidiary budgets but excluding the Post Office pension funds. Unlike the annual figures based on the annual calculations of the Federal Statistical Office, the quarterly figures do not include municipal special purpose associations and various special accounts. — 2 The annual figures do not tally with the sum of the quarterly figures, as the latter are all provisional. The quarterly figures for some insurance sectors

are estimated. — 3 The development of the types of expenditure recorded here is influenced in part by statistical changeovers. — 4 Including discrepancies in clearing transactions between central, state and local government. — 5 On the revenue side, this contains proceeds booked as disposals of equity interests and as loan repayments. On the expenditure side, this contains the acquisition of equity interests and loans granted. — 6 Including Federal Government liquidity assistance to the Federal Labour Office.

4 Central, state and local government: budgetary development (as per government's financial statistics)

€ billion

Period	Central government			State government 2,3			Local government 3		
	Revenue 1	Expenditure	Deficit / surplus	Revenue	Expenditure	Deficit / surplus	Revenue	Expenditure	Deficit / surplus
2000 4	292.1	265.2	+ 26.9	240.4	250.8	- 10.4	148.0	146.1	+ 1.9
2001	240.6	261.3	- 20.7	230.9	255.5	- 24.6	144.2	148.3	- 4.1
2002	240.8	273.5	- 32.7	228.8	258.0	- 29.2	147.0	150.4	- 3.5
2003	239.6	278.8	- 39.2	229.2	259.7	- 30.5	142.1	150.1	- 8.0
2004	233.9	273.6	- 39.7	233.5	257.1	- 23.6	147.0	150.4	- 3.4
2005 pe	250.0	281.5	- 31.5	236.8	260.3	- 23.5	152.3	154.6	- 2.3
2006 pe	254.7	282.9	- 28.2	250.7	259.7	- 9.0	160.6	158.2	+ 2.4
2005 Q1	46.0	74.9	- 28.9	56.0	64.7	- 8.7	31.3	34.9	- 3.6
Q2	61.4	66.0	- 4.6	57.8	60.9	- 3.1	36.0	36.3	- 0.3
Q3	68.8	73.2	- 4.4	55.9	62.1	- 6.3	37.9	37.9	+ 0.0
Q4 p	73.8	67.4	+ 6.4	65.6	71.5	- 6.0	45.9	44.3	+ 1.6
2006 Q1 p	52.7	74.1	- 21.4	57.3	64.9	- 7.6	33.8	36.4	- 2.6
Q2 p	63.0	61.6	+ 1.5	60.6	60.1	+ 0.4	37.7	36.8	+ 0.9
Q3 p	64.7	73.8	- 9.1	60.5	62.5	- 2.1	40.3	38.1	+ 2.2
Q4 p	74.2	73.4	+ 0.8	70.5	71.2	- 0.7	46.9	44.5	+ 2.5
2007 Q1 p	61.1	74.6	- 13.6	63.5	66.5	- 3.0	35.4	37.6	- 2.1
Q2 p	69.7	64.4	+ 5.3	67.6	61.9	+ 5.7	40.4	37.3	+ 3.1

Source: Bundesbank calculations based on the data from the Federal Statistical Office. — 1 The Bundesbank's profit is included only up to the maximum amount of €3.5 billion that is to be assigned to the core budget. Revenue over and above this amount accrues directly to the Redemption Fund for Inherited Liabilities. — 2 Including the local authority level of the

city-states Berlin, Bremen and Hamburg. — 3 Unlike the annual figure based on the annual calculations of the Federal Statistical Office, the quarterly figures do not include various special accounts and municipal special purpose associations. — 4 Including proceeds from the sale of UMTS licences.

## IX Public finances in Germany

### 5 Central, state and local government: tax revenue

€ million

Period	Central and state government and European Union					Local government 4	Balance of untransferred tax shares 5	Memo item Supplementary central government grants, state government's share of energy tax
	Total	Total 1	Central government 2	State government	European Union 3			
2000	467,253	410,117	219,034	169,249	21,833	57,241	- 104	20,244
2001	446,248	392,189	213,342	159,115	19,732	54,047	+ 12	19,576
2002	441,703	389,162	214,371	156,231	18,560	52,490	+ 51	22,321
2003	442,238	390,438	214,002	155,510	20,926	51,673	+ 127	22,067
2004	442,838	386,459	208,920	157,898	19,640	56,237	+ 142	21,967
2005	452,078	392,313	211,779	158,823	21,711	59,750	+ 16	21,634
2006	488,444	421,151	225,634	173,374	22,142	67,316	- 22	21,742
2005 Q1	99,997	85,690	42,005	35,976	7,708	10,924	+ 3,382	5,418
Q2	111,634	96,535	52,716	39,438	4,381	14,475	+ 624	5,359
Q3	111,103	96,077	52,065	38,840	5,172	14,903	+ 122	5,453
Q4	129,346	114,011	64,993	44,568	4,450	19,448	- 4,113	5,405
2006 Q1	106,907	90,827	45,203	38,733	6,892	12,391	+ 3,689	5,491
Q2	121,891	104,964	57,521	43,338	4,105	16,120	+ 807	5,433
Q3	121,711	104,015	55,601	42,798	5,616	17,594	+ 103	5,448
Q4	137,935	121,345	67,310	48,505	5,529	21,211	- 4,620	5,370
2007 Q1	122,550	104,537	53,928	43,916	6,693	13,313	+ 4,700	5,362
Q2	136,987	118,090	65,298	49,069	3,724	18,167	+ 730	5,408
2006 July	.	32,693	17,393	13,625	1,676	.	.	1,781
Aug	.	30,142	16,084	12,113	1,945	.	.	1,834
2007 July	.	34,930	18,882	14,634	1,414	.	.	1,841
Aug	.	33,388	18,076	13,353	1,958	.	.	1,841

Source: Federal Ministry of Finance, Federal Statistical Office and Bundesbank calculations. — 1 Including receipts from the equalisation of burdens levies. — 2 Before deducting supplementary central government grants and shares in energy tax revenue remitted to state government. — 3 Custom duties and shares in VAT and gross national income accruing to the EU from

central government tax revenue. — 4 Including local government taxes in the city-states Berlin, Bremen and Hamburg. — 5 Difference between local government's share in the income taxes received by the state government cash offices in the period in question (for this total, see Table IX.6) and the amounts passed on to local government during the same period.

### 6 Central and state government and European Union: tax revenue, by type

€ million

Period	Joint taxes													Memo item Local government share in joint taxes
	Total 1	Income taxes 2					Turnover taxes 5			Local business tax transfers 6	Central government taxes 7	State government taxes 7	EU customs duties	
		Total	Wage tax 3	Assessed income tax	Corporation tax	Investment income taxes 4	Total	Turnover tax	Turnover tax on imports					
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	25,169
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	139,713	108,440	31,273	6,218	83,508	20,579	3,378	23,042
2006	446,139	182,614	122,612	17,567	22,898	19,537	146,688	111,318	35,370	7,013	84,215	21,729	3,880	24,988
2005 Q1	90,403	34,325	27,867	- 3,761	4,416	5,804	34,909	28,031	6,878	222	15,207	5,005	736	4,713
Q2	102,224	40,747	29,030	3,359	2,715	5,643	33,009	25,180	7,829	1,454	20,556	5,673	786	5,688
Q3	101,803	38,946	28,172	4,150	3,798	2,826	35,278	27,520	7,758	1,575	20,235	4,868	901	5,726
Q4	120,926	47,942	33,850	6,017	5,405	2,670	36,518	27,710	8,808	2,967	27,511	5,034	955	6,915
2006 Q1	95,851	36,593	28,095	- 2,104	5,184	5,418	35,873	27,508	8,364	313	15,897	6,258	916	5,024
Q2	111,206	47,844	29,772	5,856	5,173	7,042	35,236	26,345	8,891	1,611	20,438	5,130	948	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
Q4	128,800	53,227	35,516	7,549	6,461	3,701	38,529	29,402	9,127	3,403	27,432	5,183	1,026	7,455
2007 Q1	110,577	43,694	30,464	829	5,434	6,966	42,037	32,624	9,413	153	17,377	6,354	962	6,040
Q2	125,236	55,351	32,244	8,191	6,224	8,693	41,001	30,642	10,359	1,705	20,694	5,493	992	7,145
2006 July	34,570	12,178	10,712	- 369	342	1,492	12,636	9,700	2,936	1,183	6,531	1,734	307	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
2007 July	36,955	12,948	11,497	- 489	- 46	1,987	14,005	10,489	3,516	1,269	6,431	1,961	342	2,025
Aug	35,264	10,995	10,238	- 337	- 286	1,380	14,319	10,587	3,732	579	6,952	2,037	381	1,877

Source: Federal Ministry of Finance. — 1 This total, unlike that in Table IX. 5, does not include the receipts from the equalisation of burdens levies, local business tax (less local business tax transfers to central and state government), real property taxes and other local government taxes, or the balance of untransferred tax shares. — 2 Respective percentage share of central, state and local government in revenue: wage tax and assessed income tax 42.5:42.5:15, corporation tax and non-assessed taxes on earnings 50:50:-, withholding tax on interest income 44:44:12. — 3 After deducting child benefit. — 4 Non-assessed taxes on earnings and withholding tax on interest

income. — 5 The allocation of revenue to central, state and local government, which is adjusted at more regular intervals, is regulated in section 1 of the Revenue Adjustment Act. Respective percentage share of central, state and local government in revenue for 2006: 51.4:46.5:2.1 (central government plus €2.3 billion, state government minus this amount). The EU share is deducted from central government's share. — 6 Respective percentage share of central and state government for 2006: 22.9:77.1. — 7 For the breakdown, see Table IX. 7.

IX Public finances in Germany

7 Central, state and local government: individual taxes

€ million

Period	Central government taxes 1							State government taxes 1				Local government taxes		
	Energy tax	Tobacco tax	Solidarity surcharge	Insurance tax	Electricity tax	Spirits tax	Other	Motor vehicle tax	Tax on the acquisition of land and buildings	Inheritance tax	Other 2	Total	of which	
													Local business tax	Real property taxes
2000	37,826	11,443	11,841	7,243	3,356	2,151	1,643	7,015	5,081	2,982	3,367	36,659	27,025	8,849
2001	40,690	12,072	11,069	7,427	4,322	2,143	1,554	8,376	4,853	3,069	3,330	34,399	24,534	9,076
2002	42,192	13,778	10,403	8,327	5,097	2,149	1,548	7,592	4,763	3,021	3,200	33,447	23,489	9,261
2003	43,188	14,094	10,280	8,870	6,531	2,204	1,442	7,336	4,800	3,373	3,205	34,477	24,139	9,658
2004	41,782	13,630	10,108	8,751	6,597	2,195	1,492	7,740	4,646	4,284	3,105	38,982	28,373	9,939
2005	40,101	14,273	10,315	8,750	6,462	2,142	1,465	8,674	4,791	4,097	3,018	42,941	32,129	10,247
2006	39,916	14,387	11,277	8,775	6,273	2,160	1,428	8,937	6,125	3,763	2,904	49,319	38,370	10,399
2005 Q1	4,407	2,499	2,541	3,854	1,200	335	370	2,149	1,197	905	754	9,816	7,367	2,275
Q2	9,916	3,610	2,508	1,627	2,010	562	324	2,342	1,070	1,413	848	10,864	7,968	2,758
Q3	9,776	3,951	2,387	1,709	1,589	512	311	2,108	1,184	849	727	10,875	7,745	2,984
Q4	16,003	4,213	2,879	1,561	1,664	733	460	2,075	1,340	929	690	11,387	9,049	2,230
2006 Q1	4,480	2,786	2,628	3,792	1,492	399	320	2,718	1,681	1,049	811	11,370	8,874	2,321
Q2	9,727	3,604	2,879	1,662	1,720	505	341	2,258	1,350	881	641	12,296	9,365	2,801
Q3	10,045	3,700	2,665	1,705	1,468	536	329	2,020	1,501	904	733	13,115	9,948	3,026
Q4	15,665	4,296	3,105	1,615	1,593	720	438	1,942	1,593	928	719	12,538	10,182	2,250
2007 Q1	4,540	2,916	2,949	4,504	1,647	416	406	2,636	1,828	1,150	740	12,126	9,541	2,408
Q2	9,230	3,462	3,249	1,912	1,997	493	352	2,206	1,606	1,006	675	13,456	10,457	2,841
2006 July	3,374	1,217	733	431	475	183	118	719	475	286	253	.	.	.
Aug	3,094	1,212	653	866	477	200	109	690	520	335	266	.	.	.
2007 July	3,247	1,272	788	526	317	175	106	836	577	321	228	.	.	.
Aug	3,234	1,291	680	1,030	453	158	106	723	654	433	227	.	.	.

Source: Federal Ministry of Finance, Federal Statistical Office and Bundesbank calculations. — 1 For the sum total, see Table IX. 6. — 2 Notably betting, lottery and beer tax.

8 German pension insurance scheme: budgetary development and assets \*

€ million

Period	Revenue 1			Expenditure 1			Deficit / surplus	Assets 5					Memo item Administrative assets
	Total	of which		Total	of which			Total	Deposits 6	Securities	Equity interests, mortgages and other loans 7	Real estate	
		Contributions 2	Payments from central government		Pension payments 3	Pensioners' health insurance 4							
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	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	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
2006	241,231	168,083	71,773	233,668	200,459	13,053	+ 7,563	10,047	9,777	115	46	109	4,912
2005 Q1	55,160	36,897	17,996	58,001	50,031	3,390	- 2,841	2,607	2,432	16	41	118	4,828
Q2	56,913	38,647	17,911	58,286	49,929	3,413	- 1,373	1,195	1,020	16	42	118	4,874
Q3	57,546	38,492	18,807	58,455	50,150	3,337	- 909	362	187	16	43	117	4,885
Q4	59,408	42,224	16,834	58,412	50,050	3,300	+ 996	1,976	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
Q4	61,369	43,351	17,755	58,459	50,140	3,274	+ 2,910	10,047	9,777	115	46	109	4,912
2007 Q1	56,177	37,771	18,118	58,275	50,369	3,279	- 2,098	7,955	7,585	215	46	108	4,889
Q2	59,068	40,501	18,180	58,595	50,282	3,432	+ 473	8,890	8,573	165	48	103	4,881

Source: Federal Ministry of Labour and Social Affairs and German pension insurance scheme. — \* Excluding the German pension insurance scheme for the mining, railway and maritime industries. — 1 The annual figures do not tally with the sum of the quarterly figures, as the latter are all provisional. 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 fifth book of the Social Security Code have been deducted from pension payments. — 4 Including long-term care insurance for pensioners until 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. — 8 Excluding income booked in connection with the revaluation of equity interests. — 9 Revenue includes proceeds from the disposal of equity interests.

## IX Public finances in Germany

### 9 Federal Employment Agency: budgetary development

€ million

Period	Revenue			Expenditure								Deficit / surplus	Grant or working capital loans from central government
	Total 1	of which		Total 3	Unemployment support 4,5	of which		Job promotion 5,6	of which		Measures financed by levies 7		
		Contributions	Levies 2			Western Germany	Eastern Germany		Western Germany	Eastern Germany			
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
2006	55,384	51,176	1,123	44,162	23,249	17,348	5,901	9,259	6,185	3,074	1,089	+ 11,221	0
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	-
Q4	14,656	13,321	504	9,958	4,616	3,518	1,098	2,455	1,669	787	218	+ 4,698	-
2007 Q1	9,932	7,738	78	10,044	5,321	3,971	1,350	2,032	1,370	662	408	- 113	-
Q2	10,837	7,910	303	9,383	4,598	3,440	1,157	2,089	1,423	666	259	+ 1,454	-

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 and short-time working benefit. — 5 Including contributions to the statutory

health, pension and long-term care insurance schemes. 6 Vocational training, measures to encourage job take-up, rehabilitation, job creation measures, subsidies granted to Personnel Service Agencies, compensation top-up payments and business start-up grants. — 7 Promotion of winter construction and insolvency compensation for employees.

### 10 Statutory health insurance scheme: budgetary development

€ million

Period	Revenue 1			Expenditure 1								Deficit / surplus 5
	Total	of which		Total	Hospital treatment	Medical and dental treatment 3	Pharmaceuticals	Therapeutic treatment and aids	Sickness benefits	Other expenditure on benefits	Administrative expenditure 4	
		Contributions 2	Federal grant									
2000	133,808	130,053	.	133,823	44,540	32,734	20,121	9,431	7,058	2,524	7,296	- 15
2001	135,790	131,886	.	138,811	44,980	33,495	22,331	9,760	7,717	2,779	7,642	- 3,021
2002	139,707	136,208	.	143,026	46,308	34,899	23,449	9,304	7,561	2,998	8,019	- 3,320
2003	141,654	138,383	.	145,095	46,800	36,120	24,218	9,409	6,973	2,984	8,206	- 3,441
2004	144,279	140,120	1,000	140,178	47,594	34,218	21,811	8,281	6,367	3,731	8,114	+ 4,102
2005	145,742	140,250	2,500	143,809	48,959	33,024	25,358	8,284	5,868	3,847	8,155	+ 1,933
2006	149,929	142,184	4,200	147,973	50,327	34,260	25,835	8,303	5,708	4,526	8,110	+ 1,956
2005 Q1	34,630	33,989	-	34,452	12,171	8,280	5,795	1,827	1,539	347	1,765	+ 178
Q2	36,832	34,869	1,250	35,978	12,276	8,183	6,418	2,093	1,522	477	1,989	+ 854
Q3	35,380	34,674	-	35,530	12,102	8,133	6,425	2,087	1,400	391	1,904	- 150
Q4	38,693	36,719	1,250	37,649	12,457	8,502	6,752	2,263	1,398	591	2,391	+ 1,044
2006 Q1	34,744	34,034	-	35,968	12,834	8,483	6,384	1,881	1,477	283	1,836	- 1,224
Q2	38,004	35,279	2,100	36,830	12,658	8,588	6,450	2,071	1,439	574	1,910	+ 1,174
Q3	36,001	35,156	-	36,226	12,551	8,254	6,301	2,048	1,363	515	1,931	- 225
Q4	40,770	37,745	2,100	38,553	12,348	8,888	6,739	2,290	1,412	881	2,384	+ 2,217
2007 Q1	36,437	35,693	-	37,147	12,948	8,793	6,687	1,918	1,525	347	1,879	- 710
Q2	39,316	37,306	1,250	38,299	12,893	8,860	6,862	2,160	1,510	635	1,930	+ 1,017

Source: Federal Ministry of Health. — 1 The annual figures do not tally with the sum of the quarterly figures, as the latter are all provisional. — 2 Including contributions from subsidised low-paid part-time employment. — 3 Including dentures. — 4 Net, ie after deducting reimbursements for ex-

penses for levying contributions incurred by other social insurance funds. — 5 Excluding revenue and expenditure as part of the risk structure compensation scheme.

IX Public finances in Germany

11 Statutory long-term care insurance scheme: budgetary development

€ million

Period	Revenue 1		Expenditure 1					Deficit / surplus		
	Total	of which Contributions 2	Total	of which						
				Non-cash care benefits	In-patient care	Nursing benefit	Contributions to pension insurance scheme 3		Administrative expenditure	
2000	16,523	16,280	16,718	2,252	7,476	4,201	1,067	800	-	195
2001	16,843	16,581	16,890	2,301	7,744	4,134	979	816	-	47
2002	16,917	16,714	17,346	2,363	8,014	4,151	962	837	-	428
2003	16,844	16,665	17,468	2,361	8,183	4,090	951	853	-	624
2004	16,817	16,654	17,605	2,365	8,349	4,049	925	851	-	788
2005	17,526	17,385	17,891	2,409	8,516	4,050	890	875	-	366
2006	17,749	17,611	18,064	2,437	8,671	4,017	862	886	-	315
2005 Q1	4,159	4,130	4,418	586	2,103	996	226	245	-	259
Q2	4,315	4,288	4,439	596	2,120	1,011	220	215	-	123
Q3	4,389	4,358	4,492	606	2,140	1,008	221	213	-	103
Q4	4,629	4,600	4,509	607	2,154	1,037	227	198	+	121
2006 Q1	4,660	4,631	4,511	611	2,152	998	213	246	+	150
Q2	4,655	4,629	4,447	582	2,158	994	214	222	+	208
Q3	4,471	4,441	4,551	617	2,171	1,014	213	222	-	80
Q4	4,699	4,657	4,526	611	2,191	1,009	218	200	+	173
2007 Q1	4,301	4,265	4,591	624	2,191	1,014	212	238	-	290
Q2	4,469	4,432	4,528	595	2,192	993	213	231	-	59

Source: Federal Ministry of Health. — 1 The annual figures do not tally with the sum of the quarterly figures, as the latter are all provisional. — 2 Since

2005 including special contributions for childless persons (0.25% of income subject to insurance contributions). — 3 For non-professional carers.

12 Central government: borrowing in the market

€ million

Period	Total new borrowing		of which Change in money market loans	of which Change in money market deposits	End of year or quarter
	Gross 1	Net			
2001	+ 135,018	- 14,719	+ 3,595	- 1,495	2001
2002	+ 178,203	+ 24,327	+ 2,221	+ 22	2002
2003	+ 227,483	+ 42,270	+ 1,236	+ 7,218	2003
2004	+ 227,441	+ 44,410	+ 1,844	+ 802	2004
2005	+ 224,922	+ 35,479	+ 4,511	+ 6,041	2005
2006	+ 221,873	+ 32,656	+ 3,258	+ 6,308	2006
2005 Q1	+ 65,235	+ 19,631	+ 11,093	- 4,966	2005 Q1
Q2	+ 54,315	+ 3,646	- 2,371	+ 1,492	Q2
Q3	+ 59,325	+ 11,140	+ 788	+ 7,444	Q3
Q4	+ 46,048	+ 1,062	- 4,999	+ 2,071	Q4
2006 Q1	+ 75,788	+ 12,526	+ 8,174	- 7,296	2006 Q1
Q2	+ 56,445	+ 14,238	+ 8,228	+ 14,649	Q2
Q3	+ 66,689	+ 16,579	+ 4,181	+ 8,913	Q3
Q4	+ 22,952	- 10,686	- 17,326	- 9,958	Q4
2007 Q1	+ 68,285	+ 4,600	+ 12,649	- 11,200	2007 Q1
Q2	+ 54,415	+ 22,020	+ 5,792	+ 27,209	Q2

Source: Federal Republic of Germany – Finance Agency. — 1 After deducting repurchases.

13 Central, state and local government: debt by creditor \*

€ million

End of year or quarter	Total	Banking system		Domestic non-banks		Foreign creditors p€
		Bundesbank	Credit institutions	Social security funds	Other 1	
2001	1,223,966	4,440	534,262	174	230,890	454,200
2002	1,277,667	4,440	536,900	137	238,390	497,800
2003	1,358,137	4,440	530,700	341	301,956	520,700
2004	1,430,582	4,440	544,200	430	307,212	574,300
2005	1,489,029	4,440	518,500	488	313,101	652,500
2006	1,533,697	4,440	496,900	480	329,577	702,300
2005 Q1	1,457,430	4,440	552,700	474	302,916	596,900
Q2	1,465,639	4,440	530,900	501	305,598	624,200
Q3	1,480,384	4,440	535,600	501	304,143	635,700
Q4	1,489,029	4,440	518,500	488	313,101	652,500
2006 Q1	1,508,932	4,440	522,400	486	308,606	673,000
Q2	1,525,012	4,440	528,500	485	320,187	671,400
Q3	1,540,523	4,440	519,300	485	331,898	684,400
Q4	1,533,697	4,440	496,900	480	329,577	702,300
2007 Q1	1,538,621	4,440	513,900	480	324,601	695,200
Q2	1,556,684	4,440	505,600	480	325,864	720,300

Source: Bundesbank calculations based on data from the Federal Statistical Office. — \* Excluding direct intergovernmental borrowing. — 1 Calculated as a residual.

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14 Central, state and local government: debt by category \*

€ million

End of year or quarter	Total	Treasury discount paper (Bubills) 1	Treasury notes 2,3	Five-year Federal notes (Bobbis) 2	Federal savings notes	Federal bonds (Bunds) 2	Direct lending by credit institu- tions 4	Loans from non-banks		Old debt		
								Social security funds	Other 4	arising from German reunifica- tion 5,6	Equal- isation claims 6	Other 7
<b>Central, state and local government</b>												
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	1,489,029	36,945	310,044	174,423	11,055	521,801	366,978	488	62,765	2	4,443	86
2006 Q1	1,508,932	36,882	320,546	167,403	10,883	530,724	372,680	486	64,799	2	4,443	85
Q2	1,525,012	37,450	323,930	177,720	10,399	529,386	374,452	485	66,664	2	4,443	83
Q3	1,540,523	37,895	320,241	171,892	10,253	549,652	377,575	485	68,002	2	4,443	83
Q4	1,533,697	37,834	320,288	179,940	10,199	552,028	356,511	480	71,892	2	4,443	81
2007 Q1	1,538,621	38,627	323,595	166,620	10,276	560,413	367,054	480	67,032	2	4,443	80
Q2	1,556,684	38,577	326,230	175,567	10,114	567,582	362,906	480	70,705	2	4,443	79
<b>Central government <sup>8,9</sup></b>												
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	886,254	36,098	108,899	174,371	11,055	510,866	29,318	408	10,710	2	4,443	85
2006 Q1	898,780	36,130	111,773	167,352	10,883	519,889	36,917	408	10,899	2	4,443	84
Q2	913,018	36,927	108,975	177,669	10,399	518,757	44,284	408	11,073	2	4,443	83
Q3	929,597	37,772	106,419	171,841	10,253	539,023	48,236	408	11,119	2	4,443	83
Q4	918,911	37,798	103,624	179,889	10,199	541,404	30,030	408	11,036	2	4,443	80
2007 Q1	923,511	38,622	102,508	166,569	10,276	549,886	39,620	408	11,100	2	4,443	79
Q2	945,531	38,497	103,219	175,516	10,114	557,055	45,104	408	11,096	2	4,443	79
<b>State government</b>												
2001	364,559	1,900	87,856	.	.	.	265,652	5	9,145	.	.	1
2002	392,172	588	121,394	.	.	.	255,072	5	15,113	.	.	1
2003	423,737	787	154,189	.	.	.	244,902	4	23,854	.	.	1
2004	448,672	1,282	179,620	.	.	.	228,644	3	39,122	.	.	1
2005	471,375	847	201,146	.	.	.	221,163	3	48,216	.	.	1
2006 Q1	477,718	752	208,773	.	.	.	218,132	3	50,057	.	.	1
Q2	478,661	523	214,954	.	.	.	211,432	2	51,748	.	.	1
Q3	478,603	123	213,823	.	.	.	211,564	2	53,091	.	.	1
Q4	481,850	36	216,665	.	.	.	209,270	2	55,876	.	.	1
2007 Q1	483,084	5	221,087	.	.	.	211,039	2	50,950	.	.	1
Q2	479,658	80	223,011	.	.	.	201,938	2	54,627	.	.	1
<b>Local government <sup>10</sup></b>												
2001	99,209	.	153	.	.	913	96,051	136	1,955	.	.	.
2002	100,842	.	153	.	.	913	97,624	124	2,027	.	.	.
2003	107,857	.	77	.	.	734	104,469	106	2,471	.	.	.
2004	112,538	.	.	.	.	812	108,231	86	3,410	.	.	.
2005	116,033	.	.	.	.	466	111,889	77	3,601	.	.	.
2006 Q1	117,424	.	.	.	.	466	113,278	75	3,605	.	.	.
Q2	118,323	.	.	.	.	260	114,383	75	3,605	.	.	.
Q3	117,462	.	.	.	.	260	113,522	75	3,605	.	.	.
Q4	118,380	.	.	.	.	256	113,261	70	4,792	.	.	.
2007 Q1	117,768	.	.	.	.	256	112,646	70	4,795	.	.	.
Q2	117,312	.	.	.	.	256	112,191	70	4,795	.	.	.
<b>Special funds <sup>8,9,11</sup></b>												
2001	59,084	-	3,748	10,134	.	31,040	13,626	8	529	.	.	.
2002	59,210	-	3,820	10,185	.	32,828	11,832	8	537	.	.	.
2003	58,830	-	4,610	10,185	.	34,201	9,315	8	512	.	.	.
2004	57,250	-	4,538	9,685	.	34,355	8,274	8	389	.	.	.
2005	15,367	-	.	51	.	10,469	4,609	-	238	.	.	.
2006 Q1	15,011	.	.	51	.	10,369	4,353	-	238	.	.	.
Q2	15,011	.	.	51	.	10,369	4,353	-	238	.	.	.
Q3	14,860	.	.	51	.	10,368	4,253	-	188	.	.	.
Q4	14,556	.	.	51	.	10,368	3,950	-	188	.	.	.
2007 Q1	14,258	.	.	51	.	10,271	3,749	-	188	.	.	.
Q2	14,183	.	.	51	.	10,271	3,674	-	188	.	.	.

Source: Bundesbank calculations based on data from the Federal Statistical Office. — \* Excluding direct intergovernmental borrowing. — 1 Including Treasury financing paper. — 2 Excluding issuers' holdings of their own securities. — 3 Treasury notes issued by state government include long-term notes. — 4 Mainly loans against borrowers' notes and cash advances. Including loans raised abroad. Other loans from non-banks, including loans from public supplementary 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 allocation ratios. — 9 On 1 January 2005 central government assumed joint responsibility for the debts of the German Unity Fund. From that date on, the aforementioned special fund is recorded under central government. — 10 Including debt of municipal special purpose associations. Data other than year-end figures have been estimated. — 11 ERP Special Fund, German Unity Fund (up to the end of 2004) and Indemnification Fund.

## X Economic conditions in Germany

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

Item	2005			2006			2007						
	2004	2005	2006	2004	2005	2006	2005	2006	2007	2007	2007		
	Index 2000=100			Annual percentage change			Q4	Q1	Q2	Q3	Q4	Q1	Q2
<b>At constant prices, chained</b>													
<b>I Origin of domestic product</b>													
Production sector (excluding construction)	104.8	106.0	111.6	4.7	1.2	5.3	1.9	8.4	2.2	5.0	5.6	5.2	5.3
Construction	83.2	79.2	83.5	- 3.8	- 4.8	5.4	- 2.7	3.3	1.9	5.6	10.6	16.3	0.3
Wholesale/retail trade, hotel and restaurant services, transport and storage <sup>1</sup>	104.1	104.7	108.5	1.6	0.6	3.6	- 0.1	3.8	1.9	3.5	5.3	3.3	2.7
Financing, renting and business services <sup>2</sup>	104.9	107.7	110.1	- 0.4	2.7	2.2	2.6	1.3	1.8	2.6	3.0	3.2	3.2
Public and private services <sup>3</sup>	102.6	103.1	103.3	0.4	0.4	0.2	0.4	0.6	0.1	0.3	- 0.1	0.5	0.5
Gross value added	103.1	104.1	107.0	1.4	1.0	2.8	1.1	3.4	1.5	2.9	3.6	3.5	2.9
Gross domestic product <sup>4</sup>	102.1	102.9	105.8	1.1	0.8	2.9	1.0	3.4	1.6	2.7	3.7	3.3	2.5
<b>II Use of domestic product</b>													
Private consumption <sup>5</sup>	101.4	101.3	102.3	0.2	- 0.1	1.0	- 0.7	1.2	0.2	0.4	1.9	- 0.2	- 0.2
Government consumption	100.9	101.4	102.2	- 1.5	0.5	0.9	1.3	1.7	0.1	0.9	0.7	2.1	2.1
Machinery and equipment	94.2	99.9	108.2	4.6	6.0	8.3	8.7	11.3	8.4	8.0	6.3	10.6	8.8
Premises	85.1	82.4	85.9	- 3.8	- 3.1	4.3	- 0.5	2.4	1.9	4.7	7.8	14.4	- 0.4
Other investment <sup>6</sup>	112.5	117.9	125.8	2.1	4.8	6.7	6.6	5.2	6.1	6.9	8.3	3.9	4.8
Changes in inventories <sup>7 8</sup>	.	.	.	- 0.1	0.0	- 0.1	0.1	1.3	0.0	0.6	- 2.0	- 0.2	- 0.3
Domestic use	97.8	98.1	100.0	- 0.2	0.3	1.9	0.6	3.6	1.1	2.2	0.7	2.0	0.7
Net exports <sup>8</sup>	.	.	.	1.3	0.5	1.1	0.4	0.0	0.6	0.7	3.1	1.4	1.7
Exports	125.2	134.1	150.9	10.0	7.1	12.5	8.7	14.6	9.0	10.7	15.6	9.9	9.4
Imports	112.7	120.3	133.7	7.2	6.7	11.2	8.6	17.1	8.9	10.3	9.2	7.7	6.1
Gross domestic product <sup>4</sup>	102.1	102.9	105.8	1.1	0.8	2.9	1.0	3.4	1.6	2.7	3.7	3.3	2.5
<b>At current prices (€ billion)</b>													
<b>III Use of domestic product</b>													
Private consumption <sup>5</sup>	1,307.5	1,326.4	1,357.5	1.8	1.4	2.3	1.1	2.9	1.8	1.5	3.1	1.2	1.6
Government consumption	415.6	421.5	425.9	- 0.3	1.4	1.0	1.8	2.7	0.6	0.4	0.5	2.5	2.5
Machinery and equipment	154.5	162.1	173.7	3.5	4.9	7.1	7.3	9.9	7.5	7.1	4.9	9.7	7.7
Premises	208.0	203.4	217.2	- 2.4	- 2.2	6.8	0.0	3.2	3.5	7.9	11.9	22.3	6.5
Other investment <sup>6</sup>	24.8	25.3	26.3	1.8	2.1	3.7	3.2	2.7	4.1	3.6	4.4	2.0	1.4
Changes in inventories <sup>7</sup>	- 10.2	- 7.5	- 4.7	.	.	.	.	.	.	.	.	.	.
Domestic use	2,100.2	2,131.3	2,195.8	1.1	1.5	3.0	1.8	4.8	2.6	3.3	1.5	3.5	2.4
Net exports	111.0	113.3	126.4	.	.	.	.	.	.	.	.	.	.
Exports	847.8	918.0	1,046.5	9.9	8.3	14.0	10.3	16.5	10.9	12.3	16.3	10.4	9.4
Imports	736.8	804.7	920.1	7.5	9.2	14.3	11.3	21.4	13.1	13.2	10.8	7.5	5.7
Gross domestic product <sup>4</sup>	2,211.2	2,244.6	2,322.2	2.2	1.5	3.5	1.8	3.9	2.3	3.4	4.3	5.0	4.2
<b>IV Prices (2000 = 100)</b>													
Private consumption	106.2	107.8	109.3	1.6	1.5	1.4	1.9	1.7	1.5	1.1	1.2	1.4	1.7
Gross domestic product	105.0	105.8	106.4	1.1	0.7	0.6	0.8	0.5	0.6	0.6	0.5	1.6	1.7
Terms of trade	102.5	101.3	99.8	- 0.4	- 1.3	- 1.5	- 1.1	- 1.9	- 2.1	- 1.2	- 0.7	0.6	0.3
<b>V Distribution of national income</b>													
Compensation of employees	1,137.1	1,129.9	1,149.4	0.4	- 0.6	1.7	- 0.6	0.5	1.6	2.3	2.3	3.1	2.9
Entrepreneurial and property income	530.0	561.3	601.9	13.4	5.9	7.2	8.7	11.1	2.0	6.1	10.1	7.9	3.9
National income	1,667.1	1,691.2	1,751.2	4.2	1.4	3.6	2.0	4.1	1.8	3.7	4.6	4.8	3.3
<i>Memo item:</i> Gross national income	2,226.3	2,265.0	2,344.4	3.6	1.7	3.5	2.0	3.9	2.3	3.5	4.3	5.2	3.7

Source: Federal Statistical Office; figures computed in August 2007. — 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.

X Economic conditions in Germany

2 Output in the production sector \*

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												
2002	98.3	88.6	97.4	99.3	98.9	101.1	92.0	98.3	101.8	101.9	99.4	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	105.8	87.5	97.9	104.4	103.7	101.3	112.0
2005	103.7	76.1	102.8	106.3	106.5	111.1	87.8	100.9	110.0	104.6	106.2	116.8
2006	109.8	81.0	102.9	113.2	115.1	118.9	94.0	102.6	114.5	111.7	114.9	120.2
2005 Dec	99.8	61.1	115.5	101.6	93.2	115.8	81.4	96.5	99.0	84.0	129.4	95.1
2006 Jan	98.1	41.6	120.4	100.9	104.6	101.1	85.7	96.3	113.9	104.7	92.3	107.3
Feb	100.4	45.7	109.1	104.6	105.5	109.7	89.4	96.0	110.4	107.6	99.4	121.8
Mar	111.8	63.6	112.6	116.2	116.5	124.4	98.3	103.4	118.4	117.0	117.1	131.7
Apr	107.9	86.1	101.9	110.5	113.2	114.4	92.4	101.4	113.5	110.6	109.0	120.4
May	107.7	88.8	95.4	110.8	114.1	115.0	89.4	100.7	112.9	112.4	110.1	122.5
June	112.4	94.0	94.3	116.0	118.8	123.2	92.7	101.4	114.4	117.2	119.4	126.1
July	112.7	99.4	97.1	115.6	119.0	121.2	90.3	103.2	118.8	111.9	115.1	127.4
Aug	103.5	90.6	92.7	105.9	113.0	103.8	79.3	100.8	113.6	104.7	105.4	92.4
Sep	117.3	99.1	93.5	121.5	123.1	129.2	106.6	106.5	113.1	118.7	125.6	132.0
Oct	117.9	97.7	100.7	121.6	124.9	125.6	104.4	110.4	119.8	120.8	119.9	126.9
Nov	120.7	96.1	106.5	124.6	124.4	133.9	107.9	110.5	119.0	121.1	128.3	133.3
Dec	107.1	69.5	110.7	110.2	103.6	124.7	91.3	100.3	105.6	93.9	136.6	100.5
2007 Jan	104.8	56.4	104.9	109.2	115.3	110.3	89.4	98.7	117.9	117.3	102.7	117.6
Feb	108.0	59.7	99.4	113.4	116.8	119.2	95.7	98.6	116.4	117.8	112.5	127.5
Mar	121.2	78.0	105.2	126.9	129.4	136.0	104.2	109.1	125.0	127.9	132.4	143.1
Apr r	7 112.8	7 84.6	96.8	117.2	121.2	122.3	90.6	104.9	121.4	117.9	117.6	129.3
May r	7 113.9	7 86.4	95.4	118.4	123.1	123.5	90.7	104.8	121.9	118.2	120.4	128.7
June r	7 118.5	7 91.0	94.3	123.7	127.8	133.2	95.2	102.9	117.9	121.3	130.6	137.8
July +	7 118.0	7 95.4	95.2	122.6	127.2	131.0	89.6	103.7	121.7	117.7	127.7	132.3
Aug + p	7 108.8	7 87.9	92.8	112.4	119.7	112.3	81.1	104.0	120.0	108.4	113.7	100.2
Annual percentage change												
2002	- 1.2	- 4.4	+ 0.1	- 1.1	- 0.5	- 1.2	- 8.4	- 0.7	+ 3.8	+ 0.8	- 2.5	+ 1.3
2003	+ 0.1	- 4.2	+ 2.5	+ 0.2	+ 0.6	+ 0.9	- 5.2	- 0.9	+ 0.2	- 2.0	- 1.6	+ 2.1
2004	+ 2.5	- 5.1	+ 2.9	+ 3.0	+ 3.8	+ 3.7	+ 0.3	+ 0.5	+ 2.4	+ 3.8	+ 3.6	+ 4.1
2005	+ 2.8	- 5.6	+ 0.1	+ 3.7	+ 3.1	+ 5.0	+ 0.3	+ 3.1	+ 5.4	+ 0.9	+ 4.8	+ 4.3
2006	+ 5.9	+ 6.4	+ 0.1	+ 6.5	+ 8.1	+ 7.0	+ 7.1	+ 1.7	+ 4.1	+ 6.8	+ 8.2	+ 2.9
2005 Dec	+ 4.5	- 1.6	- 0.1	+ 5.4	+ 5.3	+ 7.0	+ 3.4	+ 2.6	+ 1.7	+ 0.2	+ 8.6	+ 2.9
2006 Jan	+ 3.9	- 13.2	+ 6.9	+ 4.2	+ 3.7	+ 6.1	+ 4.9	+ 1.9	+ 3.3	- 0.2	+ 7.0	+ 0.7
Feb	+ 5.9	+ 5.5	+ 1.3	+ 6.5	+ 6.2	+ 9.2	+ 4.2	+ 1.9	+ 2.7	+ 5.6	+ 6.8	+ 8.4
Mar	+ 4.8	+ 5.5	+ 0.3	+ 5.3	+ 7.1	+ 5.5	+ 2.4	+ 0.9	+ 1.9	+ 7.0	+ 2.7	+ 4.2
Apr	+ 5.3	+ 7.5	+ 0.7	+ 5.5	+ 6.8	+ 4.9	+ 6.3	+ 4.1	+ 4.8	+ 4.3	+ 8.0	- 1.6
May	+ 7.1	+ 6.5	- 2.5	+ 8.1	+ 8.5	+ 9.8	+ 12.2	+ 3.0	+ 3.2	+ 9.2	+ 11.1	+ 9.2
June	+ 5.6	+ 6.3	+ 1.9	+ 5.8	+ 8.6	+ 5.1	+ 2.5	+ 2.1	+ 6.2	+ 8.8	+ 3.6	+ 3.1
July	+ 5.7	+ 7.0	+ 0.7	+ 6.2	+ 8.2	+ 6.4	+ 7.9	+ 0.7	+ 5.9	+ 3.4	+ 6.8	+ 4.4
Aug	+ 7.9	+ 7.3	+ 0.2	+ 8.7	+ 11.0	+ 9.1	+ 13.0	+ 1.8	+ 4.4	+ 8.7	+ 14.4	+ 1.9
Sep	+ 6.1	+ 7.8	- 0.1	+ 6.4	+ 8.7	+ 6.6	+ 9.2	+ 0.3	+ 2.1	+ 8.5	+ 10.0	+ 1.9
Oct	+ 4.4	+ 4.6	- 3.1	+ 5.1	+ 8.2	+ 5.1	+ 4.2	- 1.8	+ 1.7	+ 7.2	+ 10.8	- 3.3
Nov	+ 7.0	+ 11.6	- 1.4	+ 7.6	+ 8.8	+ 9.0	+ 8.0	+ 1.5	+ 6.3	+ 8.5	+ 12.6	+ 1.7
Dec	+ 7.3	+ 13.7	- 4.2	+ 8.5	+ 11.2	+ 7.7	+ 12.2	+ 3.9	+ 6.7	+ 11.8	+ 5.6	+ 5.7
2007 Jan	+ 6.8	+ 35.6	- 12.9	+ 8.2	+ 10.2	+ 9.1	+ 4.3	+ 2.5	+ 3.5	+ 12.0	+ 11.3	+ 9.6
Feb	+ 7.6	+ 30.6	- 8.9	+ 8.4	+ 10.7	+ 8.7	+ 7.0	+ 2.7	+ 5.4	+ 9.5	+ 13.2	+ 4.7
Mar	7 + 8.4	7 + 22.6	- 6.6	+ 9.2	+ 11.1	+ 9.3	+ 6.0	+ 5.5	+ 5.6	+ 9.3	+ 13.1	+ 8.7
Apr r	7 + 4.5	7 - 1.7	- 5.0	+ 6.1	+ 7.1	+ 6.9	- 1.9	+ 3.5	+ 7.0	+ 6.6	+ 7.9	+ 7.4
May r	7 + 5.8	7 - 2.7	± 0.0	+ 6.9	+ 7.9	+ 7.4	+ 1.5	+ 4.1	+ 8.0	+ 5.2	+ 9.4	+ 5.1
June r	7 + 5.4	7 - 3.2	± 0.0	+ 6.6	+ 7.6	+ 8.1	+ 2.7	+ 1.5	+ 3.1	+ 3.5	+ 9.4	+ 9.3
July +	7 + 4.7	7 - 4.0	- 2.0	+ 6.1	+ 6.9	+ 8.1	- 0.8	+ 0.5	+ 2.4	+ 5.2	+ 10.9	+ 3.8
Aug + p	7 + 5.1	7 - 3.0	+ 0.1	+ 6.1	+ 5.9	+ 8.2	+ 2.3	+ 3.2	+ 5.6	+ 3.5	+ 7.9	+ 8.4

Source of the unadjusted figures: Federal Statistical Office. — \* Annual and quarterly figures based on firms' reports of enterprises with at least 20 employees; monthly breakdown from January 2007 on the basis of data provided by firms with at least 50 employees, but with a smaller reporting group before that date. — ◦ 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 oil 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 +4%). — + 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 2007.



## X Economic conditions in Germany

## 3 Orders received by industry \*

Adjusted for working-day variations ◦

Period	Industry		of which									
			Intermediate goods		Capital goods <sup>1</sup>		Consumer goods <sup>2</sup>		of which			
	2000=100	Annual percentage change	2000=100	Annual percentage change	2000=100	Annual percentage change	2000=100	Annual percentage change	2000=100	Annual percentage change	2000=100	Annual percentage change
<b>total</b>												
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	99.7	+ 4.8	91.4	+ 2.4	104.9	+ 6.3
2006	123.8	+ 10.7	124.8	+ 13.5	127.5	+ 9.7	105.7	+ 6.0	98.9	+ 8.2	109.9	+ 4.8
2006 Aug	118.9	+ 16.6	119.0	+ 16.2	121.9	+ 19.0	106.2	+ 7.6	89.2	+ 12.6	116.7	+ 5.5
Sep	130.2	+ 10.8	131.1	+ 14.7	133.8	+ 8.7	112.4	+ 6.7	107.1	+ 8.1	115.7	+ 6.0
Oct	129.7	+ 9.3	134.5	+ 14.8	129.8	+ 5.6	113.5	+ 6.6	112.3	+ 9.2	114.3	+ 5.0
Nov	130.7	+ 8.0	134.8	+ 14.4	131.6	+ 3.3	113.7	+ 8.5	110.9	+ 7.1	115.5	+ 9.4
Dec	123.5	+ 8.5	115.7	+ 12.1	136.5	+ 6.8	95.6	+ 4.9	87.1	+ 5.1	100.9	+ 4.9
2007 Jan	127.2	+ 9.2	132.4	+ 13.9	128.1	+ 6.2	106.5	+ 5.9	99.3	+ 4.9	111.0	+ 6.4
Feb	132.6	+ 12.1	130.3	+ 11.6	138.7	+ 13.7	115.2	+ 6.3	100.2	+ 4.0	124.6	+ 7.5
Mar	146.1	+ 14.3	144.3	+ 14.3	153.7	+ 16.1	120.7	+ 6.0	109.1	+ 3.0	127.8	+ 7.6
Apr	131.7	+ 9.2	133.6	+ 8.6	136.2	+ 10.2	107.4	+ 6.8	98.3	+ 0.8	113.1	+ 10.3
May	134.7	+ 12.3	135.5	+ 9.8	140.6	+ 15.2	107.2	+ 8.1	101.2	+ 4.8	110.9	+ 9.9
June	146.6	+ 18.0	141.7	+ 9.9	160.1	+ 26.1	107.6	+ 10.1	102.6	+ 7.3	110.7	+ 11.8
July	135.0	+ 7.4	136.2	+ 6.2	139.9	+ 8.9	111.1	+ 4.6	98.4	+ 5.1	119.0	+ 4.5
Aug P	124.6	+ 4.8	126.3	+ 6.1	126.6	+ 3.9	111.1	+ 4.6	92.6	+ 3.8	122.6	+ 5.1
<b>from the domestic market</b>												
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	94.7	+ 5.5
2006	110.9	+ 9.4	116.9	+ 12.8	110.5	+ 7.5	95.0	+ 4.3	92.2	+ 8.2	96.6	+ 2.0
2006 Aug	108.7	+ 12.8	115.0	+ 16.2	107.3	+ 11.9	94.6	+ 5.0	83.1	+ 11.2	101.7	+ 2.2
Sep	119.9	+ 13.6	122.7	+ 14.8	123.6	+ 15.1	101.8	+ 5.6	100.5	+ 8.9	102.6	+ 3.7
Oct	118.5	+ 10.4	126.5	+ 14.0	115.9	+ 8.6	103.3	+ 4.8	105.2	+ 9.8	102.1	+ 1.7
Nov	118.9	+ 9.8	127.4	+ 13.9	115.9	+ 6.6	103.1	+ 6.6	106.1	+ 9.5	101.3	+ 4.9
Dec	106.8	+ 9.4	107.5	+ 12.9	112.7	+ 6.8	87.8	+ 6.7	82.0	+ 9.2	91.3	+ 5.2
2007 Jan	113.7	+ 10.7	123.0	+ 14.0	111.4	+ 9.5	93.8	+ 3.4	92.1	+ 2.8	94.8	+ 3.8
Feb	115.1	+ 11.1	120.9	+ 12.4	114.5	+ 12.7	100.6	+ 2.5	92.9	+ 2.2	105.4	+ 2.8
Mar	128.3	+ 13.0	132.8	+ 14.2	131.3	+ 14.4	107.1	+ 5.4	102.0	+ 3.8	110.2	+ 6.4
Apr	117.3	+ 9.8	124.8	+ 8.9	117.6	+ 12.0	94.8	+ 5.6	89.3	+ 1.1	98.2	+ 8.3
May	117.9	+ 8.9	127.4	+ 9.9	117.0	+ 8.9	93.1	+ 4.5	89.6	+ 0.6	95.2	+ 6.8
June	123.5	+ 12.0	131.5	+ 10.1	126.2	+ 15.4	92.8	+ 7.0	91.9	+ 4.9	93.4	+ 8.4
July	121.4	+ 8.0	129.2	+ 6.4	122.2	+ 10.9	96.7	+ 4.1	90.1	+ 4.9	100.7	+ 3.6
Aug P	113.1	+ 4.0	121.4	+ 5.6	110.6	+ 3.1	96.6	+ 2.1	84.5	+ 1.7	104.1	+ 2.4
<b>from abroad</b>												
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	112.6	+ 4.1	103.1	+ 3.8	118.5	+ 4.1
2005	124.8	+ 9.9	119.9	+ 6.9	128.5	+ 12.2	119.0	+ 5.7	105.0	+ 1.8	127.7	+ 7.8
2006	140.0	+ 12.2	137.3	+ 14.5	143.2	+ 11.4	129.4	+ 8.7	113.6	+ 8.2	139.3	+ 9.1
2006 Aug	131.6	+ 20.8	125.2	+ 16.4	135.4	+ 25.0	131.7	+ 12.0	102.7	+ 15.1	149.9	+ 10.8
Sep	143.0	+ 7.9	144.3	+ 14.6	143.3	+ 4.1	136.0	+ 8.7	121.6	+ 6.7	144.9	+ 9.7
Oct	143.6	+ 8.0	147.1	+ 15.8	142.7	+ 3.6	136.1	+ 9.7	127.8	+ 8.2	141.3	+ 10.6
Nov	145.4	+ 6.3	146.4	+ 15.4	146.1	+ 1.0	137.2	+ 11.9	121.3	+ 2.9	147.1	+ 17.2
Dec	144.4	+ 7.8	128.5	+ 11.0	158.4	+ 6.8	113.0	+ 2.3	98.3	- 1.7	122.2	+ 4.4
2007 Jan	144.0	+ 7.7	147.1	+ 13.9	143.5	+ 4.0	134.7	+ 9.9	115.0	+ 8.5	147.0	+ 10.4
Feb	154.4	+ 12.9	144.9	+ 10.5	161.1	+ 14.4	147.6	+ 12.5	116.1	+ 7.5	167.2	+ 14.8
Mar	168.3	+ 15.5	162.3	+ 14.5	174.4	+ 17.3	150.7	+ 6.8	124.7	+ 1.6	167.0	+ 9.4
Apr	149.7	+ 8.6	147.3	+ 8.1	153.3	+ 9.0	135.4	+ 8.8	118.1	+ 0.4	146.1	+ 13.4
May	155.6	+ 15.9	148.2	+ 9.7	162.4	+ 19.7	138.5	+ 13.8	126.6	+ 11.9	145.9	+ 14.8
June	175.5	+ 23.9	157.6	+ 9.6	191.3	+ 33.6	140.3	+ 15.1	126.1	+ 11.5	149.3	+ 17.1
July	152.0	+ 6.8	147.2	+ 5.9	156.2	+ 7.5	143.1	+ 5.6	116.6	+ 5.4	159.6	+ 5.6
Aug P	138.9	+ 5.5	133.9	+ 6.9	141.3	+ 4.4	143.2	+ 8.7	110.4	+ 7.5	163.6	+ 9.1

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; from January 2006 on the basis of reports by enterprises with more than 50

employees, previously on the basis of the reports by enterprises with at least 20 employees. — ◦ 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.

## X Economic conditions in Germany

### 4 Orders received by construction \*

Adjusted for working-day variations ◦

Period	Germany					Western Germany 1					Eastern Germany 2				
	Total	Annual percentage change	Housing construction	Industrial construction 3	Public sector construction	Total	Annual percentage change	Housing construction	Industrial construction 3	Public sector construction	Total	Annual percentage change	Housing construction	Industrial construction 3	Public sector construction
			2000 = 100	2000 = 100	2000 = 100			2000 = 100	2000 = 100	2000 = 100			2000 = 100	2000 = 100	2000 = 100
2002	88.8	- 6.1	72.8	91.5	95.7	92.1	- 6.9	80.5	94.8	96.4	79.6	- 3.6	51.5	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	71.9	- 9.7	45.1	75.4	84.3
2004	74.3	- 6.3	61.3	72.8	84.2	76.9	- 6.2	70.5	74.6	83.8	67.1	- 6.7	35.8	67.7	85.2
2005	73.8	- 0.7	56.9	74.4	83.5	77.8	+ 1.2	66.5	78.0	84.8	62.6	- 6.7	30.5	64.2	80.1
2006	77.6	+ 5.1	59.4	81.3	84.9	82.1	+ 5.5	68.9	84.8	87.3	65.3	+ 4.3	33.1	71.1	78.6
2006 July	87.5	+ 7.4	68.5	84.7	102.5	91.7	+ 8.8	79.7	87.1	104.8	75.7	+ 2.6	37.6	77.6	96.5
Aug	84.2	+ 2.2	60.1	86.9	96.1	88.3	+ 1.7	70.7	89.6	97.9	72.9	+ 3.7	30.8	79.1	91.5
Sep	90.8	+ 1.9	66.5	93.9	102.5	94.6	+ 0.9	74.0	96.5	105.6	80.3	+ 5.2	45.7	86.6	94.5
Oct	76.5	+ 2.7	57.9	84.4	79.2	81.2	+ 2.4	68.6	87.2	82.2	63.6	+ 3.8	28.4	76.2	71.6
Nov	70.5	+ 4.3	50.7	80.3	71.9	74.5	+ 2.9	59.4	86.2	70.5	59.6	+ 9.8	26.8	63.4	75.3
Dec	70.3	- 6.1	56.2	83.9	63.8	72.7	- 7.5	60.4	88.2	62.4	63.9	- 1.1	44.8	71.4	67.4
2007 Jan	59.9	+ 19.1	43.4	69.6	59.3	64.6	+ 19.2	50.3	74.6	62.0	47.0	+ 18.7	24.3	55.1	52.1
Feb	64.0	+ 8.3	45.6	77.3	60.5	67.5	+ 4.0	53.4	83.1	58.4	54.5	+ 25.9	24.2	60.6	66.1
Mar	93.1	+ 13.3	60.3	101.8	103.7	99.4	+ 15.2	71.2	107.1	108.4	75.7	+ 6.6	30.1	86.4	91.7
Apr	87.7	+ 8.9	61.8	92.8	98.1	93.3	+ 9.9	68.5	98.8	102.5	72.5	+ 5.8	43.2	75.5	86.9
May	89.6	+ 4.1	60.9	93.5	103.2	96.3	+ 2.6	70.6	100.8	107.5	71.2	+ 10.4	34.0	72.5	92.0
June	96.0	+ 2.7	66.5	103.2	106.2	102.2	+ 4.4	76.0	109.0	110.9	78.8	- 3.0	40.4	86.3	93.9
July	93.6	+ 7.0	60.0	103.3	103.5	100.7	+ 9.8	68.8	112.1	107.8	73.8	- 2.5	35.9	77.8	92.3

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

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

### 5 Retail trade turnover \*

Adjusted for working-day variations ◦

Period	Retail trade 1										Memo item				
	of which: by enterprises' main product range 2										of which				
	Total		Food, beverages, tobacco		Cosmetic, pharmaceutical and medical products		Textiles, clothing, footwear and leather goods		Furniture and lighting equipments, domestic appliances, building materials		Retail trade plus retail sales of motor vehicles and motorcycles and sales of automotive fuel			Retail sales of motor vehicles 3	
2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change
2002	100.5	- 1.6	98.3	+ 2.7	97.5	+ 3.5	105.7	- 5.0	101.0	- 7.9	99.9	- 0.8	- 0.8	98.1	+ 2.9
2003 4	100.1	- 0.4	100.2	+ 1.9	100.0	+ 2.6	100.1	- 5.2	100.2	- 0.7	100.2	+ 0.3	± 0.0	100.5	+ 2.4
2004	101.8	+ 1.5	103.3	+ 2.9	99.8	- 0.3	103.4	+ 2.9	103.6	+ 3.2	102.0	+ 1.7	+ 1.3	102.5	+ 2.0
2005	103.8	+ 2.3	106.4	+ 3.3	104.8	+ 5.0	105.6	+ 2.4	101.9	- 1.5	104.0	+ 2.2	+ 1.5	104.9	+ 2.2
2006 5	111.1	+ 1.2	111.9	+ 0.3	111.8	+ 2.6	114.1	+ 2.6	115.1	+ 4.1	113.6	+ 2.4	+ 1.6	121.6	+ 6.8
2006 Aug 5	107.7	+ 1.4	108.9	+ 0.3	107.0	+ 2.4	112.9	+ 7.2	109.9	+ 3.9	109.3	+ 3.0	+ 2.1	112.3	+ 8.9
Sep	106.8	- 0.3	106.0	+ 0.1	107.8	- 0.6	108.2	- 1.5	111.7	+ 4.6	109.9	+ 1.3	+ 0.5	119.5	+ 6.7
Oct	114.8	+ 0.5	109.8	- 2.1	114.2	+ 1.4	131.1	+ 1.9	123.8	+ 5.0	118.0	+ 2.3	+ 1.8	128.9	+ 9.7
Nov	116.5	+ 0.3	111.2	- 1.9	115.7	+ 2.2	120.9	+ 0.8	129.2	+ 8.6	120.7	+ 3.0	+ 2.2	136.5	+ 12.8
Dec	138.2	+ 2.9	131.8	+ 0.2	132.0	+ 1.9	146.4	+ 4.2	153.3	+ 13.2	137.3	+ 7.0	+ 6.3	135.9	+ 25.1
2007 Jan	99.3	- 2.2	102.7	- 0.1	106.3	- 0.7	95.9	- 2.6	99.4	- 1.6	95.7	- 4.3	- 5.3	82.9	- 11.7
Feb	96.2	- 1.0	100.7	- 2.1	103.9	+ 1.7	86.7	+ 4.1	98.2	+ 1.4	95.8	- 2.2	- 3.2	94.3	- 5.8
Mar	112.1	+ 0.4	114.4	+ 0.5	115.7	+ 1.6	116.1	+ 4.4	119.6	+ 3.5	114.8	- 0.1	- 1.2	124.2	- 1.9
Apr	113.3	+ 1.6	115.9	+ 2.3	114.5	+ 3.6	134.3	+ 9.6	114.7	- 1.0	115.0	- 0.5	- 1.9	119.7	- 6.8
May	107.8	- 2.5	112.6	- 0.9	112.5	+ 2.5	110.8	- 5.1	107.8	- 4.2	111.7	- 2.4	- 3.6	123.9	- 1.4
June	105.7	- 1.9	110.3	- 2.1	111.8	+ 2.4	109.2	+ 0.6	107.1	+ 0.5	110.1	- 1.8	- 2.8	124.2	- 1.0
July	108.5	- 0.5	111.9	- 3.6	116.9	+ 3.9	111.6	+ 2.2	108.8	+ 3.1	112.3	- 0.9	- 1.6	124.5	- 0.7
Aug	105.5	- 2.0	107.5	- 1.3	110.5	+ 3.3	109.7	- 2.8	107.8	- 1.9	107.2	- 1.9	- 3.2	111.8	- 0.4

Source of the unadjusted figures: Federal Statistical Office. — \* Excluding value-added tax; annual percentage changes based on a consistent reporting sample. — ◦ 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 Figures for 2003 do not include Lower Saxony. — 5 Figures from January 2006 onwards based on an expanded sample owing to newly registered institutions; provisional, in some cases revised, and particularly uncertain in recent months owing to estimates for missing reports.

X Economic conditions in Germany

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	Annual change, thousands
		in %	Thousands													
<b>Germany</b>																
2004	38,880	+ 0.4	+ 153	34,661	+ 0.0	6,019	769	151	117	184	4,381	+ 93	10.5	286		
2005	38,847	- 0.1	- 33	34,490	- 0.5	5,931	719	126	9	60	4,861	+ 479	11.7	413		
2006	39,089	+ 0.6	+ 242	34,694	+ 0.6	5,249	710	67	51	124	4,487	- 374	10.8	564		
2006 Sep	39,507	+ 0.8	+ 310			5,267	743	46	53	130	4,237	- 409	10.1	621		
Oct	39,677	+ 0.8	+ 310			5,252	737	39	56	137	4,084	- 471	9.8	626		
Nov	39,744	+ 0.9	+ 371	35,270	+ 0.9	5,251	734	36	56	141	3,995	- 536	9.6	609		
Dec	39,616	+ 1.2	+ 453			5,236	718	63	52	134	4,008	- 597	9.6	592		
2007 Jan	39,074	+ 1.8	+ 690			5,247	686	126	44	121	4,284	- 726	10.2	594		
Feb	39,143	+ 2.0	+ 762	34,754	+ 2.0	5,246	679	148	43	124	4,247	- 801	10.2	624		
Mar	39,276	+ 2.0	+ 777			5,255	687	144	42	129	4,124	- 853	9.9	640		
Apr	39,461	+ 1.9	+ 730			5,255	696	51	42	133	3,976	- 815	9.5	651		
May	39,652	+ 1.7	+ 656	35,170	+ 1.8	5,266	699	48	42	135	3,812	- 727	9.1	643		
June	39,794	+ 1.6	+ 636			5,284	704	46	42	133	3,687	- 712	8.8	648		
July	39,786	+ 1.6	+ 633			5,319	706	...	16	42	123	3,715	- 671	8.9	650	
Aug	39,859	+ 1.6	+ 637			5,351	...	...	16	43	117	3,705	- 666	8.8	648	
Sep	...	...	...	...	...	...	...	...	16	44	126	3,543	- 694	8.4	629	
<b>Western Germany <sup>o</sup></b>																
2004	.	.	.	.	.	5,380	562	122	24	121	2,783	+ 89	8.5	239		
2005	.	.	.	.	.	5,214	529	101	9	12	3,247	+ 464	9.9	325		
2006	.	.	.	.	.	4,650	525	54	10	85	3,007	- 240	9.1	436		
2006 Sep	.	.	.	.	.	4,663	546	38	10	91	2,835	- 305	8.5	478		
Oct	.	.	.	.	.	4,647	542	32	10	97	2,738	- 360	8.2	473		
Nov	.	.	.	.	.	4,645	540	30	10	99	2,672	- 409	8.0	464		
Dec	.	.	.	.	.	4,631	530	50	9	93	2,670	- 450	8.0	458		
2007 Jan	.	.	.	.	.	4,642	509	93	9	83	2,830	- 532	8.5	463		
Feb	.	.	.	.	.	4,640	505	108	9	84	2,798	- 572	8.4	483		
Mar	.	.	.	.	.	4,647	511	104	9	87	2,708	- 609	8.1	493		
Apr	.	.	.	.	.	4,645	517	41	9	90	2,611	- 591	7.8	504		
May	.	.	.	.	.	4,655	519	39	10	93	2,503	- 545	7.5	502		
June	.	.	.	.	.	4,670	522	36	10	91	2,427	- 539	7.3	511		
July	.	.	.	.	.	4,701	524	...	16	10	85	2,450	- 510	7.3	515	
Aug	.	.	.	.	.	4,728	...	...	16	10	80	2,444	- 498	7.3	511	
Sep	.	.	.	.	.	...	...	...	16	10	87	2,334	- 501	7.0	498	
<b>Eastern Germany *</b>																
2004	.	.	.	.	.	639	207	29	93	63	1,599	+ 4	18.4	47		
2005	.	.	.	.	.	717	189	25	48	38	1,614	+ 16	18.7	88		
2006	.	.	.	.	.	599	185	13	42	39	1,480	- 134	17.3	129		
2006 Sep	.	.	.	.	.	603	196	8	43	38	1,402	- 104	16.4	143		
Oct	.	.	.	.	.	605	195	7	46	40	1,346	- 111	15.7	153		
Nov	.	.	.	.	.	606	194	6	46	42	1,323	- 127	15.5	145		
Dec	.	.	.	.	.	604	188	14	43	41	1,337	- 148	15.7	134		
2007 Jan	.	.	.	.	.	604	177	33	35	39	1,454	- 194	17.0	130		
Feb	.	.	.	.	.	606	174	41	34	40	1,448	- 229	16.9	141		
Mar	.	.	.	.	.	608	175	40	33	42	1,416	- 244	16.6	146		
Apr	.	.	.	.	.	610	179	10	33	43	1,365	- 224	16.0	147		
May	.	.	.	.	.	611	180	10	32	42	1,309	- 181	15.2	141		
June	.	.	.	.	.	614	181	10	32	42	1,260	- 173	14.7	137		
July	.	.	.	.	.	618	182	...	16	33	1,265	- 161	14.7	134		
Aug	.	.	.	.	.	622	...	...	16	33	1,262	- 169	14.7	137		
Sep	.	.	.	.	.	...	...	...	16	34	1,209	- 193	14.1	131		

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. — <sup>o</sup> Excluding West Berlin. — + Including West Berlin. — 1 Workplace 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 Number within a given month. — 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 Data excluding mu-

nicipalities having responsibility for the unemployed. — 10 From January 2005, unemployed persons including recipients of social assistance who are able to work. — 11 From January 2005, including offers of job opportunities. — 12 From January 2006, enterprises with more than 50 employees, previously enterprises with at least 20 employees. — 13 From January 2007, vacancies for seasonal workers are included only if they are based on non-specific employer requirements. — 14 Provisional up to adjustment to the figures of the annual overall survey. — 15 From May 2007, calculated on the basis of new labour force figures. — 16 Annualised data from the Federal Employment Agency based on information received so far. — 17 Initial preliminary estimate by the Federal Statistical Office.

X Economic conditions in Germany

7 Prices

Period	Consumer price index							Construction price index 2	Index of producer prices of industrial products sold on the domestic market 3	Index of producer prices of agricultural products 3	Indices of foreign trade prices		HWWI Index of World Market Prices of Raw Materials 4		
	Total	of which					Exports				Imports	Energy 5	Other raw materials 6		
		Food	Other durable and non-durable consumer goods excluding energy 1,2	Energy 1	Services excluding house rents 2	House rents									
2000 = 100															
2002	7	103.4	106.1	101.1	106.0	104.9	102.6	100.2	7	102.4	100.0	100.8	98.4	86.1	91.1
2003	8	104.5	106.0	101.4	110.2	106.4	103.8	100.3	8	104.1	101.3	100.6	96.2	82.9	86.9
2004	9 10	106.2	105.7	102.9	114.8	108.9	104.8	101.4	10	105.8	99.7	101.1	97.2	101.4	96.3
2005	11	108.3	105.8	103.8	126.6	111.1	105.9	102.7	11	110.7	98.8	102.4	101.4	139.5	105.4
2006	12	110.1	107.7	104.4	137.3	112.1	107.0	105.3	12	116.8	107.6	104.8	106.7	163.9	131.5
2005 Dec	11	109.6	105.5	104.2	131.0	113.7	106.3		11	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			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	103.6	105.1	160.9	124.5
Mar		109.5	107.0	104.4	135.0	111.3	106.7			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			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		117.8	106.2	104.8	107.2	171.6	134.5
June		110.3	108.5	104.2	140.7	111.7	107.0			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			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	109.8	105.2	108.5	178.5	134.3
Sep		110.2	108.0	104.4	136.1	112.3	107.2			117.5	109.6	105.2	107.1	155.4	133.7
Oct	12	110.3	107.5	105.2	135.4	112.2	107.3		12	117.8	108.4	105.6	106.8	146.8	139.0
Nov		110.2	107.8	105.4	134.6	111.6	107.4	107.1		117.8	110.9	105.7	106.4	144.9	137.7
Dec		111.1	108.3	105.3	134.6	114.8	107.4			117.8	111.3	105.6	106.1	148.7	136.3
2007 Jan	13	110.9	109.5	105.6	136.5	112.8	107.7			117.8	111.1	105.8	105.4	133.2	138.8
Feb		111.3	109.3	105.8	137.6	113.9	107.8	111.7		118.1	113.1	106.0	105.9	142.2	141.8
Mar		111.6	109.1	106.1	139.8	113.6	107.9			118.4	113.1	106.2	106.5	147.7	145.5
Apr	14	112.0	110.3	106.1	141.6	114.1	108.0			118.5	112.2	106.5	107.5	154.9	149.1
May		112.2	110.2	106.2	142.5	114.6	108.1	112.6		118.9	113.0	106.7	107.8	154.7	150.5
June		112.3	110.3	105.9	143.0	114.9	108.1			119.1	113.6	106.9	108.4	164.3	148.5
July		112.8	110.1	105.6	144.2	116.7	108.2			119.0	p	106.9	108.7	172.7	146.2
Aug		112.7	110.4	105.7	142.4	116.7	108.3	113.3		119.1	p	106.9	107.9	166.8	141.5
Sep		112.8	110.9	106.3	144.2	115.6	108.4			...	...	...	...	177.4	142.9
Annual percentage change															
2002	7	+ 1.4	+ 1.0	+ 0.8	+ 0.3	+ 2.4	+ 1.4	- 0.1	7	- 0.6	- 6.6	- 0.2	- 2.2	- 5.8	- 0.9
2003	8	+ 1.1	- 0.1	+ 0.3	+ 4.0	+ 1.4	+ 1.2	+ 0.1	8	+ 1.7	+ 1.3	- 0.2	- 2.2	- 3.7	- 4.6
2004	9 10	+ 1.6	- 0.3	+ 1.5	+ 4.2	+ 2.3	+ 1.0	+ 1.1	10	+ 1.6	- 1.6	+ 0.5	+ 1.0	+ 22.3	+ 10.8
2005	11	+ 2.0	+ 0.1	+ 0.9	+ 10.3	+ 2.0	+ 1.0	+ 1.3	11	+ 4.6	- 0.9	+ 1.3	+ 4.3	+ 37.6	+ 9.4
2006	12	+ 1.7	+ 1.8	+ 0.6	+ 8.5	+ 0.9	+ 1.0	+ 2.5	12	+ 5.5	+ 8.9	+ 2.3	+ 5.2	+ 17.5	+ 24.8
2005 Dec	11	+ 2.1	+ 0.2	+ 0.5	+ 14.4	+ 1.8	+ 1.0		11	+ 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			+ 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			+ 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			+ 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			+ 6.1	+ 8.5	+ 2.5	+ 5.6	+ 19.4	+ 22.0
July		+ 1.9	+ 2.1	+ 0.7	+ 10.2	+ 1.3	+ 1.0			+ 6.0	+ 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	+ 11.2	+ 2.7	+ 5.5	+ 10.9	+ 26.8
Sep		+ 1.0	+ 3.1	+ 0.2	+ 0.7	+ 0.9	+ 1.1			+ 5.1	+ 11.4	+ 2.3	+ 3.7	- 3.2	+ 26.4
Oct	12	+ 1.1	+ 3.0	+ 0.9	- 0.1	+ 0.9	+ 1.1		12	+ 4.6	+ 9.7	+ 2.5	+ 3.0	- 4.7	+ 28.7
Nov		+ 1.5	+ 3.1	+ 1.0	+ 2.8	+ 1.1	+ 1.1	+ 4.0		+ 4.7	+ 10.5	+ 2.6	+ 2.8	- 2.4	+ 22.9
Dec		+ 1.4	+ 2.7	+ 1.1	+ 2.7	+ 1.0	+ 1.0			+ 4.4	+ 9.8	+ 2.4	+ 2.2	- 2.2	+ 17.7
2007 Jan	13	+ 1.6	+ 2.7	+ 1.8	+ 1.6	+ 1.9	+ 1.1			+ 3.2	+ 9.9	+ 2.4	+ 0.7	- 18.6	+ 15.6
Feb		+ 1.6	+ 2.1	+ 1.7	+ 2.2	+ 2.1	+ 1.0	+ 7.7		+ 2.8	+ 9.5	+ 2.2	+ 0.8	- 11.6	+ 13.9
Mar		+ 1.9	+ 2.0	+ 1.6	+ 3.6	+ 2.1	+ 1.1			+ 2.5	+ 7.9	+ 2.1	+ 0.9	- 9.7	+ 17.6
Apr	14	+ 1.9	+ 2.7	+ 1.6	+ 1.7	+ 2.6	+ 1.1			+ 1.6	+ 5.9	+ 1.9	+ 0.5	- 12.9	+ 15.3
May		+ 1.9	+ 1.7	+ 1.8	+ 1.9	+ 3.0	+ 1.1	+ 7.9		+ 1.9	+ 6.4	+ 1.8	+ 0.6	- 9.8	+ 11.9
June		+ 1.8	+ 1.7	+ 1.6	+ 1.6	+ 2.9	+ 1.0			+ 1.7	+ 6.3	+ 2.0	+ 1.3	- 4.9	+ 14.2
July		+ 1.9	+ 1.9	+ 1.6	+ 1.5	+ 2.7	+ 1.0			+ 1.1	p	+ 11.0	+ 1.6	+ 0.4	+ 7.8
Aug		+ 1.9	+ 2.5	+ 1.8	+ 0.8	+ 3.0	+ 1.0	+ 7.0		+ 1.0	p	+ 10.6	+ 1.6	- 0.6	+ 5.4
Sep		+ 2.4	+ 2.7	+ 1.8	+ 6.0	+ 2.9	+ 1.1			...	...	...	...	+ 14.2	+ 6.9

Source: Federal Statistical Office; HWWI Index of World Market Prices. — 1 Electricity, gas and other fuels. — 2 Bundesbank calculation based on data provided by the Federal Statistical Office. — 3 Excluding value-added tax. — 4 For the euro area, in euro. — 5 Coal and crude oil. — 6 Food, beverages and tobacco as well as industrial raw materials. — 7 From January 2002, increase in tax on energy consumption, increase in tobacco tax; additionally in the case of the consumer price index: increase in insurance tax. — 8 From

January 2003, increase in tax on energy consumption, increase in tobacco tax. — 9 From January 2004, increase in healthcare prices. — 10 From March as well as December 2004, increase in tobacco tax. — 11 From September 2005, increase in tobacco tax. — 12 From October 2006, increase in the prices of tobacco products. — 13 From January 2007, increase in the standard rate of VAT and in insurance tax from 16% to 19%. — 14 From April 2007, introduction of university tuition fees in some federal states.

X Economic conditions in Germany

8 Households' income \*

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
	€ billion	Annual percentage change	€ billion	Annual percentage change	€ billion	Annual percentage change	€ billion	Annual percentage change	€ billion	Annual percentage change	€ billion	Annual percentage change	
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	908.3	0.0	589.0	- 0.5	378.3	2.9	967.2	0.8	1,431.8	2.1	147.2	5.6	10.3
2004	914.3	0.7	603.5	2.5	378.7	0.1	982.3	1.6	1,459.3	1.9	151.8	3.2	10.4
2005	911.9	- 0.3	602.8	- 0.1	378.9	0.0	981.7	- 0.1	1,482.6	1.6	156.2	2.9	10.5
2006	926.0	1.5	605.4	0.4	379.2	0.1	984.6	0.3	1,515.9	2.3	158.4	1.5	10.5
2005 Q4	252.2	- 0.2	164.7	- 0.5	94.4	0.0	259.2	- 0.3	379.9	1.3	34.6	3.4	9.1
2006 Q1	214.4	0.3	140.6	- 0.7	96.0	0.7	236.6	- 0.2	377.9	2.7	52.5	1.3	13.9
Q2	223.5	1.7	143.5	0.3	95.3	0.5	238.8	0.4	372.6	1.8	37.2	1.9	10.0
Q3	230.8	2.0	154.9	1.0	94.3	0.1	249.2	0.6	374.4	1.5	33.7	1.6	9.0
Q4	257.3	2.0	166.5	1.1	93.5	- 1.0	260.0	0.3	391.1	2.9	35.0	1.1	9.0
2007 Q1	222.1	3.6	145.2	3.3	94.8	- 1.3	240.0	1.4	385.0	1.9	55.8	6.3	14.5
Q2	231.1	3.4	147.1	2.5	93.5	- 2.0	240.6	0.7	380.0	2.0	39.4	5.9	10.4

Source: Federal Statistical Office; figures computed in August 2007. — \* 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 (overall economy)

Period	Index of negotiated wages 1								Memo item: Wages and salaries per employee 3	
	on an hourly basis		on a monthly basis				Basic pay rates 2			
			Total		Total excluding one-off payments					
2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	
2000	100.0	2.0	100.0	2.0	100.0	2.1	100.0	2.1	100.0	1.5
2001	102.0	2.0	101.9	1.9	102.2	2.2	102.2	2.2	101.8	1.8
2002	104.7	2.7	104.6	2.7	104.6	2.3	104.6	2.3	103.2	1.3
2003	106.8	2.0	106.8	2.1	106.9	2.2	107.1	2.4	104.5	1.3
2004	108.1	1.2	108.2	1.3	108.3	1.3	108.9	1.6	105.1	0.6
2005	109.1	0.9	109.4	1.1	109.3	0.9	110.0	1.0	105.4	0.3
2006	110.2	1.1	110.8	1.3	110.3	0.9	111.0	0.9	106.3	0.9
2005 Q4	121.7	0.6	122.1	0.8	121.9	0.7	110.3	0.8	115.0	0.0
2006 Q1	102.0	0.9	102.5	1.1	102.0	0.7	110.4	0.7	100.1	0.4
Q2	102.8	1.6	103.3	1.8	102.4	0.9	110.8	0.8	103.1	1.0
Q3	112.6	0.3	113.1	0.5	112.9	0.4	111.3	1.1	105.6	1.1
Q4	123.6	1.5	124.3	1.8	123.7	1.5	111.5	1.1	116.3	1.1
2007 Q1	102.6	0.6	103.3	0.8	103.2	1.2	111.7	1.2	101.6	1.5
Q2	104.6	1.7	105.2	1.9	103.7	1.3	112.2	1.3	104.6	1.5
2007 Feb	102.4	0.0	103.1	0.3	103.2	1.2	111.7	1.2	.	.
Mar	102.4	0.3	103.1	0.4	103.3	1.3	111.8	1.3	.	.
Apr	103.9	0.1	104.5	0.3	103.4	1.2	111.9	1.2	.	.
May	106.1	3.5	106.8	3.7	103.7	1.2	111.9	1.2	.	.
June	103.7	1.5	104.4	1.7	104.2	1.5	112.8	1.5	.	.
July	134.7	1.3	135.6	1.4	135.0	1.5	113.0	1.6	.	.
Aug	103.9	1.4	104.5	1.6	104.5	1.7	113.2	1.7	.	.

1 Current data are normally revised on account of additional reports. — 2 Excluding one-off payments and ancillary benefits. — 3 Source: Federal

Statistical Office; figures computed in August 2007.

**XI External sector**
**1 Major items of the balance of payments of the euro area \***

€ million

Item	2004	2005	2006	2006		2007			
				Q4	Q1	Q2	May	June	July
<b>A Current account</b>	+ 60,748	- 1,878	- 9,728	+ 17,650	- 187	- 1,412	- 11,634	+ 13,833	+ 3,251
1 Goods									
Exports (fob)	1,129,339	1,224,238	1,389,047	373,194	361,341	373,240	123,292	130,418	129,747
Imports (fob)	1,028,883	1,178,862	1,360,441	355,372	352,779	352,980	118,866	119,089	121,880
Balance	+ 100,453	+ 45,377	+ 28,603	+ 17,822	+ 8,562	+ 20,259	+ 4,425	+ 11,329	+ 7,867
2 Services									
Receipts	366,385	401,750	429,334	110,172	105,261	116,719	38,408	41,584	42,928
Expenditure	333,777	366,986	393,567	101,682	97,495	102,317	34,454	34,644	38,837
Balance	+ 32,611	+ 34,765	+ 35,765	+ 8,490	+ 7,765	+ 14,402	+ 3,955	+ 6,940	+ 4,091
3 Income	- 13,736	- 11,556	+ 1,409	+ 6,744	+ 4,704	- 19,516	- 14,880	- 622	- 1,237
4 Current transfers									
Transfers from non-residents	82,110	85,390	86,578	27,738	26,747	18,452	6,983	6,512	5,369
Transfers to non-residents	140,694	155,856	162,087	43,144	47,965	35,009	12,117	10,326	12,840
Balance	- 58,582	- 70,465	- 75,506	- 15,405	- 21,219	- 16,557	- 5,134	- 3,814	- 7,471
<b>B Capital account</b>	+ 16,554	+ 12,148	+ 10,151	+ 4,820	+ 4,995	+ 2,562	+ 1,887	+ 78	+ 854
<b>C Financial account (net capital exports: -)</b>	- 18,739	+ 25,499	+ 117,058	- 45,765	+ 4,692	+ 23,248	+ 1,958	- 19,505	+ 50,629
1 Direct investment	- 68,646	- 209,989	- 158,803	- 59,446	- 14,603	- 69,087	- 24,227	- 37,443	+ 2,650
By resident units abroad	- 161,011	- 301,628	- 322,571	- 80,237	- 92,012	- 109,392	- 41,303	- 42,770	- 13,116
By non-resident units in the euro area	+ 92,364	+ 91,640	+ 163,767	+ 20,792	+ 77,408	+ 40,304	+ 17,076	+ 5,326	+ 15,767
2 Portfolio investment	+ 72,892	+ 146,090	+ 263,475	+ 120,394	+ 129,810	+ 69,518	+ 2,462	+ 70,614	+ 33,935
By resident units abroad	- 343,938	- 411,305	- 494,657	- 140,350	- 147,395	- 149,740	- 63,878	- 39,394	- 34,597
Equity	- 106,544	- 134,268	- 135,275	- 28,012	- 17,622	- 10,235	- 2,207	+ 3,981	- 1,681
Bonds and notes	- 179,379	- 262,476	- 294,288	- 88,106	- 93,765	- 116,856	- 51,483	- 32,076	- 35,273
Money market instruments	- 58,016	- 14,560	- 65,097	- 24,233	- 36,010	- 22,648	- 10,187	- 11,299	+ 2,357
By non-resident units in the euro area	+ 416,832	+ 557,394	+ 758,128	+ 260,743	+ 277,206	+ 219,258	+ 66,340	+ 110,008	+ 68,532
Equity	+ 126,798	+ 263,207	+ 289,697	+ 83,002	+ 113,513	+ 71,508	+ 12,169	+ 71,004	+ 52,184
Bonds and notes	+ 273,518	+ 248,605	+ 464,355	+ 185,191	+ 141,834	+ 110,892	+ 36,442	+ 39,350	+ 14,604
Money market instruments	+ 16,517	+ 45,584	+ 4,079	- 7,448	+ 21,858	+ 36,857	+ 17,728	- 346	+ 1,744
3 Financial derivatives	- 8,286	- 13,871	- 1,871	- 93	- 16,410	- 14,061	- 791	- 9,697	- 10,661
4 Other investment	- 27,150	+ 85,270	+ 15,529	- 104,178	- 92,487	+ 41,038	+ 25,243	- 41,068	+ 27,896
Eurosystem	+ 8,198	+ 5,755	+ 15,682	+ 3,602	+ 147	+ 7,397	- 3,301	+ 7,225	- 6,216
General government	- 5,435	+ 2,943	+ 4,543	- 8,713	+ 8,794	- 17,659	- 6,134	- 12,550	+ 16,133
MFIs (excluding the Eurosystem)	- 14,447	+ 87,965	- 31,401	- 112,016	- 23,724	+ 47,007	+ 49,109	- 41,039	+ 8,780
Long-term	- 10,840	- 41,659	- 50,063	- 45,396	- 46,856	+ 6,768	+ 18,831	- 14,403	- 1,097
Short-term	- 3,604	+ 129,628	+ 18,660	- 66,620	+ 23,130	+ 40,239	+ 30,277	- 26,636	+ 9,877
Other sectors	- 15,467	- 11,398	+ 26,705	+ 12,947	- 77,702	+ 4,293	- 14,430	+ 5,296	+ 9,199
5 Reserve assets (Increase: -)	+ 12,453	+ 18,002	- 1,275	- 2,443	- 1,618	- 4,160	- 729	- 1,911	- 3,191
<b>D Errors and omissions</b>	- 58,562	- 35,772	- 117,482	+ 23,295	- 9,501	- 24,399	+ 7,789	+ 5,593	- 54,734

\* Source: European Central Bank.

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	Supplementary trade items 2	Services 3	Income	Current transfers		Total 4	of which Change in reserve assets at transaction value 5		
DM million											
1993	- 31,450	+ 60,304	- 3,217	- 52,549	+ 19,095	- 55,083	- 1,915	+ 43,448	+ 22,795	- 10,082	- 10,082
1994	- 49,418	+ 71,762	- 1,318	- 62,803	+ 2,393	- 59,451	- 2,637	+ 60,708	+ 2,846	- 8,653	- 8,653
1995	- 42,363	+ 85,303	- 4,294	- 63,985	+ 3,975	- 55,413	- 3,845	+ 50,117	- 10,355	- 3,909	- 3,909
1996	- 21,086	+ 98,538	- 4,941	- 64,743	+ 1,052	- 50,991	- 3,283	+ 24,290	+ 1,882	+ 79	+ 79
1997	- 17,336	+ 116,467	- 7,875	- 68,692	- 4,740	- 52,496	+ 52	+ 6,671	+ 6,640	+ 10,613	+ 10,613
1998	- 28,695	+ 126,970	- 8,917	- 75,053	- 18,635	- 53,061	+ 1,289	+ 25,683	- 7,128	+ 1,724	+ 1,724
1999	- 49,241	+ 127,542	- 15,947	- 90,036	- 22,325	- 48,475	- 301	+ 20,332	+ 24,517	+ 69,874	+ 69,874
2000	- 68,913	+ 115,645	- 17,742	- 95,848	- 16,302	- 54,666	+ 13,345	+ 66,863	+ 11,429	- 11,294	- 11,294
2001	+ 830	+ 186,771	- 14,512	- 97,521	- 21,382	- 52,526	- 756	- 23,068	+ 11,797	+ 22,994	+ 22,994
€ million											
1999	- 25,177	+ 65,211	- 8,153	- 46,035	- 11,415	- 24,785	- 154	- 10,396	+ 12,535	+ 35,726	+ 35,726
2000	- 35,235	+ 59,128	- 9,071	- 49,006	- 8,335	- 27,950	+ 6,823	+ 34,187	+ 5,844	- 5,775	- 5,775
2001	+ 425	+ 95,495	- 7,420	- 49,862	- 10,932	- 26,856	- 387	+ 11,794	+ 6,032	+ 11,757	+ 11,757
2002	+ 42,976	+ 132,788	- 8,552	- 35,728	- 18,019	- 27,514	- 212	- 38,448	+ 2,065	- 4,316	- 4,316
2003	+ 40,931	+ 129,921	- 11,142	- 34,497	- 15,067	- 28,283	+ 311	- 61,770	+ 445	+ 20,528	+ 20,528
2004	+ 94,899	+ 156,096	- 16,990	- 29,419	+ 13,091	- 27,879	+ 430	- 117,968	+ 1,470	+ 22,639	+ 22,639
2005	+ 103,053	+ 158,179	- 18,501	- 28,880	+ 20,778	- 28,524	- 1,270	- 119,385	+ 2,182	+ 17,601	+ 17,601
2006	+ 117,179	+ 162,156	- 18,725	- 22,430	+ 22,973	- 26,795	- 192	- 140,732	+ 2,934	+ 23,745	+ 23,745
2004 Q3	+ 17,038	+ 36,436	- 4,759	- 10,866	+ 4,630	- 8,403	+ 192	- 23,483	+ 1,568	+ 6,254	+ 6,254
Q4	+ 22,848	+ 34,998	- 4,595	- 6,003	+ 5,182	- 6,733	- 218	- 29,756	+ 37	+ 7,126	+ 7,126
2005 Q1	+ 31,658	+ 43,196	- 4,056	- 5,773	+ 5,541	- 7,250	- 1,492	- 27,301	- 181	- 2,866	- 2,866
Q2	+ 25,632	+ 40,670	- 4,392	- 6,013	+ 1,617	- 6,249	+ 107	- 40,227	+ 1,230	+ 14,488	+ 14,488
Q3	+ 21,848	+ 40,695	- 4,730	- 12,329	+ 5,775	- 7,563	+ 59	- 12,025	- 783	- 9,883	- 9,883
Q4	+ 23,915	+ 33,619	- 5,323	- 4,765	+ 7,845	- 7,461	+ 56	- 39,833	+ 1,916	+ 15,861	+ 15,861
2006 Q1	+ 25,279	+ 39,241	- 5,069	- 6,203	+ 7,492	- 10,183	+ 151	- 36,804	+ 1,082	+ 11,374	+ 11,374
Q2	+ 25,699	+ 36,901	- 4,165	- 3,628	+ 1,597	- 5,005	+ 9	- 56,066	+ 367	+ 30,357	+ 30,357
Q3	+ 22,386	+ 39,454	- 4,678	- 11,175	+ 6,887	- 8,101	- 253	- 12,802	+ 844	- 9,331	- 9,331
Q4	+ 43,814	+ 46,560	- 4,813	- 1,424	+ 6,996	- 3,505	- 100	- 35,060	+ 642	- 8,655	- 8,655
2007 Q1	+ 37,220	+ 48,826	- 3,497	- 4,704	+ 7,353	- 10,758	+ 182	- 75,447	+ 100	+ 38,045	+ 38,045
Q2	+ 35,627	+ 48,814	- 2,922	- 3,347	- 2,107	- 4,812	+ 835	- 88,989	- 1,359	+ 52,528	+ 52,528
2005 Mar	+ 12,443	+ 16,268	- 1,314	- 2,508	+ 2,305	- 2,307	- 164	- 27,650	- 322	+ 15,370	+ 15,370
Apr	+ 7,505	+ 12,407	- 1,331	- 1,582	- 617	- 1,373	- 199	- 22,266	+ 404	+ 14,960	+ 14,960
May	+ 6,091	+ 11,966	- 1,327	- 2,527	+ 69	- 2,091	+ 272	- 4,304	- 141	- 2,059	- 2,059
June	+ 12,036	+ 16,296	- 1,734	- 1,904	+ 2,164	- 2,786	+ 34	- 13,656	+ 967	+ 1,587	+ 1,587
July	+ 7,748	+ 13,545	- 1,511	- 3,634	+ 1,735	- 2,388	+ 103	- 5,657	+ 324	- 2,194	- 2,194
Aug	+ 4,848	+ 12,235	- 1,564	- 5,192	+ 1,707	- 2,337	- 86	- 501	+ 932	- 4,261	- 4,261
Sep	+ 9,252	+ 14,915	- 1,655	- 3,503	+ 2,334	- 2,839	+ 42	- 5,866	- 2,039	- 3,428	- 3,428
Oct	+ 7,610	+ 11,788	- 2,185	- 2,300	+ 2,646	- 2,338	+ 329	- 9,339	+ 207	+ 1,400	+ 1,400
Nov	+ 9,805	+ 12,951	- 1,678	- 927	+ 2,521	- 3,061	- 107	- 15,276	+ 1,059	+ 5,579	+ 5,579
Dec	+ 6,500	+ 8,880	- 1,460	- 1,537	+ 2,679	- 2,062	- 166	- 15,217	+ 650	+ 8,883	+ 8,883
2006 Jan	+ 7,686	+ 12,376	- 1,988	- 2,627	+ 2,357	- 2,431	+ 7	- 14,489	- 26	+ 6,795	+ 6,795
Feb	+ 8,136	+ 12,742	- 1,088	- 992	+ 2,746	- 5,272	+ 282	- 10,688	+ 1,534	+ 2,270	+ 2,270
Mar	+ 9,456	+ 14,123	- 1,992	- 2,584	+ 2,389	- 2,479	- 138	- 11,627	- 426	+ 2,309	+ 2,309
Apr	+ 8,798	+ 11,023	- 1,022	- 840	+ 1,868	- 2,231	- 145	- 14,735	+ 1,475	+ 6,081	+ 6,081
May	+ 4,864	+ 12,751	- 1,780	- 1,666	+ 3,257	- 1,184	- 283	- 17,582	- 1,067	+ 13,001	+ 13,001
June	+ 12,038	+ 13,127	- 1,363	- 1,122	+ 2,986	- 1,590	+ 437	- 23,750	- 41	+ 11,275	+ 11,275
July	+ 7,300	+ 12,980	- 1,922	- 3,067	+ 2,245	- 2,936	- 229	+ 8,096	- 332	- 15,167	- 15,167
Aug	+ 5,274	+ 11,026	- 1,189	- 4,363	+ 2,124	- 2,324	+ 146	- 7,491	+ 698	+ 2,071	+ 2,071
Sep	+ 9,813	+ 15,448	- 1,567	- 3,746	+ 2,519	- 2,842	- 171	- 13,407	+ 478	+ 3,765	+ 3,765
Oct	+ 13,066	+ 17,143	- 1,666	- 1,675	+ 2,554	- 3,291	+ 5	+ 2,302	+ 401	- 15,373	- 15,373
Nov	+ 15,062	+ 18,342	- 1,667	- 1,042	+ 2,156	- 2,726	- 75	- 17,760	- 102	+ 2,772	+ 2,772
Dec	+ 15,686	+ 11,075	- 1,481	+ 1,294	+ 2,286	+ 2,512	- 30	- 19,602	+ 342	+ 3,945	+ 3,945
2007 Jan	+ 11,169	+ 16,175	- 1,326	- 3,571	+ 1,700	- 1,809	+ 249	- 8,796	- 458	- 2,621	- 2,621
Feb	+ 8,468	+ 14,153	- 883	- 861	+ 2,659	- 6,601	+ 29	- 34,723	+ 566	+ 26,226	+ 26,226
Mar	+ 17,584	+ 18,498	- 1,287	- 272	+ 2,994	- 2,349	- 96	- 31,929	- 8	+ 14,440	+ 14,440
Apr	+ 10,300	+ 14,992	- 1,081	- 1,143	- 505	- 1,963	+ 191	- 18,666	- 1,215	+ 8,175	+ 8,175
May	+ 8,878	+ 17,292	- 1,086	- 1,600	- 4,905	- 824	+ 698	- 31,130	- 657	+ 21,555	+ 21,555
June	+ 16,449	+ 16,531	- 755	- 604	+ 3,302	- 2,025	- 54	- 39,193	+ 513	+ 22,798	+ 22,798
July	+ 13,509	+ 17,944	- 1,281	- 3,134	+ 2,915	- 2,935	+ 398	- 3,746	+ 121	- 10,160	- 10,160
Aug P	+ 9,089	+ 14,100	- 590	- 4,642	+ 3,046	- 2,824	- 43	- 6,976	- 21	- 2,071	- 2,071

1 Special trade according to the official foreign trade statistics: imports cif, exports fob. From January 2007 onwards, excluding supplies of goods for/after repair/maintenance, which, up to December 2006, were deducted via supplementary trade items. — 2 Inter alia warehouse transactions for

the account of residents and deduction of goods returned. — 3 Excluding the expenditure on freight and insurance included in the cif import figure. — 4 Financial account balance including change in reserve assets. Capital exports: -. — 5 Increase: -. —

XI External sector

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

€ million

Country / group of countries		2004	2005	2006	2007 4					
					Jan / Jul	Apr	May	Jun	Jul	Aug P
All countries 1	Exports	731,544	786,266	893,635	559,722	78,810	78,898	81,826	81,349	77,747
	Imports	575,448	628,087	731,479	444,138	63,818	61,607	65,295	63,406	63,647
	Balance	+ 156,096	+ 158,179	+ 162,156	+ 115,584	+ 14,992	+ 17,292	+ 16,531	+ 17,944	+ 14,100
I European countries	Exports	541,395	581,611	660,335	423,775	60,136	60,159	62,001	60,694	...
	Imports	408,698	443,508	515,913	318,619	46,176	44,600	47,677	45,831	...
	Balance	+ 132,697	+ 138,103	+ 144,422	+ 105,156	+ 13,959	+ 15,558	+ 14,325	+ 14,863	...
1 EU member states (27)	Exports	472,288	505,716	567,909	366,341	51,979	51,740	53,313	52,043	...
	Imports	346,767	371,136	427,121	266,621	38,185	37,750	40,238	38,260	...
	Balance	+ 125,521	+ 134,580	+ 140,788	+ 99,720	+ 13,794	+ 13,991	+ 13,074	+ 13,782	...
Euro-area (13) countries	Exports	320,388	342,559	379,988	244,109	34,646	34,244	35,411	34,432	...
	Imports	233,112	248,629	287,029	178,024	25,579	25,053	26,645	25,425	...
	Balance	+ 87,276	+ 93,931	+ 92,958	+ 66,086	+ 9,067	+ 9,191	+ 8,766	+ 9,007	...
of which										
Austria	Exports	40,244	43,305	48,921	30,456	4,512	4,296	4,485	4,256	...
	Imports	24,020	26,048	29,895	19,055	2,746	2,675	2,829	2,797	...
	Balance	+ 16,224	+ 17,256	+ 19,026	+ 11,401	+ 1,765	+ 1,621	+ 1,656	+ 1,459	...
Belgium and Luxembourg	Exports	43,992	47,512	53,571	33,248	4,696	4,462	4,564	4,461	...
	Imports	28,818	31,426	38,704	24,333	3,412	3,728	3,645	3,335	...
	Balance	+ 15,173	+ 16,085	+ 14,867	+ 8,915	+ 1,285	+ 734	+ 919	+ 1,126	...
France	Exports	74,360	79,039	86,093	55,271	7,787	7,771	7,958	7,863	...
	Imports	51,535	53,700	63,490	38,930	5,946	4,910	5,591	5,682	...
	Balance	+ 22,825	+ 25,339	+ 22,603	+ 16,341	+ 1,840	+ 2,861	+ 2,367	+ 2,181	...
Italy	Exports	51,479	53,855	59,971	39,245	5,399	5,634	5,807	5,578	...
	Imports	35,676	36,348	40,326	26,354	3,799	3,732	3,960	3,976	...
	Balance	+ 15,803	+ 17,507	+ 19,646	+ 12,891	+ 1,600	+ 1,903	+ 1,846	+ 1,602	...
Netherlands	Exports	46,730	49,033	55,877	35,992	5,320	5,100	5,242	5,042	...
	Imports	46,204	51,823	60,519	36,116	5,222	5,247	5,376	5,117	...
	Balance	+ 526	- 2,789	- 4,642	- 124	+ 98	- 148	- 134	- 75	...
Spain	Exports	36,249	40,018	42,159	28,597	3,901	4,053	4,346	4,257	...
	Imports	17,426	18,070	19,520	12,732	1,767	1,851	1,898	1,767	...
	Balance	+ 18,823	+ 21,948	+ 22,639	+ 15,865	+ 2,134	+ 2,202	+ 2,448	+ 2,491	...
Other EU member states	Exports	151,899	163,157	187,921	122,231	17,332	17,496	17,902	17,611	...
	Imports	113,654	122,507	140,991	88,597	12,606	12,696	13,593	12,836	...
	Balance	+ 38,245	+ 40,650	+ 47,829	+ 33,635	+ 4,726	+ 4,800	+ 4,308	+ 4,775	...
of which										
United Kingdom	Exports	59,986	60,394	65,341	41,888	5,783	5,734	5,967	6,341	...
	Imports	34,466	39,069	42,829	25,010	3,568	3,438	4,010	3,761	...
	Balance	+ 25,520	+ 21,325	+ 22,512	+ 16,878	+ 2,216	+ 2,297	+ 1,956	+ 2,580	...
2 Other European countries	Exports	69,107	75,895	92,426	57,434	8,157	8,418	8,689	8,652	...
	Imports	61,931	72,372	88,792	51,999	7,992	6,851	7,438	7,571	...
	Balance	+ 7,176	+ 3,523	+ 3,634	+ 5,435	+ 166	+ 1,568	+ 1,250	+ 1,081	...
of which										
Switzerland	Exports	27,917	29,629	34,726	20,832	2,942	2,984	2,907	2,978	...
	Imports	21,445	22,620	25,206	17,281	2,761	2,128	2,453	2,501	...
	Balance	+ 6,472	+ 7,009	+ 9,520	+ 3,550	+ 181	+ 857	+ 454	+ 477	...
II Non-European countries	Exports	188,782	203,229	234,134	135,089	18,589	18,660	19,624	20,567	...
	Imports	166,132	183,940	214,886	125,137	17,587	16,955	17,565	17,520	...
	Balance	+ 22,650	+ 19,289	+ 19,248	+ 9,951	+ 1,002	+ 1,704	+ 2,059	+ 3,047	...
1 Africa	Exports	13,785	14,807	16,610	10,150	1,482	1,486	1,475	1,472	...
	Imports	11,092	13,762	16,382	8,709	1,001	1,349	1,280	1,420	...
	Balance	+ 2,694	+ 1,045	+ 228	+ 1,442	+ 480	+ 137	+ 194	+ 51	...
2 America	Exports	84,694	91,994	104,197	57,792	7,807	7,874	8,343	8,904	...
	Imports	54,679	58,574	70,773	40,651	6,132	5,686	6,029	5,294	...
	Balance	+ 30,016	+ 33,420	+ 33,423	+ 17,142	+ 1,676	+ 2,187	+ 2,315	+ 3,610	...
of which										
United States	Exports	64,860	69,299	78,011	42,460	5,700	5,793	6,054	6,539	...
	Imports	40,709	41,798	48,517	26,786	4,209	3,717	3,919	3,391	...
	Balance	+ 24,151	+ 27,501	+ 29,494	+ 15,674	+ 1,491	+ 2,075	+ 2,135	+ 3,148	...
3 Asia	Exports	84,789	90,498	106,946	63,182	8,797	8,772	9,078	9,561	...
	Imports	98,177	109,304	125,170	74,257	10,242	9,673	10,024	10,574	...
	Balance	- 13,388	- 18,805	- 18,224	- 11,075	- 1,444	- 900	- 945	- 1,013	...
of which										
Middle East	Exports	17,357	20,420	22,948	13,305	1,810	1,741	1,771	2,060	...
	Imports	4,398	5,077	6,252	3,535	512	489	551	557	...
	Balance	+ 12,959	+ 15,343	+ 16,696	+ 9,770	+ 1,297	+ 1,251	+ 1,219	+ 1,503	...
Japan	Exports	12,719	13,338	13,861	7,596	1,086	984	1,094	1,100	...
	Imports	21,583	21,772	23,720	13,890	1,785	2,110	1,841	1,755	...
	Balance	- 8,865	- 8,434	- 9,859	- 6,294	- 700	- 1,126	- 747	- 655	...
People's Republic of China 2	Exports	20,992	21,235	27,521	16,536	2,347	2,485	2,517	2,571	...
	Imports	32,791	40,845	48,751	29,601	4,054	3,539	3,969	4,412	...
	Balance	- 11,800	- 19,610	- 21,230	- 13,064	- 1,707	- 1,054	- 1,452	- 1,841	...
Emerging markets in South-East Asia 3	Exports	26,838	27,538	31,584	18,516	2,631	2,597	2,669	2,704	...
	Imports	30,012	31,520	33,956	19,322	2,707	2,466	2,654	2,734	...
	Balance	- 3,174	- 3,982	- 2,372	- 806	- 76	+ 131	+ 15	- 30	...
4 Oceania and polar regions	Exports	5,513	5,930	6,380	3,964	503	528	727	631	...
	Imports	2,184	2,301	2,559	1,521	212	247	232	232	...
	Balance	+ 3,329	+ 3,629	+ 3,821	+ 2,443	+ 291	+ 280	+ 495	+ 399	...

\* 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 Excluding repair and maintenance operations from January 2007 onwards.



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

€ million

Period	Services							Other services			Compensation of employees <sup>5</sup>	Investment income
	Total	Travel <sup>1</sup>	Transportation <sup>2</sup>	Financial services	Patents and licences	Government services <sup>3</sup>	Total	of which				
								Services of self-employed persons <sup>4</sup>	Construction and assembly work, repairs			
2002	- 35,728	- 35,554	+ 2,789	+ 1,424	- 1,549	+ 5,237	- 8,075	- 2,073	+ 506	- 1,416	- 16,603	
2003	- 34,497	- 37,332	+ 1,833	+ 1,421	- 747	+ 5,088	- 4,761	- 1,836	+ 1,476	- 1,182	- 13,885	
2004	- 29,419	- 35,302	+ 3,870	+ 1,349	- 275	+ 5,349	- 4,410	- 1,362	+ 976	- 932	+ 14,023	
2005	- 28,880	- 36,317	+ 6,102	+ 1,760	- 458	+ 3,627	- 3,594	- 1,693	+ 1,128	- 1,569	+ 22,347	
2006	- 22,430	- 32,804	+ 4,740	+ 2,373	- 1,563	+ 3,542	+ 1,281	- 1,844	+ 1,010	- 1,330	+ 24,303	
2005 Q4	- 4,765	- 6,366	+ 1,902	+ 520	- 951	+ 924	- 793	- 552	+ 644	- 326	+ 8,171	
2006 Q1	- 6,203	- 6,361	+ 744	+ 521	- 481	+ 803	- 1,429	- 443	+ 55	+ 164	+ 7,328	
Q2	- 3,628	- 7,749	+ 1,349	+ 479	- 226	+ 1,026	+ 1,492	- 423	+ 377	- 345	+ 1,942	
Q3	- 11,175	- 13,545	+ 1,384	+ 431	- 584	+ 785	+ 355	- 431	+ 307	- 798	+ 7,686	
Q4	- 1,424	- 5,149	+ 1,262	+ 942	- 273	+ 929	+ 864	- 546	+ 271	- 350	+ 7,346	
2007 Q1	- 4,704	- 6,501	+ 1,565	+ 841	- 763	+ 790	- 637	- 366	+ 295	+ 170	+ 7,184	
Q2	- 3,347	- 8,829	+ 1,934	+ 753	- 171	+ 916	+ 2,050	- 477	+ 660	- 310	- 1,797	
2006 Oct	- 1,675	- 3,001	+ 575	+ 262	- 231	+ 247	+ 473	- 155	+ 15	- 144	+ 2,698	
Nov	- 1,042	- 1,268	+ 343	+ 189	- 44	+ 306	- 568	- 174	+ 114	- 130	+ 2,285	
Dec	+ 1,294	- 880	+ 345	+ 491	+ 2	+ 376	+ 960	- 218	+ 142	- 76	+ 2,363	
2007 Jan	- 3,571	- 2,106	+ 403	+ 205	- 557	+ 270	- 1,787	- 133	- 39	+ 52	+ 1,648	
Feb	- 861	- 1,857	+ 454	+ 272	+ 38	+ 234	- 2	- 102	+ 157	+ 44	+ 2,615	
Mar	- 272	- 2,538	+ 708	+ 364	- 244	+ 287	+ 1,153	- 130	+ 177	+ 74	+ 2,920	
Apr	- 1,143	- 2,476	+ 835	+ 209	- 295	+ 280	+ 304	- 130	+ 190	- 107	- 398	
May	- 1,600	- 2,894	+ 499	+ 221	+ 35	+ 306	+ 233	- 148	+ 217	- 105	- 4,800	
June	- 604	- 3,458	+ 599	+ 322	+ 89	+ 330	+ 1,514	- 198	+ 253	- 99	+ 3,401	
July	- 3,134	- 4,459	+ 637	+ 203	- 337	+ 282	+ 540	- 160	+ 164	- 239	+ 3,154	
Aug	- 4,642	- 5,362	+ 587	+ 224	+ 10	+ 267	- 369	- 129	+ 170	- 249	+ 3,295	

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	Total	Public <sup>1</sup>				Private <sup>1</sup>					
		Total	International organisations <sup>2</sup>	of which European Communities	Other current transfers <sup>3</sup>	Total	Workers' remittances	Other current transfers			
									Total		
2002	- 27,514	- 15,712	- 13,045	- 11,214	- 2,667	- 11,801	- 3,470	- 8,331			
2003	- 28,283	- 18,257	- 15,428	- 13,731	- 2,829	- 10,026	- 3,332	- 6,694			
2004	- 27,879	- 16,754	- 14,307	- 12,730	- 2,447	- 11,125	- 3,180	- 7,945			
2005	- 28,524	- 17,655	- 16,274	- 14,724	- 1,382	- 10,869	- 2,926	- 7,943			
2006	- 26,795	- 14,664	- 14,957	- 13,452	+ 293	- 12,130	- 2,927	- 9,204			
2005 Q4	- 7,461	- 5,031	- 4,316	- 4,070	- 715	- 2,430	- 732	- 1,698			
2006 Q1	- 10,183	- 7,309	- 6,814	- 6,313	- 494	- 2,874	- 732	- 2,143			
Q2	- 5,005	- 1,835	- 3,575	- 3,234	+ 1,740	- 3,170	- 732	- 2,439			
Q3	- 8,101	- 5,086	- 4,708	- 4,519	- 379	- 3,015	- 732	- 2,283			
Q4	- 3,505	- 434	+ 140	+ 613	- 574	- 3,071	- 732	- 2,339			
2007 Q1	- 10,758	- 7,886	- 7,186	- 6,571	- 701	- 2,872	- 751	- 2,121			
Q2	- 4,812	- 259	- 3,770	- 3,359	+ 3,511	- 4,553	- 751	- 3,802			
2006 Oct	- 3,291	- 2,391	- 2,105	- 1,892	- 286	- 900	- 244	- 656			
Nov	- 2,726	- 1,691	- 1,411	- 1,274	- 280	- 1,035	- 244	- 791			
Dec	+ 2,512	+ 3,647	+ 3,655	+ 3,779	- 8	- 1,136	- 244	- 892			
2007 Jan	- 1,809	- 980	- 896	- 682	- 85	- 828	- 250	- 578			
Feb	- 6,601	- 5,484	- 5,027	- 4,715	- 458	- 1,116	- 250	- 866			
Mar	- 2,349	- 1,422	- 1,264	- 1,174	- 158	- 927	- 250	- 677			
Apr	- 1,963	- 747	- 1,643	- 1,603	+ 896	- 1,216	- 250	- 966			
May	- 824	+ 1,429	- 1,034	- 936	+ 2,462	- 2,253	- 250	- 2,002			
June	- 2,025	- 941	- 1,093	- 821	+ 153	- 1,084	- 250	- 834			
July	- 2,935	- 1,897	- 1,758	- 1,606	- 139	- 1,038	- 250	- 788			
Aug	- 2,824	- 1,873	- 1,817	- 1,660	- 56	- 951	- 250	- 701			

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 <sup>4</sup>	Public <sup>1</sup>	Private <sup>1</sup>
2002	- 212	- 1,416	+ 1,205
2003	+ 311	- 1,238	+ 1,549
2004	+ 430	- 1,094	+ 1,524
2005	- 1,270	- 3,419	+ 2,149
2006	- 192	- 1,927	+ 1,735
2005 Q4	+ 56	- 734	+ 790
2006 Q1	+ 151	- 311	+ 462
Q2	+ 9	- 665	+ 675
Q3	- 253	- 423	+ 170
Q4	- 100	- 528	+ 428
2007 Q1	+ 182	- 291	+ 473
Q2	+ 835	- 326	+ 1,161
2006 Oct	+ 5	- 145	+ 150
Nov	- 75	- 170	+ 95
Dec	- 30	- 213	+ 183
2007 Jan	+ 249	- 91	+ 340
Feb	+ 29	- 87	+ 116
Mar	- 96	- 113	+ 17
Apr	+ 191	- 98	+ 289
May	+ 698	- 105	+ 803
June	- 54	- 123	+ 69
July	+ 398	- 109	+ 506
Aug	- 43	- 111	+ 68

XI External sector

7 Financial account of the Federal Republic of Germany

€ million

Item	2004	2005	2006	2006		2007				
				Q3	Q4	Q1	Q2	June	July	Aug
<b>I Net German investment abroad</b> (Increase/capital exports: -)	- 263,926	- 377,791	- 429,862	- 67,075	- 94,420	- 172,364	- 210,383	- 60,424	- 6,477	- 59,633
1 Direct investment 1	- 11,942	- 44,640	- 63,311	- 19,684	- 9,480	- 13,831	- 24,139	+ 1,211	- 10,844	- 7,784
Equity capital	+ 15,095	- 18,812	- 52,053	- 21,192	- 9,934	- 864	- 11,208	- 1,933	- 4,296	- 2,288
Reinvested earnings 2	- 13,447	- 14,511	- 18,161	- 5,406	- 5,273	- 5,922	- 4,485	- 1,513	- 2,249	- 2,486
Other capital transactions of German direct investors	- 13,590	- 11,316	+ 6,903	+ 6,914	+ 5,726	- 7,045	- 8,446	+ 4,657	- 4,299	- 3,010
2 Portfolio investment	- 102,327	- 202,810	- 159,427	- 20,188	- 52,837	- 72,119	- 62,455	- 16,174	- 583	- 1,816
Shares 3	+ 8,974	- 17,054	+ 6,285	- 2,838	- 3,258	+ 12,139	- 2,831	+ 900	+ 3,210	+ 4,231
Mutual fund shares 4	- 12,149	- 43,525	- 24,426	- 585	- 7,291	- 12,673	- 16,883	- 2,424	- 4,904	+ 2,061
Bonds and notes 5	- 87,216	- 137,208	- 134,511	- 15,135	- 44,238	- 65,840	- 39,605	- 12,663	- 65	- 2,082
Money market instruments	- 11,935	- 5,023	- 6,775	- 1,631	+ 1,949	- 5,744	- 3,136	- 1,988	+ 1,177	- 6,026
3 Financial derivatives 6	- 7,173	- 7,235	- 6,257	- 1,129	- 3,037	- 10,002	- 12,010	- 4,290	- 9,452	- 15,513
4 Other investment	- 143,955	- 125,288	- 203,802	- 26,919	- 29,708	- 76,512	- 110,420	- 41,683	+ 14,281	- 34,498
MFIs 7,8	- 121,830	- 85,768	- 207,620	+ 887	- 44,600	- 49,053	- 86,937	- 33,653	- 1,531	- 14,450
Long-term	+ 5,858	- 69,964	- 71,579	- 14,280	- 24,968	- 13,431	- 24,039	- 9,539	- 4,033	- 15,346
Short-term	- 127,687	- 15,804	- 136,041	+ 15,167	- 19,632	- 35,623	- 62,899	- 24,114	+ 2,502	+ 897
Enterprises and households	- 21,417	- 20,601	- 21,649	- 1,684	- 656	- 22,797	- 1,682	- 8,330	+ 144	- 2,465
Long-term	- 7,286	- 12,278	- 23,813	- 6,668	- 9,074	- 7,657	- 10,220	- 3,520	- 1,160	- 4,210
Short-term 7	- 14,131	- 8,323	+ 2,164	+ 4,984	+ 8,418	- 15,140	+ 8,538	- 4,811	+ 1,304	+ 1,745
General government	+ 2,143	+ 3,154	+ 979	+ 1,010	+ 5,637	+ 10,953	- 25,143	- 7,326	+ 18,659	+ 5,959
Long-term	+ 49	+ 7,693	+ 7,408	+ 6,513	+ 343	- 220	- 196	+ 3	+ 16	- 27
Short-term 7	+ 2,094	- 4,539	- 6,428	- 5,502	+ 5,295	+ 11,173	- 24,946	- 7,328	+ 18,643	+ 5,986
Bundesbank	- 2,851	- 22,073	+ 24,488	- 27,133	+ 9,911	- 15,615	+ 3,343	+ 7,626	- 2,990	- 23,542
5 Change in reserve assets at transaction values (Increase:-)	+ 1,470	+ 2,182	+ 2,934	+ 844	+ 642	+ 100	- 1,359	+ 513	+ 121	- 21
<b>II Net foreign investment in Germany</b> (Increase/capital imports: +)	+ 145,958	+ 258,406	+ 289,131	+ 54,273	+ 59,361	+ 96,917	+ 121,394	+ 21,231	+ 2,731	+ 52,657
1 Direct investment 1	- 7,406	+ 28,841	+ 34,168	+ 5,041	+ 19,094	+ 7,581	+ 1,848	- 2,720	+ 4,344	+ 3,771
Equity capital	+ 32,595	+ 17,928	+ 17,323	+ 2,833	+ 11,876	+ 4,727	+ 3,752	- 548	+ 1,816	+ 565
Reinvested earnings 2	- 296	+ 5,560	+ 5,751	+ 2,477	+ 384	+ 2,936	- 2,364	- 2,541	+ 1,513	+ 1,600
Other capital transactions of foreign direct investors	- 39,704	+ 5,352	+ 11,095	- 270	+ 6,834	- 83	+ 459	+ 370	+ 1,014	+ 1,606
2 Portfolio investment	+ 116,773	+ 178,869	+ 160,626	+ 25,976	+ 58,656	+ 36,333	+ 75,339	+ 55,497	+ 10,599	+ 22,814
Shares 3	- 13,727	+ 21,308	+ 27,500	+ 6,287	+ 17,251	- 3,178	+ 8,638	+ 40,967	- 7,976	+ 5,776
Mutual fund shares	+ 4,587	+ 1,100	+ 9,347	+ 1,230	+ 1,371	+ 746	+ 1,624	+ 197	+ 397	+ 345
Bonds and notes 5	+ 140,285	+ 159,499	+ 125,051	+ 22,274	+ 48,284	+ 28,990	+ 60,609	+ 18,691	+ 12,063	+ 10,655
Money market instruments	- 14,371	- 3,038	- 1,272	- 3,815	- 8,250	+ 9,775	+ 4,469	- 4,358	+ 6,115	+ 6,038
3 Other investment	+ 36,591	+ 50,696	+ 94,337	+ 23,257	- 18,389	+ 53,004	+ 44,207	- 31,546	- 12,213	+ 26,072
MFIs 7,8	+ 32,339	+ 22,456	+ 60,499	+ 12,139	- 11,485	+ 38,500	+ 26,099	- 38,920	- 9,988	+ 23,005
Long-term	- 10,083	- 9,830	- 11,898	- 953	- 8,132	- 6,004	+ 3,557	+ 33	+ 2,902	- 1,725
Short-term	+ 42,422	+ 32,286	+ 72,397	+ 13,092	- 3,353	+ 44,505	+ 22,542	- 38,953	- 12,890	+ 24,730
Enterprises and households	+ 9,936	+ 26,818	+ 35,280	+ 6,926	- 4,753	+ 11,534	+ 15,348	+ 9,235	- 1,173	- 2,919
Long-term	+ 6,743	+ 14,125	+ 17,517	+ 3,197	+ 2,697	+ 424	+ 597	+ 239	+ 3,740	+ 153
Short-term 7	+ 3,193	+ 12,693	+ 17,763	+ 3,729	- 7,450	+ 11,110	+ 14,752	+ 8,996	- 4,913	- 3,072
General government	- 3,233	+ 3,526	- 154	+ 5,041	- 2,037	+ 2,614	+ 1,780	- 1,000	- 1,273	+ 6,055
Long-term	- 2,000	+ 2,597	+ 886	+ 497	+ 312	- 851	- 19	- 370	- 130	- 162
Short-term 7	- 1,233	+ 929	- 1,040	+ 4,545	- 2,348	+ 3,465	+ 1,799	- 630	- 1,143	+ 6,217
Bundesbank	- 2,451	- 2,105	- 1,287	- 850	- 114	+ 355	+ 979	- 862	+ 221	- 68
<b>III Financial account balance 9</b> (Net capital exports: -)	- 117,968	- 119,385	- 140,732	- 12,802	- 35,060	- 75,447	- 88,989	- 39,193	- 3,746	- 6,976

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.

8 External position of the Bundesbank \*

DM million

End of year or month	Reserve assets and other claims on non-residents						Liabilities vis-à-vis non-residents				Net external position (col 1 less col 8)
	Total	Reserve assets				Loans and other claims on non- residents 3	Total	Liabilities arising from external trans- actions 4	Liabilities arising from liquidity Treasury discount paper		
		Total	Gold	Foreign currency balances 1	Reserve position in the Inter- national Monetary Fund and special drawing rights					Claims on the ECB 2 (net)	
1	2	3	4	5	6	7	8	9	10	11	
1994	115,965	113,605	13,688	60,209	7,967	31,742	2,360	24,192	19,581	4,611	91,774
1995	123,261	121,307	13,688	68,484	10,337	28,798	1,954	16,390	16,390	-	106,871
1996	120,985	119,544	13,688	72,364	11,445	22,048	1,441	15,604	15,604	-	105,381
1997	127,849	126,884	13,688	76,673	13,874	22,649	966	16,931	16,931	-	110,918
1998	135,085	134,005	17,109	100,363	16,533	-	1,079	15,978	15,978	-	119,107

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

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

9 External position of the Bundesbank in the euro area °

€ million

End of year or month	Reserve assets and other claims on non-residents						Other claims on non-euro- area residents 1,3	Claims within the Eurosyst- em (net) 2	Other claims on residents in other euro-area member states	Liabilities vis-à-vis non- residents 3	Net external position (col 1 less col 9)
	Total	Reserve assets				Foreign currency reserves					
		Total	Gold and gold receivables	Reserve position in the Inter- national Monetary Fund and special drawing rights							
1	2	3	4	5	6	7	8	9	10		
1999 Jan 4	95,316	93,940	29,312	8,461	56,167	140	1,225	11	8,169	87,146	
1999	141,958	93,039	32,287	8,332	52,420	9,162	39,746	11	6,179	135,779	
2000	100,762	93,815	32,676	7,762	53,377	313	6,620	14	6,592	94,170	
2001	76,147	93,215	35,005	8,721	49,489	312	17,385	5	8,752	67,396	
2002	103,948	85,002	36,208	8,272	40,522	312	18,466	167	9,005	94,942	
2003	95,394	76,680	36,533	7,609	32,538	312	17,945	456	10,443	84,951	
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	
2006	104,389	84,765	53,114	3,011	28,640	350	18,344	931	4,819	99,570	
2006 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	
Dec	104,389	84,765	53,114	3,011	28,640	350	18,344	931	4,819	99,570	
2007 Jan	114,714	87,385	54,853	2,998	29,534	350	26,011	969	5,415	109,299	
Feb	121,019	87,962	56,389	2,734	28,839	350	31,715	993	4,892	116,127	
Mar	121,457	86,120	54,820	2,624	28,675	350	33,958	1,029	5,158	116,299	
Apr	110,112	86,731	54,837	2,578	29,316	350	22,102	930	6,300	103,811	
May	125,859	86,364	53,675	2,671	30,018	350	38,242	903	7,005	118,854	
June	116,754	84,846	52,809	2,666	29,370	350	30,616	942	6,137	110,617	
July	120,334	85,125	53,446	2,594	29,085	350	33,606	1,253	6,325	114,009	
Aug	144,630	85,469	53,554	2,594	29,321	350	57,148	1,664	6,257	138,373	
Sep	151,300	88,592	57,168	2,530	28,894	350	60,480	1,879	8,013	143,288	

° 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.

XI External sector

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

€ million

End of year or month	Claims on non-residents							Liabilities vis-à-vis non-residents						
	Total	Balances with foreign banks	Claims on foreign non-banks					Total	Loans from foreign banks	Liabilities vis-à-vis foreign non-banks				
			Total	from financial operations	from trade credits					Total	from financial operations	from trade credits		
					Total	Credit terms granted	Advance payments effected					Total	Credit terms used	Advance payments received
<b>All countries</b>														
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 r	449,306	117,723	331,583	189,378	142,205	134,057	8,148	624,790	95,019	529,771	408,907	120,864	79,900	40,964
2007 Mar r	480,424	145,280	335,144	185,173	149,971	141,090	8,881	641,553	103,650	537,903	413,459	124,444	79,961	44,483
Apr r	480,073	143,412	336,661	190,083	146,578	137,509	9,069	643,012	104,518	538,494	415,987	122,507	76,207	46,300
May r	483,428	141,705	341,723	194,431	147,292	137,832	9,460	646,620	111,124	535,496	413,675	121,821	75,276	46,545
June r	491,218	148,145	343,073	191,835	151,238	141,681	9,557	662,071	104,394	557,677	430,678	126,999	79,183	47,816
July r	493,790	149,168	344,622	196,660	147,962	138,094	9,868	656,804	105,752	551,052	425,511	125,541	75,861	49,680
Aug	492,963	151,513	341,450	196,255	145,195	135,111	10,084	655,877	106,278	549,599	424,744	124,855	73,322	51,533
<b>Industrial countries <sup>1</sup></b>														
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 r	395,727	115,269	280,458	173,862	106,596	100,541	6,055	570,675	93,560	477,115	389,770	87,345	66,210	21,135
2007 Mar r	428,574	143,046	285,528	171,445	114,083	107,417	6,666	585,834	102,222	483,612	392,899	90,713	67,570	23,143
Apr r	427,508	140,990	286,518	175,997	110,521	103,721	6,800	585,753	103,154	482,599	394,704	87,895	63,641	24,254
May r	429,924	138,871	291,053	180,022	111,031	103,910	7,121	590,998	109,876	481,122	393,684	87,438	62,891	24,547
June r	436,467	145,370	291,097	176,976	114,121	106,914	7,207	604,530	103,144	501,386	410,040	91,346	66,339	25,007
July r	438,988	146,503	292,485	182,396	110,089	102,676	7,413	599,092	104,454	494,638	405,014	89,624	63,442	26,182
Aug	437,238	148,725	288,513	181,233	107,280	99,719	7,561	595,775	104,825	490,950	403,583	87,367	60,493	26,874
<b>EU member states <sup>1</sup></b>														
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 r	308,720	108,982	199,738	121,929	77,809	72,902	4,907	479,025	86,343	392,682	332,871	59,811	45,202	14,609
2007 Mar r	346,504	136,589	209,915	125,060	84,855	79,570	5,285	495,458	94,629	400,829	337,356	63,473	47,139	16,334
Apr r	347,363	135,300	212,063	129,683	82,380	76,977	5,403	496,168	94,987	401,181	339,977	61,204	44,275	16,929
May r	348,657	132,704	215,953	133,245	82,708	77,009	5,699	497,869	97,807	400,062	339,411	60,651	43,537	17,114
June r	355,595	139,345	216,250	131,658	84,592	78,900	5,692	499,848	98,224	401,624	338,950	62,674	45,354	17,320
July r	356,547	140,996	215,551	134,388	81,163	75,262	5,901	500,136	99,395	400,741	338,798	61,943	43,690	18,253
Aug	358,249	143,072	215,177	136,622	78,555	72,581	5,974	494,143	100,176	393,967	334,120	59,847	41,098	18,749
<b>of which: Euro-area member states <sup>2</sup></b>														
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	207,868	77,056	130,812	79,901	50,911	47,614	3,297	369,648	38,878	330,770	292,178	38,592	28,340	10,252
2007 Mar r	230,148	93,060	137,088	81,562	55,256	51,961	3,565	383,597	48,139	335,458	295,128	40,330	29,412	10,918
Apr r	231,288	92,291	138,997	85,045	53,952	50,234	3,718	383,721	47,946	335,775	297,065	38,710	27,325	11,385
May r	235,131	93,349	141,782	87,716	54,066	50,142	3,924	381,848	48,884	332,964	294,442	38,522	27,124	11,398
June r	243,042	100,561	142,481	86,980	55,501	51,605	3,896	387,391	50,294	337,097	296,687	40,410	28,729	11,681
July	242,679	101,548	141,131	87,686	53,445	49,378	4,067	387,885	51,044	336,841	297,022	39,819	27,543	12,276
Aug	240,430	102,901	137,529	86,440	51,089	46,957	4,132	384,440	51,476	332,964	294,504	38,460	25,945	12,515
<b>Emerging economies and developing countries <sup>3</sup></b>														
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	53,579	2,454	51,125	15,516	35,609	33,516	2,093	54,115	1,459	52,656	19,137	33,519	13,690	19,829
2007 Mar r	51,850	2,234	49,616	13,728	35,888	33,673	2,215	55,719	1,428	54,291	20,560	33,731	12,391	21,340
Apr r	52,565	2,422	50,143	14,086	36,057	33,788	2,269	57,259	1,364	55,895	21,283	34,612	12,566	22,046
May r	53,504	2,834	50,670	14,409	36,261	33,922	2,339	55,622	1,248	54,374	19,991	34,383	12,385	21,998
June r	54,751	2,775	51,976	14,859	37,117	34,767	2,350	57,541	1,250	56,291	20,638	35,653	12,844	22,809
July	54,802	2,665	52,137	14,264	37,873	35,418	2,455	57,712	1,298	56,414	20,497	35,917	12,419	23,498
Aug	55,725	2,788	52,937	15,022	37,915	35,392	2,523	60,102	1,453	58,649	21,161	37,488	12,829	24,659

\* 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 XI.7. — 1 From

May 2004, including Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia; from January 2007, including Bulgaria and Romania. — 2 From January 2007, including Slovenia. — 3 All countries that are not regarded as industrial countries.

11 ECB euro reference exchange rates of selected currencies \*

EUR 1 = currency units ...

Yearly or monthly average	Australia	Canada	China	Denmark	Japan	Norway	Sweden	Switzerland	United Kingdom	United States
	AUD	CAD	CNY 1	DKK	JPY	NOK	SEK	CHF	GBP	USD
1999	1.6523	1.5840	.	7.4355	121.32	8.3104	8.8075	1.6003	0.65874	1.0658
2000	1.5889	1.3706	<sup>2</sup> 7.6168	7.4538	99.47	8.1129	8.4452	1.5579	0.60948	0.9236
2001	1.7319	1.3864	7.4131	7.4521	108.68	8.0484	9.2551	1.5105	0.62187	0.8956
2002	1.7376	1.4838	7.8265	7.4305	118.06	7.5086	9.1611	1.4670	0.62883	0.9456
2003	1.7379	1.5817	9.3626	7.4307	130.97	8.0033	9.1242	1.5212	0.69199	1.1312
2004	1.6905	1.6167	10.2967	7.4399	134.44	8.3697	9.1243	1.5438	0.67866	1.2439
2005	1.6320	1.5087	10.1955	7.4518	136.85	8.0092	9.2822	1.5483	0.68380	1.2441
2006	1.6668	1.4237	10.0096	7.4591	146.02	8.0472	9.2544	1.5729	0.68173	1.2556
2005 Mar	1.6806	1.6064	10.9262	7.4466	138.83	8.1880	9.0884	1.5494	0.69233	1.3201
Apr	1.6738	1.5991	10.7080	7.4499	138.84	8.1763	9.1670	1.5475	0.68293	1.2938
May	1.6571	1.5942	10.5062	7.4443	135.37	8.0814	9.1931	1.5449	0.68399	1.2694
June	1.5875	1.5111	10.0683	7.4448	132.22	7.8932	9.2628	1.5391	0.66895	1.2165
July	1.6002	1.4730	9.8954	7.4584	134.75	7.9200	9.4276	1.5578	0.68756	1.2037
Aug	1.6144	1.4819	9.9589	7.4596	135.98	7.9165	9.3398	1.5528	0.68527	1.2292
Sep	1.6009	1.4452	9.9177	7.4584	136.06	7.8087	9.3342	1.5496	0.67760	1.2256
Oct	1.5937	1.4149	9.7189	7.4620	138.05	7.8347	9.4223	1.5490	0.68137	1.2015
Nov	1.6030	1.3944	9.5273	7.4596	139.59	7.8295	9.5614	1.5449	0.67933	1.1786
Dec	1.5979	1.3778	9.5746	7.4541	140.58	7.9737	9.4316	1.5479	0.67922	1.1856
2006 Jan	1.6152	1.4025	9.7630	7.4613	139.82	8.0366	9.3111	1.5494	0.68598	1.2103
Feb	1.6102	1.3723	9.6117	7.4641	140.77	8.0593	9.3414	1.5580	0.68297	1.1938
Mar	1.6540	1.3919	9.6581	7.4612	140.96	7.9775	9.4017	1.5691	0.68935	1.2020
Apr	1.6662	1.4052	9.8361	7.4618	143.59	7.8413	9.3346	1.5748	0.69463	1.2271
May	1.6715	1.4173	10.2353	7.4565	142.70	7.7988	9.3310	1.5564	0.68330	1.2770
June	1.7104	1.4089	10.1285	7.4566	145.11	7.8559	9.2349	1.5601	0.68666	1.2650
July	1.6869	1.4303	10.1347	7.4602	146.70	7.9386	9.2170	1.5687	0.68782	1.2684
Aug	1.6788	1.4338	10.2141	7.4609	148.53	7.9920	9.2098	1.5775	0.67669	1.2811
Sep	1.6839	1.4203	10.0971	7.4601	148.99	8.2572	9.2665	1.5841	0.67511	1.2727
Oct	1.6733	1.4235	9.9651	7.4555	149.65	8.3960	9.2533	1.5898	0.67254	1.2611
Nov	1.6684	1.4635	10.1286	7.4564	151.11	8.2446	9.1008	1.5922	0.67397	1.2881
Dec	1.6814	1.5212	10.3356	7.4549	154.82	8.1575	9.0377	1.5969	0.67286	1.3213
2007 Jan	1.6602	1.5285	10.1238	7.4539	156.56	8.2780	9.0795	1.6155	0.66341	1.2999
Feb	1.6708	1.5309	10.1326	7.4541	157.60	8.0876	9.1896	1.6212	0.66800	1.3074
Mar	1.6704	1.5472	10.2467	7.4494	155.24	8.1340	9.2992	1.6124	0.68021	1.3242
Apr	1.6336	1.5334	10.4400	7.4530	160.68	8.1194	9.2372	1.6375	0.67934	1.3516
May	1.6378	1.4796	10.3689	7.4519	163.22	8.1394	9.2061	1.6506	0.68136	1.3511
June	1.5930	1.4293	10.2415	7.4452	164.55	8.0590	9.3290	1.6543	0.67562	1.3419
July	1.5809	1.4417	10.3899	7.4410	166.76	7.9380	9.1842	1.6567	0.67440	1.3716
Aug	1.6442	1.4420	10.3162	7.4429	159.05	7.9735	9.3231	1.6383	0.67766	1.3622
Sep	1.6445	1.4273	10.4533	7.4506	159.82	7.8306	9.2835	1.6475	0.68887	1.3896

\* Calculated from daily values; for additional euro reference exchange rates, see Statistical Supplement to the Monthly Report 5, *Exchange rate*

statistics. — 1 Up to March 2005, ECB indicative rates. — 2 Average from 13 January to 29 December 2000.

12 Irrevocable euro conversion rates in Stage III of Economic and Monetary Union

Since	Country	Currency	ISO currency code	Euro 1 = currency units ...
1999 January 1	Austria	Austrian schilling	ATS	13.7603
	Belgium	Belgian franc	BEF	40.3399
	Finland	Finnish markka	FIM	5.94573
	France	French franc	FRF	6.55957
	Germany	Deutsche Mark	DEM	1.95583
	Ireland	Irish pound	IEP	0.787564
	Italy	Italian lira	ITL	1,936.27
	Luxembourg	Luxembourg franc	LUF	40.3399
	Netherlands	Dutch guilder	NLG	2.20371
	Portugal	Portuguese escudo	PTE	200.482
	Spain	Spanish peseta	ESP	166.386
2001 January 1	Greece	Greek drachma	GRD	340.750
2007 January 1	Slovenia	Tolar	SIT	239.640

XI External sector

13 Effective exchange rates and indicators of the German economy's price competitiveness \*

1999 Q1 = 100

Zeit	Effective exchange rate of the Euro				Indicators of the German economy's price competitiveness										
	EER-24 1				EER-44 2		Based on the deflators of total sales 3					Based on consumer price indices			
	Nominal	In real terms based on consumer price indices	In real terms based on the deflators of gross domestic product 3	In real terms based on unit labour costs of national economy 3	Nominal	In real terms based on consumer price indices	20 selected industrial countries 4			36 countries 5 6	20 selected industrial countries 4	36 countries 5	56 countries 7		
							Total	Euro-area countries	Non-euro-area countries						
1999	96.2	96.0	95.8	96.4	96.5	95.8	97.8	99.6	95.6	97.7	98.2	98.0	97.6		
2000	87.0	86.4	85.7	85.4	87.9	85.8	91.6	97.0	85.1	91.1	92.8	91.8	90.8		
2001	87.7	87.2	86.6	85.0	90.4	87.1	91.3	95.9	85.8	90.5	93.0	91.3	90.8		
2002	90.1	90.4	89.7	88.3	94.9	91.0	92.0	95.0	88.4	90.9	93.7	92.0	91.9		
2003	100.6	101.4	100.4	99.3	106.8	101.9	95.5	94.0	97.5	94.7	97.4	96.6	96.9		
2004	104.3	105.1	103.5	103.7	111.2	105.6	96.0	92.9	100.1	95.2	98.9	98.2	98.6		
2005	103.3	104.2	102.3	102.1	109.7	103.7	94.9	91.5	99.3	93.4	98.9	97.4	97.3		
2006	103.6	104.5	102.3	101.7	110.0	103.4	94.2	90.2	99.5	92.5	99.1	97.2	96.8		
2003 Aug	100.6	101.5	100.8	100.2	106.2	101.5	95.5	93.9	97.6	94.8	97.3	96.6	96.6		
2003 Sep	100.4	101.4	100.8	100.2	106.1	101.4					97.1	96.4	96.5		
2003 Oct	102.0	102.9		102.3	108.2	103.2					97.7	97.2	97.4		
2003 Nov	102.0	102.8	102.7	102.3	108.2	103.1	96.0	93.6	99.1	95.4	97.7	97.2	97.5		
2003 Dec	104.9	105.5			111.4	106.0					98.8	98.5	99.0		
2004 Jan	106.0	106.7			112.7	107.1					99.4	99.1	99.6		
2004 Feb	105.8	106.5	104.8	104.8	112.5	107.0	96.7	93.4	101.1	96.1	99.1	99.0	99.5		
2004 Mar	104.0	104.8			110.4	105.0					98.7	98.3	98.5		
2004 Apr	102.3	103.1			108.5	103.2					98.1	97.5	97.6		
2004 May	103.0	103.8	102.1	102.2	109.8	104.4	95.4	93.1	98.5	94.7	98.3	97.6	98.1		
2004 June	102.9	103.6			109.8	104.3					98.0	97.4	97.8		
2004 July	103.4	104.1			110.3	104.8					98.4	97.6	98.1		
2004 Aug	103.2	104.2	102.3	102.5	110.1	104.8	95.7	92.9	99.3	94.7	98.5	97.7	98.1		
2004 Sep	103.5	104.4			110.5	104.9					98.7	97.8	98.2		
2004 Oct	104.7	105.5			111.8	106.0					99.1	98.2	98.7		
2004 Nov	106.0	106.6	104.7	105.1	113.3	107.3	96.3	92.4	101.6	95.2	99.6	98.7	99.3		
2004 Dec	107.3	108.0			114.7	108.6					100.4	99.5	100.1		
2005 Jan	106.1	106.8			113.2	107.0					99.9	98.7	99.1		
2005 Feb	105.4	106.0	104.8	104.8	112.2	106.0	96.4	92.0	102.1	94.9	99.6	98.3	98.5		
2005 Mar	106.1	107.0			113.1	107.0					100.0	98.7	98.9		
2005 Apr	105.3	106.1			112.1	106.0					99.3	98.1	98.2		
2005 May	104.3	105.2	102.7	102.8	110.8	104.8	95.1	91.7	99.6	93.8	99.1	97.8	97.8		
2005 June	101.6	102.6			107.8	102.1					98.1	96.6	96.3		
2005 July	102.2	103.1			108.2	102.3					98.4	96.8	96.4		
2005 Aug	102.6	103.7	101.2	100.9	108.9	103.0	94.4	91.3	98.4	92.9	98.7	97.0	96.8		
2005 Sep	102.1	103.1			108.4	102.5					98.8	97.1	96.8		
2005 Oct	101.8	102.7			107.9	101.8					98.6	96.9	96.5		
2005 Nov	101.1	102.0	100.5	99.9	107.0	100.8	93.6	90.8	97.2	92.1	98.3	96.5	95.9		
2005 Dec	101.2	102.0			107.0	100.9					98.4	96.5	95.9		
2006 Jan	101.8	102.7			107.7	101.4					98.5	96.5	95.8		
2006 Feb	101.2	102.0	100.4	100.4	106.8	100.5	93.6	90.4	97.8	92.0	98.3	96.2	95.4		
2006 Mar	101.9	102.9			107.6	101.4					98.5	96.5	95.7		
2006 Apr	103.0	104.0			108.8	102.5					98.9	96.9	96.3		
2006 May	104.0	104.9	102.6	102.6	110.5	103.9	94.4	90.4	99.7	92.9	99.1	97.2	96.9		
2006 June	104.2	105.0			111.1	104.4					99.1	97.4	97.3		
2006 July	104.5	105.5			111.3	104.6					99.4	97.7	97.4		
2006 Aug	104.6	105.5	103.0	102.7	111.3	104.6	94.2	90.0	99.9	92.8	99.1	97.4	97.1		
2006 Sep	104.4	105.2			111.1	104.2					99.3	97.4	97.1		
2006 Oct	103.9	104.7			110.4	103.6					99.4	97.4	97.0		
2006 Nov	104.5	105.3	103.2	101.0	111.1	104.2	94.4	89.8	100.5	92.5	99.9	97.7	97.4		
2006 Dec	105.5	106.1			112.3	105.0					100.3	98.0	97.7		
2007 Jan	104.9	105.6			111.5	104.3					100.4	98.0	97.6		
2007 Feb	105.4	106.1	104.0	102.2	111.9	104.6	94.9	89.8	101.8	93.0	100.6	98.3	97.8		
2007 Mar	106.1	106.7			112.7	105.4					100.8	98.4	98.0		
2007 Apr	107.1	107.8			113.7	106.3					101.4	98.9	98.5		
2007 May	107.3	107.9	105.4	103.2	113.6	106.1	95.5	89.7	103.4	93.4	101.5	98.9	98.3		
2007 June	106.9	107.4			113.1	105.6					101.3	98.7	98.0		
2007 July	107.6	108.1			113.9	106.3					101.9	99.2	98.5		
2007 Aug	107.1	107.7	...	...	113.7	106.1	95.3	89.3	103.4	93.1	101.6	98.9	98.4		
2007 Sep	108.2	108.9			114.7	107.1					102.1	99.4	98.9		

\* The effective exchange rate corresponds to the weighted external value of the currency concerned. The method of calculating the indicators of the German economy's price competitiveness is consistent with the procedure used by the ECB to compute the effective exchange rates of the euro (see *Monthly Report*, November 2001, pp 51-65 and May 2007, pp 32-37). For details of the methodology see ECB, *Monthly Bulletin*, September 2004, pp 69-72 as well as the ECB's Occasional Paper No 2, which can be downloaded from the ECB's website ([www.ecb.int](http://www.ecb.int)). A decline in the figures implies an increase in competitiveness. — 1 ECB calculations are based on the weighted averages of the changes in the bilateral exchange rates of the euro against the currencies of the following countries: Australia, Bulgaria, Canada, China, Cyprus, Czech Republic, Denmark, Estonia, Hong Kong, Hungary, Japan, Latvia, Lithuania, Malta, Norway, Poland, Romania, Singapore, Slovakia, South Korea, Sweden, Switzerland, United Kingdom and United States. The weights used in these calculations during the period

shown are based on the trade in manufactured goods between 1999 and 2001 and reflect third-market effects. Where price and wage indices were not available, estimates were used. — 2 ECB calculations. This group includes not only the countries belonging to the EER-24 group (see footnote 1) but also Algeria, Argentina, Brazil, Chile, Croatia, Iceland, India, Indonesia, Israel, Malaysia, Mexico, Morocco, New Zealand, Philippines, Russian Federation, South Africa, Taiwan, Thailand, Turkey and Venezuela. — 3 Annual and quarterly averages. — 4 Euro-area countries (before 2007, excluding Slovenia) as well as Canada, Denmark, Japan, Norway, Sweden, Switzerland, United Kingdom and United States. — 5 Euro-area countries and countries belonging to the EER-24 group. — 6 Owing to missing data for the deflators of total sales, China and Singapore are not included in this calculation. — 7 Euro-area countries and countries belonging to the EER-44 group (see footnote 2).

## Overview of publications by the Deutsche Bundesbank

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

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

### Annual Report

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### Financial Stability Review

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### Monthly Report

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For information on the articles published between 1990 and 2006 see the index attached to the January 2007 *Monthly Report*.

## Monthly Report articles

### 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

### January 2007

- Investment activity in Germany under the influence of technological change and competition among production locations
- The labour market in Germany: general developments seen in an international context

### February 2007

- The economic scene in Germany around the turn of 2006-07

### March 2007

- German balance of payments in 2006
- German intra-euro-area trade: cyclical effects and structural determinants

### April 2007

- Leveraged buyouts: the role of financial intermediaries and aspects of financial stability
- Financial development and outlook of the public long-term care insurance scheme

### May 2007

- The economic scene in Germany in spring 2007

### June 2007

- Investment and financing in 2006
- Current account balances and price competitiveness in the euro area

### July 2007

- The relationship between monetary developments and the real estate market
- Trends in local government finances since 2000
- Primary and secondary markets for German public sector debt instruments: institutional framework, trading systems and their relevance for Germany as a financial centre

### August 2007

- The economic scene in Germany in summer 2007

### September 2007

- The performance of German credit institutions in 2006
- Private consumption in Germany since reunification

### October 2007

- Globalisation and monetary policy
- Advances in strengthening the economy's growth potential
- Reform of German budgetary rules
- TARGET2 – the new payment system for Europe



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

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

## Special Publications

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

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

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

The market for German Federal securities,  
May 2000

Macro-Econometric Multi-Country Model: MEMMOD,  
June 2000

Bundesbank Act, September 2002

Weltweite Organisationen und Gremien im Bereich von Währung und Wirtschaft, March 2003<sup>2</sup>

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

European economic and monetary union,  
September 2005

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

## Special Statistical Publications\*

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

2 Bankenstatistik Kundensystematik Firmenverzeichnisse, September 2007<sup>2, 4</sup>

3 Aufbau der bankstatistischen Tabellen,  
January 2000<sup>2, 5</sup>

4 Financial accounts for Germany 1991 to 2006,  
July 2007<sup>5</sup>

5 Extrapolated results from financial statements of German enterprises 1994 to 2003, March 2006<sup>5</sup>

6 Ratios from financial statements of German enterprises 2003 to 2004, January 2007<sup>5</sup>

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

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

9 Securities deposits,  
August 2005

10 Foreign direct investment stock statistics  
April 2007<sup>1, 5</sup>

11 Balance of payments by region,  
August 2007

12 Technologische Dienstleistungen in der Zahlungsbilanz, June 2006<sup>2</sup>

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\* Unless stated otherwise, these publications are available on the Bundesbank's website in German and English.

o Not available on the website.

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

4 Available on the website only (updated on a quarterly basis).

5 Available on the website only.

## Discussion Papers\*

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### Series 1

#### Economic Studies

18/2007

Uncertainty about perceived inflation target and monetary policy

19/2007

The rationality and reliability of expectations reported by British households: micro evidence from the British household panel survey

20/2007

Money in monetary policy design under uncertainty: the Two-Pillar Phillips Curve versus ECB-style cross-checking

21/2007

Corporate marginal tax rate, tax loss carryforwards and investment functions – empirical analysis using a large German panel data set

22/2007

Volatile multinationals? Evidence from the labor demand of German firms

23/2007

International investment positions and exchange rate dynamics: a dynamic panel analysis

24/2007

Testing for contemporary fiscal policy discretion with real time data

25/2007

Quantifying risk and uncertainty in macroeconomic forecasts

26/2007

Taxing deficits to restrain government spending and foster capital accumulation

27/2007

Spill-over effects of monetary policy – a progress report on interest rate convergence in Europe

### Series 2

#### Banking and Financial Studies

09/2007

Banking consolidation and small business finance – empirical evidence for Germany

10/2007

The quality of banking and regional growth

11/2007

Welfare effects of financial integration

12/2007

The marketability of bank assets and managerial rents: implications for financial stability

13/2007

Asset correlations and credit portfolio risk – an empirical analysis

#### Banking legislation

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

2 Gesetz über das Kreditwesen, February 2001<sup>2</sup>

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

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

7 Instruction sheet for the reporting of large exposures and loans of 3 million Deutsche Mark or more pursuant to sections 13 to 14 of the Banking Act, September 1998

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

For footnotes, see p 79\*.