

Trends in the banking sector and the market position of the individual categories of banks since the beginning of the nineties

The German banking industry has expanded substantially since the start of the current decade. Its volume of business has grown appreciably and its contribution to the value added in the economy has likewise increased. On the other hand, structural changes have continued to take place, which has meant that the banks have tended to lose ground in competition with other financial intermediaries and with the securities markets in lending and deposit business and have sustained income losses. The growing integration of the financial markets and rapid advances in information technology have heightened the intensity of competition in the financial sector. At the same time, investors' sensitivity to interest rates has become more acute. On the whole, however, the German banking industry has coped well with the challenges arising from these factors and from the integration of the east German banks. Their efforts to adjust have been assisted both by the flexibility of the German universal bank system and by the stability and long-term focus of the financial market culture in Germany. All in all, the German credit institutions also appear well equipped to tackle the challenges they face from European monetary union.

Overall trends

*Sharp growth
of business
volume*

This article outlines the trends in the German banking industry since reunification. In 1990 the incorporation of the east German banking system expanded the industry by 540 credit institutions with a business volume of DM 573.4 billion, or one-eighth of the business volume of west German banks at that time. Since then, i.e. from the end of 1990 to the end of 1997, the volume of business of all credit institutions in Germany has increased by approximately 75 % from DM 5.2 trillion to around DM 9.1 trillion.¹ That corresponds to an annual rate of expansion of some 9.3 %, compared with a rate of 6.9 % recorded by west German banks in the eighties.² This means that during the nineties so far banking business has grown faster than gross domestic product; since 1991 GDP has increased at an annual average rate of 4 % in nominal terms and 1½ % in real terms. There has likewise been a further expansion in the banking sector's contribution to the value added by all economic sectors. In 1997 it amounted to almost 5 %, compared with just over 4 % in 1991.

*Rise in the
number of
employees*

Consequently, the banking industry has continued to stimulate economic growth. The same applies – to a limited extent – to the labour market. The number of employees in the banking industry³ increased on balance by just over 8 % between 1990 and 1996 (from 675,000 to 731,000). The number of individuals employed at domestic credit institutions as a proportion of all wage and salary earners went up from 2.0 % to 2.4 % during the same period. It should be noted, though,

that employment in the banking industry already peaked in 1994 and 1995 and that it has been declining slightly since then. The number of credit institutions and of their branches has likewise fallen.

During the period under review the banking industry did not quite manage to maintain its position within the overall financing system. The share of bank lending in the total liabilities of the non-financial sectors decreased from 55 % to 53 % between 1990 and 1996. Bank deposits as a share of the total financial assets of domestic non-financial sectors receded further from 42 % to 38 % during the same period. The pattern of financial asset acquisition, in particular, has thus shifted further away from bank deposits towards other investment vehicles, especially securities – albeit to a lesser extent than between 1970 and 1990.

As German banks, considered as a whole, also occupy a strong position as securities issuers, this shift out of bank deposits led only to a partial outflow of liquidity. What is more, other institutional investors channel some of

*The banking
system's
position
within overall
financing*

*Limited degree
of disinter-
mediation*

¹ See the statistical tables appended to this article. The data relate primarily to the Balance Sheet Statistics reported by institutions domiciled in Germany on their business with domestic and foreign credit institutions and customers. The statistics do not include group figures or building and loan associations. Data on foreign branches are shown separately.

² See Deutsche Bundesbank, Longer-term trends in the banking sector and market position of the individual categories of banks, Monthly Report, April 1989, pages 13 to 22 and 51 to 71 and the comparable articles of April 1971, May 1974 and August 1978.

³ Excluding the Bundesbank and excluding building and loan associations. More recent figures are not available. Source: Arbeitgeberverband des privaten Bankgewerbes e.V. (Federation of Employers in the Private Banking Sector), Cologne as published in the journal "Zeitschrift für das gesamte Kreditwesen", issue 3/1998, page 103.

Banking system's position within overall financing

Year	Funds 1 placed with banks				Bank lending 2			
	by domestic non-financial sectors		of which by households		to domestic non-financial sectors		of which to enterprises	
	DM billion	Percentage share of financial assets 3	DM billion	Percentage share of financial assets 3	DM billion	Percentage share of total liabilities 4	DM billion	Percentage share of total liabilities 4
	1970	502	51.5	275	52.4	520	55.2	404	51.3
1975	853	51.8	514	54.5	883	55.8	658	51.6
1980	1,238	50.2	778	52.4	1,461	59.1	1,026	54.9
1985	1,644	44.3	1,021	46.1	1,979	53.5	1,392	51.1
1990 5	2,254	41.8	1,417	44.5	2,776	54.9	2,006	54.5
1991	2,380	40.7	1,496	43.1	3,088	55.3	2,210	55.3
1992	2,533	40.9	1,601	43.0	3,271	54.7	2,389	56.4
1993	2,781	41.2	1,747	42.5	3,528	53.6	2,580	56.3
1994	2,819	40.5	1,779	41.5	3,757	54.6	2,746	57.2
1995	2,915	37.9	1,859	39.9	4,087	52.8	2,929	56.2
1996	3,115	37.9	1,943	39.2	4,399	52.8	3,159	55.9

1 Bank deposits excluding bank bonds. — 2 Excluding lending against securities. — 3 In relation to the financial assets of the respective sector, including securities at

market prices. — 4 In relation to all external financial resources of the respective sector, including securities at market prices. — 5 From 1990 Germany as a whole.

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their resources into the industry in the form of bank deposits. The fact that the disintermediation of banks has been fairly subdued in assets-side business owes much to the specific nature of the corporate landscape in Germany; this is characterised by a large number of small and medium-sized enterprises, and because such firms have scarcely any access to the capital markets they meet their financing needs primarily by borrowing from banks. Nor does disintermediation necessarily imply a corresponding fall in the banks' income as they are involved in a great variety of ways in financial operations that are routed through the capital market (e.g. consulting, underwriting, commission and agency fees, administration of asset-backed securities) and can thus shift their sources of revenue away from interest income to non-

interest income. The relative decline in capital requirements which this entails leads to a higher rate of return on equity. Much the same applies to the growing volume of off-balance-sheet business with new financial instruments. A comparison of interest rate swaps, currency swaps and forward foreign exchange transactions⁴ with the business volume of all categories of banks by itself shows a rise from 29 % in 1990 to 114 % in 1997. This indicates that non-interest-related business is tending to grow in importance in banks' profit and loss accounts.

⁴ See the data in the statistical section of the Monthly Reports of the Deutsche Bundesbank, table IV, 17, page 37.

Changed overall setting

*Underlying
conditions
changed*

The underlying conditions for banking business have changed dramatically during the nineties. The principal agents of change were German unification, the growing integration of financial markets at both the European and global level, rapid advances in information technology and the increased intensity of competition. Following the unification-induced boom and subsequent recession, the basic economic setting from 1994 onwards was characterised by moderate growth. The interest rate situation was also quite favourable on the whole owing to the sustained decline in interest rates, which was interrupted in the capital market solely in 1994, and the largely normal term structure.

*Harmonisation
of banking
supervision
in Europe*

European integration has had an impact on banks mainly through the creation of the single market in 1993, the preparations for monetary union and stricter capital requirements. The completion of the single market and the preparations for EMU have led to an improvement in the business opportunities for banks in the EU ("European passport"). On the other hand, competition has increased as a result. The Directives designed to achieve the harmonisation of banking supervisory rules and the creation of a level playing field within the EU⁵ have been incorporated into German law, in particular, in the form of three amendments of the Banking Act which focused on stipulating capital requirements to cover risks arising from banking business. For credit institutions which operate internationally, changes of a comparable nature had been introduced earlier on the basis of rec-

ommendations made by the Basle Committee on Banking Supervision, a grouping of the G-10 central bank governors. The (un-weighted) average capital ratio, defined as the capital employed (as recorded in the balance sheet) in relation to the business volume, increased further in the course of the nineties from 3.8% in 1990 to 4.2% in 1997. That is not the case, however, if banks' foreign branches are included.

On a global scale the interpenetration and interdependence of the national money, capital and foreign exchange markets – which became evident in the eighties – has intensified further. Competition both among domestic banks and between domestic banks and foreign banks has become even keener owing to investors' increasing sensitivity to yields, deregulation, the liberalisation of capital movements and the spread of securitisation. The German banking industry was well prepared for the growing intensity of competition, however, thanks to the early opening

*Integration
of financial
markets*

⁵ The most important EU Directives for the banking industry enacted in the first half of the nineties (Second Banking Coordination Directive, Own Funds Directive, Solvency Ratio Directive, Consolidation Directive and Large Exposures Directive) provided a "European passport" for credit institutions (EU-wide provision of banking services with national authorisation of banks, supervision by the home-country authorities); they also included stipulations on the percentage of capital – defined somewhat differently – required to back risk-weighted assets as well as provisions on consolidation and large exposures. The rules for the capital backing of market and large exposures risk have been amended in line with the EC Capital Adequacy Directive and incorporated into the Sixth Act Amending the Banking Act, which came into force at the start of 1998. Furthermore, securities firms within the meaning of EC legislation have now been made subject to prudential surveillance by the Federal Banking Supervisory Office to ensure their solvency; these firms, like credit institutions, have the "European passport". See Deutsche Bundesbank, The Sixth Act Amending the Banking Act, Monthly Report, January 1998, page 59ff.

of the domestic market to foreign banks and the abolition of interest rate regulations back in the sixties.

*Rapid advances
in information
technology*

The rapid advances in information technology were undoubtedly the single most important factor behind the growing competitive pressure in the nineties as banks, by virtue of their function as providers of financial services, are affected to a particular degree by changes in the processing, storage and transfer of data and the associated costs. Technical developments have lowered the entry barriers to the market, which can be seen above all in the greater number of competitors in the marketing of banking services and in the payments sector. Given the importance which the banking industry attaches to payment transactions as a key interface for attracting and keeping customers and for selling bank products, the current innovations in electronic (and also card-based) payments have a particularly important bearing on the competitive situation. For example, categories of banks which have a dense nation-wide network of branches – such as the savings banks and credit cooperatives – now clearly face more intense competition from the direct banks.

Adjustment and structural change

*Universal
bank system
facilitates
flexible
adjustment*

The German credit institutions responded to the changed operating environment by means of different adjustment strategies. The fact that most German credit institutions tend to be one-stop universal banks, with a typically balanced mix between risk and income, enabled them to respond flexibly to market

Structure of the German banking industry

Number of credit institutions, domestic branches and automated teller machines, end-of-year level

Year	Number of credit institutions ¹	Domestic branches ²	Automated teller machines in thousands
1990	4,557	43,490	11.3
1991	4,288	44,813	13.8
1992	4,030	45,589	19.0
1993	3,866	45,380	25.0
1994	3,701	44,919	29.4
1995 ³	3,616	44,486	35.7
1996	3,508	44,011	37.6
1997	4 3,415	4 43,968	41.4

¹ Excluding building and loan associations, investment companies, central securities depositories and guarantee banks. — ² From 1992 extended definition of branches. — ³ Including Deutsche Postbank AG but excluding its branches (1995: approx. 19,700; 1997: approx. 16,000. — ⁴ September 1997 level.

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changes and to offer just about any combination of banking services – according to the respective comparative advantages. Thus the growing competition in lending and deposit business led to a vigorous expansion of non-interest-related business, especially with securities, and to the fostering of cross-selling with insurance firms, investment funds and building and loan associations, either all within the group, in the form of financial participations or of cooperative ventures, or (in the case of savings banks and credit cooperatives) within the framework of their regional or national federations.

The major banks, in particular, significantly expanded their investment banking operations, in part by buying foreign institutions. Investment banking comprises activities such

*Investment
banking*

Securities held for third-party account at selected categories of banks

Year	All credit institutions ¹			Categories of banks (market shares in %)			
	DM billion	as % of business volume	as % of total third-party portfolios	Commercial banks	Savings bank sector	Credit cooperative sector	Other categories of banks
	Memo item: number of third-party accounts (in thousands)						
1990	11,869	.	.	39.9	24.2	17.0	18.9
1992	14,345	.	.	35.7	24.2	15.1	24.9
1994	15,306	.	.	33.6	23.4	14.2	28.8
1995	15,265	.	.	33.0	23.8	14.6	28.6
1996	15,933	.	.	31.3	23.0	15.3	30.3
	Deutsche Mark bonds issued by domestic and foreign borrowers (market prices)						
1990	835.5	15.9	47.8	70.3	16.4	7.3	6.0
1992	1,271.3	21.4	54.8	66.0	18.2	7.7	8.2
1994	1,691.1	24.3	52.1	67.2	18.6	7.6	6.6
1995	2,019.4	26.8	54.5	66.9	17.5	7.3	8.3
1996	2,201.4	26.5	51.2	70.9	16.4	6.9	5.8
	Equities issued by domestic and foreign enterprises (market prices) ²						
1990	513.3	9.8	29.4	78.3	16.1	4.3	1.3
1992	530.3	8.9	22.9	77.5	16.9	4.3	1.3
1994	813.4	11.7	25.1	79.6	15.3	4.4	0.8
1995	865.6	11.5	23.4	78.9	15.3	5.2	0.6
1996	1,131.1	13.6	26.3	79.1	15.3	5.0	0.5
	Investment fund certificates issued by domestic and foreign funds (market prices)						
1990	182.4	3.5	10.4	73.7	7.6	5.2	13.5
1992	302.7	5.1	13.1	73.4	9.3	6.4	10.9
1994	505.4	7.3	15.6	73.8	10.3	5.7	10.2
1995	568.8	7.5	15.3	73.1	10.6	6.1	10.2
1996	678.2	8.2	15.8	71.8	10.2	6.9	11.0

¹ Excluding the Bundesbank and the Federal Debt Administration.

² Excluding equities issued by domestic insurance enterprises.

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as the structured financing of large clients, own-account trading in securities, foreign exchange and derivatives and asset management. As a result, the earnings of these credit institutions now tends to be more dependent on developments in the international financial markets. Although direct corporate financing in the capital market through the issue of securities is still on a far smaller scale in Germany than comparable activities in the Anglo-Saxon financial markets, German banks are cultivating new lines of business (consulting, broking, placement, trading, safe-custody) as a result of placing issues in the international capital markets. The table above shows the market shares of the major categories of banks in safe custody business.

In response to the fiercer competition the domestic branch network was streamlined and a number of mergers took place, especially within the respective categories of banks, aimed mainly at curbing costs (see table on page 37). Since the end of 1990 the number of credit institutions has been reduced by almost 1,150. But the process of consolidation which had begun earlier was interrupted to some extent by the integration of the east German savings banks and credit cooperatives. Their balance sheet totals are far lower on average than in western Germany. Moreover, they actually expanded their branch networks in the first few years after reunification. The number of credit institutions with a business volume of up to DM 50 million (i.e. smaller institutions) as a percentage of all credit institutions declined from 20 % in 1990

Branch network and size structure

to just over 5% in 1997,⁶ with the preponderant size category now being that of banks with a business volume of between DM 100 million and DM 250 million (at just under 26%).

*Specialisation
and standardisation*

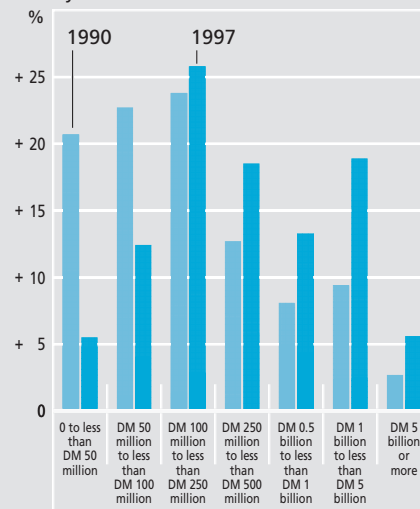
An alternative or even complementary adjustment strategy to volume growth, especially in view of the converging European market for financial services, is the trend which is now becoming apparent towards specialisation and concentration on core competencies. At the same time efforts aimed at the further standardisation of banking products and the automation of financial services are being continued, in tandem with the dismantling of cross-subsidies for individual products. Mention should also be made in this context of the measures denoted by the term "lean banking", i.e. the attempt to reduce costs by outsourcing activities, shrinking the range of in-house banking services, purchasing outside services and flattening the organisational hierarchy.

*Differentiation
of distribution
channels*

The trend towards standardisation and automation is also reflected in the greater differentiation of the distribution channels. At the moment it seems probable that the importance of the traditional branches will decline. An expanding role is likely, on the other hand, for self-service facilities⁷, direct banks and specialised branches which concentrate on providing advisory services in connection with corporate loans and mortgages as well as on asset and portfolio management. The readiness of customers to change banks or to maintain accounts at different banks appears to be growing.

Size structure of domestic credit institutions *

Frequency distribution¹
by size of business volume



* Excluding building and loan associations. — 1 Number of credit institutions per size category as % of the number of all credit institutions.

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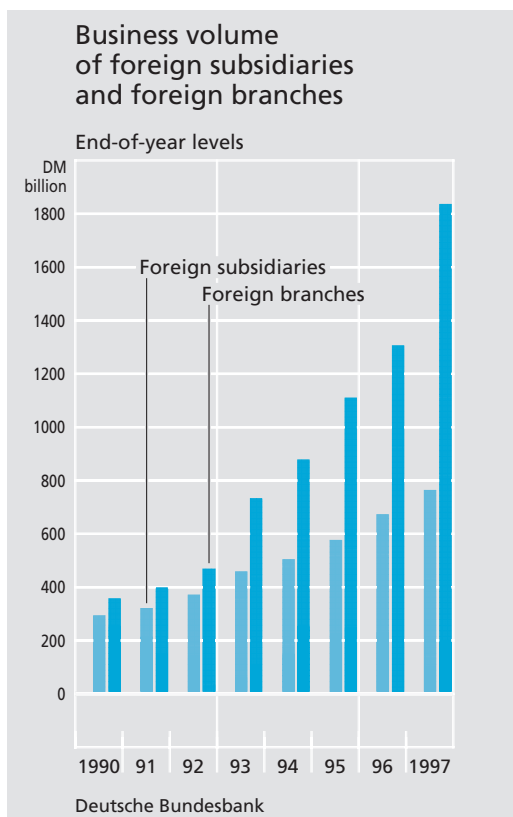
Extension of foreign business links

The German banks reacted to the growing interdependence of the national financial markets and the increasing importance of international business by further extending their already fairly strong foreign presence. This is mirrored, in particular, in the rapidly expanding business volume of their foreign branches. Between 1990 and 1997 the number of (legally dependent) foreign branches grew from 103 to 165, of which around 80

Extended foreign presence especially via branches

⁶ In 1988 no fewer than 28% of banks had been in this smallest size category.

⁷ This denotes, on the one hand, machines providing printouts of account statements and automated teller machines, the number of which increased between 1990 and 1997 from around 11,300 to 41,400, and, on the other, remote access to accounts in the form of home banking via electronic media such as PC, fax and telephone.



are located in EU countries.⁸ Their business volume expanded five-fold in the same period from approximately DM 357 billion to just over DM 1,837 billion. It rose in relation to the business volume of the domestic institutions from 7 % (1990) to about 20 % (1997) (see table on page 62 f).

Slower growth recorded by foreign subsidiaries

The foreign branches grew faster than the (legally independent) foreign subsidiaries, the number of which increased between 1990 and 1997 from 96 to 131, whereas the business volume went up two-and-a-half times (from DM 293 billion in 1990 to DM 765 billion in 1997) (see chart above). In relation to the domestic institutions, the business volume of the foreign subsidiaries increased from 5½ % (1990) to 8½ % (1997). The introduction of the tax on interest income

from 1993 is likely to have contributed to the growth of business activity. The relatively stronger growth of the foreign branches is probably connected with the “European passport” and with the fact that their capital base relates to the parent institution and hence enables them to generate larger credit volumes abroad.

Business with banks and clients abroad handled via domestic credit institutions likewise expanded but at a much less dynamic pace than the foreign business routed via the foreign offices. In terms of total lending to banks,⁹ the share of loans and advances to foreign institutions (including own branches and subsidiaries) remained largely constant between 1990 and 1997, at around 23 %. In the case of liabilities to banks¹⁰ the ratio climbed from roughly 16 % (1990) to some 26 % in 1997. In absolute figures the preponderance of assets-side business decreased from DM 176 billion to DM 19 billion in 1997. In business with non-banks, the ratio of lending to customers abroad¹¹ rose from 5½ % in 1990 to 8½ % of all non-bank lending business in 1997, while in the case of liabilities¹² the ratio went up from 3½ % to

Domestic institutions' business with foreign banks and non-banks

⁸ Around 60 % of the business volume of all foreign branches was accounted for by branches in EU countries, with 47 % of all foreign branches being accounted for by the branches in the United Kingdom alone.

⁹ Lending to foreign banks: DM 422.4 billion (1990); DM 689.1 billion (1997). As a percentage of business volume this represented 8.1 % and 7.6 %, respectively.

¹⁰ Liabilities to foreign banks: DM 246.0 billion (1990); DM 670.3 billion (1997). As a percentage of business volume this represented 4.7 % and 7.4 %, respectively.

¹¹ Lending to foreign non-banks: DM 167.5 billion (1990); DM 474.8 billion (1997). As a percentage of business volume this represented 3.2 % and 5.2 %, respectively.

¹² Liabilities to foreign non-banks: DM 83 billion (1990); DM 333.9 billion (1997). As a percentage of business volume this represented 1.6 % and 3.7 %, respectively.

9% of all liabilities to non-banks. In absolute figures the preponderance of assets-side business increased from just under DM 85 billion in 1990 to DM 141 billion in 1997.

*Foreign banks
in Germany*

The branches of foreign banks in Germany and German credit institutions majority-owned by foreign institutions, which together make up the group of "all foreign banks", had a market share of only 4½% of the business volume of all domestic credit institutions in 1997 – as in 1988. Given the extensive off-balance-sheet business of foreign banks, however, this ratio does not adequately reflect the real importance of this group of institutions.

Balance sheet structure of the banking industry as a whole

*Longer-term
trends in the
balance sheet
structure
continued*

An analysis of the balance sheet structures¹³ as they have developed since 1990 and a comparison with previous observation periods shows that some longer-term trends have persisted despite the inclusion of the east German banking system with its initially markedly different structures¹⁴. On the assets side of the balance sheet, for example, the significance of lending against securities and of longer-term loans increased further, while on the liabilities side the share of securitised borrowing went up, mainly at the expense of deposit business with non-banks.

Lending and investment business

In lending and investment business (including securitised loans) interbank lending accounts for around one-third and lending to domestic and foreign non-banks about three-fifths of the business volume. By 1994 the relative proportions had shifted distinctly in favour of non-bank business (from 58% to 63%); subsequently, however, interbank business expanded more strongly.

*Share of inter-
bank lending*

The share of securitised loans and advances¹⁵ to banks and non-banks rose further during the period under review (see table on page 42), continuing a trend that has been evident for many years. At the end of 1997 the credit institutions held securities with a total value of DM 1,416 billion (including equities), of which DM 1,232 billion was accounted for by domestic securities. This investment behaviour on the part of credit institutions was fostered by the public authorities' high level of issuing activity in order to finance unification-related burdens. Additional contributory factors were the continuous decline in interest rates in the capital market from 1991 – which was noticeably interrupted solely in 1994 – and the at times very

*Lending against
securities*

¹³ The data on the balance sheet structure and the market shares relate to stock figures; statistical changes have not been eliminated (see pages 48 to 64).

¹⁴ At almost 50%, the share of interbank business of east German banks was very high in 1990 owing to the voluminous interbank business of Staatsbank and Deutsche Kreditbank. The balance sheet structure of the east German savings banks and credit cooperatives showed a large liabilities-side preponderance in business with non-banks.

¹⁵ For the monetary policy significance of this development see Deutsche Bundesbank, Trends towards securitisation in the German financial system and their implications for monetary policy, Monthly Report, April 1995, pages 19 to 32.

steep yield curve since 1994. This made investments in bonds attractive both on account of the associated capital gains and because of the high income streams arising from the maturity transformation.

Industry and government as borrowers

Whereas loans and advances to public authorities more than doubled between 1990 and 1997 (from DM 465 billion to DM 968 billion), loans (excluding housing) to enterprises and consumers grew more slowly (+ 52 %). Consequently, the significance of lending to the private sector declined in terms of the business volume from 42 % in 1990 to around 39 ½ % in 1997, whereas the share of the – very largely long-term – loans to public authorities rose from 9 % to 10 ½ %.

Trend towards longer-term lending continued

The trend towards longer-term maturities, which had already become evident in the eighties, continued in lending to the private sector in the nineties. Favoured by falling interest rates – the yield on bonds outstanding declined from just under 9 % in 1990 to just over 5 % at the end of 1997 – the (predominantly long-term) lending for housing construction purposes increased between 1990 and 1997 by around 80 % and commercial and industrial mortgages by approximately 125 %. At the same time, the share of the business volume accounted for by longer-term lending to domestic non-banks rose by almost four percentage points to 48 %; amid the uncertainties surrounding interest rates in 1994 it even went up temporarily to 51 %. By contrast, the relative importance of short-term lending decreased between 1990 and 1997 (from 10 ½ % to 7 ½ % of business volume). Including lending against securities,

Securitisation in the German banking industry *

as % of business volume

End of year	Assets		Liabilities		Memo item Business volume in DM billion
	Money market paper 1	Capital market paper 2	Money market paper 3	Capital market paper 4	
1990	0.4	10.8	0.3	26.1	5,243.8
1991	0.3	10.8	0.3	27.3	5,573.5
1992	0.2	11.4	0.4	27.7	5,950.8
1993	0.3	12.6	0.5	27.6	6,592.2
1994	0.1	13.6	0.5	28.4	6,952.8
1995	0.1	13.0	0.7	29.5	7,538.9
1996	0.2	13.1	0.6	30.0	8,292.4
1997	0.1	13.5	0.6	30.0	9,109.9
End of 1997	by category of banks				
Big banks	0.2	10.2	2.7	5.9	888.5
Regional banks and other commercial banks	0.6	11.4	0.5	24.7	1,160.0
Regional giro institutions	0.1	10.3	0.1	40.3	1,667.2
Savings banks	0.1	21.6	0.4	20.0	1,691.5
Credit cooperatives	0.0	19.5	0.7	11.7	974.6
Mortgage banks	0.0	4.9	0.9	73.3	1,317.7

* Excluding securities of foreign branches. — 1 Portfolios of Treasury bills, Treasury discount paper and other money market instruments. — 2 Portfolios of debt certificates. — 3 Issued short-term bearer bonds and savings bonds as well as registered money market instruments. — 4 Issued medium and long-term bearer bonds and savings bonds as well as registered bonds.

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just short of 87 % of all loans to domestic non-banks are now medium or long-term; in 1990 the ratio had been 81%.

Borrowing and deposit business

Growing significance of bank bonds

The banks covered their growing need for longer-term financial resources primarily by issuing bank bonds. Their outstanding amount rose between 1990 and 1997 from DM 900 billion to just under DM 2,000 billion; in terms of business volume this represented an increase from 17 % to 22 %. Purchases of bank bonds by other credit institutions facilitated maturity transformation and hence the allocation (reflected in the balance sheet) of interest rate risks within the banking industry. The increased use of own issues in refinancing largely offset waning deposit business with non-banks, the share of which in the business volume decreased from 46 % in 1990 to just over 40 % in 1997. Despite a temporary decline in 1993, the relative importance of interbank borrowing showed little change from 1990 (just over 28 % of the business volume).

Long-term time deposits remain significant

The predominance of longer-term business was also reflected in a persistently high share (8½ %) of long-term time deposits in the business volume. A substantial proportion of these financial resources are placed with banks by institutional investors such as insurance enterprises – in the form of registered bank bonds, for example. They attract interest at capital market rates but their valuation does not have to be adjusted in the depositors' balance sheets in the event of an interest rate rise.

Short and medium-term time deposits of domestic non-banks have come to play a smaller role in the funding of the banking industry. Following a short-lived increase up to 1993 to just under DM 600 billion, shorter-term time deposits fell back to the 1990 level of around DM 400 billion. Savings deposits at over three months' notice grew marginally up to the end of 1995 but declined thereafter.

Smaller share of short-term time deposits and "longer-term" savings deposits

Instead domestic depositors – especially following the deregulation of the provisions governing savings transactions in 1993 – favoured savings deposit products which predominantly have a period of notice of three months and, as special savings instruments, earn an attractive rate of interest. Banks offered such products partly in response to the competition posed from 1994 onwards by "pure" money market funds and to depositors' growing yield awareness. Following a slight temporary decline, the share of savings deposits at three months' notice in the business volume grew again from 1993 onwards to reach just over 10 % in 1997. These formally short-term financial resources make it easier for banks to meet the liquidity requirements by virtue of the substantial weighting they are given as long-term financial resources in Principle II.¹⁶

Revival of savings deposits at three months' notice

The ongoing changes in deposit and borrowing business have led to a structural increase in banks' refinancing costs and a decrease in the interest margin. This tendency was reinforced by the growing share of long-term

Interest margin squeezed by higher refinancing costs

¹⁶ See Deutsche Bundesbank, The longer-term trend in savings deposits and its implications for monetary targeting, Monthly Report, May 1997, pages 43 to 62.

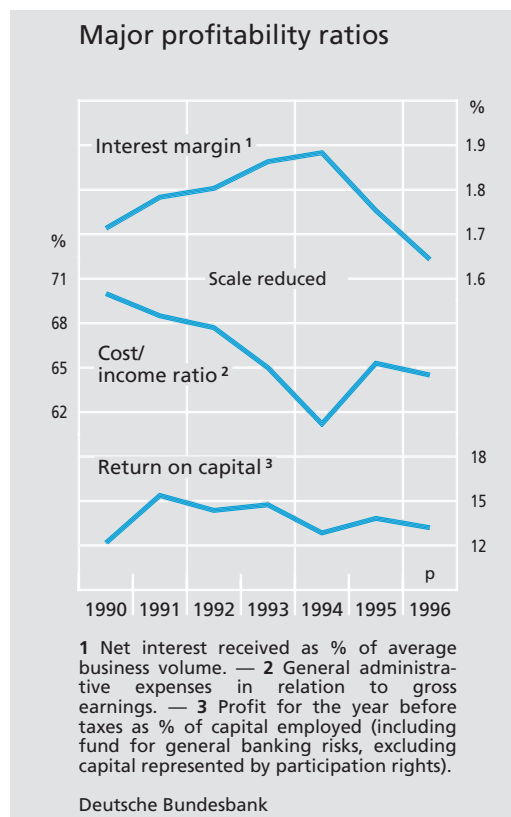
lending, which earns a lower margin, especially of loans to public authorities. The problem was compounded by the unrelenting competition among banks for top-quality borrowers. Whereas the interest margin had improved between 1990 (1.72 %) and 1994 (1.89 %) – partly as a result of the fall in interest rates at that time – it declined fairly rapidly up to the 1996 financial year to 1.65 % (see chart opposite). Major factors in this were – as mentioned above – depositors' more acute yield awareness as well as the enhanced transparency and the fiercer competition between banks and financial institutions. By means of an attractive pricing policy the banks sought to stem the diversion of financial resources to, for instance, the money market funds which were authorised from autumn 1994 onwards.

Business trends in the various categories of banks

The changing commercial framework in which the banking industry operates led to shifts in the balance sheet structures and the market shares of the individual categories of banks in keeping with the respective emphases of their assets-side and liabilities-side business (see tables on pages 48 to 64).

The mortgage banks, in particular, profited from the sharp growth in loans and advances to domestic public authorities. The share of business volume of this category of banks accounted for by lending to public authorities grew from just under one-quarter in 1990 to roughly one-third in 1997. Their lending to foreign non-banks also developed vigorously

Mortgage banks given boost



(6.4 % of business volume in 1997). On the other hand, their participation in the growth of lending for domestic residential construction purposes was below the average. All in all, they raised their share in the business volume of all categories of banks from 11½ % in 1990 to 14½ % in 1997. On the liabilities side, the refinancing of mortgage banks via own issues increased quite distinctly at the expense of the long-term time deposits of non-banks; as a percentage of the business volume, it went up from 45 % in 1990 to 57½ % in 1997.

The regional giro institutions (Landesbanks) likewise expanded their market share (from 14½ % to 18½ %).¹⁷ Their business volume

Regional giro institutions

¹⁷ This also mirrors the conversion of the savings bank in Berlin and the inclusion of the Landesbank in Saxony.

grew by just over 11% on an annual average. Focal points of their business activity were interbank lending, which – at 46% – made up almost half of the business volume, and advances to the private sector. For refinancing they relied increasingly on interbank borrowing and long-term time deposits; contrary to the general trend, the relative significance of own issues tended to decrease.

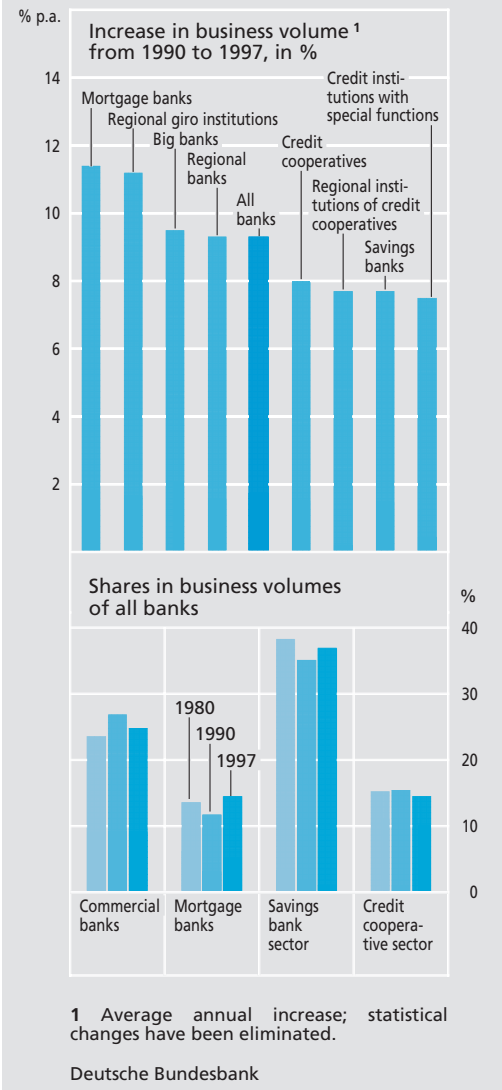
Big banks

Above-average growth was also recorded by the big banks, which raised their share in the business volume of all banks by 1 percentage point to 10%. The most conspicuous feature in their development was the growing importance of foreign business. Thus the share of interbank lending to their own branches abroad rose sharply. On the financing side, too, they resorted more and more to foreign interbank resources. They more or less managed to maintain their market share of credit business with domestic non-banks.

Regional banks and other commercial banks

The business volume of the regional banks and other commercial banks developed largely in line with the average for all banks (see chart opposite). This is not adequately reflected, however, in the data on the balance sheet structures of regional banks owing to the regrouping which has taken place in the meantime as a result of which one large east German institution was no longer included in this category. As this group of banks likewise includes institutions authorised to conduct mortgage business, this category of banks also benefited from the buoyant demand for housing loans.

Business volume by category of banks



The business volume of the savings banks, which – at DM 1.7 trillion at the end of 1997 – largely matched that of the regional giro institutions, recorded below-average growth between 1990 and 1997; consequently, the market share of the savings banks receded from 20½% to 18½%.¹⁸ As far as their assets-side business was con-

Savings banks

¹⁸ See footnote 17 (for the statistical implications for regional giro institutions).

cerned, this was caused by the relatively subdued trend in interbank lending and not by lending to non-banks, which increased as a proportion of the balance sheet total. In the latter category the savings banks were able to hold their own. There was a sharp concurrent rise in interbank liabilities, so that the savings banks' traditional position as creditors in interbank business was eroded significantly on balance. The reason for this was probably the drop in refinancing via deposits from non-banks, which fell from 75 % in 1990 to only about 66 % of the business volume at the end of the period under review. The main determinants of this trend were the decline in time deposits from 1994 onwards and the stagnation of savings deposits at more than three months' notice. Nevertheless, the savings banks continued to have a high market share of over 50 % of total savings deposits, including bank savings bonds.

*Credit
cooperatives*

The business volume of the credit cooperatives likewise grew at a slightly below-average rate even though they had developed at a very dynamic pace in the eighties. Their share of the banking system's overall business volume fell from 11.3 % in 1990 to 10.7 % in 1997. Although the structural shifts were more moderate, the credit cooperatives displayed trends in interbank and non-bank business similar to those of the savings banks. They raised their market share of savings deposits at three months' notice further from 26 % to just over 30 %. The business volume of the regional institutions of the credit cooperatives expanded at a below-average pace. In interbank business – which accounted for around two-thirds of their

business volume – the liabilities-side preponderance shrank noticeably.

Losses in market shares were also sustained by the private bankers¹⁹ whose business volume diminished by around DM 10 billion between 1990 and 1997. This also reflects the continuing tendency of this category of banks to concentrate on off-balance-sheet business, e.g. asset management. The credit institutions with special functions, which had grown rapidly immediately following German unification owing to the high proportion of their promotional loans, lost some ground after 1992 when the situation in this field gradually returned to normal. Their overall share in the business volume of all banks amounted to 9.4 % at the end of the period under review.

*Private bankers
and credit
institutions with
special func-
tions*

Outlook

On balance the German banking industry has successfully met the challenges posed by higher capital requirements, tougher competition in both assets-side and liabilities-side business, unrelenting cost pressures due in particular to substantial investment in information technology and by the simultaneously growing yield expectations of investors and shareholders. They were helped in this by the Bundesbank's monetary policy, which is geared to the medium term and oriented to stability, and by an efficient system of bank-

*Challenges
successfully
met so far*

¹⁹ The frequent statistical reclassifications in this category of banks distort the stock figures. After statistical changes have been eliminated, their business volume increased by around DM 20 billion during the period under review.

ing supervision. These have contributed to the stability of the financial system and encouraged long-term financial relationships between banks, borrowers and investors. Against this backdrop there have been no spectacular bank crises in the nineties to date. Exaggerated asset prices, from which banking systems in some other countries are still suffering, have likewise largely been avoided.

The launching of European monetary union will confront domestic credit institutions with new strategic challenges to which they will

probably respond just as divergently as they did to changes in the recent past. Competition will become more intense. Margins in wholesale banking will contract. There will be further rationalisation of the payment systems; the importance of home banking and electronic money is likely to increase. Hence the banking landscape will continue to change. Even though no major structural changes are to be expected for the time being, the process of concentration will probably intensify. All in all, the German banks appear well equipped to cope with the problems that lie ahead.

The tables accompanying this article appear on the following pages.

Assets and liabilities of domestic credit institutions *

DM billion

Year	Business volume 1	Lending to credit institutions 2		Lending to non-banks 3								Other assets
		Total	of which Lending against securities	Total 4	Lending to domestic non-banks							
					Total 4	of which Lending against securities	by maturity		by group of debtors			
							Short-term 4	Medium and long-term 4	Advances to enterprises and individuals	Advances to public authorities	End-of-year level	
1987	3,748.8	1,214.1	338.4	2,317.9	2,200.3	121.5	335.6	1,864.7	1,665.3	413.5	216.8	
1988	3,984.2	1,297.8	350.0	2,457.8	2,332.4	141.0	351.8	1,980.6	1,753.7	437.7	228.5	
1989	4,277.3	1,421.0	355.6	2,607.8	2,470.1	148.0	385.6	2,084.4	1,881.1	440.9	248.5	
1990	5,243.8	1,843.2	411.4	3,042.5	2,875.0	191.5	548.2	2,326.9	2,218.3	465.3	358.2	
1991	5,573.5	1,844.5	437.0	3,335.7	3,147.0	193.2	602.0	2,545.0	2,451.5	502.3	393.3	
1992	5,950.8	1,889.1	456.4	3,696.0	3,478.2	247.3	597.2	2,881.0	2,648.2	582.7	365.8	
1993	6,592.2	2,130.6	520.9	4,088.9	3,826.4	333.3	563.2	3,263.2	2,848.4	644.7	372.7	
1994	6,952.8	2,187.9	542.0	4,394.6	4,137.2	436.0	583.5	3,553.7	3,007.3	693.9	370.3	
1995	7,538.9	2,398.3	591.9	4,726.1	4,436.9	428.7	615.2	3,821.7	3,175.9	832.3	414.4	
1996	8,292.4	2,722.9	692.4	5,125.0	4,773.1	443.1	662.2	4,110.8	3,417.4	912.5	444.5	
1997	9,109.9	3,087.1	805.8	5,533.2	5,058.4	476.2	667.8	4,390.6	3,614.1	968.1	489.6	
Change from previous year in %												
1987	+ 6.0	+ 9.8	+ 9.2	+ 4.3	+ 4.2	+ 17.0	- 4.9	+ 6.0	+ 3.2	+ 4.7	+ 4.0	
1988	+ 6.2	+ 6.5	+ 3.8	+ 6.1	+ 6.1	+ 17.9	+ 4.8	+ 6.3	+ 5.3	+ 5.9	+ 5.6	
1989	+ 7.6	+ 10.1	+ 2.5	+ 6.2	+ 6.0	+ 5.9	+ 9.6	+ 5.3	+ 7.3	+ 0.7	+ 8.6	
1990	+ 10.6	+ 11.5	+ 17.7	+ 9.4	+ 8.9	+ 22.6	+ 19.8	+ 6.9	+ 8.8	+ 4.5	+ 18.0	
1991	+ 7.2	+ 2.3	+ 7.2	+ 10.1	+ 9.9	+ 2.8	+ 12.9	+ 9.2	+ 11.0	+ 7.7	+ 6.7	
1992	+ 7.4	+ 3.2	+ 4.9	+ 9.7	+ 9.4	+ 28.4	+ 2.8	+ 10.9	+ 9.1	+ 3.2	+ 8.2	
1993	+ 10.9	+ 13.3	+ 13.6	+ 10.1	+ 9.8	+ 39.4	- 2.5	+ 12.3	+ 7.7	+ 6.8	+ 7.2	
1994	+ 5.9	+ 3.5	+ 4.4	+ 7.8	+ 8.4	+ 25.0	+ 2.4	+ 9.4	+ 7.4	+ 4.1	- 1.3	
1995	+ 9.6	+ 11.5	+ 10.5	+ 8.0	+ 7.6	+ 0.5	+ 6.2	+ 7.8	+ 7.3	+ 13.1	+ 17.4	
1996	+ 9.5	+ 12.2	+ 16.9	+ 8.4	+ 7.6	+ 3.6	+ 7.2	+ 7.6	+ 7.5	+ 9.8	+ 7.1	
1997	+ 9.4	+ 12.6	+ 16.3	+ 7.7	+ 6.0	+ 7.6	+ 0.4	+ 6.9	+ 5.7	+ 6.1	+ 9.9	
as % of business volume (balance sheet structure)												
1987	100	32.4	9.0	61.8	58.7	3.2	9.0	49.7	44.4	11.0	5.8	
1988	100	32.6	8.8	61.7	58.5	3.5	8.8	49.7	44.0	11.0	5.7	
1989	100	33.2	8.3	61.0	57.7	3.5	9.0	48.7	44.0	10.3	5.8	
1990	100	35.1	7.8	58.0	54.8	3.7	10.5	44.4	42.3	8.9	6.8	
1991	100	33.1	7.8	59.8	56.5	3.5	10.8	45.7	44.0	9.0	7.1	
1992	100	31.7	7.7	62.1	58.4	4.2	10.0	48.4	44.5	9.8	6.1	
1993	100	32.3	7.9	62.0	58.0	5.1	8.5	49.5	43.2	9.8	5.7	
1994	100	31.5	7.8	63.2	59.5	6.3	8.4	51.1	43.3	10.0	5.3	
1995	100	31.8	7.9	62.7	58.9	5.7	8.2	50.7	42.1	11.0	5.5	
1996	100	32.8	8.3	61.8	57.6	5.3	8.0	49.6	41.2	11.0	5.4	
1997	100	33.9	8.8	60.7	55.5	5.2	7.3	48.2	39.7	10.6	5.4	

* Excluding assets and liabilities of foreign branches and of building and loan associations. From June 1990 including assets and liabilities of east German credit institutions. Statistical changes have been eliminated from the rates of change. — 1 Balance sheet total plus

endorsement liabilities arising from rediscounted bills of exchange and bills sent for collection prior to maturity from banks' portfolios. — 2 Excluding lending to domestic building and loan associations. — 3 Including lending to domestic building and loan associations. —

Deutsche Bundesbank

Liabilities to credit institutions 5		Deposits of and borrowings from non-banks 6						Bearer bonds outstanding 9	Capital 10	Other liabilities	Year
Total	of which Time deposits	Total	of which: Domestic non-banks				Savings deposits and bank savings bonds 8				
			Sight deposits	Time deposits 7		of which Savings deposits at three months' notice					
				Total	of which Running for four years or more							Total
End-of-year level											
874.1	652.4	1,884.3	260.3	610.1	349.6	895.5	466.8	712.0	137.4	141.0	1987
1,001.5	775.4	1,982.7	283.7	663.4	394.4	916.2	493.5	705.5	145.3	149.1	1988
1,099.1	848.4	2,098.7	303.0	756.6	430.8	908.1	479.1	759.8	161.0	158.7	1989
1,495.6	1,060.1	2,417.5	424.6	866.3	463.0	981.8	515.4	900.3	198.7	231.7	1990
1,502.8	1,097.4	2,555.7	431.3	976.6	496.1	990.8	513.1	1,039.0	218.0	257.9	1991
1,563.3	1,084.4	2,696.2	468.3	1,020.9	493.9	1,010.8	522.2	1,155.0	245.2	291.2	1992
1,723.3	1,154.0	2,950.9	513.6	1,123.6	530.7	1,078.5	587.4	1,312.0	266.3	339.6	1993
1,830.3	1,260.5	3,057.2	540.2	1,109.3	590.6	1,147.3	654.3	1,428.1	292.8	344.5	1994
2,003.1	1,404.8	3,245.6	579.9	1,086.1	644.5	1,273.5	749.7	1,596.5	316.5	377.2	1995
2,217.6	1,538.0	3,515.1	675.1	1,109.8	710.8	1,370.8	865.8	1,795.1	341.3	423.3	1996
2,572.5	1,789.3	3,675.8	689.8	1,146.9	754.0	1,419.0	928.8	1,987.7	378.2	495.7	1997
Change from previous year in %											
+ 5.3	+ 9.8	+ 7.0	+ 5.9	+ 9.0	+ 13.6	+ 5.5	+ 6.1	+ 4.1	+ 7.5	+ 5.8	1987
+ 14.1	+ 18.4	+ 5.1	+ 8.8	+ 8.8	+ 12.8	+ 2.3	+ 5.7	- 0.9	+ 6.2	+ 7.4	1988
+ 10.0	+ 9.6	+ 5.9	+ 6.9	+ 14.0	+ 9.2	- 0.9	- 2.9	+ 7.7	+ 10.8	+ 10.3	1989
+ 10.2	+ 21.1	+ 6.6	+ 10.7	+ 13.9	+ 7.4	- 1.5	- 10.6	+ 18.5	+ 10.2	+ 30.1	1990
+ 2.9	+ 5.0	+ 5.6	+ 1.1	+ 12.7	+ 7.1	+ 1.1	+ 0.2	+ 15.4	+ 9.4	+ 16.8	1991
+ 5.4	+ 0.7	+ 6.2	+ 7.8	+ 7.1	+ 4.7	+ 2.0	+ 1.4	+ 11.2	+ 9.9	+ 14.4	1992
+ 10.8	+ 8.1	+ 9.3	+ 9.3	+ 9.5	+ 6.3	+ 7.3	+ 12.5	+ 13.8	+ 9.1	+ 15.9	1993
+ 6.8	+ 9.4	+ 3.7	+ 5.5	- 1.3	+ 11.4	+ 6.4	+ 11.5	+ 8.9	+ 12.0	+ 4.0	1994
+ 11.2	+ 14.0	+ 6.7	+ 9.1	- 1.3	+ 10.6	+ 10.2	+ 15.6	+ 11.8	+ 8.2	+ 18.7	1995
+ 9.3	+ 8.8	+ 8.1	+ 16.3	+ 2.1	+ 10.2	+ 7.7	+ 15.6	+ 12.4	+ 7.7	+ 11.4	1996
+ 15.0	+ 15.4	+ 4.3	+ 1.9	+ 3.3	+ 6.1	+ 3.5	+ 6.9	+ 10.8	+ 11.2	+ 15.5	1997
as % of business volume (balance sheet structure)											
23.3	17.4	50.3	6.9	16.3	9.3	23.9	12.5	19.0	3.7	3.8	1987
25.1	19.5	49.8	7.1	16.7	9.9	23.0	12.4	17.7	3.6	3.7	1988
25.7	19.8	49.1	7.1	17.7	10.1	21.2	11.2	17.8	3.8	3.7	1989
28.5	20.2	46.1	8.1	16.5	8.8	18.7	9.8	17.2	3.8	4.4	1990
27.0	19.7	45.9	7.7	17.5	8.9	17.8	9.2	18.6	3.9	4.6	1991
26.3	18.2	45.3	7.9	17.2	8.3	17.0	8.8	19.4	4.1	4.9	1992
26.1	17.5	44.8	7.8	17.0	8.0	16.4	8.9	19.9	4.0	5.2	1993
26.3	18.1	44.0	7.8	16.0	8.5	16.5	9.4	20.5	4.2	5.0	1994
26.6	18.6	43.1	7.7	14.4	8.5	16.9	9.9	21.2	4.2	5.0	1995
26.7	18.5	42.4	8.1	13.4	8.6	16.5	10.4	21.6	4.1	5.1	1996
28.2	19.6	40.3	7.6	12.6	8.3	15.6	10.2	21.8	4.2	5.4	1997

4 Including lending against securities. — 5 Excluding liabilities to domestic building and loan associations. — 6 Including liabilities to domestic building and loan associations. — 7 Including liabilities arising from registered bonds. — 8 Including liabilities arising from

non-negotiable bearer bonds. — 9 Excluding non-negotiable bearer bonds (see note 8). — 10 Including capital represented by participation rights, from December 1993 including fund for general banking risks.

Assets and liabilities of commercial banks as a whole and of the big banks *

DM billion

Year	Business volume 1	Lending to credit institutions 2		Lending to non-banks 3							Other assets	
		Total	of which Lending against securities	Total 4	Lending to domestic non-banks							
					Total 4	of which Lending against securities	by maturity		by group of debtors			
							Short-term 4	Medium and long-term 4	Advances to enterprises and individuals	Advances to public authorities		
Commercial banks 11											End-of-year level	
1990	1,409.1	377.0	43.8	905.6	846.9	62.2	296.6	550.3	724.2	60.5	126.5	
1992	1,518.5	362.1	64.6	1,033.5	958.3	67.7	293.3	665.0	812.1	78.5	122.9	
1994	1,666.9	449.7	73.9	1,098.7	1,013.0	107.6	260.2	752.9	835.3	70.1	118.5	
1996	2,010.6	551.1	103.1	1,304.8	1,182.6	126.1	287.7	895.0	970.3	86.1	154.7	
1997	2,258.2	672.6	133.2	1,408.6	1,235.6	144.0	290.7	944.9	1,016.6	75.0	177.0	
as % of the respective overall position of all banks (market share)												
1990	26.9	20.5	10.6	29.8	29.5	32.5	54.1	23.7	32.6	13.0	35.3	
1992	25.5	19.2	14.2	28.0	27.6	27.4	49.1	23.1	30.7	13.5	33.6	
1994	24.0	20.6	13.6	25.0	24.5	24.7	44.6	21.2	27.8	10.1	32.0	
1996	24.2	20.2	14.9	25.5	24.8	28.5	43.4	21.8	28.4	9.4	34.8	
1997	24.8	21.8	16.5	25.5	24.4	30.2	43.5	21.5	28.1	7.8	36.1	
as % of business volume (balance sheet structure)												
1990	100	26.8	3.1	64.3	60.1	4.4	21.0	39.1	51.4	4.3	9.0	
1992	100	23.8	4.3	68.1	63.1	4.5	19.3	43.8	53.5	5.2	8.1	
1994	100	27.0	4.4	65.9	60.8	6.5	15.6	45.2	50.1	4.2	7.1	
1996	100	27.4	5.1	64.9	58.8	6.3	14.3	44.5	48.3	4.3	7.7	
1997	100	29.8	5.9	62.4	54.7	6.4	12.9	41.8	45.0	3.3	7.8	
Big banks											End-of-year level	
1990	468.6	111.7	10.9	304.2	286.8	24.0	104.3	182.5	252.6	10.2	52.7	
1992	554.6	118.7	17.0	374.1	352.9	27.3	128.2	224.7	317.0	8.7	61.8	
1994	624.1	154.2	20.3	409.4	382.4	41.5	118.5	263.9	331.0	9.9	60.6	
1996	765.3	195.2	36.1	496.5	445.8	41.6	133.6	312.2	390.7	13.6	73.5	
1997	888.5	246.7	52.2	553.4	474.8	48.0	138.1	336.7	410.0	16.7	88.4	
as % of the respective overall position of all banks (market share)												
1990	8.9	6.1	2.7	10.0	10.0	12.5	19.0	7.8	11.4	2.2	14.7	
1992	9.3	6.3	3.7	10.1	10.1	11.0	21.5	7.8	12.0	1.5	16.9	
1994	9.0	7.0	3.7	9.3	9.2	9.5	20.3	7.4	11.0	1.4	16.4	
1996	9.2	7.2	5.2	9.7	9.3	9.4	20.2	7.6	11.4	1.5	16.5	
1997	9.8	8.0	6.5	10.0	9.4	10.1	20.7	7.7	11.3	1.7	18.1	
as % of business volume (balance sheet structure)												
1990	100	23.8	2.3	64.9	61.2	5.1	22.3	38.9	53.9	2.2	11.2	
1992	100	21.4	3.1	67.5	63.6	4.9	23.1	40.5	57.2	1.6	11.1	
1994	100	24.7	3.3	65.6	61.3	6.6	19.0	42.3	53.0	1.6	9.7	
1996	100	25.5	4.7	64.9	58.3	5.4	17.5	40.8	51.0	1.8	9.6	
1997	100	27.8	5.9	62.3	53.4	5.4	15.5	37.9	46.2	1.9	9.9	

* Excluding assets and liabilities of foreign branches. From June 1990 including assets and liabilities of east German credit institutions. — 1 Balance sheet total plus endorsement liabilities arising from rediscounted bills of exchange and bills sent for collection prior to maturity

from banks' portfolios. — 2 Excluding lending to domestic building and loan associations. — 3 Including lending to domestic building and loan associations. — 4 Including lending against securities. — 5 Excluding liabilities to domestic building and loan associations. —

Deutsche Bundesbank

Liabilities to credit institutions 5		Deposits of and borrowings from non-banks 6						Bearer bonds outstanding 9	Capital 10	Other liabilities	Year
Total	of which Time deposits	Total	of which: Domestic non-banks								
			Sight deposits	Time deposits 7		Savings deposits and bank savings bonds 8					
				Total	of which Running for four years or more	Total	of which Savings deposits at three months' notice				
End-of-year level											
584.2	421.8	555.5	147.9	203.5	57.1	141.9	82.1	115.0	85.9	68.4	1990
581.3	401.7	614.2	148.3	226.3	66.3	156.9	94.6	140.6	94.9	87.4	1992
613.3	381.2	652.5	168.3	230.1	81.6	162.3	95.3	194.0	108.9	98.2	1994
728.4	453.2	760.5	233.1	229.4	100.9	171.2	110.5	243.3	122.7	155.8	1996
839.6	514.2	805.4	243.3	241.1	110.4	169.9	108.3	270.5	138.1	204.5	1997
as % of the respective overall position of all banks (market share)											
39.1	39.8	23.0	34.8	23.5	12.3	14.4	15.9	12.8	43.3	29.5	1990
37.2	37.0	22.8	31.7	22.2	13.4	15.5	18.1	12.2	38.7	30.0	1992
33.5	30.2	21.3	31.1	20.7	13.8	14.1	14.6	13.6	37.2	28.5	1994
32.8	29.5	21.6	34.5	20.7	14.2	12.5	12.8	13.6	35.9	36.8	1996
32.6	28.7	21.9	35.3	21.0	14.6	12.0	11.7	13.6	36.5	41.2	1997
as % of business volume (balance sheet structure)											
41.5	29.9	39.4	10.5	14.4	4.0	10.1	5.8	8.2	6.1	4.9	1990
38.3	26.5	40.4	9.8	14.9	4.4	10.3	6.2	9.3	6.3	5.8	1992
36.8	22.9	39.1	10.1	13.8	4.9	9.7	5.7	11.6	6.5	5.9	1994
36.2	22.5	37.8	11.6	11.4	5.0	8.5	5.5	12.1	6.1	7.7	1996
37.2	22.8	35.7	10.8	10.7	4.9	7.5	4.8	12.0	6.1	9.1	1997
End-of-year level											
125.0	79.2	255.3	63.3	77.8	10.3	76.8	50.3	26.9	31.3	30.0	1990
145.1	97.2	312.7	81.7	89.6	13.7	91.8	63.3	28.2	38.1	30.6	1992
202.0	129.0	306.4	91.1	77.2	12.3	88.3	52.3	31.9	46.4	37.5	1994
248.0	145.2	372.5	121.5	79.4	13.4	89.7	58.8	40.2	55.3	49.4	1996
306.0	170.5	388.9	123.8	81.9	14.3	86.2	51.9	52.5	65.2	75.9	1997
as % of the respective overall position of all banks (market share)											
8.4	7.5	10.6	14.9	9.0	2.2	7.8	9.8	3.0	15.8	13.0	1990
9.3	9.0	11.6	17.5	8.8	2.8	9.1	12.1	2.4	15.5	10.5	1992
11.0	10.2	10.0	16.9	7.0	2.1	7.7	8.0	2.2	15.9	10.9	1994
11.2	9.4	10.6	18.0	7.2	1.9	6.5	6.8	2.2	16.2	11.7	1996
11.9	9.5	10.6	18.0	7.1	1.9	6.1	5.6	2.6	17.2	15.3	1997
as % of business volume (balance sheet structure)											
26.7	16.9	54.5	13.5	16.6	2.2	16.4	10.7	5.7	6.7	6.4	1990
26.2	17.5	56.4	14.7	16.2	2.5	16.6	11.4	5.1	6.9	5.5	1992
32.4	20.7	49.1	14.6	12.4	2.0	14.1	8.4	5.1	7.4	6.0	1994
32.4	19.0	48.7	15.9	10.4	1.8	11.7	7.7	5.3	7.2	6.5	1996
34.4	19.2	43.8	13.9	9.2	1.6	9.7	5.8	5.9	7.3	8.5	1997

6 Including liabilities to domestic building and loan associations. — 7 Including liabilities arising from registered bonds. — 8 Including liabilities arising from non-negotiable bearer bonds. — 9 Excluding non-negotiable bearer bonds (see note 8). — 10 Including capital

represented by participation rights, from December 1993 including fund for general banking risks. — 11 Comprises big banks, regional banks and other commercial banks, branches of foreign banks and private bankers.

Assets and liabilities of regional banks and other commercial banks and of private bankers *

DM billion

Year	Business volume 1	Lending to credit institutions 2		Lending to non-banks 3							Other assets	
		Total	of which Lending against securities	Total 4	Lending to domestic non-banks							
					Total 4	of which Lending against securities	by maturity		by group of debtors			
							Short-term 4	Medium and long-term 4	Advances to enterprises and individuals	Advances to public authorities		
Regional banks and other commercial banks												End-of-year level
1990	801.5	194.7	26.6	539.2	514.2	32.8	165.2	349.0	433.0	48.4	67.6	
1992	817.5	169.3	40.7	592.9	556.7	36.6	134.8	422.0	451.9	68.2	55.3	
1994	883.8	214.9	43.2	617.8	575.5	58.1	111.8	463.7	459.2	58.2	51.1	
1996	1 077.9	269.4	54.8	738.2	676.2	73.9	123.3	552.8	532.7	69.5	70.3	
1997	1 160.0	311.6	66.6	774.0	692.2	81.2	120.9	571.3	555.9	55.1	74.4	
as % of the respective overall position of all banks (market share)												
1990	15.3	10.6	6.5	17.7	17.9	17.1	30.1	15.0	19.5	10.4	18.9	
1992	13.7	9.0	8.9	16.0	16.0	14.8	22.6	14.6	17.1	11.7	15.1	
1994	12.7	9.8	8.0	14.1	13.9	13.3	19.2	13.0	15.3	8.4	13.8	
1996	13.0	9.9	7.9	14.4	14.2	16.7	18.6	13.4	15.6	7.6	15.8	
1997	12.7	10.1	8.3	14.0	13.7	17.0	18.1	13.0	15.4	5.7	15.2	
as % of business volume (balance sheet structure)												
1990	100	24.3	3.3	67.3	64.2	4.1	20.6	43.5	54.0	6.0	8.4	
1992	100	20.7	5.0	72.5	68.1	4.5	16.5	51.6	55.3	8.3	6.8	
1994	100	24.3	4.9	69.9	65.1	6.6	12.7	52.5	52.0	6.6	5.8	
1996	100	25.0	5.1	68.5	62.7	6.9	11.4	51.3	49.4	6.5	6.5	
1997	100	26.9	5.7	66.7	59.7	7.0	10.4	49.2	47.9	4.7	6.4	
Private bankers												End-of-year level
1990	62.7	21.2	3.5	37.0	31.8	2.8	17.7	14.1	27.6	1.4	4.5	
1992	69.2	25.4	4.5	39.4	34.9	2.2	19.8	15.1	31.2	1.5	4.5	
1994	69.2	23.9	5.2	40.9	37.7	4.2	18.6	19.1	31.6	1.9	4.4	
1996	53.6	18.5	3.7	31.7	29.4	2.7	14.0	15.4	24.2	2.6	3.5	
1997	52.1	18.4	4.3	30.3	28.2	1.5	14.2	14.0	23.9	2.8	3.4	
as % of the respective overall position of all banks (market share)												
1990	1.2	1.2	0.8	1.2	1.1	1.5	3.2	0.6	1.2	0.3	1.2	
1992	1.2	1.3	1.0	1.1	1.0	0.9	3.3	0.5	1.2	0.3	1.2	
1994	1.0	1.1	1.0	0.9	0.9	1.0	3.2	0.5	1.1	0.3	1.2	
1996	0.6	0.7	0.5	0.6	0.6	0.6	2.1	0.4	0.7	0.3	0.8	
1997	0.6	0.6	0.5	0.5	0.6	0.3	2.1	0.3	0.7	0.3	0.7	
as % of business volume (balance sheet structure)												
1990	100	33.9	5.5	59.1	50.7	4.4	28.2	22.5	44.0	2.2	7.1	
1992	100	36.7	6.5	56.9	50.4	3.2	28.5	21.9	45.1	2.2	6.5	
1994	100	34.6	7.5	59.1	54.5	6.1	26.9	27.6	45.7	2.7	6.4	
1996	100	34.5	6.9	59.1	54.9	5.0	26.1	28.8	45.1	4.8	6.5	
1997	100	35.3	8.3	58.2	54.2	2.9	27.4	26.8	45.9	5.4	6.5	

* Excluding assets and liabilities of foreign branches. From June 1990 including assets and liabilities of east German credit institutions. — 1 Balance sheet total plus endorsement liabilities arising from rediscounted bills of exchange and bills sent for collection prior to maturity

from banks' portfolios. — 2 Excluding lending to domestic building and loan associations. — 3 Including lending to domestic building and loan associations. — 4 Including lending against securities. — 5 Excluding liabilities to domestic building and loan associations. —

Deutsche Bundesbank

Liabilities to credit institutions 5		Deposits of and borrowings from non-banks 6						Bearer bonds outstanding 9	Capital 10	Other liabilities	Year
Total	of which Time deposits	Total	of which: Domestic non-banks								
			Sight deposits	Time deposits 7		Savings deposits and bank savings bonds 8					
				Total	of which Running for four years or more	Total	of which Savings deposits at three months' notice				
End-of-year level											
367.4	284.8	264.3	74.8	111.3	45.5	59.1	29.4	87.6	47.5	34.7	1990
339.4	244.1	264.2	56.2	122.3	50.6	60.1	29.5	111.6	49.3	53.0	1992
307.7	191.2	304.2	64.6	137.4	66.8	68.7	40.5	160.5	55.7	55.6	1994
374.4	235.7	346.2	95.7	137.6	85.6	76.1	48.7	201.9	62.0	93.4	1996
393.5	248.2	373.0	102.7	147.2	94.1	78.2	53.5	216.2	67.4	109.9	1997
as % of the respective overall position of all banks (market share)											
24.6	26.9	10.9	17.6	12.8	9.8	6.0	5.7	9.7	23.9	15.0	1990
21.7	22.5	9.8	12.0	12.0	10.2	5.9	5.7	9.7	20.1	18.2	1992
16.8	15.2	10.0	12.0	12.4	11.3	6.0	6.2	11.2	19.0	16.1	1994
16.9	15.3	9.8	14.2	12.4	12.0	5.5	5.6	11.2	18.2	22.1	1996
15.3	13.9	10.1	14.9	12.8	12.5	5.5	5.8	10.9	17.8	22.2	1997
as % of business volume (balance sheet structure)											
45.8	35.5	33.0	9.3	13.9	5.7	7.4	3.7	10.9	5.9	4.3	1990
41.5	29.9	32.3	6.9	15.0	6.2	7.4	3.6	13.7	6.0	6.5	1992
34.8	21.6	34.4	7.3	15.5	7.6	7.8	4.6	18.2	6.3	6.3	1994
34.7	21.9	32.1	8.9	12.8	7.9	7.1	4.5	18.7	5.7	8.7	1996
33.9	21.4	32.2	8.9	12.7	8.1	6.7	4.6	18.6	5.8	9.5	1997
End-of-year level											
27.5	17.1	29.1	8.0	13.0	1.1	5.8	2.3	0.5	3.2	2.4	1990
31.8	20.7	30.3	8.9	13.3	1.8	4.8	1.8	0.8	3.7	2.7	1992
27.8	16.0	32.9	10.8	14.2	2.4	5.2	2.5	1.6	3.9	3.0	1994
14.8	8.1	31.7	12.9	10.4	1.3	5.4	2.9	1.0	3.3	2.8	1996
12.9	7.1	32.2	13.7	9.5	1.3	5.4	3.0	0.9	3.3	2.8	1997
as % of the respective overall position of all banks (market share)											
1.8	1.6	1.2	1.9	1.5	0.2	0.6	0.5	0.1	1.6	1.1	1990
2.0	1.9	1.1	1.9	1.3	0.4	0.5	0.3	0.1	1.5	0.9	1992
1.5	1.3	1.1	2.0	1.3	0.4	0.5	0.4	0.1	1.3	0.9	1994
0.7	0.5	0.9	1.9	0.9	0.2	0.4	0.3	0.1	1.0	0.7	1996
0.5	0.4	0.9	2.0	0.8	0.2	0.4	0.3	0.0	0.9	0.6	1997
as % of business volume (balance sheet structure)											
43.9	27.3	46.4	12.8	20.7	1.8	9.2	3.7	0.8	5.0	3.9	1990
46.0	29.9	43.8	12.8	19.3	2.7	7.0	2.6	1.1	5.3	3.9	1992
40.2	23.1	47.5	15.5	20.5	3.4	7.5	3.6	2.3	5.7	4.4	1994
27.6	15.1	59.1	24.1	19.3	2.4	10.0	5.5	1.9	6.2	5.2	1996
24.7	13.6	61.8	26.3	18.2	2.6	10.4	5.7	1.8	6.4	5.3	1997

6 Including liabilities to domestic building and loan associations. — 7 Including liabilities arising from registered bonds. — 8 Including liabilities arising from non-negotiable bearer bonds. — 9 Excluding

non-negotiable bearer bonds (see note 8). — 10 Including capital represented by participation rights, from December 1993 including fund for general banking risks.

Assets and liabilities of foreign banks in Germany *

DM billion

Year	Business volume 1	Lending to credit institutions 2		Lending to non-banks 3							Other assets	
		Total	of which Lending against securities	Total 4	Lending to domestic non-banks				Advances to enterprises and individuals	Advances to public authorities		
					Total 4	of which Lending against securities	by maturity					by group of debtors
							Short-term 4	Medium and long-term 4					End-of-year level
Branches of foreign banks												
1990	76.3	49.4	2.7	25.2	14.1	2.7	9.4	4.7	10.9	0.5	1.7	
1992	77.1	48.8	2.4	27.1	13.8	1.6	10.6	3.2	12.1	0.1	1.3	
1994	89.8	56.7	5.2	30.7	17.5	3.8	11.3	6.2	13.5	0.2	2.4	
1996	113.8	68.0	8.4	38.4	31.2	8.0	16.8	14.4	22.8	0.5	7.5	
1997	157.6	95.9	10.0	50.9	40.4	13.3	17.5	22.9	26.7	0.4	10.8	
as % of the respective overall position of all banks (market share)												
1990	1.5	2.7	0.7	0.8	0.5	1.4	1.7	0.2	0.5	0.1	0.5	
1992	1.3	2.6	0.5	0.7	0.4	0.6	1.8	0.1	0.5	0.0	0.3	
1994	1.3	2.6	1.0	0.7	0.4	0.9	1.9	0.2	0.4	0.0	0.7	
1996	1.4	2.5	1.2	0.7	0.7	1.8	2.5	0.4	0.7	0.0	1.7	
1997	1.7	3.1	1.2	0.9	0.8	2.8	2.6	0.5	0.7	0.0	2.2	
as % of business volume (balance sheet structure)												
1990	100	64.8	3.6	33.0	18.5	3.5	12.4	6.1	14.3	0.7	2.2	
1992	100	63.2	3.1	35.1	17.9	2.1	13.7	4.2	15.7	0.1	1.6	
1994	100	63.1	5.8	34.2	19.4	4.2	12.6	6.9	15.0	0.2	2.7	
1996	100	59.7	7.4	33.8	27.4	7.0	14.7	12.7	20.0	0.4	6.6	
1997	100	60.8	6.4	32.3	25.6	8.4	11.1	14.5	17.0	0.3	6.9	
Memo item: Credit institutions majority-owned by foreign banks 11												
1990	129.1	56.7	8.5	65.3	52.5	10.4	20.1	32.5	38.5	3.6	7.1	
1992	186.2	74.8	14.8	98.7	82.5	12.5	29.1	53.5	65.4	4.6	12.6	
1994	216.9	78.9	17.1	124.4	108.8	18.8	30.2	78.6	81.1	8.9	13.5	
1996	229.2	81.2	16.2	132.3	113.9	20.1	29.1	84.8	84.6	9.2	15.7	
1997	249.7	97.7	18.9	137.9	115.9	25.2	27.1	88.8	81.6	9.0	14.1	
as % of the respective overall position of all banks (market share)												
1990	2.5	3.1	2.1	2.1	1.8	5.4	3.7	1.4	1.7	0.8	2.0	
1992	3.1	4.0	3.2	2.7	2.4	5.1	4.9	1.9	2.5	0.8	3.4	
1994	3.1	3.6	3.2	2.8	2.6	4.3	5.2	2.2	2.7	1.3	3.7	
1996	2.8	3.0	2.3	2.6	2.4	4.5	4.4	2.1	2.5	1.0	3.5	
1997	2.7	3.2	2.4	2.5	2.3	5.3	4.1	2.0	2.3	0.9	2.9	
as % of business volume (balance sheet structure)												
1990	100	43.9	6.6	50.6	40.7	8.1	15.5	25.1	29.8	2.8	5.5	
1992	100	40.2	7.9	53.0	44.3	6.7	15.6	28.7	35.1	2.5	6.8	
1994	100	36.4	7.9	57.4	50.2	8.7	13.9	36.2	37.4	4.1	6.2	
1996	100	35.4	7.0	57.7	49.7	8.8	12.7	37.0	36.9	4.0	6.9	
1997	100	39.1	7.6	55.2	46.4	10.1	10.8	35.6	32.7	3.6	5.6	

* Excluding assets and liabilities of foreign branches. From June 1990 including assets and liabilities of east German credit institutions. — 1 Balance sheet total plus endorsement liabilities arising from rediscounted bills of exchange and bills sent for collection prior to maturity from banks' portfolios. — 2 Excluding lending to domestic build-

ing and loan associations. — 3 Including lending to domestic building and loan associations. — 4 Including lending against securities. — 5 Excluding liabilities to domestic building and loan associations. — 6 Including liabilities to domestic building and loan associations. —

Deutsche Bundesbank

Liabilities to credit institutions 5		Deposits of and borrowings from non-banks 6						Bearer bonds outstanding 9	Capital 10	Other liabilities	Year
Total	of which Time deposits	Total	of which: Domestic non-banks				Savings deposits and bank savings bonds 8				
			Sight deposits	Time deposits 7		of which Savings deposits at three months' notice					
				Total	of which Running for four years or more						
End-of-year level											
64.3	40.7	6.8	1.8	1.4	0.1	0.1	0.1	–	4.0	1.2	1990
65.0	39.8	7.0	1.5	1.1	0.1	0.1	0.0	–	3.9	1.2	1992
75.8	45.0	9.0	1.8	1.3	0.2	0.1	0.0	–	2.9	2.1	1994
91.2	64.1	10.2	3.0	2.1	0.6	0.1	0.0	0.2	2.1	10.2	1996
127.2	88.5	11.4	3.1	2.6	0.6	0.2	0.0	0.9	2.2	15.9	1997
as % of the respective overall position of all banks (market share)											
4.3	3.8	0.3	0.4	0.2	0.0	0.0	0.0	–	2.0	0.5	1990
4.2	3.7	0.3	0.3	0.1	0.0	0.0	0.0	–	1.6	0.4	1992
4.1	3.6	0.3	0.3	0.1	0.0	0.0	0.0	–	1.0	0.6	1994
4.1	4.2	0.3	0.4	0.2	0.1	0.0	0.0	0.0	0.6	2.4	1996
4.9	4.9	0.3	0.4	0.2	0.1	0.0	0.0	0.0	0.6	3.2	1997
as % of business volume (balance sheet structure)											
84.2	53.4	8.9	2.4	1.9	0.1	0.2	0.1	–	5.2	1.6	1990
84.3	51.6	9.1	2.0	1.4	0.1	0.1	0.0	–	5.1	1.5	1992
84.4	50.1	10.1	2.1	1.4	0.2	0.1	0.0	–	3.2	2.3	1994
80.1	56.3	8.9	2.6	1.8	0.5	0.1	0.0	0.1	1.8	9.0	1996
80.7	56.1	7.2	2.0	1.6	0.4	0.1	0.0	0.6	1.4	10.1	1997
End-of-year level											
Memo item: Credit institutions majority-owned by foreign banks 11											
82.1	53.7	32.3	7.7	8.9	1.6	9.7	2.7	0.9	7.6	6.1	1990
99.1	62.3	57.9	13.5	18.7	5.1	16.7	5.5	4.8	12.6	11.8	1992
106.8	63.5	67.4	16.2	23.2	7.9	18.9	7.8	14.3	13.3	15.1	1994
104.2	60.2	72.8	21.7	20.7	10.4	19.7	8.6	16.8	13.6	21.9	1996
111.1	61.7	81.7	24.4	22.0	12.9	18.5	11.1	21.7	13.7	21.6	1997
as % of the respective overall position of all banks (market share)											
5.5	5.1	1.3	1.8	1.0	0.3	1.0	0.5	0.1	3.8	2.7	1990
6.3	5.7	2.1	2.9	1.8	1.0	1.7	1.1	0.4	5.1	4.1	1992
5.8	5.0	2.2	3.0	2.1	1.3	1.6	1.2	1.0	4.5	4.4	1994
4.7	3.9	2.1	3.2	1.9	1.5	1.4	1.0	0.9	4.0	5.2	1996
4.3	3.5	2.2	3.5	1.9	1.7	1.3	1.2	1.1	3.6	4.4	1997
as % of business volume (balance sheet structure)											
63.6	41.6	25.0	6.0	6.9	1.2	7.5	2.1	0.7	5.9	4.8	1990
53.2	33.5	31.1	7.3	10.1	2.7	9.0	3.0	2.6	6.7	6.3	1992
49.3	29.3	31.1	7.5	10.7	3.6	8.7	3.6	6.6	6.1	7.0	1994
45.5	26.2	31.8	9.4	9.0	4.5	8.6	3.7	7.3	5.9	9.5	1996
44.5	24.7	32.7	9.8	8.8	5.2	7.4	4.5	8.7	5.5	8.7	1997

7 Including liabilities arising from registered bonds. — 8 Including liabilities arising from non-negotiable bearer bonds. — 9 Excluding non-negotiable bearer bonds (see note 8). — 10 Including capital represented by participation rights, from December 1993 including

fund for general banking risks. — 11 Extraction of the credit institutions majority-owned by foreign banks contained in the categories "Regional banks and other commercial banks", "Private bankers" and "Mortgage banks".

Assets and liabilities of the savings bank sector *

DM billion

Year	Business volume 1	Lending to credit institutions 2		Lending to non-banks 3							Other assets	
		Total	of which Lending against securities	Total 4	Lending to domestic non-banks							
					Total 4	of which Lending against securities	by maturity		by group of debtors			
							Short-term 4	Medium and long-term 4	Advances to enterprises and individuals	Advances to public authorities		
Regional giro institutions 11											End-of-year level	
1990	761.8	347.1	68.5	384.7	357.2	21.2	32.2	325.0	183.5	152.6	30.0	
1992	959.7	402.7	76.6	519.1	482.1	28.6	44.9	437.2	268.7	184.7	37.9	
1994	1,230.5	520.0	82.7	655.5	611.3	43.6	52.0	559.3	344.6	223.1	55.1	
1996	1,522.3	681.6	95.6	767.3	707.3	51.8	67.4	639.8	385.9	269.5	73.4	
1997	1,667.2	764.9	104.2	821.3	742.6	52.5	70.3	672.3	417.0	273.1	81.0	
as % of the respective overall position of all banks (market share)												
1990	14.5	18.8	16.6	12.6	12.4	11.1	5.9	14.0	8.3	32.8	8.4	
1992	16.1	21.3	16.8	14.0	13.9	11.6	7.5	15.2	10.1	31.7	10.4	
1994	17.7	23.8	15.2	14.9	14.8	10.0	8.9	15.7	11.5	32.1	14.9	
1996	18.4	25.0	13.8	15.0	14.8	11.7	10.2	15.6	11.3	29.5	16.5	
1997	18.3	24.8	12.9	14.8	14.7	11.0	10.5	15.3	11.5	28.2	16.5	
as % of business volume (balance sheet structure)												
1990	100	45.6	9.0	50.5	46.9	2.8	4.2	42.7	24.1	20.0	3.9	
1992	100	42.0	8.0	54.1	50.2	3.0	4.7	45.6	28.0	19.2	3.9	
1994	100	42.3	6.7	53.3	49.7	3.5	4.2	45.4	28.0	18.1	4.5	
1996	100	44.8	6.3	50.4	46.5	3.4	4.4	42.0	25.4	17.7	4.8	
1997	100	45.9	6.3	49.3	44.5	3.1	4.2	40.3	25.0	16.4	4.9	
Savings banks											End-of-year level	
1990	1,080.8	326.6	177.1	651.1	646.8	40.9	100.3	546.4	546.7	59.2	103.1	
1992	1,210.2	313.1	190.5	804.0	795.7	61.3	128.2	667.6	659.6	74.8	93.1	
1994	1,427.7	350.3	241.1	1,002.6	988.7	122.6	133.5	855.2	793.5	72.7	74.8	
1996	1,604.7	398.6	266.8	1,124.0	1,108.2	124.5	149.8	958.4	907.8	75.9	82.1	
1997	1,691.5	427.1	284.3	1,178.9	1,161.3	130.6	148.9	1,012.5	953.4	77.3	85.5	
as % of the respective overall position of all banks (market share)												
1990	20.6	17.7	43.0	21.4	22.5	21.4	18.3	23.5	24.6	12.7	28.8	
1992	20.3	16.6	41.8	21.8	22.9	24.8	21.5	23.2	24.9	12.8	25.5	
1994	20.5	16.0	44.5	22.8	23.9	28.1	22.9	24.1	26.4	10.5	20.2	
1996	19.4	14.6	38.5	21.9	23.2	28.1	22.6	23.3	26.6	8.3	18.5	
1997	18.6	13.8	35.3	21.3	23.0	27.4	22.3	23.1	26.4	8.0	17.5	
as % of business volume (balance sheet structure)												
1990	100	30.2	16.4	60.2	59.8	3.8	9.3	50.6	50.6	5.5	9.5	
1992	100	25.9	15.7	66.4	65.8	5.1	10.6	55.2	54.5	6.2	7.7	
1994	100	24.5	16.9	70.2	69.3	8.6	9.3	59.9	55.6	5.1	5.2	
1996	100	24.8	16.6	70.0	69.1	7.8	9.3	59.7	56.6	4.7	5.1	
1997	100	25.2	16.8	69.7	68.7	7.7	8.8	59.9	56.4	4.6	5.1	

* Excluding assets and liabilities of foreign branches and of building and loan associations. From June 1990 including assets and liabilities of east German credit institutions. — 1 Balance sheet total plus endorsement liabilities arising from rediscounted bills of exchange and

bills sent for collection prior to maturity from banks' portfolios. — 2 Excluding lending to domestic building and loan associations. — 3 Including lending to domestic building and loan associations. — 4 Including lending against securities. — 5 Excluding liabilities to

Deutsche Bundesbank

Liabilities to credit institutions 5		Deposits of and borrowings from non-banks 6						Bearer bonds outstanding 9	Capital 10	Other liabilities	Year	
Total	of which Time deposits	Total	of which: Domestic non-banks				Total					of which Savings deposits at three months' notice
			Sight deposits	Time deposits 7		Savings deposits and bank savings bonds 8						
				Total	of which Running for four years or more							
End-of-year level												
278.1	202.7	151.6	14.2	96.4	77.3	5.0	2.9	295.7	17.4	19.0	1990	
352.3	229.4	197.8	22.1	110.5	85.0	15.9	11.0	343.8	30.3	35.4	1992	
434.3	294.7	268.9	29.2	162.4	136.4	18.0	13.8	443.9	40.8	42.6	1994	
548.7	388.9	345.0	44.5	203.3	184.8	21.6	18.9	527.6	49.7	51.3	1996	
637.6	459.5	362.7	39.7	214.7	200.1	21.6	19.4	547.8	58.3	60.8	1997	
as % of the respective overall position of all banks (market share)												
18.6	19.1	6.3	3.4	11.1	16.7	0.5	0.6	32.8	8.8	8.2	1990	
22.5	21.2	7.3	4.7	10.8	17.2	1.6	2.1	29.8	12.4	12.1	1992	
23.7	23.4	8.8	5.4	14.6	23.1	1.6	2.1	31.1	13.9	12.4	1994	
24.7	25.3	9.8	6.6	18.3	26.0	1.6	2.2	29.4	14.6	12.1	1996	
24.8	25.7	9.9	5.8	18.7	26.5	1.5	2.1	27.6	15.4	12.3	1997	
as % of business volume (balance sheet structure)												
36.5	26.6	19.9	1.9	12.6	10.1	0.7	0.4	38.8	2.3	2.5	1990	
36.7	23.9	20.6	2.3	11.5	8.9	1.7	1.1	35.8	3.2	3.7	1992	
35.3	23.9	21.9	2.4	13.2	11.1	1.5	1.1	36.1	3.3	3.5	1994	
36.0	25.5	22.7	2.9	13.4	12.1	1.4	1.2	34.7	3.3	3.4	1996	
38.2	27.6	21.8	2.4	12.9	12.0	1.3	1.2	32.9	3.5	3.6	1997	
End-of-year level												
148.9	104.5	811.3	146.7	125.7	6.9	530.4	257.0	40.5	40.0	40.1	1990	
173.2	111.9	884.4	165.0	177.8	8.8	530.2	243.1	58.8	45.2	48.6	1992	
246.2	178.2	992.8	192.1	187.2	20.2	598.2	309.0	77.0	54.1	57.5	1994	
302.0	233.2	1,083.2	220.2	129.2	13.5	717.1	425.0	94.1	63.1	62.3	1996	
341.2	265.7	1,121.3	227.1	129.8	13.8	746.4	464.5	97.7	67.8	63.5	1997	
as % of the respective overall position of all banks (market share)												
10.0	9.9	33.6	34.5	14.5	1.5	54.0	49.9	4.5	20.1	17.3	1990	
11.1	10.3	32.8	35.2	17.4	1.8	52.5	46.6	5.1	18.4	16.7	1992	
13.4	14.1	32.5	35.5	16.9	3.4	52.1	47.2	5.4	18.5	16.7	1994	
13.6	15.2	30.8	32.6	11.6	1.9	52.3	49.1	5.2	18.5	14.7	1996	
13.3	14.8	30.5	32.9	11.3	1.8	52.6	50.0	4.9	17.9	12.8	1997	
as % of business volume (balance sheet structure)												
13.8	9.7	75.1	13.6	11.6	0.6	49.1	23.8	3.8	3.7	3.7	1990	
14.3	9.2	73.1	13.6	14.7	0.7	43.8	20.1	4.9	3.7	4.0	1992	
17.2	12.5	69.5	13.5	13.1	1.4	41.9	21.6	5.4	3.8	4.0	1994	
18.8	14.5	67.5	13.7	8.1	0.8	44.7	26.5	5.9	3.9	3.9	1996	
20.2	15.7	66.3	13.4	7.7	0.8	44.1	27.5	5.8	4.0	3.8	1997	

domestic building and loan associations. — 6 Including liabilities to domestic building and loan associations. — 7 Including liabilities arising from registered bonds. — 8 Including liabilities arising from non-negotiable bearer bonds. — 9 Excluding non-negotiable bearer

bonds (see note 8). — 10 Including capital represented by participation rights, from December 1993 including fund for general banking risks. — 11 Including Deutsche Girozentrale – Deutsche Kommunalbank.

Assets and liabilities of the credit cooperative sector *

DM billion

Year	Business volume 1	Lending to credit institutions 2		Lending to non-banks 3							Other assets	
		Total	of which Lending against securities	Total 4	Lending to domestic non-banks							
					Total 4	of which Lending against securities	by maturity		by group of debtors			
							Short-term 4	Medium and long-term 4	Advances to enterprises and individuals	Advances to public authorities		
Regional institutions of credit cooperatives 11											End-of-year level	
1990	216.7	131.9	16.1	72.5	69.1	19.2	21.2	47.9	40.3	9.6	12.3	
1992	200.3	122.6	20.2	65.9	62.4	12.9	18.4	43.9	35.6	13.8	11.8	
1994	230.9	147.1	24.8	71.0	67.1	18.9	13.2	53.9	33.7	14.4	12.7	
1996	302.0	194.5	54.6	90.0	82.2	17.3	17.8	64.4	39.7	25.2	17.5	
1997	342.4	221.8	73.7	99.7	91.3	21.8	19.8	71.5	46.2	23.3	20.9	
as % of the respective overall position of all banks (market share)												
1990	4.1	7.2	3.9	2.4	2.4	10.0	3.9	2.1	1.8	2.1	3.4	
1992	3.4	6.5	4.4	1.8	1.8	5.2	3.1	1.5	1.3	2.4	3.2	
1994	3.3	6.7	4.6	1.6	1.6	4.3	2.3	1.5	1.1	2.1	3.4	
1996	3.6	7.1	7.9	1.8	1.7	3.9	2.7	1.6	1.2	2.8	3.9	
1997	3.8	7.2	9.1	1.8	1.8	4.6	3.0	1.6	1.3	2.4	4.3	
as % of business volume (balance sheet structure)												
1990	100	60.9	7.4	33.4	31.9	8.9	9.8	22.1	18.6	4.4	5.7	
1992	100	61.2	10.1	32.9	31.1	6.5	9.2	21.9	17.8	6.9	5.9	
1994	100	63.7	10.7	30.8	29.0	8.2	5.7	23.3	14.6	6.3	5.5	
1996	100	64.4	18.1	29.8	27.2	5.7	5.9	21.3	13.2	8.3	5.8	
1997	100	64.8	21.5	29.1	26.7	6.4	5.8	20.9	13.5	6.8	6.1	
Credit cooperatives											End-of-year level	
1990	591.9	187.6	77.5	358.5	356.6	20.0	76.4	280.2	330.5	6.0	45.8	
1992	693.6	174.8	66.1	468.0	464.6	54.0	91.4	373.2	399.2	11.4	50.8	
1994	825.1	186.8	78.5	590.2	583.0	93.3	99.6	483.4	477.3	12.4	48.1	
1996	937.0	237.6	112.8	647.9	639.1	73.9	109.3	529.7	553.5	11.7	51.5	
1997	974.6	259.5	132.7	663.4	654.5	63.2	107.5	547.0	580.3	11.0	51.7	
as % of the respective overall position of all banks (market share)												
1990	11.3	10.2	18.8	11.8	12.4	10.5	13.9	12.0	14.9	1.3	12.8	
1992	11.7	9.3	14.5	12.7	13.4	21.8	15.3	13.0	15.1	2.0	13.9	
1994	11.9	8.5	14.5	13.4	14.1	21.4	17.1	13.6	15.9	1.8	13.0	
1996	11.3	8.7	16.3	12.6	13.4	16.7	16.5	12.9	16.2	1.3	11.6	
1997	10.7	8.4	16.5	12.0	12.9	13.3	16.1	12.5	16.1	1.1	10.6	
as % of business volume (balance sheet structure)												
1990	100	31.7	13.1	60.6	60.2	3.4	12.9	47.3	55.8	1.0	7.7	
1992	100	25.2	9.5	67.5	67.0	7.8	13.2	53.8	57.6	1.6	7.3	
1994	100	22.6	9.5	71.5	70.7	11.3	12.1	58.6	57.8	1.5	5.8	
1996	100	25.4	12.0	69.1	68.2	7.9	11.7	56.5	59.1	1.2	5.5	
1997	100	26.6	13.6	68.1	67.2	6.5	11.0	56.1	59.5	1.1	5.3	

* Excluding assets and liabilities of foreign branches. From June 1990 including assets and liabilities of east German credit institutions. — 1 Balance sheet total plus endorsement liabilities arising from rediscounted bills of exchange and bills sent for collection prior to matur-

ity from banks' portfolios. — 2 Excluding lending to domestic building and loan associations. — 3 Including lending to domestic building and loan associations. — 4 Including lending against securities. — 5 Excluding liabilities to domestic building and loan associations. —

Deutsche Bundesbank

Liabilities to credit institutions 5		Deposits of and borrowings from non-banks 6						Bearer bonds outstanding 9	Capital 10	Other liabilities	Year
Total	of which Time deposits	Total	of which: Domestic non-banks								
			Sight deposits	Time deposits 7		Savings deposits and bank savings bonds 8					
				Total	of which Running for four years or more	Total	of which Savings deposits at three months' notice				
End-of-year level											
173.4	116.3	15.5	4.9	8.5	5.6	0.7	0.1	15.5	6.4	5.9	1990
155.3	101.8	12.5	3.8	7.2	5.6	0.4	0.0	19.0	7.9	5.6	1992
166.4	107.8	15.8	3.6	10.7	8.2	0.2	0.0	29.0	9.3	10.3	1994
198.9	128.4	25.6	5.7	18.9	15.5	0.1	0.0	50.7	10.8	15.9	1996
224.6	143.2	30.9	5.5	24.0	19.3	0.1	0.0	57.1	12.7	17.1	1997
as % of the respective overall position of all banks (market share)											
11.6	11.0	0.6	1.2	1.0	1.2	0.1	0.0	1.7	3.2	2.6	1990
9.9	9.4	0.5	0.8	0.7	1.1	0.0	0.0	1.6	3.2	1.9	1992
9.1	8.5	0.5	0.7	1.0	1.4	0.0	0.0	2.0	3.2	3.0	1994
9.0	8.3	0.7	0.8	1.7	2.2	0.0	0.0	2.8	3.2	3.8	1996
8.7	8.0	0.8	0.8	2.1	2.6	0.0	0.0	2.9	3.4	3.5	1997
as % of business volume (balance sheet structure)											
80.0	53.7	7.1	2.3	3.9	2.6	0.3	0.0	7.1	3.0	2.7	1990
77.5	50.8	6.3	1.9	3.6	2.8	0.2	0.0	9.5	3.9	2.8	1992
72.1	46.7	6.8	1.6	4.6	3.5	0.1	0.0	12.6	4.0	4.5	1994
65.9	42.5	8.5	1.9	6.2	5.1	0.0	0.0	16.8	3.6	5.3	1996
65.6	41.8	9.0	1.6	7.0	5.6	0.0	0.0	16.7	3.7	5.0	1997
End-of-year level											
68.4	43.7	471.2	82.3	125.2	14.4	259.2	135.0	13.1	22.0	17.2	1990
71.6	48.0	550.1	98.1	180.1	17.5	265.1	136.4	22.2	27.7	22.0	1992
98.0	71.6	630.5	114.7	190.7	24.0	315.4	187.4	34.6	36.2	25.9	1994
120.6	92.8	696.4	134.4	152.4	28.1	397.9	261.8	46.4	43.9	29.7	1996
132.6	102.7	714.7	139.5	146.9	30.2	416.5	284.9	50.8	46.9	29.6	1997
as % of the respective overall position of all banks (market share)											
4.6	4.1	19.5	19.4	14.5	3.1	26.4	26.2	1.5	11.1	7.4	1990
4.6	4.4	20.4	20.9	17.6	3.6	26.2	26.1	1.9	11.3	7.6	1992
5.4	5.7	20.6	21.2	17.2	4.1	27.5	28.6	2.4	12.4	7.5	1994
5.4	6.0	19.8	19.9	13.7	3.9	29.0	30.2	2.6	12.9	7.0	1996
5.2	5.7	19.4	20.2	12.8	4.0	29.4	30.7	2.6	12.4	6.0	1997
as % of business volume (balance sheet structure)											
11.6	7.4	79.6	13.9	21.2	2.4	43.8	22.8	2.2	3.7	2.9	1990
10.3	6.9	79.3	14.1	26.0	2.5	38.2	19.7	3.2	4.0	3.2	1992
11.9	8.7	76.4	13.9	23.1	2.9	38.2	22.7	4.2	4.4	3.1	1994
12.9	9.9	74.3	14.3	16.3	3.0	42.5	27.9	5.0	4.7	3.2	1996
13.6	10.5	73.3	14.3	15.1	3.1	42.7	29.2	5.2	4.8	3.0	1997

6 Including liabilities to domestic building and loan associations. — 7 Including liabilities arising from registered bonds. — 8 Including liabilities arising from non-negotiable bearer bonds. — 9 Excluding non-negotiable bearer bonds (see note 8). — 10 Including capital

represented by participation rights, from December 1993 including fund for general banking risks. — 11 Including Deutsche Genossenschaftsbank.

Assets and liabilities of mortgage banks and of credit institutions with special functions *

DM billion

Year	Business volume 1	Lending to credit institutions 2		Lending to non-banks 3							Other assets	
		Total	of which Lending against securities	Total 4	Lending to domestic non-banks							
					Total 4	of which Lending against securities	by maturity		by group of debtors			
							Short-term 4	Medium and long-term 4	Advances to enterprises and individuals	Advances to public authorities		
Mortgage banks												
											End-of-year level	
1990	611.2	142.7	7.7	456.8	446.0	4.3	1.9	444.1	295.4	146.3	11.7	
1992	675.8	150.8	14.3	504.9	483.4	4.9	4.3	479.1	307.0	171.6	20.2	
1994	837.6	161.5	10.9	646.2	617.1	8.8	6.9	610.2	377.3	231.0	29.8	
1996	1,126.6	231.3	12.1	855.5	806.3	10.7	12.9	793.4	416.3	379.2	39.8	
1997	1,317.7	278.1	17.5	997.8	913.2	23.8	15.8	897.4	445.7	443.7	41.8	
as % of the respective overall position of all banks (market share)												
1990	11.7	7.7	1.9	15.0	15.5	2.2	0.3	19.1	13.3	31.4	3.3	
1992	11.4	8.0	3.1	13.7	13.9	2.0	0.7	16.6	11.6	29.4	5.5	
1994	12.0	7.4	2.0	14.7	14.9	2.0	1.2	17.2	12.5	33.3	8.0	
1996	13.6	8.5	1.8	16.7	16.9	2.4	1.9	19.3	12.2	41.6	8.9	
1997	14.5	9.0	2.2	18.0	18.1	5.0	2.4	20.4	12.3	45.8	8.5	
as % of business volume (balance sheet structure)												
1990	100	23.3	1.3	74.7	73.0	0.7	0.3	72.7	48.3	23.9	1.9	
1992	100	22.3	2.1	74.7	71.5	0.7	0.6	70.9	45.4	25.4	3.0	
1994	100	19.3	1.3	77.2	73.7	1.1	0.8	72.9	45.0	27.6	3.6	
1996	100	20.5	1.1	75.9	71.6	1.0	1.1	70.4	37.0	33.7	3.5	
1997	100	21.1	1.3	75.7	69.3	1.8	1.2	68.1	33.8	33.7	3.2	
Credit institutions with special functions 11												
											End-of-year level	
1990	572.4	330.2	20.9	213.4	152.6	23.7	19.6	133.0	97.8	31.1	28.9	
1992	692.7	363.0	24.1	300.6	231.8	17.9	16.7	215.0	166.0	47.9	29.1	
1994	734.2	372.5	30.2	330.4	257.0	41.2	18.1	238.9	145.7	70.2	31.3	
1996	789.3	428.1	47.3	335.5	247.5	38.8	17.3	230.1	143.8	64.9	25.6	
1997	858.2	463.1	60.2	363.4	259.9	40.2	14.8	245.1	155.0	64.6	31.7	
as % of the respective overall position of all banks (market share)												
1990	10.9	17.9	5.1	7.0	5.3	12.4	3.6	5.7	4.4	6.7	8.1	
1992	11.6	19.2	5.3	8.1	6.7	7.2	2.8	7.5	6.3	8.2	8.0	
1994	10.6	17.0	5.6	7.5	6.2	9.4	3.1	6.7	4.8	10.1	8.5	
1996	9.5	15.7	6.8	6.5	5.2	8.8	2.6	5.6	4.2	7.1	5.8	
1997	9.4	15.0	7.5	6.6	5.1	8.5	2.2	5.6	4.3	6.7	6.5	
as % of business volume (balance sheet structure)												
1990	100	57.7	3.6	37.3	26.7	4.1	3.4	23.2	17.1	5.4	5.0	
1992	100	52.4	3.5	43.4	33.5	2.6	2.4	31.0	24.0	6.9	4.2	
1994	100	50.7	4.1	45.0	35.0	5.6	2.5	32.5	19.8	9.6	4.3	
1996	100	54.2	6.0	42.5	31.4	4.9	2.2	29.2	18.2	8.2	3.2	
1997	100	54.0	7.0	42.3	30.3	4.7	1.7	28.6	18.1	7.5	3.7	

* Excluding assets and liabilities of foreign branches. From June 1990 including assets and liabilities of east German credit institutions. — 1 Balance sheet total plus endorsement liabilities arising from rediscounted bills of exchange and bills sent for collection prior to matur-

ity from banks' portfolios. — 2 Excluding lending to domestic building and loan associations. — 3 Including lending to domestic building and loan associations. — 4 Including lending against securities. — 5 Excluding liabilities to domestic building and loan associations. —

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Liabilities to credit institutions 5		Deposits of and borrowings from non-banks 6						Bearer bonds outstanding 9	Capital 10	Other liabilities	Year
Total	of which Time deposits	Total	of which: Domestic non-banks								
			Sight deposits	Time deposits 7		Savings deposits and bank savings bonds 8					
				Total	of which Running for four years or more	Total	of which Savings deposits at three months' notice				
End-of-year level											
68.7	57.8	226.4	0.9	213.4	211.7	0.2	0.1	276.5	15.2	24.4	1990
69.0	53.0	215.3	1.4	203.0	200.9	0.2	0.2	344.7	17.3	29.5	1992
95.1	79.0	234.9	1.4	207.6	205.0	0.3	0.2	451.5	19.7	36.4	1994
130.1	111.1	285.9	3.8	244.2	241.9	0.6	0.3	637.9	26.5	46.2	1996
178.3	151.2	305.0	2.9	256.9	254.3	0.7	0.2	758.2	29.3	47.1	1997
as % of the respective overall position of all banks (market share)											
4.6	5.5	9.4	0.2	24.6	45.7	0.0	0.0	30.7	7.6	10.5	1990
4.4	4.9	8.0	0.3	19.9	40.7	0.0	0.0	29.8	7.1	10.1	1992
5.2	6.3	7.7	0.3	18.7	34.7	0.0	0.0	31.6	6.7	10.6	1994
5.9	7.2	8.1	0.6	22.0	34.0	0.0	0.0	35.5	7.8	10.9	1996
6.9	8.4	8.3	0.4	22.4	33.7	0.1	0.0	38.1	7.7	9.5	1997
as % of business volume (balance sheet structure)											
11.2	9.5	37.0	0.2	34.9	34.6	0.0	0.0	45.2	2.5	4.0	1990
10.2	7.8	31.9	0.2	30.0	29.7	0.0	0.0	51.0	2.6	4.4	1992
11.4	9.4	28.0	0.2	24.8	24.5	0.0	0.0	53.9	2.4	4.3	1994
11.6	9.9	25.4	0.3	21.7	21.5	0.1	0.0	56.6	2.3	4.1	1996
13.5	11.5	23.1	0.2	19.5	19.3	0.1	0.0	57.5	2.2	3.6	1997
End-of-year level											
Credit institutions with special functions 11											
174.0	113.3	186.0	27.6	93.7	90.0	44.4	38.1	144.0	11.7	56.6	1990
160.6	138.6	221.8	29.7	116.0	109.7	42.0	36.9	225.7	21.8	62.8	1992
177.1	148.2	261.7	31.0	120.6	115.2	53.0	48.5	198.1	23.8	73.5	1994
188.9	130.4	318.4	33.4	132.4	126.2	62.3	49.3	195.2	24.6	62.1	1996
218.7	152.9	335.8	31.9	133.5	126.0	63.8	51.4	205.7	25.0	73.1	1997
as % of the respective overall position of all banks (market share)											
11.6	10.7	7.7	6.5	10.8	19.4	4.5	7.4	16.0	5.9	24.4	1990
10.3	12.8	8.2	6.3	11.4	22.2	4.2	7.1	19.5	8.9	21.6	1992
9.7	11.8	8.6	5.7	10.9	19.5	4.6	7.4	13.9	8.1	21.3	1994
8.5	8.5	9.1	5.0	11.9	17.8	4.5	5.7	10.9	7.2	14.7	1996
8.5	8.5	9.1	4.6	11.6	16.7	4.5	5.5	10.3	6.6	14.7	1997
as % of business volume (balance sheet structure)											
30.4	19.8	32.5	4.8	16.4	15.7	7.8	6.7	25.2	2.1	9.9	1990
23.2	20.0	32.0	4.3	16.7	15.8	6.1	5.3	32.6	3.2	9.1	1992
24.1	20.2	35.7	4.2	16.4	15.7	7.2	6.6	27.0	3.2	10.0	1994
23.9	16.5	40.3	4.2	16.8	16.0	7.9	6.2	24.7	3.1	7.9	1996
25.5	17.8	39.1	3.7	15.6	14.7	7.4	6.0	24.0	2.9	8.5	1997

6 Including liabilities to domestic building and loan associations. — 7 Including liabilities arising from registered bonds. — 8 Including liabilities arising from non-negotiable bearer bonds. — 9 Excluding non-negotiable bearer bonds (see note 8). — 10 Including capital

represented by participation rights, from December 1993 including fund for general banking risks. — 11 Including Deutsche Postbank AG and its predecessors (postal giro and postal savings bank offices).

Assets and liabilities of the foreign offices of domestic credit institutions *

DM billion

Year	Number of foreign branches or foreign subsidiaries 1	Business volume	Lending to credit institutions 2		Lending to non-banks					Other asset positions	
			Total	of which Securities	Total	of which Securities	Advances				to non-residents 3
							Total	to residents			
								Total	of which to enterprises and individuals		
Foreign branches											
											End-of-year level
1990	103	356.8	186.2	6.7	161.2	17.0	144.2	32.9	20.9	111.3	9.3
1991	103	399.8	199.4	12.4	187.8	19.6	168.3	41.9	28.4	126.4	12.6
1992	121	470.1	250.0	23.8	206.2	28.1	178.1	43.2	28.4	134.9	13.8
1993	134	734.2	438.6	47.5	281.9	57.6	224.3	45.9	30.0	178.5	13.6
1994	146	878.7	551.3	69.1	313.9	76.6	237.3	55.3	31.9	181.9	13.6
1995	156	1,110.0	691.0	83.0	400.5	107.8	292.8	63.9	31.3	228.9	18.5
1996	162	1,305.6	784.5	114.2	498.0	126.6	371.4	63.8	30.3	307.5	23.1
1997	165	1,837.4	1,068.1	141.1	728.4	222.6	505.8	68.1	35.2	437.7	40.9
Change from previous year in %											
1990	.	+ 25.8	+ 18.5	+ 46.3	+ 35.9	+ 66.6	+ 33.0	+ 25.1	+ 12.0	+ 35.4	+ 21.8
1991	.	+ 11.7	+ 6.3	+ 78.8	+ 16.7	+ 18.1	+ 16.5	+ 27.4	+ 36.4	+ 13.3	+ 35.2
1992	.	+ 16.2	+ 23.7	+ 91.8	+ 8.7	+ 43.1	+ 4.7	+ 3.1	- 0.5	+ 5.3	+ 9.1
1993	.	+ 19.9	+ 11.9	+ 70.2	+ 32.0	+ 108.0	+ 20.0	+ 5.3	+ 4.7	+ 24.7	- 15.3
1994	.	+ 23.5	+ 29.1	+ 48.1	+ 15.9	+ 38.5	+ 10.1	+ 21.1	+ 7.0	+ 7.3	- 0.0
1995	.	+ 29.3	+ 27.6	+ 22.0	+ 32.0	+ 44.2	+ 28.0	+ 16.1	- 0.9	+ 31.6	+ 36.2
1996	.	+ 13.3	+ 9.5	+ 33.6	+ 19.4	+ 13.3	+ 21.6	- 0.8	- 4.6	+ 27.9	+ 23.8
1997	.	+ 33.9	+ 29.7	+ 17.4	+ 38.7	+ 68.6	+ 28.5	+ 5.4	+ 13.5	+ 33.3	+ 75.1
as % of business volume (balance sheet structure)											
1990	.	100	52.2	1.9	45.2	4.8	40.4	9.2	5.9	31.2	2.6
1991	.	100	49.9	3.1	47.0	4.9	42.1	10.5	7.1	31.6	3.2
1992	.	100	53.2	5.1	43.9	6.0	37.9	9.2	6.0	28.7	2.9
1993	.	100	59.7	6.5	38.4	7.8	30.6	6.2	4.1	24.3	1.9
1994	.	100	62.7	7.9	35.7	8.7	27.0	6.3	3.6	20.7	1.5
1995	.	100	62.3	7.5	36.1	9.7	26.4	5.8	2.8	20.6	1.7
1996	.	100	60.1	8.7	38.1	9.7	28.4	4.9	2.3	23.6	1.8
1997	.	100	58.1	7.7	39.6	12.1	27.5	3.7	1.9	23.8	2.2
Foreign subsidiaries											
											End-of-year level
1990	96	293.4	171.9	10.1	107.3	15.2	92.1	35.0	24.0	57.1	14.1
1991	91	321.4	174.7	12.0	128.7	17.3	111.4	45.6	34.3	65.8	18.0
1992	99	371.4	199.4	15.9	155.1	22.4	132.8	55.0	42.1	77.7	16.8
1993	98	459.3	270.8	39.2	171.8	41.7	130.1	53.0	41.2	77.1	16.7
1994	101	505.3	308.7	37.2	178.1	48.6	129.5	55.1	41.8	74.4	18.5
1995	117	576.7	340.8	44.3	213.5	56.4	157.1	64.1	45.5	93.0	22.4
1996	125	673.8	392.3	58.5	251.9	68.6	183.3	63.9	45.8	119.4	29.6
1997	131	764.9	429.5	62.7	292.0	77.6	214.4	67.5	54.9	147.0	43.4
Change from previous year in %											
1990	.	+ 15.0	+ 9.8	+ 11.6	+ 24.4	+ 30.7	+ 23.5	+ 19.4	+ 25.4	+ 25.9	+ 14.6
1991	.	+ 10.8	+ 2.8	+ 20.0	+ 21.5	+ 15.4	+ 22.5	+ 31.3	+ 44.2	+ 17.1	+ 28.3
1992	.	+ 16.2	+ 14.5	+ 33.5	+ 21.6	+ 33.3	+ 19.8	+ 20.6	+ 22.7	+ 19.3	- 5.3
1993	.	+ 25.8	+ 35.9	+ 135.3	+ 15.9	+ 114.8	- 0.7	- 4.6	- 3.5	+ 2.0	- 3.0
1994	.	+ 14.2	+ 17.8	- 3.6	+ 8.8	+ 20.8	+ 5.0	+ 5.9	+ 3.9	+ 4.4	+ 12.6
1995	.	+ 16.8	+ 13.2	+ 20.0	+ 22.7	+ 19.4	+ 23.9	+ 16.9	+ 9.6	+ 29.0	+ 21.1
1996	.	+ 12.9	+ 11.4	+ 29.3	+ 13.5	+ 16.8	+ 12.3	- 0.5	+ 0.5	+ 21.1	+ 30.7
1997	.	+ 9.3	+ 5.0	+ 4.4	+ 11.7	+ 8.9	+ 12.7	+ 4.9	+ 18.9	+ 16.9	+ 45.1
as % of business volume (balance sheet structure)											
1990	.	100	58.6	3.4	36.6	5.2	31.4	11.9	8.2	19.5	4.8
1991	.	100	54.4	3.7	40.0	5.4	34.7	14.2	10.7	20.5	5.6
1992	.	100	53.7	4.3	41.8	6.0	35.8	14.8	11.3	20.9	4.5
1993	.	100	59.0	8.5	37.4	9.1	28.3	11.5	9.0	16.8	3.6
1994	.	100	61.1	7.4	35.2	9.6	25.6	10.9	8.3	14.7	3.7
1995	.	100	59.1	7.7	37.0	9.8	27.2	11.1	7.9	16.1	3.9
1996	.	100	58.2	8.7	37.4	10.2	27.2	9.5	6.8	17.7	4.4
1997	.	100	56.2	8.2	38.2	10.1	28.0	8.8	7.2	19.2	5.7

* "Foreign" also includes the host country of foreign branches or foreign subsidiaries. Statistical changes have been eliminated in the

rates of change. — 1 Several branches in the same host country count as one branch. — 2 In the case of foreign branches, from 1993

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Liabilities to credit institutions ²		Deposits of non-banks						Money market paper and debt securities outstanding	Working or equity capital	Other liability positions	Year
Total	of which Foreign credit institutions	Total	Domestic non-banks				Foreign non-banks ⁴				
			Total	of which Enterprises and individuals	Short-term	Medium and long-term					
End-of-year level											
132.3	108.5	173.2	82.4	71.4	80.8	1.6	90.8	0.3	4.7	46.4	1990
140.0	119.9	210.0	103.1	85.1	101.4	1.6	106.9	0.6	5.3	44.0	1991
182.4	163.4	249.3	131.7	108.8	130.0	1.8	117.6	2.2	6.9	29.4	1992
368.8	222.2	283.0	171.9	144.9	170.4	1.5	111.0	49.1	8.1	25.2	1993
480.6	313.3	289.1	176.9	157.7	174.8	2.2	112.1	76.6	9.5	23.0	1994
651.2	453.9	306.7	169.6	144.2	166.1	3.5	137.1	109.6	10.9	31.5	1995
718.1	515.0	373.1	163.3	139.0	159.7	3.6	209.8	156.1	13.5	44.8	1996
1,002.8	781.5	515.7	164.9	139.7	161.2	3.7	350.9	198.0	17.3	103.5	1997
Change from previous year in %											
+ 19.9	+ 28.3	+ 32.3	+ 50.8	+ 47.0	+ 49.3	+ 213.3	+ 19.8	+ 73.5	+ 22.1	+ 21.0	1990
+ 6.5	+ 11.3	+ 21.2	+ 24.7	+ 18.9	+ 25.2	+ 0.9	+ 18.1	+ 95.6	+ 11.8	- 9.3	1991
+ 28.4	+ 34.2	+ 17.8	+ 27.6	+ 27.5	+ 27.9	+ 7.3	+ 8.4	+ 273.3	+ 31.3	- 35.0	1992
+ 3.2	- 0.4	+ 22.3	+ 30.2	+ 32.8	+ 30.8	- 15.0	+ 13.5	+ 135.8	+ 17.3	+ 94.9	1993
+ 34.0	+ 47.0	+ 4.4	+ 3.3	+ 9.3	+ 2.9	+ 45.1	+ 6.2	+ 56.0	+ 17.0	+ 21.8	1994
+ 37.7	+ 48.2	+ 8.5	- 3.8	- 8.2	- 4.6	+ 61.3	+ 27.9	+ 43.2	+ 14.8	+ 75.1	1995
+ 6.5	+ 8.1	+ 17.3	- 4.1	- 4.1	- 4.3	+ 2.1	+ 43.8	+ 42.4	+ 23.5	+ 12.0	1996
+ 33.3	+ 43.1	+ 31.3	+ 0.1	- 0.5	+ 0.0	+ 3.0	+ 55.6	+ 26.8	+ 28.9	+ 92.6	1997
as % of business volume (balance sheet structure)											
37.1	30.4	48.5	23.1	20.0	22.6	0.5	25.4	0.1	1.3	13.0	1990
35.0	30.0	52.5	25.8	21.3	25.4	0.4	26.7	0.1	1.3	11.0	1991
38.8	34.8	53.0	28.0	23.1	27.6	0.4	25.0	0.5	1.5	6.2	1992
50.2	30.3	38.5	23.4	19.7	23.2	0.2	15.1	6.7	1.1	3.4	1993
54.7	35.7	32.9	20.1	17.9	19.9	0.2	12.8	8.7	1.1	2.6	1994
58.7	40.9	27.6	15.3	13.0	15.0	0.3	12.4	9.9	1.0	2.8	1995
55.0	39.4	28.6	12.5	10.6	12.2	0.3	16.1	12.0	1.0	3.4	1996
54.6	42.5	28.1	9.0	7.6	8.8	0.2	19.1	10.8	0.9	5.6	1997
End-of-year level											
136.4	99.6	102.4	49.2	46.6	46.1	3.1	53.2	24.3	9.8	20.4	1990
153.2	118.9	105.8	47.5	45.7	44.7	2.8	58.3	28.3	11.3	22.7	1991
178.5	159.0	125.4	60.4	58.5	57.2	3.2	65.0	31.3	12.8	23.4	1992
223.2	182.8	145.3	73.9	70.6	70.6	3.3	71.4	44.1	14.9	31.9	1993
258.2	224.4	154.3	65.4	62.6	62.4	3.1	88.8	48.2	16.7	27.9	1994
301.0	257.8	162.5	61.6	58.4	56.5	5.1	100.8	58.9	20.4	34.0	1995
349.2	300.3	191.1	59.6	56.3	52.1	7.6	131.4	74.0	22.6	36.9	1996
412.3	354.1	188.5	52.1	49.1	45.0	7.1	136.4	84.4	27.0	52.7	1997
Change from previous year in %											
+ 8.1	+ 13.9	+ 18.1	+ 15.3	+ 10.5	+ 13.1	+ 59.7	+ 20.7	+ 28.7	+ 17.4	+ 34.5	1990
+ 13.4	+ 20.2	+ 4.8	- 2.4	- 1.1	- 2.0	- 9.3	+ 11.5	+ 16.4	+ 15.4	+ 15.6	1991
+ 16.2	+ 33.3	+ 20.2	+ 27.1	+ 27.9	+ 27.9	+ 14.9	+ 14.6	+ 8.5	+ 12.6	+ 9.5	1992
+ 31.3	+ 20.7	+ 17.9	+ 21.7	+ 20.7	+ 22.7	+ 2.8	+ 14.5	+ 34.8	+ 19.9	+ 16.3	1993
+ 19.0	+ 26.5	+ 9.3	- 10.5	- 10.4	- 10.9	- 2.9	+ 29.8	+ 12.9	+ 14.8	+ 4.9	1994
+ 22.4	+ 21.0	+ 1.8	- 5.3	- 6.1	- 8.8	+ 66.0	+ 7.0	+ 22.4	+ 22.6	+ 34.1	1995
+ 12.3	+ 12.4	+ 13.4	- 4.1	- 4.4	- 8.7	+ 47.4	+ 24.1	+ 25.7	+ 10.7	- 4.2	1996
+ 13.2	+ 12.5	- 5.7	- 14.1	- 14.3	- 15.0	- 7.6	- 1.8	+ 14.1	+ 19.5	+ 33.9	1997
as % of business volume (balance sheet structure)											
46.5	34.0	34.9	16.8	15.9	15.7	1.1	18.1	8.3	3.4	7.0	1990
47.7	37.0	32.9	14.8	14.2	13.9	0.9	18.1	8.8	3.5	7.1	1991
48.1	42.8	33.8	16.3	15.7	15.4	0.9	17.5	8.4	3.4	6.3	1992
48.6	39.8	31.6	16.1	15.4	15.4	0.7	15.5	9.6	3.2	6.9	1993
51.1	44.4	30.5	13.0	12.4	12.3	0.6	17.6	9.5	3.3	5.5	1994
52.2	44.7	28.2	10.7	10.1	9.8	0.9	17.5	10.2	3.5	5.9	1995
51.8	44.6	28.4	8.9	8.4	7.7	1.1	19.5	11.0	3.4	5.5	1996
53.9	46.3	24.6	6.8	6.4	5.9	0.9	17.8	11.0	3.5	6.9	1997

including credit relations with the head office and with affiliated branches in Germany; in the case of foreign subsidiaries, including

credit relations with the parent institution. — 3 Borrowers outside Germany. — 4 Depositors outside Germany.

Share of individual categories of banks in major balance sheet positions *

in %

Category of banks	End of year	Business volume	Assets 1			Liabilities						
			Ad- vances to credit institu- tions	Ad- vances to non- banks	Total lending against secur- ities	Liabil- ities to credit institu- tions	Deposits of and borrowings from non-banks					Bearer bonds out- stand- ing
							Total	of which Domestic non-banks			Savings deposits and bank savings bonds	
								Sight deposits	Time deposits			
All banks 2	1980	100	100	100	100	100	100	100	100	100	100	100
	1990	100	100	100	100	100	100	100	100	100	100	100
	1997	100	100	100	100	100	100	100	100	100	100	100
Commercial banks 3	1980	23.6	27.4	21.6	20.7	32.4	22.6	33.2	27.4	15.5	11.5	
	1990	26.9	23.3	29.5	18.4	39.1	23.0	34.8	23.5	14.4	12.8	
	1997	24.8	23.7	24.8	22.7	32.6	21.9	35.3	21.0	12.0	13.6	
Big banks	1980	9.6	8.7	9.0	8.6	9.9	11.4	17.6	11.4	9.0	2.3	
	1990	8.9	7.0	9.7	6.5	8.4	10.6	14.9	9.0	7.8	3.0	
	1997	9.8	8.5	9.8	8.7	11.9	10.6	18.0	7.1	6.1	2.6	
Regional banks and other commercial banks 3	1980	10.6	11.3	10.4	9.1	13.7	9.4	12.2	13.8	5.8	9.1	
	1990	15.3	11.7	17.8	10.0	24.6	10.9	17.6	12.8	6.0	9.7	
	1997	12.7	10.7	13.7	11.7	15.3	10.1	14.9	12.8	5.5	10.9	
Branches of foreign banks	1980	1.9	5.5	0.9	1.3	6.2	0.4	0.9	0.2	0.0	–	
	1990	1.5	3.3	0.8	0.9	4.3	0.3	0.4	0.2	0.0	–	
	1997	1.7	3.8	0.7	1.8	4.9	0.3	0.4	0.2	0.0	0.0	
Private bankers 3	1980	1.5	2.0	1.2	1.7	2.6	1.4	2.5	2.0	0.6	–	
	1990	1.2	1.2	1.2	1.1	1.8	1.2	1.9	1.5	0.6	0.1	
	1997	0.6	0.6	0.6	0.5	0.5	0.9	2.0	0.8	0.4	0.0	
Regional giro institutions 4	1980	16.3	18.8	16.2	15.6	19.3	5.9	4.4	10.7	0.6	43.3	
	1990	14.5	19.5	12.6	15.6	18.6	6.3	3.4	11.1	0.5	32.8	
	1997	18.3	29.0	15.0	13.4	24.8	9.9	5.8	18.7	1.5	27.6	
Savings banks	1980	22.1	9.8	23.4	36.3	9.5	36.1	34.5	12.8	55.0	0.1	
	1990	20.6	10.4	21.5	35.0	10.0	33.6	34.5	14.5	54.0	4.5	
	1997	18.6	6.3	21.1	30.0	13.3	30.5	32.9	11.3	52.6	4.9	
Regional institutions of credit cooperatives 5	1980	4.3	12.6	1.4	5.8	12.9	0.9	1.0	1.1	0.8	1.9	
	1990	4.1	8.1	1.8	5.8	11.6	0.6	1.2	1.0	0.1	1.7	
	1997	3.8	6.5	1.5	7.0	8.7	0.8	0.8	2.1	0.0	2.9	
Credit cooperatives 3	1980	10.9	7.8	11.5	13.2	5.7	17.4	19.2	11.7	22.4	0.0	
	1990	11.3	7.7	11.9	15.7	4.6	19.5	19.4	14.5	26.4	1.5	
	1997	10.7	5.6	12.1	14.2	5.2	19.4	20.2	12.8	29.4	2.6	
Mortgage banks	1980	13.6	8.7	18.2	1.0	8.6	7.7	0.4	24.4	0.0	37.8	
	1990	11.7	9.4	15.9	2.2	4.6	9.4	0.2	24.6	0.0	30.7	
	1997	14.5	11.4	19.3	4.8	6.9	8.3	0.4	22.4	0.1	38.1	
Credit institutions with special functions 6	1980	8.1	14.6	6.3	7.0	9.1	8.7	6.8	11.2	4.9	5.3	
	1990	10.9	21.6	6.7	7.3	11.6	7.7	6.5	10.8	4.5	16.0	
	1997	9.4	17.7	6.3	8.1	8.5	9.1	4.6	11.6	4.5	10.3	
Memo item Credit institutions majority-owned by foreign banks	1980	.	.	.	.	.	.	.	.	.	.
	1990	2.5	3.4	1.9	3.2	5.5	1.3	1.8	1.0	1.0	0.1	
	1997	2.7	3.5	2.2	3.6	4.3	2.2	3.5	1.9	1.3	1.1	

* Data relate to stock figures; statistical changes have not been eliminated. — 1 Calculation for inclusion of lending against securities differs from that used in the preceding tables. — 2 All credit institutions reporting to the Banking statistics. Excluding assets and liabilities of building and loan associations and of foreign branches. — 3 The bank category Instalment sales fi-

ancing institutions was abolished in December 1986; the banks previously allocated to that group were reclassified as "Regional banks and other commercial banks", "Private bankers" or "Credit cooperatives" depending on their legal form. — 4 Including Deutsche Girozentrale. — 5 Including Deutsche Genossenschaftsbank. — 6 Including Deutsche Postbank AG.

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