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The economic scene in Germany in summer 2007

Overview

Cyclical upswing still intact

The robust momentum of the global economy persisted in the second quarter of 2007. Emerging market economies, in particular, expanded dynamically. The upswing in the industrial countries also continued at a considerable pace. Despite the spillover of tensions originating in the US mortgage loan market into the global financial markets over the past few weeks, the further global economic growth prospects may still be rated as favourable. Even so, risks for the world economy have increased with the ongoing adjustment process on the US real estate market. Furthermore, the oil markets' highly vulnerable state poses certain risks to the global economy and to the overall price environment. Continuing energy and food price increases were passed through to a large extent to the consumer price level in the second quarter. Prices in the industrial countries in the second quarter were consequently up 0.9% on the first quarter after seasonal adjustment. This amounts to an annualised inflation rate of more than 3½%.

International setting

Underpinned by the robust state of the global economy and market players' high level of confidence, stock prices and bond yields rose strongly at first in the second quarter. While predominantly positive company news and buoyant merger and acquisition activity pushed up stock price indices to multi-year highs, interest rates in the ten-year segment of the capital market rose by around ½ percentage point to 5½% in the USA and 4½% in the euro bond market by mid-July, partly in anticipation of higher central bank rates in

Financial markets

several large economies. However, after problems in the US mortgage loan market and the consequences for institutions investing both directly and indirectly in this market became increasingly apparent, investors' risk perceptions fundamentally changed. Stock prices consequently dropped considerably and interest rate spreads on riskier investments widened noticeably. Conversely, the "flight to quality" lowered the bond yields of top-rated borrowers. The continuing positive expectations for corporate earnings and robust growth tended to have a stabilising effect on the stock market. This is especially true of German equities, which have performed comparatively well to date, not least owing to the currently buoyant cyclical momentum. The euro remained very strong into July against the backdrop of the ongoing favourable growth prospects for the euro area. It was only recently that the euro started to weaken a little amid increasing uncertainty in the financial markets. Since the beginning of the year, the euro has gained slightly on average against a basket of 24 major currencies.

*Monetary
policy*

Although the euro's strength in the foreign exchange markets in the first half of this year supported European monetary policy to a certain degree, upward price pressure in the euro area resulting, in particular, from higher prices for crude oil and other commodities as well as for food nonetheless intensified. Overall prices rose by 0.8% from the first to the second quarter compared with 0.5% in the previous three months. In terms of monetary policy, future prospects are more important than current and past price developments. In spite of the interest rate adjustments that

have been made to date, the further outlook again appears less favourable. Strong monetary expansion, driven by the buoyant demand for credit, causes concern that the average increase in consumer prices in the euro area will clearly exceed the 2% mark over the next few years. The persistently high oil prices, upward pressure on prices for industrial raw materials and in the agricultural sector as well as increasing overall production capacity utilisation, together with the growing pressure on costs from wages, likewise indicate risks to macroeconomic stability that need to be taken seriously. The ECB Governing Council therefore further tightened the interest rate policy stance at the beginning of June, raising the main refinancing rate by $\frac{1}{4}$ percentage point to 4%. At the same time, the ECB Governing Council indicated that it intends to monitor ongoing developments with great vigilance so that it can take further measures if necessary. Correspondingly, interest rate expectations in the money market remained on the upside until this report went to press. During the past few weeks developments in the money market have been additionally overlaid by tensions connected with the problems in the US subprime mortgage market, particularly in the somewhat longer maturity segments. The Eurosystem successfully countered what was at times substantial pressure on bank liquidity by offering the banks generous refinancing.

The cyclical upturn in the German economy continued into the second quarter of 2007. According to initial figures from the Federal Statistical Office, aggregate output went up in the second quarter by 0.3%, after adjust-

*German
economy*

ment for seasonal and calendar effects, compared with 0.5% in the first quarter. However, the statistically recorded slowdown of the pace of growth may in fact understate the underlying economic dynamics, particularly bearing in mind the impact of the fiscal withdrawal of purchasing power due to the VAT increase since the beginning of the year as well as the advanced purchases in 2006 not just of consumer durables but also of residential construction. The fact that growth has not come to a standstill in these circumstances may therefore be seen as a clear indication of the stronger endogenous base of the current upswing. This is supported by the further upward revision of GDP growth in 2006 by another 1/10 percentage point to 3.1% (in calendar-adjusted terms), which was announced with the publication of the latest GDP figures.

The slower momentum of economic growth in the second quarter is also to be seen in the context of the dynamic construction activity in the early part of this year due to the mild winter. A “technical rebound” was therefore expected in this sector. By contrast, expenditure on machinery and equipment increased further in the second quarter. It was a mainstay of growth throughout the first half of the current year. Furthermore, private consumption is likely to have made a positive contribution to growth in the second quarter. Retail turnover through traditional sales outlets and purchases of cars, at any rate, developed more favourably following the dent in demand accompanying the rise in VAT. Lastly, foreign trade made another marked

positive contribution to macroeconomic growth in the second quarter.

Labour market trends continued to be promising in the second quarter. Although employment did not increase by as much as in the first quarter, comparisons with past economic upswings show that labour input is playing a greater role in the current upturn, measured by the increase in the total number of hours worked in the overall economy and the fact that employment intensity is higher. These are the first visible rewards of the wage restraint and labour market reforms of the past years. The number of unemployed fell in the second quarter by 97,000 to 3.84 million. This was 754,000 persons fewer than a year before. In July seasonally adjusted unemployment decreased by a further 45,000 persons. The unemployment rate decreased to 9.0%, compared with 10.6% a year earlier.

Labour market

The improved labour market situation has altered the existing wage bargaining conditions. Thus the labour agreements concluded so far this year vary distinctly according to industry, reflecting the different economic situation of individual sectors and the relative strength of sectoral bargaining positions. For example, the large pay rise agreed in the metal-working industry mirrors the exceptionally buoyant state of that industry, while the agreement in the printing industry is to be seen in the context of the more moderate economic growth that has been recorded in that sector. The protracted negotiations in the construction industry as well as at the principal railways operator, Deutsche Bahn, illustrate difficulties experienced in reaching a

Wages

consensus on both the employer and employee side. However, the settlement concluded at the major telecoms company, Deutsche Telekom, shows that even during an upswing employees are willing to make concessions with regard to the pay level and standard working hours if their jobs are threatened. As a whole, negotiated rates of pay in the second quarter of 2007 were up by 1.8% year-on-year.

Prices

Price movements in Germany were again significantly shaped by developments on the markets for energy and other commodities. However, the resultant pressure on prices was slightly eased by the appreciation of the euro. Owing to higher crude oil prices, German imports were nevertheless considerably more expensive in the second quarter. Import prices increased by 1.6% compared with the first quarter.

Consumer prices rose slightly faster in the second quarter of 2007 than in the first quarter. This was due not only to the continuing rise of energy prices but also to the impact of a jump in prices for a number of agricultural commodities and dairy products on international markets. Food prices were 2.0% more expensive year-on-year. Prices of industrial goods (excluding energy) increased by 1.7%. Services were 2.8% dearer over 12 months, mainly owing to the VAT increase and the introduction of student tuition fees. Taking the average increase of 1.8% in energy prices and 1.1% higher housing rents into account, the year-on-year rate of price rises for the second quarter of 2007 as a whole amounts to 1.9% as measured by the

national consumer price index (CPI). The corresponding measure of the Harmonised Index of Consumer Prices (HICP) is 2.0%. In July, too, the inflation rate amounted to 1.9% and 2.0%, respectively. In the coming months, significantly higher year-on-year rates of consumer price inflation are expected, not least owing to the baseline effects due to the comparatively low energy prices in the second half of 2006.

The outlook for a continuation of economic growth remains favourable. This is suggested, at all events, by the orders on hand and the relevant sentiment indicators. New orders increased further in the second quarter from a high level and the stock of orders on hand for many firms grew again. The relationship between the order volume in the order-based manufacturing industries and production capacity available indicates a further increase.

Outlook

Overall the available indicators point to a continuation of the positive underlying trend. Fixed investment is likely to benefit more during the course of the year from the high capacity utilisation in the industrial sector and the positive order situation, after the normalisation in the construction industry had temporarily dampened demand in the second quarter. The prospects of continuing strong export growth are also good given an increase in incoming orders from abroad and in view of German firms' high level of competitiveness and attractive range of goods. To date, the euro's higher external value has done little to curb exports. This is also due to the fact that today the German economy has a product range whose sales profile responds

far less sensitively and fairly slowly to shifts in exchange rate patterns. Moreover, world trade is continuing to grow most favourably.

Judging from the present perspective, the recent developments in the international financial markets give no cause to essentially revise this assessment of favourable fundamentals. The fluctuations associated with the problems in the US subprime mortgage market derive from the repricing of risks in market segments which were previously characterised by above-average growth. In principle, this adjustment to a changed risk landscape is a welcome return to the norm, although it did occur very abruptly. Moreover, some market segments experienced extreme nervousness and overreactions. It is therefore necessary to monitor the corresponding developments carefully, not least so as to help ensure an orderly risk repricing in liquid markets.

The dampening effects of the VAT increase could have a lingering impact on private consumption. The higher oil prices are likewise squeezing the purchasing power of disposable income. However, households' spending behaviour, which was temporarily constricted by their response to the VAT rise, should be bolstered more and more in the next few months by the improved situation on the labour market. The GfK index of consumer confidence has been developing positively since March, and income expectations in the second quarter were significantly higher than in the first quarter. Households' economic expectations show that the upswing is increasingly present in the perception of consumers.

The development in public finances is currently very positive. After the general government deficit ratio had already halved to 1.6% last year, a further marked decline is expected for 2007. Significant progress has thus been made in the consolidation of public finances and a balanced government budget is already possible this year.

Public finances

The fiscal balance could be somewhat more favourable in the coming year if the positive macroeconomic dynamics persist. According to the budgetary plans, however, no further improvement in the structural balance is likely. The reform of business taxation, which will come into force next year, will lead to extensive revenue losses. In addition, a certain acceleration of the rise in expenditure, which has been subdued over the past few years, is on the horizon. There is a danger that, as during previous cyclical upswings, the favourable course of budgetary development may be seized as a chance to make additional expenditure hikes or cuts in taxes and social security contributions without taking due account of the partially temporary nature of the improvement.

The positive overall fiscal picture should not obscure the fact that extensive consolidation measures are required not only for central government but also for some state and local governments. If the surpluses generated by some government entities (eg the Federal Employment Agency or individual federal states) were used for significant cuts in contribution rates or increases in expenditure, the partially unresolved budgetary problems

would resurface, also at the general government level.

The current favourable circumstances provide the opportunity to rapidly eliminate the continuing budgetary imbalances and to attain and lastingly maintain a balanced budget position in the medium term, in line with the goals of the European fiscal framework. After the excessive deficit procedure that had been imposed on Germany in January 2003 was

dropped in June owing to the country's favourable budgetary development, the non-binding preventative agreements of the European fiscal framework must now be rigorously implemented. In this way, Germany can set an example within the European Union and simultaneously strengthen the credibility of the Stability and Growth Pact, which was reformed not least owing to pressure from Germany.

Global and European setting

World economic activity

The strong upward trend in world economic activity persisted in the second quarter of 2007. Particularly those emerging market economies in the middle of a convergence process grew at a highly dynamic pace; this group has now come to represent an increasingly self-sustaining weight in the global growth pattern. The upturn in the industrial nations continued at a considerable pace. Overall economic output among those countries rose in the second quarter once again by an estimated ½% on the quarter after adjustment for seasonal and calendar variations, after having gone up by ¾% in the fourth quarter of 2006. Real gross domestic product (GDP) was up by 2¼% on the year. After starting the year on a very lacklustre note, the US economy distinctly regained momentum, despite residential construction continuing to be a drag on growth. By contrast, the Japanese economy decelerated after having expanded sharply in the 2006-07 winter half-year. GDP growth in the euro area likewise slowed down, albeit not as sharply as in Japan. One reason was that industrial production got off to a weak start in the second quarter owing to special factors. Another was that seasonally adjusted construction output fell markedly, especially because the customary second-quarter revival was weaker owing to the mild winter weather at the beginning of 2007.

Global economic indicators still clearly pointing upwards; industrial countries on stable growth path

Among the large emerging market economies, China, with year-on-year growth of +12%, once again showed the strongest second-quarter growth. It even improved on

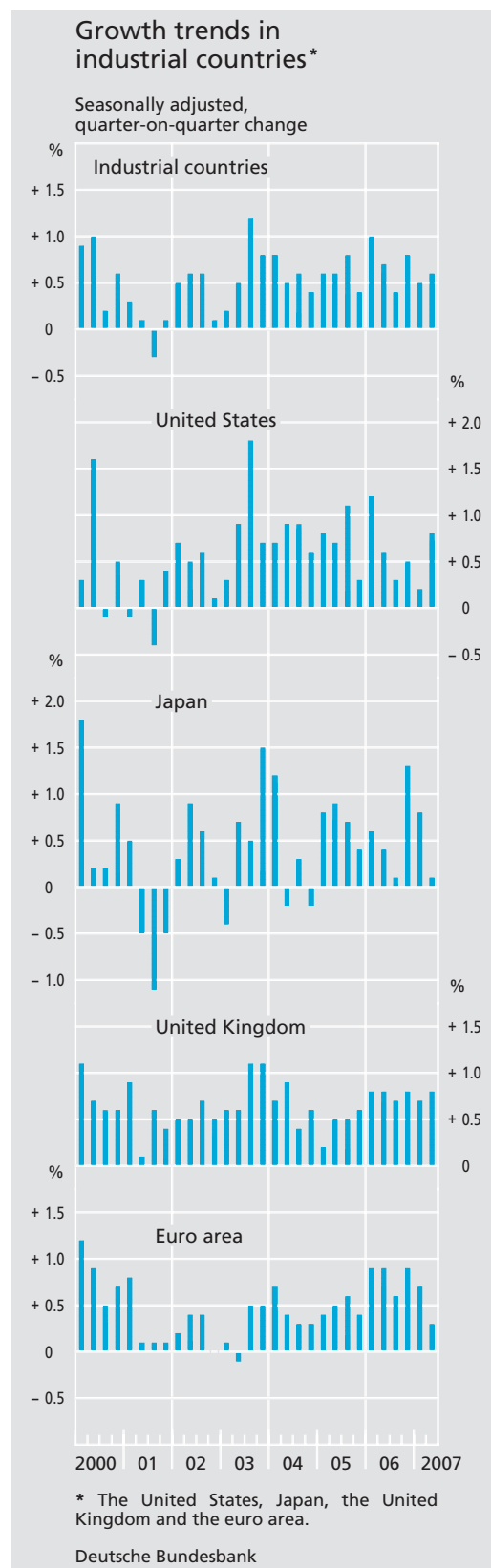
Emerging market economies ...

its first-quarter performance (+11%). This, however, was associated with a distinct increase in inflation to 5.6% in July. In order to contain inflation expectations, the Chinese central bank once again raised its key lending rates. The other east Asian countries (excluding Japan) likewise remained on a steep expansion path; their export growth has barely flagged thus far, even though demand from the USA was no longer as dynamic as it had been earlier.

The majority of Latin American countries continued to benefit from high prices for crude oil and other raw materials. The Brazilian economy once again grew noticeably in the first quarter of 2007. The sharp cyclical upturn is likely to have persisted in the second quarter, as is indicated by the further improvement in the business climate. Consumer price inflation, however, went up from 3.0% in April to 3.7% in July. GDP growth in Mexico, by contrast, at a seasonally adjusted ¼%, was relatively sluggish in the first quarter, owing particularly to dampening stimuli from the USA. In the second quarter, however, the country is likely to have once again received a positive economic boost from the revival of US economic activity.

*... and CIS still
on a steep
growth path*

The Commonwealth of Independent States (CIS) is still in the midst of an economic boom which is being driven mainly by the high revenues from the export of energy commodities. In addition, however, Russia's economic growth has become more sustainable as investment has now also picked up, although, at 8.8% in July, inflation remained very high.



Global economic indicators and new IMF forecast

The continued outlook for the world economy is still being assessed favourably. At the mid-year juncture the OECD's composite leading indicators for both the industrial nations and the major emerging market countries pointed to a continuation of strong growth. This is also being signalled by the global Purchasing Managers' Index.¹ In addition, at the end of July the IMF revised its spring forecast for global GDP growth in 2007 and 2008 by ¼ percentage point to 5¼% for each of the two years. This means that the expected deceleration compared with 2006 (+5½%) is likely to remain within narrow bounds. A much more favourable assessment of the pace of expansion in the south and east Asian emerging market economies (especially China) and the CIS was the main reason for this. While, according to the IMF forecast, the considerable rise in oil prices in the past few months will have little impact on the cyclical growth forces worldwide, it will lead to additional price pressure in the oil-importing countries.

Increased global risks

All the same, the risks to global economic momentum have increased in the past few months. The correction process taking place on the US subprime mortgage market has amplified distinctly and has also spread to other segments of the financial markets both inside and outside the USA. In addition to the adjustment of what were previously, in some cases, very lax borrowing terms in the US mortgage market, there has been, in particular, a widening of the rather low risk premiums on corporate bonds and loans intended to finance mergers and acquisitions. In the major international equity markets, especially

the shares of enterprises from the financial and real estate sectors sagged significantly. In addition, external imbalances still persist, although they have probably not intensified in the meantime. Moreover, the oil markets' high vulnerability to disruptions still poses a certain threat to the global economy and the general price climate.

Crude oil prices continued to rise in the second quarter. On a quarterly average, prices for Brent crude oil, denominated in US dollars, were 17% higher than in the first three months of this year. The upward trend initially persisted after mid-year. In the first half of August, however, the oil price eased; at US\$70 per barrel when this report went to press, it stood at 5% below its level a year earlier. In euro terms, a barrel cost 9% less owing to currency appreciation. The strong increase in the price of crude oil in the past few months was linked, for one thing, to the reduction in production in the Middle East in the 2006-07 winter half-year, the at times considerable reductions in production in Nigeria and delivery shortfalls in the North Sea. For another, global demand for oil has continued to grow. Output shortfalls among US refineries also contributed in notable measure to the increase in the price of refined petroleum products in the second quarter. This also resulted in higher prices in Europe, particularly for petrol, because of increased purchases abroad by US mineral oil enterprises. Although a slight easing is expected on the crude oil futures markets over a time horizon of six to 18 months, oil prices will

Prices in commodity markets at record highs

¹ This index is calculated from indices for the USA, Japan, Germany, France, the United Kingdom, Russia and China.

continue to trend upwards over the coming five years, according to the July 2007 forecast by the International Energy Agency. This reflects the expectation that the increase in oil supply, especially from the non-OPEC countries, will fail to keep pace with the growth of global demand.

On the whole, industrial raw materials were being quoted – in US dollars – slightly lower, after having once again risen sharply in April. In early August, however, they were still 11¼% higher than a year earlier. World market prices for food, beverages and tobacco continued to rise throughout the reporting period, reaching new peaks. Sharp rises in the prices of oilseeds and oils, which are increasingly in demand for the production of biofuels, were the main reason. The overall index of commodity prices excluding energy in early August was up by 15% on the year in US dollar terms and up by 7¼% in euro terms.

Price movements in industrial countries influenced by rising prices for oil and food

The continuing rise in the cost of energy and higher food prices had a clear impact on consumer prices in the second quarter. In the industrial countries, prices in the second quarter were up by a seasonally adjusted 0.9% from the first quarter, in which they had risen by 0.7%. The year-on-year rate remained unchanged at 2.1%, but this was solely because the corresponding price increase between April and June 2006 had been even greater. At 1.9%, core inflation (excluding energy and food) was only slightly lower than on average during the first three months of this year. In the industrial countries excluding Japan,



where core inflation is still negative, it stood at 2.1%.

The US economy grew by a seasonally and calendar-adjusted ¾% in the second quarter, according to the initial estimate, after having seen only a marginal increase in output in the first quarter. If both periods are taken together, US GDP expanded in the first half of the current year at an annualised rate of 2%.

USA

Commercial investment lent an important boost to growth in the second quarter, increasing by 2% after seasonal adjustment. Business construction grew particularly sharply and more than offset the renewed 2½% decline in residential construction. Private consumption continued to rise, albeit, at +¼%, at a slower pace. It was chiefly underpinned by the continued sharp rise in employment. Domestic demand contributed a total of ½ percentage point to growth, and foreign trade ¼ percentage point. Real exports grew by a seasonally and calendar-adjusted 1½%, whereas price-adjusted imports fell by ¾%. This reflects – alongside the exceptionally strong first-quarter growth – particularly the moderate growth of private consumption and the dampening impact of the US dollar's depreciation.²

According to the US Federal Reserve's latest forecast, the US economy will continue to grow moderately in the second half of 2007, which means that GDP could grow between 2¼% and 2½% over the course of the year. In 2008, however, the pace of growth is expected to pick up slightly, lying in a corridor between 2½% and 2¾% between the fourth quarter of 2007 and the end of 2008. The Fed had given a somewhat more favourable assessment of the outlook in February. The IMF recently likewise revised its forecast for annual average growth in the United States in 2007 downwards to 2%; for 2008, however, it expects growth to rebound to 2¾%.

Consumer price inflation in the United States accelerated distinctly in the second quarter to

a seasonally adjusted 1.5% vis-à-vis the first quarter, in which it had stood at 0.9%. Year-on-year inflation rose from 2.4% to 2.7%, despite a dampening baseline effect. Higher prices for energy and food were the main factors fuelling the strong price pressure. Excluding these two items, year-on-year inflation fell by 0.3 percentage point to 2.3%. In July the headline rate declined to 2.4%, whereas the core rate excluding the volatile components held steady at 2.2%. The core deflator of private consumption fell back below the 2% mark in June. In 2008 the Fed expects this deflator to continue to rise at a rate between 1¾% and 2%.

According to initial estimates, seasonally adjusted real GDP in Japan remained virtually unchanged in the second quarter after having gone up by ¾% in the first three months. It grew by 2¼% on the year. One reason for the sideways movement of economic activity between April and June was the smaller increase in private consumption, which halved to just under ½% on the quarter. A second reason is that real housing investment fell sharply (-3½%). Commercial investment, by contrast, grew more sharply, at a seasonally adjusted 1¼%. Real exports rose by just under 1% after having gone up in the first three months of 2007 by 3½%. Since imports

Japan

² Along with the announcement of the second-quarter results, revisions to the national accounts data for the three preceding years were also published, as usual. According to these figures, average GDP growth for the years 2004 to 2006 has been revised downwards by ¼ percentage point to 3¼%. At the same time, the household saving ratio in 2005 and 2006, which had previously been reported to be negative, was revised upwards sharply by 1 to 1½ percentage points to ½% for each of the two years. In the second quarter of 2007 the rate likewise stood at +½%.

grew only slightly more slowly than exports, real net exports stayed at their level for the first quarter, in which – relative to GDP – they had risen by nearly $\frac{1}{2}$ percentage point. Consumer prices in the April to June period were slightly below their previous year's level. Excluding energy and food, they fell by a further 0.3%. This was due in large part to the continued sharp reduction in the price of consumer durables in the areas of consumer electronics and household goods.

United
Kingdom

In the United Kingdom, second-quarter overall economic output was up by $\frac{3}{4}$ % on the first quarter in seasonal and calendar-adjusted terms, thereby continuing the steep path of expansion onto which it had embarked at the beginning of 2006. On the year, real value added rose by 3%. Growth was broadly based insofar as manufacturing production excluding construction, following a slight decline in the 2006-07 winter half-year, went up by just over $\frac{1}{2}$ %. Construction output grew by a seasonally adjusted 1% following $+\frac{3}{4}$ % between January and March. By contrast, the services sector grew a bit more slowly, at $\frac{3}{4}$ %. On the demand side – as far as can be inferred from the available data – private consumption is likely to have once again been the mainstay. Real retail sales rose in the second quarter by a seasonally adjusted $1\frac{1}{4}$ % following a perceptibly slower expansion in the first three months. Consumer price inflation fell from 2.9% in the first quarter to 2.6% in the second, although this is partly connected with the aforementioned baseline effect with regard to energy prices. In July, the rate, at 1.9%, had returned to slightly below the official inflation target of

2%. Excluding energy and unprocessed food, inflation stood at 1.8% as this report went to press. While the upward trend with regard to real estate prices slowed down in the second quarter, the year-on-year rate was still 10.7%.

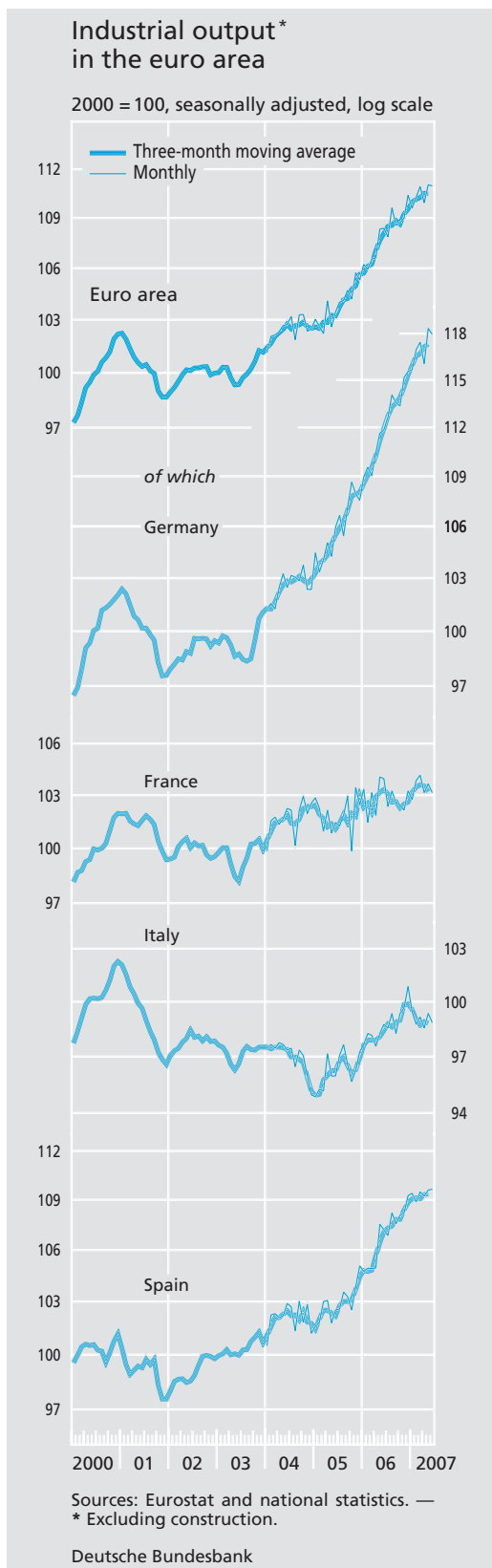
In the new EU member states (excluding Slovenia) from the last two enlargement rounds, the cyclical upswing continued in the second quarter. While seasonally adjusted industrial output did not exceed its first-quarter level, this was largely attributable to the sharp decline in April which was, at least in part, due to exceptional factors. In May and June, industrial output rebounded noticeably, registering a year-on-year increase in the second quarter of 8%. The strongest growth rates were recorded in Slovakia ($+14\frac{1}{2}$ %) and Bulgaria ($10\frac{1}{2}$ %). The buoyant output growth, however, was accompanied by persistently strong price pressures. In the second quarter, consumer prices increased by a further 1.1% on the quarter after seasonal adjustment. The year-on-year increase accelerated from 3.3% in January to 4.0% in July, with the range of national inflation rates, as this report went to press, stretching from -0.2% in Malta to +9.5% in Latvia.

New EU
member states

Macroeconomic trends in the euro area

The euro-area economies grew by a seasonal- and calendar-adjusted $\frac{1}{4}$ % in the second quarter. This meant that the rate of expansion was nearly $\frac{1}{2}$ percentage point below that in the first three months. Real GDP went up by $2\frac{1}{2}$ % on the year. The seasonally adjusted

More moderate
GDP growth in
the euro area
owing to
special factors



average rate reflected a rather strong increase in aggregate output in Spain, Belgium and Austria. Output growth was somewhat muted in the three large member states of France, Germany and Italy, as well as in the Netherlands. In some euro-area countries, macroeconomic growth was handicapped not only by the sluggish pace of industrial activity at the start of the second quarter but also notably by the seasonally adjusted decline in construction output, representing a technical counterswing to the weather-related high level of activity in the first quarter. During the current quarter, these special factors will no longer play a role, which means that, *per se*, the manufacturing sector is likely to once again make a greater contribution to growth.

At a seasonally adjusted ¼% in the second quarter, industrial output (excluding construction) grew much more slowly than in the first quarter (+¾%). This was due partly to the weak April outturn, which was marked particularly by output shortfalls owing to the “bridge holiday” at the end of the month and the strikes in some segments of the German car industry. As the chart on this page shows, since the beginning of 2004 industrial activity in Germany has been considerably more buoyant than in other major member states. This is consistent with the clearly more dynamic pace of German export growth, which is subjected to an in-depth comparison with France in the box on pages 20 and 21. The fact that capacity utilisation in the manufacturing sector in July was markedly lower than in April is consistent with the overall muted growth of industrial production; how-

Industrial activity still rising despite weak output growth

ever, capacity utilisation remained well above its multi-year average.

If the negative exceptional influences are factored out, the underlying cyclical trend in the euro-area industrial sector continued to be clearly pointed upwards in the second quarter. Orders received by industry in April-May were up by a seasonally adjusted 2% from the first quarter and by 10¼% on the year. Excluding the manufacture of other transport equipment, in which large orders often play an important role, 1% more orders were booked than on average over the first three months. In addition, manufacturing enterprises, according to the results of the EU investment survey of March-April, are planning to increase their real expenditure on new plant and equipment as well as buildings this year by 6% after having increased their investment budgets to the same extent in 2006. Another indicator of a continued favourable outlook for the upswing in the manufacturing sector is that industrial confidence – despite the slight decline in July – remained at an exceptionally high level throughout the reporting period.

Aggregate demand sluggish in Q2

There are no detailed national accounts data on the demand side just yet. However, the sideways movement of exports to non-euro-area countries in April-May is consistent with the picture of slightly weaker overall GDP growth. In this two-month period, imports rose marginally in terms of value. However, this was caused mainly by higher energy prices rather than by an expansion in the volume of imports. On the whole, no notable contribution by foreign trade to GDP growth

can be expected for the second quarter. Moreover, construction investment is unlikely to have boosted expansion much in view of the weak second-quarter revival in the construction sector. In addition, households showed restraint on the consumption front. Retail purchases (excluding vehicles) rose only slightly after seasonal adjustment (¼%) from the first quarter, and new car registrations remained at the previous quarter's depressed level. However, the continuing improvement in the labour market is heralding a greater propensity for consumers to spend in the second half of the year.

The upturn on the labour market continued in the second quarter of 2007. According to provisional Eurostat data, a seasonally adjusted 10.42 million people were without employment on average between April and June, or 0.37 million fewer than in the first three months of 2007 and 1.51 million fewer than in the same period a year earlier. The (standardised) unemployment rate fell from 7.2% in the first quarter to 7.0% in the second. Unemployment rates fell in nearly all member states; only in Ireland did the rate rise somewhat (no information for the second quarter is available for Italy and Greece). The decline in euro-area unemployment has been driven by a sharp expansion in employment. The number of persons in employment rose by a seasonally adjusted 0.4% in the first quarter of 2007 – more recent information is not available. The year-on-year rate of growth was 1.4%. In the case of wages, the year-on-year increase slipped slightly in the first three months to 2.3%. However, this aggregate figure masks a broad spectrum of

Labour market still vibrant

Diverging trends in French and German foreign trade

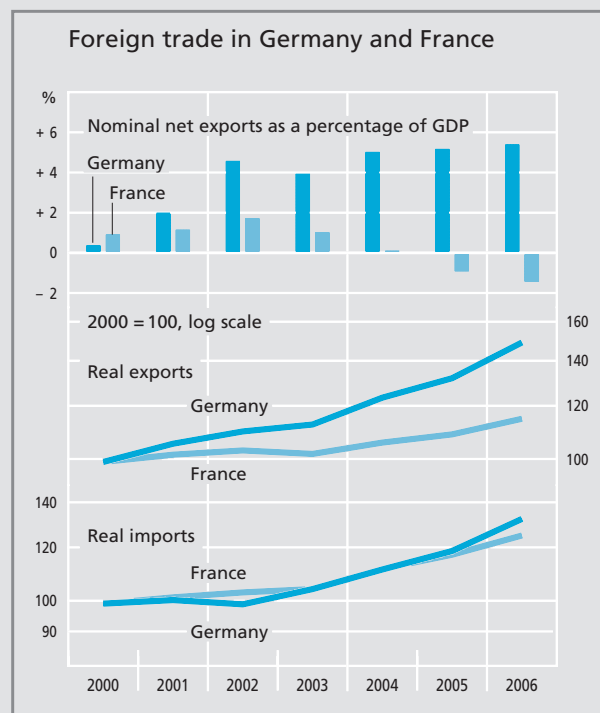
During the 1990s, France's trade with its euro-area partners and non-euro-area countries grew, at times, more dynamically than the German economy's cross-border trade in goods and services. Since 2001, however, the pendulum has swung back clearly in Germany's favour.

During the 1991 to 1997 period, France's nominal net exports – the balance of exports and imports as defined in the national accounts – rose from –1% to +3% of GDP.¹ It subsequently went back down to 1% in 2000. Germany's net exports-to-GDP ratio improved from 1991 to 1998 by 2 percentage points to 1½%, and thus not nearly as much as that of France. In the two following years, Germany's corresponding ratio likewise fell, by 1 percentage point to +½%. In 2001, Germany's surplus exceeded that of France for the first time in a long time. As the chart below shows, the divide grew in subsequent years, due both to the strong growth of the German surplus and also because France's bal-

ance diminished considerably in 2003-04 before then turning negative. In 2006, Germany's nominal net exports stood at +5½% of GDP, whereas the comparable figure for France was –1½%.²

The countervailing patterns of the two countries' external positions in the period from 2001 to 2006, which is the focal point of this analysis, were due mainly to sharp real export growth in Germany, which averaged 7% a year, coupled with the relatively slow growth in France (+2½%).³ Not least because of the high import content of German exports, real imports in Germany likewise grew more sharply; however, at 5% a year, this rate was only 1 percentage point higher than that of France. The buoyant growth of French imports relative to exports is attributable particularly to the rather robust domestic demand during this period, which rose by 2% per year, whereas this figure shrank in Germany in 2001-02 and only rose by just under ½% on average over the following three years. In Germany, it was only in 2006 that it returned to its 2000 value, rising quite sharply by 1¾%.

The reasons behind the different export dynamics since the beginning of this decade are analysed below. The first obvious approach is to look at the growth of the two economies' sales markets. Contrary to assertions by some, German exporters turn out to have only a slight advantage in this respect. Whereas their sales markets grew by 6% a year in terms of volume, France's grew by 5½%. This is surprising insofar as Germany's economy has a stronger foothold in dynamically growing markets, particularly in China and eastern Europe. Ultimately, the diverging growth of sales markets explains only a very small part – less than one-tenth of the cumulative growth difference in real exports of 34½ percentage points in the 2001-2006 period. If, however, this finding is compared with the growth of the two countries' exports, the German economy turns out to have slightly improved its export performance during this period, whereas that of France deteriorated. In terms of overall world trade, Germany held its real share – despite the strong surge of the emerging market economies – at around 9%. In France, by contrast, the ratio fell by 1 percentage point to 3¾%, with the loss of influence on non-euro-area markets more strongly pronounced than in the euro area.



1 Owing to the changeover of real national accounts data to chain-linked indices, the net exports-to-GDP ratio can be expressed only at current prices. — 2 In bilateral foreign trade between France and Germany, which is not the main focus of this analysis, France has traditionally run a deficit (and Germany, correspondingly, a surplus). The French deficit widened distinctly in the second half of the 1990s and, since 2000, has fluctuated between –1% and –1½% of French GDP. — 3 It should be noted here that in France exports and imports are deflated

only on the basis of average values whereas in Germany they are deflated on the basis of real price indices. When comparing real variables, this can lead to distortions which, however, are impossible to pin down precisely. — 4 See B Pluyaud, Modelling imports and exports of goods in France, Distinguishing between intra and extra euro area trade, in O De Bandt, H Herrmann and G Parigi (eds), Convergence or divergence in Europe, Growth and business cycles in France, Germany and Italy, Berlin, Heidelberg, 2006, pp 345–346, as well as C Allard et

Since, unlike market growth, export performance makes a clear contribution to explaining the divergence in exports between Germany and France, this raises the question of what role price competitiveness may have played in this regard. The relatively broadly defined indicator chosen here (calculated vis-à-vis 19 industrial countries based on the deflators of total sales) shows an improvement for both countries between the beginning of monetary union and autumn 2000; at a total of 10¼%, Germany's indicator grew more strongly than that of France (+7¾%). Since the end of 2000, however, the euro has appreciated markedly, causing the price competitiveness of the German and French economies vis-à-vis non-euro-area countries to fall by 16¼% and 21¼% respectively. Within the euro area, especially because of the less-than-average rise in wage costs, it continued to rise, however, by 7¾% and 1½% respectively. On the whole, ie compared with 19 industrial countries, the competitiveness of Germany and France fell between 2001 and 2006 by 2¼% and 6¼% respectively.

The diminished price competitiveness is likely to have slowed the increase in German exports by ¼ percentage point and that of French exports by 4¾ percentage points since 2001. The resulting 4½ percentage point difference represents one-eighth of the cumulative growth differential for exports. This means that a large percentage of the divergence of Germany's and France's export growth can be attributed neither to nominal exchange rate changes nor to national inflation differentials. Similar conclusions are reached by various studies which assert that traditional determinants, such as domestic demand in the buying countries and price competitiveness, are able to explain only a fairly small part of the export development of the major euro-area countries in the current decade. The econometric estimations accordingly all show relatively large unexplained residuals.⁴

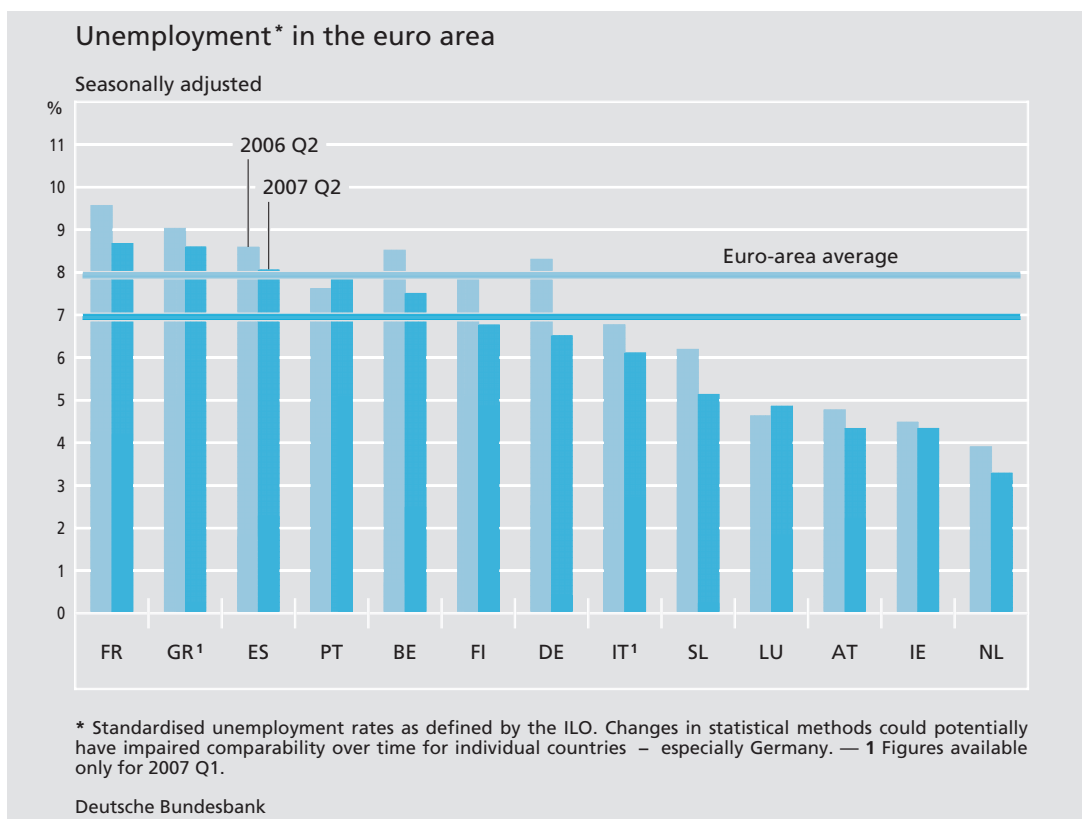
Reference is often made in this connection to the two countries' different range of exports. It is held that the global economic upswing benefited Germany's export sector more than France's by being more strongly focused on capital goods. Indeed, the share of capital goods (including cars) in Germany's exports in 2006, at 47¾%, was, in fact, nearly 10 percentage points higher than in France. In the

al, Explaining differences in external sector performance among large euro area countries, in: Spain Selected Issues, IMF Country Report No 05/401, October 2005, p 13. — ⁵ On this, see H Boulhol and L Maillard, Analyse descriptive du décrochage récent des exportations françaises, in P Artus and L Fantagné, Évolution récente du commerce extérieur français. Rapport pour le Conseil d'Analyse Économique, 2006. According to this report, only just under one-tenth of the French growth lag

case of intermediate goods, which last year accounted for 32½% of Germany's exports, Germany's edge over France was only 1¾ percentage points. Conversely, consumer goods and energy supplies, at 23½% and 5¼% respectively, were, respectively, 7 percentage points and 2½ percentage points higher in France's basket of exports than in that of Germany. Upon closer inspection, however, these differences in the range of goods did not make a meaningful contribution to explaining the differences in export growth.⁵ This is partly because both the German and the French economies saw their exports of consumer goods, on an annual average over the 2001-2006 period, increase somewhat more strongly than deliveries of capital goods to other countries. Another remarkable thing to note is that, in all four categories of goods, the German economy achieved higher rates of export growth; the growth differentials – with the exception of energy – remained within a rather narrow band of between 3 percentage points (intermediate goods) and 4¼ percentage points (capital goods).

On the whole, it can be concluded that the diverging trends in German and French foreign trade can be explained only in part by differences in the development of sales markets and price competitiveness as well as product range effects. A more important factor could be that small and medium-sized enterprises (SMEs) in Germany have a stronger presence on overseas markets and have successfully tapped additional sales markets by using new business models and flexible offers. Thus, the percentage of German SMEs that export at all, at just over one-tenth, is well above that of French SMEs (4%).⁶ This also indicates that microeconomic reasons, such as differences in products, technology or marketing, play a significant role. However, it is nearly impossible to determine the exact weight of these factors owing to a lack of suitable data. Moreover, there is reason to assume that owing, among other things, to sluggish domestic demand in the first half of this decade, German industry had a particular interest in increasing its export activity, whereas French companies benefited from much more robust domestic demand. Accordingly, with the convergence of domestic dynamics in both countries already under way, the discrepancies in foreign trade will, in future, tend to recede.

in exports between 1998 and 2003 was attributable to differences in the range of goods. — ⁶ See Deutsche Bundesbank, The export business of German enterprises according to size category and economic sector (box), Monthly Report, December 2006, pp 40-41 and Les PME françaises à l'export: une faiblesse structurelle, <http://www.ifrap.org/0-ouvrirlsite/Dossier-aides-exportation.htm>.



country results, ranging from 0% in Germany to around 4% in France and Spain to 6% in Portugal.

Price pressure driven by the volatile components

Euro-area price pressures continued to intensify in the second quarter of 2007, rising by 0.8% after seasonal adjustment following 0.5% in the first three months. The higher rate of inflation was caused mainly by the energy component in the wake of higher oil prices. Consumers had to pay much more for unprocessed food, too. Excluding these two comparatively volatile components, inflationary pressure, at a seasonally adjusted 0.5%, was on a par with the figure in the two preceding quarters. Whereas the prices for services went up by an average of 2.6% on the year, processed foods were 2.0% more expensive and commercial goods 1.0%. On

balance, the year-on-year rise in the Harmonised Index of Consumer Prices (HICP) – like core inflation – remained unchanged at 1.9%. In July 2007, euro-area prices (seasonally adjusted) rose further owing to the increased oil prices. Year-on-year HICP inflation, however, fell to 1.8% by virtue of the especially sharp increases in energy prices in mid-2006.

National inflation differentials – as measured by the weighted standard deviation – had fallen once again as this report went to press. The ranking of countries, however, has remained relatively stable. Finland and the Netherlands have recorded inflation rates of under 2% for 20 and 15 quarters respectively. In Greece, inflation has receded to 2.6%, falling below the 3% mark for the first time in

Inflation differentials in euro area relatively low but persistent

12 quarters – yet it was still higher than in the other member states, Slovenia and Ireland excepted. The (cumulative) inflation divide

vis-à-vis Germany has expanded slightly in nearly all euro-area countries.

Monetary policy and banking business

Interest rate policy and the money market

The monetary policy reins have been tightened again. At the start of June, the Governing Council of the ECB again raised central bank rates by $\frac{1}{4}$ percentage point, thus countering the longer-term price risks in the euro area, which are indicated not only by the sharp monetary expansion, but also by the outcome of the economic analysis. Since 13 June, the main refinancing operations have been conducted with a minimum bid rate of 4%, while interest rates on the marginal lending facility and the deposit facility have been 5% and 3% respectively. Given the favourable development in the economy as a whole, the monetary policy stance is tending to remain on an expansionary trend following this interest rate move.

Interest rate rise in June

As with the earlier interest rate rises, the interest rate move in June was implemented smoothly in the money market. During the period under review, the EONIA overnight rate, in which banks trade overnight liquidity, was, in most cases, initially only slightly above the marginal allotment rate, while the other money market rates increased slowly and steadily throughout. Owing to liquidity imbalances caused by uncertainty associated with the problems in the US subprime mortgage loan market, however, there were severe tensions in the European money market on 9 August, which led to the overnight rate going up to 4.7% for a short time. To ensure orderly conditions in the money market, the ECB, with the aid of quick tenders, provided the banks with – in some cases, extensive – li-

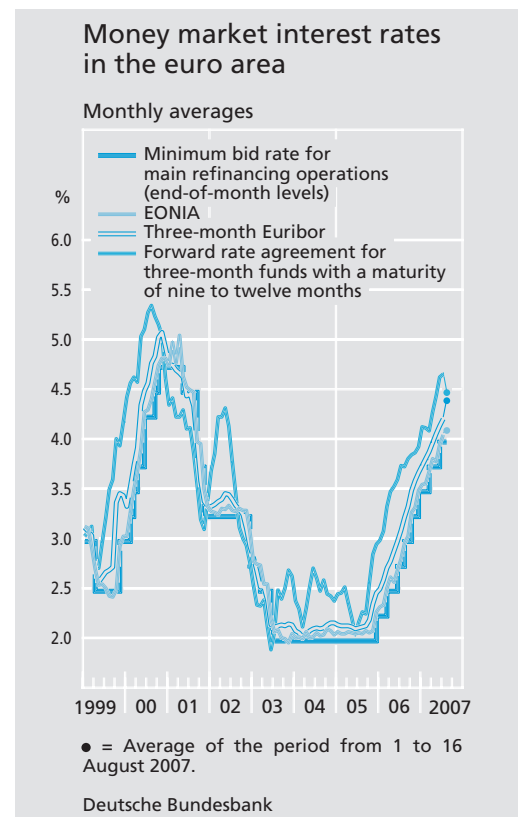
Money market rates

quidity on this date and the following three trading days. In doing so, the functional efficiency of the market was restored, with the result that EONIA stood between 4.1% and 4.2% (see the explanatory notes on page 26). The longer-term interest rates in the money market remained well above this level. For 12-month funds, 4.6% was paid at the end of the period under review.

Monetary developments in the euro area

Continued strong monetary growth

After the very sharp rise in M3 in the euro area in the first quarter, monetary growth slowed somewhat in the second quarter, but remained high, at a seasonally adjusted annualised rate of 9%. In particular, there was a large-scale build-up of the M3 components remunerated close to market rates, mainly short-term time deposits and money market fund shares. These forms of investment were still evidently benefiting to a particular extent from the interest rate differential between the money market and the capital market, which, despite increasing in the period under review, is still fairly flat. In some cases, there are likely to be shifts away from short-term savings deposits and overnight deposits, which tend to earn little interest. As there has only been a comparatively small increase in the amount of cash in circulation recently, M1, consisting of the very liquid money components of cash and overnight deposits, went up at a seasonally adjusted annualised rate of just 4% in the reporting quarter. This meant that its contribution to the 12-month rate of M3 has shown a further decline and, at 3 percentage points at the end of the period under



review, was roughly as high as in mid-2000, when short-term interest rates were at much the same level as now.

The low short-term and long-term interest rates are continuing to make a key contribution to the very high borrowing by the private sector from banks in the euro area. Borrowing went up by a seasonally adjusted and annualised rate of 13½% in the second quarter, compared with 11½% in the previous quarter. Lending to the private sector therefore remains the key driving force behind the monetary expansion in the euro area. In particular, non-financial corporations significantly increased their unsecured borrowing from domestic banks, in some cases to acquire or merge with other enterprises. At the same time, loans to financial enterprises continued

Persistent heavy lending to private sector, ...

Money market management and liquidity needs

During the four reserve maintenance periods between 18 April and 7 August 2007, the liquidity needs arising from the autonomous factors determining bank liquidity increased by €15.3 billion net. As usual at this time of year, the main reason for this development was the strong growth in the volume of banknotes in circulation (up by €24.9 billion). General government deposits likewise grew owing to seasonal factors; the increase was strongest in the June-July reserve period. This was attributable primarily to the half year end effect. However, liquidity needs were curbed by developments in the remaining autonomous factors throughout the period under review. If the changes in net foreign reserves and in other factors are taken together – a move which eliminates valuation effects – €13.7 billion net flowed into the market via such transactions. This essentially occurred as a result of Eurosystem purchases of euro-denominated financial assets unrelated to monetary policy.

In the April-May period, there was an increase of €4.3 billion in the provision of liquidity through longer-term refinancing operations after the transaction of 29 March 2007 had completed the topping-up process from €120.0 billion to €150.0 billion started at the end of January. The volume of the main refinancing operations (MRO) was expanded by €20.0 billion to €295.4 billion in the period under review. This served above all to balance out the greater liquidity requirement arising from the increase in general government deposits at central banks in the June-July reserve period. On balance, credit institutions' central bank balances rose in parallel to the perceptible increase of €9.4 billion in the minimum reserve requirement to €191.3 billion.

In the period under review, the EONIA stood mostly at 3.83% until the key interest rate rise took effect on 13 June 2007. With the new minimum bid rate of 4.00%, the EONIA stood mostly at between 4.06% and 4.08%.

In order to offset a liquidity deficit at the end of the June-July period, the ECB conducted a liquidity-providing fine-tuning operation totalling €2.5 billion.

As liquidity conditions were virtually balanced at the end of the July-August period, the ECB did not conduct a fine-tuning operation on the last day of the reserve maintenance period for the first time since January 2007. However, market participants had expected a liquidity-providing quick tender and thus the EONIA rose to 4.23%; it fell again to 4.09% on the following day.

The temporary increase in the EONIA rates in the course of the period under review were initially limited to days at the end of the month and half year when market participants displayed a greater liquidity preference. In the current August-September reserve period, however, the overnight rates rose as high as 4.70% on 9 August triggered

by liquidity shortages in the US money market. In order to calm the markets, the ECB carried out liquidity-providing fine-tuning operations on that day as well as on the next three business days. In the first quick tender, a fixed rate tender with a minimum bid rate of 4.00%, the ECB allocated the complete volume of bids totalling €94.8 billion. In the next three operations, which were conducted as variable rate tenders, the ECB progressively reduced the volume from €61.1 billion to €47.7 billion and finally €7.7 billion. This intervention ensured that the money market continued to function and that the EONIA rates could be maintained within a range of 4.10% to 4.20%.

Factors determining bank liquidity¹

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

Item	2007			
	18 Apr to 14 May	15 May to 12 June	13 June to 10 July	11 July to 7 Aug
I Provision (+) or absorption (-) of central bank balances due to changes in autonomous factors				
1 Banknotes in circulation (increase: -)	- 5.2	- 5.2	- 6.1	- 8.4
2 General government deposits with the Eurosystem (increase: -)	- 3.1	+ 2.2	- 4.8	+ 1.6
3 Net foreign reserves ²	+ 2.5	+ 0.3	- 3.4	- 6.3
4 Other factors ²	+ 2.0	+ 2.2	+ 7.0	+ 9.4
Total	- 3.8	- 0.5	- 7.3	- 3.7
II Monetary policy operations of the Eurosystem				
1 Open market operations				
(a) Main refinancing operations	- 0.1	+ 3.3	+ 10.5	+ 6.3
(b) Longer-term refinancing operations	+ 4.3	+ 0.0	+ 0.0	+ 0.0
(c) Other operations	+ 0.8	- 0.1	+ 0.3	- 0.1
2 Standing facilities				
(a) Marginal lending facility	- 0.2	- 0.0	- 0.1	- 0.1
(b) Deposit facility (increase: -)	- 0.2	+ 0.3	- 0.1	- 0.1
Total	+ 4.6	+ 3.5	+ 10.6	+ 6.0
III Change in credit institutions' current accounts (I + II)	+ 0.6	+ 3.0	+ 3.4	+ 2.4
IV Change in the minimum reserve requirement (increase: -)	- 0.4	- 3.1	- 3.0	- 2.9

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

to show a sharp increase. Housing loans of private households likewise rose sharply in the quarter under review. However, their growth slowed again, probably as a result of a rise in financing costs, as well as a certain cooling of the property boom in some euro-area countries. There was only a moderate increase in other bank loans to private households in the euro area; not only consumers in Germany, but also those in France and the Netherlands increased their consumer loans only to a marginal extent.

... in particular, strong securities purchases by the banks

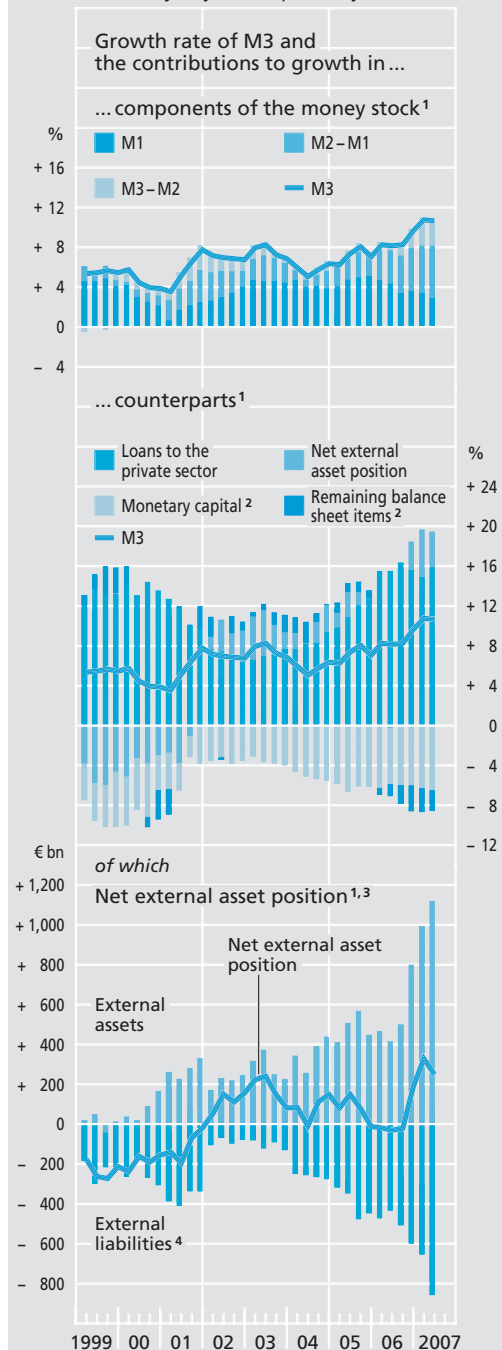
In seasonally adjusted terms, the banks also purchased securities issued by domestic enterprises to a much larger extent in the second quarter than in the previous quarters. In particular, they expanded their portfolios of fixed-interest euro-denominated corporate debt securities. Their increase in yield in the period under review probably made them even more interesting to banks. In addition, the credit institutions also built up their portfolios of domestic shares and other equity again, having sold net amounts of such paper – like government bonds – on a fairly large scale in the preceding quarter.

Fall in banks' net external asset position

In some cases, the banks purchased these securities from non-residents, which is likely to have contributed to a marked decline in the banks' net external asset position in the second quarter, as compared with a very sharp rise in the two previous quarters. Here, there was strong demand from non-residents for fixed-rate securities issued by residents, which was probably a result, in particular, of the interest rate hike in the euro area and the prevailing expectations that the euro would

Components and counterparts of the money stock in the euro area

Seasonally adjusted, quarterly



¹ Calculated from the changes cumulated over 12 months. — ² Taken in isolation, an increase curbs M3 growth. — ³ Not seasonally adjusted. — ⁴ Increase: -.

Deutsche Bundesbank

appreciate, especially against the US dollar. Banks' issues also benefited from this strong demand.

As part of the consolidated balance sheet of the euro-area banking sector, the sharp overall rise of €262 billion in the net external asset position during the last 12 months is also likely to be reflected mainly in a change in the other counterparts and not to have led to an equally large rise in M3. For example, the banks sold government bonds in net terms to the value of €76 billion between July 2006 and June 2007. And sales of long-term bank debt securities, which have increased significantly since the fourth quarter of 2006, are also likely to have satisfied mainly the high foreign demand for such paper. By contrast, the current interest rate and exchange rate situation is also likely to have led to domestic investors withdrawing from foreign currency-denominated balances with banks abroad and investing in M3-relevant euro assets in the euro area. In addition, domestic non-banks which have sold domestic securities to non-residents may have invested their profits chiefly in the M3 components remunerated close to market rates. This is likely to have contributed to the acceleration in annual M3 growth since the fourth quarter of last year.

Domestic investors were very willing to invest funds with domestic banks in the long term in the second quarter, too, which, taken in isolation, curbed monetary growth. By the end of the period under review, it was chiefly long-term time deposits which had shown a sharp seasonally adjusted rise, going up at an annualised rate of 13½% between April and

June. However, this was due solely to other financial institutions, which had been forming such deposits on a large scale for some months. This is likely to be associated with their involvement in the very buoyant securitisation activities of the banks, which use such financial institutions to securitise their loans and place them with investors. In return, the financing institutions provide the banks with the sales proceeds as a long-term time deposit. In addition, savings deposits with a notice period of more than three months were also built up further, albeit to a much smaller extent than in the previous quarter. There was a further sharp increase in the circulation of long-term bank debt securities outside the domestic banking sector, going up at a seasonally adjusted annualised rate of 10½% in the second quarter. Its somewhat weaker momentum than in the two preceding quarters and the decline in the banks' net external asset position suggest that the contribution of non-residents to the increase in bank debt securities has been somewhat smaller of late.

All in all, the monetary data therefore continue to signal inflation risks in the euro area in the medium to long term. On the basis of previous experience, the mainly credit-driven high monetary growth, which has persisted for a long time now, suggests that the inflation rate will be noticeably higher than 2% on an average of the next three years. Owing to the renewed sharp M3 increase in the period under review, the deviation from the Governing Council of the ECB's stability benchmark has actually increased of late, even if the average inflation rate forecast

Clear sign of longer-term inflation risks

Very large long-term investment of funds with banks continues

with the aid of monetary data has been subject to major uncertainty for some years.

Deposit and lending business of German banks with domestic customers

Sharp increase in shorter-term bank deposits

The deposit business of German banks with domestic customers again expanded more slowly in Germany than in the euro area as a whole. With a seasonally adjusted annualised growth increase of just over 7%, it picked up noticeably in the second quarter, however. Domestic investors preferred mainly short-term deposits. Much as in the euro area as a whole, they funded predominantly short-term time deposits remunerated at market rates, the interest rates of which, following the ECB interest rate hikes, went up by around ¼ percentage point on average in the period under review. In some cases, there are likely to be shifts again away from short-term savings deposits in Germany, too. These were recently reduced at a seasonally adjusted annualised rate of 7½%, which comes as no great surprise, given the fact that their remuneration was almost stagnating in the period under review. Overnight deposits, for which the banks do not pay any interest in some cases, showed only a moderate increase.

Longer-term bank deposits also up

At the same time, longer-term bank deposits were also built up further in the second quarter. Above all, time deposits with an agreed maturity of more than two years benefited from this. In particular, domestic insurance corporations, which traditionally constitute the strongest group of depositors, formed large amounts of such deposits. But other fi-

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

€ billion		
Item	2007	2006
	April to June	April to June
Deposits of domestic non-MFIs ¹		
Overnight	+ 13.7	+ 14.5
With agreed maturities of up to 2 years	+ 36.1	+ 18.9
of over 2 years	+ 5.6	+ 7.7
Redeemable at agreed notice of up to 3 months	- 12.4	- 7.9
of over 3 months	+ 0.6	+ 2.7
Lending to domestic enterprises and households		
Unsecuritised	+ 1.2	+ 7.9
Securitised	- 16.9	- 3.0
to domestic government		
Unsecuritised	- 6.8	- 10.3
Securitised	- 4.2	+ 2.3

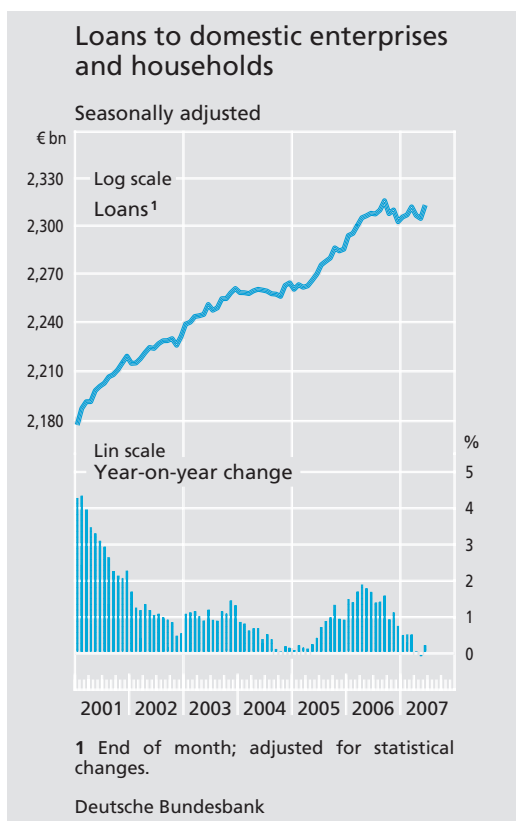
* As well as banks (including building and loan associations, but excluding the Bundesbank), monetary financial institutions (MFIs) here also include money market funds; see also Table IV.1 in the Statistical Section of the *Monthly Report*. — ¹ Enterprises, households and government excluding central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

Deutsche Bundesbank

ancial institutions, too, provided German banks with funds for the longer term in this way. By contrast, there has been little demand of late for savings deposits with an agreed notice period of more than three months. This is striking, especially in comparison with the preceding quarters, in which such deposits were increased at annualised growth rates of almost 25% in some cases. As the decline in short-term savings deposits was much less sharp at the end of the period under review, there are some indications that distinctly fewer shifts into longer-term savings deposits were made in the reporting period.

The lending business of German banks with domestic non-banks fell by a seasonally adjusted and annualised 2% in the second quarter. The sale of domestic securities by do-

Credit declining



domestic banks had a particular impact in this respect. As well as government securities, they sold mainly shares issued by domestic enterprises. Furthermore, general government continued to reduce its loans with banks. By contrast, there was a marginal rise in loans to enterprises and private households, which had also risen somewhat in the previous quarter. In particular, non-financial enterprises again borrowed from domestic banks, whereas financial enterprises reduced their borrowing. Households, too, reduced their debt to German banks. As in the previous quarter, housing loans were redeemed on balance. Other lending to households, which covers mainly loans to self-employed persons, likewise continued to fall. By contrast, consumer loans rose slightly.

In line with the data from the Bank Lending Survey, the bifurcated growth of credit in the private sector evidently reflects the different borrowing demands of households and non-financial enterprises. On the one hand, the banks reported a further fall in demand for lending to households for house purchase. On the other, they recorded a slight rise in demand for loans to enterprises. In addition, they also witnessed increased demand for consumer credit, but qualified this by pointing out that this was likely to be less a national German trend than the consequence of the attempt to gain market share with special campaigns.

Low demand for credit

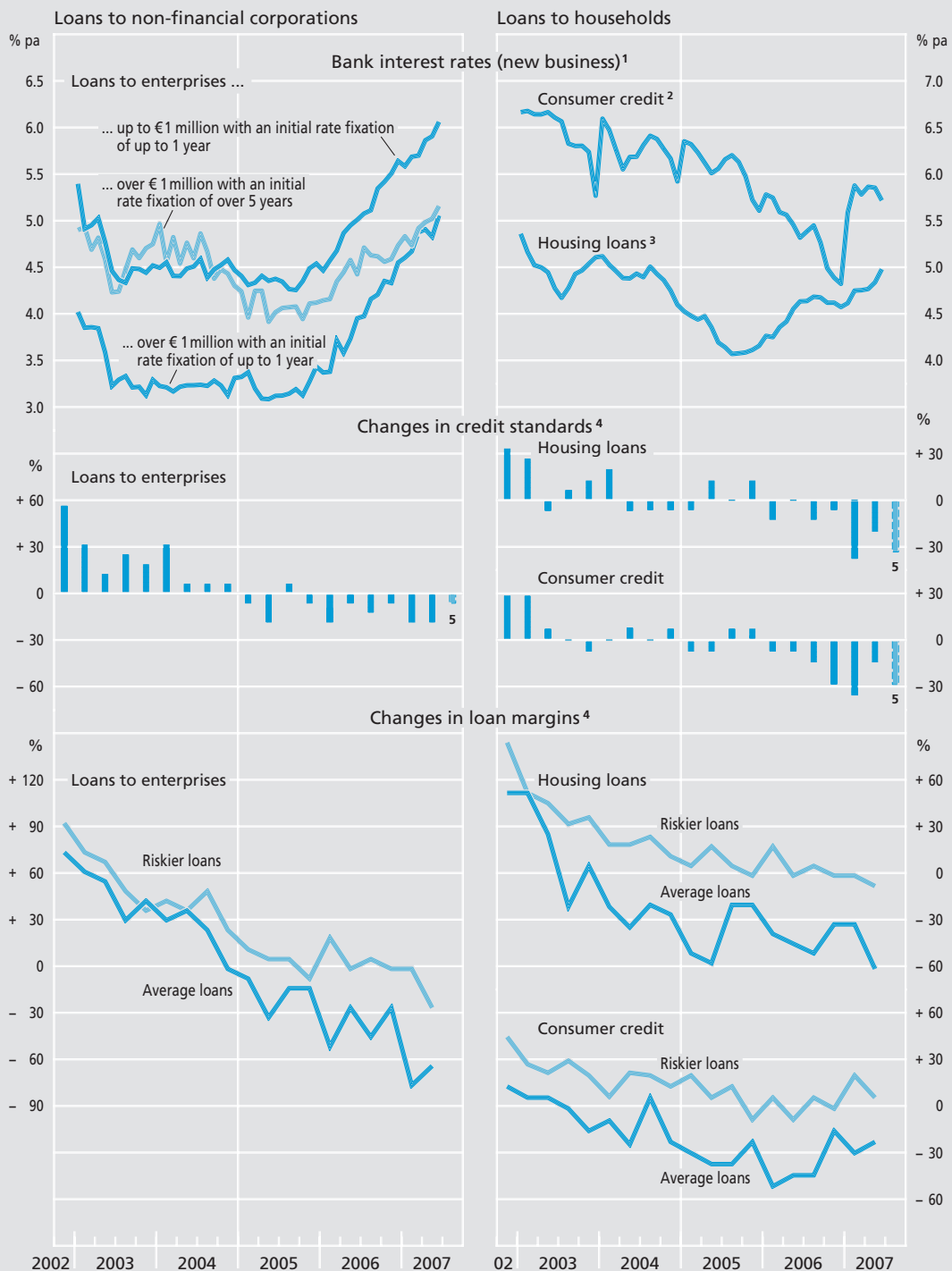
The fairly weak overall growth in domestic credit contrasts to a certain extent with the more expansionary credit supply policy of the German banks. Thus, credit standards in both retail and corporate business were once again eased moderately in the second quarter according to Bank Lending Survey data. Added to this was a further broad narrowing of the margins on average-risk exposures. Furthermore, according to information from the surveyed institutions, the margins on riskier loans were also lowered slightly for the first time since the survey was introduced, whereas the margins on riskier loans to households remained almost unchanged. The changes in the credit supply conditions were therefore altogether somewhat more expansionary in Germany than in the euro area as a whole.

Moderate easing of credit supply conditions

German banks' lending rates were clearly influenced by the continued monetary policy tightening and the rise in capital market interest rates in the second quarter. Lending to en-

Nearly all lending rates up

Banking conditions in Germany



1 According to harmonised MFI interest rate statistics. — 2 With an initial rate fixation of over 1 year and up to 5 years. — 3 With an initial rate fixation of over 5 years and up to 10 years. — 4 According to Bank Lending Survey; percentage difference between the numbers of respondents reporting "tightened considerably" and "tightened somewhat" and the numbers of respondents reporting "eased somewhat" and "eased considerably". — 5 Expectations for 2007 Q3.

terprises, in particular, increased by an average of 28 basis points in the second quarter, which meant that the institutions were demanding between 5.1% and 6.1% for short-term loans to enterprises, depending on the size of the loan. For long-term loans, the rates in question amounted to 5.2% and 5.3% respectively. Interest rates on loans for house purchase also went up noticeably in the second quarter, by 18 to 27 basis points. The conditions for loans with an interest rate

fixation of over ten years stood at 5.0% at the end of the quarter. Only in the case of consumer credit was there a countervailing effect in parts. In particular, there was a fall in interest rates for longer-term loans. This should probably be seen in connection with the special campaigns to increase the market share of some institutions in this market sector, which were also mentioned in the Bank Lending Survey.

Financial markets

Financial market trends

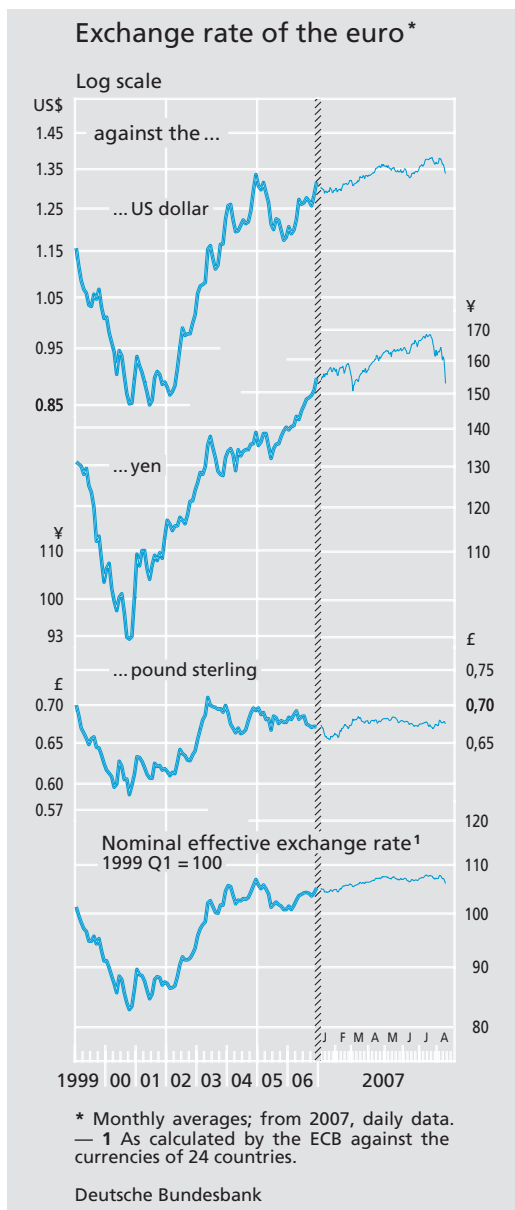
Developments in the international financial markets fluctuated considerably in the second and at the beginning of the third quarter. The robust state of the global economy and a high level of confidence on the part of market players initially resulted worldwide in rising bond yields and higher stock prices. In many regions, stock prices rose to multi-year highs, with some of the corresponding indices reaching record levels. From mid-July, however, increasingly apparent problems in the US mortgage market triggered a fundamental shift in investors' risk perceptions. As a result, stock prices dropped significantly and the spreads on higher-risk financial instruments widened noticeably. Conversely, the "flight to quality" lowered the bond yields of top-rated borrowers. In the foreign exchange markets, the euro held very firm against various currencies for much of the time since business cycle expectations for the euro area were on the upside and most market players were expecting monetary policy to be tightened further. It was only recently that the euro started to weaken a little amid increasing uncertainty in the financial markets.

*Financial
market setting*

Exchange rates

After temporarily reaching a new high of over US\$1.36 at the end of April 2007, the euro-US dollar exchange rate depreciated to US\$1.33 by mid-June. The US dollar benefited from the fact that speculation about possible interest rate cuts in the USA was damp-

*The euro's
exchange rate
against the
US dollar, ...*



ened by warnings from the Federal Reserve concerning existing inflation risks as well as by favourable US labour market data. Less heed was apparently taken during this time of the possible repercussions for the US economy of the crisis in the US real estate market, which had contributed significantly to the upward surge in the euro-US dollar exchange rate in the first few months of the year.

The euro-US dollar parity showed renewed appreciation in July, when the markets increasingly expected a further rise in euro-area interest rates in the fourth quarter following the publication of positive sentiment indicators and in view of continuing risks to price stability in the euro area. Moreover, following the announcement that two hedge funds active in the US mortgage market had run into difficulties, the crisis in the US real estate market was seen with growing concern by investors, so that the dollar came under additional pressure vis-à-vis the other major currencies. On 24 July, the euro achieved a new historical high of just over US\$1.38. However, the euro subsequently lost a little ground again. Profit-taking, the publication of the surprisingly high growth rate of US GDP for the second quarter and an increased demand for dollar liquidity probably played a role in this. As this report went to press, the euro was trading at US\$1.34, 2% up since the beginning of the year.

Owing to the large yield spread between Japanese and European investments, the euro initially appreciated against the yen in the reporting period and repeatedly reached new highs in the second quarter. Although the publication of the Tankan survey and statements from the Bank of Japan triggered speculation of an interest rate rise in Japan at the beginning of July, the upward movement of the euro-yen exchange rate still continued for the time being. In mid-July, the euro reached its highest level to date since the launch of EMU, trading at ¥169. The euro was thus about 7½% above its level since the start of the year and over one-quarter higher

... the yen ...

than since its introduction. The surge in the euro-yen exchange rate came to an end in the last week of July, when the worldwide fall in stock market prices exerted downward pressure on the euro vis-à-vis the yen. The yen continued to strengthen in mid-August. Many market players attribute this to the heightened uncertainty in the financial markets, which has dampened risk propensity and led to a liquidation of carry trades. The euro-yen exchange rate stood at ¥153 as this report went to press. The euro was thus 2½% below its level at the beginning of the year.

*... and the
pound sterling*

Vis-à-vis the pound sterling, the euro moved within a narrow range between £0.67 and £0.68 in the reporting period. The raising of key interest rates by the Bank of England in July had been generally expected by the markets and therefore had no discernible impact on the further development of the euro-pound parity. Given the robust growth of the British economy and the existing inflation risks, however, many market players expected the Bank of England, too, to continue tightening its stance. As this report went to press, the euro was trading at £0.68, which is ½% above its value recorded at the beginning of the year.

*Effective euro
exchange rate*

The euro's average value vis-à-vis the 24 major currencies in the exchange rate index has hardly changed on balance since the end of March. Most recently, the euro's effective exchange rate was ½% higher than at the beginning of the year, and 3% up on its level at the start of monetary union. In real terms, ie taking into account the simultaneous de-

velopment of the inflation differentials between the euro area and its major trading partners, the euro's effective exchange rate was almost 3½% above its level at the start of monetary union.

Securities markets and portfolio transactions

The yields of long-term debt securities issued by first-class borrowers markedly increased on a worldwide scale in the second quarter against the backdrop of a benign macroeconomic environment and in the expectation of rising central bank interest rates in various economies. The European bond markets recorded a rise of just over ½ percentage point up to mid-July, both in nominal and real terms;¹ the corresponding rise in the USA was somewhat smaller. Since then, however, the yields of European government bonds have dropped by just over ¼ percentage point; most recently, ten-year bonds in the euro area were remunerated at almost 4½%. US yields, by contrast, declined more strongly to 4¾% of late. An increased demand for safe investment opportunities in the wake of the crisis in the US mortgage markets is likely to have affected interest rate movements across the maturity spectrum. Moreover, some unfavourable economic indicators weighed on the capital market at times. This resulted in a renewed flattening of the German yield curve.

*Rising capital
market rates up
to mid-July*

¹ Market players' inflation expectations – as measured by the break-even inflation rate derived from inflation-indexed bonds – remained virtually unchanged in the euro area throughout the reporting period. See also the box on p 36-37.

Euro real term structures and break-even inflation rates

The market for inflation-indexed euro-area government bonds is constantly growing. Thus bonds from France, Italy and Greece linked to the European Harmonised Index of Consumer Prices (excluding tobacco) have been circulating since 2001 and 2003, respectively, and the first German inflation-indexed Federal bond was issued last year. With a total of 16 inflation-protected debt securities having meanwhile been issued by euro-area member states with a total volume of bonds outstanding of just under €150 billion, it is now possible to estimate a real zero-coupon term structure for the euro area, modelled on the European and national nominal yield curves.

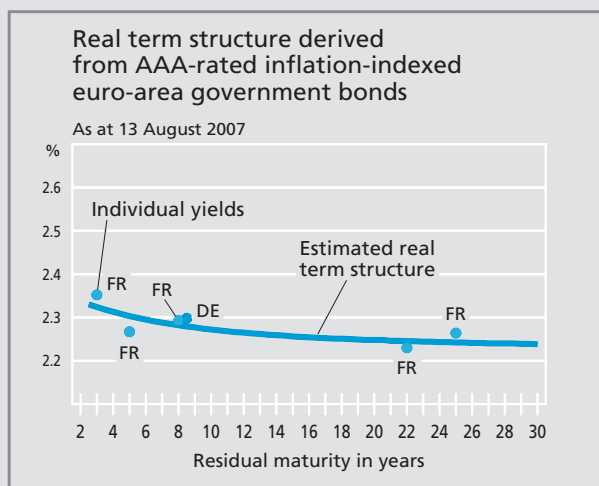
Such a real term structure makes it possible to derive real yields with a constant maturity. Thus comparisons made over time, for example of the ten-year real interest rate, are not distorted by the decreasing residual maturity of an individual bond. Furthermore, the break-even inflation rate curve (BEIR curve) derived from the difference between the real zero-coupon term structure and a corresponding nominal term structure is based on yields for each point in time that have not only identical maturities but also iden-

tical durations. Furthermore, implied forward rates can be derived from the term structure. In other words, the future interest rates expected by market participants at a given moment in time (on average) can be calculated. An implied forward BEIR curve can also be computed. While the break-even inflation rate shows market participants' expectations regarding the average inflation level up to a future date, implied forward BEIRs reflect the market's inflation expectations for a period of time in the future. However, both contain additional inflation risk premiums.¹

Term structures reflect market participants' expectations concerning the development of future real interest rates or future inflation particularly well if they are not "distorted" by a time-varying risk premium, liquidity premium or other types of term premiums and if they show a good fit to the market prices of traded bonds. Both of these requirements are best satisfied by using a data set that is as homogeneous and broadly based as possible. However, the number of inflation-indexed bonds issued by euro-area member states that are currently in circulation limits the data set. On the one hand, the residual maturity of the still relatively new issues lies in the medium to long-term range and thus no real yields and BEIRs can be calculated for shorter periods of time.² On the other hand, the creditworthiness of the issues varies considerably, ranging from AAA to A. Furthermore, some countries offer a range of bonds with different maturities, while other countries only offer individual issues.³

Estimates of zero-coupon term structures using the parametric procedure of Nelson and Siegel (1987)⁴ have shown that they fit the original data better if only bonds with the best creditworthiness (with an AAA rating from Standard & Poor's) are used than if bonds with a lower creditworthiness (A rating) are added.⁵

If the development of the long-run real interest rate, calculated using the estimated zero-coupon yield for a period of



¹ The difference between the yields of nominal bonds and inflation-indexed bonds includes, in addition to the expectations of the level of inflation in the period under review, a premium to compensate for possible changes in inflation during this period. Thus, in general, the BEIR is above the "pure" inflation expectation. This uncertainty does not apply in the case of inflation-protected investments and therefore does not need to be compensated for. While in the case of inflation-indexed bonds, too, there is also a short period of time in which there is no protection against inflation changes owing to the belated payment to offset inflation, which is calculated with a time lag, it can be disregarded here as it is considerably shorter (three months) than

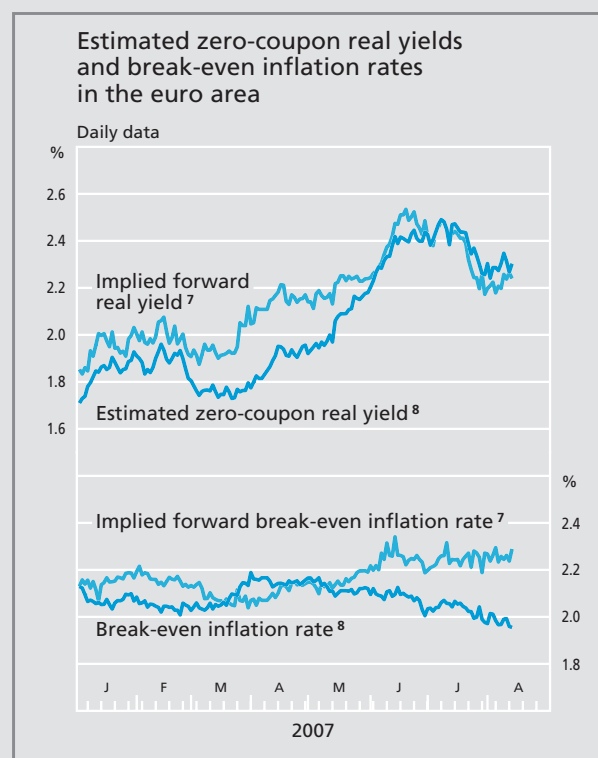
is the case with multi-year nominal bonds. A further distortion may emanate from liquidity premiums. However, in general, these are relatively constant over time, as there are no influences from the futures market, unlike in the case of nominal government bonds (cheapest-to-deliver). — ² The estimation of the parameters for the curves is only designed to fit the yields of available bonds. Therefore, values calculated using the estimated parameters which are outside the maturity range show no extrapolated market expectations. Rather, particularly in the short maturity segment, economically implausible curves, and sometimes even curves with negative values, may be produced. — ³ Since inflation-protected bonds are bought, for example, to finance

ten years, is examined, it can be seen that, following a slight rise at the beginning of this year, it fell again for a time in the wake of the turmoil in the financial markets triggered by the Chinese stock market and the US subprime mortgage market. The corresponding long-run inflation expectations, measured by the ten-year BEIRs, remained constant at just over 2%. A remarkable development occurred in the second quarter, when the long-run real interest rate surged by just over 60 basis points, whereas the BEIR increased only slightly. On the one hand, this reflects the buoyant upturn in the euro area. On the other hand, the interest rate movement is also likely to have been influenced by international co-movements between interest rates. In the United States, whose economy developed more robustly than was expected at the beginning of the year, the real interest rate and the BEIR followed a similar pattern to the euro area.⁶ Latterly, however, real yields then fell again. While, compared with the start of the year, the real interest rate was thus just over ½ percentage point higher, the ten-year inflation expectations were slightly below the level at which they had been at the beginning of the year and at the start of the second quarter.

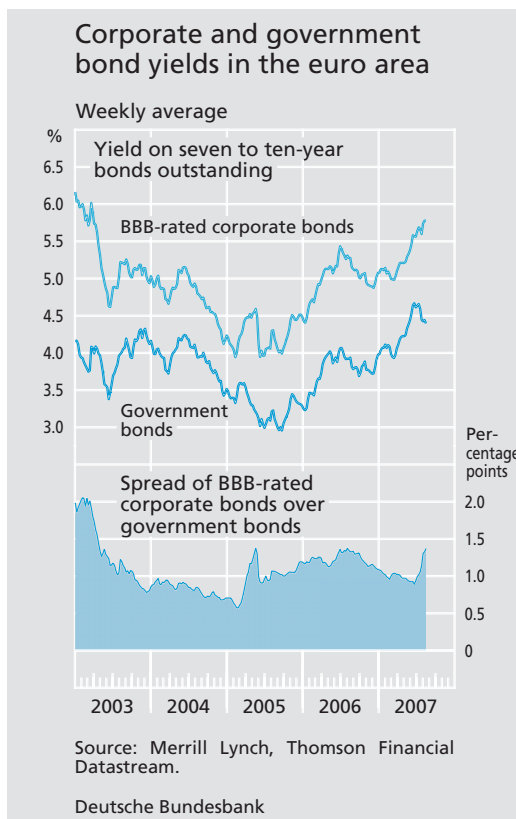
Today's expectations regarding future real interest rate developments can be described using the forward rates derived from the term structure, for example, by means of a five-year interest rate in five years' time. So far this year, the five-year spot real interest rate and the forward real interest rate between years five and ten have shown a high level of co-movement. Moreover, over virtually the entire period, the implied forward interest rate is above the current spot interest rate, which corresponds to a "normal", ie upward, slope of the real yield curve. This relationship between the two interest rates only reversed in July. This reflects an inverse slope of the real yield curve and points to expectations of falling real interest rates.

long-dated real liabilities, investors prefer to have access to a range of bonds with differing maturities. This is reflected in the differing yields of bonds with the same creditworthiness and similar liquidity. — 4 See C Nelson und A Siegel (1987), Parsimonious modelling of yield curves for U.S. Treasury yields, *Journal of Business*, Vol 60, pp 473-489. Here the parameters of a functional form are defined so as to minimise the deviations of the theoretical (estimated) zero-coupon yields from the observed yields of inflation-indexed bonds. A term structure that is estimated in this way cannot take on all forms, which is why the estimation of the term structure for nominal bonds is mostly calculated using the Svensson extension (L Svensson (1994), Estimating and

In the case of the BEIR, by contrast, the five-year forward rate in five years' time has fluctuated more strongly around the five-year spot rate during the course of the year. Latterly the forward rate was somewhat above the spot rate. On the one hand, this may reflect marginally higher long-run inflation expectations. On the other hand, it may reflect a "normalisation" of the BEIR term structure, which, driven by the inflation risk premium, may show an upward slope even in the case of stable inflation expectations. However, considered as a whole, the changes in the BEIR so far this year have remained within close bounds, indicating largely stable long-run inflation expectations.



interpreting forward interest rates: Sweden 1992-1994, IMF Working Paper No 114, Washington D C) or via the even more flexible non-parametric estimation using cubic splines defined piecewise. However, all three approaches provide a comparatively good fit to the data, so that given a small number of available bonds, estimating a small number of parameters is preferable. — 5 Using all bonds, the mean-squared yield error was about three times as high as when only German and French AAA-rated bonds were used. — 6 Measured by individual inflation-indexed and matching nominal bonds. — 7 Five-year rate in five years' time. — 8 Horizon of five years.



Heightened uncertainty

The heightened nervousness of the market participants in the wake of the US mortgage crisis can also be seen in the implied volatility of options on bond futures. It mirrors the market's uncertainty concerning the future development of capital market yields. The level of uncertainty thus measured has increased perceptibly in all major financial centres. For the Bund future, it was most recently almost twice as high as at the end of March and also well above the average value since 1999.

Widening of corporate bond spreads

The financial market movements in the past few weeks ultimately reflect a general re-appraisal of risk. For example, the yield spread of BBB-rated corporate bonds over euro-area government bonds increased by one-quarter to 138 basis points, after they

had fallen in June to their lowest level for two years. This development is consistent with in part substantial rises in premiums in the credit risk transfer market (see chart on p 39). Frictions in connection with syndicating large loans were also evident. Particular attention was aroused by two corporate take-overs in connection with which the underwriters were unable to pass the loans on to financial investors as planned. The problems in the securitisation market have also placed strains on merger and acquisition (M&A) transactions, which are frequently highly leveraged. A proper assessment of risks, which in the past the markets did not appear to have undertaken always and everywhere, is necessary from a monetary policy perspective and also with regard to sustainable financial stability. To this extent, the corrections of the spreads should be seen as a normalisation. However, the fact that the adjustments occurred abruptly and – in an environment of increased uncertainty – were accompanied by a drying-up of liquidity in various market segments caused problems for the market players.

Issuing activity in the German bond market in the second quarter of 2007 was not affected by the aforementioned turbulences, which did not start until July. Total gross sales of domestic debt securities amounted to €290½ billion. This was significantly less than in the previous three months (€324 billion); however, after deducting redemptions and changes in issuers' holdings of their own securities, German issuers raised only a slightly smaller inflow of funds (€45½ billion net) than in the previous quarter (€50½ billion).

Weaker issuing activity in the bond market

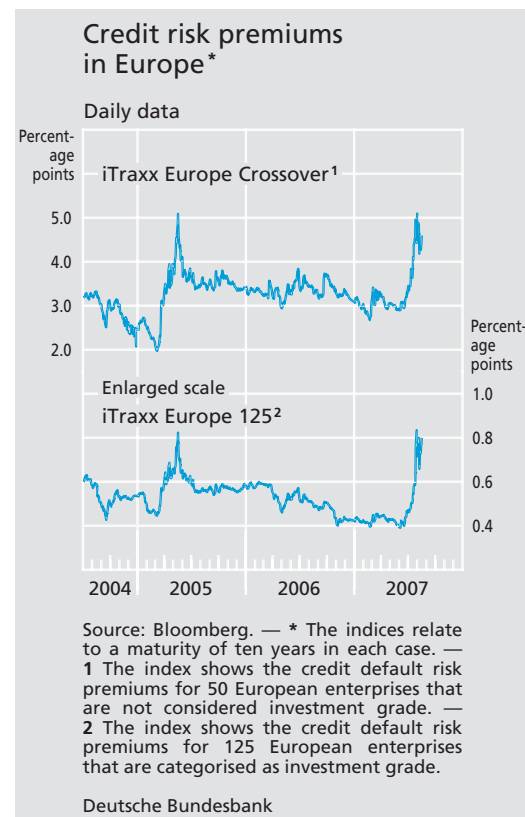
At €43 billion net, a similar amount of foreign debt securities were sold in the German market, about four-fifths of which were denominated in euro. The total amount of resources raised from sales of domestic and foreign debt securities in the second quarter was thus just over €88 billion, compared with €122½ billion in the preceding three months.

Higher borrowing by the public sector

In contrast to the weaker issuing activity overall, the public sector had greater recourse to the capital market in the reporting period (€25 billion) than in the preceding quarter (€5½ billion). At €24 billion (net), central government accounted as usual for by far the largest share of new borrowing. In the longer-term maturity range it issued, in particular, €11 billion worth of five-year Federal notes (Bobl) and €11 billion worth of ten-year Federal bonds (Bunds). In addition, it issued two-year Federal Treasury notes (Schätze) in the amount of €2 billion. State government increased its capital market debt by just under €1 billion in the second quarter, which was less than in the preceding three months (€3 billion).

Less borrowing by credit institutions ...

German credit institutions drew €15½ billion in the bond market in the second quarter, following €39 billion in the first quarter. As in the first three months of this year, their issuing activity focused on other bank debt securities, which can be structured flexibly (€21½ billion). Debt securities of specialised credit institutions were issued to the net amount of €10½ billion, compared with net sales of €25 billion in the preceding quarter. As in the previous three months, domestic banks, by contrast, reduced their debt from public and



mortgage Pfandbriefe (€15½ billion and €1 billion, respectively).

German enterprises tapped the domestic bond market for €4½ billion in the second quarter, compared with €6 billion in the first quarter. On balance, they issued short-dated instruments in the amount of €5½ billion, simultaneously reducing their debt in longer-dated bonds by €1 billion.

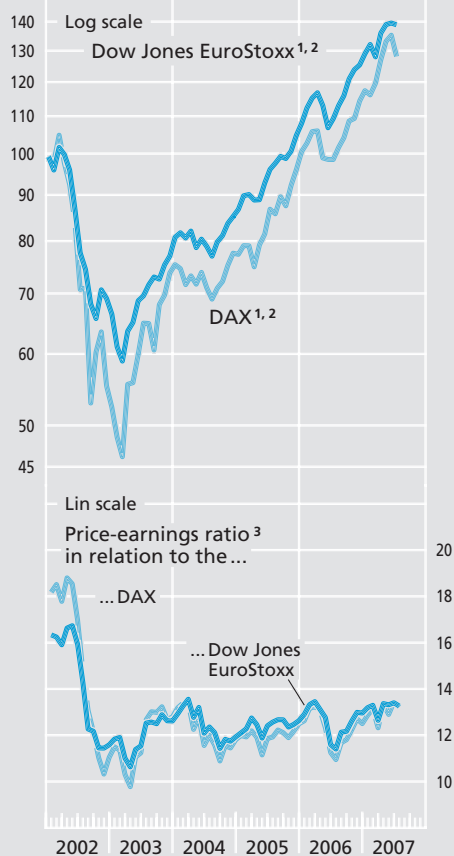
... and by enterprises

As in the first quarter, foreign investors were the principal purchasers of debt securities in the period from April to June. In net terms, they acquired securities of German private and public issuers for €39½ billion and €23½ billion, respectively. German credit institutions also greatly enlarged their bond market portfolios (€25 billion). In doing so, they almost

Purchases of debt securities

Share price movements and earnings estimates for European and German public limited companies

Monthly data



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

Deutsche Bundesbank

exclusively bought foreign bonds on balance. German non-banks reweighted their bond portfolios from domestic to foreign securities; they sold debt securities for €½ billion (net) from their stocks in the reporting period.

An optimistic mood continued to prevail in the international stock markets right into the third quarter. Strong global economic growth, predominantly positive corporate

data and buoyant M&A activity drove the world's major stock price indices to multi-year highs. However, the increasingly apparent crisis in the US mortgage markets, which had led to an interim trough already in March, triggered a heavy slide in stock prices from mid-July in the wake of generally heightened risk sensitivity. In particular, equity prices of the financial sector, which was directly affected by the problems, underperformed the stock market. Some economic indicators with worse-than-expected numbers as well as the tensions in the money market also weighed on the markets. In this context, uncertainty regarding future share price developments rose to a heightened level.² Despite this, corporate earnings as a whole are still growing robustly and are likely to have a stabilising effect on the stock markets.

This is especially true of German equities, which have performed comparatively well, not least owing to the ongoing favourable cyclical conjuncture in Germany. For example, the broad CDAX index has increased by just under 1% since the start of the second quarter – in spite of the recent slide in stock prices – while the US S&P 500 index has been falling slightly short of its end-March level, and the European Dow Jones EuroStoxx has dropped by 5% on balance. Domestic shares have consequently recorded an average price rise of 7% since the beginning of the year.

In spite of rising share prices overall, issuing activity in the German share market weakened somewhat in the second quarter. Do-

Slightly reduced issuing activity in the stock market

² Measured by implied volatility indices, such as the VIX or the VDAX.

Share prices down following bull run

domestic enterprises issued new shares worth €2½ billion, as against almost €3½ billion in the first quarter. Half of this involved shares of listed companies. In addition, foreign shares were sold in the German market for €8½ billion net.

Share purchases

In the second quarter of 2007, domestic non-banks were the main group of buyers in the equity market. They added domestic and foreign equities worth €13½ billion to their portfolios. Foreign investors acquired domestic shares in the amount of €12½ billion, on balance, mainly in the form of portfolio investment (€8½ billion).³ By contrast, domestic credit institutions sold equities for €12½ billion.

Sales of mutual fund shares

Domestic investment companies recorded inflows of €½ billion in the second quarter, which was well down on the previous three months (€12½ billion). This drop was attributable almost entirely to the specialised funds reserved for institutional investors, which raised only €1 billion of fresh funds compared with €12½ billion in the preceding three months. The outstanding volume of mutual fund shares of German funds open to the general public, which had been static in the first quarter, declined by €½ billion. Of the investment funds open to the general public, bond-based funds (€4 billion less) and share-based funds (€3 billion less) again sustained the greatest outflows. Units of hedge funds and funds of funds were also redeemed on balance on a small scale. By contrast, open-end real estate funds and mixed security-based funds sold shares for €2½ billion each. Money market funds offloaded shares worth

Investment activity in the German securities markets

€ billion			
Item	2006	2007	
	Q2	Q1	Q2
Debt securities			
Residents	57.7	83.6	24.8
Credit institutions	23.6	46.0	25.2
of which			
Foreign debt securities	25.5	49.4	32.4
Non-banks	34.1	37.6	- 0.4
of which			
Domestic debt securities	18.3	15.5	- 11.0
Non-residents	10.9	38.8	63.4
Shares			
Residents	- 9.7	- 10.9	1.0
Credit institutions	- 8.2	5.0	- 12.3
of which			
Domestic shares	- 5.1	1.3	- 17.8
Non-banks	- 1.5	- 15.9	13.3
of which			
Domestic shares	3.1	4.0	10.0
Non-residents	4.0	- 2.0	12.3
Mutual fund shares			
Investment in specialised funds	9.7	12.3	1.0
Investment in funds open to the general public	- 2.1	0.0	- 0.7
of which: Share-based funds	- 3.0	- 2.6	- 2.8

€1½ billion net. Once again, sales of shares by foreign funds in Germany showed a marked rise of €17 billion.

As in the previous quarter, mutual fund shares were purchased mainly by domestic non-banks (€11 billion), which on balance solely added mutual fund shares issued by foreign investment companies to their portfolios (€12½ billion). The investment of domestic credit institutions (€5 billion) was likewise concentrated almost exclusively on shares of foreign mutual funds. Non-resident investors bought mutual fund shares to the amount of €1½ billion in the German market.

Purchases of mutual fund shares

³ See page 42 for the evolution of direct investment in the second quarter.

Major items of the balance of payments

€ billion

Item	2006		2007	
	Q2	Q1	Q2	Q1
I Current account 1,2	+ 25.7	+ 37.2	+ 35.8	+ 48.8
Foreign trade 1,3	+ 36.9	+ 48.8	+ 48.8	+ 48.8
Services 1	- 3.6	- 4.7	- 3.4	- 4.7
Income 1	+ 1.6	+ 7.4	- 2.0	+ 7.4
Current transfers 1	- 5.0	- 10.8	- 4.7	- 10.8
II Capital transfers 1,4	+ 0.0	+ 0.2	+ 0.8	+ 0.2
III Financial account 1 (Net capital exports: -)	- 56.1	- 75.4	- 88.9	- 75.4
1 Direct investment	- 5.4	- 6.3	- 22.0	- 6.3
German investment abroad	- 11.1	- 13.8	- 23.9	- 13.8
Foreign investment in Germany	+ 5.7	+ 7.6	+ 1.9	+ 7.6
2 Portfolio investment	- 9.9	- 35.8	+ 13.0	- 35.8
German investment abroad	- 25.5	- 72.1	- 60.7	- 72.1
Shares	+ 12.7	+ 12.1	- 2.8	+ 12.1
Mutual fund shares	+ 3.0	- 12.7	- 16.9	- 12.7
Debt securities	- 41.2	- 71.6	- 41.0	- 71.6
Bonds and notes 5	- 33.5	- 65.8	- 38.0	- 65.8
of which Euro-denominated bonds and notes	- 28.7	- 53.7	- 32.4	- 53.7
Money market instruments	- 7.7	- 5.7	- 3.0	- 5.7
Foreign investment in Germany	+ 15.6	+ 36.3	+ 73.7	+ 36.3
Shares	+ 3.3	- 3.2	+ 8.6	- 3.2
Mutual fund shares	+ 1.4	+ 0.7	+ 1.7	+ 0.7
Debt securities	+ 10.9	+ 38.8	+ 63.4	+ 38.8
Bonds and notes 5	+ 8.6	+ 29.0	+ 57.7	+ 29.0
of which Public bonds and notes	+ 1.4	- 7.3	+ 25.7	- 7.3
Money market instruments	+ 2.3	+ 9.8	+ 5.7	+ 9.8
3 Financial derivatives 6	+ 2.4	- 10.0	- 12.0	- 10.0
4 Other investment 7	- 43.6	- 23.5	- 66.5	- 23.5
Monetary financial institutions 8	- 55.8	- 10.6	- 60.9	- 10.6
of which: short-term	- 38.9	+ 8.9	- 40.4	+ 8.9
Enterprises and households	+ 13.4	- 11.3	+ 13.5	- 11.3
of which: short-term	+ 7.2	- 4.0	+ 23.3	- 4.0
General government	- 15.2	+ 13.6	- 23.4	+ 13.6
of which: short-term	- 15.1	+ 14.6	- 23.1	+ 14.6
Bundesbank	+ 14.0	- 15.3	+ 4.3	- 15.3
5 Change in reserve assets at transaction values (increase: -) 9	+ 0.4	+ 0.1	- 1.4	+ 0.1
IV Errors and omissions	+ 30.4	+ 38.0	+ 52.2	+ 38.0

1 Balance. — 2 Including supplementary trade items. — 3 Special trade according to the official foreign trade statistics (source: Federal Statistical Office). From January 2007 excluding supplies of goods for/after repair/maintenance, which, up to December 2006, were deducted via the supplementary foreign trade items. — 4 Including the acquisition/disposal of non-produced non-financial assets. — 5 Original maturity of more than one year. — 6 Securitised and non-securitised options as well as financial futures contracts. — 7 Includes financial and trade credits, bank deposits and other assets. — 8 Excluding the Bundesbank. — 9 Excluding allocation of SDRs and excluding changes due to value adjustments. — o Exports positively influenced by late reports. — Discrepancies due to rounding.

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Direct investment

Unlike the situation of portfolio investment, which recorded net capital imports of €13 billion, the balance of direct investment showed capital outflows of €22 billion in the second quarter, compared with net capital exports of €6½ billion between January and March.

High net capital exports in direct investment

The main reason for this was the increased cross-border investment of German firms, which made €24 billion worth of capital available to their subsidiaries and branches abroad. €11 billion of this total was allocated to raising existing equity stakes while €8½ billion was earmarked for intra-group loans. Key target countries for the equity investments were Italy and the United Kingdom.

Foreign firms, by contrast, invested only a very small amount in Germany during the period under review (€2 billion). The main component of the capital imports was the transfer of equity capital (€4 billion). This originated chiefly from France, Spain and Italy.

Economic conditions in Germany

Underlying trends

The cyclical upturn in the German economy continued in the second quarter of 2007. According to initial figures from the Federal Statistical Office, overall output in the second quarter went up by 0.3%, after adjustment for seasonal and calendar effects, compared with 0.5% in the first quarter. There was a 2.5 % rise on the year after adjustment for working-day variations. This means that in the first half of 2007, the annualised gross domestic product was 2.3% greater than in the previous six-month period compared with 3.8% in the second half of 2006. However, the slowdown in the pace of growth may in fact understate the underlying economic dynamics. This is particularly true if account is taken of the impact of the fiscal withdrawal due to the VAT increase since the beginning of the year and the advance purchases in 2006 associated not just with consumer durables but also with residential construction. The fact that growth has not ground to a complete standstill in these circumstances and that the cyclical blip predicted by many did not arise may therefore be seen as a clear indication of the stronger endogenous base of the current upswing.

*Economic
upturn
continues*

No detailed figures on the national accounts are yet available. However, the indicators available point to a positive growth contribution by private consumption in the second quarter. In the first quarter the negative effects of the VAT increase had resulted in a clear dampener from which the spending patterns of private households are only gradually recovering. The propensity to purchase which

*Recovery in
private con-
sumption*



had been – at times severely – impaired by the VAT increase, is now showing a counter-swing, which indicates that the negative impact of the VAT increase on the consumer climate has probably weakened significantly on the whole. The turnover pattern in traditional retail outlets and the increased number of purchases of private cars likewise signal a revival in private consumption in the second quarter.

Growth process supported by expenditure on machinery and equipment

Investment in fixed assets in the second quarter is also to be seen in the context of the fact that construction activity benefited from mild weather at the beginning of the year. A certain “technical counter-reaction” was therefore expected in this sector. At the same time, expenditure on machinery and equipment in the second quarter exceeded the level of the

first quarter. Over the course of the first six months, this expenditure was important in supporting the growth process and the strong recovery of the labour market. In view of the high level of capacity utilisation and the healthy order book situation, the incentive to expand has become more pronounced. The various sentiment indicators have not risen any further of late. However, in view of the highs reached and given the very favourable developments in 2006, this is not an indication of a turning-point. The underlying sentiment in the German economy is still better than average, and the increasing willingness to recruit new staff shown by many small and medium-sized enterprises as well as large enterprises is proof of the generally optimistic assessment of the future prospects.

Real exports of goods and services increased in the second quarter. At the same time, imports decreased markedly compared with the first quarter, during which they had increased discernibly. As a result, foreign trade made a significantly positive contribution to overall economic growth in the second quarter. If, however, account is taken of the deterioration in the terms of trade, which means a loss in real income from non-residents, external influences may have been generally less significant in the period under review.

External sector adds to positive growth

Output and sales

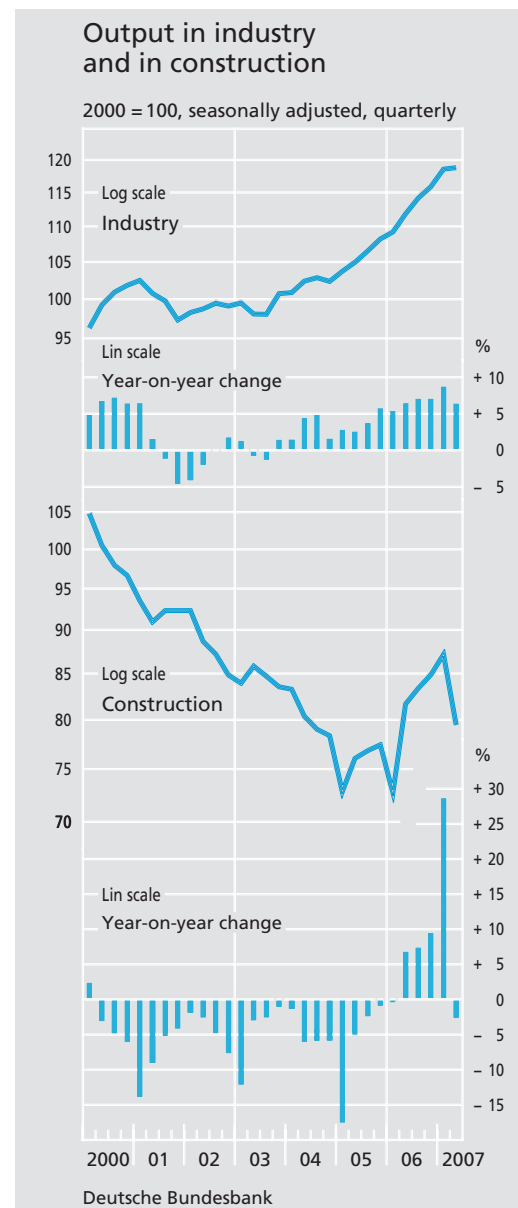
Industrial output was in full swing when this report went to press. The momentum in growth, however, slowed in the second quarter. After seasonal and calendar adjustment,

Industrial activity in full swing

second quarter production increased by ¼%, compared with an increase of 2¼% in the previous three-month period. A bridge-day effect in April subdued the quarterly result.¹ April saw warning strikes, particularly at car manufacturers, which resulted in production losses. Furthermore, capacity shortages may have played a role. The year-on-year increase went down to 6½%. In June capacity utilisation in industry declined from the very high level reached in March, a development which is due primarily to the production of durables. However, capacity utilisation exceeded the previous year's level by ½ percentage point and therefore remained above the level of 2000, which was a buoyant year. The increased use of factors of production is also reflected in the growing shortage of specialised labour in many sectors of industry.

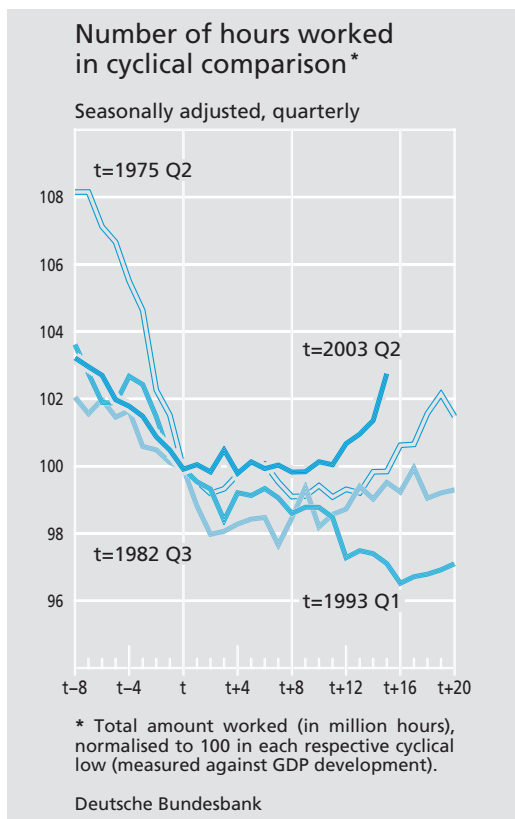
Construction output back to normal

Construction output after seasonal and calendar adjustment in the second quarter fell by 8¾% against the first quarter. This, however, is not to be seen as an economic downturn. Instead, as already mentioned it was attributable to the fact that the second-quarter upturn was less pronounced owing to increased production in the unusually mild winter months. General construction was particularly affected by the decline whereas the situation for civil engineering was more favourable. Residential construction showed a general decline in turnover of 16¼% after adjustment for seasonal factors in the second quarter compared with -7¼% in the first quarter. For finishing trades, which are less weather-dependent, data are currently available for the first quarter of 2007 only. According to these data, the number of hours worked was



7¾% above the previous-year level. Even if account is taken of the fact that the finishing trades have continued to profit from maintenance work, residential construction overall was weak in the second quarter.

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



Positive assessment of situation for service providers

Recent indicators of cyclical growth in the service sector show a favourable picture. The indicator of the business situation produced by the Ifo institute was markedly higher in the second quarter than in the first quarter. This is largely a result of the strong increase in April. Since then the indicator has been falling slightly. According to the business survey "Service Providers of the Information Society", the ZEW subindicator for the assessment of the business situation, survey respondents reported that the situation was better than at the beginning of the year.

Employment and unemployment

The favourable development in the labour market continued in the second quarter. The

number of persons in work increased in the period from April to June by a seasonally adjusted 109,000 to 39.70 million. This is equivalent to a year-on-year increase of 676,000 persons or 1.7%. However, employment did not increase as fast in the second quarter of 2007 as it had done in the first quarter. Nonetheless, seasonal adjustment, which is based on the multi-year average, also overstates here the improvement during the mild winter months. During the first six months of 2007 annualised employment gains stood at 1.8%, significantly higher than the employment gains in the first and second halves of 2006 (0.9% and 1.4% respectively).

Employment-intensive upturn

The current cyclical pattern in the labour market is very similar to previous recoveries. If work volume is taken as the most comprehensive indicator, a more advantageous trend than in earlier cycles can be observed, and this despite relatively moderate rates of increase in total economic output. The main reason for the increased number of persons in work in the current upswing is probably the wage restraint of previous years. However, the positive effects of the labour market reforms have certainly also played a roll.

Estimations by the Federal Employment Agency suggest that there is stronger growth in employment subject to social security contributions than in employment as a whole. In May – more recent data are not yet available – the number of persons in employment subject to social security contributions was 560,000, or 2.1%, higher than in the same month of the previous year. Almost half of the increase was attributable to the sector

Rise in employment subject to social security contributions

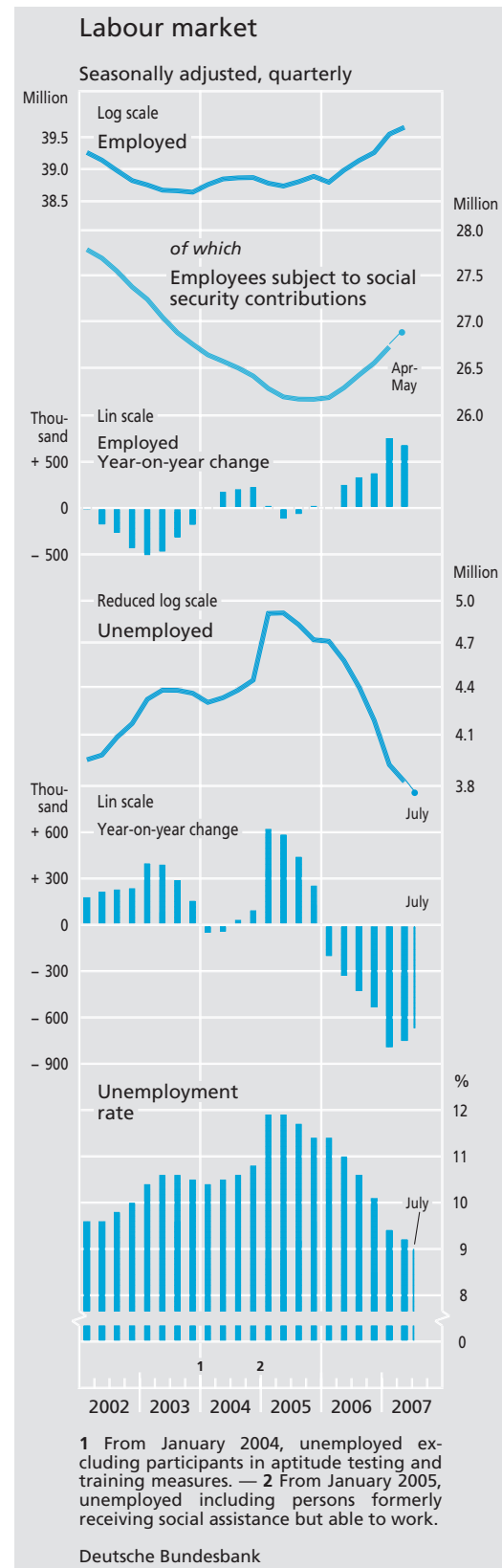
“financing, renting and business services”, which also includes labour leasing. This was markedly lower than in the previous year. Increases were also observed in the cases of self-employed persons, “mini-jobs” and “midi-jobs” and government-assisted jobs.

Signs of shortages

Various indicators are now showing partial shortages in the labour market. The delay in filling an advertised vacancy according to the employment offices markedly exceeded the multi-year average for the third quarter in succession. In the Ifo business survey, an increasing – though still limited – number of enterprises are responding that a shortage of workers is the reason for the lack of output growth. The BA-X index of non-government-assisted jobs, which has data on jobs – provided they are known to the Federal Employment Agency – from 2004 to the present, currently stands at a record high. The Ifo employment barometer, which aims to measure the willingness of trade and industry to recruit new staff, has likewise been recording record highs since measurements began in 1998 from the beginning of the year.

Sharp reduction in long-term unemployment

It is becoming increasingly difficult to find those workers amid the strong demand for labour, that are well-educated, experienced and perfectly suited to a given vacancy. For this reason, people are increasingly being employed who have similar or lower qualifications or generally have difficulty finding employment. Accordingly long-term unemployment is now falling perceptibly just as short-term unemployment has been falling for some time. The number of people in receipt of unemployment benefit II is now falling al-



most as quickly as those in receipt of unemployment benefit I. In a year-on-year comparison there were 313,000 fewer recipients of unemployment benefit II registered as unemployed compared to a decrease of 358,000 in the case of unemployment benefit I. It must be remembered that, as a result of the reduction in the period of entitlement to unemployment benefit which came into force at the beginning of 2006, there has been a much quicker rate of change from unemployment benefit I to unemployment benefit II since February 2007.² Without this effect the decrease in the number of unemployed recipients of unemployment benefit II would presumably have been even greater. Furthermore, a significant number of these people are participating in employment through mini-jobs. As a result, the long-term unemployed are also benefiting from the strong demand for labour. This is clearly supported by the fact that low wages can be "topped up" with unemployment benefit II. According to calculations by the Federal Employment Agency, this form of support has become more significant. Consequently, there is now a chance that the hard core of unemployment will be reduced in size.

Unemployment falls further

Once the favourable special factors caused by the weather had come to an end, the seasonally adjusted decline in registered unemployment slowed slightly in the second quarter. Unemployment figures decreased in the past quarter by 97,000 to 3.84 million, 754,000 fewer than one year earlier. The fall in unemployment was, therefore, somewhat stronger than the rise in employment, a development which was connected to the

demographically related reduction in the size of the labour supply. The seasonally adjusted unemployment rate fell from 9.4% in the first quarter of 2007 to 9.2 % in the second quarter.³ It was therefore 1.9 percentage points lower than at the same time last year. In July the seasonally adjusted decline in unemployment continued. The unemployment rate is now 9.0%.

Wages and prices

The 2007 pay round continued in the second quarter with important agreements in the metal-working industry, the printing industry, at Deutsche Telekom AG as well as in the wholesale and foreign trade sectors. In the construction industry it is still unclear whether the arbitrator's suggestion put forward in May will be finally accepted. The process had become necessary because the initial agreement failed after being vetoed by some re-

2007 pay round continues

² Nevertheless, the number of recipients of unemployment benefit II has also declined owing to demographic reasons. In addition, the efforts of the employment agencies and joint social entities comprising employment agencies and municipalities to encourage recipients of benefits back to work probably resulted in a fall beyond the extent of the pure employment effect.

³ The unemployment rate calculated according to the criteria of the International Labour Organisation (ILO) used for international comparisons has been estimated since May 2007 using the change in the number of registered unemployed. Since the beginning of 2004, the ILO ratio has been calculated using the results of a telephone survey. This survey was supposed to bridge the gap until the transition to a continual labour force survey as part of the microcensus, however this was postponed in April 2007. As the new continual survey is still not able to deliver sufficiently reliable results, a further bridging solution had to be found which is based on the traditional estimation procedure used before 2004. According to an EU Regulation, this procedure should have been replaced by a continual labour force survey in 2002 (for Germany however, a transition period applied until the end of 2004). This is now planned for the reporting month of September 2007.

gional employers associations. The rejection of the arbitrator's suggestion by two north German employers associations led to strikes lasting several weeks in the corresponding wage-bargaining areas. The arbitrator's suggestion provided for an agreement running for 24 months and starting with two "zero months" followed by a permanent increase in wages of 3.1% and further increases of 1.5% and 1.6% in 2008. Additional elements included lump-sum payments. A final agreement has also still to be reached in the case of Deutsche Bahn AG. In this case, the trade unions Transnet and GDBA have already agreed on a sustained uniform increase in negotiated wages of 4.5% and a one-off payment of €600 over a period of 19 months. The GDL engine drivers' union is still pursuing a much larger wage increase for train drivers.

The agreement reached in the printing industry came into force in mid-May.⁴ In this case it was agreed that wages would be increased by 3.0% after three "zero-months". With a total running time of 24 months, it is planned that after 12 months there will be a further permanent increase in the weekly wage of 2.1%. In the wholesale and foreign trade industry regional representatives of employers and employees agreed on an increase in wages over 24 months of 2.4% from July or August 2007 with a further 2.0% increase from mid-2008. In addition, graduated monthly lump-sum payments were agreed which would not affect scheduled rates of pay. In the case of Deutsche Telekom AG, it was agreed that around 50,000 employees would be outsourced to subsidiaries with different pay conditions. These would include,

above all, a gradual reduction in remuneration by a total of 6.5% and an increase in working hours from 34 to 38 hours without a corresponding pay increase. The new wage agreement also contains various measures to make working conditions more flexible as well as a reduction in starting wages of approximately 30%. A "zero-round" until the end of 2008 was agreed for the 100,000 Deutsche Telekom AG employees who were not to be outsourced.

Agreements this year vary distinctly from sector to sector and reflect the different economic situations of these and the relative strength of their bargaining positions. For example, the large settlement in the metal-working industry bears testimony to the exceptionally positive conditions in this industry while the agreement in the printing industry is to be seen in the context of the moderate economic growth that has been recorded in this sector. The tough negotiations in the construction industry as well as in the case of Deutsche Bahn AG illustrate the difficulties in reaching a consensus, both for employers and employees. The agreement in the case of Deutsche Telekom AG shows that even in economically positive times employees are willing to accept pay cuts and longer working hours if jobs are threatened. Overall, the trend appears to be towards more differentiation and towards the agreement of one-off payments, which are less of a burden in the future than increases in scheduled rates of pay (see box on page 50).

Sectoral differences in negotiating positions

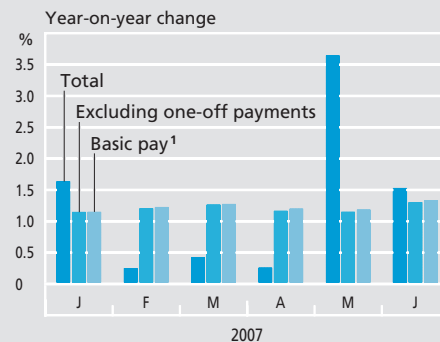
⁴ The agreement in the metal-working industry was already reported in the Monthly Report of May 2007.

Extension of the reporting categories in the Deutsche Bundesbank's negotiated pay rate statistics

Collectively negotiated labour agreements between employers associations and trade unions have become more complex in recent years in several respects. For example, (flat-rate) one-off payments, paid in addition to the normal remuneration, are playing a greater role. One reason for such one-off payments, which do not affect scheduled rates of pay, is to ensure that, particularly in times of growing competitive pressure, a company's future earnings are not burdened by too high a cost base. Thus one-off payments are often made during the first months of a pay agreement or even throughout the lifetime of the agreement, instead of a permanent percentage increase in the regular wage. One-off payments may also be awarded as financial compensation for increases in regular weekly working hours. In the context of an improving macroeconomic situation – particularly in export-related industries – one-off payments are also a way of allowing the employees to participate in the company's commercial success (which was facilitated by their preceding wage restraint) without pushing up marginal production costs. The flat rate means that those in lower wage brackets benefit more from such additional payments, and thus such agreements also contain a "social" component.

Within the Deutsche Bundesbank's negotiated pay rate statistics, agreed pay rates, including all one-off payments and fringe benefits (notably holiday pay, the Christmas bonus and saving subsidies) are recorded in the months in which they are payable according to the collective labour agreement. This is designed to ensure consistency between the monthly negotiated wage index and the quarterly figures on actual earnings (including benefits that are not covered by the collective agreement) in the national accounts, in which one-off payments are, as a general rule, likewise recorded at the time that the payment is actually made. The overall index of negotiated pay rates, on which the Bundesbank's reporting of employee remuneration has been based up to now, has become much more volatile in recent years owing to the increased frequency of

Negotiated rates of pay



one-off payments. Large one-off additional payments push up the index and its year-on-year increase during the month that payments are made. One year later, the annualised rate is then, as a general rule, pushed down (baseline effect). This makes it far harder to interpret the true development of negotiated wages. During the first six months of the current year, for example, the year-on-year average increase in the negotiated pay rate index varied between 0.2% and 3.6%. If, by contrast, temporary additional payments are factored out of the calculation, the development is much more even. And if basic pay rates alone are considered (ie also disregarding fringe benefits) the development is smoother still. From a medium-term perspective, these three statistical series nevertheless show a similar evolution of negotiated wages.

Starting now, table X.9 in the Statistical Section of the Monthly Report will include, alongside overall negotiated pay rates, the growth rate of negotiated wages excluding one-off payments and also of basic pay rates, in each case for the economy as a whole. Information on the production sector (including construction) can be found at http://www.bundesbank.de/statistik/statistik_zeitreihen.en.php

Negotiated rates of pay

Year-on-year change (%)

Item	2001	2002	2003	2004	2005	2006	Average 2001 to 2006
Total	1.9	2.7	2.1	1.4	1.1	1.3	1.7
Excluding one-off payments	2.2	2.3	2.2	1.3	0.9	0.9	1.7
Basic pay ¹	2.2	2.3	2.4	1.7	1.0	1.0	1.8

¹ Negotiated pay rates excluding one-off payments and excluding regular fringe benefits (holiday pay, Christmas bonus, saving subsidies etc).

Deutsche Bundesbank

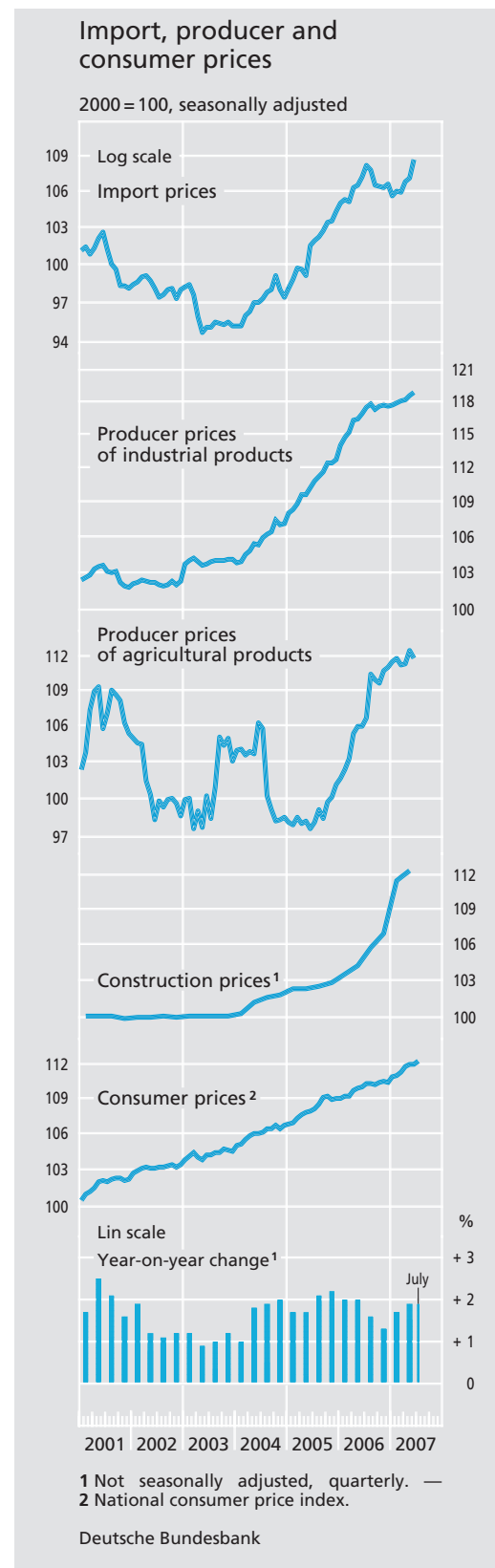
Negotiated wages and salaries in the economy as a whole

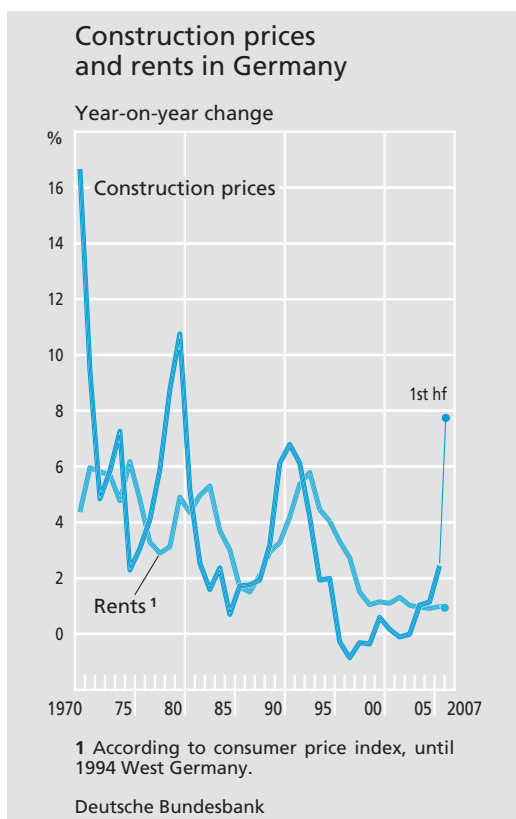
According to the Bundesbank's pay rate statistics, the negotiated rates of pay in the second quarter of 2007 were 1.8% up on the year. A one-off lump-sum payment in the metal-working industry is included in this. In the first quarter, base effects from one-off payments from 2006 dampened the annual rate of increase to 0.8%. If one-off payments and collective additional payments are excluded, the increase in basic remuneration was 1.2%. The new increased scheduled rates of pay as a result of wage agreements will first be reflected in the negotiated wage index in the third quarter.

Very strong rise in import prices...

Price developments in Germany were again significantly determined by developments in the markets for energy and other commodities. The resultant increase in prices was eased by the appreciation of the euro. Overall, the price of German imports increased strongly in the second quarter of 2007. In comparison with the first quarter, importers had to spend 1.6% more after seasonal adjustment. As a result, the reduction in prices in the two preceding quarters was reversed. Even if energy is excluded, however, there was once again a notable increase in seasonally adjusted terms. Strong price increases in intermediate goods overcompensated for decreases in the price of capital goods. The relatively unfavourable development in the case of consumer goods continued. Year-on-year inflation stood at 0.7%, or 1.8% if energy is excluded.

The price of German manufactured goods intended for domestic sale also increased notably, by 0.6% after seasonal adjustment. Ex-





... and clear increase in price of manufactured goods

cluding energy, the increase was similarly strong, particularly because the increased price of imported intermediate goods was passed on. The overall unfavourable trend in agricultural producer prices was reflected in industrial producer prices for consumer goods. The main contributor to this was the increase in farm gate prices of dairies. The price of industrial products, excluding energy, increased by 2.7% on the year, or 1.7% if energy is included. As export prices increased discernibly, albeit significantly less than import prices, there was a deterioration in the terms of trade. Even so, there was still a plus of 1.1% on the year. In July the price increase of German industrial goods declined to 1.1%, or 2.5% if energy is excluded.

The increase in construction prices slowed markedly in comparison with the first quarter. However, at 0.8%, the rise was still stronger than in mid-2006. The year-on-year increase went up to +7.9%. As in the quarter before, the increase in prices stretched across all sub-sectors of construction. The substantial increase in construction costs may also have medium-term effects on housing rents, whose weight in the German CPI is 21.2% (HICP 10.8%). In the past, rents have followed construction prices, although, generally with a certain time lag. At present the increase in rents is being subdued by broadly stable land prices.

Further sharp rise in construction prices

At a seasonally adjusted 0.7%, consumer prices rose slightly faster in the second quarter of 2007 than in the first quarter. According to calculations by the Federal Statistical Office, around 0.2 percentage point was the result of the introduction of tuition fees in several federal states. In addition, just under 0.3 percentage point was due to the ongoing increase in energy prices. This aside, price increases overall were fairly subdued. Food prices were 2.0% more expensive year on year. The influence of the hike in prices in the international markets for a number of agricultural commodities gradually became noticeable to consumers. In the case of industrial goods (excluding energy) the annual inflation rate was only 1.7% despite the increase in VAT. Price-dampening influences were the result of the appreciation of the euro. The price of services went up by 2.8% on the year mainly as a result of the VAT increase and the introduction of tuition fees. If the average increase of 1.8% in energy prices and the 1.1%

Consumer price increases due mainly to tuition fees and crude oil prices

rise in housing rents are taken into account, the annual rate of increase for the second quarter of 2007 amounts to +1.9%, according to the national consumer price index. According to the harmonised index of consumer prices, the figure was +2.0%.

Increasing consumer prices in July due to package holidays and energy

In July consumer prices increased by 0.3% after seasonal adjustment. This was mainly attributable to significantly higher prices for package holidays. The cost of energy increased further, especially that of fuels and heating oil as a result of sharp increases in crude oil prices. The lifting of the requirement that domestic electricity prices had to be approved, led on average to no more than a moderate increase in prices. The cost of food went up sharply. A contributory factor was that more retailers passed on to customers the increases in farm gate prices for dairy products which had taken place in June. The year-on-year increase in the CPI increased from 1.8% to 1.9% in June. The year-on-year increase according to the harmonised index of consumer prices was unchanged at 2.0%. Owing to the comparatively low energy prices in the second half of 2006, significantly higher annual rates are to be expected in the coming months, if only as a result of the baseline effect. A risk of further increases is posed by the fact that oil prices have increased strongly of late and there are shortages in agricultural markets.

Orders received and outlook

The prospects for a continuation of economic growth remain favourable. This is suggested

at all events by the orders situation and the relevant sentiment indicators. New orders received by enterprises increased strongly again in the second quarter of 2007, rising by a seasonally and calendar-adjusted 4% from their already high level in the first quarter when they had already increased by 3½%. The year-on-year increase went up to 11½% after calendar adjustment. Unusually large orders in June, especially from abroad, played a role here. This applies to the aircraft and aerospace industry as well as to shipbuilding. Large orders included in the statistics and with a value of more than €1 million are by no means as rare as one might imagine. For this reason it would not be appropriate to exclude them completely from the current orders situation in order to measure the basic trend in orders received. Admittedly, large orders generally take longer to have an effect on output than "normal" orders, which are relatively quickly converted into output. The strong growth in orders in the second quarter therefore overstates the response usually to be expected of output in the third quarter. If those large orders which may be considered unusual are excluded, the order volume in the second quarter is still 2% greater than the average of the first quarter.

Demand for manufactured goods rises further

Not least as a result of the large orders received, export orders increased by 6½%. New orders received from domestic customers also increased by a further 2%. All major sectors of industry, the capital goods industry in particular, were able to profit from the favourable growth in orders received.



In view of the continued buoyant growth in orders received and the cyclical “breather” in the industrial sector, the level of orders of many enterprises has grown further. This means that the ratio of the order volume in the order-based manufacturing industries to the production capacity available is increasing further. The order capacity index which is regularly calculated and now continuously published provides information on this. It currently stands well above its long-term average.⁵ The index stands not only at the highest level in this cycle but also has reached a level which has not been measured since reunification. The situation regarding the length of order books is similar. In June, the value of this indicator at 3 months, was only slightly below the very high level reached in March. Also when seen against this backdrop, the economic outlook remains favourable.

Large number of orders on hand

The sentiment indicators for the near future are at a high level. However, they have not increased further of late. Although the Ifo business expectations in the second quarter were above those of the first quarter, they have been decreasing slightly since June. The ZEW expectations also reached a high in May. Following a generally more volatile course, the

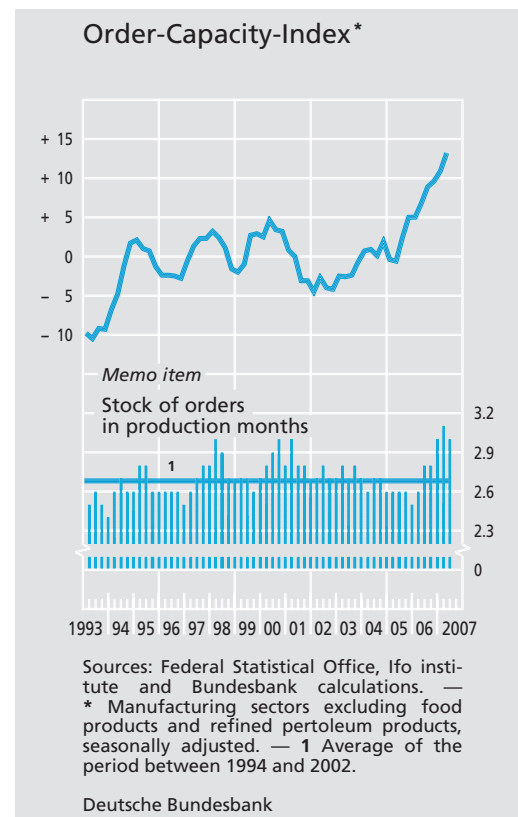
No further improvement in business prospects of late

⁵ For information on the design and interpretation of the order capacity index see Deutsche Bundesbank, Industrial orders and production: how informative is the order capacity index?, Monthly Report, February 2007, p 52. Output and the orders received in the order-based manufacturing industry are measured by aggregating the individual results and the weighted value added. Furthermore, capacity utilisation in the manufacturing sector excluding food and refined petroleum products, which is established by the Ifo institute is included in the calculation. The order capacity index is calculated on a quarterly basis and is available on the website of the Deutsche Bundesbank under Business Statistics (http://www.bundesbank.de/statistik/statistik_konjunktur.en.php) in the “time series” section.

indicator fell relatively sharply in the following months. It must be remembered, however, that for the ZEW financial market test it is not enterprises but instead financial experts that are questioned. Furthermore, the ZEW indicator is based only on expectations. It also covers trade and industry and the financial sector. The indicator, therefore, tends to react more sensitively to changes in and estimations of the capital and foreign exchange markets than the Ifo business expectations. It may also be more profit-oriented. It is significant that the greater caution in the July result is due to expectations for the financial sector and the other services (excluding trade). The Ifo business expectations for commercial, non-financial service providers have not been as high since May. The Reuters Purchasing Managers' Index for the services sector had an upward trend in the second quarter; however, in July it dropped slightly.

*Normalisation
of construction
demand*

In the construction industry, the business expectations for the coming six months became slightly more cautious in the second quarter after extremely positive developments at the beginning of the year. The balance of positive and negative reports, however, still lies far above the level of the final six months of 2006. The demand for construction work was 1% less than the average of the first quarter in April-May (more recent figures are not yet available). This is linked to the volatile nature of public sector orders. The demand for housing construction, which has again increased, is to be valued positively as this had fallen dramatically during the winter owing to the dampening effects of the VAT increase. Industrial construction will probably increase



once again due to the positive effects of the generally favourable investment environment even if no additional demand stimuli have recently come from this area.

Overall, the available indicators point to a continuation of the positive underlying trend. During the rest of the year fixed investment is likely to benefit more from the high capacity utilisation in the industrial sector and the positive order situation following the normalisation in the construction industry, which had temporarily curbed growth in the second quarter. The prospects of continuing strong export growth are also good given the increasing inflow of export orders and German firms' high, and still sustainable, level of competitiveness and attractive range of goods. To date, the euro's higher rate of exchange has

*Underlying
trend still
favourable*

hardly altered the picture. This is also due to the fact that today the German economy has a product range whose sales profile responds far less sensitively and fairly slowly to shifts in exchange rate patterns. Moreover, world trade is continuing to grow most favourably, as has recently been confirmed by the IMF.

Labour market stimuli increasingly important for private consumption

The dampening effects of the VAT increase could have a lingering impact on private consumption. The higher oil prices are likewise squeezing the purchasing power of disposable income. However, households' spending

behaviour, which was temporarily constricted by their response to the VAT rise, should be bolstered more and more in the next few months by the improved situation in the labour market and the wage agreements reached this year. The GfK gauge of consumer confidence has improved since March, and income expectations in the second quarter were significantly higher than in the first quarter. Households' economic expectations show that the upswing is now also looming ever large in the perception of consumers.

Public finances

General government budget

The evolution of public finances is currently very positive. After the general government deficit ratio already halved to 1.6% last year, a further marked decline seems likely for 2007. Significant progress has thus been made in the consolidation of public finances and a balanced budget is already possible this year. The favourable macroeconomic trend, which is easing pressure considerably on both the revenue and expenditure side, is contributing to the current improvement. Furthermore, the (very volatile) revenue from profit-related taxes is likely to increase steeply again, although it may now have exceeded the medium-term normal level. This is being reinforced by extensive measures on the revenue side (in particular, the rise in the standard rate of turnover tax) and a still moderate growth in structural expenditure, meaning that the structural fiscal balance, ie adjusted for cyclical effects, will likewise improve significantly. The debt ratio will fall this year for the first time since 2001 and, following the high of 67.9% reached in the two preceding years, approach the 60% ceiling stipulated in the EC Treaty.

*Balanced
general govern-
ment budget
possible in
2007*

The general government revenue ratio is likely to remain almost unchanged in 2007. On the one hand, the tax ratio will increase, primarily as a result of the raising of turnover tax and insurance tax rates but also owing to a further sharp increase in revenue from profit-related taxes. On the other, social contribution receipts will decrease in the wake of the cut in the contribution rate to the Federal Employment Agency from 6.5% to 4.2% and

*Largely
constant
revenue ratio
strongly
influenced by
countervailing
movements*

the lower social contributions from central government for recipients of unemployment benefit II.¹ On balance, this will only be partly offset by higher contribution rates to the statutory pension and health insurance schemes. In addition, the growth of the main macroeconomic benchmarks for taxes and social security contributions (gross wages and salaries, pre-tax private consumption) is lagging behind the marked rise in nominal GDP – due in part to the price effect of the higher excise duties.

*Expenditure
growth still
subdued*

There will be a further marked fall in the expenditure ratio this year. Firstly, the positive macroeconomic trend is leading to reduced spending since unemployment figures are lower and – as is customarily the case during an economic upswing – on account of strong nominal GDP growth to a decline in the expenditure ratio. Secondly, the moderate wage trend of the past few years is currently still having a dampening effect on expenditure (as on revenue). For one thing, much government expenditure such as pensions and unemployment benefits is directly affected by wage levels; for another, the current wage moderation in the public sector was itself facilitated by the past development in the private sector. Additional factors are the low number of new pension recipients, the sustained reduction in staff levels and other measures such as the shortening of the maximum period of entitlement to unemployment benefit I, lower social security contribution payments for recipients of unemployment benefit II and lower payments for grants to homebuyers, which are being phased out. By contrast, there could be accelerated

growth in nominal expenditure on government investment, which had already seen a sharp rise in 2006.

The fiscal balance could be somewhat more favourable in the coming year if the positive macroeconomic dynamics persist. According to the budget plans, however, no further improvement in the structural balance is likely. The reform of business taxation, which will come into force next year, will lead to extensive revenue losses. In addition, a certain acceleration of the rise in expenditure, which has been subdued over the past few years, is on the horizon. There is a danger that, as during previous cyclical upswings, the favourable course of budgetary development may be seized as a chance to make additional expenditure hikes or tax and social security cuts without taking due account of the partially temporary nature of the improvement. In that case, the structural budgetary position would worsen. Although, as things currently stand, the debt ratio will decline again noticeably, it will remain above the 60% ceiling. The advantages of consolidation are evident not least in the associated considerable savings on interest expenditure. Thus the declines in the deficit in 2006 and 2007 alone will cut the spending bill by around €4 billion in 2008 compared with the scenario of an unchanged deficit ratio of 3.2% since 2005.

*Further cyclical
improvement
possible in
2008*

The positive overall fiscal picture should not obscure the fact that extensive consolidation measures are still required not only for central

*Different
budgetary
positions for
the different
tiers of
government*

¹ However, with social security spending initially unchanged, the latter places increased strains on other contribution payers.

but also for some state and local governments. This is masked when the budgetary position is viewed from a general government perspective. If the surpluses generated by some government entities (eg the Federal Employment Agency or individual federal states) were used for tax and social security cuts or increases in expenditure, the partially unresolved budgetary problems would resurface, also at the general government level.

Surpluses should be aimed at during upturns

The current favourable circumstances provide the opportunity to rapidly eliminate the continuing budgetary imbalances and to attain and lastingly maintain a balanced budget position in the medium term, in line with the goals of the European fiscal framework. After the excessive deficit procedure that had been instigated against Germany in January 2003 was dropped in June owing to the country's favourable budgetary development, the non-binding preventative agreements of the European fiscal framework must now be rigorously implemented. In this way, Germany can set an example within the European Union and simultaneously strengthen the credibility of the Stability and Growth Pact, which was reformed not least owing to pressure from Germany. It will now be seen whether countries whose public finances have not yet been structurally balanced will actually achieve the aim of greater consolidation in good times, which is one of the central reform elements. In Germany, expanding revenue or contracting expenditure should be used for the purpose of deficit and debt reduction. A surplus during an economic upturn means not least that in a later downturn it will still be possible to meet the national and European fiscal re-

quirements without resorting to pro-cyclical policies. It should also be noted that considerable uncertainties exist regarding the assessment of the current budgetary position and, in particular, the further development of profit-related taxes.

Budgetary development of central, state and local government²

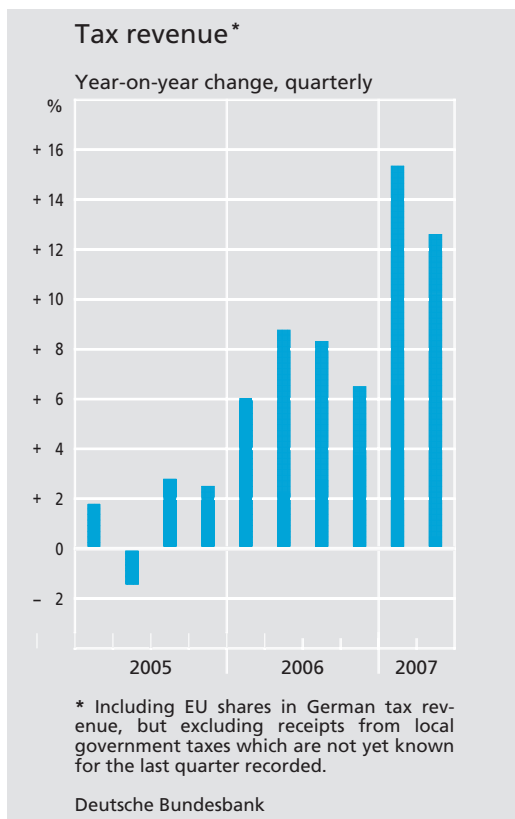
Tax revenue

In the second quarter, tax revenue³ was 12½% up on the same period last year (see also the table on page 61). This reflects both the rise in the standard rate of turnover tax and the growth in revenue from income taxes against the backdrop of the favourable macroeconomic trend. Owing to the growth in gross wages and salaries, the restriction of tax rebates claimable by commuters and the comparatively moderate growth in payments deducted from cash receipts (child benefit and subsidies for supplementary private pension plans), wage tax receipts rose by just under 8½%. Revenue from the highly volatile profit-related taxes increased by 28%. This rise reflects the favourable corporate earnings situation and the comparatively low increase in payments deducted from cash receipts (grants paid to home owners and investors, employee rebates, refunds of investment in-

Further strong rise in tax revenue in Q2 ...

² The following analysis is based on the budgetary figures as defined in the government's financial statistics. The most recently published data on local government finances are commented on in the short articles in the Bundesbank Monthly Report of July 2007.

³ Including EU shares in German tax revenue but excluding receipts from local government taxes, which are not yet known for the last quarter recorded.



come tax) which comfortably offset the dampening impact of legislative changes on gross revenue (above all the two-year extension of the declining-balance depreciation method). Revenue from turnover tax grew by 16½%, which was largely related to the rise in the standard rate of VAT from 16% to 19%.

... and favourable outlook for the year as a whole

The 14% increase in total tax revenue in the first half of the year is noticeably larger than the growth of 10% expected in the last official tax revenue estimate of May for the year as a whole (excluding local government taxes in each case). At the moment, there are a number of signs that the annual outturn will also be significantly higher than the May forecast. However, there are uncertainties in this regard, not least owing to the generally very

volatile nature of revenue from profit-related taxes.⁴ It regularly fluctuates distinctly more than can be explained by entrepreneurial and property income, which is used as an indicator for the tax assessment base, and central government estimates of the effect of legislative changes. Following the recent strong growth, the medium-term normal level may now have been exceeded. Given past experience, a prudent approach is to be recommended, particularly as a basis for budgetary planning.

Central government budget

Central government recorded a surplus of €5½ billion in the second quarter of 2007 compared with just over €1½ billion in the same period of 2006. The main reason for this favourable development was an increase in revenue of 10½% caused by the particularly strong growth in tax receipts. Non-tax revenue decreased, by contrast, as there was a reduction in the compensatory amount paid by the Federal Employment Agency and capital proceeds also declined. Total expenditure also increased markedly in the second quarter of 2007 (+4½%). The biggest absolute rise was recorded by the new grant to the Federal Employment Agency, which is being financed through the increase in turnover tax. However, increases were also registered not least in the case of operating expenditure and interest payments. The latter was doubtless due chiefly to higher interest rate charges on short-term borrowing, in which central government is engaged with Federal Treasury

Higher surplus in Q2 owing to growth in tax receipts

⁴ See also Deutsche Bundesbank, Monthly Report, November 2006, p 55.

Tax revenue

Type of tax	H1				Q2				Estimate for 2007 1,2
	2006		2007		2006		2007		
	€ billion		Year-on-year change		€ billion		Year-on-year change		Year-on-year change as %
			in € billion	as %			in € billion	as %	
Tax revenue, total ²	207.1	235.8	+ 28.8	+ 13.9	111.2	125.2	+ 14.0	+ 12.6	+ 10.1
<i>of which</i>									
Wage tax	57.9	62.7	+ 4.8	+ 8.4	29.8	32.2	+ 2.5	+ 8.3	+ 7.1
Assessed income tax	3.8	9.0	+ 5.3	+ 140.4	5.9	8.2	+ 2.3	+ 39.9	+ 26.1
Investment income taxes ³	12.5	15.7	+ 3.2	+ 25.7	7.0	8.7	+ 1.7	+ 23.4	+ 11.7
Corporation tax	10.4	11.7	+ 1.3	+ 12.6	5.2	6.2	+ 1.1	+ 20.3	+ 3.1
Turnover taxes ⁴	71.1	83.0	+ 11.9	+ 16.8	35.2	41.0	+ 5.8	+ 16.4	+ 17.7
Energy tax	14.2	13.8	- 0.4	- 3.1	9.7	9.2	- 0.5	- 5.1	+ 0.2
Tobacco tax	6.4	6.4	- 0.0	- 0.2	3.6	3.5	- 0.1	- 3.9	+ 0.8

¹ According to May 2007 official tax estimate. — ² Including EU shares in German tax revenue, but excluding receipts from local government taxes which are not yet

known for the last quarter recorded. — ³ Non-assessed taxes on earnings and withholding tax on interest income. — ⁴ Turnover tax and import turnover tax.

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notes (Schätze) and Treasury discount paper (Bubills) totalling around €150 billion as well as extensive cash advances.

The budget approved at the end of 2006 envisaged a deficit of €20 billion for 2007. With the additional revenue of €10 billion forecast in the May tax estimate, this could be halved. It should be possible to offset burdens resulting from the distinctly lower-than-anticipated proceeds from the compensatory amount through savings elsewhere and potentially even stronger tax revenue growth. However, the Federal Ministry of Finance has now announced that it will set up a special fund connected with the planned increase in the number of day care places for infants. It intends to pay tax revenue into this fund with a view to partly pre-financing the committed assump-

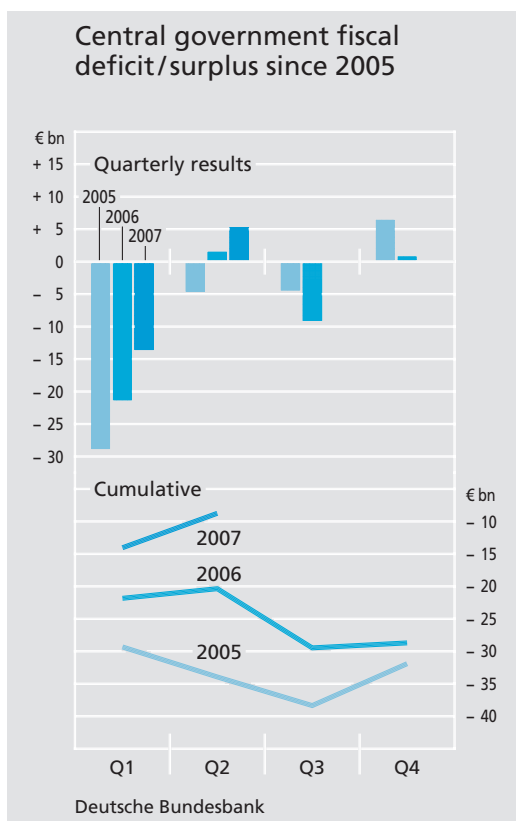
tion of costs of €4 billion by 2013.⁵ Furthermore, planned proceeds from asset realisations might be held in abeyance for subsequent "difficult times". Of the associated proceeds envisaged in the budget (€11 billion), only €2 billion has been realised to date. It cannot be ruled out that the existing scope to reduce net borrowing by more than the budgeted amount may not be exploited to the full in order to be able to record a continuous decline in the next few years.

The draft budget for 2008 approved by the Federal Cabinet at the beginning of July envisages net borrowing of €13 billion in the context of further sizeable asset realisations.

Hardly any fiscal consolidation in 2008 budget

⁵ See also Deutsche Bundesbank, Trends in local government finances since 2000, Monthly Report, July 2007, p 40.

Net borrowing could fall well below budgeted figure



Progress towards fiscal consolidation compared with 2007 thus remains very limited overall and has been postponed until subsequent years, despite the favourable current economic setting. Expenditure is set to increase by just over 4½% compared with the budget for 2007. This is primarily due to higher payments to offset the Post Office pension fund deficit and also to one-off effects resulting from the overlapping of child-raising benefit, which is being phased out, and parental benefit, which is already being paid in full, as well as the forwarding of a larger amount of turnover tax resources to the Federal Employment Agency. If these effects are disregarded, the increase in expenditure amounts to just under 2%, attributable to additional spending, in particular, on development aid and external and internal security.⁶

This falls a long way short of the Financial Planning Council's target of last year to restrict expenditure growth to 1%. Furthermore, not all expenditure authorisations are included in the recorded total. Thus, extra expenditure appropriations have been earmarked subject to the proviso that as not yet quantified revenue is to be generated through the sale of CO₂ certificates and sales by the Federal armed forces.

On the revenue side, next year's budget envisages 3% more tax receipts compared with the official May estimate for 2007. The result of the tax estimate for 2008 has been adjusted upwards across the board by €2 billion and various additional legislative changes – in particular, the business tax reform – have been taken into account. In addition, it is planned to replace the compensatory amount as of 2008 by a reintegration payment by which the Federal Employment Agency is to bear half of the administration and labour market integration costs for recipients of unemployment benefit II. This should generate €5 billion in receipts. Compared with a continuation of the compensatory amount, this should ultimately yield around €2 billion in additional revenue. As a general principle, in-

⁶ In general, the task of adjusting expenditure growth for extraordinary factors is not unproblematic and runs the risk of being arbitrary. For example, an increase in the central government grant to the Federal Employment Agency is ultimately a benefit that must be financed. In addition, alongside exceptional burdens, exceptional relief such as on payments for retired rail staff, war victims' welfare benefits and the all-day school programme, which is coming to an end, should also be factored out. In particular, the exceptional savings made through the temporary reduction in transfers to the Post Office pension fund – owing to the associated securitisation transactions – should have been explicitly highlighted in the past.

insurance benefits to be funded through contributions should be clearly demarcated from social policy tasks to be financed out of tax revenue. Otherwise there is a danger that the financial relations with the social security funds could be engineered so as to achieve current central government budget targets.

Balanced budget aimed at in 2011 with the aid of one-off receipts

The medium-term financial plan up to 2011 envisages running central government net borrowing down to zero by the end of the planning period. To this end, expenditure growth after 2008 is to be restricted to an annual average rate of ¾%. This target will require far more stringent expenditure discipline in future budgetary negotiations than is the case in the current and coming year. On the other hand, the assumed positive development of tax revenue could encourage additional spending wishes, as has been experienced in 2007. Moreover, even in 2011, it will evidently only be possible to achieve a balanced budget thanks to privatisation proceeds of €6 billion.

Federal Constitutional Court criticises current borrowing limit

A tightening of the debt incurrence rules is being discussed as part of the second phase of the reform of Germany's federal structure. This was also urged by the Federal Constitutional Court in its judgement of the central government budgets for 2004. A majority of the judges ruled that the budgetary acts did not breach the borrowing limits specified in Article 115 of the Basic Law. They thus concluded that – despite growth expectations at the time – the Federal Government was justified in assuming that a serious disruption to overall economic equilibrium existed, thus warranting a breach of the statutory borrow-

Federal Government's medium-term financial planning

€ billion

	Actual 2006	Target 2007 ¹	Draft 2008 ²	Financial plan		
				2009	2010	2011
Expenditure	261.0	270.5	283.2	285.5	288.5	289.7
of which						
Investment	22.7	24.0	24.3	24.1	24.1	23.7
Revenue	233.1	250.9	270.3	275.0	282.5	289.7
of which						
Taxes	203.9	220.5	237.1	247.9	252.6	260.3
Net borrowing	27.9	19.6	12.9	10.5	6.0	–
<i>Memo item</i>						
Percentage increase in expenditure	+ 0.5	+ 3.6	+ 4.7	+ 0.8	+ 1.1	+ 0.4

¹ This contains asset disposals of around €15 billion including relief arising from sales of claims on the Post Office pension fund. — ² Including asset realisations of around €12 billion. — ³ Adjusted for special and one-off effects (expiry of relief arising from sales of claims on the Post Office pension fund, changeover to parental benefit, higher VAT-financed subsidies to the Federal Employment Agency), the increase amounts to 1.9%.

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ing ceiling, and that the advancement of the tax cut and the subsequent adherence to the fiscal stance were suitable measures to avert this disruption. The German Council of Economic Experts, whose opinion carries particular weight following the ruling of the Federal Constitutional Court in 1989, was highly critical of this assessment in its report. According to the judges, the ineffectiveness of Article 115 of the Basic Law has been demonstrated in practice over the past few years. However, they stressed that the responsibility for amending it lies with the legislature and not with the judiciary. They did not specify any reform requirements in their ruling. However, the opinion was expressed in minority votes that there should at least be a much narrower definition of investment and hence of the associated scope for borrowing. In the

second stage of the reform of the federal structure, it is now especially important to effectively restrict net borrowing in the constitutions. Inserting the requirement of a structurally virtually balanced budget, as enshrined in the Stability and Growth Pact, would be a suitable element towards eliminating the discretionary leeway currently associated with investment-related borrowing limits and avoiding inconsistencies with European fiscal commitments.

State government budgets

Further favourable development in state government budgets in Q2

The state government budgets recorded a clear surplus of €5½ billion in the second quarter compared with a balanced budget in the same period of 2006. Revenue increased overall by 10½% owing, in particular, to the favourable trend in tax revenue. Expenditure grew by the far smaller margin of 2%. Transfers to local government are likely to have been considerably larger owing to increased tax receipts, but the key item of personnel expenditure decreased slightly.

State government budgets close to balance in 2007, but continuing need for consolidation

Given the strong growth in tax revenue and the much smaller increase in expenditure, it can be expected that the state government budgets for 2007 will be close to balance on the whole. Bavaria, Mecklenburg-Western Pomerania, Saxony and Thuringia are expecting at least balanced budgets as early as this year. Baden-Württemberg, Berlin and Saxony-Anhalt plan to manage without any new borrowing from 2008 at the latest. By contrast, a number of Federal states are still dragging their feet about aiming to rapidly achieve a balanced budget. This is particularly

true of Saarland and Bremen, which are still suing central government to obtain restructuring aid, and of North Rhine-Westphalia and Schleswig-Holstein. Although Rhineland-Palatinate anticipates a longer transitional period until a balanced budget is achieved, it is taking account of growing future burdens for civil servant pensions by setting up relatively large reserves.

Further efforts would – as in the case of central government – facilitate the rapid implementation of tighter borrowing limits. However, the Federal states are still reluctant to set more ambitious legally-binding limits. Hitherto, only Bavaria has had a legal ban on borrowing not warranted by the economic climate or exceptional circumstances. Now, Baden-Württemberg is planning a similar regulation in its state budgetary rules as of 2008. In order to strengthen the binding effect, however, it would be fundamentally preferable to enshrine this in the state government constitutions. In this respect, the second phase of the reform of the federal structure has a particularly important role to play.

Social security schemes⁷

Statutory pension insurance scheme

In the statutory pension insurance scheme, revenue exceeded expenditure by €½ billion

⁷ The financial development of the statutory health and long-term care insurance schemes was analysed in greater detail in the short articles of the Monthly Report of June 2007.

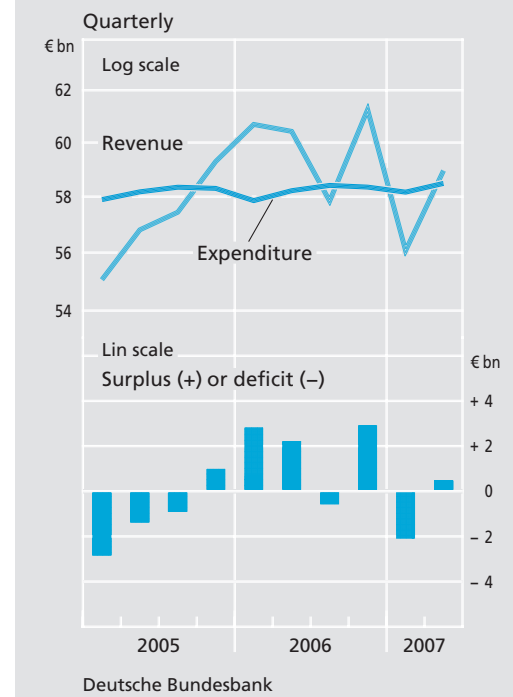
Improvement in the financial situation owing to higher contribution rate and favourable economic setting

in the second quarter. At just over €2 billion, the surplus recorded in the same quarter of 2006 was larger, although this was mainly attributable to a one-off revenue windfall caused by the transitional regulation lasting until July 2006, which brought forward the transfer deadlines for social contributions. At €2½ billion, the customary seasonal improvement in the financial situation from the first to the second quarter was well above the medium-term average. This is particularly noteworthy given the mild winter and the consequently already relatively strong financial outturn in the first quarter. Overall, the rise in contribution rates from 19.5% to 19.9% at the beginning of the year, along with the favourable trend in employment and improved pay levels, had a positive effect on the statutory pension insurance scheme in the first half of the year. The increase in expenditure was only slight. While pension payments hardly increased, pension insurance spending on health insurance contributions for pensioners, at 5½%, grew much faster owing to the sharp rise in contribution rates at the beginning of the year.⁸

Largely balanced result expected for 2007 as whole

On the one hand, a further significant increase in pay subject to compulsory contributions is to be expected in the second half of the year. On the other, the adjustment of pensions by 0.54% on 1 July 2007 will amplify the increase in expenditure. In this connection last year's favourable employment trend is boosting pension levels via the sustainability factor. Overall, the statutory pension insurance scheme will probably record a largely balanced budget at the end of the year. Given the sharper rise in average pay

Finances of the German statutory pension insurance scheme



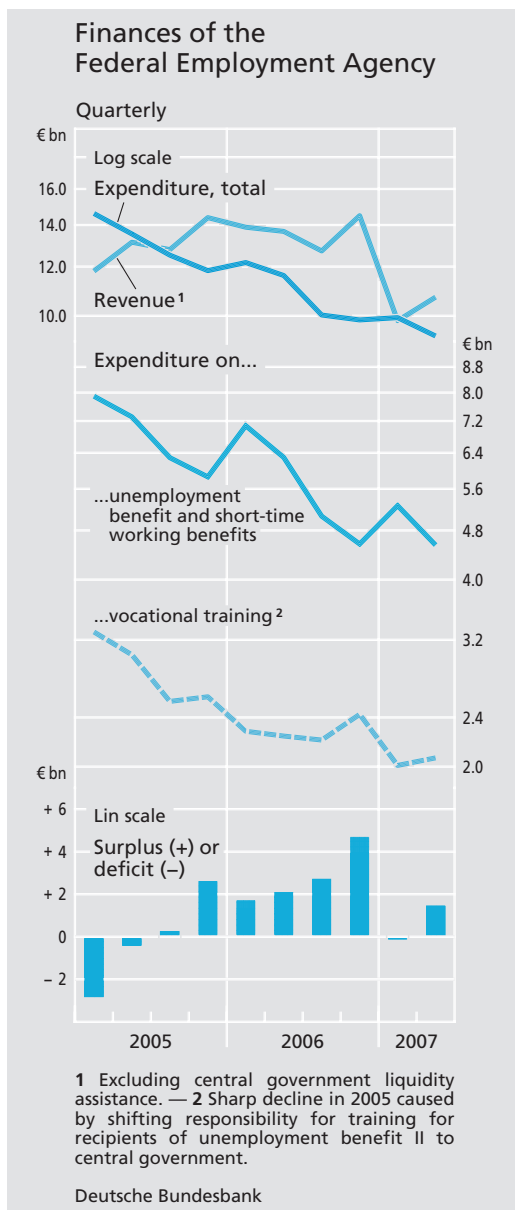
and the positive employment trend this year, there could be a higher pension increase in 2008. The cyclically induced positive revenue trend would then soon be followed by higher expenditure.

Federal Employment Agency

The Federal Employment Agency recorded a surplus of €1½ billion in the second quarter. Owing to the baseline effect caused by bringing forward the transfer deadlines for social contributions as of January 2006, no direct comparison is possible with the second quarter

Surplus in Q2

⁸ Changes in statutory health insurance institutions' contribution rates come into effect for pensioners from the third month following the relevant change (section 247 of the Fifth Book of the Social Security Code). The contribution rate increases in January (an average year-on-year rise from 14.2% to 14.8%) thus affected expenditure as of April 2007.



ter of 2006 (+€2 billion). In addition, the Federal Employment Agency's contribution rate was reduced from 6.5% to 4.2% on 1 January 2007. Moreover, the Federal grant brought in at the same time, which amounted to €1½ billion in the second quarter, must also be taken into account. Despite this, total revenue was down 21½% on the year. However, this was almost matched by the fall in expenditure (-20%).

The main contributory factor to the ongoing marked decline in expenditure was the reduced costs of unemployment benefit I, which fell by 28½%. The decisive factor for this was the decrease of 27% in the number of recipients. This reflects not only the favourable labour market situation which, in particular, makes it easier for the short-term unemployed to find new jobs, but also the shortening of the maximum entitlement period to unemployment benefit I to 12 months (or 18 months for persons aged 55 or over), which has had a financial impact as of 1 February 2007. In addition, the compensatory amount was significantly lower in the second quarter than in the same period of 2006. Furthermore, almost 8% less was spent on active labour market policy measures.

Lower spending on wage substitutes owing to buoyant economic activity and shortening of maximum period of entitlement

The Federal Employment Agency will record a clear surplus for 2007 as a whole and will therefore be able to further replenish its reserves. On 1 January 2008, the compensatory amount is to be replaced, mainly by means of a reintegration payment (estimated as €2 billion higher). In this way the Federal Employment Agency is to meet half of the central government costs of administration and labour market integration measures for recipients of unemployment benefit II. In addition, it is planned to reduce the contribution rate by a further 0.3 percentage point to 3.9%. Overall, extra costs of around €4½ billion will arise. That would appear viable as long as the long-term average number of recipients of unemployment benefit I does not exceed the current annual average level of around 1.1 million. Between 1999 and 2006, however, the average number of recipients was

Surplus also expected for year as whole

considerably higher, at an average of just under 1.8 million per year. Although the labour market reforms may have contributed to the marked average reduction of the number of recipients of unemployment benefit I – in some cases, at the expense of higher numbers of recipients of unemployment benefit II – this is based on estimates that are subject to major uncertainty.

The current discussion on the use of the Federal Employment Agency's surpluses shows

that a clear and transparent demarcation of contribution-funded insurance benefits from tax-funded transfers should be an important aim for future fiscal reforms. This could enhance public satisfaction with the social security systems, support a coherent and more selective income redistribution policy and thus improve the quality of public finances. In particular, this would help to avoid a situation in which contribution payers alone finance certain general societal tasks.

Demarcation of insurance benefits from income redistribution transfers

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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 Oct	11.3	8.7	8.0	8.0	7.8	9.4	9.1	2.07	2.20	3.3
Nov	10.5	8.3	7.6	7.6	8.2	9.5	8.9	2.09	2.36	3.5
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	7.8	10.8	8.4	3.57	3.82	4.1
Mar	7.0	9.5	11.0	10.5	7.8	10.9	8.9	3.69	3.89	4.0
Apr	6.0	8.8	10.3	10.6	7.6	10.8	8.9	3.82	3.98	4.2
May	5.9	9.3	10.6	10.6	8.4	11.1	8.5	3.79	4.07	4.3
June	6.1	9.5	10.9	...	8.7	11.5	9.2	3.96	4.15	4.6
July	...	...	...	...	...	...	...	4.06	4.22	4.6

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 Oct	-	4,608	+ 1,012	- 16,752	- 14,871	- 7,041	+ 5,102	+ 59	1.2015	101.8	102.7
Nov	-	746	+ 262	+ 7,929	- 6,475	- 41,641	+ 55,018	+ 1,027	1.1786	101.1	102.0
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	102.6
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	105.4
Aug	-	5,883	- 2,203	+ 3,667	- 5,490	- 25,009	+ 34,984	- 818	1.2811	104.6	105.4
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	105.2
Dec	+ 13,685	+ 5,008	- 39,873	- 36,534	+ 26,246	- 27,696	- 1,889		1.3213	105.5	106.0
2007 Jan	-	6,081	- 4,355	+ 43,067	- 7,412	+ 28,950	+ 24,533	- 3,004	1.2999	104.9	105.5
Feb	-	5,749	+ 2,318	- 11,006	- 10,951	+ 14,686	- 14,221	- 519	1.3074	105.4	105.9
Mar	+ 9,425	+ 9,592	- 44,024	- 5,851	+ 61,391	- 101,722	+ 2,158		1.3242	106.1	106.4
Apr	-	4,298	+ 4,319	+ 17,699	- 24,514	+ 11,519	+ 32,462	- 1,769	1.3516	107.1	107.4
May	-	14,569	+ 3,596	+ 668	- 11,277	+ 5,072	+ 7,586	- 713	1.3511	107.3	107.4
June	...	...	...	...	...	...	...	...	1.3419	106.9	106.9
July	...	...	...	...	...	...	...	...	1.3716	107.6	107.6

* 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
Real gross domestic product ¹														
2004	3.0	1.1	3.7	2.5	4.7	4.3	1.2	3.6	1.9	2.4	1.3	4.4	3.2	2.0
2005	1.1	0.8	2.9	1.7	3.7	5.5	0.1	4.0	1.5	2.0	0.5	4.0	3.5	1.5
2006	3.2	2.9	5.0	2.0	...	6.0	1.9	6.2	2.9	3.1	1.3	5.2	3.9	2.7
2006 Q1	3.6	3.4	4.6	2.2	4.1	6.4	2.1	7.2	3.5	3.2	1.1	5.0	3.5	2.4
Q2	2.8	1.6	4.8	1.7	4.1	4.0	1.4	5.5	3.1	3.2	0.9	4.7	4.0	2.9
Q3	2.5	2.7	3.2	2.0	...	8.1	1.3	6.2	2.8	3.2	1.6	5.6	3.6	2.8
Q4	3.7	3.7	7.4	2.1	...	4.6	2.7	5.9	2.7	2.8	1.6	5.5	4.2	3.4
2007 Q1	3.1	3.3	5.5	1.8	...	7.5	2.3	7.3	2.5	3.5	2.0	7.2	4.3	3.1
Q2	2.3	2.5	...	1.2	...	...	...	...	2.4	...	...	...	...	2.5
Industrial production ^{1,2}														
2004	3.2	3.1	4.9	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	0.7	- 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	0.8	0.9	2.9	3.4	5.4	3.1	5.9	1.4	6.0	2.6	3.5
Q2	5.5	5.9	14.4	1.8	0.4	9.8	1.6	1.9	0.9	7.7	1.7	5.2	4.0	4.3
Q3	4.0	6.4	10.2	0.7	0.0	6.3	1.3	- 0.7	0.2	10.1	3.5	7.9	4.2	4.2
Q4	4.8	6.0	4.0	0.4	0.6	1.5	3.9	2.3	0.3	9.0	4.3	7.2	4.6	4.0
2007 Q1	3.9	r	6.8	0.9	0.8	2.9	14.4	0.9	1.3	7.2	4.2	9.8	4.2	3.8
Q2	2.8	7p	5.6	- 0.4	0.0	p	0.7	p	- 1.1	0.6	p	2.1	- 0.5	e
Capacity utilisation in industry ³														
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	76.5	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	...	83.8	85.2	84.3	85.9	81.4	84.2
Unemployment rate ⁴														
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 Jan	7.9	7.6	7.1	9.0	8.6	4.3	6.1	4.9	3.5	4.4	8.1	5.3	8.2	7.3
Feb	7.8	7.0	7.0	8.9	8.6	4.4	6.1	4.9	3.5	4.4	8.1	5.2	8.2	7.2
Mar	7.6	6.9	6.9	8.8	8.6	4.3	6.1	4.9	3.4	4.3	8.1	5.1	8.1	7.1
Apr	7.6	6.6	6.8	8.8	...	4.3	...	4.9	3.3	4.4	8.0	5.2	8.1	7.0
May	7.5	6.5	6.8	8.7	...	4.4	...	4.9	3.3	4.3	7.9	5.1	8.1	6.9
June	7.4	6.4	6.7	8.6	...	4.4	...	4.9	3.3	4.3	7.9	5.1	8.1	6.9
July	7.5	...	...	...	...	4.7	...	...	...	4.3	...	...	8.0	...
Harmonised Index of Consumer Prices ¹														
2004	1.9	1.8	0.1	2.3	3.0	2.3	2.3	3.2	1.4	2.0	2.5	3.7	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 Jan	1.7	1.8	1.3	1.4	3.0	2.9	1.9	2.3	1.2	1.7	2.6	2.8	2.4	⁵ 1.8
Feb	1.8	1.9	1.2	1.2	3.0	2.6	2.1	1.8	1.4	1.7	2.3	2.3	2.5	1.8
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	p	1.4	p	2.0	2.3	p
General government financial balance ⁶														
2004	0.0	- 3.7	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	- 3.2	2.7	- 3.0	- 5.5	1.0	- 4.2	- 0.3	- 0.3	- 1.6	- 6.1	- 1.5	1.1	- 2.5
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
General government debt ⁶														
2004	94.3	65.7	44.1	64.3	108.5	29.7	103.8	6.6	52.6	63.9	58.2	28.9	46.2	69.7
2005	93.2	67.9	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	67.9	39.1	63.9	104.6	24.9	106.8	6.8	48.7	62.2	64.7	27.8	39.9	68.9

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

sonally adjusted. — 5 Including Slovenia from January 2007 onwards. — 6 As a percentage of GDP; Maastricht Treaty definition; Euro-area aggregate: European Central Bank, member states: European Commission. — 7 Provisional; adjusted in advance by the Federal Statistical Office by way of estimates to the results of the Quarterly Production Survey for the second quarter 2007.

II Overall monetary survey in the euro area

1 The money stock and its counterparts *

(a) Euro area

€ billion

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) 2	Capital and reserves 3
		Total	of which Securities	Total	of which Securities								
2005 Nov	141.0	102.7	20.3	38.2	44.0	- 42.7	27.9	70.6	22.7	10.1	0.2	6.3	6.1
2005 Dec	44.7	78.0	3.8	- 33.3	- 56.4	18.5	- 71.3	- 89.8	44.4	27.9	0.8	- 7.5	23.1
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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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	120.3	103.1	14.6	17.2	21.2	- 22.9	143.9	166.8	14.3	4.0	1.9	7.8	0.6
2007 Feb	70.8	69.4	3.2	1.4	4.3	40.6	124.9	84.3	52.9	2.8	1.9	39.9	8.3
2007 Mar	146.5	154.3	46.7	- 7.9	- 6.5	84.5	125.6	41.1	76.3	17.6	0.9	28.1	29.7
2007 Apr	154.6	170.8	78.7	- 16.2	- 16.7	- 39.4	151.7	191.1	29.0	13.4	0.3	17.5	- 2.2
2007 May	135.9	104.8	29.9	31.1	36.7	- 14.3	77.4	91.7	9.1	16.8	- 0.2	20.7	- 28.2
2007 June	94.8	100.5	- 19.2	- 5.7	- 5.2	35.6	- 23.0	- 58.6	89.6	20.2	0.7	31.9	36.8

(b) German contribution

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) 2	Capital and reserves 3
		Total	of which Securities	Total	of which Securities								
2005 Nov	4.2	1.9	5.4	2.3	10.0	- 7.0	2.3	9.3	2.5	2.0	0.2	- 2.4	2.8
2005 Dec	- 7.7	- 3.4	11.2	- 4.3	- 6.6	16.8	- 38.3	- 55.1	- 5.0	4.0	0.7	- 10.7	0.9
2006 Jan	38.3	30.0	13.0	8.3	6.2	9.1	36.9	27.8	6.7	0.9	0.7	4.7	0.4
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2006 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
2007 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
2007 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
2007 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
2007 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
2007 June	- 27.3	- 11.7	- 24.6	- 15.6	- 10.1	58.7	24.0	- 34.7	9.5	2.1	0.6	- 3.8	10.5

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

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

II Overall monetary survey in the euro area

(a) Euro area

IV De- posits of central gov- ernments	V Other factors			VI Money stock M3 (balance I plus II less III less IV less V)										Period					
	Total 4	of which Intra- Eurosysteem liability/ claim related to banknote issue	Total	Money stock M2						Repo transac- tions	Money market fund shares (net) 2,7,8	Debt secur- ities with maturities of up to 2 years (incl money market paper) (net) 2,7							
				Total	Money stock M1			Deposits with an agreed maturity of up to 2 years 5	Deposits at agreed notice of up to 3 months 5,6										
					Total	Currency in circu- lation	Overnight deposits 5												
5.7	53.1	-	16.8	23.6	28.2	4.0	24.2	-	3.5	-	1.0	-	2.1	-	9.3	-	4.6	2005 Nov	
-	11.5	-	83.3	-	113.6	149.4	91.9	18.3	73.6	38.0	19.5	-	18.2	-	14.2	-	3.4	Dec	
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	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	-	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	10.1	0.4	0.4	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	12.9	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	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	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	1.8	1.8	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	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	13.2	0.1	0.1	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	0.4	0.4	Dec
11.2	66.4	-	5.5	-	59.8	-	83.3	-	17.0	-	66.4	23.1	0.4	14.2	28.9	22.3	22.3	22.3	2007 Jan
19.0	3.2	-	36.2	7.3	-	6.5	3.1	-	9.6	25.1	-	11.3	6.6	11.5	10.8	10.8	10.8	10.8	Feb
-	5.4	-	1.5	-	161.6	125.3	62.1	9.7	52.4	65.4	-	2.2	13.2	14.1	9.0	9.0	9.0	9.0	Mar
-	10.2	25.2	-	71.2	52.0	18.5	6.3	12.2	41.0	-	7.5	-	0.1	18.0	1.4	1.4	1.4	1.4	Apr
26.2	10.9	-	75.5	45.1	22.9	2.8	20.1	26.1	-	3.8	3.4	15.6	11.3	11.3	11.3	11.3	11.3	11.3	May
20.6	-	54.9	-	75.0	94.8	66.9	7.3	59.5	34.0	-	6.1	-	3.8	-	2.4	-	13.6	13.6	June

(b) German contribution

IV De- posits of central gov- ernments	V Other factors			VI Money stock M3 (balance I plus II less III less IV less V) 10										Period					
	Total	of which Intra- Eurosysteem liability/ claim related to banknote issue 9,11	Currency in circu- lation	Components of the money stock						Repo transac- tions	Money market fund shares (net) 7,8	Debt securities with maturities of up to 2 years (incl money market paper) (net) 7							
				Total	Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6	Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6										
													Total		Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6		
-	0.3	-	17.9	-	0.1	2.1	12.8	15.5	0.8	-	1.4	0.9	-	1.0	-	1.9	1.9	1.9	2005 Nov
0.9	18.5	-	1.2	4.2	-	5.3	-	8.6	10.2	-	6.6	-	13.6	-	0.0	-	0.1	0.1	Dec
2.0	30.8	0.7	-	2.9	7.9	2.7	0.3	-	1.3	7.9	-	0.6	-	0.6	-	1.0	1.0	1.0	2006 Jan
-	6.2	-	15.9	2.0	0.5	-	1.8	-	2.8	0.7	-	0.4	2.2	0.6	-	2.1	2.1	2.1	Feb
1.8	3.8	0.5	2.4	16.4	8.1	1.3	-	2.0	7.4	-	0.1	-	0.1	-	1.7	1.7	1.7	1.7	Mar
-	0.2	34.1	0.4	2.0	18.1	9.3	12.7	-	1.9	-	1.4	-	0.1	-	0.7	0.7	0.7	0.7	Apr
1.7	-	17.8	0.8	1.2	4.8	4.5	0.5	-	3.5	0.6	0.4	0.4	0.4	0.4	2.2	2.2	2.2	2.2	May
1.9	14.5	1.1	2.7	3.3	3.4	3.4	4.9	-	2.6	-	1.4	0.9	-	0.9	-	1.9	1.9	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	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	4.4	4.4	Aug
2.3	29.5	2.0	0.4	12.7	0.7	10.5	-	3.8	3.2	-	0.6	-	0.6	-	2.7	2.7	2.7	2.7	Sep
-	2.8	6.1	0.6	1.3	-	8.8	-	6.8	8.6	-	4.8	-	6.0	-	0.1	-	0.1	0.1	Oct
2.1	29.2	-	0.1	1.8	24.1	28.0	7.3	-	6.2	-	4.5	-	4.5	-	0.2	-	0.3	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	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	4.7	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	1.5	1.5	1.5	Feb
-	0.3	15.9	1.0	2.5	15.0	3.8	8.1	-	3.3	0.1	1.2	0.1	1.2	1.2	5.0	5.0	5.0	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	0.5	0.5	0.5	Apr
5.2	-	29.5	2.9	-	0.0	10.2	8.3	6.4	-	4.2	-	1.5	0.3	0.3	0.9	0.9	0.9	0.9	May
0.9	-	0.8	1.2	2.6	21.8	9.8	12.3	-	4.1	-	2.9	1.5	-	1.5	-	0.6	0.6	0.6	June

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

M2 or M3. — 11 The difference between the volume of euro banknotes actually issued by the Bundesbank and the amount disclosed in accordance with the accounting regime chosen by the Eurosysteem (see also footnote 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					
Euro area (€ billion) ¹												
2005 May	16,735.8	11,385.6	9,030.0	7,785.7	501.1	743.3	2,355.6	830.0	1,525.6	3,638.0	1,712.2	
June	17,013.5	11,519.7	9,146.7	7,924.1	508.0	714.5	2,373.0	830.4	1,542.7	3,695.3	1,798.5	
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	2,316.4	826.0	1,490.5	4,851.0	2,160.4	
Feb	20,284.1	13,153.6	10,834.7	9,337.6	660.6	836.5	2,318.9	822.9	1,496.0	4,941.4	2,189.1	
Mar	20,649.3	13,295.9	10,987.2	9,441.6	687.9	857.6	2,308.7	821.0	1,487.7	5,044.2	2,309.1	
Apr	20,918.5	13,442.3	11,151.9	9,526.6	708.5	916.8	2,290.4	821.4	1,469.0	5,157.9	2,318.3	
May	21,217.6	13,585.8	11,264.7	9,600.8	736.0	928.0	2,321.0	815.9	1,505.1	5,255.2	2,376.7	
June	21,395.9	13,673.1	11,359.4	9,717.9	760.6	881.0	2,313.7	815.8	1,497.9	5,224.4	2,498.4	
German contribution (€ billion)												
2005 May	4,682.9	3,426.6	2,656.1	2,286.6	76.1	293.4	770.5	457.3	313.2	1,078.6	177.8	
June	4,650.4	3,397.3	2,644.9	2,291.2	80.8	272.9	752.4	451.9	300.5	1,080.5	172.5	
July	4,665.0	3,400.1	2,646.8	2,288.6	80.4	277.9	753.2	455.8	297.4	1,091.8	173.1	
Aug	4,654.8	3,402.2	2,648.8	2,288.2	80.1	280.4	753.4	452.6	300.8	1,079.7	172.9	
Sep	4,684.5	3,407.5	2,666.3	2,303.8	80.2	282.3	741.2	447.7	293.5	1,103.6	173.4	
Oct	4,699.9	3,417.0	2,676.6	2,311.6	82.1	282.9	740.4	449.3	291.1	1,106.4	176.5	
Nov	4,722.5	3,421.6	2,678.8	2,308.0	83.5	287.3	742.8	441.6	301.2	1,117.8	183.1	
Dec	4,667.4	3,412.0	2,673.6	2,291.3	87.7	294.6	738.4	443.8	294.6	1,080.6	174.8	
2006 Jan	4,754.2	3,463.2	2,717.0	2,321.5	88.4	307.1	746.2	445.9	300.3	1,120.2	170.8	
Feb	4,765.6	3,463.1	2,729.4	2,329.2	91.1	309.1	733.7	436.5	297.2	1,134.2	168.3	
Mar	4,791.8	3,478.9	2,743.5	2,334.6	93.4	315.5	735.4	436.5	298.9	1,145.0	167.9	
Apr	4,843.7	3,522.5	2,787.6	2,348.9	94.5	344.2	734.8	437.6	297.2	1,146.9	174.3	
May	4,843.9	3,518.0	2,777.3	2,346.0	95.5	335.8	740.7	430.1	310.6	1,145.4	180.5	
June	4,844.8	3,486.3	2,760.6	2,347.5	103.3	309.8	725.7	426.5	299.2	1,183.7	174.8	
July	4,829.6	3,481.0	2,755.7	2,342.0	103.9	309.7	725.3	428.3	297.0	1,174.3	174.3	
Aug	4,821.6	3,477.1	2,759.4	2,344.8	103.6	310.9	717.7	424.2	293.5	1,172.0	172.5	
Sep	4,884.7	3,497.1	2,788.4	2,367.7	108.4	312.3	708.7	420.2	288.5	1,209.8	177.8	
Oct	4,886.3	3,500.9	2,787.3	2,361.5	112.9	313.0	713.6	423.2	290.4	1,204.4	181.0	
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	5,069.8	3,488.8	2,801.3	2,364.9	133.7	302.6	687.6	402.2	285.3	1,368.3	212.7	

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

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

II Overall monetary survey in the euro area

Liabilities											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				
Euro area (€ billion) 1											
485.8	6,760.1	6,372.6	6,428.4	2,419.0	920.3	72.2	1,377.1	1,549.5	90.3	2005 May	
496.6	6,917.7	6,492.1	6,543.2	2,643.8	904.5	78.2	1,436.0	1,390.2	90.5	June	
506.4	6,942.6	6,510.2	6,577.6	2,654.9	922.2	77.7	1,438.9	1,394.4	89.5	July	
500.9	6,866.4	6,473.6	6,543.2	2,605.8	933.7	78.0	1,440.7	1,396.6	88.4	Aug	
507.1	6,956.1	6,545.1	6,614.2	2,653.1	950.0	83.3	1,443.5	1,397.4	86.9	Sep	
510.5	6,994.2	6,582.5	6,649.0	2,667.4	962.3	83.5	1,453.2	1,396.3	86.2	Oct	
514.5	7,025.7	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	7,966.4	7,483.0	7,576.0	2,956.5	1,304.2	146.2	1,666.9	1,394.0	108.2	Mar	
594.7	8,009.7	7,535.2	7,624.6	2,962.0	1,339.0	148.9	1,679.4	1,386.7	108.5	Apr	
597.6	8,100.2	7,588.9	7,677.7	2,979.7	1,357.1	152.4	1,696.7	1,383.5	108.3	May	
604.9	8,226.4	7,696.7	7,781.1	3,037.6	1,383.5	156.6	1,716.9	1,377.6	109.0	June	
German contribution (€ billion)											
130.7	2,285.8	2,217.2	2,182.7	677.7	193.6	15.7	691.4	516.7	87.7	2005 May	
134.1	2,288.9	2,220.6	2,182.8	686.7	186.4	16.1	691.0	515.4	87.1	June	
136.3	2,289.1	2,221.5	2,185.0	688.3	189.1	16.0	690.0	515.3	86.4	July	
135.2	2,290.5	2,224.1	2,185.3	689.5	189.8	15.7	690.5	514.4	85.4	Aug	
136.2	2,296.5	2,229.3	2,191.8	697.8	189.7	15.9	690.1	514.4	83.9	Sep	
137.2	2,298.5	2,231.2	2,195.7	699.1	194.3	16.3	689.4	513.4	83.2	Oct	
139.3	2,315.7	2,249.4	2,211.4	714.1	193.8	16.6	691.3	512.2	83.5	Nov	
143.5	2,329.5	2,260.2	2,222.9	706.0	201.4	17.0	695.1	519.2	84.2	Dec	
140.6	2,334.4	2,263.0	2,225.0	709.0	199.9	17.3	695.9	518.0	84.9	2006 Jan	
141.1	2,331.8	2,266.9	2,225.6	704.7	199.3	17.6	701.3	517.5	85.2	Feb	
143.5	2,341.2	2,273.7	2,232.7	714.4	197.9	17.8	701.1	515.5	86.0	Mar	
145.5	2,365.1	2,296.3	2,255.8	723.6	209.2	18.1	705.1	513.7	86.2	Apr	
146.8	2,370.8	2,302.7	2,252.2	725.2	204.7	18.5	706.4	510.2	87.3	May	
149.5	2,381.2	2,310.1	2,255.7	727.5	205.4	18.9	707.8	507.5	88.6	June	
152.1	2,376.3	2,306.2	2,251.2	718.5	209.9	19.4	710.2	503.6	89.7	July	
151.1	2,382.7	2,308.9	2,254.5	712.8	218.4	19.9	713.1	499.1	91.2	Aug	
151.5	2,392.8	2,315.6	2,261.1	714.0	227.0	20.5	711.9	495.3	92.4	Sep	
152.9	2,389.1	2,314.9	2,264.0	709.2	236.2	21.8	711.7	490.5	94.5	Oct	
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	2,359.1	755.6	284.5	30.2	721.6	462.2	105.0	June	

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

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

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

Liabilities (cont'd)													
Deposits of non-banks (non-MFIs) in the euro area (cont'd)													
General government										Repo transactions with non-banks in the euro area		Debt securities	
End of year/month	Other general government								Total	of which Enterprises and households	Money market fund shares (net) ³	Total	of which denominated in euro
	Central governments	Total	Overnight	With agreed maturities of			At agreed notice of ²						
				up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months					
Euro area (€ billion) ¹													
2005 May	173.5	158.2	90.6	41.3	1.5	20.4	4.0	0.5	239.2	235.2	634.8	2,203.7	1,721.3
June	211.5	163.0	93.8	42.9	1.5	20.4	3.9	0.4	238.9	234.5	621.3	2,243.3	1,742.9
July	210.8	154.3	87.2	40.8	1.6	20.3	3.9	0.5	238.6	235.3	635.1	2,249.8	1,742.0
Aug	166.8	156.4	89.4	40.8	1.5	20.0	4.2	0.4	249.2	245.4	639.7	2,263.5	1,745.9
Sep	182.4	159.4	90.8	42.5	1.5	19.9	4.2	0.4	234.4	230.8	631.5	2,284.1	1,755.1
Oct	179.4	165.8	100.0	40.0	1.3	19.9	4.2	0.4	241.4	237.7	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	1,984.6
Feb	189.5	209.4	111.5	69.6	2.4	22.8	2.6	0.4	268.8	264.1	652.5	2,668.3	2,024.8
Mar	183.8	206.6	107.5	71.2	2.5	22.4	2.5	0.4	282.0	277.3	666.3	2,701.8	2,053.6
Apr	173.6	211.5	111.6	72.2	2.5	22.3	2.5	0.4	281.8	276.6	682.3	2,711.1	2,058.8
May	199.8	222.6	117.1	77.8	2.6	22.5	2.3	0.4	285.2	280.4	702.5	2,749.0	2,081.7
June	220.4	224.8	116.3	80.1	3.5	22.3	2.2	0.5	282.9	278.6	699.8	2,766.9	2,083.3
German contribution (€ billion)													
2005 May	40.5	62.5	18.4	22.8	0.7	18.1	2.1	0.5	28.3	28.3	32.1	880.9	676.1
June	41.3	64.9	19.6	23.9	0.7	18.1	2.2	0.4	28.3	28.3	32.4	890.3	681.5
July	41.7	62.4	18.5	22.4	0.6	18.1	2.3	0.5	26.7	26.7	33.8	892.6	682.4
Aug	41.6	63.6	19.1	23.1	0.6	17.7	2.6	0.4	30.6	30.6	34.0	893.4	678.4
Sep	42.1	62.6	18.0	23.2	0.6	17.7	2.6	0.4	28.0	28.0	33.5	894.6	678.1
Oct	40.9	61.9	19.6	20.9	0.6	17.7	2.6	0.4	32.3	32.3	31.1	896.4	679.9
Nov	40.7	63.6	20.3	21.9	0.6	18.0	2.3	0.4	33.2	33.2	30.1	894.0	668.9
Dec	41.6	65.1	19.8	24.1	0.6	18.2	2.0	0.4	19.5	19.5	30.1	883.3	660.2
2006 Jan	43.6	65.8	19.2	25.4	0.7	18.3	1.9	0.4	27.4	27.4	29.4	889.1	664.7
Feb	37.5	68.7	20.9	26.5	0.7	18.3	1.9	0.4	29.6	29.6	30.0	896.4	665.8
Mar	39.3	69.2	19.1	28.9	0.7	18.4	1.8	0.4	37.0	37.0	29.9	890.1	663.4
Apr	39.1	70.2	18.9	29.8	0.8	18.5	1.8	0.4	35.6	35.6	29.8	882.1	656.5
May	40.8	77.8	21.7	34.2	0.8	18.8	1.9	0.4	37.0	37.0	30.3	886.4	657.8
June	42.7	82.9	22.8	38.0	0.9	18.9	1.9	0.4	35.7	35.7	31.2	893.5	663.3
July	43.7	81.4	22.0	37.7	0.8	18.7	1.8	0.4	30.1	30.1	30.5	895.0	662.6
Aug	46.7	81.4	21.2	38.3	0.9	18.8	1.9	0.4	34.9	34.9	30.3	893.6	661.1
Sep	49.1	82.6	20.9	39.3	1.1	18.9	1.9	0.4	38.1	38.1	29.7	896.8	663.1
Oct	46.3	78.8	19.0	37.4	1.2	19.1	1.8	0.4	32.1	32.1	29.7	896.1	657.2
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	32.4	32.4	30.3	902.7	658.2

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

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

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3 Banking system's liquidity position * Stocks

€ billion; period averages of daily positions

Reserve maintenance period ending in ¹	Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) ⁵	Base money ⁶
	Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation ³	Central government deposits	Other factors (net) ⁴		
		Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations							
Eurosystem ²												
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
Deutsche Bundesbank												
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	–	0.1	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

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

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

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Flows

Liquidity-providing factors					Liquidity-absorbing factors					Credit institutions' current account balances (including minimum reserves) ⁵	Base money ⁶	Reserve maintenance period ending in ¹
Net assets in gold and foreign currency	Monetary policy operations of the Eurosystem				Deposit facility	Other liquidity-absorbing operations	Banknotes in circulation ³	Central government deposits	Other factors (net) ⁴			
	Main refinancing operations	Longer-term refinancing operations	Marginal lending facility	Other liquidity-providing operations								
Eurosystem ²												
+ 1.9	+ 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
Deutsche Bundesbank												
+ 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

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

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

III Consolidated financial statement of the Eurosystem
1 Assets *

€ billion

On reporting date/ End of month 1	Total assets	Gold and gold receivables	Claims on non-euro-area residents denominated in foreign currency			Claims on euro-area residents denominated in foreign currency	Claims on non-euro-area residents denominated in euro		
			Total	Receivables from the IMF	Balances with banks, security investments, external loans and other external assets		Total	Balances with banks, security investments and loans	Claims arising from the credit facility under ERM II
Eurosystem ²									
2006 Dec 1	1,126.1	174.5	147.2	10.9	136.3	23.9	10.8	10.8	-
8	1,146.3	174.5	144.8	10.9	134.0	24.2	11.3	11.3	-
15	1,138.3	174.1	143.6	11.2	132.4	25.2	11.2	11.2	-
22	1,142.3	174.0	147.0	11.0	136.0	22.9	11.6	11.6	-
29	3 1,151.0	3 176.8	3 142.3	10.7	3 131.6	3 23.4	12.0	12.0	-
2007 Jan 5	1,154.4	178.8	144.0	10.7	133.3	22.4	12.4	12.4	-
12	1,138.3	176.8	143.8	10.7	133.1	23.6	12.7	12.7	-
19	1,141.2	176.8	142.4	10.6	131.8	22.8	14.1	14.1	-
26	1,148.1	176.7	142.3	10.6	131.8	22.1	13.8	13.8	-
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	-
2007 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	-
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	-
Deutsche Bundesbank									
2005 Sep	3 325.0	3 43.3	39.5	5.0	34.5	-	0.3	0.3	-
Oct	324.6	43.3	39.3	5.0	34.3	-	0.3	0.3	-
Nov	329.2	43.3	38.2	5.0	33.2	-	0.3	0.3	-
Dec	3 344.1	3 47.9	3 38.3	4.5	3 33.7	-	0.3	0.3	-
2006 Jan	338.9	47.9	38.3	4.5	33.7	-	0.3	0.3	-
Feb	335.1	47.9	36.7	3.8	32.9	-	0.3	0.3	-
Mar	3 340.5	3 53.2	3 36.0	3.8	3 32.2	-	0.3	0.3	-
Apr	344.9	53.2	34.5	3.7	30.8	-	0.3	0.3	-
May	357.5	53.1	35.6	3.4	32.1	-	0.3	0.3	-
June	3 359.1	3 52.0	3 33.9	3.6	3 30.3	-	0.3	0.3	-
July	364.4	52.0	34.3	3.5	30.8	-	0.3	0.3	-
Aug	358.2	52.0	33.6	3.5	30.0	-	0.3	0.3	-
Sep	3 362.4	3 52.3	3 33.6	3.4	3 30.1	-	0.3	0.3	-
Oct	366.4	52.3	33.2	3.1	30.1	-	0.3	0.3	-
Nov	359.2	52.3	33.3	3.1	30.1	-	0.3	0.3	-
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	3 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	-

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

III Consolidated financial statement of the Eurosystem

Lending to euro-area credit institutions related to monetary policy operations denominated in euro							Other claims on euro-area credit institutions denomi- nated in euro	Securities of euro-area residents denominated in euro	General government debt denominated in euro	Other assets	On reporting date/ End of month 1	
Total	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations	Structural reverse operations	Marginal lending facility	Credits related to margin calls						
Eurosystem ²												
428.2	308.0	120.0	-	-	0.2	-	9.8	79.0	40.0	212.7	2006 Dec	1
449.0	329.0	120.0	-	-	-	0.0	9.5	78.6	40.0	214.3		8
440.0	320.0	120.0	-	-	-	-	10.4	78.4	39.9	215.4		15
441.5	321.5	120.0	-	-	-	-	10.8	78.0	39.9	216.7		22
450.5	330.5	120.0	-	-	0.1	-	11.4	77.6	39.4 ³	217.7		29
450.5	330.5	120.0	-	-	0.0	-	12.9	80.7	39.4	215.2	2007 Jan	5
430.5	310.5	120.0	-	-	0.0	-	12.8	81.2	39.4	217.5		12
432.5	312.5	120.0	-	-	0.0	-	12.1	81.9	39.4	219.3		19
437.5	317.5	120.0	-	-	0.0	-	12.5	82.1	39.4	221.8		26
422.5	292.5	130.0	-	-	-	0.0	11.6	82.2	39.3	223.2	Feb	2
409.5	279.5	130.0	-	-	0.0	-	12.5	83.4	39.3	225.3		9
416.5	286.5	130.0	-	-	-	-	12.6	84.9	39.3	223.3		16
431.5	301.5	130.0	-	-	0.0	-	14.0	85.9	39.3	224.4		23
429.0	289.0	140.0	-	-	-	0.0	12.8	86.5	39.3	223.9	Mar	2
420.0	280.0	140.0	-	-	-	-	13.6	86.8	39.3	224.4		9
411.5	271.5	140.0	-	-	0.0	0.0	13.5	87.7	39.3	223.4		16
422.0	282.0	140.0	-	-	-	-	14.4	88.1	39.3	222.3		23
433.6	283.5	150.0	-	-	0.1	-	14.8	88.9	39.3 ³	225.1		30
443.5	291.5	150.0	-	-	2.0	-	14.8	90.3	39.3	225.0	2007 Apr	5
430.7	280.0	150.0	-	-	0.7	-	14.7	90.6	39.3	226.4		13
431.5	281.5	150.0	-	-	0.0	0.0	14.2	90.5	39.3	227.3		20
440.0	288.5	150.0	-	-	1.5	-	15.8	92.4	39.2	226.7		27
429.7	279.5	150.0	-	-	0.2	-	14.0	93.1	38.7	227.6	May	4
426.1	276.0	150.0	-	-	0.1	-	14.1	93.5	37.7	230.0		11
431.2	281.0	150.0	-	-	0.2	-	13.8	93.4	37.7	230.7		18
445.7	295.5	150.0	-	-	0.2	0.0	14.1	94.5	37.7	232.5		25
434.5	284.5	150.0	-	-	0.0	-	14.4	94.9	37.6	233.0	June	1
429.2	279.0	150.0	-	-	0.2	-	14.1	96.2	37.6	234.6		8
432.0	282.0	150.0	-	-	0.0	-	14.4	95.8	37.6	235.6		15
438.1	288.0	150.0	-	-	0.1	-	14.4	93.9	37.6	237.4		22
464.6	313.5	150.0	-	-	1.1	0.0	13.8 ³	93.7	37.1 ³	243.7		29
448.2	298.0	150.0	-	-	0.0	0.2	13.6	93.9	37.1	242.6	July	6
442.0	292.0	150.0	-	-	-	-	14.2	93.1	37.1	243.4		13
451.8	301.5	150.0	-	-	0.3	-	14.0	93.3	37.1	244.4		20
465.7	315.5	150.0	-	-	0.2	0.0	14.0	94.2	37.1	245.6		27
448.0	298.0	150.0	-	-	-	0.0	14.1	93.1	37.1	245.4	Aug	3
Deutsche Bundesbank												
211.2	156.0	54.8	-	-	0.4	-	0.1	-	4.4	26.1	2005 Sep	
203.0	148.6	54.2	-	-	0.2	-	0.1	-	4.4	34.2		Oct
195.0	140.8	54.2	-	-	0.0	-	0.1	-	4.4	47.8		Nov
203.9	146.5	56.4	-	-	0.9	-	0.1	-	4.4	49.2		Dec
227.2	162.5	64.7	-	-	0.0	0.1	0.1	-	4.4	20.6	2006 Jan	
218.9	146.4	72.5	-	-	0.0	-	0.2	-	4.4	26.6	Feb	
224.5	147.1	77.4	-	-	0.1	-	0.3	-	4.4	21.7	Mar	
233.0	158.0	74.9	-	-	0.1	-	0.3	-	4.4	19.2	Apr	
227.6	152.6	74.9	-	-	0.0	-	0.3	-	4.4	36.2	May	
248.8	177.3	71.5	-	-	0.1	-	0.3	-	4.4	19.3	June	
253.8	177.9	72.8	-	-	3.2	-	0.3	-	4.4	19.3	July	
223.0	147.3	75.7	-	-	0.0	-	1.6	-	4.4	43.4	Aug	
234.1	155.2	78.5	-	-	0.5	-	3.0	-	4.4	34.7	Sep	
243.3	164.0	79.3	-	-	0.0	-	3.0	-	4.4	29.9	Oct	
232.0	155.2	76.7	-	-	0.0	-	3.0	-	4.4	34.0	Nov	
256.3	173.9	82.3	-	-	0.1	-	3.0	-	4.4	24.8	Dec	
232.5	150.1	82.3	-	-	0.0	-	3.1	-	4.4	32.4	2007 Jan	
235.0	143.5	91.5	-	-	0.0	-	3.1	-	4.4	38.0	Feb	
237.3	130.8	106.4	-	-	0.1	-	3.1	-	4.4	40.1	Mar	
247.4	139.6	107.5	-	-	0.4	-	3.1	-	4.4	28.3	Apr	
236.9	126.6	110.3	-	-	0.0	-	3.2	-	4.4	44.5	May	
243.4	136.2	107.0	-	-	0.2	-	3.2	-	4.4	37.3	June	
248.5	146.0	102.4	-	-	-	-	3.3	-	4.4	41.0	July	

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

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

III Consolidated financial statement of the Eurosystem

2 Liabilities *

€ billion

On reporting date/ End of month ¹	Total liabilities	Banknotes in circulation ²	Liabilities to euro-area credit institutions related to monetary policy operations denominated in euro						Other liabilities to euro-area credit institutions denominated in euro	Debt certificates issued	Liabilities to other euro-area residents denominated in euro		
			Total	Current accounts (covering the minimum reserve system)	Deposit facility	Fixed-term deposits	Fine-tuning reverse operations	Deposits related to margin calls			Total	General government	Other liabilities
Eurosystem⁴													
2006 Dec 1	1,126.1	601.8	184.0	184.0	0.0	–	–	0.0	0.1	–	44.2	35.9	8.4
8	1,146.3	610.2	168.2	168.0	0.2	–	–	0.0	0.1	–	73.7	64.9	8.7
15	1,138.3	613.9	176.3	176.3	0.0	–	–	0.0	0.1	–	53.9	44.3	9.7
22	1,142.3	628.0	177.2	177.2	0.0	–	–	0.0	0.1	–	40.5	32.2	8.4
29	1,151.0	628.2	174.1	173.5	0.6	–	–	0.0	0.1	–	53.4	45.2	8.2
2007 Jan 5	1,154.4	619.3	180.9	178.7	0.1	2.1	–	–	0.1	0.1	61.3	53.0	8.3
12	1,138.3	611.2	169.1	166.9	0.1	2.1	–	0.0	0.1	0.0	61.1	52.6	8.6
19	1,141.2	606.1	176.5	174.6	0.0	1.9	–	0.0	0.1	0.0	62.5	53.4	9.1
26	1,148.1	602.7	177.9	176.1	0.0	1.7	–	–	0.1	0.0	68.7	59.9	8.8
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	1,162.6	613.6	181.0	179.8	1.1	0.2	–	0.0	0.1	–	65.8	57.1	8.7
2007 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
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	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
Deutsche Bundesbank													
2005 Sep 5	325.0	145.0	38.8	38.7	0.0	–	–	–	–	–	0.4	0.1	0.4
Oct	324.6	146.2	37.4	37.3	0.1	–	–	–	–	–	0.5	0.0	0.5
Nov	329.2	147.3	41.9	41.7	0.2	–	–	–	–	–	0.4	0.0	0.4
Dec 5	344.1	153.7	46.3	46.3	0.0	–	–	–	0.2	–	0.4	0.0	0.4
2006 Jan	338.9	148.8	45.4	45.4	0.0	–	–	–	–	–	0.4	0.0	0.4
Feb	335.1	149.9	38.5	38.5	0.0	–	–	–	–	–	0.6	0.0	0.6
Mar 5	340.5	151.5	39.7	39.7	0.0	–	–	–	–	–	0.4	0.0	0.4
Apr	344.9	154.7	38.8	38.7	0.0	–	–	–	–	–	0.4	0.1	0.4
May	357.5	155.3	51.4	51.4	0.0	–	–	–	–	–	0.5	0.0	0.4
June 5	359.1	157.8	39.9	39.4	0.5	–	–	–	–	–	0.5	0.1	0.4
July	364.4	160.3	52.4	52.4	0.0	–	–	–	–	–	0.5	0.0	0.4
Aug	358.2	159.3	46.0	45.9	0.0	–	–	–	–	–	0.4	0.1	0.4
Sep 5	362.4	160.3	46.2	45.5	0.7	–	–	–	–	–	0.5	0.1	0.4
Oct	366.4	161.8	48.0	47.8	0.2	–	–	–	–	–	0.5	0.0	0.5
Nov	359.2	162.8	39.2	39.2	0.0	–	–	–	–	–	0.4	0.1	0.4
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

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

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

III Consolidated financial statement of the Eurosystem

Liabilities to non-euro-area residents denominated in euro	Liabilities to euro-area residents in foreign currency	Liabilities to non-euro-area residents denominated in foreign currency			Counterpart of special drawing rights allocated by the IMF	Other liabilities 3	Intra-Eurosystem liability related to euro-banknote issue 2	Revaluation accounts	Capital and reserves	On reporting date/ End of month 1	
		Total	Deposits, balances and other liabilities	Liabilities arising from the credit facility under ERM II							
Eurosystem 4											
16.5	0.1	12.9	12.9	—	5.7	72.5	—	123.7	64.6	2006 Dec 1	
16.0	0.1	10.6	10.6	—	5.7	73.4	—	123.7	64.6	8	
16.2	0.1	10.2	10.2	—	5.7	73.6	—	123.7	64.6	15	
16.9	0.1	11.9	11.9	—	5.7	73.6	—	123.7	64.6	22	
16.6	0.1	12.6	12.6	—	5.6	73.8	—	122.0	64.6	29	
16.1	0.2	11.9	11.9	—	5.6	70.5	—	122.0	66.4	2007 Jan 5	
16.5	0.2	14.4	14.4	—	5.6	71.7	—	122.0	66.4	12	
16.8	0.2	13.4	13.4	—	5.6	71.7	—	122.0	66.4	19	
19.3	0.2	13.3	13.3	—	5.6	71.9	—	122.0	66.4	26	
16.7	0.2	15.8	15.8	—	5.6	73.7	—	122.0	66.4	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	—	125.5	67.5	30	
18.4	0.2	12.6	12.6	—	5.6	68.9	—	125.5	68.3	2007 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	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	—	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	
Deutsche Bundesbank											
3.5	0.0	4.1	4.1	—	1.5	11.0	76.4	5	39.2	5.0	2005 Sep
3.4	0.0	4.0	4.0	—	1.5	11.0	76.5	—	39.2	5.0	Oct
3.4	0.0	2.9	2.9	—	1.5	11.2	76.4	—	39.2	5.0	Nov
3.4	0.0	2.8	2.8	—	1.5	11.3	75.1	5	44.3	5.0	Dec
3.4	0.0	3.0	3.0	—	1.5	11.5	75.8	—	44.3	5.0	2006 Jan
3.5	0.0	2.1	2.1	—	1.5	12.0	77.8	—	44.3	5.0	Feb
3.8	0.0	2.5	2.5	—	1.4	9.4	78.2	5	48.5	5.0	Mar
3.6	0.0	1.0	1.0	—	1.4	12.7	78.7	—	48.5	5.0	Apr
3.8	0.0	2.4	2.4	—	1.4	9.8	79.5	—	48.5	5.0	May
3.7	0.0	2.1	2.1	—	1.4	22.3	80.6	5	45.8	5.0	June
3.6	0.0	2.6	2.6	—	1.4	11.6	81.2	—	45.8	5.0	July
3.6	0.0	1.8	1.8	—	1.4	11.1	83.9	—	45.8	5.0	Aug
3.6	0.0	1.3	1.3	—	1.4	11.8	85.9	5	46.4	5.0	Sep
3.7	0.0	1.3	1.3	—	1.4	11.9	86.5	—	46.4	5.0	Oct
3.9	0.0	1.4	1.4	—	1.4	12.4	86.3	—	46.4	5.0	Nov
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	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	5	44.9	5.0	June
4.1	0.0	2.2	2.2	—	1.4	11.6	92.1	—	44.9	5.0	July

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

euro area										Claims on non-euro-area residents		Other assets	Period
										to non-banks in other member states			
General government				Total	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				
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
267.0	584.6	410.7	173.9	313.2	161.0	65.5	152.2	32.6	119.6	1,020.0	829.8	165.2	2005 Sep
267.5	586.7	413.2	173.6	313.8	164.6	67.0	149.2	31.7	117.5	1,023.2	832.3	168.2	Oct
270.0	582.9	406.9	176.0	324.0	168.5	67.7	155.4	30.2	125.2	1,031.7	837.8	174.9	Nov
278.2	580.7	408.7	171.9	322.4	169.1	65.0	153.3	30.7	122.6	993.8	796.8	166.7	Dec
291.0	581.2	409.8	171.4	334.9	174.4	69.9	160.5	31.6	128.9	1,030.5	831.4	162.8	2006 Jan
291.4	570.2	401.1	169.1	341.5	182.5	73.6	159.1	31.0	128.1	1,045.4	846.5	160.2	Feb
298.5	570.5	401.3	169.2	347.1	186.7	76.2	160.4	30.8	129.6	1,055.1	856.0	159.6	Mar
325.9	570.3	402.8	167.4	356.9	196.8	84.1	160.1	30.4	129.8	1,056.7	859.5	166.0	Apr
319.5	576.4	394.9	181.4	353.2	193.3	81.5	159.9	30.7	129.2	1,055.0	854.9	172.0	May
294.9	562.5	391.0	171.5	359.1	200.3	82.2	158.8	31.1	127.7	1,097.0	892.0	166.1	June
294.0	564.3	392.1	172.2	357.1	200.6	80.9	156.6	31.8	124.8	1,084.4	880.4	165.6	July
295.5	559.0	389.0	170.0	354.9	200.6	81.6	154.3	30.8	123.5	1,084.5	880.1	163.8	Aug
290.5	550.9	387.9	163.0	370.5	217.2	87.0	153.3	27.8	125.5	1,123.3	904.0	169.2	Sep
290.7	556.2	392.6	163.6	377.3	224.3	89.2	153.0	26.1	126.9	1,118.3	893.3	172.2	Oct
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	263.3	103.1	149.2	25.5	123.8	1,282.6	996.3	203.4	June
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
0.6	2.2	2.5	- 0.3	0.7	3.6	1.6	- 2.9	- 0.9	- 2.0	3.1	2.3	1.9	2005 Oct
2.2	- 3.9	- 6.3	2.4	9.9	3.8	0.5	6.1	- 1.5	7.6	3.2	0.7	6.3	Nov
7.9	- 2.2	1.9	- 4.0	- 1.6	0.6	- 2.7	- 2.1	0.4	- 2.6	- 37.4	- 40.5	- 10.2	Dec
12.5	0.6	0.9	- 0.3	13.0	5.3	4.8	7.7	1.2	6.5	36.8	34.4	- 5.9	2006 Jan
0.4	- 11.0	- 8.7	- 2.3	6.1	7.7	3.4	- 1.6	- 0.7	- 0.9	8.1	9.1	- 3.8	Feb
7.6	0.4	0.2	0.2	6.2	4.5	2.8	1.7	- 0.1	1.8	17.5	16.4	- 2.4	Mar
27.7	- 0.2	1.6	- 1.8	10.4	10.6	8.2	- 0.1	- 0.3	0.2	11.8	12.9	5.7	Apr
- 6.0	6.1	- 7.9	14.0	- 3.5	- 3.2	- 2.3	- 0.2	0.4	- 0.6	5.1	1.6	5.3	May
- 24.7	- 13.9	- 4.0	- 9.9	5.9	7.0	0.6	- 1.1	0.4	- 1.4	39.6	34.8	- 6.7	June
- 1.7	1.8	1.1	0.7	- 3.4	- 0.1	- 1.2	- 3.3	- 0.1	- 3.2	- 11.2	- 11.6	0.3	July
1.2	- 5.4	- 3.1	- 2.4	- 2.7	0.1	0.7	- 2.8	- 1.0	- 1.8	1.8	1.2	- 1.0	Aug
- 1.6	- 8.1	- 1.0	- 7.1	15.3	16.4	5.3	- 1.1	- 0.2	- 0.9	33.3	23.1	4.7	Sep
0.1	5.3	4.7	0.6	6.9	7.3	2.2	- 0.4	- 1.0	0.6	- 4.9	- 9.9	2.7	Oct
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	7.0	9.3	4.8	- 2.3	0.6	- 3.0	24.5	19.3	- 2.6	June

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

IV Banks

in other member states ⁵				Deposits of central governments		Liabilities arising from repos with non-banks in the euro area ⁶	Money market fund shares issued ⁷	Debt securities issued ⁷		Liabilities to non-euro-area residents	Capital and reserves	Other Liabilities	Period
With agreed maturities		At agreed notice		Total	of which domestic central governments			Total	of which with maturities of up to 2 years ⁷				
Total	of which up to 2 years ⁴	Total	of which up to 3 months			Total	of which domestic central governments			Total	of which with maturities of up to 2 years ⁷	Total	of which with maturities of up to 2 years ⁷
End of year or month													
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
46.6	7.6	2.4	2.0	42.1	40.8	28.0	35.6	1,637.1	117.9	657.6	344.2	321.5	2005 Sep
46.3	8.3	2.4	2.0	40.9	39.7	32.3	32.8	1,634.0	116.2	662.6	346.8	329.3	Oct
47.3	8.4	2.4	2.0	40.7	38.7	33.2	31.8	1,631.2	113.8	679.3	348.6	338.8	Nov
50.2	9.8	2.4	2.0	41.6	38.8	19.5	31.7	1,611.9	113.8	626.2	346.8	324.5	Dec
49.3	9.6	2.4	2.0	43.6	40.4	27.4	31.2	1,617.4	112.2	646.3	369.7	325.0	2006 Jan
47.6	8.5	2.4	2.0	37.4	35.8	29.6	31.7	1,630.9	113.9	662.9	377.3	320.6	Feb
45.6	7.8	2.4	2.0	39.3	37.0	37.0	31.6	1,632.1	119.8	667.6	384.1	330.7	Mar
49.5	11.7	2.4	2.0	39.1	37.6	35.6	31.5	1,623.9	121.1	662.7	384.6	337.5	Apr
46.0	8.3	2.3	1.9	40.8	37.0	37.0	32.1	1,632.9	125.9	667.8	386.5	340.7	May
44.2	6.9	2.3	1.9	42.6	39.3	35.7	33.0	1,641.1	126.7	652.0	387.2	327.8	June
43.9	6.3	2.3	1.9	43.7	40.3	30.1	32.4	1,641.7	124.8	640.2	387.9	325.2	July
44.0	6.5	2.3	1.9	46.7	44.1	34.9	32.2	1,638.1	127.2	646.0	387.2	324.1	Aug
45.1	7.8	2.3	1.9	49.1	45.6	38.1	31.5	1,639.6	129.7	665.0	388.0	339.7	Sep
47.1	9.9	2.3	1.9	46.3	43.4	32.1	32.0	1,644.6	134.3	663.9	389.1	343.6	Oct
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	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	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	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	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	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	May
42.9	10.0	2.3	1.8	49.7	46.6	32.4	35.3	1,670.4	162.2	685.8	417.6	379.0	June
Changes ¹													
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
- 0.3	0.7	- 0.0	- 0.0	- 1.1	- 1.1	4.3	- 2.9	- 3.2	- 1.6	4.7	2.6	8.1	2005 Oct
0.9	0.1	- 0.0	- 0.0	- 0.3	- 1.0	0.9	- 1.0	- 4.7	- 2.7	13.1	1.5	10.8	Nov
2.9	1.3	0.0	0.0	0.9	0.0	- 13.6	- 0.1	- 19.1	- 0.1	- 52.6	- 1.7	- 14.8	Dec
- 0.8	- 0.2	- 0.0	- 0.0	2.0	1.7	7.9	- 0.5	4.4	- 1.9	24.3	5.3	- 1.5	2006 Jan
- 1.8	- 1.1	- 0.0	- 0.0	- 6.2	- 4.6	2.2	0.6	10.3	1.8	12.4	7.1	- 2.6	Feb
- 1.9	- 0.6	- 0.0	- 0.0	1.8	1.3	7.4	- 0.1	5.5	5.9	9.4	7.5	7.4	Mar
4.0	3.9	- 0.0	- 0.0	- 0.2	0.5	- 1.4	- 0.1	- 4.0	1.3	1.3	1.3	4.6	Apr
- 3.4	- 3.3	- 0.0	- 0.0	1.7	- 0.6	0.6	0.6	11.8	4.8	9.2	2.3	1.8	May
- 1.8	- 1.4	- 0.0	- 0.0	1.8	2.3	- 1.4	0.9	- 0.6	- 0.7	- 17.5	0.6	- 4.6	June
- 0.3	- 0.6	- 0.0	- 0.0	1.1	1.0	- 5.6	- 0.6	0.7	- 1.9	- 11.4	0.7	- 2.4	July
0.1	0.2	- 0.0	- 0.0	3.0	3.9	4.8	- 0.2	- 2.5	2.4	6.7	- 0.1	- 1.3	Aug
1.0	1.3	- 0.0	- 0.0	2.3	1.5	3.2	- 0.7	5.3	3.5	16.7	0.5	16.2	Sep
2.0	2.1	- 0.0	- 0.0	- 2.8	- 2.2	- 6.0	0.5	4.8	4.6	- 1.1	1.2	4.2	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	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	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	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	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	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	May
1.0	1.8	- 0.0	- 0.0	0.9	- 0.3	2.9	1.5	4.8	3.7	- 33.8	0.9	4.1	June

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	for more than 1 year						
All categories of banks													
2007 Jan	2,038	7,226.6	52.9	2,915.2	2,097.3	792.1	3,829.6	485.8	2,594.5	2.3	737.6	151.5	277.4
Feb	2,037	7,264.6	57.1	2,946.4	2,119.1	799.6	3,829.9	490.8	2,590.3	2.2	736.8	151.8	279.3
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	7,410.4	55.5	3,043.9	2,189.8	818.8	3,858.8	510.2	2,592.1	2.2	743.4	153.6	298.5
Commercial banks ⁵													
2007 May	255	2,221.1	23.8	898.4	751.4	140.7	1,098.4	293.1	574.7	1.1	221.6	78.4	122.2
June	255	2,184.7	18.3	895.8	752.6	135.0	1,069.3	292.3	579.2	1.2	189.7	78.9	122.4
Big banks ⁶													
2007 May	5	1,403.2	14.9	566.7	478.7	83.9	662.4	201.0	292.3	0.8	162.1	67.7	91.5
June	5	1,376.6	8.6	565.8	478.5	81.4	642.4	200.1	295.4	0.9	141.2	68.1	91.7
Regional banks and other commercial banks													
2007 May	157	662.5	7.5	248.1	193.2	52.8	370.8	69.1	250.4	0.3	49.6	10.2	25.8
June	157	664.6	8.9	247.6	194.9	50.5	370.9	68.6	252.3	0.3	47.9	10.4	26.7
Branches of foreign banks													
2007 May	93	155.4	1.3	83.7	79.5	4.1	65.1	23.0	32.0	0.0	9.9	0.4	4.9
June	93	143.5	0.8	82.3	79.2	3.1	56.0	23.7	31.5	0.1	0.7	0.4	4.0
Landesbanken													
2007 May	12	1,479.3	1.9	805.1	593.6	194.7	590.1	86.3	389.4	0.2	112.3	25.3	56.9
June	12	1,477.5	4.5	803.6	592.1	192.4	590.1	87.7	390.7	0.2	109.5	25.6	53.8
Savings banks													
2007 May	448	1,011.6	19.4	235.9	92.7	141.1	720.9	61.3	550.7	0.5	108.5	16.2	19.3
June	448	1,016.6	18.1	239.5	96.2	141.0	722.9	62.7	550.8	0.5	108.9	16.3	19.8
Regional institutions of credit cooperatives													
2007 May	2	247.2	0.2	165.5	108.5	56.6	59.1	9.9	16.8	0.0	32.3	13.1	9.4
June	2	252.8	0.2	170.0	111.2	58.1	60.3	10.6	16.6	0.0	32.8	13.1	9.1
Credit cooperatives													
2007 May	1,256	609.9	13.2	154.2	64.5	85.7	412.1	35.9	325.2	0.2	50.7	10.4	20.0
June	1,256	612.5	12.6	156.1	66.2	85.8	413.5	36.6	325.6	0.2	51.0	10.4	19.9
Mortgage banks													
2007 May	22	854.2	0.9	254.7	149.0	105.7	575.2	12.4	410.2	-	152.5	2.9	20.5
June	22	860.4	0.9	262.5	154.3	108.2	572.8	12.0	409.7	-	151.1	2.9	21.2
Building and loan associations													
2007 May	26	193.0	0.1	55.0	42.4	12.6	121.0	1.7	104.4	.	14.9	0.4	16.5
June	26	193.9	0.0	55.9	43.2	12.3	121.2	1.7	104.8	.	14.7	0.4	16.5
Special purpose banks													
2007 May	16	803.8	1.0	454.0	369.7	83.8	307.9	8.4	213.8	-	85.5	6.1	34.9
June	16	812.0	0.9	460.6	374.0	86.0	308.7	6.5	214.7	-	85.7	6.0	35.9
Memo item: Foreign banks ⁷													
2007 May	136	855.7	6.7	355.9	285.5	67.8	459.8	78.9	275.4	0.4	104.6	5.6	27.7
June	136	855.2	7.1	366.1	294.9	68.5	449.2	77.6	275.7	0.4	95.2	5.7	27.1
of which: Banks majority-owned by foreign banks ⁸													
2007 May	43	700.3	5.3	272.2	206.0	63.8	394.7	55.9	243.4	0.3	94.7	5.2	22.9
June	43	711.7	6.4	283.8	215.7	65.4	393.2	53.9	244.2	0.3	94.5	5.3	23.1

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

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

IV Banks

Deposits of banks (MFIs)			Deposits of non-banks (non-MFIs)								Bearer debt securities outstanding ⁴	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month
Total	of which		Total	of which				Savings deposits ³		Bank savings bonds				
	Sight deposits	Time deposits		Sight deposits	Time deposits ¹		Memo item Liabilities arising from repos ²	Total	of which At three months' notice					
				for up to and including 1 year	for more than 1 year ¹									
All categories of banks														
2,038.8	300.9	1,737.8	2,718.6	834.4	404.3	780.0	124.9	590.5	487.7	109.5	1,707.5	337.8	423.9	2007 Jan
2,048.8	305.8	1,743.0	2,733.8	839.4	413.8	781.1	133.4	588.7	483.8	110.8	1,713.0	342.5	426.4	Feb
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	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	444.7	June
Commercial banks⁵														
818.0	209.3	608.7	881.6	428.5	217.5	121.8	117.9	101.5	86.6	12.3	241.1	106.9	173.4	2007 May
776.1	200.4	575.7	883.7	427.7	218.1	123.9	110.5	101.5	85.9	12.3	243.7	106.9	174.2	June
Big banks⁶														
519.2	147.3	371.8	521.3	234.2	145.5	74.7	110.8	63.2	60.7	3.7	177.2	64.0	121.6	2007 May
495.3	141.0	354.3	516.9	230.1	144.4	76.0	103.1	62.7	60.2	3.7	178.7	63.9	121.7	June
Regional banks and other commercial banks														
182.6	36.8	145.8	329.4	177.1	63.0	42.5	7.1	38.3	25.8	8.4	63.9	39.6	47.0	2007 May
177.2	35.8	141.3	334.7	178.9	65.1	43.3	7.4	38.8	25.7	8.5	65.0	39.7	48.0	June
Branches of foreign banks														
116.2	25.2	91.0	31.0	17.2	9.0	4.6	0.0	0.0	0.0	0.1	0.0	3.4	4.8	2007 May
103.6	23.6	80.1	32.1	18.7	8.7	4.6	-	0.0	0.0	0.1	0.0	3.3	4.5	June
Landesbanken														
529.0	78.1	450.9	352.7	65.6	65.9	205.4	25.8	14.8	14.3	1.0	461.9	65.2	70.6	2007 May
527.6	82.9	444.8	354.8	71.4	61.8	205.9	21.6	14.7	14.2	1.0	461.2	65.1	68.8	June
Savings banks														
202.5	6.5	196.0	659.7	217.3	62.6	13.1	-	290.8	226.4	76.0	48.4	53.1	47.9	2007 May
203.3	6.4	196.9	660.4	219.0	62.4	13.0	-	288.5	224.0	77.5	49.3	53.8	49.7	June
Regional institutions of credit cooperatives														
144.7	34.9	109.7	37.1	8.4	9.5	17.7	2.1	-	-	1.5	42.7	11.1	11.6	2007 May
147.5	35.6	111.9	38.4	8.1	11.0	17.8	3.3	-	-	1.5	43.3	11.1	12.4	June
Credit cooperatives														
78.3	2.5	75.7	426.7	144.5	60.6	27.4	-	170.3	143.7	23.9	39.1	36.6	29.2	2007 May
78.9	2.9	76.0	427.7	144.5	62.4	27.6	-	169.1	142.8	24.1	39.4	37.3	29.2	June
Mortgage banks														
152.8	3.7	149.1	185.6	4.0	7.4	173.1	0.2	0.7	0.7	0.4	466.2	23.8	25.7	2007 May
159.2	5.7	153.5	188.3	4.5	8.1	174.6	-	0.7	0.7	0.4	462.6	23.8	26.6	June
Building and loan associations														
27.0	2.4	24.7	128.7	0.4	1.3	126.3	-	0.3	0.3	0.4	5.2	7.3	24.8	2007 May
26.1	2.1	24.0	128.3	0.4	1.3	126.0	-	0.3	0.3	0.4	6.9	7.3	25.3	June
Special purpose banks														
161.8	12.8	149.0	111.8	3.3	9.9	98.4	0.1	-	-	0.2	428.0	44.8	57.4	2007 May
165.6	12.5	153.2	112.7	4.7	9.3	98.5	0.3	-	-	0.2	430.3	44.8	58.6	June
Memo item: Foreign banks⁷														
300.9	62.5	238.4	300.3	151.0	56.3	68.9	12.2	18.9	18.6	5.2	151.5	32.9	70.1	2007 May
298.5	63.7	234.8	301.1	150.7	57.0	69.6	11.7	18.6	18.3	5.3	151.0	33.2	71.4	June
of which: Banks majority-owned by foreign banks⁸														
184.7	37.3	147.4	269.3	133.8	47.2	64.3	12.2	18.9	18.6	5.1	151.5	29.5	65.3	2007 May
194.9	40.1	154.8	269.0	132.0	48.4	65.0	11.7	18.5	18.2	5.2	151.0	29.8	66.9	June

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

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

IV Banks

Memo item Fiduciary loans 4	Participating interests in foreign banks and enter- prises 5	Deposits of foreign banks (MFIs) 2						Deposits of foreign non-banks (non-MFIs) 2						Memo item Fiduciary loans 4	Period
		Total	Sight deposits 6	Time deposits (including bank savings bonds)			Total	Sight deposits 6	Time deposits (including savings deposits and bank savings bonds)			Memo item Fiduciary loans 4			
				Total 7	Short- term 7	Medium and long- term			Total 7	Short- term 7	Medium and long- term				
End of year or month *															
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	
7.0	38.8	666.4	143.6	522.7	397.4	125.3	0.6	339.5	86.0	253.5	119.6	134.0	1.1	2006 Jan	
7.1	39.5	691.3	136.8	554.5	428.8	125.7	0.6	326.4	79.4	247.0	114.1	133.0	1.7	Feb	
5.9	38.9	699.4	144.6	554.8	426.3	128.5	0.5	321.3	81.2	240.1	110.1	130.0	1.7	Mar	
5.8	39.4	712.0	151.1	560.9	433.7	127.2	0.5	323.9	76.9	247.0	119.0	128.0	1.7	Apr	
5.5	40.7	715.1	164.8	550.4	424.8	125.5	0.5	323.1	87.8	235.3	109.7	125.6	1.7	May	
5.6	40.9	689.4	165.7	523.7	398.0	125.7	0.6	321.0	89.2	231.9	102.7	129.2	1.7	June	
5.6	41.1	659.4	151.7	507.6	381.5	126.2	0.6	323.2	84.1	239.1	109.9	129.2	1.7	July	
5.8	41.1	658.4	150.7	507.6	384.4	123.2	0.6	337.0	95.8	241.2	111.8	129.4	1.7	Aug	
6.0	47.8	684.1	169.9	514.1	389.1	125.0	0.5	339.0	86.5	252.5	123.3	129.2	1.7	Sep	
5.9	48.4	683.7	155.2	528.5	404.4	124.1	0.5	335.8	82.4	253.4	123.3	130.1	1.6	Oct	
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	
Changes *															
+ 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	
- 3.5	+ 1.3	+ 17.7	+ 40.9	- 23.2	- 20.6	- 2.6	- 0.0	+ 24.9	+ 24.3	+ 0.6	+ 0.9	- 0.2	- 0.1	2006 Jan	
+ 0.0	+ 0.4	+ 21.9	- 7.6	+ 29.5	+ 29.6	- 0.2	- 0.0	- 15.1	- 6.9	- 8.2	- 6.1	- 2.2	+ 0.0	Feb	
- 1.2	- 0.2	+ 11.8	+ 8.6	+ 3.2	- 0.6	+ 3.8	- 0.0	- 2.9	+ 2.1	- 4.9	- 3.3	- 1.7	+ 0.0	Mar	
- 0.1	+ 0.8	+ 17.2	+ 7.5	+ 9.7	+ 10.1	- 0.4	- 0.0	+ 5.1	- 4.0	+ 9.1	+ 9.7	- 0.6	- 0.1	Apr	
- 0.3	+ 1.4	+ 6.3	+ 14.4	- 8.1	- 7.1	- 1.0	+ 0.0	+ 0.8	+ 11.1	- 10.3	- 8.8	- 1.5	+ 0.0	May	
+ 0.0	+ 0.2	- 27.0	+ 0.6	- 27.6	- 27.5	- 0.1	+ 0.0	- 2.7	+ 1.3	- 4.0	- 7.2	+ 3.3	+ 0.1	June	
+ 0.0	+ 0.1	- 29.6	- 13.9	- 15.8	- 16.3	+ 0.6	+ 0.0	+ 2.3	- 5.0	+ 7.3	+ 7.3	+ 0.0	- 0.0	July	
- 0.0	+ 0.1	- 0.2	- 0.7	+ 0.5	+ 3.2	- 2.7	-	+ 14.0	+ 11.8	+ 2.3	+ 2.0	+ 0.3	- 0.0	Aug	
+ 0.2	+ 6.5	+ 24.0	+ 18.7	+ 5.2	+ 3.8	+ 1.4	- 0.0	+ 1.0	- 9.5	+ 10.5	+ 11.2	- 0.7	- 0.0	Sep	
- 0.1	+ 0.6	+ 2.2	- 14.6	+ 16.8	+ 15.2	+ 1.6	- 0.1	- 5.9	- 4.1	- 1.8	- 0.1	- 1.7	- 0.1	Oct	
+ 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	

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

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

IV Banks

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

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

Period	Lending to domestic non-banks, total 1,2		Short-term lending						Medium and long-term		
	including negotiable money market paper, securities, equalisation claims	excluding negotiable money market paper, securities, equalisation claims	Total	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		
	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 Jan	3,032.2	2,661.3	325.0	282.8	282.0	0.8	42.2	40.3	1.9	2,707.3	2,168.5
Feb	3,023.3	2,656.6	316.7	283.3	282.6	0.7	33.4	32.6	0.8	2,706.5	2,170.1
Mar	3,030.2	2,659.7	329.2	292.7	291.7	0.9	36.5	35.9	0.6	2,701.1	2,167.3
Apr	3,066.0	2,667.7	336.7	297.1	296.0	1.0	39.7	38.8	0.8	2,729.3	2,199.0
May	3,065.4	2,659.4	326.4	293.2	292.4	0.7	33.2	32.5	0.7	2,739.0	2,196.1
June	3,028.2	2,656.1	326.0	292.7	291.7	1.0	33.3	32.3	1.1	2,702.1	2,173.3
July	3,024.4	2,653.2	320.7	285.5	284.6	0.9	35.2	34.1	1.1	2,703.7	2,175.1
Aug	3,022.5	2,652.2	318.1	285.5	284.8	0.7	32.6	32.0	0.6	2,704.4	2,178.5
Sep	3,035.2	2,668.7	333.0	301.3	300.5	0.8	31.8	31.5	0.3	2,702.1	2,183.5
Oct	3,033.2	2,664.9	334.5	297.2	296.4	0.8	37.4	36.8	0.6	2,698.7	2,180.2
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
	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 Jan	+ 19.6	+ 8.8	+ 15.3	+ 9.3	+ 9.1	+ 0.2	+ 6.0	+ 5.9	+ 0.1	+ 4.3	+ 9.9
Feb	- 8.9	- 4.7	- 8.2	+ 0.5	+ 0.6	- 0.1	- 8.8	- 7.6	- 1.1	- 0.7	+ 1.5
Mar	+ 6.9	+ 3.0	+ 12.4	+ 9.3	+ 9.2	+ 0.2	+ 3.1	+ 3.3	- 0.2	- 5.5	+ 2.7
Apr	+ 35.3	+ 7.5	+ 7.6	+ 4.3	+ 4.2	+ 0.1	+ 3.4	+ 3.1	+ 0.3	+ 27.6	+ 31.3
May	- 1.4	- 9.0	- 11.0	- 4.6	- 4.3	- 0.3	- 6.4	- 6.3	- 0.1	+ 9.7	- 2.9
June	- 37.2	- 3.3	- 0.3	- 0.5	- 0.7	+ 0.2	+ 0.1	- 0.2	+ 0.4	- 36.9	- 22.8
July	- 3.8	- 3.0	- 5.3	- 7.2	- 7.1	- 0.1	+ 1.9	+ 1.8	+ 0.1	+ 1.6	+ 1.8
Aug	- 1.9	- 1.0	- 2.6	+ 0.0	+ 0.2	- 0.2	- 2.6	- 2.1	- 0.5	+ 0.7	+ 3.4
Sep	+ 12.7	+ 16.5	+ 14.9	+ 15.8	+ 15.7	+ 0.1	- 0.8	- 0.5	- 0.4	- 2.2	+ 5.0
Oct	- 2.0	- 3.8	+ 1.5	- 4.1	- 4.1	+ 0.0	+ 5.6	+ 5.3	+ 0.3	- 3.5	- 3.2
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

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

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

lending 2,5												Period
prises and households 1,2					to general government 2							
Loans			Securities 5	Memo item Fiduciary loans 8	Total	Loans			Secur- ities 5,9	Equal- isation claims 10	Memo item Fiduciary loans 8	
Total	Medium- term 6	Long- term 7				Total	Medium- term 6	Long- term 7				
End of year or month *												
2,900.0	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
1,969.5	193.0	1,776.5	199.0	51.8	538.7	369.6	31.8	337.8	169.2	-	4.4	2006 Jan
1,972.9	193.5	1,779.4	197.1	50.7	536.5	368.5	32.2	336.3	168.0	-	4.4	Feb
1,966.6	193.2	1,773.5	200.7	49.6	533.7	365.3	31.9	333.4	168.4	-	4.4	Mar
1,968.9	192.6	1,776.3	230.2	49.4	530.3	364.0	31.9	332.2	166.3	-	4.5	Apr
1,972.0	194.3	1,777.8	224.1	49.3	542.9	362.4	30.9	331.6	180.5	-	4.5	May
1,973.4	196.3	1,777.2	199.9	49.3	528.8	358.7	30.8	327.9	170.1	-	4.4	June
1,976.5	198.7	1,777.9	198.6	48.9	528.6	358.0	31.4	326.5	170.7	-	4.4	July
1,978.4	197.0	1,781.4	200.0	49.1	525.9	357.0	31.6	325.3	168.9	-	4.4	Aug
1,980.2	198.9	1,781.3	203.3	49.0	518.7	356.4	30.8	325.6	162.2	-	4.7	Sep
1,975.9	197.7	1,778.1	204.4	48.7	518.4	355.9	30.9	325.0	162.6	-	4.7	Oct
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
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
- 1.2	- 1.7	+ 0.4	+ 11.1	- 0.3	- 5.6	- 5.0	- 1.2	- 3.8	- 0.6	-	- 0.1	2006 Jan
+ 3.4	+ 0.5	+ 2.9	- 1.9	- 1.1	- 2.2	- 1.1	+ 0.4	- 1.5	- 1.2	-	- 0.0	Feb
- 6.3	- 0.3	- 6.0	+ 3.5	- 1.1	- 2.7	- 3.2	- 0.3	- 2.9	+ 0.4	-	- 0.0	Mar
+ 1.8	- 0.6	+ 2.4	+ 29.5	- 0.2	- 3.6	- 1.5	- 0.3	- 1.3	- 2.1	-	+ 0.1	Apr
+ 3.2	+ 1.3	+ 1.9	- 6.1	- 0.1	+ 12.6	- 1.6	- 1.0	- 0.6	+ 14.2	-	+ 0.0	May
+ 1.4	+ 2.0	- 0.6	- 24.2	- 0.0	- 14.1	- 3.8	- 0.1	- 3.7	- 10.4	-	- 0.0	June
+ 3.1	+ 2.4	+ 0.7	- 1.3	- 0.4	- 0.2	- 0.7	+ 0.6	- 1.3	+ 0.5	-	- 0.0	July
+ 1.9	- 1.6	+ 3.5	+ 1.5	+ 0.2	- 2.7	- 1.0	+ 0.2	- 1.2	- 1.7	-	- 0.0	Aug
+ 1.8	+ 1.8	- 0.0	+ 3.2	- 0.1	- 7.2	- 0.5	- 0.8	+ 0.3	- 6.7	-	+ 0.4	Sep
- 4.4	- 1.2	- 3.2	+ 1.1	- 0.3	- 0.2	- 0.6	+ 0.1	- 0.6	+ 0.3	-	+ 0.0	Oct
+ 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

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	20.3	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 ⁴	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 ⁵	Debit balances on wage, salary and pension accounts			
End of year or quarter *													Lending, total
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
Short-term lending													
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
Medium-term lending													
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
Long-term lending													
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
Change during quarter *													Lending, total
+ 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
Short-term lending													
+ 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
Medium-term lending													
+ 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
Long-term lending													
- 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						
Domestic non-banks, total											End of year or month *		
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 July	2,336.9	730.6	919.0	263.5	655.5	9.1	646.3	593.2	94.1	37.5	31.2	22.7	
Aug	2,347.5	725.6	936.9	273.7	663.2	10.1	653.1	590.3	94.7	37.5	31.4	24.8	
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	106.7	37.5	30.2	23.9	
											Changes *		
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 July	- 5.8	- 11.4	+ 8.0	+ 5.1	+ 2.9	+ 0.1	+ 2.9	- 2.9	+ 0.5	+ 0.0	- 0.3	- 4.0	
Aug	+ 10.0	- 5.6	+ 17.9	+ 10.2	+ 7.8	+ 1.0	+ 6.8	- 2.9	+ 0.7	+ 0.1	+ 0.2	+ 2.2	
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	
Domestic government											End of year or month *		
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 July	121.6	24.6	93.2	45.8	47.4	0.7	46.7	2.2	1.6	28.4	0.7	-	
Aug	125.5	23.8	97.8	46.1	51.7	1.4	50.2	2.3	1.6	28.4	0.7	-	
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	-	
											Changes *		
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 July	- 0.5	- 0.2	- 0.2	- 0.4	+ 0.2	- 0.0	+ 0.2	- 0.1	- 0.0	- 0.0	- 0.2	-	
Aug	+ 3.9	- 0.7	+ 4.5	+ 0.3	+ 4.2	+ 0.7	+ 3.5	+ 0.1	+ 0.0	- 0.0	+ 0.0	-	
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	-	

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

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

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

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item				
			Total	for up to and including 1 year	for more than 1 year 2					Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos		
					Total	for up to and including 2 years	for more than 2 years							
Domestic enterprises and households													End of year or month *	
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 July	2,215.2	706.0	825.7	217.7	608.0	8.4	599.6	591.0	92.5	9.1	30.5	22.7		
Aug	2,222.0	701.7	839.1	227.5	611.6	8.7	602.9	588.0	93.1	9.2	30.7	24.8		
Sep	2,228.3	701.6	848.4	235.8	612.5	8.9	603.6	585.4	92.9	9.2	29.7	26.9		
Oct	2,226.1	696.3	852.8	239.5	613.3	9.3	604.0	582.8	94.2	9.8	29.6	24.4		
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		
Changes *														
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 July	- 5.3	- 11.2	+ 8.2	+ 5.5	+ 2.8	+ 0.1	+ 2.6	- 2.9	+ 0.5	+ 0.1	- 0.1	- 4.0		
Aug	+ 6.2	- 4.9	+ 13.4	+ 9.8	+ 3.5	+ 0.2	+ 3.3	- 3.0	+ 0.6	+ 0.1	+ 0.2	+ 2.2		
Sep	+ 7.8	- 0.1	+ 9.3	+ 8.3	+ 1.0	+ 0.3	+ 0.7	- 2.6	+ 1.2	+ 0.0	+ 0.5	+ 2.0		
Oct	- 2.2	- 5.3	+ 4.4	+ 3.6	+ 0.8	+ 0.4	+ 0.4	- 2.6	+ 1.3	+ 0.5	- 0.1	- 2.5		
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	+ 3.9	+ 0.6	+ 3.3	- 3.4	+ 1.7	+ 0.0	- 0.1	+ 0.5		
of which: Domestic enterprises													End of year or month *	
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 July	846.2	240.7	580.2	117.9	462.3	2.9	459.4	4.7	20.6	8.6	19.3	22.7		
Aug	856.2	241.9	589.1	123.6	465.5	2.9	462.6	4.7	20.5	8.7	19.6	24.8		
Sep	864.8	244.3	595.3	129.0	466.2	3.1	463.2	4.7	20.6	8.8	19.9	26.9		
Oct	863.1	240.2	597.8	130.8	467.0	3.2	463.8	4.6	20.5	9.3	19.9	24.4		
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		
Changes *														
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 July	- 2.3	- 6.8	+ 4.8	+ 1.8	+ 3.0	+ 0.1	+ 2.9	- 0.2	- 0.1	+ 0.1	- 0.1	- 4.0		
Aug	+ 9.3	+ 0.6	+ 8.9	+ 5.6	+ 3.2	+ 0.1	+ 3.2	+ 0.0	- 0.1	+ 0.1	+ 0.2	+ 2.2		
Sep	+ 8.7	+ 2.4	+ 6.2	+ 5.5	+ 0.7	+ 0.1	+ 0.6	- 0.0	+ 0.1	+ 0.0	+ 0.4	+ 2.0		
Oct	- 1.8	- 4.1	+ 2.5	+ 1.7	+ 0.8	+ 0.1	+ 0.6	- 0.1	- 0.1	+ 0.5	- 0.0	- 2.5		
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		

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	
End of year or month *												
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 Jan	1,381.5	459.7	444.3	81.7	302.2	60.4	15.4	268.8	250.4	30.9	201.9	17.7
Feb	1,387.3	464.6	448.4	81.1	306.2	61.0	16.2	270.0	251.0	30.7	202.4	17.8
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	19.6
Changes *												
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 Jan	- 3.8	- 5.2	- 6.0	- 0.1	- 5.3	- 0.7	+ 0.8	+ 4.0	+ 4.8	+ 0.7	+ 3.3	+ 0.8
Feb	+ 5.7	+ 4.9	+ 4.1	- 0.5	+ 4.0	+ 0.6	+ 0.8	+ 1.3	+ 0.6	- 0.1	+ 0.6	+ 0.1
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

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

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

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

€ billion

Period	Deposits												
	Domestic government, total	Federal Government and its special funds 1					State governments						
		Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans
				for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year		
End of year or month *													
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 Jan	128.6	40.6	1.8	4.9	33.9	0.0	9.1	19.1	4.9	4.2	9.9	0.1	19.9
Feb	131.1	41.8	1.8	5.9	34.1	0.0	9.1	18.8	4.8	4.0	9.9	0.1	19.8
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
Changes *													
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 Jan	- 6.0	- 1.4	- 0.3	- 1.3	+ 0.2	- 0.0	- 0.1	+ 1.0	- 0.6	+ 1.7	- 0.1	- 0.0	- 0.0
Feb	+ 2.5	+ 1.1	- 0.0	+ 0.9	+ 0.2	- 0.0	- 0.0	- 0.3	- 0.1	- 0.2	+ 0.0	+ 0.0	- 0.1
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	+ 0.0	+ 2.6	+ 0.3	+ 2.3	- 0.1	+ 0.0	- 0.1

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

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

					Savings deposits ³			Memo item					Period
by maturity					Total	Domestic households	Domestic non-profit institutions	Bank savings bonds ⁴	Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities) ⁵	Included in time deposits: liabilities arising from repos		
Domestic non-profit institutions	up to and including 1 year	more than 1 year ²											
		Total	of which										
		up to and including 2 years	more than 2 years										
End of year or month *													
18.4	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	
18.4	119.6	149.2	6.5	142.7	575.6	566.8	8.8	77.4	0.5	9.4	–	2007 Jan	
19.1	120.9	149.2	6.7	142.4	573.7	565.0	8.7	78.9	0.5	9.4	–	Feb	
19.6	124.7	149.8	7.0	142.7	571.9	563.3	8.6	80.4	0.5	9.3	–	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	
Changes *													
– 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	
– 0.7	+ 4.0	+ 0.1	+ 0.1	– 0.0	– 4.4	– 4.3	– 0.1	+ 1.7	+ 0.0	– 0.1	–	2007 Jan	
+ 0.7	+ 1.3	– 0.1	+ 0.2	– 0.3	– 1.9	– 1.8	– 0.1	+ 1.5	+ 0.0	– 0.1	–	Feb	
+ 0.5	+ 3.8	+ 0.6	+ 0.3	+ 0.3	– 1.8	– 1.7	– 0.1	+ 1.4	– 0.0	– 0.1	–	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	

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

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

Local government and local government associations (including municipal special-purpose associations)						Social security funds						Period
Total	Sight deposits	Time deposits ³		Savings deposits and bank savings bonds ^{2,4}	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds ²	Memo item Fiduciary loans	
		for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year			
End of year or month *												
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
27.3	8.9	11.9	3.6	2.9	0.3	41.6	7.5	27.4	6.1	0.6	0.0	2007 Jan
29.9	10.3	13.1	3.6	2.9	0.3	40.6	7.2	26.6	6.2	0.6	0.0	Feb
29.5	9.8	13.2	3.6	2.9	0.3	39.9	6.5	26.8	6.1	0.6	0.0	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
Changes *												
+ 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
– 3.2	– 2.5	– 0.8	+ 0.2	– 0.1	+ 0.0	– 2.4	– 0.3	– 2.3	+ 0.2	– 0.0	–	2007 Jan
+ 2.6	+ 1.4	+ 1.2	+ 0.0	+ 0.0	–	– 1.0	– 0.3	– 0.8	+ 0.0	+ 0.0	–	Feb
– 0.4	– 0.5	+ 0.1	– 0.0	– 0.0	– 0.0	– 0.7	– 0.7	+ 0.2	– 0.1	– 0.0	– 0.0	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

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

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

IV Banks

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

€ billion

Period	Savings deposits 1								Memo item Interest credited on savings deposits	Bank savings bonds, 3 sold to			
	of residents						of non-residents			non-banks, total	domestic non-banks		foreign non-banks
	Total	Total	at three months' notice		at more than three months' notice		Total	of which at three months' notice			Total	of which With maturities of more than 2 years	
			Total	of which Special savings facilities 2	Total	of which Special savings facilities 2							
End of year or month *													
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 Feb	588.7	580.3	477.4	375.5	102.9	94.4	8.3	6.4	0.3	110.8	100.8	68.9	10.0
Mar	586.9	578.6	474.2	373.3	104.4	96.0	8.4	6.4	0.4	112.5	102.5	68.6	10.0
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	106.7	66.8	10.7
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 Feb	- 1.8	- 1.8	- 3.8	- 3.0	+ 2.0	+ 2.1	+ 0.0	- 0.0	.	+ 1.4	+ 1.4	- 0.8	- 0.0
Mar	- 1.7	- 1.8	- 3.3	- 2.2	+ 1.5	+ 1.6	+ 0.0	- 0.0	.	+ 1.6	+ 1.6	- 0.3	- 0.0
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

* 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							Total	of which with maturities of				
		Floating rate bonds 1	Zero coupon bonds 1,2	Foreign currency bonds 3,4	Certificates of deposit	with maturities of				up to and including 1 year	more than 1 year including 2 years	more than 2 years		
						up to and including 1 year	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 Feb	1,659.1	391.7	43.8	310.7	34.8	74.7	130.2	1,454.1	1.8	0.2	0.9	0.7	53.9	1.2
Mar	1,667.0	387.2	47.1	309.9	37.6	80.5	137.0	1,449.5	1.8	0.1	1.0	0.7	52.1	1.2
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
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 Feb	+ 3.4	+ 1.9	+ 0.3	+ 0.4	+ 0.5	+ 0.8	+ 5.2	- 2.6	- 0.0	- 0.1	+ 0.0	+ 0.0	+ 2.1	- 0.0
Mar	+ 7.9	- 4.5	+ 3.3	- 0.9	+ 2.9	+ 5.8	+ 6.8	- 4.6	+ 0.0	- 0.0	+ 0.1	+ 0.0	- 1.8	- 0.0
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

* 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								
All building and loan associations																
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 Apr	26	193.2	42.2	0.0	12.6	27.2	66.9	12.1	15.3	0.3	27.6	123.8	5.2	4.3	7.3	7.3
May	26	193.0	42.5	0.0	12.6	27.2	66.9	12.1	14.9	0.3	26.7	123.5	5.2	5.2	7.3	7.3
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
Private building and loan associations																
2007 Apr	15	141.2	29.0	0.0	7.4	17.3	50.2	11.1	9.9	0.2	22.3	82.9	5.0	4.3	4.7	4.5
May	15	140.9	29.1	0.0	7.3	17.3	50.3	11.2	9.6	0.2	21.3	82.6	5.0	5.2	4.7	4.5
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
Public building and loan associations																
2007 Apr	11	52.0	13.1	0.0	5.3	9.9	16.7	0.9	5.4	0.1	5.2	40.9	0.2	-	2.6	2.8
May	11	52.2	13.3	0.0	5.3	9.9	16.6	0.9	5.3	0.1	5.4	40.8	0.2	-	2.6	2.7
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

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								Total
All building and loan associations																
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 Apr	2.2	0.1	0.5	4.6	3.4	3.9	2.0	0.5	0.8	0.5	1.1	10.5	7.7	0.9		0.1
May	1.8	0.1	0.5	3.8	2.7	3.4	1.7	0.4	0.7	0.3	1.0	10.6	7.7	0.8		0.0
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		0.0
Private building and loan associations																
2007 Apr	1.3	0.1	0.3	3.3	2.3	3.0	1.5	0.4	0.6	0.4	0.9	6.2	3.8	0.6		0.0
May	1.2	0.1	0.3	2.7	1.8	2.5	1.2	0.3	0.5	0.3	0.9	6.4	3.8	0.5		0.0
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		0.0
Public building and loan associations																
2007 Apr	0.9	0.0	0.2	1.2	1.1	0.9	0.6	0.1	0.2	0.1	0.2	4.3	3.9	0.3		0.0
May	0.7	0.0	0.3	1.1	0.9	0.9	0.5	0.1	0.2	0.1	0.2	4.3	3.9	0.3		0.0
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		0.0

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

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

IV Banks

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

€ billion

Period	Number of		Balance sheet total	Lending to banks (MFIs)					Lending to non-banks (non-MFIs)					Other assets	
	German banks (MFIs) with foreign branches and/or foreign subsidiaries	foreign branches 1 and/or foreign subsidiaries		Total	Credit balances and loans			Money market paper, securities 2,3	Total	Loans			Money market paper, securities 2		
					Total	German banks	Foreign banks			Total	Total	to German non-banks			of which enterprises and households	to foreign non-banks
Foreign branches															
End of year or month *															
2003	55	202	1,294.1	599.0	522.9	185.6	337.3	76.1	632.7	438.0	19.0	16.8	419.0	194.7	62.5
2004	52	203	1,452.7	681.0	595.7	170.2	425.6	85.2	671.0	477.3	17.1	15.8	460.2	193.7	100.7
2005	54	211	1,626.5	713.1	640.8	180.1	460.7	72.3	805.8	587.7	22.0	21.5	565.7	218.1	107.6
2006 Aug	54	212	1,711.4	718.6	651.8	188.2	463.6	66.7	883.7	671.2	19.5	18.7	651.7	212.5	109.2
Sep	53	211	1,719.6	703.5	635.5	205.3	430.1	68.0	912.0	697.3	19.9	19.1	677.4	214.7	104.1
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
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 Aug	- 1	-	+ 9.4	+ 2.8	+ 4.4	- 11.3	+ 15.6	- 1.5	+ 4.0	+ 7.1	- 1.1	- 1.0	+ 8.2	- 3.0	+ 2.5
Sep	- 1	- 1	- 2.2	- 19.1	- 20.2	+ 17.1	- 37.3	+ 1.1	+ 22.4	+ 21.5	+ 0.4	+ 0.4	+ 21.1	+ 0.9	- 5.5
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
Foreign subsidiaries															
End of year or month *															
2003	46	179	645.8	307.2	246.4	127.3	119.1	60.7	277.0	213.8	41.5	37.9	172.3	63.3	61.6
2004	45	170	647.7	304.4	236.1	117.1	119.0	68.3	282.1	211.9	38.6	35.0	173.3	70.2	61.2
2005	43	153	713.6	320.9	249.4	119.9	129.6	71.4	324.6	224.0	39.0	35.8	185.0	100.6	68.1
2006 Aug	42	149	748.9	331.4	251.6	118.3	133.3	79.8	349.1	227.4	48.2	46.3	179.2	121.6	68.4
Sep	42	148	774.3	337.6	258.8	119.2	139.5	78.9	366.8	238.1	46.7	44.3	191.4	128.7	69.8
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
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 Aug	- 1	- 1	- 10.6	- 5.6	- 6.8	- 0.9	- 6.0	+ 1.3	- 1.2	- 1.7	- 0.5	- 0.5	- 1.2	+ 0.4	- 3.8
Sep	-	- 1	+ 23.9	+ 5.0	+ 6.6	+ 1.0	+ 5.7	- 1.6	+ 17.5	+ 10.4	- 1.5	- 2.0	+ 11.9	+ 7.1	+ 1.4
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

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

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

IV Banks

Deposits														Money market paper and debt securities outstanding ⁵	Working capital and own funds	Other liabilities ⁶	Period
of banks (MFIs)				of non-banks (non-MFIs)						Foreign non-banks							
Total	Total	German banks	Foreign banks	Total	German non-banks ⁴												
					Total	Short-term		Medium and long-term									
						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			
1,414.9	943.8	356.0	587.8	471.1	67.4	59.5	56.5	8.0	7.3	403.7	180.2	22.5	93.9	2006 Aug			
1,420.1	948.2	383.9	564.3	471.9	64.4	56.6	53.8	7.8	7.1	407.6	180.2	27.8	91.5	Sep			
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	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			
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			
- 0.6	+ 3.4	- 2.5	+ 6.0	- 4.0	+ 0.4	+ 0.4	+ 0.1	- 0.0	- 0.0	- 4.4	+ 7.0	- 0.0	+ 3.1	2006 Aug			
- 2.4	- 0.4	+ 27.9	- 28.3	- 1.9	- 3.1	- 2.9	- 2.7	- 0.2	- 0.2	+ 1.1	- 0.0	+ 5.3	- 5.1	Sep			
+ 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	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			
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			
549.3	330.1	115.5	214.6	219.1	35.2	26.8	24.5	8.4	8.3	183.9	88.2	40.7	70.7	2006 Aug			
573.5	346.8	114.7	232.1	226.7	37.6	29.3	27.4	8.3	8.1	189.1	88.2	40.8	71.7	Sep			
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	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			
Changes *																	
+ 1.4	- 0.7	- 16.4	+ 15.7	+ 2.1	+ 1.9	+ 1.4	+ 2.6	+ 0.5	+ 0.4	+ 0.2	+ 5.4	- 2.2	+ 4.7	2004			
+ 48.6	+ 24.2	+ 19.9	+ 4.3	+ 24.4	+ 4.2	+ 1.7	+ 0.6	+ 2.5	+ 2.5	+ 20.2	+ 6.2	+ 1.9	- 6.7	2005			
+ 10.2	- 4.5	- 2.4	- 2.1	- 5.7	- 0.1	- 0.2	- 0.8	+ 0.0	+ 0.0	- 5.5	- 0.9	- 0.0	+ 0.5	2006 Aug			
+ 23.0	+ 15.9	- 0.8	+ 16.7	+ 7.1	+ 2.3	+ 2.5	+ 2.8	- 0.2	- 0.2	+ 4.7	+ 0.1	+ 0.1	+ 0.8	Sep			
- 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	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	+ 1.3	+ 0.4	+ 1.0	+ 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			

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

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

V Minimum reserves

1 Reserve ratios

Germany

% of liabilities subject to reserve requirements

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

Euro area

% of reserve base 1

Applicable from	Ratio
1999 Jan 1	2

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

2 Reserve maintenance in Germany up to the end of 1998

– pursuant to the Minimum Reserves Order of the Bundesbank

DM million

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

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

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

3 Reserve maintenance in the euro area

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

Maintenance period beginning in 1	Reserve base 2	Required reserves before deduction of lump-sum allowance 3	Lump-sum allowance 4	Required reserves after deduction of lump-sum allowance	Current account 5	Excess reserves 6	Deficiencies 7
Euro area (€ billion)							
2006 Dec 8	8,749.1	175.0	0.5	174.5	175.3	1.0	0.0
2007 Jan	8,812.9	176.3	0.5	175.8	176.5	0.8	0.0
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 p.9	9,588.2	191.8	0.5	191.3	192.0	0.7	...
Aug p	...	...	...	191.9	...	...	...
Of which: Germany (€ million)							
2006 Dec	2,063,592	41,272	200	41,072	41,364	292	0
2007 Jan	2,095,140	41,903	199	41,704	41,890	186	0
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 p	2,248,867	44,977	197	44,780	...	...	...

1 From March 2004, the reserve maintenance period will start on the settlement day of the main refinancing operation immediately following the meeting of the Governing Council of the ECB for which the monthly discussion of the monetary policy stance is scheduled. — 2 Article 3 of the Regulation of the European Central Bank on the application of minimum reserves (excluding liabilities to which a reserve ratio of 0% applies, pursuant to Article 4 (1)). — 3 Amount after applying the reserve ratios to the reserve base. — 4 Article 5 (2) of the Regulation of the European Central

Bank on the application of minimum reserves. — 5 Average credit balances of the credit institutions at the national central banks. — 6 Average credit balances less required reserves after deduction of the lump-sum allowance. — 7 Required reserves after deduction of the lump-sum allowance. — 8 From 1 January 2007, including data of credit institutions in Slovenia. — 9 The total number of deficiencies was not available when this report went to press.

VI Interest rates

1 ECB interest rates

2 Base rates

% per annum

Applicable from	Deposit facility	Main refinancing operations ¹	Marginal lending facility	Applicable from	Deposit facility	Main refinancing operations ¹	Marginal lending facility
1999 Jan 1	2.00	3.00	4.50	2002 Dec 6	1.75	2.75	3.75
Jan 4	2.75	3.00	3.25	2003 Mar 7	1.50	2.50	3.50
Jan 22	2.00	3.00	4.50	June 6	1.00	2.00	3.00
Apr 9	1.50	2.50	3.50	2005 Dec 6	1.25	2.25	3.25
Nov 5	2.00	3.00	4.00	2006 Mar 8	1.50	2.50	3.50
2000 Feb 4	2.25	3.25	4.25	June 15	1.75	2.75	3.75
Mar 17	2.50	3.50	4.50	Aug 9	2.00	3.00	4.00
Apr 28	2.75	3.75	4.75	Oct 11	2.25	3.25	4.25
June 9	3.25	4.25	5.25	Dec 13	2.50	3.50	4.50
Sep 1	3.50	4.50	5.50	2007 Mar 14	2.75	3.75	4.75
Oct 6	3.75	4.75	5.75	June 13	3.00	4.00	5.00
2001 May 11	3.50	4.50	5.50				
Aug 31	3.25	4.25	5.25				
Sep 18	2.75	3.75	4.75				
Nov 9	2.25	3.25	4.25				

% per annum

Applicable from	Base rate as per Discount Rate Transition Act ²	Applicable from	Base rate as per Civil Code ³
1999 Jan 1	2.50	2002 Jan 1	2.57
May 1	1.95	July 1	2.47
2000 Jan 1	2.68	2003 Jan 1	1.97
May 1	3.42	July 1	1.22
Sep 1	4.26	2004 Jan 1	1.14
2001 Sep 1	3.62	July 1	1.13
2002 Jan 1	2.71	2005 Jan 1	1.21
to Apr 3		July 1	1.17
		2006 Jan 1	1.37
		July 1	1.95
		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	Allotment amount	Fixed rate tenders		Variable rate tenders		Running for ... days
			Fixed rate	% per annum	Minimum bid rate	Marginal rate ¹		Weighted average rate
Main refinancing operations							
2007 June 20	365,298	288,000	—	4.00	4.06	4.07	7
June 27	340,137	313,500	—	4.00	4.07	4.08	7
July 4	357,489	298,000	—	4.00	4.03	4.05	7
July 11	382,686	292,000	—	4.00	4.06	4.06	7
July 18	375,272	301,500	—	4.00	4.06	4.06	7
July 25	370,371	315,500	—	4.00	4.06	4.07	7
Aug 1	373,286	298,000	—	4.00	4.06	4.06	7
Aug 8	391,978	292,500	—	4.00	4.06	4.07	7
Aug 15	426,994	310,000	—	4.00	4.08	4.10	7
Longer-term refinancing operations							
2007 May 31	72,697	50,000	—	—	4.06	4.07	91
June 28	66,319	50,000	—	—	4.11	4.12	91
July 26	78,703	50,000	—	—	4.20	4.20	98

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 ¹				EONIA ²	EURIBOR ³					
	Overnight money		Three-month funds			One-week funds	One-month funds	Three-month funds	Six-month funds	Nine-month funds	Twelve-month funds
	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates		Monthly averages					
2007 Jan	3.56	3.45 – 3.62	3.74	3.69 – 3.78	3.56	3.59	3.62	3.75	3.89	3.99	4.06
Feb	3.56	3.51 – 3.59	3.80	3.75 – 3.85	3.57	3.59	3.65	3.82	3.94	4.03	4.09
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

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

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

VI Interest rates

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

Effective interest rate % per annum ¹

End of month	Households' deposits				Non-financial corporations' deposits						Loans to households				Loans to non-financial corporations	
	with an agreed maturity of				with a maturity of											
	up to 2 years	over 2 years	up to 2 years	over 2 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years
2006 Nov	2.78	3.05	3.24	3.80	4.98	4.33	4.68	8.34	6.81	5.91	5.14	4.59	4.63			
Dec	2.89	3.05	3.42	3.88	5.01	4.34	4.70	8.43	6.81	5.93	5.23	4.66	4.68			
2007 Jan ³	2.99	3.06	3.45	3.91	5.05	4.38	4.72	8.55	6.84	5.95	5.30	4.76	4.77			
Feb	3.07	3.12	3.49	3.92	5.11	4.46	4.79	8.67	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	8.64	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	8.69	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	4.99	4.90			
June	3.39	3.04	3.87	3.95	5.21	4.54	4.86	8.69	6.99	6.04	5.58	5.08	4.93			

(b) New business +

Effective interest rate % per annum ¹

Reporting period	Households' deposits						Non-financial corporations' deposits						
	Overnight	with an agreed maturity of			redeemable at notice of		Overnight	with an agreed maturity of					
		up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		up to 1 year	over 1 year and up to 2 years	over 2 years			
2006 Nov	0.91	3.10	3.34	2.80	2.30	2.81	1.49	3.26	3.47	3.66	3.66		
Dec	0.92	3.27	3.31	2.79	2.38	2.87	1.51	3.47	4.99	3.88	3.88		
2007 Jan ³	0.98	3.33	3.48	2.92	2.35	2.98	1.61	3.49	3.91	4.07	4.07		
Feb	1.00	3.37	3.64	2.72	2.35	3.07	1.64	3.48	3.80	4.15	4.15		
Mar	1.02	3.51	3.65	2.68	2.39	3.14	1.71	3.67	3.84	3.72	3.72		
Apr	1.04	3.59	3.68	2.78	2.42	3.20	1.75	3.74	4.01	3.87	3.87		
May	1.06	3.62	3.51	2.72	2.43	3.25	1.78	3.74	3.80	3.72	3.72		
June	1.08	3.78	3.79	2.64	2.42	3.32	1.78	3.94	4.10	4.18	4.18		

Reporting period	Loans to households												
	Over-drafts	Consumer credit				Housing loans					Other loans		
		Total ²	with an initial rate fixation			Total ²	with an initial rate fixation				over 10 years	floating rate or up to 1 year	over 1 year and up to 5 years
2006 Nov	10.08	7.83	7.66	6.16	8.15		4.76	4.49	4.50	4.58					4.47	4.97	5.26	4.91
Dec	10.03	7.72	7.56	6.08	7.97	4.80	4.56	4.58	4.56	4.49	4.93	5.24	4.82
2007 Jan ³	10.15	8.26	7.63	6.71	8.39	4.83	4.68	4.60	4.60	4.50	5.13	5.43	4.92
Feb	10.33	8.30	7.69	6.86	8.27	4.90	4.71	4.71	4.70	4.61	5.27	5.38	5.14
Mar	10.23	8.15	7.51	6.71	8.34	4.94	4.79	4.76	4.71	4.62	5.26	5.60	5.20
Apr	10.30	8.17	7.77	6.72	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	10.39	8.25	8.08	6.66	8.23	5.14	4.99	4.91	4.89	4.79	5.49	5.77	5.32

Reporting period	Loans to non-financial corporations						
	Overdrafts	Loans up to €1 million with an initial rate fixation			Loans over €1 million with an initial rate fixation		
		floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years	floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years
2006 Nov	5.82	5.00	5.25	4.68	4.31	4.62	4.58
Dec	5.80	5.08	5.24	4.71	4.50	4.77	4.63
2007 Jan ³	5.94	5.16	5.31	4.69	4.44	4.67	4.71
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	5.54	5.67	4.98	4.86	5.30	5.17

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

tration, preparation of the documents, guarantees and credit insurance. —
3 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 June	2.48	119,134	2.66	194,457	2.71	82,607	3.92	23,866
July	2.59	123,786	2.65	193,837	2.82	84,840	3.91	23,381
Aug	2.69	129,030	2.64	193,804	2.96	87,864	3.91	23,319
Sep	2.74	133,242	2.64	192,264	3.03	89,398	3.92	23,918
Oct	2.86	137,322	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	178,760	2.55	188,745	3.90	95,736	4.27	22,277

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 June	5.29	6,142	4.32	29,879	5.26	923,622	9.29	74,256	5.55	69,157	6.04	324,024
July	5.29	6,019	4.32	29,697	5.25	925,008	9.27	73,385	5.55	69,213	6.05	323,342
Aug	5.34	6,021	4.32	29,598	5.23	927,050	9.31	72,346	5.52	69,592	6.06	323,243
Sep	5.39	6,431	4.33	29,571	5.22	929,104	9.41	73,812	5.53	69,624	6.07	322,587
Oct	5.51	5,995	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	27,846	5.13	926,983	10.04	70,236	5.53	66,531	6.08	316,290

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 June	5.07	157,956	4.14	90,560	4.88	494,890
July	5.08	159,419	4.23	93,650	4.90	493,519
Aug	5.15	156,471	4.28	92,296	4.90	496,535
Sep	5.21	158,696	4.32	94,768	4.92	495,304
Oct	5.32	157,742	4.43	94,563	4.93	494,286
Nov	5.38	158,418	4.47	95,324	4.93	497,001
Dec	5.53	154,061	4.57	93,621	4.94	497,339
2007 Jan	5.59	154,768	4.65	94,733	4.97	498,816
Feb	5.66	154,784	4.68	94,268	4.97	500,380
Mar	5.79	156,009	4.76	94,383	4.98	500,891
Apr	5.81	157,892	4.81	94,834	4.99	501,087
May	5.80	159,526	4.84	97,867	5.00	502,283
June	5.94	161,937	4.98	97,605	5.02	502,141

* 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												
		with an agreed maturity of						redeemable at notice of 8				
Overnight		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 June	1.35	470,361	2.49	31,399	3.23	1,592	2.55	1,922	2.05	507,349	2.54	88,337
July	1.36	465,849	2.63	33,301	3.25	2,190	2.90	2,150	2.05	503,445	2.59	89,399
Aug	1.41	460,404	2.75	34,694	3.40	1,347	2.78	3,537	2.09	498,932	2.65	90,923
Sep	1.43	457,935	2.82	31,948	3.41	1,691	2.54	2,121	2.10	495,091	2.69	92,142
Oct	1.47	456,615	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	479,161	3.72	44,261	4.19	3,006	2.92	1,582	2.33	461,997	3.32	104,744

Non-financial corporations' deposits								
		with an agreed maturity of						
Overnight		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
2006 June	1.57	157,582	2.67	50,441	4.07	321	3.38	1,133
July	1.61	158,281	2.77	46,614	3.52	554	4.21	1,292
Aug	1.71	162,279	2.92	54,472	3.57	280	3.98	641
Sep	1.71	160,811	3.00	51,870	3.79	488	4.04	797
Oct	1.81	161,921	3.20	61,003	4.09	315	4.71	985
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

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 June	7.26	5.12	1,283	5.35	5,319	8.64	3,105	4.21	10,126	5.24	2,119	4.81	3,148
July	7.51	5.54	1,271	5.41	5,564	8.98	3,048	4.27	11,070	5.36	1,793	4.94	2,500
Aug	7.59	5.63	1,007	5.48	4,718	8.85	3,119	4.40	11,083	5.38	1,394	4.98	2,530
Sep	7.43	5.60	1,046	5.29	5,422	8.90	2,858	4.41	10,978	5.30	1,861	5.08	2,323
Oct	7.19	5.61	1,662	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

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 June	10.86	47,657	4.75	4.91	2,338	4.61	2,395	4.66	6,108	4.63	4,902
July	10.92	46,654	4.83	4.92	2,561	4.66	2,415	4.67	6,106	4.80	4,363
Aug	11.00	45,734	4.87	5.12	2,229	4.80	2,398	4.71	5,777	4.76	4,498
Sep	11.02	46,945	4.84	5.10	2,122	4.80	1,964	4.71	4,855	4.69	4,191
Oct	11.10	46,782	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	45,349	5.19	5.64	2,372	5.22	2,128	5.01	6,144	5.03	5,466

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 June	6.26	70,516	5.04	9,035	5.00	1,210	4.80	1,897
July	6.29	68,078	5.11	8,108	5.14	1,232	4.88	1,895
Aug	6.36	66,594	5.14	7,170	5.25	1,514	4.96	2,188
Sep	6.37	67,633	5.37	8,144	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

Loans to non-financial corporations (cont'd)						
Loans over €1 million with an initial rate fixation of 13						
floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years		
Reporting period	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2006 June	3.98	52,421	4.35	5,165	4.45	7,267
July	4.00	46,079	4.59	4,567	4.74	5,697
Aug	4.19	42,375	4.56	2,537	4.66	4,578
Sep	4.24	46,903	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	5,966	5.19	9,513

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 *

Period	Debt securities											
	Sales = total pur- chases	Sales					Purchases					
		Domestic debt securities 1					Foreign debt secu- rities 3	Residents				Non- residents 7
		Total	Bank debt securities	Corporate bonds	Public debt secu- rities 2	Total 4		Credit in- stitutions including building and loan associations 5	Non- banks 6	Bundes- bank open market oper- ations 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 Apr	17,872	8,656	4,916	– 934	4,673	9,216	– 6,724	7,314	– 14,038	–	24,596	
May	49,551	30,676	12,803	4,285	13,588	18,875	23,402	11,873	11,529	–	26,149	
June	20,785	5,898	– 1,973	1,207	6,664	14,887	8,133	6,059	2,074	–	12,652	

Period	Shares							
	Sales = total pur- chases	Sales			Purchases			
		Domestic shares 8	Foreign shares 9		Residents			Non- residents 12
					Total 10	Credit insti- tutions 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 Apr	– 4,524	1,137	5,661	24,652	29,508	4,856	–	29,176
May	15,896	864	15,032	15,332	1,389	16,721	–	564
June	– 128	494	622	39,021	40,414	1,393	–	38,893

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

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

VII Capital market

2 Sales of debt securities issued by residents *

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

Period	Bank debt securities 1						Corporate bonds 2	Public debt securities 3	Memo item Foreign DM/euro bonds issued by German- managed syndicates	
	Total	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities				
Gross sales 4										
1994	627,331	412,585	44,913	150,115	39,807	177,750	486	214,261	61,465	
1995	620,120	470,583	43,287	208,844	41,571	176,877	200	149,338	102,719	
1996	731,992	563,076	41,439	246,546	53,508	221,582	1,742	167,173	112,370	
1997	846,567	621,683	53,168	276,755	54,829	236,933	1,915	222,972	114,813	
1998	1,030,827	789,035	71,371	344,609	72,140	300,920	3,392	238,400	149,542	
€ million										
1999	571,269	448,216	27,597	187,661	59,760	173,200	2,570	120,483	57,202	
2000	659,148	500,895	34,528	143,107	94,556	228,703	8,114	150,137	31,597	
2001	687,988	505,646	34,782	112,594	106,166	252,103	11,328	171,012	10,605	
2002	818,725	569,232	41,496	119,880	117,506	290,353	17,574	231,923	10,313	
2003	958,917	668,002	47,828	107,918	140,398	371,858	22,510	268,406	2,850	
2004	990,399	688,844	33,774	90,815	162,353	401,904	31,517	270,040	12,344	
2005	988,911	692,182	28,217	103,984	160,010	399,969	24,352	272,380	600	
2006	925,863	622,055	24,483	99,628	139,193	358,750	29,975	273,834	69	
2007 Mar	90,043	64,185	617	8,455	19,044	36,069	1,075	24,783	-	
Apr	72,677	51,388	2,818	6,560	8,096	33,913	1,602	19,687	-	
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	-	
of which: Debt securities with maturities of more than four years 5										
1994	429,369	244,806	36,397	109,732	29,168	69,508	306	184,255	53,351	
1995	409,469	271,763	30,454	141,629	28,711	70,972	200	137,503	85,221	
1996	473,560	322,720	27,901	167,811	35,522	91,487	1,702	149,139	92,582	
1997	563,333	380,470	41,189	211,007	41,053	87,220	1,820	181,047	98,413	
1998	694,414	496,444	59,893	288,619	54,385	93,551	2,847	195,122	139,645	
€ million										
1999	324,888	226,993	16,715	124,067	37,778	48,435	2,565	95,331	44,013	
2000	319,330	209,187	20,724	102,664	25,753	60,049	6,727	103,418	27,008	
2001	299,751	202,337	16,619	76,341	42,277	67,099	7,479	89,933	6,480	
2002	309,157	176,486	16,338	59,459	34,795	65,892	12,149	120,527	9,213	
2003	369,336	220,103	23,210	55,165	49,518	92,209	10,977	138,256	2,850	
2004	424,769	275,808	20,060	48,249	54,075	153,423	20,286	128,676	4,320	
2005	425,523	277,686	20,862	63,851	49,842	143,129	16,360	131,479	400	
2006	337,969	190,836	17,267	47,814	47,000	78,756	14,422	132,711	69	
2007 Mar	25,633	16,370	332	4,540	5,246	6,251	328	8,936	-	
Apr	19,899	12,343	497	2,315	3,392	6,139	1,302	6,254	-	
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	-	
Net sales 6										
1994	270,088	116,519	18,184	54,316	-	6,897	50,914	62	153,630	21,634
1995	205,482	173,797	18,260	96,125	3,072	56,342	-	354	32,039	61,020
1996	238,427	195,058	11,909	121,929	6,020	55,199	-	585	42,788	69,951
1997	257,521	188,525	16,471	115,970	12,476	43,607	-	1,560	67,437	63,181
1998	327,991	264,627	22,538	162,519	18,461	61,111	-	3,118	60,243	84,308
€ million										
1999	209,096	170,069	2,845	80,230	31,754	55,238	-	2,185	36,840	22,728
2000	155,615	122,774	5,937	29,999	30,089	56,751	-	7,320	25,522	16,705
2001	84,122	60,905	6,932	9,254	28,808	34,416	-	8,739	14,479	30,657
2002	131,976	56,393	7,936	26,806	20,707	54,561	-	14,306	61,277	44,546
2003	124,556	40,873	2,700	42,521	44,173	36,519	-	18,431	65,253	54,990
2004	167,233	81,860	1,039	52,615	50,142	83,293	-	18,768	66,605	22,124
2005	141,715	65,798	-	2,151	34,255	37,242	-	10,099	65,819	35,963
2006	129,423	58,336	-	12,811	20,150	44,890	-	15,605	55,482	19,208
2007 Mar	9,418	7,524	-	2,510	335	6,532	-	158	1,736	2,534
Apr	16,521	6,478	-	1,098	5,658	1,525	-	1,648	11,692	137
May	27,651	15,201	-	610	5,282	6,778	-	1,366	11,084	719
June	-	11,075	-	1,703	5,307	2,161	-	683	808	1,063

* 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 ¹								Corporate bonds	Public debt securities	Memo item Foreign DM/euro bonds issued by German- managed syndicates
	Total	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities					
DM million											
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 Apr	3,099,779	1,859,590	139,036	487,516	394,777	838,261	96,125	1,144,065	105,963		
May	3,127,430	1,874,791	138,426	482,233	401,555	852,577	97,491	1,155,148	105,244		
June	3,116,355	1,863,591	136,723	476,926	403,716	846,226	96,808	1,155,956	104,181		
Breakdown by remaining period to maturity ²											
Position at end-June 2007											
less than 2	1,144,607	764,162	56,603	213,553	163,230	330,776	22,129	358,316	62,622		
2 to less than 4	717,689	467,409	34,073	147,739	94,126	191,470	18,396	231,885	24,847		
4 to less than 6	438,739	242,796	32,390	62,593	44,552	103,262	19,739	176,204	4,340		
6 to less than 8	262,667	122,518	6,258	23,228	25,589	67,445	17,145	123,004	5,350		
8 to less than 10	283,694	155,411	6,932	18,765	23,417	106,298	4,430	123,854	2,969		
10 to less than 15	57,302	38,978	414	5,962	22,264	10,338	2,425	15,899	957		
15 to less than 20	28,587	14,295	54	1,773	7,360	5,109	1,320	12,971	1,912		
20 and more	183,070	58,020	-	3,315	23,177	31,528	11,224	113,825	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 2
			cash payments and ex- change of convertible bonds ¹	issue of bonus shares	contribution of claims and other real assets	contribution of shares, mining shares, GmbH shares, etc	merger and transfer of assets	change of legal form	reduction of capital and liquidation	
DM million										
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	- 1,760	- 2,286	- 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 Apr	163,822	107	245	48	2	8	- 8	- 142	- 46	1,435,794
May	164,103	281	136	211	1	0	- 49	- 114	- 132	1,547,655
June	164,484	381	402	317	4	10	- 23	- 79	- 250	1,494,788

* 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					Debt securities		Shares	
	Total	Total	Listed Federal securities		With a residual maturity of more than 9 and including 10 years 4	Total	With a residual maturity of more than 9 and including 10 years	Corporate bonds	Memo item Foreign DM/euro bonds issued by German-managed syndicates 1,5	German bond index (REX)	iBoxx € Germany price index	CDAX share price index	German share index (DAX)	
			Total	With a residual maturity of more than 9 and including 10 years 4										
% per annum										Average daily rate	End-1998 = 100	End-1987 = 100	End-1987 = 1000	
1995	6.5	6.5	6.5	6.9	6.5	7.2	6.9	6.8	109.18	.	181.47	2,253.88		
1996	5.6	5.6	5.6	6.2	5.5	6.4	5.8	5.8	110.37	.	217.47	2,888.69		
1997	5.1	5.1	5.1	5.6	5.0	5.9	5.2	5.5	111.01	.	301.47	4,249.69		
1998	4.5	4.4	4.4	4.6	4.5	4.9	5.0	5.3	118.18	100.00	343.64	5,002.39		
1999	4.3	4.3	4.3	4.5	4.3	4.9	5.0	5.4	110.60	92.52	445.95	6,958.14		
2000	5.4	5.3	5.2	5.3	5.6	5.8	6.2	6.3	112.48	94.11	396.59	6,433.61		
2001	4.8	4.7	4.7	4.8	4.9	5.3	5.9	6.2	113.12	94.16	319.38	5,160.10		
2002	4.7	4.6	4.6	4.8	4.7	5.1	6.0	5.6	117.56	97.80	188.46	2,892.63		
2003	3.7	3.8	3.8	4.1	3.7	4.3	5.0	4.5	117.36	97.09	252.48	3,965.16		
2004	3.7	3.7	3.7	4.0	3.6	4.2	4.0	4.0	120.19	99.89	268.32	4,256.08		
2005	3.1	3.2	3.2	3.4	3.1	3.5	3.7	3.2	120.92	101.09	335.59	5,408.26		
2006	3.8	3.7	3.7	3.8	3.8	4.0	4.2	4.0	116.78	96.69	407.16	6,596.92		
2007 Apr	4.2	4.2	4.2	4.2	4.3	4.4	4.6	4.5	115.31	95.48	456.44	7,408.87		
May	4.4	4.3	4.3	4.3	4.4	4.5	4.7	4.6	114.44	94.10	476.83	7,883.04		
June	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	4.8	5.5	4.9	114.42	94.45	459.72	7,584.14		

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 purchases	Domestic mutual funds 1 (sales receipts)							Foreign funds 4	Residents						Non-residents 5
		Total	Mutual funds open to the general public			Specialised funds	Total	Credit institutions including building and loan associations 2		Non-banks 3						
			Money market funds	Securities-based funds	Open-end real estate funds			of which Foreign mutual fund shares		of which Foreign mutual fund shares						
Total	Total	Money market funds	Securities-based funds	Open-end real estate funds	Specialised funds	Foreign funds 4	Total	Total	of which Foreign mutual fund shares	Total	of which Foreign mutual fund shares	Non-residents 5				
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 Apr	10,574	4,145	223	406	358	361	3,922	6,429	9,668	465	1,259	9,203	5,170	906		
May	4,912	3,117	265	275	1,306	997	3,382	8,029	4,391	2,068	1,245	2,323	6,784	521		
June	1,754	678	1,143	1,389	3,454	978	465	2,432	1,504	2,301	2,133	797	299	250		

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
Households ¹											
I Acquisition of financial assets											
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 ²	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 ³	- 6.2	- 4.9	- 0.2	0.2	0.9	- 7.2	- 1.2	- 1.3	- 1.2	- 1.2	- 1.2
Total	135.2	127.5	45.4	31.9	26.8	31.1	48.4	30.2	26.2	22.8	45.0
II Financing											
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
Total	- 6.0	- 6.8	- 13.3	2.9	3.8	0.6	- 8.1	1.7	5.9	- 6.2	- 10.0
Corporations											
I Acquisition of financial assets											
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 ²	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
Total	60.0	74.3	- 5.2	23.0	3.3	38.9	2.3	50.7	4.9	16.4	39.6
II Financing											
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
Total	19.1	82.7	8.3	5.9	0.5	4.5	4.1	32.8	26.8	18.9	18.8

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

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	
Households 1											
I Financial assets											
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
Total	4,305.1	4,528.6	4,134.3	4,190.8	4,259.8	4,305.1	4,413.4	4,420.1	4,451.8	4,528.6	4,600.6
II Liabilities											
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
Total	1,568.7	1,565.9	1,561.3	1,565.6	1,569.8	1,568.7	1,568.6	1,569.2	1,574.0	1,565.9	1,557.7
Corporations											
I Financial assets											
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
Total	2,180.3	2,437.6	2,025.1	2,075.7	2,130.6	2,180.3	2,285.1	2,306.5	2,358.5	2,437.6	2,535.0
II Liabilities											
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
Total	3,668.3	4,013.5	3,519.5	3,579.4	3,628.2	3,668.3	3,834.2	3,824.9	3,877.7	4,013.5	4,124.4

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 ¹										
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	- 86.9	- 39.6	- 32.7	- 6.9	- 7.7	- 4.0	- 1.8	- 1.5	- 0.3	- 0.4
2004	- 82.5	- 52.2	- 26.8	- 2.1	- 1.4	- 3.7	- 2.4	- 1.2	- 0.1	- 0.1
2005	- 72.4	- 47.5	- 20.5	- 1.0	- 3.4	- 3.2	- 2.1	- 0.9	- 0.0	- 0.2
2006 pe	- 36.7	- 34.3	- 10.3	+ 4.0	+ 3.8	- 1.6	- 1.5	- 0.4	+ 0.2	+ 0.2
2005 H1	- 40.5	- 34.6	- 10.7	- 0.1	+ 4.9	- 3.7	- 3.2	- 1.0	- 0.0	+ 0.5
H2	- 32.2	- 13.1	- 9.7	- 0.9	- 8.4	- 2.8	- 1.1	- 0.8	- 0.1	- 0.7
2006 H1 pe	- 23.0	- 20.6	- 5.7	+ 1.2	+ 2.1	- 2.0	- 1.8	- 0.5	+ 0.1	+ 0.2
H2 pe	- 14.0	- 14.0	- 4.5	+ 2.8	+ 1.6	- 1.2	- 1.2	- 0.4	+ 0.2	+ 0.1
Debt level ²										
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	63.9	39.1	20.1	5.2	0.2
2004	1,451.1	887.1	459.7	116.1	4.2	65.7	40.2	20.8	5.3	0.2
2005	1,521.6	933.0	481.9	119.7	2.7	67.9	41.6	21.5	5.3	0.1
2006 pe	1,566.9	968.1	491.6	121.1	1.7	67.9	41.9	21.3	5.2	0.1
2005 Q1	1,479.4	908.4	466.4	116.6	3.9	67.0	41.1	21.1	5.3	0.2
Q2	1,493.5	917.4	470.0	118.2	3.5	67.3	41.3	21.2	5.3	0.2
Q3	1,513.8	932.7	474.8	118.4	3.4	67.8	41.8	21.3	5.3	0.2
Q4	1,521.6	933.0	481.9	119.7	2.7	67.9	41.6	21.5	5.3	0.1
2006 Q1	1,540.1	944.5	487.8	121.3	2.3	68.2	41.8	21.6	5.4	0.1
Q2	1,560.1	963.5	488.3	122.2	1.7	68.8	42.5	21.5	5.4	0.1
Q3	1,575.1	979.5	488.1	121.3	1.7	68.9	42.8	21.3	5.3	0.1
Q4 pe	1,566.9	968.1	491.6	121.1	1.7	67.9	41.9	21.3	5.2	0.1
2007 Q1 pe	1,570.9	973.0	492.5	119.0	1.4	67.1	41.6	21.0	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 1
	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	961.2	481.8	396.1	83.4	1,048.2	594.2	169.0	64.1	33.8	187.2	- 87.0	889.1
2004	957.1	481.2	396.7	79.2	1,039.6	592.8	169.4	62.5	31.4	183.5	- 82.5	888.2
2005	975.9	493.0	397.0	85.8	1,048.5	597.7	167.5	62.0	30.2	191.1	- 72.6	900.9
2006 pe	1,016.5	530.5	401.1	85.0	1,053.5	600.2	167.8	65.1	32.4	188.1	- 37.0	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	43.4	21.8	18.0	3.6	47.1	26.9	7.7	2.8	1.4	8.3	- 3.7	40.2
2005	43.5	22.0	17.7	3.8	46.8	26.7	7.5	2.8	1.3	8.5	- 3.2	40.2
2006 pe	44.0	23.0	17.4	3.7	45.6	26.0	7.3	2.8	1.4	8.1	- 1.6	40.8
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	+ 0.9	+ 0.9	+ 1.4	- 1.1	+ 1.7	+ 2.5	+ 0.2	+ 2.3	- 6.3	+ 2.0	.	+ 1.1
2004	- 0.4	- 0.1	+ 0.2	- 5.0	- 0.8	- 0.2	+ 0.3	- 2.5	- 7.0	- 2.0	.	- 0.1
2005	+ 2.0	+ 2.4	+ 0.1	+ 8.3	+ 0.9	+ 0.8	- 1.1	- 0.8	- 3.8	+ 4.1	.	+ 1.4
2006 pe	+ 4.2	+ 7.6	+ 1.0	- 1.0	+ 0.5	+ 0.4	+ 0.1	+ 5.0	+ 7.1	- 1.6	.	+ 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

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	122,566	104,537	53,928	43,916	6,693	13,234	+	4,795	5,362
Q2	...	118,090	65,298	49,069	3,724	...	...	...	5,408
2006 June	.	41,097	22,856	17,083	1,158	.	.	.	1,811
2007 June	.	46,247	26,046	19,394	807	.	.	.	1,803

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 June	43,874	23,193	10,260	6,391	5,041	1,501	11,371	8,331	3,040	8	7,331	1,652	319	2,777
2007 June	49,381	26,504	11,159	7,473	6,035	1,837	13,315	9,897	3,418	18	7,422	1,798	325	3,134

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 50:50:0, 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	12,143	9,541	2,408
Q2	9,230	3,462	3,249	1,912	1,997	493	352	2,206	1,606	1,006	675	...	...	...
2006 June	3,137	1,286	1,330	517	782	164	115	751	465	252	183	.	.	.
2007 June	3,090	1,174	1,498	590	794	161	115	720	526	324	229	.	.	.

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 8	216,927	152,048	63,093	217,497	184,730	13,762	- 570	13,973	10,646	1,517	1,699	111	4,917	
2002	221,563	152,810	66,958	225,689	191,133	14,498	- 4,126	9,826	6,943	1,072	1,685	126	4,878	
2003	229,371	156,510	71,447	231,362	196,038	15,178	- 1,991	7,641	5,017	816	1,682	126	4,862	
2004 9	231,684	156,535	71,680	233,011	198,587	14,258	- 1,327	5,158	4,980	19	41	118	4,834	
2005	229,428	156,264	71,917	233,357	199,873	13,437	- 3,929	1,976	1,794	16	42	123	4,888	
2006	241,178	168,083	71,773	233,668	200,459	13,053	+ 7,510	10,047	9,777	115	45	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	45	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

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	1,068	800	-	195
2001	16,843	16,581	16,890	2,301	7,744	4,134	980	816	-	47
2002	16,917	16,714	17,346	2,363	8,014	4,151	963	837	-	428
2003	16,844	16,665	17,468	2,361	8,183	4,090	952	853	-	624
2004	16,817	16,654	17,605	2,365	8,349	4,049	940	851	-	788
2005	17,526	17,385	17,891	2,409	8,516	4,050	890	875	-	366
2006 P	18,485	18,357	18,034	2,421	8,672	4,015	857	891	+	451
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

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			
2000	+ 122,725	+ 1,755	- 5,563	- 940	2000
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 P
Q2	+ 54,415	+ 22,020	+ 5,792	+ 27,209	

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 pe
		Bundesbank	Credit institutions	Social security funds	Other 1	
2000	1,211,455	4,440	565,638	211	200,883	440,283
2001	1,223,966	4,440	534,262	174	230,890	454,200
2002	1,277,667	4,440	537,000	137	238,390	497,700
2003	1,358,137	4,440	530,800	341	298,356	524,200
2004	1,430,582	4,440	544,200	430	296,012	585,500
2005	1,489,029	4,440	518,500	488	298,701	666,900
2006	1,533,682	4,440	496,900	480	315,162	716,700
2005 Q1	1,457,430	4,440	552,700	474	290,316	609,500
Q2	1,465,639	4,440	530,900	501	292,598	637,200
Q3	1,480,384	4,440	535,600	501	291,343	648,500
Q4	1,489,029	4,440	518,500	488	298,701	666,900
2006 Q1	1,508,932	4,440	522,400	486	294,206	687,400
Q2	1,525,012	4,440	528,500	485	305,787	685,800
Q3	1,540,523	4,440	519,300	485	317,498	698,800
Q4	1,533,682	4,440	496,900	480	315,162	716,700
2007 Q1 P	1,538,606	4,440	513,900	480	324,386	695,400

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

IX Public finances in Germany

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 (Boblis) 2	Federal savings notes	Federal bonds (Bunds) 2	Direct lending by credit institutions 4	Loans from non-banks		Old debt		
								Social security funds	Other 4	arising from German reunification 5,6	Equalisation claims 6	Other 7
Central, state and local government												
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 Q4	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	1,533,682	37,834	320,288	179,940	10,199	552,028	356,496	480	71,892	2	4,443	81
2007 Q1 p	1,538,606	38,627	323,595	166,620	10,276	560,413	367,039	480	67,032	2	4,443	80
Central government 8,9												
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 Q4	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
State government												
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 Q4	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 p	483,084	5	221,087	.	.	.	211,039	2	50,950	.	.	1
Local government 10												
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 Q4	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	118,365	.	.	.	.	256	113,246	70	4,792	.	.	.
2007 Q1 p	117,753	.	.	.	.	256	112,631	70	4,795	.	.	.
Special funds 8,9,11												
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 Q4	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			2005			2006			2007
	2004	2005	2006	2004	2005	2006	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	Index 2000=100			Annual percentage change									
At constant prices, chained													
I Origin of domestic product													
Production sector (excluding construction)	103.7	106.8	112.4	3.4	2.9	5.3	3.2	3.9	8.2	2.2	5.3	5.5	5.2
Construction	83.0	80.1	84.0	- 4.5	- 3.4	4.8	- 0.8	- 1.4	2.0	1.6	5.6	9.6	18.3
Wholesale/retail trade, hotel and restaurant services, transport and storage ¹	105.1	106.5	110.1	3.5	1.3	3.3	1.9	0.8	3.6	1.8	3.5	4.5	3.1
Financing, renting and business services ²	106.1	107.3	109.2	0.5	1.1	1.7	0.8	0.8	1.0	1.4	2.2	2.3	2.5
Public and private services ³	102.5	102.5	102.9	0.1	- 0.1	0.4	0.2	- 0.1	0.6	0.3	0.6	0.3	0.6
Gross value added	103.4	104.5	107.3	1.6	1.1	2.7	1.3	1.2	3.2	1.4	2.9	3.3	3.4
Gross domestic product ⁴	102.3	103.2	106.1	1.2	0.9	2.8	1.4	1.1	3.2	1.5	2.7	3.7	3.3
II Use of domestic product													
Private consumption ⁵	101.1	101.1	101.9	0.1	0.1	0.8	1.0	- 0.9	1.2	- 0.2	0.5	1.5	- 0.2
Government consumption	101.2	101.8	103.3	- 1.3	0.6	1.5	0.9	1.1	2.2	0.7	1.5	1.6	2.3
Machinery and equipment	92.8	98.5	105.6	4.2	6.1	7.3	4.1	5.4	10.8	6.1	6.8	6.0	8.6
Premises	85.0	82.0	85.6	- 3.8	- 3.6	4.3	- 1.3	- 1.6	2.5	2.0	4.8	7.8	15.3
Other investment ⁶	111.6	116.8	123.7	1.2	4.7	5.9	6.4	5.5	6.3	5.5	4.9	6.8	6.9
Changes in inventories ^{7 8}	.	.	.	0.3	0.2	- 0.1	- 0.5	0.4	1.0	0.1	0.4	- 1.8	0.0
Domestic use	98.1	98.6	100.3	0.0	0.5	1.7	0.5	0.5	3.3	0.8	2.1	0.7	2.2
Net exports ⁸	.	.	.	1.2	0.4	1.2	0.9	0.6	0.1	0.7	0.8	3.1	1.2
Exports	124.6	133.2	150.5	9.6	6.9	13.0	9.4	8.0	15.2	9.5	11.0	16.3	9.6
Imports	112.4	119.8	133.6	6.9	6.5	11.6	7.7	7.3	17.6	9.0	10.4	10.1	8.0
Gross domestic product ⁴	102.3	103.2	106.1	1.2	0.9	2.8	1.4	1.1	3.2	1.5	2.7	3.7	3.3
At current prices (€ billion)													
III Use of domestic product													
Private consumption ⁵	1,302.9	1,321.1	1,348.7	1.7	1.4	2.1	2.3	0.8	2.9	1.3	1.6	2.6	1.2
Government consumption	415.1	419.6	424.9	- 0.5	1.1	1.2	1.5	1.1	2.8	0.8	0.4	1.0	2.5
Machinery and equipment	151.9	159.4	169.6	3.1	5.0	6.4	3.2	4.1	9.7	5.4	6.1	5.0	7.1
Premises	207.9	202.3	216.2	- 2.5	- 2.7	6.9	- 0.9	- 1.0	3.4	3.6	8.0	12.0	23.1
Other investment ⁶	24.7	25.2	25.9	1.5	2.1	3.0	2.4	2.9	2.7	3.2	3.0	3.0	2.5
Changes in inventories ⁷	- 6.1	- 2.6	- 1.3	.	.	.	.	.	.	.	.	.	.
Domestic use	2,096.3	2,125.0	2,184.0	1.0	1.4	2.8	1.4	1.4	4.6	2.3	3.0	1.3	3.6
Net exports	110.9	116.0	125.1	.	.	.	.	.	.	.	.	.	.
Exports	844.1	912.3	1,040.3	9.5	8.1	14.0	10.3	9.4	16.0	10.7	12.5	16.9	11.6
Imports	733.2	796.3	915.2	7.0	8.6	14.9	9.8	9.8	21.9	13.6	13.4	11.8	7.5
Gross domestic product ⁴	2,207.2	2,241.0	2,309.1	2.1	1.5	3.0	1.9	1.7	3.4	1.8	3.1	3.9	5.6
IV Prices (2000 = 100)													
Private consumption	106.2	107.6	109.0	1.6	1.3	1.3	1.3	1.7	1.6	1.5	1.1	1.1	1.4
Gross domestic product	104.6	105.2	105.5	0.9	0.6	0.3	0.5	0.6	0.2	0.3	0.4	0.2	2.3
Terms of trade	102.8	101.9	99.9	- 0.2	- 0.8	- 2.0	- 1.0	- 1.0	- 2.9	- 2.9	- 1.4	- 1.0	2.3
V Distribution of national income													
Compensation of employees	1,136.8	1,129.3	1,145.7	0.5	- 0.7	1.5	- 0.8	- 0.7	0.3	1.3	2.1	2.0	2.8
Entrepreneurial and property income	513.8	545.9	601.2	10.4	6.2	10.1	6.5	7.1	14.3	4.8	8.2	13.8	6.7
National income	1,650.6	1,675.1	1,746.9	3.4	1.5	4.3	1.6	1.5	5.0	2.5	4.2	5.4	4.2
<i>Memo item:</i> Gross national income	2,209.4	2,248.2	2,335.0	3.0	1.8	3.9	2.1	1.6	4.2	2.6	3.8	4.8	5.1

Source: Federal Statistical Office; figures computed in May 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 prod-

ucts). — 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	Construction 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 Oct	112.9	93.4	103.9	115.7	115.4	119.5	100.2	112.4	117.8	112.7	108.2	131.2
Nov	112.8	86.1	108.0	115.8	114.3	122.9	99.9	108.9	111.9	111.6	113.9	131.1
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 r	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 r	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 r	7 121.2	7 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	96.7	117.1	120.9	122.2	90.4	105.0	121.3	117.8	117.9	129.3
May + r	7 113.8	7 86.4	95.3	118.3	122.8	123.4	90.6	105.0	121.9	118.1	120.7	128.8
June + p	7 118.1	7 90.9	93.4	123.3	127.7	132.2	94.6	103.2	118.6	121.8	130.6	137.1
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 Oct	+ 4.4	- 0.1	- 0.9	+ 5.4	+ 5.1	+ 5.1	+ 3.8	+ 6.7	+ 9.2	+ 5.5	+ 4.1	+ 3.5
Nov	+ 5.1	- 1.3	- 2.1	+ 6.3	+ 5.4	+ 8.9	+ 4.9	+ 3.2	+ 2.8	+ 5.5	+ 8.8	+ 8.0
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 r	+ 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 r	+ 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 r	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	- 5.1	+ 6.0	+ 6.8	+ 6.8	- 2.2	+ 3.6	+ 6.9	+ 6.5	+ 8.2	+ 7.4
May + r	7 + 5.7	7 - 2.7	- 0.1	+ 6.8	+ 7.6	+ 7.3	+ 1.3	+ 4.3	+ 8.0	+ 5.1	+ 9.6	+ 5.1
June + p	7 + 5.1	7 - 3.3	- 1.0	+ 6.3	+ 7.5	+ 7.3	+ 2.0	+ 1.8	+ 3.7	+ 3.9	+ 9.4	+ 8.7

Source of the unadjusted figures: Federal Statistical Office. — * Annual and quarterly averages 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 petroleum and natural gas and manufacture of refined petroleum products. — 4 Including mining and quarrying. — 5 Including manufacture of motor vehicles, trailers and semi-trailers. — 6 Including printing and service activities related to printing. — 7 Adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the annual overall survey in the construction sector (average +4%). — + Provisional; adjusted in advance by the Federal Statistical Office, by way of estimates, to the results of the Quarterly Production Survey for the second quarter 2007.

X Economic conditions in Germany

4 Orders received by construction *

Adjusted for working-day variations ◊

Period	Germany					Western Germany 1					Eastern Germany 2				
	Total	Housing construction	Industrial construction ³	Public sector construction		Total	Housing construction	Industrial construction ³	Public sector construction		Total	Housing construction	Industrial construction ³	Public sector construction	
	2000 = 100	Annual percentage change	2000 = 100			2000 = 100	Annual percentage change	2000 = 100			2000 = 100	Annual percentage change	2000 = 100		
2002	88.8	- 6.0	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	74.5	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 May	86.1	+ 10.5	64.5	89.5	95.6	93.9	+ 14.7	76.0	97.2	101.4	64.5	- 3.4	32.7	67.4	80.6
June	93.5	+ 5.6	70.9	87.8	113.9	97.9	+ 4.7	82.8	87.2	119.9	81.2	+ 8.6	38.2	89.4	98.4
July	87.5	+ 7.4	68.5	84.6	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	59.2	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

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										Retail trade plus retail sales of motor vehicles and motorcycles and sales of automotive fuel					
	Total	Food, beverages, tobacco		Cosmetic, pharmaceutical and medical products		Textiles, clothing, footwear and leather goods		Furniture and lighting equipments, domestic appliances, building materials			Retail sales of motor vehicles 3					
2003 = 100	Annual percentage change	Not adjusted	Price-adjusted	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Not adjusted	Price-adjusted	2003 = 100	Annual percentage change		
2002	100.5	- 1.6	- 1.3	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	- 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	+ 1.6	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	+ 1.7	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	110.8	+ 1.2	+ 0.6	111.9	+ 0.3	111.9	+ 2.6	114.2	+ 2.6	115.1	+ 4.1	113.4	+ 2.4	+ 1.6	121.7	+ 6.8
2006 June 5	107.3	+ 2.2	+ 1.4	112.7	+ 1.6	109.2	+ 2.4	108.7	+ 5.1	106.6	+ 1.9	111.8	+ 2.6	+ 1.5	125.5	+ 3.4
July	108.7	+ 1.3	+ 0.4	116.1	+ 4.4	112.6	+ 0.6	109.2	+ 0.9	105.5	- 0.9	113.1	+ 1.8	+ 0.6	125.5	+ 2.5
Aug	107.3	+ 1.4	+ 0.9	108.9	+ 0.3	107.0	+ 2.4	112.9	+ 7.2	110.0	+ 3.9	109.0	+ 3.0	+ 2.1	112.4	+ 8.9
Sep	106.4	- 0.3	- 0.9	106.0	+ 0.1	107.8	- 0.6	108.2	- 1.5	111.7	+ 4.6	109.7	+ 1.3	+ 0.5	119.6	+ 6.7
Oct	114.4	+ 0.5	± 0.0	109.8	- 2.1	114.3	+ 1.4	131.1	+ 1.9	123.8	+ 5.0	117.7	+ 2.3	+ 1.8	128.9	+ 9.7
Nov	116.1	+ 0.3	- 0.2	111.3	- 1.9	115.8	+ 2.2	120.9	+ 0.8	129.1	+ 8.6	120.5	+ 3.0	+ 2.2	136.6	+ 12.8
Dec	137.8	+ 2.9	+ 2.6	131.8	+ 0.2	132.1	+ 1.9	146.4	+ 4.2	153.1	+ 13.2	137.0	+ 7.0	+ 6.3	136.0	+ 25.1
2007 Jan	99.0	- 2.3	- 3.0	102.7	- 0.1	106.3	- 0.7	95.9	- 2.6	99.4	- 1.5	95.5	- 4.3	- 5.3	82.9	- 11.8
Feb	95.9	- 1.1	- 1.6	100.7	- 2.1	103.9	+ 1.7	86.7	+ 4.0	98.2	+ 1.4	95.6	- 2.2	- 3.1	94.3	- 5.9
Mar	111.8	+ 0.4	- 0.1	114.4	+ 0.4	115.7	+ 1.5	116.1	+ 4.4	119.6	+ 3.5	114.6	- 0.1	- 1.2	124.2	- 2.0
Apr	112.8	+ 1.4	+ 0.5	115.8	+ 2.2	114.4	+ 3.4	134.4	+ 9.7	114.3	- 1.5	114.7	- 0.6	- 1.9	119.8	- 6.8
May	107.5	- 2.5	- 3.2	112.6	- 0.9	112.4	+ 2.3	110.9	- 5.1	107.6	- 4.4	111.5	- 2.4	- 3.6	123.7	- 1.7
June	105.2	- 2.0	- 2.6	110.5	- 2.0	111.4	+ 2.0	109.1	+ 0.4	106.8	+ 0.2	109.3	- 2.2	- 3.3	122.1	- 2.7

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

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	908.1	- 0.0	588.6	- 0.6	377.7	2.7	966.3	0.7	1,429.1	1.9	147.4	5.8	10.3
2004	914.3	0.7	603.1	2.5	377.9	0.0	981.0	1.5	1,454.8	1.8	151.9	3.1	10.4
2005	911.4	- 0.3	601.4	- 0.3	377.4	- 0.1	978.8	- 0.2	1,477.9	1.6	156.9	3.3	10.6
2006	925.3	1.5	603.8	0.4	377.2	- 0.1	980.9	0.2	1,508.2	2.0	159.5	1.7	10.6
2005 Q4	251.9	- 0.3	164.4	- 0.6	94.1	- 0.0	258.5	- 0.4	377.8	1.0	34.8	2.9	9.2
2006 Q1	214.3	0.3	140.3	- 0.8	95.6	0.6	235.8	- 0.2	378.2	2.9	53.7	3.0	14.2
Q2	223.0	1.5	142.8	- 0.0	94.9	0.4	237.6	0.1	370.1	1.4	37.4	1.9	10.1
Q3	230.9	2.1	154.6	1.2	93.8	- 0.0	248.4	0.7	373.1	1.6	33.6	0.8	9.0
Q4	257.1	2.0	166.1	1.0	92.9	- 1.2	259.1	0.2	386.8	2.4	35.0	0.5	9.0
2007 Q1	221.1	3.1	144.3	2.9	94.2	- 1.4	238.5	1.2	385.9	2.0	57.4	6.9	14.9

Source: Federal Statistical Office; figures computed in May 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					
	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	2.2	100.0	2.2	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	107.0	2.2	107.1	2.4	104.5	1.2
2004	108.1	1.2	108.3	1.4	108.4	1.3	108.9	1.7	105.1	0.6
2005	109.2	1.0	109.5	1.1	109.4	0.9	110.0	1.0	105.4	0.2
2006	110.4	1.1	110.9	1.3	110.4	0.9	111.1	1.0	106.3	0.8
2005 Q4	121.8	0.7	122.2	0.8	122.0	0.8	110.4	0.8	115.0	0.0
2006 Q1	102.1	1.0	102.6	1.1	102.1	0.7	110.5	0.7	100.1	0.4
Q2	102.9	1.6	103.4	1.8	102.6	0.9	110.9	0.8	102.9	0.8
Q3	112.8	0.3	113.4	0.6	113.1	0.5	111.4	1.1	105.6	1.0
Q4	123.7	1.5	124.4	1.8	123.8	1.5	111.6	1.1	116.3	1.1
2007 Q1	102.7	0.6	103.4	0.8	103.3	1.2	111.8	1.2	101.7	1.6
Q2	104.6	1.6	105.3	1.8	103.8	1.2	112.2	1.2	.	.
2006 Dec	104.6	2.7	105.2	3.0	103.5	1.3	111.7	1.2	.	.
2007 Jan	103.1	1.4	103.8	1.6	103.3	1.1	111.7	1.1	.	.
Feb	102.5	0.0	103.2	0.3	103.3	1.2	111.8	1.2	.	.
Mar	102.5	0.3	103.2	0.4	103.4	1.3	111.9	1.3	.	.
Apr	103.9	0.1	104.6	0.3	103.4	1.2	112.0	1.2	.	.
May	106.2	3.5	106.9	3.6	103.7	1.2	112.0	1.2	.	.
June	103.6	1.4	104.3	1.5	104.2	1.3	112.8	1.3	.	.

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 May 2007.

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

€ million

Item	2004	2005	2006	2006		2007			
				Q3	Q4	Q1	Mar	Apr	May
A Current account	+ 60,748	- 1,878	- 9,728	- 5,662	+ 17,650	- 2,405	+ 9,425	- 4,298	- 14,569
1 Goods									
Exports (fob)	1,129,339	1,224,238	1,389,047	342,117	373,194	359,476	130,272	119,153	123,366
Imports (fob)	1,028,883	1,178,862	1,360,441	334,642	355,372	351,921	120,680	114,834	119,770
Balance	+ 100,453	+ 45,377	+ 28,603	+ 7,474	+ 17,822	+ 7,555	+ 9,592	+ 4,319	+ 3,596
2 Services									
Receipts	366,385	401,750	429,334	114,147	110,172	103,593	36,514	35,399	37,950
Expenditure	333,777	366,986	393,567	104,343	101,682	97,962	33,410	32,392	34,553
Balance	+ 32,611	+ 34,765	+ 35,765	+ 9,804	+ 8,490	+ 5,631	+ 3,104	+ 3,007	+ 3,398
3 Income	- 13,736	- 11,556	+ 1,409	+ 919	+ 6,744	+ 5,408	+ 4,159	- 4,312	- 16,468
4 Current transfers									
Transfers from non-residents	82,110	85,390	86,578	15,522	27,738	26,752	5,508	4,966	6,767
Transfers to non-residents	140,694	155,856	162,087	39,379	43,144	47,751	12,938	12,277	11,861
Balance	- 58,582	- 70,465	- 75,506	- 23,857	- 15,405	- 20,999	- 7,430	- 7,311	- 5,094
B Capital account	+ 16,554	+ 12,148	+ 10,151	+ 2,066	+ 4,820	+ 5,190	+ 1,628	+ 641	+ 1,950
C Financial account (net capital exports: -)	- 18,739	+ 25,499	+ 117,058	+ 50,954	- 45,765	- 11,963	- 44,024	+ 17,699	+ 668
1 Direct investment	- 68,646	- 209,989	- 158,803	- 43,945	- 59,446	- 24,214	- 5,851	- 24,514	- 11,277
By resident units abroad	- 161,011	- 301,628	- 322,571	- 73,512	- 80,237	- 76,924	- 23,405	- 30,146	- 31,045
By non-resident units in the euro area	+ 92,364	+ 91,640	+ 163,767	+ 29,566	+ 20,792	+ 52,710	+ 17,554	+ 5,632	+ 19,767
2 Portfolio investment	+ 72,892	+ 146,090	+ 263,475	+ 22,319	+ 120,394	+ 122,211	+ 65,630	+ 15,582	+ 7,271
By resident units abroad	- 343,938	- 411,305	- 494,657	- 118,867	- 140,350	- 145,192	- 19,413	- 41,191	- 60,253
Equity	- 106,544	- 134,268	- 135,275	- 28,456	- 28,012	- 20,308	+ 14,803	- 11,910	- 1,919
Bonds and notes	- 179,379	- 262,476	- 294,288	- 67,989	- 88,106	- 88,923	- 20,711	- 26,231	- 48,281
Money market instruments	- 58,016	- 14,560	- 65,097	- 22,422	- 24,233	- 35,961	- 13,504	- 3,051	- 10,052
By non-resident units in the euro area	+ 416,832	+ 557,394	+ 758,128	+ 141,184	+ 260,743	+ 267,403	+ 85,043	+ 56,774	+ 67,524
Equity	+ 126,798	+ 263,207	+ 289,697	+ 53,517	+ 83,002	+ 107,305	+ 24,838	+ 1,095	+ 12,170
Bonds and notes	+ 273,518	+ 248,605	+ 464,355	+ 80,899	+ 185,191	+ 137,384	+ 65,390	+ 39,500	+ 38,575
Money market instruments	+ 16,517	+ 45,584	+ 4,079	+ 6,768	- 7,448	+ 22,715	- 5,186	+ 16,179	+ 16,779
3 Financial derivatives	- 8,286	- 13,871	- 1,871	+ 7,941	- 93	- 17,184	- 4,239	- 4,063	- 2,199
4 Other investment	- 27,150	+ 85,270	+ 15,529	+ 67,823	- 104,178	- 91,410	- 101,722	+ 32,462	+ 7,586
Eurosystem	+ 8,198	+ 5,755	+ 15,682	+ 5,364	+ 3,602	+ 869	+ 2,485	+ 2,878	- 3,274
General government	- 5,435	+ 2,943	+ 4,543	+ 18,607	- 8,713	+ 5,160	+ 4,395	+ 1,605	- 5,132
MFIs (excluding the Eurosystem)	- 14,447	+ 87,965	- 31,401	+ 41,881	- 112,016	- 23,735	- 69,193	+ 38,189	+ 49,324
Long-term	- 10,840	- 41,659	- 50,063	- 11,342	- 45,396	- 46,859	- 25,978	- 7,888	+ 13,058
Short-term	- 3,604	+ 129,628	+ 18,660	+ 53,223	- 66,620	+ 23,124	- 43,215	+ 46,076	+ 36,266
Other sectors	- 15,467	- 11,398	+ 26,705	+ 1,969	+ 12,947	- 73,705	- 39,410	- 10,210	- 33,331
5 Reserve assets (Increase: -)	+ 12,453	+ 18,002	- 1,275	- 3,184	- 2,443	- 1,365	+ 2,158	- 1,769	- 713
D Errors and omissions	- 58,562	- 35,772	- 117,482	- 47,359	+ 23,295	+ 9,177	+ 32,970	- 14,042	+ 11,951

* Source: European Central Bank.

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

€ million

Period	Services							Other services			Compensation of employees ⁵	Investment income
	Total	Travel ¹	Transportation ²	Financial services	Patents and licences	Government services ³	Total	of which				
								Services of self-employed persons ⁴	Construction and assembly work, repairs			
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	- 22,431	- 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	+ 8,172	
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	- 3,354	- 8,829	+ 1,926	+ 717	- 161	+ 917	+ 2,075	- 488	+ 601	- 310	- 1,647	
2006 Aug	- 4,363	- 4,505	+ 494	+ 120	- 115	+ 257	- 613	- 144	+ 112	- 268	+ 2,392	
Sep	- 3,746	- 4,933	+ 263	+ 205	- 76	+ 289	+ 507	- 164	+ 82	- 262	+ 2,781	
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	- 611	- 3,458	+ 592	+ 287	+ 99	+ 331	+ 1,539	- 209	+ 194	- 99	+ 3,550	

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

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

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

€ million

Period	Public ¹					Private ¹		
	Total	Total	International organisations ²		Other current transfers ³	Total	Workers' remittances	Other current transfers
			Total	of which European Communities				
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	- 4,696	- 178	- 3,685	- 3,360	+ 3,507	- 4,519	- 751	- 3,767
2006 Aug	- 2,324	- 1,415	- 1,258	- 1,204	- 157	- 909	- 244	- 665
Sep	- 2,842	- 1,914	- 1,874	- 1,838	- 40	- 928	- 244	- 684
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	- 1,910	- 860	- 1,009	- 821	+ 149	- 1,050	- 250	- 799

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

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

6 Capital transfers
(balances)

€ million

Period	Total ⁴	Public ¹	Private ¹
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	+ 834	- 327	+ 1,161
2006 Aug	+ 146	- 107	+ 253
Sep	- 171	- 110	- 60
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	- 124	+ 69

XI External sector
7 Financial account of the Federal Republic of Germany

€ million

Item	2004	2005	2006	2006		2007				
				Q3	Q4	Q1	Q2	Apr	May	June
I Net German investment abroad (Increase/capital exports: -)	- 263,926	- 377,791	- 435,748	- 67,076	- 97,405	- 172,364	- 208,585	- 64,759	- 85,201	- 58,625
1 Direct investment 1	- 11,942	- 44,640	- 63,311	- 19,684	- 9,480	- 13,831	- 23,925	- 9,934	- 15,417	+ 1,426
Equity capital	+ 15,095	- 18,812	- 52,053	- 21,192	- 9,934	- 864	- 10,928	- 1,623	- 7,653	- 1,653
Reinvested earnings 2	- 13,447	- 14,511	- 18,161	- 5,406	- 5,273	- 5,922	- 4,500	- 2,314	- 658	- 1,528
Other capital transactions of German direct investors	- 13,590	- 11,316	+ 6,903	+ 6,914	+ 5,726	- 7,045	- 8,496	- 5,997	- 7,106	+ 4,607
2 Portfolio investment	- 102,327	- 202,810	- 159,427	- 20,188	- 52,837	- 72,119	- 60,689	- 8,736	- 37,544	- 14,408
Shares 3	+ 8,974	- 17,054	+ 6,285	- 2,838	- 3,258	+ 12,139	- 2,821	+ 6,909	- 10,641	+ 911
Mutual fund shares 4	- 12,149	- 43,525	- 24,426	- 585	- 7,291	- 12,673	- 16,891	- 6,429	- 8,029	- 2,432
Bonds and notes 5	- 87,216	- 137,208	- 134,511	- 15,135	- 44,238	- 65,840	- 38,012	- 9,070	- 17,873	- 11,069
Money market instruments	- 11,935	- 5,023	- 6,775	- 1,631	+ 1,949	- 5,744	- 2,966	- 146	- 1,002	- 1,818
3 Financial derivatives 6	- 7,173	- 7,235	- 6,257	- 1,129	- 3,037	- 10,002	- 12,047	- 5,396	- 2,325	- 4,327
4 Other investment	- 143,955	- 125,288	- 209,687	- 26,920	- 32,692	- 76,512	- 110,566	- 39,477	- 29,259	- 41,830
MFIs 7,8	- 121,830	- 85,768	- 207,620	+ 887	- 44,600	- 49,053	- 87,003	- 47,928	- 5,357	- 33,719
Long-term	+ 5,858	- 69,964	- 71,579	- 14,280	- 24,968	- 13,431	- 24,104	- 6,812	- 7,688	- 9,605
Short-term	- 127,687	- 15,804	- 136,041	+ 15,167	- 19,632	- 35,623	- 62,899	- 41,116	+ 2,331	- 24,114
Enterprises and households	- 21,417	- 20,601	- 27,535	- 1,685	- 3,641	- 22,797	- 1,771	+ 1,149	+ 5,499	- 8,419
Long-term	- 7,286	- 12,278	- 23,813	- 6,668	- 9,074	- 7,657	- 10,309	- 4,193	- 2,507	- 3,608
Short-term 7	- 14,131	- 8,323	- 3,722	+ 4,983	+ 5,434	- 15,140	+ 8,538	+ 5,342	+ 8,007	- 4,811
General government	+ 2,143	+ 3,154	+ 979	+ 1,010	+ 5,637	+ 10,953	- 25,135	- 4,555	- 13,262	- 7,318
Long-term	+ 49	+ 7,693	+ 7,408	+ 6,513	+ 343	- 220	- 188	- 192	- 7	+ 11
Short-term 7	+ 2,094	- 4,539	- 6,428	- 5,502	+ 5,295	+ 11,173	- 24,946	- 4,362	- 13,255	- 7,328
Bundesbank	- 2,851	- 22,073	+ 24,488	- 27,133	+ 9,911	- 15,615	+ 3,343	+ 11,856	- 16,140	+ 7,626
5 Change in reserve assets at transaction values (Increase:-)	+ 1,470	+ 2,182	+ 2,934	+ 844	+ 642	+ 100	- 1,359	- 1,215	- 657	+ 513
II Net foreign investment in Germany (Increase/capital imports: +)	+ 145,958	+ 258,406	+ 289,131	+ 54,273	+ 59,361	+ 96,917	+ 119,713	+ 46,093	+ 54,071	+ 19,550
1 Direct investment 1	- 7,406	+ 28,841	+ 34,168	+ 5,041	+ 19,094	+ 7,581	+ 1,890	+ 3,912	+ 656	- 2,678
Equity capital	+ 32,595	+ 17,928	+ 17,323	+ 2,833	+ 11,876	+ 4,727	+ 3,791	+ 2,651	+ 1,649	- 509
Reinvested earnings 2	- 296	+ 5,560	+ 5,751	+ 2,477	+ 384	+ 2,936	- 2,364	+ 469	- 292	- 2,541
Other capital transactions of foreign direct investors	- 39,704	+ 5,352	+ 11,095	- 270	+ 6,834	- 83	+ 463	+ 792	- 702	+ 373
2 Portfolio investment	+ 116,773	+ 178,869	+ 160,626	+ 25,976	+ 58,656	+ 36,333	+ 73,722	- 6,374	+ 26,217	+ 53,880
Shares 3	- 13,727	+ 21,308	+ 27,500	+ 6,287	+ 17,251	- 3,178	+ 8,648	- 31,877	- 452	+ 40,977
Mutual fund shares	+ 4,587	+ 1,100	+ 9,347	+ 1,230	+ 1,371	+ 746	+ 1,677	+ 906	+ 521	+ 250
Bonds and notes 5	+ 140,285	+ 159,499	+ 125,051	+ 22,274	+ 48,284	+ 28,990	+ 57,699	+ 20,106	+ 21,812	+ 15,781
Money market instruments	- 14,371	- 3,038	- 1,272	- 3,815	- 8,250	+ 9,775	+ 5,698	+ 4,490	+ 4,336	- 3,129
3 Other investment	+ 36,591	+ 50,696	+ 94,337	+ 23,257	- 18,389	+ 53,004	+ 44,101	+ 48,555	+ 27,198	- 31,652
MFIs 7,8	+ 32,339	+ 22,456	+ 60,499	+ 12,139	- 11,485	+ 38,500	+ 26,099	+ 44,735	+ 20,284	- 38,920
Long-term	- 10,083	- 9,830	- 11,898	- 953	- 8,132	- 6,004	+ 3,557	+ 471	+ 3,053	+ 33
Short-term	+ 42,422	+ 32,286	+ 72,397	+ 13,092	- 3,353	+ 44,505	+ 22,542	+ 44,264	+ 17,231	- 38,953
Enterprises and households	+ 9,936	+ 26,818	+ 35,280	+ 6,926	- 4,753	+ 11,534	+ 15,242	+ 220	+ 5,893	+ 9,130
Long-term	+ 6,743	+ 14,125	+ 17,517	+ 3,197	+ 2,697	+ 424	+ 489	- 185	+ 543	+ 132
Short-term 7	+ 3,193	+ 12,693	+ 17,763	+ 3,729	- 7,450	+ 11,110	+ 14,753	+ 406	+ 5,350	+ 8,998
General government	- 3,233	+ 3,526	- 154	+ 5,041	- 2,037	+ 2,614	+ 1,780	+ 2,434	+ 346	- 1,000
Long-term	- 2,000	+ 2,597	+ 886	+ 497	+ 312	- 851	- 19	+ 251	+ 99	- 370
Short-term 7	- 1,233	+ 929	- 1,040	+ 4,545	- 2,348	+ 3,465	+ 1,799	+ 2,183	+ 246	- 630
Bundesbank	- 2,451	- 2,105	- 1,287	- 850	- 114	+ 355	+ 979	+ 1,165	+ 676	- 862
III Financial account balance 9 (Net capital exports: -)	- 117,968	- 119,385	- 146,617	- 12,803	- 38,044	- 75,447	- 88,872	- 18,666	- 31,130	- 39,075

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 Eurosysteem (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	Foreign currency reserves						
1	2	3	4	5	6	7	8	9	10		
1999 Jan 4	95,316	93,940	29,312	8,461	56,167	140	1,225	11	8,169	87,146	
1999	141,958	93,039	32,287	8,332	52,420	9,162	39,746	11	6,179	135,779	
2000	100,762	93,815	32,676	7,762	53,377	313	6,620	14	6,592	94,170	
2001	76,147	93,215	35,005	8,721	49,489	312	17,385	5	8,752	67,396	
2002	103,948	85,002	36,208	8,272	40,522	312	18,466	167	9,005	94,942	
2003	95,394	76,680	36,533	7,609	32,538	312	17,945	456	10,443	84,951	
2004	93,110	71,335	35,495	6,548	29,292	312	20,796	667	7,935	85,175	
2005	130,268	86,181	47,924	4,549	33,708	350	42,830	906	6,285	123,983	
2006	104,389	84,765	53,114	3,011	28,640	350	18,344	931	4,819	99,570	
2006 Feb	109,677	88,029	51,646	3,829	32,554	350	20,450	847	5,663	104,013	
Mar	105,884	89,157	53,173	3,755	32,229	350	15,543	834	6,286	99,598	
Apr	100,233	89,433	56,106	3,685	29,643	350	9,606	844	4,632	95,601	
May	120,684	89,520	55,979	3,356	30,184	350	29,950	865	6,070	114,614	
June	88,241	85,905	51,983	3,639	30,284	350	1,121	866	5,839	82,402	
July	102,264	89,167	54,918	3,465	30,784	350	11,852	894	6,183	96,081	
Aug	124,938	86,736	53,253	3,501	29,982	350	36,940	912	5,374	119,564	
Sep	115,371	85,854	52,302	3,440	30,111	350	28,254	913	4,980	110,391	
Oct	110,016	85,341	52,080	3,097	30,164	350	23,414	912	5,043	104,973	
Nov	114,116	85,307	53,218	3,048	29,040	350	27,546	914	5,273	108,843	
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	

° 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 Eurosysteem. 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 Eurosysteem. — 3 See footnote 2. — 4 Euro opening balance sheet of the Bundesbank as at 1 January 1999.

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	² 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 Jan	1.7147	1.6060	10.8588	7.4405	135.63	8.2125	9.0476	1.5469	0.69867	1.3119
Feb	1.6670	1.6128	10.7719	7.4427	136.55	8.3199	9.0852	1.5501	0.68968	1.3014
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

* 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	95.7	96.4	96.5	95.8	97.7	99.5	95.5	97.7	98.2	98.0	97.6
2000	87.0	86.4	85.7	85.4	87.9	85.8	91.5	97.0	85.1	91.0	92.8	91.8	90.8
2001	87.7	87.1	86.5	84.9	90.4	87.1	91.2	95.8	85.8	90.4	93.0	91.3	90.8
2002	90.1	90.4	89.5	88.2	94.9	91.0	91.9	94.8	88.3	90.8	93.7	92.0	91.9
2003	100.6	101.3	100.1	98.8	106.8	101.8	95.3	93.8	97.2	94.5	97.4	96.6	96.9
2004	104.3	105.1	103.1	103.0	111.2	105.6	95.6	92.5	99.6	94.7	98.9	98.2	98.6
2005	103.3	104.1	100.9	101.3	109.7	103.7	94.3	90.9	98.7	92.8	98.9	97.4	97.3
2006	103.6	104.4	100.7	100.1	110.0	103.4	93.4	89.5	98.7	91.8	99.1	97.2	96.8
2003 June	102.9	103.7			109.0	104.0					98.5	97.8	98.1
July	101.7	102.5			107.5	102.5					97.8	97.2	97.2
Aug	100.6	101.5	100.6	99.8	106.2	101.5	95.3	93.7	97.4	94.6	97.3	96.6	96.6
Sep	100.4	101.4			106.1	101.3					97.1	96.4	96.5
Oct	102.0	102.9			108.2	103.2					97.7	97.2	97.4
Nov	102.0	102.8	102.5	101.6	108.2	103.1	95.7	93.4	98.8	95.1	97.7	97.2	97.5
Dec	104.9	105.5			111.4	106.0					98.8	98.5	99.0
2004 Jan	106.0	106.6			112.7	107.1					99.4	99.1	99.6
Feb	105.8	106.5	104.4	104.3	112.5	107.0	96.3	93.0	100.7	95.8	99.1	99.0	99.5
Mar	104.0	104.7			110.4	105.0					98.7	98.3	98.5
Apr	102.3	103.1			108.5	103.2					98.1	97.5	97.6
May	103.0	103.8	101.8	101.7	109.8	104.4	95.0	92.6	98.0	94.2	98.3	97.6	98.1
June	102.9	103.5			109.8	104.3					98.0	97.4	97.9
July	103.4	104.1			110.3	104.7					98.4	97.6	98.1
Aug	103.2	104.1	102.0	102.0	110.1	104.7	95.1	92.3	98.7	94.2	98.5	97.7	98.1
Sep	103.5	104.4			110.5	104.9					98.7	97.8	98.2
Oct	104.7	105.4			111.8	106.0					99.1	98.2	98.7
Nov	106.0	106.6	104.4	104.2	113.3	107.3	95.9	92.0	101.1	94.8	99.6	98.7	99.3
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
Feb	105.4	105.9	103.2	104.0	112.2	106.0	95.8	91.6	101.5	94.4	99.6	98.3	98.5
Mar	106.1	106.9			113.1	107.0					100.0	98.7	99.0
Apr	105.3	106.0			112.1	106.0					99.3	98.1	98.3
May	104.3	105.2	101.3	102.2	110.8	104.9	94.4	91.1	98.8	93.1	99.1	97.8	97.8
June	101.6	102.5			107.8	102.1					98.1	96.6	96.4
July	102.2	103.0			108.2	102.3					98.4	96.8	96.5
Aug	102.6	103.6	100.0	100.2	108.9	103.0	93.8	90.7	97.7	92.3	98.7	97.0	96.8
Sep	102.1	103.0			108.4	102.5					98.8	97.1	96.9
Oct	101.8	102.7			107.9	101.9					98.6	96.9	96.5
Nov	101.1	102.0	99.1	98.9	107.0	100.9	93.0	90.3	96.7	91.6	98.3	96.5	95.9
Dec	101.2	102.0			107.0	100.9					98.4	96.5	96.0
2006 Jan	101.8	102.6			107.7	101.4					98.5	96.5	95.9
Feb	101.2	102.0	99.0	98.9	106.8	100.6	92.9	89.7	97.2	91.3	98.3	96.2	95.4
Mar	101.9	102.9			107.6	101.4					98.5	96.5	95.8
Apr	103.0	104.0			108.8	102.5					98.9	96.9	96.3
May	104.0	104.9	100.8	100.6	110.5	104.0	93.7	89.7	98.9	92.1	99.1	97.3	97.0
June	104.2	105.0			111.1	104.5					99.1	97.4	97.3
July	104.5	105.4			111.3	104.7					99.4	97.7	97.5
Aug	104.6	105.4	101.4	100.8	111.3	104.6	93.5	89.3	99.2	92.0	99.1	97.3	97.1
Sep	104.4	105.2			111.1	104.3					99.3	97.4	97.1
Oct	103.9	104.7			110.4	103.6					99.4	97.4	97.0
Nov	104.5	105.2	101.4	100.2	111.1	104.2	93.6	89.1	99.7	91.7	99.9	97.7	97.4
Dec	105.5	106.0			112.3	105.0					100.3	98.0	97.7
2007 Jan	104.9	105.5			111.5	104.3					100.4	98.0	97.6
Feb	105.4	105.9	102.2	100.8	111.9	104.5	94.6	89.5	101.5	92.7	100.6	98.3	97.8
Mar	106.1	106.4			112.7	105.2					100.8	98.4	98.1
Apr	107.1	107.4			113.7	106.0					101.4	98.9	98.5
May	107.3	107.4	...	...	113.6	105.7	95.6	89.7	103.6	93.4	101.5	98.9	98.4
June	106.9	106.9			113.1	105.2					101.3	98.7	98.1
July	107.6	107.6			113.9	105.8					101.6	99.0	98.4

* 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). 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

Financial Stability Review

Monthly Report

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

Monthly Report articles

September 2006

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

October 2006

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

November 2006

- The economic scene in Germany in autumn 2006

December 2006

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

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

Statistical Supplements to the Monthly Report¹

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

Special Publications

Makro-ökonomisches Mehr-Länder-Modell,
November 1996²

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

Die Zahlungsbilanz der ehemaligen DDR 1975 bis 1989, August 1999²

The market for German Federal securities,
May 2000

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

Bundesbank Act, September 2002

Weltweite Organisationen und Gremien im Bereich von Währung und Wirtschaft, March 2003²

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

European economic and monetary union,
September 2005

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

Special Statistical Publications*

- 1 Banking statistics guidelines and customer classification, July 2003³

2 Bankenstatistik Kundensystematik Firmenverzeichnisse, June 2007^{2, 4}

3 Aufbau der bankstatistischen Tabellen,
January 2000²

4 Financial accounts for Germany 1991 to 2006,
July 2007⁵

5 Extrapolated results from financial statements of German enterprises 1994 to 2003, March 2006⁵

6 Ratios from financial statements of German enterprises 2003 to 2004, January 2007⁵

7 Erläuterungen zum Leistungsverzeichnis für die Zahlungsbilanz, February 2005²

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

9 Securities deposits,
August 2005

10 Foreign direct investment stock statistics
April 2007^{1, 5}

11 Balance of payments by region,
August 2007

12 Technologische Dienstleistungen in der Zahlungsbilanz, June 2006²

* 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.

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Banking legislation

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

2 Gesetz über das Kreditwesen, February 2001²

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

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

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

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

For footnotes, see p 79*.