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Abbreviations and symbols

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 Data unknown, not to be published or not meaningful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

Discrepancies in the totals are due to rounding.

Commentaries

Economic conditions

Industry

In response to the sharp deterioration in the order situation, industry has now significantly cut back its output. Following a further decline in September and October, output fell again by a seasonally adjusted 3.5% in November. On average, industrial output in October and November was 5.1% down on the average of the third quarter. Hardly any major sector of the economy has remained unaffected by the economic slowdown recently. Producers of intermediate and capital goods reported very sharp losses in output, whereas the consumer goods sector, which, as experience has shown, is less susceptible to cyclical fluctuations, was less severely affected. Industrial output in November was 7.0% down on the year after calendar adjustment.

Output

There was a further marked deterioration in industrial orders in November. The seasonally adjusted decline in demand for industrial products, at 6.0%, was hardly any less pronounced than at the beginning of the fourth quarter. Taking the average of October and November, industrial orders were 13.3% down on the summer quarter. Compared with the previous year, the volume of orders in November was down by nearly one-quarter in calendar-adjusted terms. The decline in demand affected foreign and domestic business to much the same extent. In sectoral terms, orders of intermediate and capital goods fell substantially, whereas manufacturers of consumer goods suffered limited losses.

Orders received

Economic conditions in Germany *

Seasonally adjusted

Period	Orders received (volume); 2000 = 100				
	Industry			Con- struction	
	Total	Domestic	Foreign		
2008 Q1	133.2	115.3	155.5	80.1	
Q2	129.1	113.4	148.8	74.4	
Q3	124.0	109.9	141.6	73.6	
Sep	118.3	107.4	132.0	72.5	
Oct	110.8	100.5	123.7	70.3	
Nov	104.1	92.9	118.2	...	
Period	Output; 2000 = 100				
	Industry			Con- struction	
	Total	of which			
		Inter- mediate goods	Capital goods		
2008 Q1	125.2	128.3	135.1	88.4	
Q2	124.0	127.3	134.6	81.0	
Q3	122.7	126.4	131.9	80.6	
Sep	121.0	123.6	130.7	80.6	
Oct	118.5	120.7	127.1	79.9	
Nov	114.3	113.5	124.3	79.9	
Period	Foreign trade; € billion			Memo item Current account balance € billion	
	Exports	Imports	Balance		
	2008 Q1	253.76	205.51		48.25	45.69
Q2	253.39	204.13	49.26	44.10	
Q3	253.50	214.13	39.37	39.77	
Sep	84.88	71.19	13.69	14.63	
Oct	84.40	68.57	15.83	13.88	
Nov	75.44	64.71	10.73	8.06	
Period	Labour market				
	Employ- ment	Vacancies	Un- employ- ment	Un- employ- ment rate in %	
	Number in thousands				
	2008 Q2	40,300	568	3,295	7.9
Q3	40,393	565	3,215	7.7	
Q4	...	557	3,170	7.6	
Oct	40,453	564	3,167	7.6	
Nov	40,476	558	3,163	7.6	
Dec	...	549	3,181	7.6	
Period	Import prices	Producer prices of industrial products	Con- struction prices ¹	Con- sumer prices	
	2000 = 100		2005 = 100		
	2008 Q2	115.7	125.6	112.5	106.5
	Q3	117.2	129.2	114.0	107.2
Q4	...	...	114.0	106.9
Oct	112.2	129.1	.	107.1	
Nov	108.9	127.6	.	106.9	
Dec	...	...	.	106.6

* Explanatory notes, see Statistical Section, X, and Statistical Supplement, Seasonally adjusted business statistics. — 1 Not seasonally adjusted.

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The sharp economic downturn also had a discernible dampening effect on industrial sales in the fourth quarter. On an average of October and November, industrial turnover was 4½% down on the average of the third quarter. While domestic sales have been declining perceptibly since September, there has been a dramatic decline in export business recently. For example, nominal exports of goods in November were more than 10% down on the month in seasonally adjusted terms after holding up at a high level up to that point. The decline in imports, at 5½%, was less pronounced. This meant that the foreign trade surplus went down to €10¾ billion in the reporting period, compared with €15¾ billion in the previous month.

*Domestic sales
and foreign
trade*

Construction

Seasonally adjusted construction output in November remained at the previous month's low level. Taking the average of October and November, construction activity was 1.0% down on the summer quarter. The decline in output in civil engineering was greater than that in the building industry. There are barely any signs of stimulus for the construction industry at present after seasonally adjusted construction demand in October – more recent figures are unavailable at present – fell back down to the depressed level recorded in August.

*Construction
output and
demand*

Economy as a whole

There is likely to have been a sharp fall in real GDP in the fourth quarter of 2008 after adjustment for seasonal and calendar effects.

*Assessment
of overall
economic
output in Q4*

The main reason for this was probably the marked cutback in manufacturing output in response to the perceptible decline in demand both in Germany and abroad. The fact that a large number of enterprises extended their usual plant shutdown over the Christmas holiday period also had a dampening effect. Given the persistent weakness in demand for housing construction, the construction sector was adversely affected by the now cyclically weak trend in industrial construction investment and the fact that public sector impulses from the economic stimulus package, adopted in November, had not yet had time to take effect. The decline in activity in the production sector also affected value added in the services sector. Moreover, the unfavourable economic outlook had a negative impact on private consumption, even though the retail trade sector appeared satisfied on the whole with its earnings from the 2008 Christmas trading period and new passenger car registrations rose sharply.

*2008 annual
result*

According to initial provisional data from the Federal Statistical Office, real GDP went up, on an annual average, by 1.3%, or 1.0% after adjustment for working-day variations in 2008, despite the marked slowdown in economic activity in the second half of the year. From a cyclical perspective, the year was one of considerable contrasts; the dynamic start to the year was followed by a slowdown in economic activity which slid into a sharp decline in output towards the end of the year.

Labour market

The rapid economic slowdown is increasingly taking its toll on the labour market. In December, the seasonally adjusted number of persons out of work who are covered by the statutory insurance scheme went up for the second month in succession. Unlike in November, the increase was greater than the decline in the number of unemployed persons receiving the basic welfare allowance. The total number of persons without work showed a slight rise again for the first time in three years, namely by 18,000 to 3.18 million. The unemployment rate remained unchanged at 7.6% (due to rounding). In 2008, the unemployment rate, at 7.8%, was, on an annual average, 1.2 percentage points lower than in 2007.

Unemployment

The fact that the rise in unemployment was not higher is probably due to the fact that enterprises are making increasing use of short-time working arrangements. At all events, there was a sharp rise in such registrations up to December. According to an initial estimate by the Federal Statistical Office, the seasonally adjusted official employment figure went up again slightly in November to 40.48 million, ie 483,000, or 1.2%, more than a year earlier. There was, however, a further decline in the willingness of enterprises to recruit new staff. The Ifo employment barometer showed a further perceptible decline in December. There was also a considerable fall in the number of job vacancies subject to regular social security contributions reported to the Federal Employment Agency.

Employment

Prices

International oil prices

Prices in the international crude oil markets fell sharply again in December against the backdrop of the continuing deterioration in the global outlook for growth. On a monthly average, the spot price for Brent North Sea oil, at US\$44, was down US\$11 on the November figure. Prices had been tending to rise again since the end of December, however. The heightened geopolitical tensions and cutbacks in production by the OPEC countries are also likely to have played a part in this. As this report went to press, the spot price stood at US\$46½. In the futures markets, the premiums were still very high; US\$9¾ was being charged for six-month deliveries and US\$18¼ in the case of 18-month deliveries.

Import and producer prices

In November, seasonally adjusted import prices were down by an average of 2.9% on the month. This amounted to a year-on-year decrease of 1.3%. This was due primarily to the decline in crude oil prices. Intermediate goods also became significantly cheaper. For this reason, there was also a month-on-month decline in import prices, even if energy is excluded. There was also a fall of 1.2% in the seasonally adjusted prices of domestic industrial products. Much as in the case of imports, the decline in the energy component was markedly sharper than for other goods. In the case of industrial producer prices, however, the year-on-year rate of inflation was +5.3%.

Consumer prices

There was a further fall in consumer prices in December. The cost of goods and services was down by a seasonally adjusted 0.3%

overall on the month. The price of fuel fell by 7.3% on the month and by as much as just over 20% in the case of heating oil. By contrast, fruit and vegetables became significantly more expensive, which was due to weather-related factors. There were, however, price reductions in the case of other food products. The prices of industrial products and services went up slightly in seasonally adjusted terms. The annual rate of change according to both the national consumer price index (CPI) and the Harmonised Index of Consumer Prices (HICP) fell from 1.4% in November to 1.1% in December. In 2008, the CPI inflation rate was 2.6%. The equivalent HICP figure was 2.8%, which was the sharpest increase since 1994.

Public finances¹

Local government finances

According to the most recent data of the Federal Statistical Office, local government recorded a high surplus (€2¾ billion) in the third quarter of 2008, just as it had done one year previously. Revenue increased by just over 3% (+€1½ billion), meaning that the year-on-year rate fell in comparison with the first half of the year. The growth in tax revenue accelerated (+10½% or just over €1½ billion) and was once again considerably

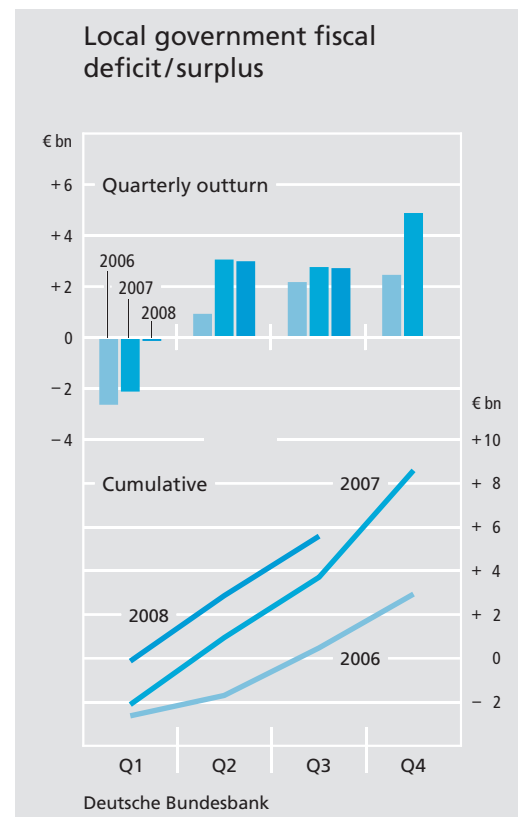
High surplus in 2008 Q3 due to sharp increase in tax receipts ...

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

stronger in eastern Germany. The main reason for the overall tax revenue growth was the favourable development of local business tax (+13½% after deducting the share accruing to state and central government) which once again saw rising receipts, despite the shortfalls expected as a result of the business tax reform and the deterioration in the underlying economic conditions. There was also a further marked rise in inflows from local government's share of income tax (+12%). In addition, the strong increase in revenue from categories of grants from state government which are largely linked to the level of tax revenue continued (+8%). By contrast, receipts from fees remained at the same level as in 2007 and, following the sale of a share portfolio by the city of Düsseldorf in 2007, income from asset realisations even dropped considerably, as did other administrative and entrepreneurial income, particularly as a result of the year-on-year drop-out of a large one-off dividend distribution by the Munich public utilities. After adjustment for these non-recurrent effects, local government's financial situation again improved perceptibly.

... and
moderate
expenditure
development

Following the very strong increase in the previous quarter – which was possibly exaggerated by late postings from the first quarter – the rise in total expenditure was somewhat more moderate at 3½% (€1½ billion). The main reason for this was the more subdued development of personnel expenses and operating expenditure, which both went up by 3½% (or just under €½ billion). Personnel expenditure in eastern Germany grew more than twice as fast following the adjustment of earnings to the west German level which



was implemented up to the middle pay groups. The overall rise in social benefits was even somewhat lower (+1½%), with a continued decrease in accommodation costs for long-term unemployed persons. The increase in expenditure on fixed assets continued but was not as strong as before (+4½%). In the previous two quarters, the growth rates for some expenditure categories appeared to be distorted in connection with the introduction by many local governments of the double-entry bookkeeping system. The data quality is now likely to have improved considerably. However, the Federal Statistical Office still expressed reservations about the data for certain expenditure items for the cumulative total from the first three quarters.²

² See press release No 493 of the Federal Statistical Office dated 18 December 2008.

Surplus for 2008 as a whole could even exceed 2007 surplus ...

Overall, local government budgets developed very favourably during the first three quarters of 2008. The expected tax revenue shortfalls from the business tax reform in the amount of €1 billion and the marked increase in negotiated pay rates for staff have so far been more than offset by the overall positive development of tax receipts and the sharp rise in revenue from categories of grants from state government which are largely linked to the level of tax revenue. Even if there is a marked slowdown in the fourth quarter, the surplus for 2008 as a whole could still somewhat exceed the 2007 surplus (€8½ billion). The cumulative surplus for the first three quarters of 2008 amounts to €5½ billion and is thus just under €2 billion higher than one year previously.

... but many local governments have little room for manoeuvre

However, the surpluses were only partly used to reduce credit market debt and liabilities to other public sector budgets (€81 billion compared with €84 billion at the end of 2007). By contrast, the volume of cash advances actually increased further during this period (by €½ billion to €29 billion at the end of September). This reflects an ongoing differentiation of the budgetary positions of individual local governments. Aggregate results of federal states show a continued concentration of problem cases, particularly in Saarland, Rhineland-Palatinate and North Rhine-Westphalia. As a general principle, the federal states' budgetary rules for local government only allow short-term use of cash advances. Local governments which cannot balance their budgets without this financing instrument ought to subject themselves to tight spending limits. The marked slowdown that

is now expected for 2009 and the revenue shortfalls in connection with fiscal stimulus measures that have already entered into force and those still to come will further exacerbate many local governments' debt problems. Including these local governments in investment programmes to overcome the current macroeconomic slowdown ultimately requires enabling them to bear any follow-up costs.

Securities markets

Bond market

In November 2008, the issue volume in the German bond market was up on the month, amounting to €161.9 billion in gross terms (compared with €149.9 billion in October). Owing to lower redemptions and taking account of changes in issuers' holdings of their own bonds, net sales of domestic debt securities amounted to €49.2 billion, compared with net redemptions of €18.1 billion in October. At the same time, the outstanding amount of foreign debt securities in the German market decreased (-€12.5 billion), as it had done in the preceding months already; the decline affected mainly euro-denominated securities (-€7.5 billion).

Sales of debt securities

Among domestic borrowers, German credit institutions tapped the bond market for the greatest amount in November (€25.2 billion). Most activity was focused on the purchase of other bank debt securities which can be structured flexibly (€36.0 billion). These inflows of funds did, however, include issues of

Bank debt securities

short-term paper, some of which were guaranteed by the government. In addition, a small quantity of mortgage Pfandbriefe was also sold. The outstanding volume of public Pfandbriefe and of debt securities issued by specialised credit institutions decreased by €4.8 billion and €6.3 billion respectively.

Public debt securities

The public sector placed €21.1 billion in the German capital market in November. Central government was the primary issuer with net sales of €19.4 billion. In particular, it issued ten-year Federal bonds (Bunds) worth €8.6 billion and five-year Federal notes (Bobls) worth €6.2 billion. Treasury discount paper (Bubills), two-year Federal Treasury notes (Schätze) and Federal savings notes were issued for €3.3 billion, €1.4 billion and €0.1 billion respectively. By contrast, the outstanding volume of thirty-year Bunds decreased by €0.8 billion. The outstanding amount of Federal Treasury financing paper remained practically unchanged. On balance, state governments issued €1.7 billion worth of debt securities, less than they had issued in October (€3.2 billion).

Corporate bonds

In the reporting month, German enterprises tapped the bond market for €2.9 billion, somewhat more than in October (€2.3 billion). In net terms, these were all bonds with original maturities of more than one year.

Purchases of debt securities

Domestic non-banks were the main purchasers of debt securities in November. They invested €18.6 billion in the bond market, predominantly in German debt instruments (€16.8 billion). Domestic credit institutions invested €11.4 billion which, on balance, in-

Sales and purchases of debt securities

€ billion			
Item	2007	2008	
	Nov	Oct	Nov
Sales			
Domestic debt securities ¹	32.3	- 18.1	49.2
<i>of which</i>			
Bank debt securities	1.9	- 23.5	25.2
Public debt securities	24.6	3.0	21.1
Foreign debt securities ²	- 1.9	- 18.8	- 12.5
Purchases			
Residents	- 11.3	- 23.2	30.0
Credit institutions ³	10.8	- 20.8	11.4
Non-banks ⁴	- 22.1	- 2.4	18.6
<i>of which</i>			
Domestic debt securities	- 11.9	- 2.1	16.8
Non-residents ²	41.8	- 13.7	6.8
Total sales/purchases	30.5	- 36.9	36.7

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

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involved solely German bonds (€25.6 billion). Foreign investors added German debt securities worth €6.8 billion net to their portfolios, compared with the previous month when they had sold them for €13.7 billion.

Equity market

In November, domestic enterprises – the majority of which were listed companies – issued €1.2 billion worth of new shares in the German equity market. By contrast, the outstanding volume of foreign equities in the German market fell significantly, as in previous months (-€6.2 billion). Equities were purchased solely by foreign investors (€4.1 billion). Resident non-banks reduced their equity portfolios by €5.4 billion and German credit institutions sold stocks worth €3.7 billion.

Sales and purchases of shares

Mutual fund shares

Sales and purchases of mutual fund shares

In the reporting month, domestic mutual funds recorded a net inflow of €6.1 billion compared with an outflow of €19.8 billion in October. On balance, the additional capital was channelled solely into specialised funds reserved for institutional investors. By contrast, German mutual funds open to the general public once again recorded outflows (€1.2 billion). Share certificates were sold in money market funds (€1.0 billion), open-end real estate funds (€0.7 billion), bond-based funds (€0.4 billion) and mixed securities-based funds (€0.3 billion). Equity-based funds and mixed funds, by contrast, recorded moderate inflows (€0.9 billion and €0.2 billion respectively). Foreign funds traded in the German market suffered further outflows of funds in November (-€0.3 billion), albeit to a lesser extent than in the previous month (-€19.5 billion).

German non-banks were the principal investors in mutual funds, buying shares worth €6.8 billion. Foreign investors increased their portfolios of German mutual fund shares only slightly (€0.1 billion). By contrast, German credit institutions sold share certificates worth €1.2 billion net.

Balance of payments

Current account

In November, the surplus on Germany's current account – in unadjusted terms – stood at €8.6 billion and was thus €5.7 billion down on the month. This was due to a sharp decline in the trade surplus. By contrast, invisible

current transactions, which comprise services, income and current transfers, reverted to a positive balance.

According to provisional figures from the Federal Statistical Office, in November the foreign trade surplus went down by €6.7 billion on the month to €9.7 billion. After adjustment for seasonal and calendar variations, it fell by €5.1 billion to €10.7 billion. The value of exports declined more significantly (-10.6%) than that of imports (-5.6%). On an average of October and November taken together, seasonally adjusted nominal exports were 5.4% lower than the third-quarter average while imports were 6.6% below this average. One-quarter of the reduction in exports and – owing to the continued sharp falls in prices for energy sources and other commodities – most of the decline in imports were price-related.

Foreign trade

A surplus of €0.1 billion was recorded for invisible current transactions in November, compared with a deficit of €1.1 billion in October. This shift arose from a decrease in the deficit on services of €1.5 billion to €0.4 billion. At the same time, net receipts from cross-border income fell by €0.3 billion to €4.2 billion. The deficit in current transfers, at €3.7 billion, was unchanged on the month.

Invisibles

With respect to cross-border portfolio investment, November saw large net capital imports (€30.2 billion compared with €32.5 billion in October). German investors disposed of foreign securities to the amount of €19.3 billion compared with €47.4 billion in the previous month. In the main, they sold debt se-

Portfolio investment

curities (€12.5 billion), primarily in the form of money market paper (€11.8 billion). In addition, they sold foreign shares (€6.4 billion). Parallel to this, foreign investors returned to purchasing German securities (€10.9 billion) after disposing of them (€15.0 billion) in October. They invested in debt securities (€6.8 billion) with a particular emphasis on bonds and notes (€5.8 billion). Furthermore, they acquired domestic shares worth €4.1 billion.

Direct investment

Direct investment resulted in net capital exports of €7.7 billion in November (compared with €9.4 billion in October). The main reason for this was that German enterprises provided their foreign branches with additional funds (€14.7 billion, compared with €9.9 billion in October). They furnished these branches with equity capital in the amount of €7.0 billion and additional loans worth €5.1 billion. Foreign proprietors invested €7.0 billion in their domestic affiliated enterprises, mainly through the granting of intra-group credit (€5.9 billion).

Other investment by non-banks and ...

Other statistically recorded investment comprising financial and trade credits (in as much as these do not constitute a part of direct investment) as well as bank deposits and other assets saw net capital outflows of €10.3 billion in November. However, non-banks recorded inflows of €3.9 billion. This was due largely to imports of funds by enterprises and households amounting to €12.9 billion. These concentrated particularly on reducing their deposits with foreign banks but they also took up short-term loans outside Germany. By contrast, the cross-border activities

Major items of the balance of payments

€ billion			
Item	2007		2008
	Nov	Oct ^r	Nov
I Current account			
1 Foreign trade ¹			
Exports (fob)	87.4	89.7	77.1
Imports (cif)	68.0	73.2	67.4
Balance	+ 19.4	+ 16.4	+ 9.7
Memo item			
Seasonally adjusted figures			
Exports (fob)	82.9	84.4	75.4
Imports (cif)	63.6	68.6	64.7
2 Supplementary trade items ²	- 0.7	- 1.0	- 1.2
3 Services			
Receipts	13.0	14.4	12.9
Expenditure	13.4	16.3	13.3
Balance	- 0.3	- 1.9	- 0.4
4 Income (net)	+ 4.6	+ 4.5	+ 4.2
5 Current transfers			
from non-residents	0.5	0.5	0.4
to non-residents	^r 3.8	4.3	4.1
Balance	- 3.3	- 3.7	- 3.7
Balance on current account	+ 19.7	+ 14.3	+ 8.6
II Capital transfers (net) ³	- 0.2	- 0.2	- 0.1
III Financial account (net capital exports: -)			
1 Direct investment	- 9.7	- 9.4	- 7.7
German investment abroad	- 7.9	- 9.9	- 14.7
Foreign investment in Germany	- 1.8	+ 0.5	+ 7.0
2 Portfolio investment	+ 46.4	+ 32.5	+ 30.2
German investment abroad	+ 1.1	+ 47.4	+ 19.3
of which			
Shares	+ 0.4	+ 9.1	+ 6.4
Bonds and notes ⁴	+ 4.5	+ 15.0	+ 0.7
Foreign investment in Germany	+ 45.4	- 15.0	+ 10.9
of which			
Shares	+ 3.2	+ 3.0	+ 4.1
Bonds and notes ⁴	+ 31.2	- 17.8	+ 5.8
3 Financial derivatives	- 7.7	+ 5.7	- 1.2
4 Other investment ⁵	- 52.4	- 44.2	- 10.3
Monetary financial institutions ⁶	- 34.4	- 98.4	+ 13.9
of which			
Short-term	- 20.7	- 92.1	+ 13.1
Enterprises and households	- 4.3	+ 10.3	+ 12.9
General government	- 9.6	+ 3.4	- 9.1
Bundesbank	- 4.2	+ 40.5	- 28.1
5 Change in the reserve assets at transaction values (increase: -) ⁷	+ 0.3	- 3.4	- 0.3
Balance on financial account ⁸	- 23.1	- 18.8	+ 10.7
IV Errors and omissions	+ 3.6	+ 4.7	- 19.2

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

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... the banking
system

of general government generated outflows of funds (€9.1 billion) mainly through the accumulation of short-term bank deposits abroad. In November, the banking system as a whole registered net capital exports of €14.2 billion. These were attributable to transactions carried out using Bundesbank accounts (€28.1 billion). Most of these funds were due to an increase in claims within the large-value payment system TARGET2, which

is generally only of a temporary nature. Conversely, credit institutions experienced inflows of €13.9 billion, which were attributable largely to the repayment of short-term loans by their foreign counterparties.

The Bundesbank's reserve assets rose slightly – at transaction values – in November (€0.3 billion).

Reserve assets

Bank Lending Survey: an interim assessment and current developments

It is now six years since the Eurosystem introduced a quarterly Bank Lending Survey (BLS) for the euro area. The Bundesbank collates the information supplied by the participating German institutions and publishes it as a national result. The aim of the survey is to obtain qualitative information, in particular, on the lending behaviour of the surveyed banks. The focus of interest is therefore on changes in credit standards for lending to the private sector. The period for which these data are available is now long enough to allow an interim assessment.

In Germany, a tightening of credit standards at the beginning of the survey was followed by a lengthy period of easing which continued up to mid-2007. Given the tense situation in the financial markets since then, the surveyed German institutions have noticeably tightened their credit conditions in some cases, especially for lending to enterprises. Nevertheless, these conditions are not as stringent as those applied in the euro area as whole. However, the BLS data for Germany do not, at present, indicate a supply-side credit crunch on a broad front within the banking system.

Bank Lending Survey

The Eurosystem introduced the Bank Lending Survey at the beginning of 2003 as a qualita-

*Introduction
of the Bank
Lending Survey
in 2003*

tive survey among senior credit managers who deliver their assessment, principally of their institutions' lending behaviour, on a quarterly basis.¹ Given the dominant role of the banks in financing the private sector in the euro area, the BLS is designed to improve the Eurosystem's understanding of the monetary policy transmission process and, thus, ultimately assist it in its monetary policy decisions.² The survey provides detailed information on developments in the surveyed institutions' lending behaviour. Major factors affecting the lending decision are surveyed, for example, including the assessment of risk by the surveyed institutions, the impact of refinancing costs in the money and bond markets – which are especially significant at present – as well as possible balance sheet constraints and information on the level of competition. Additionally, the survey participants provide data on households' and non-financial corporations' credit demand as they perceive it. In this way, the BLS contributes to a better assessment of the isolated impact of the bank lending market's supply and demand sides on the observed interest rate and quantity movements.

*Credit
standards as
key BLS variable*

In the BLS, changes in credit standards play a key role for understanding the participating banks' lending behaviour.³ For this reason, seven of the 18 questions in the questionnaire are concerned with the standards and the factors which affect them. First, a distinction is made between loans to enterprises and loans to households, with the latter being split into loans for house purchase and consumer loans. Second, two reference periods are surveyed from the banks: how

credit standards have changed over the past three months and how they are expected to change over the next three months. In addition to this information, the banks taking part in the BLS supply data on their conditions and terms for approving loans (including their margins)⁴ as well as the institution-specific demand for credit and its likely determining factors.

From the outset, German banks have also been taking part in the Bank Lending Survey with their data being collected in interviews and incorporated into the European aggregates.⁵ Their responses are also combined into a result for Germany and published and analysed on a regular basis by the Bundesbank.⁶ After nearly six years' experience of

*German BLS
results*

1 The credit managers are asked to indicate trend estimates on a five-point scale.

2 For a detailed account of the background to and objectives of the Bank Lending Survey, see Deutsche Bundesbank, German results of euro-area bank lending survey, Monthly Report, June 2003, pp 67-76.

3 Credit standards are defined as internal guidelines or criteria which reflect a given bank's lending policy. They comprise the written and unwritten criteria and other practices in connection with this policy which determine what type of loans a bank regards as (un)desirable, the set geographical priorities, what collateral is deemed to be (un)acceptable and so on. Changes in the written lending policy together with changes in how it is applied are to be taken into consideration in the survey.

4 The other conditions comprise the non-interest rate charges (various types of fees, such as commitment fees for revolving credits, administrative fees, and costs for inquiries, guarantees and credit insurance), the size of the loan, collateral requirements, loan covenants, maturity, and also, in the case of loans for house purchase, the loan-to-value ratio.

5 Initially, 17 German institutions took part in the BLS. The number of surveyed German banks was increased to 30 with the survey round for the first quarter of 2008. The change to the sample was made necessary by developments in the German banking system. At the same time, the new sample takes greater account than before of the importance of smaller banks, especially in lending business with small and medium-sized enterprises. For more information, see box on page 17.

6 The aggregate survey results for Germany may be found at http://www.bundesbank.de/volkswirtschaft/vo_veroeffentlichungen.en.php.

The adjustment of the German sample for the Bank Lending Survey

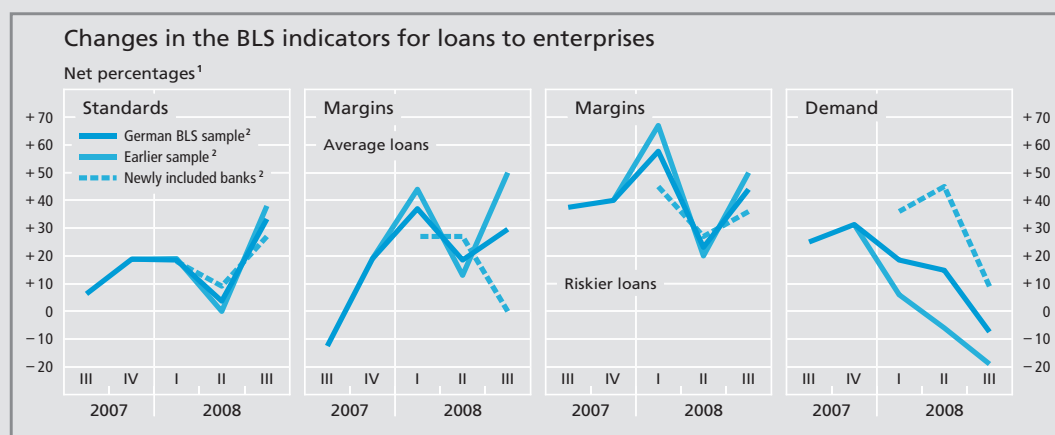
At the outset, there were 17 German banks which took part in the Bank Lending Survey (BLS) for the euro area. They were selected not only on the basis of own market share but also in accordance with the market share of the categories of banks to which they belonged. In the light of developments in the German banking industry in recent years, an enlargement of the sample was deemed to be advisable in order to ensure that the BLS responses maintained a high degree of representativeness. The sample was enlarged with the survey round in April 2008; since then, 30 German institutions have been participating in the quarterly survey.

For one thing, the sample enlargement took due account of the fact that there has been a sharp growth in new "types" of banks in recent years. These gained market shares because they adopted innovative business models – say, by means of new distribution channels or a greater specialisation in certain types of loans. The size these banks have now attained suggests that they are playing a perceptible role in determining credit supply behaviour in the German loan market. Secondly, moreover, the enlargement of the sample makes it possible to give greater consideration than before to the structure of the German banking system. Many of the credit institutions active in retail banking in Germany are relatively small, for example – not least owing to the regional principle.

Using the data on the terms and conditions for loans to enterprises, the following aims to show the effect

of the sample enlargement on the German BLS results reported since April 2008 and the extent to which the new BLS banks' behaviour differs from that of the institutions which were already being surveyed earlier.

For example, in the first three quarters of 2008, the changes in the standards made by the sample of newly included banks differed only marginally from those of the earlier sample. The banks of the old sample reported a slightly stronger tightening of their credit standards in corporate lending. At the same time, the 13 newly included institutions reported that their standards were affected less strongly – in particular, by the refinancing conditions in the money and bond markets – relative to the group of 17 banks. This suggests that especially the newly included smaller banks, which obtain their funding less in the capital markets and more by means of deposits, have been the factor determining the differences between the group results. On the supply side, the greatest behavioural differences were apparent in developments in margins for average loans in the third quarter of 2008. While the banks of the earlier sample greatly increased their margins, the newly included institutions made no changes to this indicator. In terms of developments in risk awareness, which are reflected in the margin policy for riskier loans, there were hardly any differences between the two groups. Finally, the demand for bank loans observed by the new banks developed more positively over all three quarters than was the case in the old sample.



¹ For supply-related questions, a positive value means that the sum of the percentage of the restrictive responses exceeds the sum of the percentage of the expansionary responses. In the case of demand-related questions, a

positive value indicates a larger percentage of expansionary responses. — ² German BLS sample: 17 banks until 2007 Q4, 30 banks from 2008 Q1; earlier sample: 17 banks, newly included: 13 banks.

the BLS, there is now a sufficient quantity of data to allow an interim assessment from a German perspective.

Longer-term developments in German banks' lending policy

Interpretation of the BLS data

When interpreting the aggregated German BLS data in a longer-term comparison, it should be noted that the survey collects information only on changes compared with the preceding quarter. To that extent, the results do not give any indication of the level of standards and margins at a given point in time but only of changes in the level. This is very important, especially when comparing the results across individual product categories (loans to enterprises, loans for house purchase, consumer loans) since it cannot necessarily be assumed that the observed variables were initially at an identical level in all of the surveyed business areas when the survey began in 2003. This also affects comparisons between data for Germany and for the euro area as a whole, however, as the cyclical situation and profitability of German banks differed markedly from the euro-area average when the BLS was launched, for example.

Changes to the credit standards since 2003 ...

With regard to the changes in credit standards for loans to enterprises and for loans to households, the German institutions participating in the BLS stated when the survey began in 2003, that, on balance, they had tightened their standards for all surveyed types of loan (see chart on page 19).⁷ From 2005 onwards, however, there was – measured by the credit standards – a steady easing

of supply-side terms and conditions which persisted until mid-2007 and even longer in the case of consumer loans. Since the beginning of the turbulence in the financial markets, however, the surveyed German institutions have been stating that they have tightened their standards for loans to enterprises – even considerably in some cases – and that they have not continued to ease their standards for loans to households.

The influence of the various factors has changed in parallel with the developments in credit standards. During the two periods – when the BLS started and recently – in which the German BLS banks tended to report stricter lending behaviour, refinancing costs and balance sheet constraints had a noticeably restrictive effect on credit standards in business with enterprises, but played a far smaller role in the intervening period. Much the same applies to the importance of the banks' liquidity position as well as, to some extent, their perception of risk, which the BLS breaks down into the factors "expectations regarding general economic activity", "industry or firm-specific outlook" and "risk on the collateral demanded". According to the surveyed banks, only loan collateral has not been playing an increasing role as a constraining factor in the most recent available quarters.

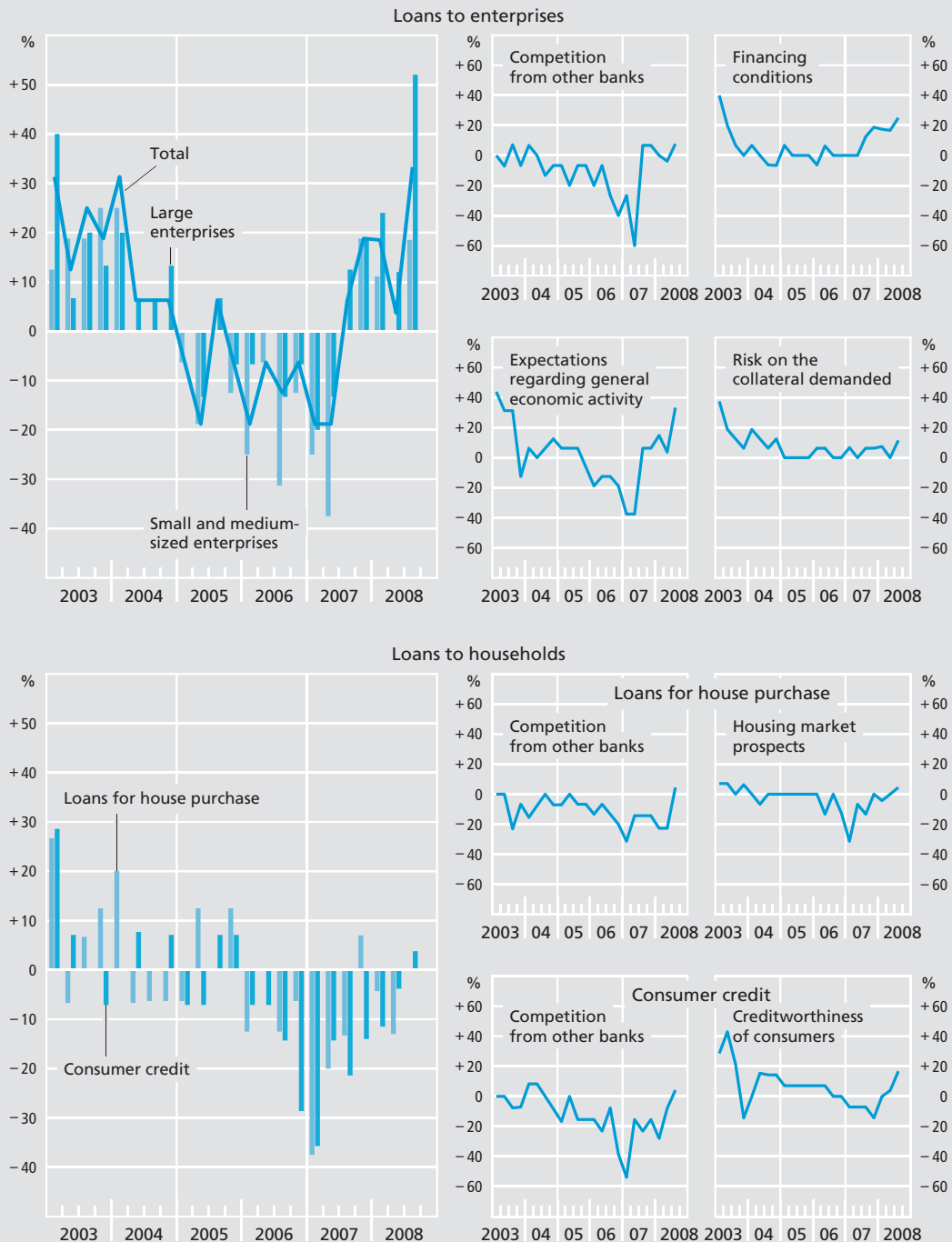
Recently, factors closely associated with risk have also had an increasing impact on the credit standards for lending to households –

... and the factors affecting them in corporate lending business ...

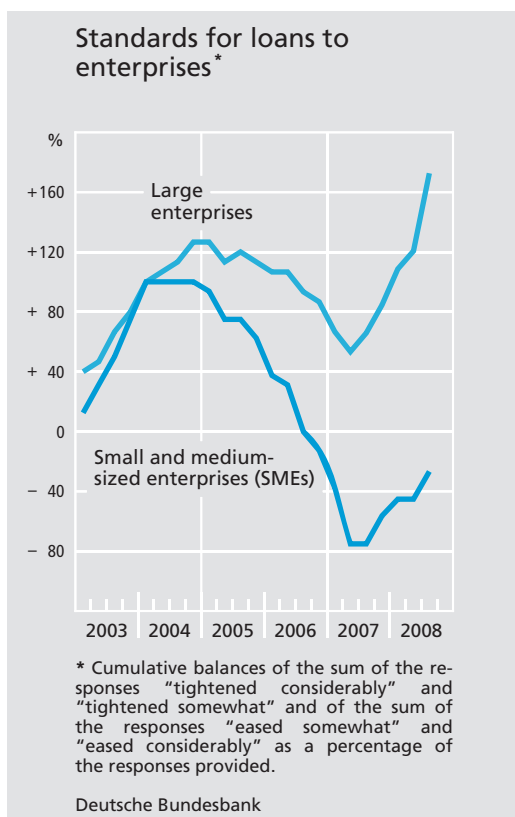
... and for loans to households

⁷ (Net) percentages are calculated to analyse the trend estimates recorded on a five-point scale. For the data on credit standards, positive values correspond to more restrictive standards, whereas negative values indicate an easing of loan supply conditions.

Changes in credit standards*
and in selected explanatory variables**



* Balance of the sum of the responses "tightened considerably" and "tightened somewhat" and of the sum of the responses "eased somewhat" and "eased considerably" as a percentage of the responses provided. —
** Balance of the sum of the responses "contributed considerably to a tightening of credit standards" and "contributed somewhat to a tightening of credit standards" and of the sum of the responses "contributed somewhat to an easing of credit standards" and "contributed considerably to an easing of credit standards" as a percentage of the responses provided.



both consumer credit and loans for house purchase. Besides expectations regarding general economic activity, these factors are primarily households' creditworthiness (for consumer credit) and the outlook in the housing markets (for loans for house purchase). As recently as 2007, these factors contributed to an easing of the credit standards before tending to exert a tightening influence of late. It is striking that collateral did not have a growing impact on the credit standards last year even in the case of consumer credit. In the period from 2005 to 2007 – and even beyond that in the case of loans to households – increasing competitive pressure in the German market contributed perceptibly to an easing, albeit to varying degrees, of the credit standards for all three types of loans surveyed in the BLS.

The information on corporate lending elicited from banks taking part in the BLS is also broken down by size of firm. Data on changes in the credit standards are provided separately for small and medium-sized enterprises (SMEs) and for large enterprises.⁸ Additionally, since the survey round in April 2008, information on the factors affecting changes in credit lines has also been collected separately for SMEs and large enterprises. For Germany, the cumulative changes in credit standards by size of enterprise show a more accommodating lending policy towards SMEs by the banks in the survey from mid-2004 onwards, if not earlier (see chart on this page).⁹ The standards were eased noticeably more – or have been tightened less since mid-2007 – than for large enterprises. The data on the factors affecting credit standards, which are available separately for the first three quarters of 2008, show that the perception of risk as well as refinancing costs and balance sheet constraints had a smaller restrictive impact on the terms and conditions of lending to SMEs. The latter is also likely to be linked to the fact that lending business with SMEs is conducted to a greater extent by credit institutions which

Breakdown by size of firm

⁸ The distinction between SMEs and large enterprises is made on the basis of their annual turnover. An enterprise is deemed to be large if its net annual turnover is more than €50 million.

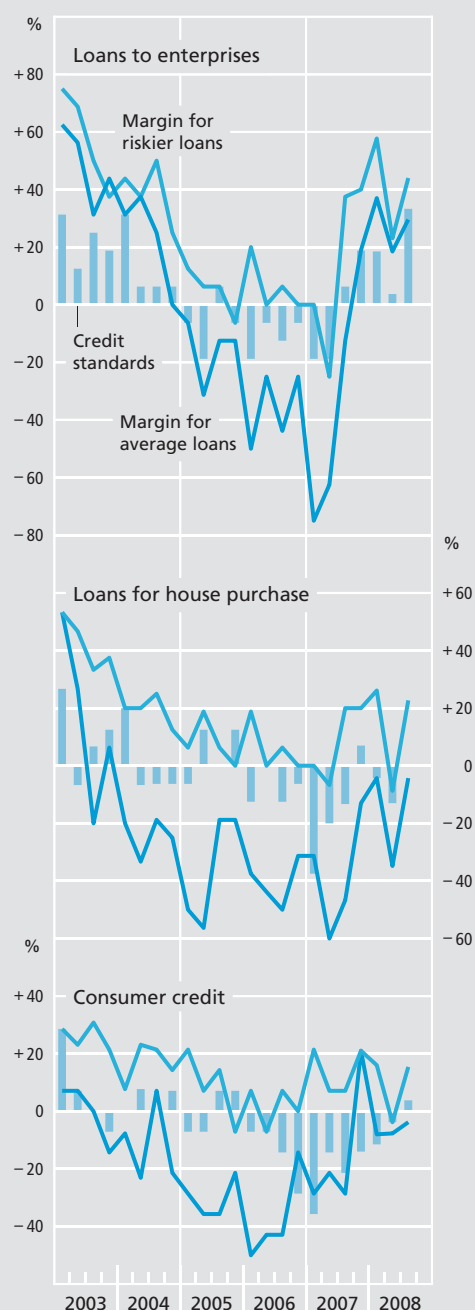
⁹ A number of methodological problems have to be taken into consideration when analysing cumulative changes, one being that, as mentioned above, only quarterly changes are surveyed in the BLS. To that extent, the results do not provide any indications of the level of standards but only of changes to that level. This also applies to cumulative values over several quarters. Moreover, the "point of departure" taken by these cumulative changes at the start of the BLS is unknown. This is necessarily set as equal to zero. Furthermore, the cumulative percentage values over time cannot easily be interpreted. A maximum 100% balance is possible for each reporting period, which means that the accumulation can produce percentage values far in excess of 100%.

fund themselves by means of deposits rather than in the capital and money markets and which are therefore less affected by refinancing problems due to the financial market crisis. This is also indicated by a separate analysis of the German BLS results following the change to the sample in April 2008 (see box on page 17).

Developments in margins at German BLS institutions ...

Between the introduction of the BLS at the beginning of 2003 and roughly mid-2005, the German participants in the survey stated that they had widened their margins on riskier loans – in some cases perceptibly – for all types of credit (see chart on this page). In the ensuing period, however, the participating German banks made hardly any further adjustments until about a year ago. Since then, a heightened risk awareness in the wake of the financial market crisis has contributed to a further, sometimes sharp expansion of margins for riskier loans. The margins for average loans were widened less, or tightened more obviously, almost throughout the period under review; this led a perceptible dispersion of the margins in German banks' lending to the private sector. However, the data available since the survey round in April 2008, which are broken down by firm size, indicate that the German BLS institutions have adjusted their margins to varying degrees depending on the line of business. Much like in the developments in credit standards, SMEs have latterly been affected by widened margins less than large enterprises, especially in the case of average-risk loans.

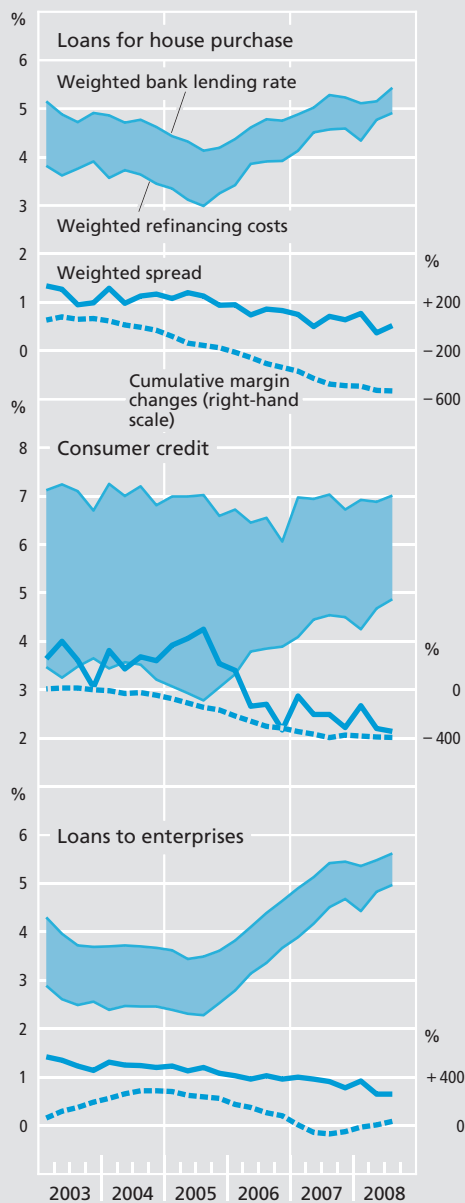
Changes in standards and margins in German banks' lending*



* Balance of the sum of the responses "tightened considerably" and "tightened somewhat" and of the sum of the responses "eased somewhat" and "eased considerably" as a percentage of the responses provided.

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Margins according to the BLS and interest rates*



* The weighted spread in each category of loan is the result of the difference between the respective bank lending rate for new business and the corresponding average refinancing costs (money market rates or rates for banks' debt securities). For bank lending rates and for refinancing costs, the average is formed using the weights of the volumes of new business of the bank lending rates in the individual maturity bands. Banks' lending rates in accordance with harmonised euro-area MFI interest rate statistics.

Deutsche Bundesbank

The qualitative information which the surveyed institutions supply on their margin policy should be reflected in the banks' actual measured quantitative interest rate spreads, ie the difference between refinancing costs and lending rates. For Germany, a comparison of these two measures shows a largely parallel movement in the case of loans to households for consumption or for house purchase (see chart on this page). No such systematic relation is revealed for loans to enterprises.

... largely consistent with the interest rate statistics

The explanatory content of the BLS for developments in lending to non-financial corporations

As the BLS is a comparatively new set of statistics, the data from it have been used hitherto only in descriptive form for the analysis of credit developments in Germany. However, the number of observations is now probably sufficient for the information content of the BLS data to be studied using quantitative methods as well.¹⁰ Analyses of this kind have already been performed for the United States and it is has been possible to establish the explanatory content of the US survey.¹¹ The data of the Fed's Senior Loan Officers Opinion Survey have been available for almost

First empirical results for Germany

¹⁰ Owing to their major importance for the economy as a whole, the presented analysis is confined to German banks' lending to non-financial corporations.

¹¹ See, for example, C S Lown, D P Morgan and S Rohatgi (2000), Listening to Loan Officers: The Impact of Commercial Credit Standards on Lending and Output", FRBNY Economic Policy Review, 6, 2, pp 1-16 or C S Lown and D P Morgan (2006), The Credit Cycle and the Business Cycle: New Findings using the Loan Officer Opinion Survey, Journal of Money, Credit and Banking, 38, 6, pp 1575-1597.

40 years, which allows a clearly greater range of empirical-analytical procedures than in the case of the European BLS.

Correlation analysis indicates that credit standards lead loans

Owing to the comparatively short observation period and the associated small quantity of data, the options for analysing the German BLS data are severely limited. In simple correlation analyses, it is possible to ascertain from the BLS, first of all, that credit standards lead credit developments (see the box on pages 24-25). By contrast, there is no obviously discernible lead for the demand observed by the BLS participants. Rather, it cannot be ruled out that the BLS data on demand follow the credit aggregate. Nevertheless, when interpreting these results, it should be borne in mind that the data do not yet contain a complete cycle for interest rates or the economy.

Regression analysis indicates importance of demand for developments in long-term lending

In a further stage, there is an analysis of the extent to which BLS data on credit supply and demand in a simple regression model can explain credit developments in Germany.¹² In view of the short observation period, however, no account can be taken of the leading indicator property of the BLS credit standards ascertained in the correlation analysis as compared with actual credit developments. The fact that the (simultaneous) BLS supply variable lacks significance is unsurprising given that there is no contemporary correlation. By contrast, in the case of long-term loans to enterprises, the BLS demand is a robustly significant explanatory factor. This suggests that, in the past (almost) six years, growth in long-term corporate lending in Germany has been determined in large part by demand-side factors. For short-term loans to enterprises, it

was not possible to identify any significant dependencies from the survey data. Owing to the fact that relationship banking continues to be of major importance in Germany, however, short-term loans are likely to be geared, at least to a certain extent, to the liquidity needs of long-standing customer relationships and therefore be less dependent on pre-defined terms and conditions.

Special questions on the specific impact of the financial market crisis

After the start of the financial market turbulence in the summer of 2007, the following autumn round of the BLS asked, for the first time, additional questions on the specific direct or indirect impact of the financial market crisis on banks' lending. These ad hoc questions asked the banks' managers what effect the turmoil in the credit markets was having on their credit standards, for example. The information obtained showed the extent to which the financial market crisis was contributing to a tightening of credit standards.

Ad hoc questions since autumn 2007

The credit standards for loans to enterprises were tightened somewhat on average by the surveyed institutions throughout the period under observation. There was a very marked tightening in the third quarter of 2008, however, when the financial market crisis dramatically came to a head in the wake of the insolvency of the US bank Lehman Brothers (see chart on page 26). Up to mid-2008, developments in the credit standards and the

Situation in the financial markets having perceptible impact on credit standards for corporate loans ...

¹² For the advantages and drawbacks of the analytical methods used, see the box on pages 24-25.

The explanatory power of the BLS variables for developments in loans to enterprises

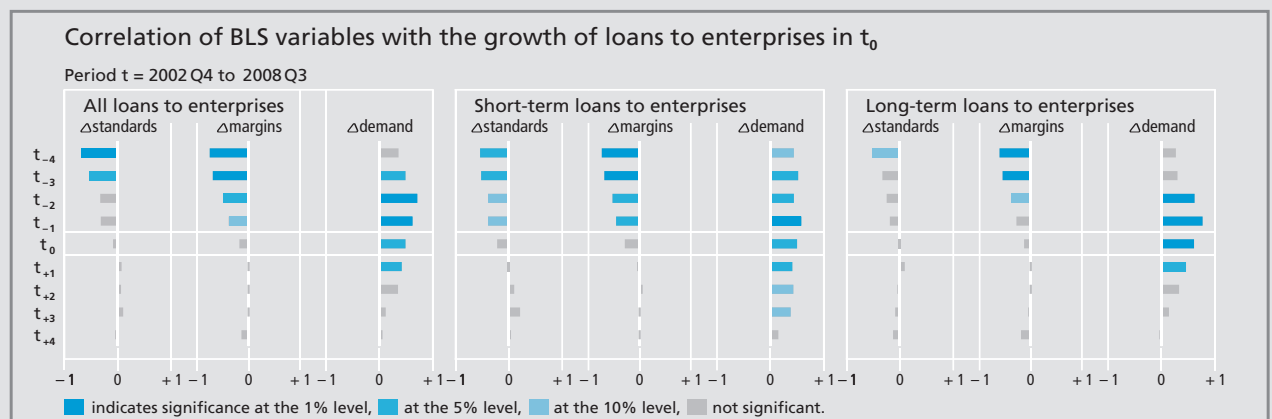
Not only in the light of the current situation, the extent to which the observed developments in loans are driven by the supply or the demand side is very important for the monetary policy assessment. Since there is only a limited possibility of making a clear-cut distinction between supply and demand variables using macroeconomic measurement variables, loan equations typically make use of approximation values such as gross domestic product or the investment ratio for the demand side as well as an interest rate spread to capture the supply factors.¹ However, such a classification is not always without ambiguity, for example in cases where both the loan supply conditions and the loan demand conditions are cyclically sensitive. In such cases, the Bank Lending Survey (BLS) can provide valuable information for a separate treatment of loan demand and loan supply as determinants in a loan equation.

In the BLS, the institutions are asked, among other things, how much they have changed their standards for loans to enterprises, loans for house purchase and consumer credit over the past three months, whether they have increased or decreased their margins, and how the demand for the different types of loan has developed. The corresponding net balances can be used as alternative indicators of a change in the supply of credit ($\Delta supply_t$) and of an adjustment of the demand for credit ($\Delta demand_t$), respectively.² The investment ratio ($ratio_t$) is included in the estimation equations as a further factor affecting the nominal development in loans.

$$\Delta \ln K_t = \beta_0 + \beta_1 \Delta demand_t + \beta_2 ratio_t + \beta_3 \Delta supply_t + u_t$$

The estimation is made on the basis of quarterly data for the period 2002 Q4 to 2008 Q3 and relates solely to loans to enterprises. In order to avoid structural breaks, only the BLS data of the 17 banks from the original sample are used. The growth rate of German banks' loan portfolios $\Delta \ln K_t$ with non-financial corporations in the euro area is chosen as dependent variable. The investment ratio $ratio_t$ is the relationship between nominal gross fixed capital formation and nominal gross domestic product. For the supply side, the obvious thing is to include, instead of an interest rate spread, the net balance of the responses to the BLS question on the change of the margins for loans to enterprises ($\Delta supply_t = \Delta margin_t$) in the estimation. Moreover, in an alternative specification, the net balance of the responses to the question on the change in the credit standards ($\Delta supply_t = \Delta standards_t$) is included as a more broadly defined measure of the supply conditions. Owing to the high correlation between these two supply variables and the associated risk of multicollinearity, two separate equations are estimated, each with only one of the two supply-related variables.

The estimations are carried out for the credit market as a whole³ as well as separately for short and long-term loans. As part of the BLS, the $\Delta demand_t$ and $\Delta standards_t$ variables are surveyed for each market segment individually as well as for the market as a whole and are incorporated accordingly into the respective estimations. Since the data on the change of the margins are collected separately only for average and riskier loans, but not for different maturities,



¹ See, for example, Deutsche Bundesbank, Estimation of loan equations in Germany, Monthly Report, July 2006, p 19. — ² Positive values for the net balances indicate an increase in demand or a tightening of the supply. As an alternative to the net balances, the mean values of the quantified BLS data can be used. The data on credit supply and

demand are recorded on a five-point scale, with the value "1" indicating a considerable tightening of the supply or a considerable decrease in demand and the value "5" indicating a considerable easing of the supply or a considerable increase in demand. The value "3" indicates that no change has been made or observed. While the net balances

the margin change for average loans is included in all three estimations as $\Delta margin_t$.

In order to gain an initial impression of the relationship between each individual BLS variable and the credit growth, correlation coefficients are calculated for different time lags and leads. In all three market segments, it becomes evident that the change in credit standards runs ahead of credit growth, at times markedly. No significant simultaneous correlation between these two variables is discernable in any of the three cases. The change in the margins reveals a similar picture: the highest correlation in each case is between the margin change and the credit growth observed four quarters later. No clear time lead is evident for the demand for either loans as a whole or for short-term loans: the change in demand both runs ahead and lags behind credit growth, with the highest correlation coefficient resulting in the case of a time lead for the change in demand of two quarters or one quarter, depending on the credit aggregate under consideration. By contrast, in the case of long-term loans, the change in demand is apparently almost contemporaneous and, moreover, relatively strongly correlated with credit growth. The cited results show that there are, at times, strong links between the BLS variables and credit growth. However, the informative value of correlation coefficients is generally limited: they give no indication of a causal relationship. Furthermore, no more than two variables at

a time can be considered using this method of analysis, ie correlation analysis does not allow the possibility of isolating the effect of an explanatory variable on an explained variable by means of adjustment for the effects generated by other explanatory variables. This can be done only by a regression analysis.

However, owing to the short observation period, no lagged endogenous or exogenous variables can be incorporated into the regression equations, which are estimated using the ordinary least squares method. Nevertheless, even initial estimates may give some clues as to how credit developments depend on the BLS variables. As soon as there is a large enough sample which allows lagged variables to be introduced into the equations, it should be possible to make a further improvement to the quality of the estimates. However, the explanatory power of all the equations is already comparatively high and the designated tests do not indicate any misspecifications. All significant explanatory variables display the expected sign. In all the estimates, the coefficient for the investment ratio differs statistically significantly from 0. The investment ratio has a positive effect on credit growth. In addition, the growth of long-term loans to enterprises is significantly positively dependent on the BLS demand for credit at the same point in time, which was already possible to surmise on the basis of the correlation analysis.⁴

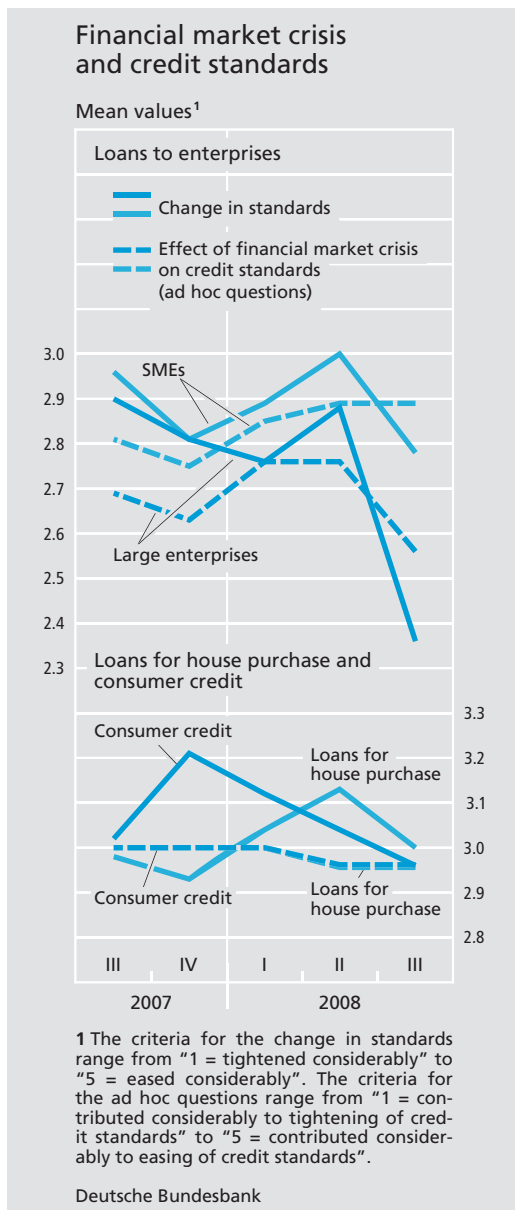
Factors affecting growth of loans to enterprises⁵

Period: 2002 Q4 to 2008 Q3

Variable	all loans to enterprises		short-term loans to enterprises		long-term loans to enterprises	
Constant	-0.23976*** (0.06026)	-0.23697*** (0.05944)	-0.49694*** (0.15328)	-0.47093*** (0.14649)	-0.07280* (0.04104)	-0.07781* (0.04182)
$\Delta demand_t$	0.00011 (0.00009)	0.00011 (0.00009)	0.00011 (0.00042)	0.00016 (0.00039)	0.00014** (0.00006)	0.00013** (0.00006)
Ratio _t	1.25257*** (0.33228)	1.33579*** (0.32696)	2.73087*** (0.84621)	2.58186*** (0.80696)	0.45656* (0.22682)	0.45656* (0.23065)
$\Delta standards_t$	-0.00005 (0.00011)		-0.00041 (0.00031)		0.00008 (0.00008)	
$\Delta margin_t$		-0.00002 (0.00006)		-0.00017 (0.00012)		0.00002 (0.00004)
\bar{R}^2	0.59	0.59	0.51	0.51	0.51	0.49
LM(1)	0.26	0.22	0.22	0.16	0.79	0.83
DW	1.53	1.51	1.50	1.45	1.96	1.91
White	0.79	0.90	0.18	0.19	0.85	0.59
Number of observations	24	24	24	24	24	24

provide information on the percentage of banks that have tightened or loosened standards, the mean values incorporate the actual spread of the data. — ³ The overall aggregate comprises short, medium and long-term loans. — ⁴ Very similar results are produced if the respective net balances in the estimates are replaced by the corresponding mean

values. — ⁵ *** indicates significance at the 1% level, ** at the 5% level, * at the 10% level, standard errors in parentheses. \bar{R}^2 = correlated coefficient of determination; LM(1) test for serial correlation (p-value); Durbin Watson (DW) test for serial correlation (DW statistics); White test for heteroscedacity (p-value).



corresponding part played by the financial market crisis ran in parallel. The tightening of credit standards may therefore probably be explained in large part by the financial market turbulence. The stronger adjustments to the standards for loans to large enterprises were, however, affected more noticeably by the situation in the financial markets. By contrast, the actual tightening in both credit categories in the third quarter of 2008 was somewhat

sharper than suggested by the impact of the financial market crisis taken in isolation. This permits the conclusion that, to a considerable extent, these strong adjustments in the third quarter of 2008 were due to factors not directly connected with the financial market turbulence. The banks stressed, in particular, the restrictive effect of the expectations regarding the general economic outlook as well as industry or firm-specific factors. Nevertheless, with the growing duration of the crisis and given their obvious knock-on effects on the real economy, it is becoming increasingly difficult to isolate and identify the specific impact of developments in the financial markets.

For changes in the standards for loans for house purchase and consumer credit, a slightly constraining effect of developments in the financial markets was reported only in the second and third quarters of 2008. Nevertheless, the relevant credit standards remained largely unchanged in the third quarter of 2008 after having been eased somewhat, in fact, in the second quarter.

Since the autumn quarter of 2007, the participants in the survey – in response to the additional questions – have been reporting persistent problems in their wholesale funding, ie their borrowing in the markets beyond ongoing refinancing through customer deposits. Access to funding in the unsecured interbank money market, through the issuance of debt securities or through other markets was hampered. Just under two-thirds of the German banks participating in the BLS usually make use of these refinancing sources. Of these banks, 50% to 60% reported that

... and loans to households weaker

Problems in wholesale funding markets

their hampered access to wholesale funding was having a slight or considerable impact on the quantity that they were willing to lend out (see chart on this page).¹³ However, for the majority of banks which answered these questions, only a slight effect on the quantity and margin was reported.

Hampering effect especially on securitisation and risk transfer

More than anything else, the securitisation of loans and the use of credit transfer instruments was evidently possible only to a very limited extent. Almost all the banks which use these sources of funding were feeling marked restrictions, which were reflected in most cases just as strongly in the quantity lent as in the margins. In this connection, however, it should be borne in mind that the banks which make any use at all of these severely affected refinancing instruments account for only just over one-third of the BLS sample. Seen in that light, it should not be concluded that the German banking system has been especially heavily affected by the above-mentioned funding problems on a broad front.¹⁴

German banks' lending policy compared with the euro area

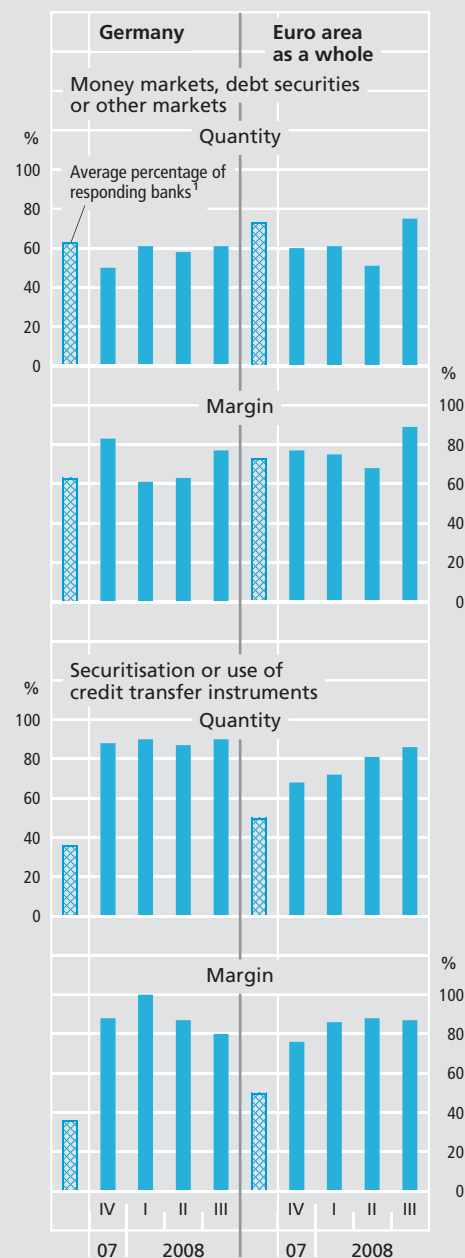
Standards in Germany recently tightened less than in euro area as a whole: for loans to enterprises ...

Comparing the German BLS data with the data for the euro area as a whole (including Germany) reveals a number of, in some cases, marked differences in developments in credit

¹³ The additional question on how far funding problems affect the quantity banks are willing to lend and the margin at which funds are lent has been asked unchanged since the fourth quarter of 2007.

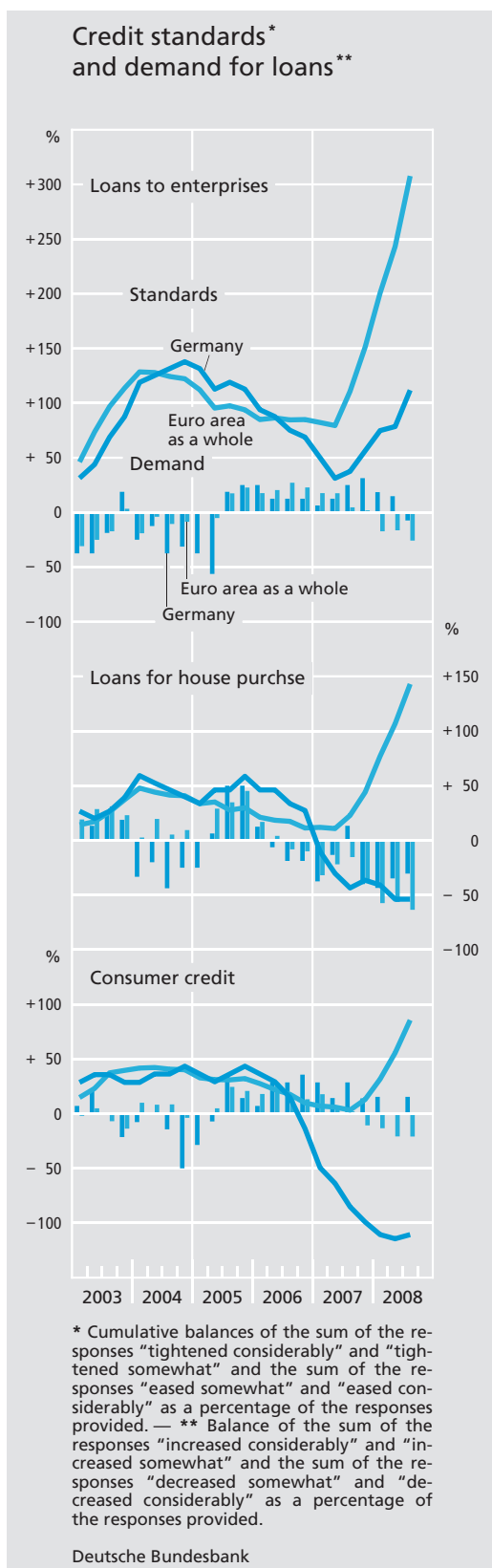
¹⁴ For a more detailed comparison with the results for the euro area as a whole, see pages 28-29.

Wholesale funding and lending during the financial crisis*



* Banks reporting a considerable impact or some impact of the financial market turmoil as a percentage of the banks which reported that they were active in the respective market. — 1 Banks which reported that they were active in the respective market as a percentage of all the German banks participating in the BLS; average over the period 2007 Q4 to 2008 Q3.

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standards. For loans to enterprises, both the German and other European banks taking part in the BLS initially stated that, on balance, they had been tightening their standards in commercial banking business on the whole up to 2004, although the lending restrictions in Germany were less pronounced (see chart on this page). While the process of easing began as early as mid-2004 in the case of the euro-area banks overall, the German banks followed with a time lag of roughly one year. As a result, the cumulative changes in the credit standards for Germany from the end of 2004 onwards are greater than those for the euro area as a whole. As the credit standards in Germany were eased somewhat more considerably in the ensuing period, however, their cumulative values since the beginning of 2006 have been lower again than the corresponding data for Europe overall. In the wake of the financial market turbulence since mid-2007, this gap has clearly widened since the German banks in the BLS stated, especially at the beginning of the crisis, that they were less affected by it than the banks surveyed in the euro area as a whole. Moreover, up to as late as mid-2008, the German banks were faced with a growing demand for credit, while demand in the euro area overall had been declining since the start of 2008.

The picture is similar for loans to households for house purchase and for consumer credit, where the cumulative credit standards for Germany and for Europe as a whole have diverged recently. German borrowers were either less affected by the tightening of credit standards or benefited from a further easing. In both loan categories, the cumulative Ger-

... and for loans to households

man values were still higher than the corresponding figures for Europe as a whole up to mid-2006 or the end of that year. For loans for house purchase, this has been the case since the BLS has been in existence, in fact. Up to about one year ago, however, the German banks participating in the survey had been encountering a consistently weaker growth in demand. Since then, the demand for loans for house purchase at the German banks has been somewhat more robust, however. This is also the case for demand for consumer credit at the German institutions, which was mainly positive up to the third quarter of 2008.

Stronger restrictive impact of financial market turbulence in euro area ...

A comparison of the responses to the additional "ad hoc" questions on the effect of the financial market turmoil on Germany and the euro area as whole shows that the impact on credit standards in the euro area overall was more marked than in Germany. In the euro area overall, a larger percentage of the banks' managers than in Germany reported, especially in the third quarter of 2008, that the situation in the financial markets had contributed considerably or somewhat to the tightening of credit standards for loans to enterprises. The financial market crisis had less effect on the credit standards for loans to households in both reporting groups, although the impact in this category of loans was also greater in the euro area as a whole than in Germany.

... and more widespread difficulties in refinancing than in Germany

The hampering of refinancing options in the wholesale markets affected the BLS banks in the euro area overall somewhat more strongly than the German banks in the survey (see

chart on page 27). The percentage of surveyed banks in the euro area as whole using the unsecured money market, debt securities or other markets for funding, at around 75%, is somewhat higher than in Germany. Added to this is the fact that, especially recently, the negative impact of refinancing difficulties on the quantity of loans and on the margins was stronger than in Germany. In the preceding quarters, there was no discernible significant difference between the two areas. The effect of the restricted possibilities of securitisation and of credit risk transfer on the banks that use these instruments was, in the past, greater in Germany than in the euro area as a whole, although the levels have converged somewhat of late. Nevertheless, these problems are likely to have left their mark more clearly in the euro area as a whole than in Germany since, in the overall aggregate, roughly half of the surveyed banks fund themselves through securitisations and credit risk transfer, while only one-third does so in Germany.

Conclusions

In the past six years, the German BLS data have made a major contribution to explaining lending behaviour in Germany as well as the demand for bank loans and have helped in gaining a better understanding of overall developments in German banks' lending.

At present, the BLS provides some indications of restrictive supply-side effects on loan developments. Refinancing costs and balance sheet constraints have been playing a major

No general shortage in the banks' supply of loans at present

role in developments in credit standards since the beginning of the financial market crisis. There were, however, additional factors in the most recent available survey round, in which there was a very marked tightening of credit standards: the impact of the deterioration in the general economic situation and the increasing importance of industry or firm-specific developments. A tightening of credit standards in periods of economic slowdown is not an untypical reaction in lending behaviour, however. Furthermore, it should be noted that the cited factors – and therefore also the observed adjustments in lending policy – are by no means exhibited to the same degree by all of the banks. All in all, no general credit crunch can be discerned at present on the basis of the BLS data.

*Slight decline
in demand for
loans*

On the demand side, in the third quarter of 2008 the survey participants observed a slightly declining demand for credit from en-

terprises for the first time in about three years. This was due mainly to a smaller demand for bank loans for investment purposes. At the German BLS institutions, this decline in demand was especially marked in the case of loans to small and medium-sized enterprises. At the same time, these firms were affected less than large enterprises by tighter credit standards. It should be noted, however, that the currently available data were collected as long ago as the end of September/early October 2008. More recent surveys among borrowers, especially among small and medium-sized enterprises in Germany, essentially confirm this assessment, however.¹⁵

¹⁵ See, for example, DIHK (2008), Die Auswirkungen der Finanzmarktkrise aus Sicht der Unternehmen, flash survey of November 2008, www.dihk.de (German only), Ifo Institute (2008), Credit Constraint Indicator, From the Ifo Business Survey for December 2008, www.ifo.de, BDI (2008) BDI-Mittelstandspanel, Ergebnisse der Online-Mittelstandsbefragung Herbst 2008, www.bdi.eu (German only).

German enterprises' profitability and financing in 2007

According to the Bundesbank's corporate balance sheet statistics, profit in the corporate sector showed a further considerable improvement in 2007 in the wake of a dynamic business momentum. At 5½%, the gross return on sales marked a new high. All economic sectors examined in this article contributed to the positive development in profitability with the exception of retail trade, which was depressed in 2007 by the loss of consumer purchasing power due to the increase in the standard rate of VAT and in insurance tax and corresponding frontloading of planned purchases in the later part of 2006. Enterprises with a greater export orientation again fared particularly well.

As in previous years, the higher annual result was used in part to strengthen firms' equity base. This was additionally boosted by greater injections of equity from external sources. The equity ratio thus showed a further sharp rise and, at 25½%, also reached a new peak.

All in all, German enterprises have significantly strengthened their financial resilience over the past buoyant years. This buffer is now providing some protection against the increasing strains resulting from the sharp global slowdown and the ongoing financial market crisis.

Overall economic environment

*Growth still
solid ...*

In 2007, the German economy again expanded at a rapid pace. While the increase in real GDP of 2½% was ½ percentage point lower than in 2006, this was predominantly due to special factors, especially the hike in value added tax which put a noticeable damper on private consumption. As in 2006, actual output grew faster than potential output, resulting in a further rise in capacity utilisation which, for the first time since the boom at the beginning of the decade, exceeded the corridor of normal utilisation. In 2007, the upswing was also reflected in a strong recovery in the labour market. However, the positive economic environment was marred by growing price pressures. This can be explained, on the one hand, by fiscal effects, in particular the increase in the standard rate of VAT and insurance tax mentioned above and, on the other hand, by the marked rise in the prices of energy and food in the second half of 2007 owing to world market factors.

*... but
handicaps for
consumption-
related
sectors...*

The sharp increase in GDP was driven mainly by buoyant activity in the production sector. The real gross value added of this sector expanded by 4¾% in 2007 and thus made a 1¼ percentage point contribution to overall growth in GDP. That of the manufacturing sector increased by 6% and that of construction by 2½%. The value added by the services sector rose by 2%. This was due to brisk development in business-related services which contributed 1 percentage point to GDP growth. By contrast, the performance of trade, hotels and restaurants, and transport improved by only ½%. In 2007, real gross

value added in the sectors included in the corporate balance sheet statistics rose by 3½%, which was matched by a rise of the same amount in trade and industry in general¹ and of 3% in the economy as a whole. The growth lead of trade and industry over the economy as a whole is attributable to the comparatively moderate rise in the public and private services sectors (+1¼%).

The additional fiscal burdens generated, in particular, by the VAT increase, which also led to sizeable forward shifts in demand to 2006, in conjunction with the greater loss of purchasing power owing to the rise in energy and food prices during the latter part of the year as well as the higher saving ratio caused real private consumption to shrink by ½%. These retarding effects obscured the positive stimuli that the favourable labour market developments exerted on disposable income. However, investment in machinery and equipment continued to expand at a rapid pace (+7%). The high level of utilisation prompted many enterprises to expand capacity. Other supportive factors were the favourable financing conditions and generous tax depreciation rules for moveable fixed assets, which were abolished at the end of 2007. In 2007, construction investment likewise contributed positively to GDP growth, although, at 1¾% overall, it increased significantly less than in 2006.

*... mainly due
to VAT hike*

¹ This also contains electricity, gas and water supply, hotels and restaurants, telecommunications, financial intermediation, real estate activities as well as renting of machinery and equipment without operator and of personal and household goods.

External contribution to growth again high

In 2007, major expansionary stimuli again came from exports which, however, at 7½%, did not increase as dynamically as in 2006. The main reasons for this were the slower growth of the German export markets and the strong appreciation of the euro, which led to a 6% fall in price competitiveness in trade with non-euro-area countries (calculated on the basis of the deflators of total sales). By contrast, the competitiveness of the German economy within the euro area improved slightly (+1¼%) due to the ongoing comparatively favourable price and cost developments in Germany. As a result of the dampening influence on domestic demand emanating from various special factors, at 5%, real imports went up by a smaller amount than exports, meaning that statistically foreign trade contributed 1½ percentage points to GDP growth compared with 1 percentage point in 2006.

Wage ratio down again despite higher negotiated wages

Given the fall in unemployment and large growth in enterprises' profit, there was a clear increase in wages in 2007, although the majority of pay agreements in the services sector were markedly more moderate than in industry. However, as some of the wage agreements did not come into effect until the latter part of 2007 or until 2008, the rise in negotiated wages (on a monthly basis), at just under 1½%, was barely greater on an annual average than in 2006. By contrast, the growth in wages and salaries per employee clearly rose from just short of 1% to just over 1½%. This reflects a change in direction of the wage drift, which increased by ¼% in 2007 after it had fallen by almost ½% the year before. Unit labour cost went up for the

first time since 2003 although, at not quite ½%, this rise was still quite moderate. The increase in total compensation of employees (+3%) again lagged behind the expansion of national income (+3½%), thereby driving the (unadjusted) wage ratio down slightly to 64¾%.

A further decline in the rate of corporate insolvency – to -14½% – is also consistent with the positive general economic picture presented in 2007.² Since the previous peak in 2003, this figure has fallen by one-quarter. Estimated creditor claims totalled €31½ billion compared with €61½ billion in 2002 and an average of €38½ billion between 2003 and 2006. The downward trend in insolvencies was evident across all economic sectors; at -23½%, it was most pronounced for manufacturing. Broken down by legal form, a decline can also be seen across all categories with the exception of private companies limited by shares (Ltd), which recorded 44% more insolvencies. In previous years, this type of legal form was often the preferred choice for start-ups because the minimum capital required is lower than for private limited companies (GmbH). Measured across all legal forms, the insolvency ratio was lowest in the services sector, at 71 failures per 10,000 enterprises. The ratio was slightly higher in trade (87) and manufacturing (88), and again highest in construction (160).

Further fall in corporate insolvencies

² See J Angele, *Insolvenzen 2007*, *Wirtschaft und Statistik*, April 2008, pp 302 ff.

Profitability

Dynamic profit development ...

Strong economic growth in 2007 coupled with moderate wage increases gave profit considerable room for expansion. The annual result before taxes on income³ reported in the corporate balance sheet statistics for enterprises from the production, trade, transport and business-related services sectors – according to current estimates⁴ – shot up by no less than 23½%, after having risen at double-digit rates in the previous two years, too. Since the cyclical low in 2003, earnings growth has totalled 85½%. Over the last few years, profits have therefore risen much faster than in the period of expansion from 1998 to 2001, when they climbed by 22%.

... and new peak for return on sales

The increase in the annual result before taxes on income in 2007 is still extremely large even after allowing for business growth. The gross return on sales rose by ¾ percentage point to 5½% in 2007, thus reaching its highest level since the start of the data series based on the Financial Statements Data Pool in 1997. Moreover, the comparable values for western Germany, which are available for the period from 1987 to 1996, were clearly exceeded, too. The net return on sales, which is derived from the annual result after deducting taxes on income, increased by ¾ percentage point to 4½% in 2007 and also reached a new high over the period since 1987. The same is true for the period from 1971 to 1986, for which a figure can be calculated from the annual result and sales which differs only slightly from the definition of net return on sales used here. During that period the

ratio reached a peak of 3¼% in 1971 and 1972.⁵

With the exception of retail trade, which was substantially depressed by households' loss of consumer purchasing power, all economic sectors examined here contributed to the positive earnings trend in 2007. The frontrunner here was the manufacturing sector, whose annual result before taxes on income rose in double digits for the third year running (+34½%) and has doubled since the low in 2003. The sector's gross return on sales increased during this time by 2¼ percentage points to 6%. Earnings varied quite considerably across the individual manufacturing industries. Consumption-related sectors recorded below-average growth in profit for the

Positive earnings trend in manufacturing...

³ The annual result corresponds to the annual profit in accordance with the German Commercial Code (HGB) before profit or loss transfers. It provides a better indication of the profits generated by the enterprises analysed in this article because many firms are linked through profit transfer agreements with enterprises which are not included in the corporate balance sheet statistics (eg holding companies) and to which their profits/losses are transferred.

⁴ The following study is based on 24,000 financial statements for 2007. This statistical base corresponds to just under one-third of the annual number of financial statements in the two preceding years. The data from the financial statements were extrapolated based on estimations using data from the turnover tax statistics. The tables inserted in this article show the profitability and financing of enterprises in the economic sectors examined as a whole for the period 2005 to 2007. The tables appended at the end contain more detailed information on individual economic sectors for 2005 and 2006. Long data series with extrapolated results from financial statements of German enterprises are available online (http://www.bundesbank.de/statistik/statistik_wirtschaftsdaten_jahresabschluss.en.php).

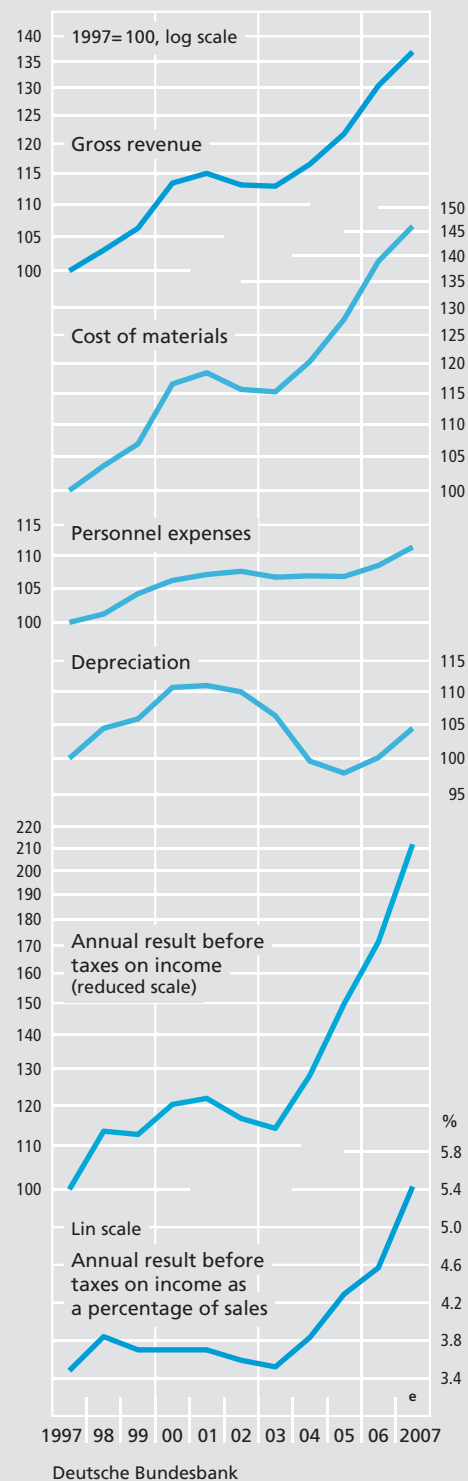
⁵ However, the net return on sales reported here is only suitable for showing the development of post-tax profitability; its level is overstated to the extent that taxes on income include, besides trade earnings tax, only corporation tax (including the solidarity surcharge) paid by corporations. The annual results of non-corporations (partnerships and sole proprietorships), by contrast, are taxed as part of the entrepreneurs' private income and so their income tax payments do not appear in these firms' income statements.

reasons mentioned above, while the producers of capital and intermediate goods fared exceptionally well owing to vigorous export growth and buoyant investment activity in Germany. Automobile manufacturers experienced a similar situation; although they sold far fewer vehicles to domestic households, they were able to record excellent results due to a further rise in exports and higher sales to corporate customers in Germany. Thus the manufacture of cars – measured in terms of volume – increased by almost 6% in 2007 and the manufacture of heavy goods vehicles expanded by no less than one-fifth.

... as well as in transport and among business-related service providers

The persistently buoyant industrial activity in 2007 also boosted business development in the transport and business-related services sectors and pushed profit up. Transport enterprises (excluding railways) expanded their annual result before taxes, compared to the subdued level in 2006, by around four-tenths and their gross return on sales by almost 1½ percentage points to 5%. This is partly also due to the fact that fuel prices, which are of particular importance in this sector, rose at a far slower pace than in previous years. In turn, this was attributable to the sideways movement in euro prices for Brent crude oil on an annual average following average growth rates of 28% in the three preceding years (trade and industry were not directly affected by the increase in standard VAT rates due to input tax relief). At over one-fifth, growth in profit for business-related service providers was also strong. Their return on sales rose further to 10½%, meaning that this sector again achieved by far the best result of any sector.

Selected indicators from German enterprises' income statements



Trade and construction lagging

Business and earnings development in wholesale trade is generally likewise strongly influenced by economic activity in industry. However, in 2007, the expansionary stimuli from industry were countered by a decline in the "solid, liquid and gaseous fuels and related products" industry. In addition to the subdued rate of price increases, this was compounded by the fact that households brought forward many purchases of heating oil to 2006. At 3%, the wholesale trade sector's gross return on sales remained almost unchanged. As mentioned above, retail trade activities were affected by tax-related losses of purchasing power and shifts in demand. Thus strong growth at the end of 2006 was followed by an expected collapse at the start of 2007, which was particularly pronounced for durables such as cars and furniture. During the course of 2007, the increasing loss of purchasing power due to energy and agricultural prices weighed on demand in retail trade. As a result, gross profit fell by 1%, however, at 3½%, its return on sales, which declined by the same amount, was no less than in the previous year. In 2007, fiscal factors also had an impact on the development of earnings in the construction sector. Much construction work for new flats and for renovations was brought forward and invoiced in 2006 due to the increase in VAT. This resulted in a gap in orders in 2007. However, this was counterbalanced by a clear increase in industrial and commercial building and in public sector construction. The improvement of 7½% in the annual result before taxes on income was below average. At 5¾%, the gross return on sales nonetheless marked a new high.

The figures for the return on sales for the individual economic sectors are not directly comparable due to the use of varying input ratios or depth of value added. To facilitate such a comparison, it is therefore advisable to set the gross annual result in relation to gross income, which corresponds to gross revenue less the cost of materials and is very similar to the definition of value added included in the national accounts. For producing enterprises, this ratio rose from almost 13% in 2006 to 15% in 2007, which matches the relative increase in gross return on sales. However, using this measure of profitability changes the sectoral rankings quite dramatically. At the top of the table is wholesale trade with 18%, followed by business-related services and then manufacturing. All other sectors are below average and transport, at 9½%, is at the bottom of the table.

Gross annual result in relation to gross income

Income and expenses in detail

In 2007, brisk growth in business activity was once again a key driver of the sharp increase in profit. However, at 5%, the rise in gross revenue, which contains sales, the changes in stocks of finished goods as well as other own work capitalised, in the economic sectors examined here was not as dynamic as in 2006 (+7%). This was predominantly due to low growth in construction and wholesale trade as well as to a slight decrease in retail trade. The remaining sectors recorded very high levels of growth. For example, gross revenue in manufacturing expanded by 8%. According to the official turnover statistics for industry, activities with enterprises outside of

Gross revenue

Germany increased by 9% whereas those with domestic enterprises went up by 6%. While growth differentials could also be observed for producers of intermediate and capital goods, they were most pronounced in the area of consumer goods for the reasons mentioned above. The producers of durable goods within this sector even registered a slight fall in sales in 2007 in Germany, although they recorded an increase of 7% in exports.

Interest and similar income

Interest and similar income again grew even more sharply than gross revenue (+28%). While it has risen by 65% since its last low in 2004, its share in total income in 2007 still amounted to only 1/2%. Contributions to the sharp growth in the reporting year came, on the one hand, from a greater build-up of interest-bearing receivables (+8 1/2% on annual average) and, on the other hand, to a 1/2 percentage point increase in the average interest rate to 3 1/2% due to higher market rates. Other income, which is composed of a large number of very different items, including income from long-term equity investments, rose by 12 1/2%. Due to the surge in these two items, the increase of 5 1/2% in total income was slightly larger than in the actual business activities.

Total expenses

Total expenses (excluding taxes on income of corporations) went up by 4 1/2%, which was perceptibly slower than income, thus leaving room for a marked improvement in the gross annual result. This was mainly due to the fact that the rise in personnel expenses again trailed noticeably behind business growth, a development which will be examined more

Enterprises' income statement *

Item	2005	2006	2007 e	2006	2007 e
	€ billion			Year-on-year change as a percentage	
Income					
Sales	3,735.2	4,011.4	4,173.5	7.4	4
Change in finished goods 1	11.2	2.0	41	-81.9	1,906
Gross revenue	3,746.4	4,013.5	4,214.5	7.1	5
Interest and similar income	16.0	18.9	24	18.1	28
Other income 2 of which from long-term equity investments	161.9	168.1	189	3.8	12.5
	18.0	24.9	26	38.3	5
Total income	3,924.3	4,200.4	4,428	7.0	5.5
Expenses					
Cost of materials	2,376.0	2,581.2	2,715	8.6	5
Personnel expenses	648.8	659.0	676.5	1.6	2.5
Depreciation of tangible fixed assets 3	107.2	109.6	114.5	2.3	4
Other 4	97.4	98.2	104.5	0.8	6.5
Interest and similar expenses	9.8	11.5	9.5	17.1	-16.5
Operating taxes of which Excise duties	36.6	38.9	44.5	6.4	14.5
Other expenses 5	59.5	63.1	62	6.0	-2
	56.2	59.2	59.5	5.3	0.5
	536.1	565.3	589	5.4	4
Total expenses before taxes on income	3,764.2	4,017.2	4,201	6.7	4.5
Annual result before taxes on income	160.1	183.2	226.5	14.4	23.5
Taxes on income 6	34.2	35.7	43.5	4.5	22
Annual result	125.9	147.4	183	17.1	24
<i>Memo item</i>					
Cash flow 7	248.1	271.9	308.5	9.6	13.5
Net interest paid	20.6	20.0	20.5	-2.7	2
	As a percentage of sales			Year-on-year change in percentage points	
Gross income 8	36.7	35.7	35.9	-1.0	0.2
Annual result	3.4	3.7	4.4	0.3	0.7
Annual result before taxes on income	4.3	4.6	5.4	0.3	0.9
Net interest paid	0.6	0.5	0.5	-0.1	0.0

* Extrapolated results; differences in the figures due to rounding. — 1 Including other own work capitalised. — 2 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 3 Including amortisation and write-downs of intangible fixed assets. — 4 Predominantly write-downs of receivables, securities and other long-term equity investments. — 5 Excluding cost of loss transfers (parent company) and profit transfers (subsidiary). — 6 In the case of partnerships and sole proprietorships, trade earnings tax only. — 7 Annual result, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — 8 Gross revenue less cost of materials.

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closely below. At 4%, the increase in other expenses, which include rentals and leases, research and development cost as well as advertising expenses and together account for one-seventh of gross revenue, was also more moderate than the increase in income.

Cost of materials

By contrast, the cost of materials, which constitutes around two-thirds of total expenses, went up at virtually the same pace as gross revenue following a much sharper increase in 2006. This can be partly attributed to the fact that US dollar prices on commodity markets rose more slowly than in the previous years and that this price increase was cushioned to a large extent for buyers in Germany by the strong appreciation of the euro against the US dollar. In 2007, import prices consequently rose by a mere 1.2% following an increase of 4.3% in 2006 and 5.2% in 2005.

Personnel expenses, ...

Although, at 2½%, personnel expenses grew faster in 2007 than in 2006 (+1½%), they increased much more slowly than total expenses. This was due to the fact that the increase in negotiated wages, calculated at less than 1½% on both a monthly and an hourly basis, was again rather moderate. Added to this was the cut in the contribution rate to the Federal Employment Agency from 6.5% to 4.2% with effect from 1 January 2007, with employers benefiting from one-half of this. While this was partly offset by a rise in the contribution rate to the statutory pension insurance scheme and in the average contribution rate to the statutory health insurance scheme of about ½ percentage point in both cases, firms' payroll cost enjoyed considerable relief on balance. A further factor here is that

a number of large enterprises reduced their expenditure on company pension schemes and made smaller severance payments as part of staff restructuring schemes. With regard to personnel expenses as a whole, the overall moderate increase in personnel expenses per hour worked was accompanied by a clear rise in the number of hours worked, which was reflected, on the one hand, in corresponding higher wage payments per employee. On the other hand, the number of employees rose significantly, by 2% according to the definition in the corporate balance sheet statistics.

In contrast, the increase in depreciation of tangible fixed assets (including intangible fixed assets) was comparatively sharp (+6½%). This is attributable to both the strong growth in investment in new machinery and equipment as well as to the temporary raising of the declining-balance depreciation rates for movable fixed assets in 2006 and 2007. In this respect, it is worth noting that in manufacturing close to 60% of total depreciation was attributable to tangible fixed assets; however, measured in terms of gross revenue, at 3½%, this sector still ranked below transport (5½%). The high share of vehicles – which can be depreciated relatively quickly – in machinery and equipment played a role in this. The figure for business-related services, which include the capital-intensive sector "computer and related activities", was at the same level as the ratio in manufacturing. In the remaining sectors, depreciation of tangible fixed assets is much less significant; the corresponding shares in gross revenue ranged between 1%

... depreciation and...

for wholesale trade and 3% for construction. Write-downs of long-term financial assets and securities classified as current assets were notably lower, so that total depreciation was only 4% higher than in 2006.

... interest expenses

Following a rise of 6½% in 2006, interest and similar expenses recorded a further surge of 14½% in 2007. This was due, firstly, to a larger increase in interest-bearing liabilities of 5½% on an annual average. Secondly, the average lending rate – in line with market interest rates – continued to increase to almost 5%. Due to the extraordinarily sharp growth in interest and similar income, which offset over half the corresponding expense item recorded in the enterprises' extrapolated income statements, net interest expenditure increased by only 2%. At ½%, its share in gross revenue remained at a low level.

Sources and uses of funds

Inflows still high...

The enterprises in the economic sectors examined here increased their total inflows of funds by one-fifth to €279 billion in the reporting year.⁶ The low from 2004 was thus exceeded by one-and-a-half times and reached a new record high. One-seventh of the year-on-year increase derived from internal funding. The remaining far larger share came from external funding, which is not unusual during times of positive profit and sales growth. In the period from 2002 to 2004, which was difficult in this respect, there was

⁶ The figures on the sources and uses of funds are subject to much greater uncertainty than the income statement and balance sheet data.

either no inflow of funds (2002) or else these inflows were actually negative (2003 and 2004) because liabilities were redeemed on balance. The volume of internal funding, which, at 60% of the total of funds, was still the most significant source of financing, increased by 4½% in 2007. At 3 percentage points, the highest contribution to growth was made by depreciation allowances which, in percentage terms, however, recorded only below-average growth. Capital injections from profit (including contributions to the capital of non-corporations) as well as transfers to provisions contributed the remaining 1½ percentage points of the rise in internal funding.

Enterprises received €111 billion from external funding sources; that was €42 billion (+62%) more than in 2006. This was due to an increase by half in capital injections to corporations and in liabilities of almost two-thirds. It is striking that only short-term financial obligations recently entered into rose (by €47½ billion, which is twice as much as in 2006). This increase is predominantly attributable to the greater level of borrowing from banks, which was at a low level in 2006. From 2002 to 2005, redemptions actually outweighed borrowing. In 2007, additional liabilities of €34½ billion were incurred from payments received on account of orders whereas one year previously a decline was observed in this item. This clear reversal is probably due to some extent to the increase in VAT as there was a fiscal incentive at the end of 2006 to invoice services early, especially in the construction sector. In the accounts, this was then debited against the payments

... and growing share of external funding

Enterprises' sources and uses of funds *

€ billion

Item	2005	2006	2007 e	Year-on-year change	
				2006	2007 e
Sources of funds					
Capital increase from profits and contributions to the capital of non-corporations ¹	33.8	37.0	39.5	3.1	2.5
Depreciation (total)	107.2	109.6	114.5	2.5	4.5
Increase in provisions ²	15.6	14.5	14.5	- 1.1	0
Internal funds	156.6	161.1	168	4.5	7
Increase in capital of corporations ³	3.1	12.5	19	9.4	6.5
Change in liabilities	19.1	56.2	91.5	37.1	35.5
Short-term	26.9	46.5	94	19.6	47.5
Long-term	- 7.9	9.7	- 2	17.6	- 12
External funds	22.2	68.7	111	46.6	42
Total	178.8	229.8	279	51.0	49.5
Uses of funds					
Increase in tangible fixed assets (gross) ⁴	102.8	108.1	125	5.4	16.5
<i>Memo item</i>					
Increase in tangible fixed assets (net) ⁴	5.4	10.0	20	4.6	10
Depreciation of tangible fixed assets ⁴	97.4	98.2	104.5	0.8	6.5
Change in inventories	10.5	5.0	55.5	- 5.6	50.5
Non-financial asset formation (gross investments)	113.3	113.1	180.5	- 0.2	67.5
Change in cash	9.3	3.3	12.5	- 6.0	9.5
Change in receivables ⁵	29.5	82.6	55	53.1	- 27.5
Short-term	27.1	80.3	45	53.3	- 35.5
Long-term	2.4	2.3	10	- 0.2	7.5
Acquisition of securities	- 2.7	12.9	- 7	15.6	- 20
Acquisition of other long-term equity investments	29.4	17.9	38	- 11.5	20
Financial asset formation	65.5	116.7	99	51.2	- 18
Total	178.8	229.8	279	51.0	49.5
<i>Memo item</i>					
Internal funds as a percentage of gross investments	138.2	142.4	93.5	.	.

* Extrapolated results; differences in the figures due to rounding. — 1 Including "GmbH und Co KG" and similar legal forms. — 2 Including change in the balance of prepaid expenses and deferred items. — 3 Increase in nominal capital through the issue of shares and transfers to capital reserves. — 4 Including intangible fixed assets. — 5 Including unusual write-downs of current assets.

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received on account of orders. Given the brisk expansion of business activity, enterprises also incurred new trade payables; however, the rise was smaller than one year previously; the same is true for trade receivables. Furthermore, the increase in short-term liabilities to affiliated companies, which also contain trade payables, slowed down noticeably. Long-term obligations were redeemed in net terms, thus resuming a tendency which started in 2000 and was interrupted only in 2006.

Of the total inflows of funds, almost two-thirds were used for non-financial asset formation. This figure was thus almost 60% higher than in 2006 when the focus was still on accumulating financial assets. The marked topping-up of gross investment was primarily associated with the strong build-up of inventories. On the one hand, this is attributable to sustained growth of business activity in manufacturing, which is generally associated with more extensive stockpiling. Moreover, during the course of 2007, prices for energy and agricultural raw materials went up noticeably, meaning that at the end of 2007 higher figures were recorded in the balance sheet *per se* than in the previous year. On the other hand, the inventory levels in construction returned to normal following a considerable reduction at the end of 2006 – as with payments received on account of orders – due to many services been invoiced early for tax reasons. All in all, half of the growth in inventory investments for the economic sectors examined can be attributed to this effect. Financial resources for new machinery and equipment as well as buildings increased by 15½% in terms of value, which represents a

High non-financial asset formation influenced by special factors

doubling of the net increase in tangible fixed assets.

*Lower financial
asset formation*

While fewer funds were provided for financial asset formation than in 2006, the absolute amount was still considerably larger than the average for the period from 1998 to 2005. The decline on 2006 is partly attributable to a much weaker accumulation of short-term receivables and partly to the net disposal of securities. In contrast, long-term receivables and the acquisition of other long-term equity investments increased significantly. However, at 13½% of the total sources of funds, the budget for new other long-term equity investments was only slightly higher than the average for the period from 2001 to 2006.

Balance sheet trends and balance sheet ratios

*Sharp balance
sheet growth*

Together with various special factors, it was the favourable macroeconomic setting and the persistent buoyant growth in profitability which shaped the development of enterprises' balance sheets in 2007. At 7½%, balance sheet growth was even greater than in the previous year, when it had amounted to a sizeable 5½%. This was the largest increase since the start of the series in 1997. Between 2001 and 2005, the annual growth rate had stood at only 1½%. The balance sheet total tended to be on the increase in all the economic sectors examined here, albeit to different degrees. Thus the assets and capital in the business-related services segment went up by 14½% and in the construction sector by 13½%, although the normalisation in in-

Enterprises' balance sheet *

Item	2005	2006	2007 e	2006	2007 e
	€ billion			Year-on-year change as a percentage	
Assets					
Intangible fixed assets	43.0	41.8	42.5	- 2.7	1.5
Tangible fixed assets	449.0	460.2	479.5	2.5	4
Inventories	404.9	409.9	465.5	1.2	13.5
Non-financial assets	896.9	911.9	987.5	1.7	8.5
Cash	151.9	155.2	168	2.1	8
Receivables	702.6	781.1	832.5	11.2	6.5
of which					
Trade receivables	275.6	306.0	313.5	11.0	2.5
Receivables from affiliated companies	316.4	354.9	385.5	12.2	8.5
Securities	51.3	64.2	57.5	25.2	- 10.5
Other long-term equity investments 1	289.6	300.1	332	3.7	10.5
Prepaid expenses	10.8	10.9	12	0.9	12
Financial assets	1,206.2	1,311.6	1,402	8.7	7
Total assets 2	2,103.1	2,223.4	2,389.5	5.7	7.5
Capital					
Equity 2, 3	500.2	549.8	608.5	9.9	10.5
Liabilities	1,183.7	1,239.9	1,331.5	4.7	7.5
of which					
to banks	300.9	303.8	321.5	1.0	6
Trade payables to affiliated companies	223.2	243.5	254	9.1	4.5
Payments received on account of orders	381.3	420.9	440.5	10.4	4.5
Provisions 3	111.5	99.7	134	- 10.6	34.5
of which	411.0	425.5	441	3.5	3.5
Provisions for pensions	169.6	169.9	173.5	0.2	2
Deferred income	8.1	8.3	8.5	2.0	1.5
Liabilities and provisions	1,602.9	1,673.7	1,781	4.4	6.5
Total capital 2	2,103.1	2,223.4	2,389.5	5.7	7.5
Memo item					
Sales	3,735.2	4,011.4	4,173.5	7.4	4
Ratio of sales to balance sheet total	177.6	180.4	174.5	.	.

* Extrapolated results; differences in the figures due to rounding. — 1 Including shares in affiliated companies. — 2 Less adjustments to equity. — 3 Including half of the special tax-allowable reserve.

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The increasing integration in the balance sheet structures of German enterprises

Development since the mid-1990s

Since the mid-1990s, the structure of German enterprises' balance sheets has changed dramatically. Looking at the development of the most important items on the asset and capital sides using extrapolated data drawn from the Deutsche Bundesbank's corporate balance sheet statistics, one striking feature is the sharp rise in receivables from and liabilities to affiliated companies. From 1997 to 2007, their share of the balance sheet total increased by 4½ percentage points to 16% and 18½%, respectively. This reflects a rise in intra-sectoral integration. The fact that other long-term equity investments likewise went up by 4½ percentage points to 14% is consistent with this picture. The growing importance of receivables from affiliated companies and other long-term equity investments on the assets side occurred at the expense of non-financial assets, which dropped by 7½ percentage points to 41½% of total assets. On the capital side, the share of liabilities to banks fell considerably; thus in 2007, it amounted to only 13½% of the balance sheet total, compared with 21½% in 1997.

These changes in the balance sheet structure were particularly pronounced among large enterprises. At almost 22% of the balance sheet total in 2006 (the most recent year for which reliable data are available), liabilities to affiliated companies were the third most important source of financing after equity and provisions. Although this item also gained in importance among small and medium-sized enterprises (SMEs), it constituted only 13½% of the balance sheet total in 2006. Among large enterprises, moreover, the share of bank borrowing, which has always played a comparatively minor role in their funding owing to their broader range of financing options (large stocks of provisions), fell still further to around 6½%. By contrast, the share of bank loans among the SMEs, at 26½% of total capital, was significantly higher at the end of the period under review. In 2006, large enterprises held other long-term equity investments amounting to 19½% of the balance sheet total; among the SMEs, the figure was 2½%.

These changes in the balance sheet structure are largely attributable to the more intensive intra-group division of labour, which was accompanied by the establishment of

a growing number of legally independent subsidiaries. The higher proportion of receivables from and liabilities to affiliated companies is a reflection both of intra-group financial transactions and of the flow of trade payables and receivables within the corporate network.¹ A key role in this context is played by the foreign financing subsidiaries of major German groups, which were set up in order to obtain low-cost funding for the group as a whole, eg by issuing corporate bonds.

Since the mid-1990s, the structural changes in the balance sheets have been further intensified by other factors. The decline in the prominence of bank loans in this period was accompanied not only by an increase in liabilities to affiliated companies but also by a sharp rise of 9 percentage points to 25½% in the equity ratio. This was due, in part, to the fact that firms with a low level of own funds came under increasing pressure to strengthen their capital base – even before the new capital requirements under the Basel II framework came into force.

Selected ratios from the annual financial statements of group parent companies and non-affiliated enterprises in the manufacturing sector

Ratios	Group parent companies		Non-affiliated enterprises	
	1997	2006	1997	2006
	As % of the balance sheet total			
Tangible fixed assets	16.8	11.5	34.4	32.8
Other long-term equity investments	25.8	33.7	0.0	0.0
Equity (adjusted)	31.6	28.6	17.2	31.6
Liabilities	32.3	42.1	70.3	54.7
<i>of which</i>				
Trade payables	6.0	5.1	16.1	13.0
Liabilities to affiliated companies	9.1	22.9	0.0	0.0
Provisions	35.8	29.2	12.3	13.6
	As % of gross revenue			
Cost of materials	55.7	68.6	51.4	54.8
<i>Memo item</i>				
Number	880	603	5,340	4,423

¹ Section 266 of the German Commercial Code requires a prior disclosure of receivables and liabilities by intra-sectoral integration and not by nature. — ² From a tax perspective, the main attractions for groups in the period under review were that the corresponding debt interest

was exempt from local business tax, no withholding tax was levied on the interest income of financing subsidiaries and their profits were not subject to the relatively heavy tax burden in Germany. — ³ The consolidated financial accounts are used here as a proxy for the indi-

Comparison between group parent companies and non-affiliated companies

In order to better isolate the effect of increasing integration from other factors, the balance sheets of group parent companies are first compared below with those of non-affiliated companies. The capital structures of selected German large enterprises with foreign financing subsidiaries are then considered in more detail.

A comparison of the annual financial accounts of group parent companies and non-affiliated enterprises in the manufacturing sector reveals clear differences in the development of key balance sheet items. While the proportion of liabilities showed a sharp downward trend among the non-affiliated companies, it increased among the group parent companies, primarily because the financial obligations to affiliated companies more than doubled to 23% between 1997 and 2006. Partly in response to the resulting significant extension of the balance sheet, the equity ratio of the group parent companies fell by 3 percentage points, while it grew robustly by 14½ percentage points to 31½% among the non-affiliated companies.

Although in both groups tangible fixed assets showed a downward trend, the difference in magnitude is considerable; thus their share of the balance sheet total among non-affiliated firms, at 33% in 2006, was almost three times that among group parent companies. Alongside the extension of the balance sheet owing to the increase in financial relationships with affiliated companies, the fact that investment in tangible fixed assets was often substituted by the acquisition of other long-term equity investments is also likely to have played a role in this. This is supported in the income statement by the considerable rise in the cost of materials as a result of growth in purchases of intermediate goods from affiliated companies. The share of the cost of materials in gross revenue rose by 13 percentage points to 68½% from 1997 to 2006, while the corresponding share for non-affiliated firms increased by only 3½ percentage points to 55%.

Group financing via foreign financing subsidiaries

Many of the major multinational groups based in Germany established autonomous financing subsidiaries (also

vidual accounts of the financing subsidiary as the latter are not usually published. Of the individual accounts of other companies in the group, only the data from the group parent company is used as the subsidiaries' financial statements are not available in their entirety. It

known as captive finance companies) in the 1980s and 1990s, primarily – for tax reasons – in the Netherlands.² Their task is to obtain financial resources against collateral or letters of comfort from the parent company, mainly by issuing bonds on international capital markets, and to channel them to the parent companies, subsidiaries and holding companies.

The effects of this cross-border financing of the group via foreign financing subsidiaries on the individual accounts of domestic parent companies can be seen in the table below. Twelve German large enterprises with financing subsidiaries in the Netherlands were selected; their capital structures were compared using both the consolidated financial statements of the corporate group and the individual accounts of the group's parent company.³

In the individual accounts of the parent companies, bank liabilities, at 1% of the balance sheet total, were of minimal importance. These enterprises thus rely overwhelmingly on intra-group financing. Liabilities in the form of bonds amount to 20% of the balance sheet total in the group accounts. The passing-on of the related financial resources within the group is primarily reflected in group parent companies' liabilities to affiliated companies, which, with a share of 37½% of the balance sheet total, far exceed equity (28%) or provisions (22%).

Financing structures of selected German large enterprises⁴

Data for 2007

Ratios	As % of the balance sheet total	
	Consolidated accounts	Parent companies' individual accounts
Equity	26.1	28.0
Provisions	20.8	22.0
Liabilities	51.5	49.9
<i>of which</i>		
Bonds	19.8	3.0
Liabilities to banks	4.8	1.1
Trade payables	7.9	2.2
Liabilities to affiliated companies	0.0	37.3

is mainly the data from the foreign subsidiaries that are missing – and these are of particular significance among the globally active enterprises under consideration here. — ⁴ Twelve non-financial enterprises that own a financing subsidiary in the Netherlands.

Balance sheet ratios *

Item	2005	2006	2007 e
	As a percentage of the balance sheet total ¹		
Intangible fixed assets	2.0	1.9	2
Tangible fixed assets	21.3	20.7	20
Inventories	19.3	18.4	19.5
Short-term receivables	31.0	32.8	32
Long-term equity and liabilities ²	45.0	45.3	44.5
of which			
Equity ¹	23.8	24.7	25.5
Long-term liabilities	12.7	12.4	11.5
Short-term liabilities	43.6	43.4	44.5
	As a percentage of tangible fixed assets ³		
Equity ¹	101.7	109.5	116.5
Long-term equity and liabilities ²	192.6	200.6	204
	As a percentage of fixed assets ⁴		
Long-term equity and liabilities ²	111.4	114.6	113
	As a percentage of short-term liabilities		
Cash resources ⁵ and short-term receivables	91.2	95.8	92
	As a percentage of liabilities and provisions ⁶		
Cash flow ⁷	17.1	17.9	19

* Extrapolated results. — ¹ Less adjustments to equity. — ² Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — ³ Including intangible fixed assets. — ⁴ Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — ⁵ Cash and short-term securities. — ⁶ Liabilities, provisions, deferred income and half of the special tax-allowable reserve less cash. — ⁷ Annual result, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

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voicing behaviour mentioned above also played a role here. The growth rate in manufacturing was in line with the average increase and the rate in transport was just slightly below this. However, at 4% and 3%, balance sheet growth for wholesale and retail trade enterprises was much lower.

In 2007, for the first time in a long while, non-financial assets increased by a greater amount (8½%) than financial assets. This was mainly due to strong stockbuilding, which was fuelled by special factors and which caused inventories to expand considerably. Tangible fixed assets, too, went up much faster than one year previously. However, at 4%, their growth rate still trailed far behind that of the balance sheet total, meaning that their share of total assets fell further to 20%. All financial asset items, with the exception of securities, increased. Long-term receivables recorded particularly high growth, including those to affiliated companies. In addition, at 10½%, growth in other long-term equity investments was particularly dynamic. At 14%, its share in the balance sheet total reached a new record level. Broken down by economic sector, the individual growth rates range broadly from 2½% for construction to 18½% for industry. Overall, it can be seen that the development and, above all, the structure of the balance sheet and of the sources and uses of funds are being increasingly influenced by intra-group relations between enterprises (for further information, see the box on pages 42 and 43).

Shifts in the asset structure

On the capital side of the balance sheet, the favourable development of the equity base

*Further rise
in equity ratio
with fall
in share
of liabilities and
provisions*

continued into 2007 with a growth rate of 10½%. Its share in the balance sheet total, the equity ratio, went up by ¾ percentage point to 25½%. This is an increase of 9 percentage points on the low of the new data series in 1997. Of the various economic sectors, manufacturing, at 28½%, still occupied the top position, followed by wholesale (25%), business-related service providers (24%), transport (21%) and retail trade (18%). Construction was still at the lower end of the spectrum at 11½%. However, its equity base recorded the biggest relative improvement over the medium term, given that its equity ratio had amounted to a mere 4% in 2001. The weight of liabilities and provisions decreased again accordingly; for enterprises as a whole, this figure was down to 74½%. Liabilities to banks decreased only in the long-term segment, whereas the share of short-term bank borrowing managed to stabilise for the first time in a long while (at 6½% of the balance sheet total). Provisions were raised by a comparatively moderate degree. The lower transfers to pension provisions mentioned above also contributed to this development.

*Financing ratios
still favourable*

While the upward movement of the equity ratio continued in 2007, other balance sheet ratios point to a consolidation of financing relations at a high level. At 44½% of the balance sheet total, long-term equity and liabilities remained fairly high in a multi-year com-

parison. Moreover, they clearly exceeded the stock of fixed assets by 13%. The short-term financing situation remained relaxed; although, at 92% of short-term liabilities, cash resources and short-term receivables were down on the 2006 ratio, they far exceeded the average of 87½% since the beginning of the series in 1997. In addition, the share of cash flow in liabilities and provisions – a ratio which shows firms' repayment capacity – continued to increase to 19%. The comparable values at the beginning of the decade were just over 15%.

All in all, the balance sheets for 2007 show remarkable underlying financial strength for German enterprises in the economic sectors examined. Given the recent marked deterioration in the economic outlook and the ongoing financial market crisis, this buffer is now proving very beneficial. For some enterprises, this could even be the key to safeguarding their commercial viability. In addition, this financial buffer reduces the banking sector's need for write-offs. Seen in this light, German enterprises have successfully used the buoyant economic years in this decade to strengthen their financial resilience. This is particularly true in comparison with the previous cycle when they were faced with cyclically related strains and substantial balance sheet problems following the bursting of the New Economy bubble.

*Solid financing
relations as
crisis buffer*

The tables accompanying this article are printed on the following pages.

German enterprises' balance sheet and income statement by economic sector *

€ billion

Item	All economic sectors ¹		Manufacturing ²		of which					
					Manufacture of food products and beverages		Manufacture of textiles and textile products		Manufacture of wood and wood products	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Balance sheet										
Assets										
Intangible fixed assets	43.0	41.8	25.4	24.9	2.1	1.6	0.2	0.2	0.1	0.1
Tangible fixed assets	449.0	460.2	257.2	262.6	27.6	28.8	3.2	3.0	5.1	5.7
of which: Land and buildings	189.7	190.7	100.6	100.3	13.7	14.4	1.7	1.5	2.5	2.7
Inventories	404.9	409.9	209.5	222.0	11.7	12.6	5.0	4.9	3.5	3.3
of which										
Work in progress	119.5	109.3	66.0	67.9	1.2	1.3	0.8	0.7	1.0	0.7
Finished goods and merchandise	208.0	216.6	79.0	84.1	6.4	6.8	2.8	2.8	1.4	1.5
Cash	151.9	155.2	75.8	75.5	4.0	4.4	1.1	1.1	0.8	1.0
Receivables	702.6	781.1	397.2	447.6	26.9	29.3	5.5	5.5	4.1	4.6
Short-term	652.4	728.6	363.8	412.4	24.2	26.7	5.1	5.0	3.8	4.3
of which										
Trade receivables	275.6	306.0	126.2	137.1	12.3	12.8	2.7	2.6	1.8	2.2
Receivables from affiliated companies	291.9	329.0	199.6	230.1	9.2	10.5	1.8	1.7	1.5	1.6
Long-term	50.2	52.4	33.3	35.2	2.7	2.6	0.4	0.5	0.3	0.3
of which: Loans to affiliated companies	24.5	25.9	17.3	18.2	1.0	1.0	0.2	0.3	0.2	0.2
Securities	51.3	64.2	36.8	48.5	1.6	1.6	0.2	0.2	0.1	0.1
Other long-term equity investments ⁴	289.6	300.1	245.4	245.6	7.6	7.4	0.9	0.9	0.4	0.4
Prepaid expenses	10.8	10.9	4.1	4.1	0.3	0.4	0.1	0.1	0.1	0.1
Balance sheet total (adjusted)	2,103.1	2,223.4	1,251.3	1,330.8	81.8	86.1	16.1	15.9	14.3	15.3
Capital										
Equity ⁵ (adjusted)	500.2	549.8	343.2	372.4	21.2	23.1	5.0	4.9	2.9	3.2
Liabilities	1,183.7	1,239.9	613.6	656.5	48.1	50.3	9.2	9.1	9.9	10.7
Short-term	917.5	964.0	479.4	517.8	33.3	34.2	6.8	6.7	6.8	6.7
of which										
Liabilities to banks	141.2	141.7	52.2	53.7	8.6	7.8	1.6	1.4	1.8	1.6
Trade payables	223.2	243.5	93.8	103.2	9.2	10.1	1.7	1.7	1.5	1.7
Liabilities to affiliated companies	311.5	349.3	213.6	239.9	11.0	11.9	2.6	2.7	1.8	2.0
Payments received on account of orders	111.5	99.7	59.2	59.8	0.0	0.1	0.0	0.0	0.7	0.4
Long-term	266.2	275.9	134.2	138.7	14.8	16.1	2.3	2.4	3.1	3.9
of which										
Liabilities to banks	159.7	162.0	67.3	66.7	10.2	10.8	1.1	1.1	2.3	2.7
Liabilities to affiliated companies	69.7	71.6	44.0	45.1	2.9	3.6	0.7	0.8	0.6	1.0
Provisions ⁵	411.0	425.5	291.8	299.3	12.5	12.7	1.9	1.9	1.4	1.4
of which: Provisions for pensions	169.6	169.9	134.1	133.1	4.7	4.8	0.8	0.8	0.3	0.3
Deferred income	8.1	8.3	2.7	2.7	0.0	0.0	0.0	0.0	0.0	0.0
Balance sheet total (adjusted)	2,103.1	2,223.4	1,251.3	1,330.8	81.8	86.1	16.1	15.9	14.3	15.3
Income statement										
Sales	3,735.2	4,011.4	1,699.4	1,826.8	168.2	174.1	28.7	28.4	23.6	26.4
Change in finished goods ⁶	11.2	2.0	7.2	8.1	0.3	0.1	0.0	0.0	0.1	-0.1
Gross revenue	3,746.4	4,013.5	1,706.6	1,835.0	168.4	174.2	28.6	28.4	23.7	26.2
Interest and similar income	16.0	18.9	10.2	12.5	0.5	0.5	0.1	0.1	0.1	0.1
Other income ⁷	161.9	168.1	89.4	96.9	6.3	6.4	1.1	1.1	0.9	1.0
of which: from long-term equity investments	18.0	24.9	13.5	19.9	0.8	0.7	0.1	0.1	0.0	0.0
Total income	3,924.3	4,200.4	1,806.2	1,944.3	175.2	181.2	29.9	29.6	24.6	27.3
Cost of materials	2,376.0	2,581.2	1,019.8	1,116.6	107.4	113.9	16.8	16.9	13.4	15.5
Personnel expenses	648.8	659.0	332.5	336.7	23.6	23.1	5.7	5.5	5.0	5.0
Depreciation	107.2	109.6	63.7	66.4	5.4	5.7	0.7	0.7	0.9	1.0
of which: of tangible fixed assets ⁸	97.4	98.2	57.5	58.2	5.1	5.3	0.6	0.6	0.8	0.9
Interest and similar expenses	36.6	38.9	19.4	20.8	1.6	1.7	0.4	0.4	0.4	0.4
Operating taxes	59.5	63.1	45.2	49.2	1.4	1.5	0.0	0.0	0.0	0.0
of which: Excise duties	56.2	59.2	43.7	47.4	0.9	0.7	0.0	0.0	0.0	0.0
Other expenses ⁹	536.1	565.3	249.1	265.4	29.1	28.9	5.0	5.0	4.0	4.3
Total expenses before taxes on income	3,764.2	4,017.2	1,729.8	1,855.1	168.5	174.8	28.7	28.6	23.7	26.2
Annual result before taxes on income	160.1	183.2	76.4	89.2	6.7	6.3	1.2	1.0	0.9	1.2
Taxes on income ¹⁰	34.2	35.7	19.4	19.7	1.3	1.3	0.3	0.2	0.2	0.2
Annual result	125.9	147.4	57.0	69.5	5.4	5.1	0.9	0.8	0.8	1.0
Cash flow ¹¹	248.1	271.9	131.4	143.5	10.9	10.9	1.3	1.5	1.9	1.9

* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — ¹ Manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services. —

² Including mining and quarrying. — ³ Comparability with previous year's results impaired by corporate restructuring within this sector. — ⁴ Including shares in affiliated companies. — ⁵ Including half of the special tax-allowable reserve. — ⁶ Including other own work capita-

Manufacture of pulp, paper and paper products; publishing and printing		Manufacture of chemicals and chemical products ³		Manufacture of rubber and plastic products		Manufacture of other non-metallic mineral products		Manufacture of basic metals and fabricated metal products		Item
2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	
										Balance sheet
										Assets
1.6	1.2	5.5	4.9	0.6	0.5	0.4	0.5	1.7	2.1	Intangible fixed assets
23.5	23.5	29.8	30.6	10.3	10.1	9.9	10.3	32.9	33.9	Tangible fixed assets
8.5	8.2	10.6	10.6	4.2	4.0	4.8	5.0	12.9	12.8	of which: Land and buildings
8.5	8.4	18.7	18.3	6.5	7.2	5.6	5.8	28.5	30.7	Inventories
										of which
1.3	1.2	3.7	3.5	1.3	1.4	1.4	1.4	10.6	11.4	Work in progress
3.9	4.0	10.1	9.9	3.1	3.5	2.7	2.7	9.3	9.8	Finished goods and merchandise
4.7	5.1	11.1	7.9	2.6	1.9	2.0	1.9	7.0	7.8	Cash
20.3	21.9	62.9	79.5	12.4	14.3	9.5	11.1	35.2	39.6	Receivables
19.4	20.8	56.2	73.8	11.5	13.2	8.8	10.4	33.7	37.9	Short-term
										of which
8.3	8.5	13.1	13.6	5.0	5.4	2.8	3.2	16.8	20.1	Trade receivables
9.0	9.6	38.5	55.4	5.4	6.3	5.1	6.0	13.7	12.6	Receivables from affiliated companies
0.9	1.1	6.7	5.8	0.9	1.2	0.6	0.7	1.5	1.7	Long-term
0.5	0.5	5.9	4.9	0.4	0.5	0.5	0.5	0.8	0.9	of which: Loans to affiliated companies
1.1	1.3	3.9	7.2	0.2	0.4	0.6	0.6	1.0	1.1	Securities
4.9	5.9	75.1	70.2	4.9	6.4	4.4	5.4	7.0	7.5	Other long-term equity investments ⁴
0.3	0.3	0.5	0.6	0.1	0.1	0.3	0.1	0.4	0.4	Prepaid expenses
64.8	67.6	207.6	219.2	37.7	41.0	32.8	35.8	113.7	123.1	Balance sheet total (adjusted)
										Capital
18.2	18.6	67.1	74.0	10.5	11.3	10.4	11.9	31.2	34.0	Equity ⁵ (adjusted)
35.3	36.7	98.6	102.5	21.1	23.5	15.4	16.5	62.3	66.9	Liabilities
23.4	24.3	71.7	75.6	15.0	16.8	10.7	12.1	45.8	48.7	Short-term
										of which
4.5	4.4	3.7	3.3	3.0	3.6	2.0	2.0	8.0	7.8	Liabilities to banks
5.8	6.1	8.0	8.6	3.3	3.8	2.0	2.3	11.7	14.3	Trade payables
9.1	10.0	50.6	53.3	6.1	7.0	4.5	5.2	15.1	15.7	Liabilities to affiliated companies
0.3	0.5	2.7	0.8	0.3	0.4	0.7	0.8	4.5	4.8	Payments received on account of orders
11.9	12.4	26.9	26.9	6.1	6.6	4.7	4.4	16.5	18.1	Long-term
										of which
6.9	7.4	8.6	7.4	3.5	3.4	2.4	2.1	9.9	10.4	Liabilities to banks
4.0	4.0	6.9	6.0	1.8	2.4	2.1	1.9	5.2	5.9	Liabilities to affiliated companies
11.0	12.0	41.6	42.3	6.1	6.2	7.0	7.4	20.1	22.2	Provisions ⁵
5.4	5.8	24.2	24.6	2.3	2.3	3.2	3.1	8.5	9.1	of which: Provisions for pensions
0.3	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.2	0.2	Deferred income
64.8	67.6	207.6	219.2	37.7	41.0	32.8	35.8	113.7	123.1	Balance sheet total (adjusted)
										Income statement
96.5	98.8	164.7	174.8	60.0	65.5	38.2	41.8	194.8	224.9	Sales
0.2	0.2	0.5	0.5	0.3	0.4	0.1	0.0	1.4	1.6	Change in finished goods ⁶
96.7	99.0	165.2	175.3	60.3	65.9	38.3	41.8	196.2	226.6	Gross revenue
0.4	0.5	2.0	2.6	0.2	0.3	0.2	0.2	0.5	0.7	Interest and similar income
4.8	5.2	16.1	20.1	2.4	2.8	2.8	2.5	6.7	7.5	Other income ⁷
0.7	0.6	3.9	5.7	0.3	0.5	0.4	0.3	0.7	0.8	of which: from long-term equity investments
101.9	104.7	183.4	198.0	62.8	68.9	41.3	44.5	203.4	234.7	Total income
47.7	50.0	90.9	99.6	33.2	37.6	19.1	20.9	115.0	137.9	Cost of materials
22.4	22.0	31.4	30.4	13.6	13.8	9.5	9.7	43.3	45.4	Personnel expenses
4.8	4.6	8.7	9.1	2.5	2.4	2.0	1.9	7.1	7.2	Depreciation
4.6	4.4	6.9	7.1	2.3	2.1	1.8	1.8	6.6	6.7	of which: of tangible fixed assets ⁸
1.3	1.3	4.0	4.2	0.8	0.8	0.6	0.6	2.0	2.1	Interest and similar expenses
0.1	0.1	0.2	0.2	0.0	0.0	0.0	0.1	0.1	0.2	Operating taxes
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	of which: Excise duties
20.0	20.8	35.6	38.0	9.6	10.4	8.0	8.7	25.0	28.0	Other expenses ⁹
96.3	98.9	170.8	181.5	59.7	65.1	39.2	41.8	192.4	220.8	Total expenses before taxes on income
5.6	5.8	12.6	16.5	3.1	3.8	2.1	2.7	11.0	13.9	Annual result before taxes on income
1.1	0.9	3.1	3.7	0.9	0.9	0.3	0.4	2.5	3.1	Taxes on income ¹⁰
4.5	4.8	9.5	12.8	2.2	2.9	1.8	2.3	8.5	10.8	Annual result
9.5	10.4	19.8	22.5	4.9	5.4	4.0	4.7	16.8	20.2	Cash flow ¹¹

lised. — ⁷ Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — ⁸ Including amortisation and write-downs of intangible fixed assets. — ⁹ Excluding cost of loss transfers (parent company) and profit transfers (subsidiary). — ¹⁰ In the case of

partnerships and sole proprietorships, trade earnings tax only. — ¹¹ Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

German enterprises' balance sheet and income statement by economic sector * (cont'd)

€ billion

Item	Manufacturing (cont'd): of which								Construction	
	Manufacture of machinery and equipment		Manufacture of office machinery, computers and electrical equipment		Manufacture of medical, precision and optical instruments		Manufacture of transport equipment			
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Balance sheet										
Assets										
Intangible fixed assets	2.6	2.6	2.1	2.6	2.0	1.2	3.1	4.5	0.6	0.7
Tangible fixed assets	21.8	22.4	17.2	18.5	6.5	6.6	43.6	41.3	22.3	23.4
of which: Land and buildings	10.1	10.1	5.2	5.3	3.3	3.2	10.6	10.0	11.4	11.5
Inventories	38.0	49.5	21.6	23.6	8.0	8.7	40.0	34.6	42.7	31.2
of which										
Work in progress	20.2	22.9	6.9	6.4	2.9	3.2	11.9	11.3	35.2	23.9
Finished goods and merchandise	7.3	7.9	8.6	11.7	2.8	2.8	14.4	14.4	4.6	4.4
Cash	11.0	12.3	10.7	11.7	2.7	2.8	14.2	13.5	10.2	10.2
Receivables	45.3	49.5	47.2	53.7	14.6	15.3	73.5	84.0	32.3	38.4
Short-term	43.0	47.4	44.8	51.5	13.5	14.0	62.3	71.1	30.9	37.0
of which										
Trade receivables	19.4	22.0	13.0	14.3	4.6	5.1	13.8	14.3	18.4	23.7
Receivables from affiliated companies	20.1	20.6	28.2	32.8	7.8	7.8	41.3	48.8	7.7	8.1
Long-term	2.4	2.1	2.4	2.2	1.2	1.3	11.2	12.9	1.4	1.4
of which: Loans to affiliated companies	1.2	1.2	2.0	1.7	0.8	0.9	2.1	3.1	0.6	0.6
Securities	3.3	3.4	10.2	16.5	0.8	0.8	10.4	14.0	1.5	1.4
Other long-term equity investments ⁴	12.9	14.0	52.1	46.2	4.3	4.1	57.7	64.2	2.5	2.8
Prepaid expenses	0.5	0.4	0.5	0.5	0.1	0.1	0.4	0.4	1.3	1.1
Balance sheet total (adjusted)	135.3	154.2	161.5	173.2	39.1	39.4	242.9	256.4	113.3	109.0
Capital										
Equity ⁵ (adjusted)	34.8	38.5	46.8	51.1	12.4	12.1	54.6	60.6	9.6	12.0
Liabilities	70.6	84.5	74.0	82.7	17.2	17.7	104.8	108.7	90.1	82.2
Short-term	58.0	71.4	63.4	72.3	12.7	13.4	93.5	97.6	74.3	66.0
of which										
Liabilities to banks	6.6	7.2	2.9	3.3	1.9	2.0	3.0	5.0	11.1	10.8
Trade payables	11.3	13.7	9.0	9.4	2.3	2.5	20.4	20.5	13.9	15.8
Liabilities to affiliated companies	15.1	17.9	33.7	41.8	4.5	4.8	40.7	48.9	5.6	6.4
Payments received on account of orders	18.5	26.1	10.0	11.1	2.1	2.3	18.3	11.8	32.9	22.0
Long-term	12.6	13.1	10.6	10.4	4.5	4.3	11.3	11.1	15.8	16.2
of which										
Liabilities to banks	6.7	6.2	3.1	3.5	3.2	2.6	4.3	4.3	11.6	11.7
Liabilities to affiliated companies	4.6	5.2	6.4	5.4	0.9	1.3	4.9	4.5	2.6	2.7
Provisions ⁵	29.7	31.0	40.0	38.6	9.3	9.3	83.2	86.7	13.5	14.7
of which: Provisions for pensions	11.4	11.4	20.4	18.0	4.7	4.5	37.4	38.3	3.0	2.9
Deferred income	0.2	0.2	0.7	0.8	0.2	0.2	0.3	0.3	0.1	0.1
Balance sheet total (adjusted)	135.3	154.2	161.5	173.2	39.1	39.4	242.9	256.4	113.3	109.0
Income statement										
Sales	186.5	204.8	157.7	168.6	47.6	50.2	321.5	341.6	167.6	188.0
Change in finished goods ⁶	2.0	3.1	0.9	0.6	0.2	0.4	0.5	1.1	2.2	-6.4
Gross revenue	188.5	207.9	158.7	169.2	47.8	50.6	322.0	342.7	169.8	181.6
Interest and similar income	0.8	1.0	1.4	1.7	0.3	0.3	3.2	3.8	0.5	0.5
Other income ⁷	9.0	8.7	10.7	12.6	3.2	2.5	17.9	19.6	6.4	6.4
of which: from long-term equity investments	1.1	1.0	2.5	4.3	0.3	0.2	2.1	4.7	0.2	0.3
Total income	198.3	217.6	170.8	183.5	51.3	53.4	343.1	366.1	176.7	188.5
Cost of materials	103.7	116.1	100.1	109.5	21.4	23.0	231.8	245.8	85.9	92.4
Personnel expenses	49.4	50.8	35.3	37.6	15.0	15.2	58.1	58.2	49.8	49.7
Depreciation	5.4	5.4	6.1	6.4	1.7	1.7	13.6	15.1	5.1	5.3
of which: of tangible fixed assets ⁸	4.7	4.7	5.4	5.5	1.6	1.5	12.6	12.7	4.5	4.8
Interest and similar expenses	1.8	2.0	2.3	2.6	0.5	0.5	2.6	3.0	2.2	2.2
Operating taxes	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.2	0.3
of which: Excise duties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses ⁹	27.5	30.0	19.6	21.8	9.1	9.2	34.5	38.1	25.8	28.3
Total expenses before taxes on income	187.9	204.4	163.5	178.0	47.9	49.6	340.8	360.2	169.0	178.2
Annual result before taxes on income	10.4	13.2	7.3	5.5	3.4	3.8	2.3	5.8	7.6	10.4
Taxes on income ¹⁰	2.5	3.0	1.8	0.6	0.7	0.9	2.4	2.2	1.1	1.3
Annual result	7.8	10.2	5.4	4.9	2.6	2.9	-0.1	3.6	6.6	9.0
Cash flow ¹¹	13.8	16.9	11.8	10.1	3.1	4.6	20.5	22.3	10.9	16.1

* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Including retail sale of automotive fuel. — 2 Including repair of personal and household goods. — 3 Including computer and related ac-

tivities, research and development, and other business services (excluding holding companies). — 4 Including shares in affiliated companies. — 5 Including half of the special tax-allowable reserve. — 6 Including other own work capitalised. — 7 Excluding income from

Deutsche Bundesbank

Retail trade in and repair of motor vehicles and motorcycles 1		Wholesale trade and commission trade		Retail trade 2		Transport (excluding railways)		Business-related services 3		Item
2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	
Balance sheet										
Assets										
0.5	0.5	5.0	4.5	3.3	3.1	1.2	1.4	7.0	6.7	Intangible fixed assets
18.1	19.5	34.3	35.8	31.6	31.6	49.3	49.0	36.2	38.3	Tangible fixed assets
10.4	10.7	19.2	19.6	18.1	17.6	13.4	14.1	16.5	16.9	of which: Land and buildings
25.0	23.0	55.9	61.1	50.2	51.3	1.9	2.3	19.6	19.0	Inventories
										of which
0.3	0.3	3.6	3.1	1.1	1.6	0.5	0.5	12.8	11.9	Work in progress
23.8	21.8	47.8	52.7	47.7	48.2	0.4	0.6	4.8	4.8	Finished goods and merchandise
3.5	4.1	17.2	19.3	12.9	14.3	7.1	6.8	25.3	24.9	Cash
20.1	21.0	102.3	115.8	47.4	47.0	30.6	32.4	72.7	79.0	Receivables
19.5	20.4	98.5	111.6	45.8	45.2	27.5	29.4	66.4	72.7	Short-term
										of which
10.6	11.6	59.2	66.7	16.0	16.7	13.3	14.2	31.9	35.9	Trade receivables
5.4	5.0	27.0	31.8	19.4	17.8	9.6	10.7	23.2	25.6	Receivables from affiliated companies
0.5	0.6	3.9	4.2	1.6	1.8	3.1	2.9	6.4	6.3	Long-term
0.2	0.2	1.8	2.2	0.5	0.7	2.2	1.5	2.1	2.4	of which: Loans to affiliated companies
0.2	0.2	2.0	2.3	1.4	1.2	3.3	3.4	6.2	7.2	Securities
1.0	1.1	13.5	16.5	11.2	15.1	7.1	7.9	8.9	11.0	Other long-term equity investments 4
0.3	0.3	0.9	1.0	1.0	1.0	0.9	1.0	2.3	2.5	Prepaid expenses
68.7	69.8	231.2	256.3	159.0	164.6	101.4	104.3	178.2	188.7	Balance sheet total (adjusted)
Capital										
8.4	9.7	54.6	62.7	29.1	31.2	19.2	21.4	36.2	40.5	Equity 5 (adjusted)
53.8	53.4	149.1	162.9	112.1	116.4	64.3	63.9	100.6	104.7	Liabilities
41.6	40.8	124.3	136.2	80.7	85.2	39.1	37.0	78.1	81.0	Short-term
										of which
17.0	16.4	23.1	24.7	14.9	14.8	10.0	9.5	12.9	11.9	Liabilities to banks
11.7	12.1	43.7	47.3	33.8	34.6	10.2	11.4	16.1	19.2	Trade payables
7.8	7.1	38.3	45.1	17.6	21.7	10.5	8.7	18.2	20.4	Liabilities to affiliated companies
0.3	0.4	3.1	2.4	1.5	1.6	1.1	1.1	13.5	12.4	Payments received on account of orders
12.2	12.5	24.9	26.7	31.5	31.3	25.1	26.9	22.5	23.7	Long-term
										of which
9.2	9.6	13.7	15.4	23.5	22.5	19.1	20.9	15.3	15.3	Liabilities to banks
2.0	1.9	8.7	8.5	4.2	4.7	3.6	3.2	4.6	5.5	Liabilities to affiliated companies
6.2	6.4	26.7	30.2	16.9	16.0	17.2	18.3	38.7	40.6	Provisions 5
1.2	1.2	8.9	9.8	4.7	4.0	5.4	5.8	12.3	13.0	of which: Provisions for pensions
0.2	0.3	0.8	0.6	0.9	1.0	0.7	0.8	2.7	3.0	Deferred income
68.7	69.8	231.2	256.3	159.0	164.6	101.4	104.3	178.2	188.7	Balance sheet total (adjusted)
Income statement										
189.7	203.5	791.0	867.8	446.7	458.5	150.2	162.1	290.7	304.8	Sales
0.0	-0.1	0.5	0.1	0.2	0.1	0.5	0.6	0.7	-0.4	Change in finished goods 6
189.6	203.4	791.5	868.0	446.9	458.6	150.7	162.7	291.4	304.4	Gross revenue
0.3	0.3	1.8	1.7	1.2	1.3	0.7	0.7	1.4	1.8	Interest and similar income
4.7	5.0	17.9	18.0	14.3	12.8	10.7	10.7	18.5	18.3	Other income 7
0.1	0.1	1.4	1.7	0.8	0.8	0.6	0.5	1.5	1.5	of which: from long-term equity investments
194.6	208.7	811.1	887.6	462.3	472.7	162.0	174.1	311.3	324.4	Total income
144.3	156.4	650.0	713.9	303.6	311.6	70.8	80.2	101.6	110.0	Cost of materials
20.2	20.6	54.8	56.6	57.5	57.7	33.5	34.5	100.4	103.3	Personnel expenses
2.9	3.1	8.2	8.3	7.1	6.6	9.1	8.9	11.0	11.0	Depreciation
2.7	2.9	7.0	7.0	6.6	6.3	8.7	8.6	10.4	10.2	of which: of tangible fixed assets 8
2.0	2.1	3.9	4.4	3.9	3.9	2.2	2.3	3.0	3.3	Interest and similar expenses
0.1	0.1	12.8	12.2	0.6	0.6	0.4	0.5	0.2	0.3	Operating taxes
0.0	0.0	12.2	11.6	0.3	0.2	0.0	0.0	0.0	0.0	of which: Excise duties
20.7	21.2	61.8	67.5	71.5	73.2	39.7	41.9	67.6	67.8	Other expenses 9
190.2	203.5	791.5	862.9	444.2	453.7	155.7	168.2	283.8	295.7	Total expenses before taxes on income
4.4	5.2	19.7	24.8	18.1	19.0	6.3	5.9	27.6	28.8	Annual result before taxes on income
0.8	0.9	4.5	5.1	2.7	2.9	1.1	1.2	4.5	4.5	Taxes on income 10
3.6	4.2	15.2	19.6	15.4	16.1	5.2	4.7	23.0	24.2	Annual result
6.8	7.6	23.2	31.1	23.3	21.7	15.8	14.6	36.7	37.2	Cash flow 11

profit transfers (parent company) and loss transfers (subsidiary). — 8 Including amortisation and write-downs of intangible fixed assets. — 9 Excluding cost of loss transfers (parent company) and profit transfers (subsidiary). — 10 In the case of partnerships and sole

proprietorships, trade earnings tax only. — 11 Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income.

Selected ratios *

Item	All economic sectors ¹		Manufacturing ²		of which					
					Manufacture of food products and beverages		Manufacture of textiles and textile products		Manufacture of wood and wood products	
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Balance sheet ratios	Percentage of balance sheet total (adjusted)									
Assets										
Intangible fixed assets	2.0	1.9	2.0	1.9	2.6	1.9	1.4	1.2	0.9	0.6
Tangible fixed assets	21.3	20.7	20.6	19.7	33.7	33.5	19.7	18.6	35.7	37.2
Inventories	19.3	18.4	16.7	16.7	14.3	14.6	30.7	30.7	24.7	21.9
Cash	7.2	7.0	6.1	5.7	4.9	5.1	6.9	7.1	5.7	6.4
Receivables	33.4	35.1	31.7	33.6	32.9	34.0	33.8	34.6	28.4	30.1
Short-term	31.0	32.8	29.1	31.0	29.6	31.0	31.6	31.7	26.6	28.0
Long-term	2.4	2.4	2.7	2.6	3.3	3.1	2.2	2.8	1.8	2.2
Securities	2.4	2.9	2.9	3.6	2.0	1.9	1.3	1.5	1.0	1.0
Other long-term equity investments ⁴	13.8	13.5	19.6	18.5	9.2	8.5	5.8	6.0	3.0	2.4
Capital										
Equity ⁵ (adjusted)	23.8	24.7	27.4	28.0	25.9	26.8	31.0	30.7	20.4	20.7
Liabilities										
Short-term	43.6	43.4	38.3	38.9	40.7	39.7	42.4	42.2	47.4	43.9
Long-term	12.7	12.4	10.7	10.4	18.1	18.7	14.5	15.1	21.8	25.8
Provisions ⁵	19.5	19.1	23.3	22.5	15.2	14.8	12.0	11.9	10.1	9.4
of which: Provisions for pensions	8.1	7.6	10.7	10.0	5.8	5.5	5.2	4.8	2.4	1.8
Memo item: Sales	177.6	180.4	135.8	137.3	205.5	202.1	177.6	178.6	164.5	172.3
Income statement ratios	Percentage of gross revenue									
Sales	99.7	99.9	99.6	99.6	99.8	100.0	100.1	100.0	99.4	100.4
Change in finished goods ⁶	0.3	0.1	0.4	0.4	0.2	0.0	-0.1	0.0	0.6	-0.4
Gross revenue	100	100	100	100	100	100	100	100	100	100
Interest and similar income	0.4	0.5	0.6	0.7	0.3	0.3	0.4	0.4	0.3	0.4
Other income ⁷	4.3	4.2	5.2	5.3	3.7	3.7	4.0	3.8	3.6	3.7
Total income	104.7	104.7	105.8	106.0	104.0	104.0	104.3	104.2	103.9	104.1
Cost of materials	63.4	64.3	59.8	60.9	63.8	65.4	58.5	59.5	56.3	59.1
Personnel expenses	17.3	16.4	19.5	18.3	14.0	13.2	20.0	19.4	21.1	18.9
Depreciation	2.9	2.7	3.7	3.6	3.2	3.3	2.6	2.6	3.8	3.7
Interest and similar expenses	1.0	1.0	1.1	1.1	1.0	1.0	1.4	1.3	1.5	1.5
Operating taxes	1.6	1.6	2.6	2.7	0.8	0.9	0.1	0.1	0.1	0.1
of which: Excise duties	1.5	1.5	2.6	2.6	0.5	0.4	0.0	0.0	0.0	0.0
Other expenses ⁸	14.3	14.1	14.6	14.5	17.3	16.6	17.6	17.6	17.0	16.3
Total expenses before taxes on income	100.5	100.1	101.4	101.1	100.0	100.4	100.2	100.7	99.9	99.7
Other ratios	Percentage of sales									
Annual result before taxes on income	4.3	4.6	4.5	4.9	4.0	3.6	4.2	3.6	4.0	4.4
Taxes on income ⁹	0.9	0.9	1.1	1.1	0.8	0.7	1.0	0.9	0.8	0.8
Annual result	3.4	3.7	3.4	3.8	3.2	2.9	3.2	2.7	3.2	3.6
Cash flow ¹⁰	6.6	6.8	7.7	7.9	6.5	6.3	4.6	5.2	8.1	7.4
Other ratios										
Inventories	10.8	10.2	12.3	12.2	7.0	7.2	17.3	17.2	15.0	12.7
Short-term receivables	17.5	18.2	21.4	22.6	14.4	15.3	17.8	17.8	16.2	16.2
Equity (adjusted)	Percentage of tangible fixed assets ¹¹									
Long-term equity and liabilities ¹²	101.7	109.5	121.5	129.5	71.5	75.8	146.8	154.8	55.8	54.9
	192.6	200.6	218.1	225.7	139.2	146.2	242.0	257.1	125.1	130.8
Long-term equity and liabilities ¹²	Percentage of fixed assets ¹³									
	111.4	114.6	107.4	110.8	102.3	108.8	174.0	175.4	110.4	116.4
Cash resources ¹⁴ and short-term receivables	Percentage of short-term liabilities									
Cash resources ¹⁴ , short-term receivables and inventories	91.2	95.8	96.7	100.3	88.2	94.1	93.2	94.6	70.2	80.2
	135.4	138.3	140.5	143.1	123.4	131.0	165.5	167.3	122.4	130.0
Cash flow ¹⁰	Percentage of liabilities and provisions ¹⁵ less cash									
	17.1	17.9	15.8	16.3	19.3	18.7	13.1	14.9	18.1	17.5
Annual result and interest and similar expenses	Percentage of balance sheet total (adjusted)									
	7.7	8.4	6.1	6.8	8.6	7.9	8.1	7.2	7.8	8.9

* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — ¹ Manufacturing (including mining and quarrying), construction, trade, transport (excluding railways) and business-related services. — ² Including mining and quarrying. — ³ Comparability with previous year's results impaired by corporate restructuring within this sector. —

⁴ Including shares in affiliated companies. — ⁵ Including half of the special tax-allowable reserve. — ⁶ Including other own work capitalised. — ⁷ Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — ⁸ Excluding costs of loss transfers (parent company) and profit transfers (subsidiary). — ⁹ In the case of partnerships and sole proprietorships, trade earnings tax only. —

Manufacture of pulp, paper and paper products; publishing and printing		Manufacture of chemicals and chemical products ³		Manufacture of rubber and plastic products		Manufacture of other non-metallic mineral products		Manufacture of basic metals and fabricated metal products		Item
2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	
Percentage of balance sheet total (adjusted)										Balance sheet ratios
2.4	1.7	2.6	2.2	1.6	1.3	1.3	1.3	1.5	1.7	Assets
36.3	34.8	14.3	14.0	27.3	24.7	30.3	28.9	28.9	27.5	Intangible fixed assets
13.1	12.4	9.0	8.3	17.3	17.5	17.1	16.3	25.0	24.9	Tangible fixed assets
7.2	7.6	5.4	3.6	6.9	4.5	6.1	5.4	6.2	6.3	Inventories
31.3	32.4	30.3	36.3	32.9	35.0	28.8	30.9	30.9	32.2	Cash
29.9	30.8	27.1	33.6	30.6	32.1	26.9	29.0	29.6	30.8	Receivables
1.4	1.6	3.2	2.6	2.3	2.8	1.9	1.9	1.3	1.4	Short-term
1.7	2.0	1.9	3.3	0.6	1.0	2.0	1.7	0.9	0.9	Long-term
7.5	8.7	36.2	32.0	13.1	15.6	13.5	15.2	6.2	6.1	Securities
										Other long-term equity investments ⁴
28.1	27.5	32.3	33.8	27.8	27.5	31.7	33.2	27.4	27.6	Capital
54.5	54.3	47.5	46.8	56.0	57.2	46.8	46.1	54.8	54.3	Equity ⁵ (adjusted)
36.1	35.9	34.5	34.5	39.8	41.0	32.6	33.8	40.3	39.6	Liabilities
18.4	18.3	12.9	12.3	16.2	16.2	14.2	12.3	14.5	14.7	Short-term
17.0	17.7	20.0	19.3	16.1	15.2	21.4	20.6	17.6	18.0	Long-term
8.3	8.6	11.6	11.2	6.2	5.6	9.8	8.7	7.5	7.4	Provisions ⁵
148.8	146.2	79.3	79.7	159.0	159.8	116.3	116.7	171.3	182.6	of which: Provisions for pensions
										Memo item: Sales
Percentage of gross revenue										Income statement ratios
99.7	99.8	99.7	99.7	99.6	99.5	99.6	100.0	99.3	99.3	Sales
0.3	0.2	0.3	0.3	0.4	0.5	0.4	0.0	0.7	0.7	Change in finished goods ⁶
100	100	100	100	100	100	100	100	100	100	Gross revenue
0.4	0.5	1.2	1.5	0.3	0.4	0.5	0.6	0.3	0.3	Interest and similar income
5.0	5.2	9.8	11.5	3.9	4.2	7.3	6.0	3.4	3.3	Other income ⁷
105.3	105.7	111.0	113.0	104.3	104.6	107.8	106.6	103.7	103.6	Total income
49.4	50.5	55.0	56.8	55.1	57.2	49.9	50.1	58.6	60.8	Cost of materials
23.1	22.3	19.0	17.4	22.5	21.0	24.8	23.2	22.0	20.0	Personnel expenses
5.0	4.7	5.3	5.2	4.1	3.6	5.1	4.6	3.6	3.2	Depreciation
1.3	1.4	2.4	2.4	1.3	1.3	1.4	1.4	1.0	0.9	Interest and similar expenses
0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	Operating taxes
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	of which: Excise duties
20.7	21.0	21.6	21.7	16.0	15.7	20.9	20.7	12.8	12.4	Other expenses ⁸
99.5	99.9	103.4	103.5	99.1	98.8	102.3	100.2	98.1	97.5	Total expenses before taxes on income
Percentage of sales										Other ratios
5.8	5.8	7.6	9.4	5.2	5.8	5.5	6.4	5.6	6.2	Inventories
1.1	0.9	1.9	2.1	1.5	1.4	0.9	0.8	1.3	1.4	Short-term receivables
4.7	4.9	5.8	7.3	3.7	4.4	4.7	5.6	4.3	4.8	Annual result before taxes on income
9.9	10.5	12.1	12.9	8.1	8.3	10.4	11.4	8.6	9.0	Taxes on income ⁹
8.8	8.5	11.4	10.5	10.9	10.9	14.7	14.0	14.6	13.6	Annual result
20.1	21.1	34.1	42.2	19.2	20.1	23.1	24.9	17.3	16.9	Cash flow ¹⁰
Percentage of tangible fixed assets ¹¹										Equity (adjusted)
72.5	75.4	190.3	208.8	96.3	105.7	100.2	109.8	90.3	94.2	Equity (adjusted)
143.1	150.8	336.7	355.5	175.3	190.9	177.7	180.8	164.3	171.4	Long-term equity and liabilities ¹²
Percentage of fixed assets ¹³										Long-term equity and liabilities¹²
114.3	115.3	100.6	112.4	113.8	110.5	116.8	112.7	130.2	135.0	Long-term equity and liabilities ¹²
Percentage of short-term liabilities										Cash resources¹⁴ and short-term receivables
105.4	109.7	98.1	116.7	95.3	90.8	104.0	103.3	90.0	94.8	Cash resources ¹⁴ , short-term receivables and inventories
141.6	144.2	124.2	140.9	138.8	133.4	156.6	151.5	152.2	157.8	Cash resources ¹⁴ , short-term receivables and inventories
Percentage of liabilities and provisions ¹⁵ less cash										Cash flow¹⁰
22.7	23.7	15.3	16.4	19.8	19.4	19.4	21.6	22.2	24.8	Cash flow ¹⁰
Percentage of balance sheet total (adjusted)										Annual result and interest and similar expenses
8.9	9.1	6.5	7.8	7.9	9.1	7.1	8.1	9.2	10.5	Annual result and interest and similar expenses

¹⁰ Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — ¹¹ Including intangible fixed assets. — ¹² Equity, provisions for pensions, long-term liabilities and the special tax-allowable reserve. — ¹³ Tangible fixed assets, intangible

fixed assets, other long-term equity investments, long-term receivables and long-term securities. — ¹⁴ Cash and short-term securities. — ¹⁵ Liabilities, provisions, deferred income and half of the special tax-allowable reserve.

Selected ratios * (cont'd)

Item	Manufacturing (cont'd): of which								Construction	
	Manufacture of machinery and equipment		Manufacture of office machinery, computers and electrical equipment		Manufacture of medical, precision and optical instruments		Manufacture of transport equipment			
	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006
Balance sheet ratios	Percentage of balance sheet total (adjusted)									
Assets										
Intangible fixed assets	1.9	1.7	1.3	1.5	5.2	3.0	1.3	1.8	0.5	0.6
Tangible fixed assets	16.1	14.5	10.7	10.7	16.5	16.6	17.9	16.1	19.7	21.4
Inventories	28.1	32.1	13.4	13.6	20.5	22.0	16.5	13.5	37.7	28.6
Cash	8.1	8.0	6.6	6.7	6.8	7.0	5.9	5.2	9.0	9.3
Receivables	33.5	32.1	29.2	31.0	37.4	38.8	30.3	32.8	28.5	35.2
Short-term	31.8	30.8	27.7	29.7	34.4	35.5	25.6	27.7	27.3	33.9
Long-term	1.7	1.3	1.5	1.3	3.0	3.3	4.6	5.0	1.2	1.3
Securities	2.5	2.2	6.3	9.5	2.1	2.0	4.3	5.5	1.3	1.3
Other long-term equity investments 4	9.5	9.1	32.2	26.7	11.1	10.3	23.7	25.0	2.2	2.5
Capital										
Equity 5 (adjusted)	25.8	25.0	29.0	29.5	31.6	30.8	22.5	23.6	8.4	11.0
Liabilities										
Short-term	42.9	46.3	39.2	41.7	32.4	34.0	38.5	38.1	65.6	60.6
Long-term	9.3	8.5	6.6	6.0	11.6	11.0	4.7	4.3	13.9	14.8
Provisions 5	21.9	20.1	24.8	22.3	23.8	23.6	34.2	33.8	11.9	13.5
of which: Provisions for pensions	8.4	7.4	12.6	10.4	12.1	11.5	15.4	14.9	2.6	2.7
Memo item: Sales	137.8	132.8	97.7	97.3	121.7	127.5	132.3	133.2	147.9	172.5
Income statement ratios	Percentage of gross revenue									
Sales	99.0	98.5	99.4	99.6	99.7	99.2	99.9	99.7	98.7	103.5
Change in finished goods 6	1.0	1.5	0.6	0.4	0.3	0.8	0.1	0.3	1.3	-3.5
Gross revenue	100	100	100	100	100	100	100	100	100	100
Interest and similar income	0.4	0.5	0.9	1.0	0.5	0.5	1.0	1.1	0.3	0.3
Other income 7	4.8	4.2	6.8	7.4	6.8	5.0	5.6	5.7	3.8	3.5
Total income	105.2	104.7	107.6	108.4	107.3	105.5	106.6	106.8	104.1	103.8
Cost of materials	55.0	55.8	63.1	64.7	44.8	45.3	72.0	71.7	50.6	50.9
Personnel expenses	26.2	24.5	22.3	22.2	31.5	30.1	18.1	17.0	29.3	27.4
Depreciation	2.9	2.6	3.8	3.8	3.5	3.4	4.2	4.4	3.0	2.9
Interest and similar expenses	1.0	1.0	1.5	1.5	1.2	1.1	0.8	0.9	1.3	1.2
Operating taxes	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.2
of which: Excise duties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other expenses 8	14.6	14.4	12.3	12.9	19.2	18.1	10.7	11.1	15.2	15.6
Total expenses before taxes on income	99.7	98.3	103.0	105.2	100.2	98.0	105.8	105.1	99.6	98.1
Annual result before taxes on income	5.6	6.5	4.6	3.3	7.1	7.6	0.7	1.7	4.6	5.5
Taxes on income 9	1.4	1.5	1.2	0.4	1.6	1.7	0.8	0.6	0.6	0.7
Annual result	4.2	5.0	3.5	2.9	5.5	5.9	0.0	1.1	3.9	4.8
Cash flow 10	7.4	8.3	7.5	6.0	6.5	9.2	6.4	6.5	6.5	8.5
Other ratios										
Inventories	20.4	24.2	13.7	14.0	16.8	17.3	12.4	10.1	25.5	16.6
Short-term receivables	23.0	23.2	28.4	30.5	28.3	27.8	19.4	20.8	18.5	19.7
Equity (adjusted)	143.0	154.1	242.3	242.9	145.2	157.3	117.0	132.4	41.7	49.9
Long-term equity and liabilities 12	242.9	253.6	406.1	381.4	256.0	274.7	221.9	240.6	128.1	135.0
Long-term equity and liabilities 12	143.9	149.1	102.7	103.3	154.2	160.5	87.5	87.2	108.2	113.9
Cash resources 14 and short-term receivables	96.1	86.5	99.5	98.8	132.7	129.8	90.0	97.4	56.9	73.1
Cash resources 14, short-term receivables and inventories	161.5	155.9	133.6	131.5	195.9	194.5	132.8	132.8	114.3	120.3
Cash flow 10	15.4	16.4	11.3	9.1	12.9	18.9	11.8	12.2	11.6	18.5
Annual result and interest and similar expenses	7.1	7.9	4.8	4.3	8.1	8.8	1.1	2.6	7.7	10.2

* Extrapolated results based on partially estimated figures taken from the turnover tax statistics provided by the Federal Statistical Office. — 1 Including retail sale of automotive fuel. — 2 Including repair of personal and household goods. — 3 Including computer and related activities, research and development, and other business services (ex-

cluding holding companies). — 4 Including shares in affiliated companies. — 5 Including half of the special tax-allowable reserve. — 6 Including other own work capitalised. — 7 Excluding income from profit transfers (parent company) and loss transfers (subsidiary). — 8 Excluding cost of loss transfers (parent company) and profit transfers

Retail trade in and repair of motor vehicles and motorcycles ¹		Wholesale trade and commission trade		Retail trade ²		Transport (excluding railways)		Business-related services ³		Item
2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	
Percentage of balance sheet total (adjusted)										Balance sheet ratios
0.8	0.7	2.2	1.8	2.0	1.9	1.2	1.4	4.0	3.6	Assets
26.4	27.9	14.8	14.0	19.9	19.2	48.7	47.0	20.3	20.3	Intangible fixed assets
36.4	33.0	24.2	23.8	31.6	31.2	1.9	2.2	11.0	10.1	Tangible fixed assets
5.1	5.9	7.4	7.5	8.1	8.7	7.0	6.5	14.2	13.2	Inventories
29.2	30.1	44.3	45.2	29.8	28.5	30.1	31.0	40.8	41.8	Cash
28.4	29.2	42.6	43.5	28.8	27.4	27.1	28.2	37.3	38.5	Receivables
0.8	0.9	1.7	1.6	1.0	1.1	3.0	2.8	3.6	3.3	Short-term
0.3	0.2	0.9	0.9	0.9	0.7	3.3	3.3	3.5	3.8	Long-term
1.4	1.6	5.8	6.4	7.1	9.2	7.0	7.6	5.0	5.9	Securities
										Other long-term equity investments ⁴
12.2	13.9	23.6	24.5	18.3	19.0	19.0	20.5	20.3	21.4	Capital
78.3	76.5	64.5	63.6	70.5	70.8	63.4	61.2	56.5	55.5	Equity ⁵ (adjusted)
60.5	58.5	53.8	53.1	50.7	51.8	38.6	35.5	43.8	42.9	Liabilities
17.8	18.0	10.8	10.4	19.8	19.0	24.8	25.8	12.6	12.6	Short-term
9.1	9.2	11.5	11.8	10.6	9.7	17.0	17.6	21.7	21.5	Long-term
1.7	1.7	3.9	3.8	3.0	2.4	5.3	5.6	6.9	6.9	Provisions ⁵
276.0	291.7	342.1	338.6	280.9	278.6	148.2	155.4	163.1	161.5	of which: Provisions for pensions
										Memo item: Sales
Percentage of gross revenue										Income statement ratios
100.0	100.0	99.9	100.0	100.0	100.0	99.7	99.7	99.8	100.1	Sales
0.0	0.0	0.1	0.0	0.0	0.0	0.3	0.3	0.2	-0.1	Change in finished goods ⁶
100	100	100	100	100	100	100	100	100	100	Gross revenue
0.1	0.2	0.2	0.2	0.3	0.3	0.4	0.5	0.5	0.6	Interest and similar income
2.5	2.5	2.3	2.1	3.2	2.8	7.1	6.6	6.3	6.0	Other income ⁷
102.6	102.6	102.5	102.3	103.5	103.1	107.5	107.0	106.8	106.6	Total income
76.1	76.9	82.1	82.3	67.9	68.0	47.0	49.3	34.9	36.2	Cost of materials
10.7	10.1	6.9	6.5	12.9	12.6	22.2	21.2	34.5	33.9	Personnel expenses
1.5	1.5	1.0	1.0	1.6	1.4	6.1	5.4	3.8	3.6	Depreciation
1.0	1.0	0.5	0.5	0.9	0.9	1.5	1.4	1.0	1.1	Interest and similar expenses
0.1	0.1	1.7	1.4	0.1	0.1	0.3	0.3	0.1	0.1	Operating taxes
0.0	0.0	1.5	1.3	0.1	0.0	0.0	0.0	0.0	0.0	of which: Excise duties
10.9	10.4	7.8	7.8	16.0	16.0	26.3	25.7	23.2	22.3	Other expenses ⁸
100.3	100.1	100.0	99.4	99.4	98.9	103.4	103.4	97.4	97.2	Total expenses before taxes on income
Percentage of sales										Other ratios
2.3	2.5	2.5	2.9	4.1	4.1	4.2	3.7	9.5	9.4	Inventories
0.4	0.4	0.6	0.6	0.6	0.6	0.8	0.8	1.6	1.5	Short-term receivables
1.9	2.1	1.9	2.3	3.5	3.5	3.4	2.9	7.9	8.0	Annual result before taxes on income
3.6	3.7	2.9	3.6	5.2	4.7	10.5	9.0	12.6	12.2	Taxes on income ⁹
13.2	11.3	7.1	7.0	11.2	11.2	1.3	1.4	6.7	6.2	Annual result
10.3	10.0	12.4	12.9	10.3	9.9	18.3	18.2	22.8	23.9	Cash flow ¹⁰
Percentage of tangible fixed assets ¹¹										
45.0	48.7	138.9	155.4	83.5	90.0	38.1	42.3	83.6	89.8	Equity (adjusted)
119.4	120.0	227.0	248.1	191.0	194.8	101.5	110.1	167.8	174.9	Long-term equity and liabilities ¹²
Percentage of fixed assets ¹³										
110.0	110.0	155.2	160.9	138.0	129.4	82.9	88.8	117.7	118.8	Long-term equity and liabilities ¹²
Percentage of short-term liabilities										
55.6	60.3	94.1	97.0	73.9	70.5	93.8	104.0	121.2	124.5	Cash resources ¹⁴ and short-term receivables
115.7	116.7	139.0	141.8	136.2	130.8	98.8	110.1	146.2	148.0	Cash resources ¹⁴ , short-term receivables and inventories
Percentage of liabilities and provisions ¹⁵ less cash										
12.0	13.6	14.6	17.9	19.9	18.3	21.0	19.2	31.5	30.2	Cash flow ¹⁰
Percentage of balance sheet total (adjusted)										
8.1	9.0	8.3	9.4	12.2	12.2	7.3	6.7	14.6	14.6	Annual result and interest and similar expenses

(subsidiary). — ⁹ In the case of partnerships and sole proprietorships, trade earnings tax only. — ¹⁰ Annual result after taxes on income, depreciation, and changes in provisions, in the special tax-allowable reserve and in prepaid expenses and deferred income. — ¹¹ Including intangible fixed assets. — ¹² Equity, provisions for pensions, long-term

liabilities and the special tax-allowable reserve. — ¹³ Tangible fixed assets, intangible fixed assets, other long-term equity investments, long-term receivables and long-term securities. — ¹⁴ Cash and short-term securities. — ¹⁵ Liabilities, provisions, deferred income and half of the special tax-allowable reserve.

The Basel Framework in practice – implementing the Basel advanced approaches in Germany

In Germany, the new Basel Capital Accord (Basel II) has been in force for all institutions since 1 January 2008. When calculating their minimum capital requirements under Pillar 1 of the revised framework, institutions are now free to choose whether to use one of the simple standardised supervisory approaches or advanced approaches based on their own internal methods. The use of internal methods for regulatory purposes requires approval by Germany's Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* or BaFin).

Institutions from all sectors of the banking industry are now using their own methods to measure risk. Using Advanced Measurement Approaches for supervisory purposes has proved a correct decision. Current trends also show, however, that some areas of the framework still require some improvement. Examples include the capital requirements for certain types of securitisation transactions and the capital charge for event and default risk in the trading book. In addition, banks' risk management must be improved across the board for all types of risk, particularly liquidity risk. Moreover, the capital relief associated with the advanced approaches under the Basel Framework needs to be reviewed.

Minimum capital requirements under the Basel Framework

Revised framework adopted in 2004

The key objective of the Revised Framework for capital adequacy (Basel II), which was adopted in 2004, is to align regulatory capital requirements for banks more closely to the actual risks they incur and to take account of recent trends in the financial markets and institutions' risk management practices (Pillar 1). This internationally developed framework was transposed into European law by Directive 2006/48/EC, which in turn was transposed into German law in the German Banking Act (*Kreditwesengesetz*) and by the "Regulation Governing the Capital Adequacy of Institutions, Groups of Institutions and Financial Holding Groups" (Solvency Regulation) via the "Act Implementing the Revised Banking Directive and the Revised Capital Adequacy Directive" (*Gesetz zur Umsetzung der neugefassten Bankenrichtlinie und der neugefassten Kapitaladäquanzrichtlinie*) of 17 November 2006.

The provisions of the "Market Risk Amendment" published by the Basel Committee in 1996 allowed the use of internal market risk models; Pillar 1, with its Internal Ratings-Based Approach (IRBA) for credit risk and the Advanced Measurement Approaches for operational risk¹ (AMA), enables banks to use internal procedures to calculate regulatory capital requirements for these two types of risk, too.

In order to facilitate the transition, in 2007 credit institutions were able to choose between Basel's Foundation IRB Approach and

the Standardised Approach under the new Basel Framework, on the one hand, and Principle I, which had so far been in force in Germany, on the other, for calculating their regulatory capital requirements. Since 1 January 2008, the new Basel rules have been in force for all credit institutions in Germany – as well as in all other EU countries, Switzerland and Japan.

The Internal Ratings-Based Approach (IRBA)

Structure

Under the IRBA, credit institutions have to apply three risk parameters for each transaction of a given borrower when establishing their regulatory capital requirements for credit risks: the probability of default (PD), the exposure at default (EAD) calculated using credit conversion factors (CCF), and the loss given default (LGD). Under the Foundation IRBA, banks estimate only the PD itself for exposures to sovereigns, banks and corporates and use supervisory values for LGD and CCF. Under the Advanced IRBA, by contrast, institutions estimate all parameters themselves. For retail exposures,² institutions always have to estimate PD, LGD and CCF themselves.

Regulatory capital requirements for credit risks

Credit institutions wanting to use the IRBA to calculate their regulatory capital requirements

Use of the IRBA requires BaFin approval

¹ Operational risk means the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk.

² Claims on natural persons and associations of natural persons or on small and medium-sized enterprises under certain conditions.

need rating systems approved by BaFin which meet the minimum quantitative and qualitative requirements set forth in the Solvency Regulation. Whereas the minimum quantitative requirements concern, most notably, the estimate of the risk parameters and the required data inputs, the qualitative requirements relate to all processes associated with the rating procedures. This includes corporate governance when introducing, using and updating rating systems, issuing ratings and loans, and also the incorporation of ratings into the bank's credit risk management framework. The minimum qualitative requirements for the IRBA are based, in principle, on the "Minimum Requirements for Risk Management" (*Mindestanforderungen an das Risikomanagement*, or MaRisk), which apply to all credit institutions. They supplement MaRisk by adding special requirements in terms of rating systems intended to ensure that all institutions using internal procedures for calculating regulatory capital requirements measure risk with the requisite level of reliability and accuracy.

The IRBA rules for classic credit business have been supplemented by special provisions for specific aspects of credit risk measurement and management: the Internal Assessment Approach (IAA) for exposures in unrated securitisation positions in an Asset-Backed Commercial Paper (ABCP) programme and the Internal Models Method (IMM) for netting agreements. The IAA and IMM both require separate approval procedures. The IRBA is more risk sensitive than the old Principle I and offers a more suitable set of incentives for improving credit institutions' risk manage-

ment strategies. Henceforth, capital charges will increase in proportion to the risk of the assets in question.

Use in Germany

IRB systems are currently being used in all three pillars of the banking industry (the private, public and cooperative sectors) and for all types of credit business (retail and commercial banking, specialised lending, transactions with banks and sovereigns, securitisations etc). Currently, 59 institutions and groups have applied for approval for their IRBA systems, 21 of which have applied to use the Advanced IRBA. IRBA banks can be divided into two fundamentally different categories: large banks offering a broad range of services, and smaller and medium-sized yet highly specialised institutions. This is because large banks have the necessary resources and data histories to introduce numerous internal ratings-based systems nationwide. Smaller and medium-sized institutions, such as building and loan associations, mortgage banks, automotive and consumer credit banks, and specialised lending banks, by contrast, only need a small number of internal ratings-based systems to cover their entire base of borrowers, owing to their specialisation. Both categories generally already have many years of experience with systematic approaches for assessing credit risk; the threshold for applying for approval to use the IRBA is therefore relatively low.

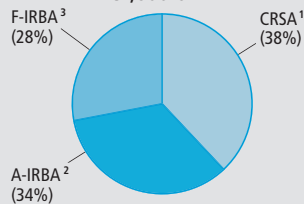
More broadly based smaller and medium-sized credit institutions, however, believe the burden involved in using the IRBA outweighs

*Categories of
banks*

Implementation of the revised Basel capital recommendations

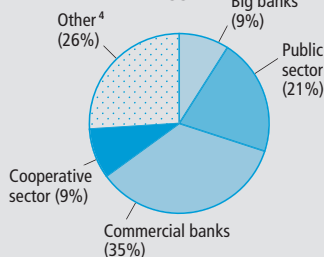
Breakdown of the balance sheet
totals of all domestic banks by type
of credit risk approach

€7,800 bn



Number of IRBA applications by
category of bank

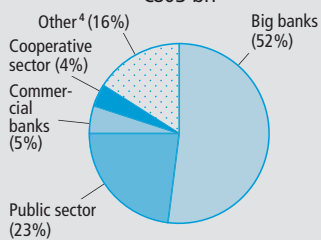
59



Risk-weighted assets in the ...

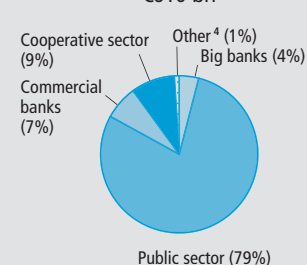
... A-IRBA

€803 bn



... F-IRBA

€610 bn



1 Credit Risk Standardised Approach. —
2 Advanced IRB Approach. — 3 Foundation
IRB Approach. — 4 Mortgage banks, build-
ing and loan institutions, and special pur-
pose banks.

Deutsche Bundesbank

the advantages, at least at present. Overall, IRBA institutions account for around two-thirds of the balance sheet total of all banks. The adjacent chart provides an overview of the use of the IRBA in Germany by category of banks. Germany is one of Europe's leaders in terms of IRBA coverage throughout the banking system.

Implementation from the institutions' perspective

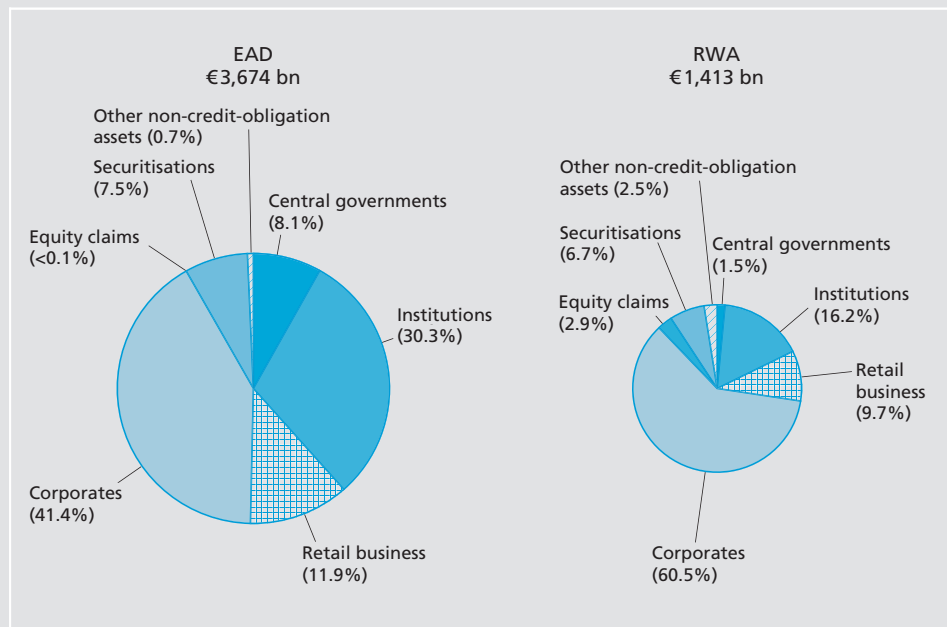
Credit institutions have the option of introducing the IRBA over a period of up to five years (also known as partial use). This allows institutions to gradually implement suitable rating systems.³ Institutions are taking up this option in a variety of ways. The average implementation period required to cover all portfolios with the IRBA is around three years. However, around a quarter of institutions hit the exit threshold within a year after launching the approval process.

*Partial use and
duration of
implementation*

Upon entry into the IRBA, the coverage of institutions' portfolios by internal rating systems averages 77% as measured by risk-weighted assets (RWA) and 82% as measured by EAD. At the end of the implementation phase, the average figures are just under 96% for RWA and 97% for EAD. With the

³ To launch the approval process, institutions must cover at least 50% of their lending business using the IRBA, measured against the exposure at default and risk-weighted assets (entry threshold). After two-and-a-half years, coverage must, in each case, be at least 80% (supervisory reference point). After five years at the latest, the implementation period is over and coverage must, except with the express approval of BaFin, have reached the 92% level (exit threshold). This means that generally not more than 8% of lending business may be permanently exempted from the IRBA.

The EAD* and RWA** of IRBA banks by exposure class



* Exposure at default. — ** Risk-weighted assets.

Deutsche Bundesbank

exception of credit claims on the Federal Republic of Germany, its Federal States and municipalities, and inter-group claims, institutions are currently only making sparing use of the option of exempting sections of their portfolios permanently from the use of the IRBA. Instead, they are striving for full coverage of their portfolios with internal ratings-based systems. The above chart gives an overview of the percentage share of each IRBA exposure class in the portfolios of all IRBA banks – broken down by EAD and RWA.

Institutions apply for approval for an average of seven IRB systems, though the number of systems submitted for approval ranges from just one to more than 50 different procedures. The explanatory notes on page 61 show

which procedures are most commonly used by institutions.

Implementation from a supervisory perspective

In close cooperation between institutions, supervisors and banking associations, the implementation of the new rules was prepared in the “Implementation of Basel III” Working Group, therefore ensuring that, from an early stage on, the affected institutions had the necessary certainty of planning for implementation in important aspects.

Before BaFin gives any institution approval to use the IRBA, supervisors first check that all the requirements for using the IRBA have actually been met. This approval process con-

“Implementation of Basel III” Working Group

Approval process

sists largely of suitability examinations of all rating systems prior to their use for calculating regulatory capital requirements and the review and oversight of the implementation plan throughout the implementation period. This includes, in particular, continually observing implementation progress and compliance with the requirements governing the temporary and permanent partial use of the IRBA for certain portfolio sections.

Suitability examinations

Suitability examinations are a key element of the approval process and are conducted mainly by the Bundesbank. They serve to verify actual compliance with the requirements for using an IRBA. Since a considerable portion of the IRBA requirements relate to banks' internal processes, the suitability examinations are usually conducted on-site. In some 220 suitability examinations, the Bundesbank has, to date, reviewed compliance with minimum requirements for over 360 rating systems.

Joint rating projects of associations and categories of banks

Banking associations have initiated joint rating projects to give small and medium-sized institutions the opportunity to use the IRBA at a reasonable cost. Such pool projects not only reduce the cost of developing the systems but also broaden the pool of available data for parameter estimation. Supervisors have been following these projects closely. One tried-and-tested strategy in the approval process is the so-called pilot bank concept, in which the entire methodology and implementation of the systems in the institutions' internal processes are comprehensively examined at previously designated "pilot banks". Other institutions participating in the pool

project then tap the knowledge gained from the pilot examination for their implementation examinations, thereby reducing the examination workload considerably. The pilot banks obtained approval in all major pool projects. The approval process is now complete for all banks involved except for the public and cooperative sector. Savings banks and cooperatives, in particular, currently see little benefit in using the IRBA because of the extra time and effort involved in implementation and are therefore, in most cases, currently using these jointly developed systems for internal control purposes only.

Internationally active banking groups often apply uniform rating systems across national borders. Under European law, an international group operating in the EU must obtain approval from the parent's national supervisory authority (home supervisor). When deciding on approval, home supervisors must take into account all factors that the supervisory authorities of the foreign subsidiaries (host supervisors) deem relevant for approval. This process requires close consultation among all supervisors involved in order to prevent duplication of work. In Germany, 12 groups whose parent institutions are domiciled abroad, chiefly in France and the Benelux countries, have to date filed an application for IRBA approval. In addition, 30 German parents have applied for IRBA approval for their foreign subsidiaries, most of which are located in Luxembourg, Ireland and the United Kingdom. Two different variants of cooperation in cross-border approval procedures have proved successful in practice: either the affected supervisors are directly involved

International cooperation

Rating model methodology

IRBA banks in Germany employ three basic rating models.

Scoring systems are quantitative decision-making tools in which key quantitative and qualitative data are used to derive a risk assessment which is called a "score". These scores are generally determined using classic statistical procedures such as discriminant analysis and regression models. Linear methods are most common. Scoring systems are mainly used in retail business with private clients or small and medium-sized enterprises. Purely statistical methods can be applied to these portfolios since sufficient data, in particular default data, of adequate quality are available. Scoring systems frequently have a two-tier structure. In the loan approval process, so-called application scoring is used, with comprehensive data on the borrower's economic situation taken into account. This is frequently followed by so-called behavioural scoring, which focuses primarily on payment behaviour, which banks know from observing the borrower's account movements. The greater the risk involved and the larger the borrower, the more the differences between the rating procedure applied when a loan is approved and that applied during the lifetime of the loan diminish; the same methods are employed.

While, in the corporate client segment, most banks only use data they have collected and processed themselves, in retail business almost all banks also employ data supplied by external credit information providers, particularly when approving loans. However, these external data represent just one risk factor in the overall system; in addition, all banks incorporate as much of their own information as possible into their systems. The weight of such external information generally declines with the transition to behavioural scoring.

Expert systems and comparable knowledge-based methods are applied for assessing the risk of very complex borrowers, eg large internationally active enterprises and credit institutions as well as sovereign borrowers. They incorporate not just highly qualitative data but also, to a predefined degree, individual features of the borrower being assessed. Rating criteria and the assessment leeway are both based on past experience and expert assessments. This procedure has two advantages. On the one hand, such borrowers' credit risk is measured and assessed in a uniform and consistent manner; on the other, the particularities of highly heterogeneous borrowers can also be taken into account.

Simulation models are employed mainly for specialised lending and project finance. These elaborate procedures are based almost entirely on statistics and forecast future cash flows from such investments. To this end, a very large number – frequently up to 20,000 – different scenarios for the project are simulated and the distributions of future cash flows derived from them. These distributions can then be used to determine the investment's default risk. The result of such simulation processes is largely dependent on the underlying assumptions, which must therefore be reviewed constantly. In addition to the unavoidable disadvantages outlined above, simulation models have the very great advantage of allowing the risk inherent in an investment to be measured in a structured way that is consistent and uniform within the bank.

Besides these pure forms of rating methods, hybrids which combine elements of the scoring procedure, expert systems and simulation models are also frequently used in practice. Procedures where standardised quantitative information is prepared statistically and supplemented with expert-based qualitative assessments are most common.

in the on-site approval examinations, or the approval examinations are divided between home and host country supervisors according to agreed responsibilities. Responsibilities are often divided according to the systems' use, with systems in use throughout the group being examined by the home supervisor and locally used systems by the host supervisor. In its dual role as home supervisor and host supervisor, the German supervisory authority is in constant contact with foreign supervisory authorities. Cooperation in all international projects is now largely free of friction, since internationally comparable standards have developed for IRBA systems.

Results of implementation at credit institutions

Largely problem-free approval process

The current practice of close cooperation between institutions and supervisors has contributed to a largely problem-free approval process. Because rating systems are, in many cases, well documented, audit teams are able to prepare intensively for the suitability examinations.

More efficient credit risk management at banks

However, all banks that have obtained approval to use the IRBA were well prepared and had invested heavily in credit risk management. Their credit risk management is therefore not only more accurate but also more efficient. The IRBA has thus given credit risk management a considerable innovative boost. Banks are using, in some cases, highly refined and methodologically complex systems to determine and assess credit risk, for example when rating specialised lending facilities (see also explanatory notes on page 61).

Yet for other portfolios and borrowers, too, the introduction of internal ratings-based procedures has rendered the measurement and management of credit risk more structured, more systematic and more precise than just a few years ago.

The introduction of the IRBA has led to a distinct improvement in the quantitative aspects of institutions' credit risk measurement practices. As regards the estimation of risk parameters, nearly all IRBA banks have made the most progress in calculating PD. The systems are now achieving, in some cases, very good results in terms of statistical forecast quality and discriminatory power. This is due to the many years of experience these institutions have had in the systematic assessment of borrowers' creditworthiness and also to the existence at these institutions of databases with a relatively long data history.

Quantitative aspects

However, for many institutions, datasets are an area in which there is still plenty of room for improving the implementation of the IRBA requirements for calibrating rating systems in terms of the PD, CCF (and, by extension, EAD), and LGD risk parameters. In some cases, the pool of data hardly goes beyond the required minimum history. Estimates frequently need to be derived from aggregated portfolio variables because the data needed for more granular estimates, such as at rating grade level, are not yet available. The largest challenges in system calibration continue to lie in setting the conversion factors for calculating EAD.

Data quality problems still pose challenges to banks

*Qualitative
supplement by
Pillar 2*

Institutions, however, must also be aware of the limitations of risk measurement that is characterised by complex models. Models are always constrained by assumptions and simplifications as well as by the limited nature of the data used. It is therefore important, in terms of proper risk management, to supplement rating systems with qualitative, forward-looking elements such as suitable stress tests and scenario analyses. There is a close link here between the minimum requirements for the IRBA and the MaRisk requirements for proper risk management, demanded of credit institutions under Pillar 2 of the Basel Framework and reviewed by supervisors.

*Improved IT
systems at
banks*

The IRBA banks have used the introduction of their internal ratings-based procedures to streamline and thoroughly revamp their evolved and, in many cases, very heterogeneous IT infrastructure. This currently ongoing process is laying the groundwork for a distinct improvement in data quality at all institutions affected. IRBA systems can therefore be expected to rest on a better empirical foundation in future.

*Collateral-based
LGD estimates*

Nearly all German institutions use an exclusively collateral-based approach to estimating LGD. This is mainly the consequence of the standard practice in Germany of accepting collateral only with a broad declaration of purpose. Accordingly, in a first step, an internal procedure is used to assign borrowers' various collateral items to their loans. In a subsequent second step, the LGD for each loan is derived from the degree of collateralisation and the realisation rate of the assigned

collateral. German practice therefore differs from that in countries such as the United States, Canada or the United Kingdom, where lending is much more standardised: generally collateral is contractually tied to a specific loan, and, for certain types of loans, only a specific set of collateral can be used. Therefore, transaction-specific factors such as the type of loan play a major role in determining LGD in those countries yet are irrelevant to German credit institutions.

Stress tests of default risk are therefore another important aspect of the IRBA. The IRBA's risk sensitivity means capital requirements react cyclically, ie they rise in line with credit risk. An essential condition for IRBA approval is therefore that banks can demonstrate how well they are prepared for this interrelationship. This requires that they regularly conduct stress tests. Pillar 1 stress tests are designed to prove that a credit institution can meet its regulatory capital requirements even in a volatile business environment. Pillar 1 stress tests therefore help forecast and address the effects inherent in a risk-sensitive framework.

Stress tests

The most frequent scenario assumed in Pillar 1 stress tests is an across-the-board increase in the risk parameters. According to knowledge gleaned thus far from approval examinations, the cyclical downswings assumed in such stress tests would probably lower the capital ratio by around one to two percentage points.

In addition, many banks need to make further improvements to their internal processes. For

Institutions' internal processes need further improvement

instance, the IRBA – unlike MaRisk – does not contain the option of classifying individual transactions as not risk relevant. Banks are frequently reluctant to implement the requirement that a rating process be conducted even in the case of fully secured loans. It is initially always necessary, however, to determine a borrower's – and thus the direct counterparty's – default risk. Collateralisation is merely downstream and serves to limit damage in the event of default. Although such loans may seem risk-free upon initial approval, a drop in the value of the collateral can seriously diminish the collateralisation effect. Intra-year updates to the rating of IRBA exposures represent another problem with which institutions have to contend. This requirement is significant because only it can ensure constant monitoring of the credit risks taken.

Overall, the structured risk measurement and monitoring framework of IRBA rating procedures renders different types of risk comparable and assessable. German IRBA banks are now in a much better position with respect to their credit risk management practices than they were just a few years ago.

Notices of approval and conditions

To date, 52 institutions have been given approval to use the IRBA, with 20 receiving approval to use the Advanced IRBA. Approval, however, does not mean that all the minimum requirements for IRB systems are fully met from the outset. In fact, the approval examinations have also revealed deficits, yet these do not necessarily have to stand in the way of IRBA approval. If the findings revealed

Conditional approval

have only a minimal impact on capital backing and if no major minimum requirements are seriously violated, conditional approval may be granted. However, the shortcomings have to be remedied quickly. Approvals have been conditional with just a few exceptions. The specific design of the conditions and the deadline for remedying the shortcomings depend on their severity. Actual progress in remedying the shortcomings is reviewed by the Bundesbank in on-site follow-up examinations.

To date, some 30 rating methods have been denied approval for IRBA use after initial suitability examinations. Frequently, these systems were not fully integrated into the internal control framework, or the requirements for parameter estimation were not fulfilled.

Securitisations

There are three approaches to the treatment of securitisations in the IRBA, which follow a clear hierarchy. Use of the external Ratings-Based Approach (RBA) is mandatory for all externally rated exposures or for those for which a rating can be inferred from external ratings. For an unrated securitisation exposure, either a Supervisory Formula Approach (SFA) or – for exposures extended to ABCP programmes – an Internal Assessment Approach (IAA) subject to approval by supervisors can be used.

Currently 11 German institutions have obtained IAA approval. Institutions are not restricted to using just one Internal Assessment Approach but instead can, depending on the

Approaches for IRBA securitisation exposures

Types of securitised assets

type of securitised asset, use a variety of sub-approaches, each of which requires separate approval. A large portion of German institutions' IAA business is made up of the securitisation of trade receivables, car loans and lease receivables. However, some exotic types of claims, such as claims against insurance corporations or claims from court decisions, are also securitised; their risk structure and riskiness mean that it takes a lot of time and effort to develop transparent and adequate risk models for these types of claim.

*Implementation
of the IAA
at institutions*

The IAA first created the option of a portfolio-based credit risk measurement using internal models for these types of transaction. Options for individualising the model are tightly constrained since each internal assessment approach has to be based on a published method used by a recognised external credit assessment institution (ECAI). In principle, this enables a high degree of transparency and a focus on the market standards created by ECAs. However, it has regularly proved to be very difficult to show that such models are based on published methods developed by a recognised ECAI. ECAs have, in the past, been extremely reluctant to publish concrete assumptions for some exposure classes. However, the IAA suitability examinations have shown that banks were nevertheless able to develop adequate risk measurement approaches for various types of exposure. Deficiencies in individual IAA models related to unclear definitions of their scope of application or an absence of defining criteria for this; also, guarantees were not always recognised adequately in risk assessments. The suitability examinations placed particular emphasis on

transparency and on independent monitoring of key classification parameters.

The securitisation market, which had been steadily growing over the past few years, was recently buffeted by the financial market crisis; this involved a visible decline in the volume of securitisations. At the same time, considerable deficiencies were revealed, especially in managing the risks involved in complex securitisation structures. The risks of these products were seriously underestimated by all market agents, partly because they overrelied on the ECAs' assessments when establishing their own risk assessments. In addition, many of these products are exceedingly opaque, making it considerably more difficult to assess risk properly. Based on these considerations, the Basel Committee has adapted the rules on capital requirements for securitisations in order to ensure that capital charges for these risk exposures are more commensurate with the risks involved (see explanatory notes on page 66). For the future, it will therefore be important to supplement the Pillar 1 methods of measuring risk for securitisations with stress tests and other appropriate analyses of the securitised portfolios so as to employ a broader spectrum of risk measurement procedures.

*Current
developments*

In principle, securitisations continue to represent a useful refinancing and risk management instrument. However, because these instruments often have a complex structure, institutions must place much greater emphasis on analysing potential risks than previously. In the past, such studies have sometimes been neglected.

Regulatory changes

Securitisation rules

As a consequence of lessons learned from the current financial market crisis, the Basel Committee is planning to raise the risk weights for so-called resecuritisations. These are securitisation transactions that are themselves based on securitisation transactions, including liquidity lines to ABCP programmes that include securitisation exposures. To prevent capital arbitrage between the banking book and the trading book, capital requirements for securitisation exposures in the trading book are to be brought into line with those for the banking book. In addition, changes to the conversion factors for eligible liquidity facilities – to a uniform 50% under the Credit Risk Standardised Approach (CRSA) – and the elimination of preferential conversion factors for market disruption facilities are intended. As a further consequence, operational standards of what constitutes a careful credit check are being formulated.

The EU is also planning changes to the securitisation rules as part of the forthcoming directive amendment. Conversion factors for liquidity facilities will be amended in line with the Basel rules. In addition, institutions (as investors) are, in future, to be allowed to assume securitisation risks only if originators confirm that they will retain a percentage of the risk. The quantitative criterion will be supplemented by qualitative requirements, with penalties imposed if these are not met.

Additional capital charges for market price risk in the trading book (incremental risk charge or IRC)

Over the past few years, the significance of complex and illiquid credit products in the trading book has been growing steadily. This is because trading volumes in these products have risen and the capital charges in the trading book are more favourable than those in the banking book. In light of this, the option of electing not to model event and default risks in the trading book explicitly no longer appears justified. Consequently, *inter alia* capital charges for specific price risk were adjusted by requiring that additional capital be held for the default risk (incremental default risk charge, IDRC) on existing exposures. The appropriate rules were published in July 2005 and incorporated into the Basel framework.

However, the losses incurred recently cannot necessarily be attributed to defaults, but may be due, for example, to credit migration. Consequently, focusing on default risk alone only partially addresses existing problems. The Basel Committee therefore agreed to extend the incremental capital charge on migration risks using conservative parameter assumptions. For the specific price risk of securitisations, the same risk weights must be used as in the banking book. In addition, several modifications to the Market Risk Amendment are being made; in particular, stress periods must be used when determining capital requirements.

The relevant consultation papers were scheduled for publication in January 2009. The finalised Basel framework is currently expected for mid-2009.

Advanced Measurement Approaches for operational risk

Use of AMAs in Germany

Institutions in Germany can use any of three procedures to determine the capital charge for operational risk: the Basic Indicator Approach (BIA), the Standardised Approach (TSA) or the Alternative Standardised Approach (ASA), and Advanced Measurement Approaches (AMAs). In the default BIA, the capital charge is calculated based on an institution's weighted average gross income over the past three years as an indicator of operational risk. In the TSA/ASA, this indicator is differentiated by the institution's business lines, and qualitative risk management requirements are added. Only in the AMA is the capital charge determined using a tailor-made internal model. The use of the AMA requires approval from BaFin.

Using the approaches

Currently, ten institutions and groups of institutions, including four large German banks and four subsidiaries of foreign institutions, have received approval to use the AMA. Just under 70 institutions use the TSA to calculate the capital charge for operational risk. The remaining 2,000 or so institutions resort to the BIA for their prudential reports. AMA institutions cover 46% of the balance sheet total of all banks, the TSA accounts for 24% and the BIA for 30%.

Partial use rare

The Solvency Regulation permits institutions to use the AMA to calculate the capital charge for only part of the institution upon adopting the AMA (also known as "partial

use"). However, the majority of AMA institutions are already making full institution-wide use of this approach.

At internationally active big banks, AMA capital charges account for between 4% and 13% of the overall capital charge. For the other institutions, this percentage is much higher, reaching as much as 70%. This can be explained by the specific business structure of these institutions; as they are specialised in, for example, securities settlement, they have little credit risk and increased operational risk.

Overview of approved Advanced Measurement Approaches

When it comes to the concrete implementation of AMAs, data, modelling and output and control need to be viewed as key levels (see explanatory notes on page 68). For the data level, internal loss data are a *sine qua non* for modelling operational risk. For that reason, they are a key element at the data input level. The internal operational loss databases maintained by internationally active large banks encompass anywhere from around 1,000 to somewhere in the tens of thousands of data points, while those of some other institutions have just a few hundred data points. Generally, however, institutions tend to define a minimum threshold for recording loss events which is normally somewhere between €5,000 and €10,000.

Use of internal and external data

The Solvency Regulation prescribes the use of relevant external data for modelling; these external loss data are generally vetted by institutions. Some institutions use only those

AMA design

Advanced Measurement Approaches (AMA) for operational risk generally comprise three levels: data input, statistical model, and output and control.

Four factors are used as data input: internal loss data, external data, scenario analyses and business environment and internal control factors. Internal loss data reflect the institution's historic operational losses. They must be differentiated by loss event category (eg internal and external fraud, damage to physical assets, system failure) and business line. External data provided by other institutions, which might, for example, be bought or acquired in an exchange within a data consortium, supplement historic data, particularly by adding rare, extreme losses. Loss scenarios created by experts represent potential future risks. The business environment and internal control system represent the bank's current risk profile on a stand-alone basis and relative to other institutions.

These four elements must be properly combined with the aid of a statistical model. In general, distribution functions are used to determine the likelihood and amount of a loss. This yields the Value at

Risk (VaR) measure. VaR is generally initially calculated for internally defined business lines and loss event categories and later aggregated to form a VaR figure for the entire institution. The institution itself can choose the granularity of this internal model. As with credit risk, a confidence level of 99.9% over a one-year holding period is targeted when determining regulatory VaR. VaR is also used as the capital charge for operational risk; however, insurance payments up to a total of 20% of the capital charge as well as expected losses may be subtracted provided they are adequately recognised.

The capital charge must be incorporated into the operational risk management framework. In particular, the capital charge should be allocated to internal business lines. Frequently, an additional VaR is used at another, generally higher confidence level for economic capital management. Moreover, the use of the AMA is also conditional on other qualitative requirements, such as an independent management unit for operational risks, adequate reporting and internal auditing.

losses that have occurred in business lines that they also have at their banks. Other banks, for their part, examine external data individually in terms of their relevance to them. In individual cases, only around half of the available external data points are used in the model.

Differences in number of scenarios in the model and their influence

Moreover, scenarios developed by experts enter into the procedures at the data level. The weight of the scenarios used in the model ranges from less than 5% to 50%. As a logical consequence, the number of scenarios relevant for the model varies equally widely, ranging from seven to well in excess of 200.

Use of business environment and internal control factors likewise heterogeneous

Finally, business environment and internal control factors represent a fourth input element at the data level, which institutions use in a variety of ways. Although risk indicators, such as the availability of staff, play a key role, they are often supplemented by expert self-assessments of the risk situation which are evaluated using scorecards or comparable systems. The impact of this element on the AMA capital charge ranges between 5% and 20% for all institutions.

LDA very widespread in Germany

Institutions tend to use in-house models. In Germany, the Loss Distribution Approach (LDA) has established itself as the market standard. The use of an LDA, however, requires a large quantity of internal and external loss data. The LDA is therefore particularly popular with internationally active big banks. Other institutions tend to make greater use of expert opinions in the form of self-assessments and scenario analyses to model

operational risk. An exclusively scenario-based approach, such as is often employed in Japan, for instance, is currently not in use in Germany.

Alongside institutions that use an LDA to calculate operational loss frequencies and amounts, institutions that use hybrid approaches also employ distribution functions to calculate the capital charge. In order to determine the probability of an operational loss occurring (loss frequency), all banks use a Poisson distribution, sometimes in combination with additional distributions. When modelling loss amounts, the picture is somewhat more mixed: nearly all institutions test several different distribution assumptions and, following statistical analyses, choose the assumption that best fits the data. Two institutions use an empirical distribution of internal loss data alongside the parametric distributions.

Pursuant to the Solvency Regulation, institutions may model operational risk on internally defined business lines and event categories without using the supervisory matrix of eight business lines and seven event categories. All institutions have chosen this option, as the quantity of internal loss data makes estimating distributions a relatively difficult matter in some matrix fields; not all 56 matrix fields are used. Some institutions model functional relationships between the matrix fields in the model when determining the capital charge, thereby making use of the option of deviating from the Solvency Regulation provision requiring that the capital charges of the individual matrix fields be added up. The combined

Statistical models use a large number of distributions

Sizeable differences in model granularity

probability distribution of the aggregated matrix fields is mostly modelled using a Copula approach.

Validation remains difficult

Validating the data elements and the model continues to present a particular challenge. The small size of the pool of data makes it more difficult to statistically validate operational risk models than, for example, market risk models. All institutions thus use not only statistical analyses and stress tests but also qualitative methods and expert knowledge for validation.

Organisational integration

In operational risk control, all AMA institutions have set up a central unit for managing operational risk. This unit, together with the board of directors, establishes a framework that clearly assigns responsibilities for modelling, managing and controlling operational risk. The subsidiaries of foreign institutions use the parameters set by the parent institutions and either adapt these frameworks or integrate them into their own guidelines fully.

Insurance and EL deducted in some cases

Under certain conditions, institutions can deduct insurance and other risk transfer mechanisms from the AMA capital charge, thereby reducing capital requirements. Six institutions currently use insurance in their AMAs. This reduces their AMA capital charges by between 0.4% and 20%. Moreover, expected losses (EL) from operational events can be deducted from the capital charge provided their adequate recognition in business practice can be demonstrated. Six institutions deduct EL, reducing their AMA capital charges by 2% to 10%.

For control purposes, the capital charge, which is generally first calculated for the entire institution, must be allocated to the relevant internal business lines or legal entities. Unlike the Basel Framework, which expressly permits allocation to determine capital charges only in the case of non-significant foreign subsidiaries, European law permits allocation in principle. However, the quality of the allocation mechanism used is a key factor that is looked at by both home and host supervisors in the approval process.

Allocation used at national and European level

Banks mainly still use simple allocation keys such as gross income or headcount. Only very few institutions already use a combination of such factors or calculate the allocation key in a risk-sensitive manner during modelling, for instance, using specifically defined risk variables. Over time, institutions are expected to move to risk-sensitive allocation keys.

Impact on regulatory capital requirements

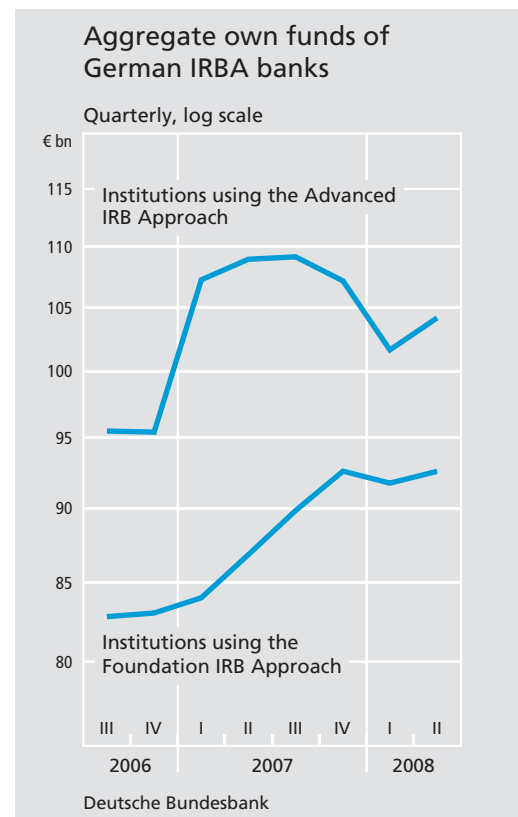
Pillar 1 of Basel II was calibrated based on previous Quantitative Impact Studies (QIS) with the aim of maintaining the level of capital requirements in the banking sector as a whole. Particular emphasis was placed on the IRB Approaches. In order to give credit institutions an incentive to introduce more risk-sensitive procedures for measuring their credit risk, the new capital requirements were calibrated such that an IRB Approach will generally yield lower capital requirements than the Credit Risk Standardised Approach.

Calibrating Basel II capital requirements on the basis of Quantitative Impact Studies

Capital relief

On the basis of banks' capital reports, the Bundesbank has analysed credit institutions' own funds requirements under the Solvency Regulation and under Principle I. A direct comparison of own funds requirements under the new and the old regimes is exceedingly difficult, however, because both normal business developments and the financial market crisis have led to considerable changes in banks' portfolio structures. If IRBA banks' last capital reports before approval and their reports after approval are compared and an attempt made to adjust the reported values for effects that are not attributable to the changed risk weights in order to gain a first estimate of these effects, many institutions can be seen to have lower capital requirements. The capital relief is currently limited by the "floor" provisions. These mandate that, in the first three years after introduction of the IRBA, capital held by banks to cover counterparty risk is not permitted to fall below the thresholds of 95% (2007), 90% (2008) and 80% (2009) of the comparable Principle I requirements.

The new Basel capital requirements were calibrated under the premise that capital requirements for the entire banking system would not change. In addition, regulatory capital relief was intended to set incentives for using advanced approaches. Two working groups, one at Basel and one at European level, are currently devoting intensive study to the question of whether these calibration objectives have been achieved in practice, with initial results expected later this year. In the light of these results and the conclusions that can be drawn from the current financial market



crisis, it will remain to be decided next year what adjustment measures have to be taken. Options include maintaining the so-called Principle I floor or redefining the supervisory scaling factor (currently 1.06) in the rules for calculating capital requirements.

Trends in own funds requirements are of interest, but so are trends in the level of own funds held by institutions. The above chart shows the trend in the own funds held by banks using the Foundation IRB Approach and those using the Advanced IRB Approach over the period from September 2006 to June 2008. Total available own funds have remained largely constant since the entry into force of the Solvency Regulation at the end of 2006.

Institutions' own funds constant

Outlook: further development of the advanced approaches under the Basel II framework

Follow-up examinations and ...

All in all, many institutions have qualified to use the more advanced Pillar 1 approaches to determine capital charges for credit risk and operational risk. First-time IRBA suitability examinations are currently still in progress at eight institutions. Moreover, the institutions that have already obtained approval are transferring additional rating systems to the IRBA during the implementation phase. At the same time, follow-up examinations to determine the progress made in fulfilling the conditions listed in the approval notice are being conducted at several banks.

... model refinements

Many institutions that have already obtained approval have begun to refine their systems. In response to this trend, BaFin and the Bundesbank published the "Guidelines for changes to IRBA systems" (*Merkblatt zur Änderung von IRBA-Systemen*, available only in German) in December 2007. German supervisors are thereby seeking to structure the dialogue between IRBA banks and supervisors. While the aim is to allow institutions to refine and improve their IRBA systems quickly, supervisors have an interest in ensuring that the minimum requirements set forth in the Solvency Regulation continue to be fulfilled after institutions have refined their models. The path embarked upon with the notice has so far proved feasible.

Considerable evolution among AMA banks

In the past few years, German institutions have made major progress in implementing the AMA. There are still deficits in implement-

ing the requirements in terms of validation, business environment and internal control factors and capital allocation. This will become a focal point of future supervisory activity. For the AMA, too, supervisors will publish guidelines on how to deal with model changes; consultation with the banking industry is currently in progress in the expert panel on operational risk.

In the case of the market risk models, broad-brush rules for the trading book had to be adapted to current trends.

Modifying the rules for the trading book

The composition of credit institutions' trading books has undergone sustained change since the "Market Risk Amendment" entered into force. Above all, the significance of complex, relatively illiquid credit products in the trading book has grown, with the result that the across-the-board capital add-ons that used to be possible no longer cover event and default risk. In addition, the turmoil in international credit markets has illustrated how complex credit risks in institutions' trading books can lead to heavy losses.

Mounting importance of credit products in the trading book

Motivated by these two trends, the Basel Committee has now wrapped up its work on rules governing an additional capital requirement to cover market price risk in the trading book. These new rules are scheduled to enter into force in 2010; institutions have until then to develop and implement new models that cover event and default risk. This represents a journey into uncharted waters for the industry and supervisors alike. Supervisors are gearing up for a sharp increase in 2009 and 2010 in the need for on-site examinations at

those institutions that wish to use internal models to calculate the regulatory capital charge for specific price risk in the trading book.

*Gap between
internal
methods and
supervisory
methods
diminishing*

The new advanced approaches mean the gap between banks' internal methods and supervisory methods has diminished. Overall, supervisors have successfully designed the rules for capital backing such that they can be applied by big and small institutions alike. Investment in risk management is thus already showing a medium-term payoff thanks to the systematisation of risk measurement and risk assessment.

*Basel III and the
financial
market crisis*

Even in the light of the current financial market crisis, there is no reason to abandon the

systematic approach of the Basel Framework. As full application of the Basel II rules did not become mandatory until after the crisis had erupted, the new capital framework has just now taken full effect. However, some rules have to be revised in the light of recent events. Increased consideration should be given particularly to methods which link micro findings to macro findings to deliver an overall view of the stability of the financial system. To this end, the Bundesbank has proposed the introduction of an international credit register, which could improve knowledge of the distribution of a considerable portion of credit risk for institutions and supervisory authorities alike.

Statistical Section

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I Key economic data for the euro area

1 Monetary developments and interest rates

Period	Money stock in various definitions 1,2				Determinants of the money stock 1			Interest rates		
	M1	M2	M 3 3		MFI lending, total	MFI lending to enterprises and households	Monetary capital formation 4	Eonia 5,7	3-month Euribor 6,7	Yield on European government bonds outstanding 8
				3-month moving average (centred)						
	Annual percentage change							% per annum as a monthly average		
2007 Mar	7.0	9.5	11.0	10.4	7.8	10.9	9.2	3.69	3.89	4.0
Apr	6.2	8.8	10.3	10.6	7.6	10.7	9.1	3.82	3.98	4.2
May	5.9	9.3	10.6	10.6	8.3	10.9	8.8	3.79	4.07	4.3
June	6.1	9.5	10.9	11.1	8.6	11.5	9.4	3.96	4.15	4.6
July	7.0	10.5	11.7	11.4	8.7	11.5	9.3	4.06	4.22	4.6
Aug	6.7	10.5	11.5	11.5	8.8	11.7	9.3	4.05	4.54	4.4
Sep	6.1	10.2	11.4	11.7	8.7	11.6	8.9	4.03	4.74	4.3
Oct	6.5	11.2	12.3	12.0	9.2	12.3	9.0	3.94	4.69	4.4
Nov	6.2	10.9	12.3	12.0	9.1	12.1	8.4	4.02	4.64	4.2
Dec	3.9	10.1	11.5	11.8	10.1	12.8	9.0	3.88	4.85	4.3
2008 Jan	4.3	10.4	11.5	11.4	10.1	12.8	9.0	4.02	4.48	4.2
Feb	3.6	10.6	11.3	10.9	9.9	12.7	7.7	4.03	4.36	4.1
Mar	2.8	9.8	10.0	10.6	9.8	12.3	6.4	4.09	4.60	4.1
Apr	2.4	10.3	10.4	10.1	9.9	12.1	6.3	3.99	4.78	4.3
May	2.2	10.1	10.0	10.0	9.5	12.0	6.4	4.01	4.86	4.4
June	1.5	9.5	9.6	9.6	9.1	11.2	5.4	4.01	4.94	4.8
July	0.3	9.1	9.2	9.2	9.1	11.0	5.2	4.19	4.96	4.7
Aug	0.2	8.9	8.8	8.9	9.3	10.8	5.2	4.30	4.97	4.5
Sep	1.2	8.9	8.7	8.7	8.5	10.1	5.2	4.27	5.02	4.4
Oct	3.7	9.3	8.7	8.4	7.4	8.7	3.2	3.82	5.11	4.3
Nov	2.3	8.8	7.8	...	7.2	8.2	3.5	3.15	4.24	4.1
Dec	...	...	...	...	...	...	...	2.49	3.29	3.7

1 Source: ECB. — 2 Seasonally adjusted. — 3 Excluding money market fund shares/units, money market paper and debt securities with a maturity of up to two years held by non-euro-area residents. — 4 Longer-term liabilities to

euro-area non-MFIs. — 5 Euro OverNight Index Average. — 6 Euro Interbank Offered Rate. — 7 See also footnotes to Table VI.4, p 43*. — 8 GDP-weighted yield on ten-year government bonds.

2 External transactions and positions *

Period	Selected items of the euro-area balance of payments							Euro exchange rates 1		
	Current account		Capital account					Dollar rate	Effective exchange rate 3	
	Balance	of which Trade balance	Balance	Direct investment	Securities transactions 2	Other investment	Reserve assets		Nominal	Real 4
	€ million							Euro/US-\$	Q1 1999 = 100	
2007 Mar	+ 11,982	+ 10,442	- 39,337	- 9,154	+ 64,723	- 96,815	+ 1,909	1.3242	106.1	106.8
Apr	- 2,534	+ 4,805	+ 36,719	- 7,007	- 16,886	+ 62,132	- 1,585	1.3516	107.2	107.9
May	- 12,405	+ 4,205	- 11,787	- 29,640	- 1,157	+ 19,740	- 729	1.3511	107.3	107.8
June	+ 15,561	+ 11,367	- 14,533	- 28,165	+ 68,464	- 53,299	- 1,534	1.3419	106.9	107.5
July	+ 8,013	+ 7,727	+ 45,005	- 213	+ 2,206	+ 46,052	- 3,040	1.3716	107.6	108.0
Aug	+ 1,920	+ 4,006	+ 62,187	- 621	- 10,301	+ 72,136	+ 973	1.3622	107.1	107.6
Sep	+ 7,375	+ 5,978	- 2,407	- 33,268	+ 39,468	- 6,274	- 2,333	1.3896	108.2	108.8
Oct	+ 4,378	+ 7,339	- 46,796	+ 31,617	- 50,865	- 27,556	+ 7	1.4227	109.4	110.1
Nov	+ 2,559	+ 5,063	- 765	+ 4,496	- 10,221	+ 4,758	+ 202	1.4684	111.0	111.8
Dec	+ 3,664	- 2,072	- 25,627	- 11,113	- 31,219	+ 12,201	+ 4,504	1.4570	111.2	111.8
2008 Jan	- 14,988	- 8,078	+ 5,462	- 64,168	+ 31,788	+ 44,249	- 6,407	1.4718	112.0	112.4
Feb	+ 9,781	+ 4,764	- 25,297	- 21,383	+ 2,885	- 11,348	+ 4,548	1.4748	111.8	112.0
Mar	- 3,345	+ 1,774	+ 15,428	- 21,591	+ 18,177	+ 22,058	- 3,215	1.5527	114.6	115.0
Apr	- 4,928	+ 5,371	+ 29,756	- 22,569	- 19,661	+ 75,245	- 3,259	1.5751	116.0	116.1
May	- 21,761	- 1,786	+ 43,631	- 6,990	+ 387	+ 47,511	+ 2,723	1.5557	115.5	115.5
June	+ 2,241	+ 2,593	+ 13,781	- 19,615	+ 44,513	- 11,647	+ 529	1.5553	115.4	115.3
July	+ 1,115	+ 2,261	- 5,690	- 12,260	- 6,825	+ 15,050	- 1,655	1.5770	115.8	115.3
Aug	- 5,995	- 5,229	- 29,631	- 9,761	- 24,090	+ 1,824	+ 2,396	1.4975	113.5	113.1
Sep	- 4,198	- 2,931	- 5,817	- 18,509	+ 47,319	- 36,070	+ 1,444	1.4370	111.6	111.2
Oct	- 4,837	+ 2,287	+ 75,261	- 14,056	+ 145,731	- 47,802	- 8,612	1.3322	107.6	107.6
Nov	...	...	...	...	...	...	...	1.2732	106.8	107.0
Dec	...	...	...	...	...	...	...	1.3449	112.0	112.3

* Source: ECB. — 1 See also Tables XI.12 and 13, pp 75–76. — 2 Including financial derivatives. — 3 Vis-à-vis the currencies of The-EER-22 group. — 4 Based on consumer prices.

I. Key economic data for the euro area
3 General economic indicators

Period	Euro area	Belgium	Germany	Finland	France	Greece	Ireland	Italy
Real gross domestic product ¹								
2005	1.7	1.7	0.8	2.8	1.9	2.9	6.4	0.6
2006	2.9	2.8	3.0	4.9	2.2	4.5	5.7	1.8
2007	2.6	2.8	2.5	4.5	2.2	4.0	6.0	1.5
2007 Q2	2.6	2.6	2.5	4.9	1.6	4.0	5.9	1.8
Q3	2.6	2.8	2.4	4.1	2.4	4.1	4.0	1.8
Q4	2.1	2.8	1.6	4.1	2.5	3.5	5.5	0.3
2008 Q1	2.1	2.0	1.9	2.3	1.7	3.2	- 1.1	0.4
Q2	1.4	2.1	3.3	2.5	1.5	3.6	- 0.8	- 0.3
Q3	0.6	1.7	1.3	1.3	0.8	3.1	0.1	- 0.8
Industrial production ^{1,2}								
2005	1.4	- 0.3	3.3	0.3	0.3	- 0.9	3.0	- 0.8
2006	4.0	5.1	5.9	9.8	0.9	0.5	5.1	2.4
2007	3.4	2.7	6.1	4.4	1.4	2.2	7.2	- 0.2
2007 Q2	2.8	2.6	5.9	3.8	- 0.1	0.7	- 1.0	0.7
Q3	3.9	3.2	6.2	3.8	2.3	2.4	7.5	1.0
Q4	3.0	1.1	5.6	6.0	2.6	2.2	9.9	- 3.4
2008 Q1	2.5	3.1	r 5.0	3.6	1.7	- 2.9	3.2	- 1.3
Q2	1.1	2.0	r 3.3	1.6	0.0	- 1.6	4.5	- 1.2
Q3	- 1.5	0.6	r 0.0	0.5	- 2.5	- 2.0	0.0	- 4.5
Capacity utilisation in industry ³								
2006	83.0	82.7	85.5	86.0	85.0	75.7	75.7	77.6
2007	84.3	83.2	87.5	87.3	86.6	76.9	76.6	78.2
2008	83.1	82.9	86.5	84.4	85.8	76.4	...	75.9
2007 Q3	84.1	82.8	87.1	86.7	86.4	76.7	75.9	78.2
Q4	84.1	83.4	87.0	86.3	87.6	77.1	76.4	77.4
2008 Q1	83.9	83.8	87.2	86.3	86.8	76.7	79.4	76.7
Q2	83.8	83.4	87.6	85.2	86.2	77.3	75.3	76.2
Q3	82.9	82.1	86.2	84.3	85.9	76.2	...	75.6
Q4	81.6	82.4	84.8	81.9	84.1	75.4	...	75.2
Unemployment rate ⁴								
2005	8.9	8.5	10.7	8.4	9.2	9.9	4.4	7.7
2006	8.3	8.3	9.8	7.7	9.2	8.9	4.5	6.8
2007	7.4	7.5	8.4	6.9	8.3	8.3	4.6	6.1
2008 June	7.4	7.0	7.4	6.4	7.7	7.5	6.0	6.8
July	7.4	7.2	7.3	6.4	7.7	7.5	6.3	6.7
Aug	7.5	7.2	7.2	6.4	7.7	7.5	6.5	6.7
Sep	7.6	7.2	7.2	6.4	7.8	7.5	6.9	6.7
Oct	7.7	7.0	7.1	6.4	7.8	...	7.4	...
Nov	7.8	7.0	7.1	6.4	7.9	...	7.9	...
Harmonised Index of Consumer Prices ¹								
2006	2.2	2.3	1.8	1.3	1.9	3.3	2.7	2.2
2007	⁵ 2.1	1.8	2.3	1.6	1.6	3.0	2.9	2.0
2008	^{6p} 3.3	4.5	2.8	3.9	3.2	...	...	3.5
2008 July	⁶ 4.0	5.9	3.5	4.3	4.0	4.9	3.6	4.0
Aug	3.8	5.4	3.3	4.6	3.5	4.8	3.2	4.2
Sep	3.6	5.5	3.0	4.7	3.3	4.7	3.2	3.9
Oct	3.2	4.8	2.5	4.4	3.0	4.0	2.7	3.6
Nov	2.1	3.2	1.4	3.5	1.9	3.0	2.1	2.7
Dec	^p 1.6	2.7	1.1	3.4	1.2	...	...	2.4
General government financial balance ⁷								
2005	- 2.6	- 2.6	- 3.3	2.9	- 2.9	- 5.1	1.7	- 4.3
2006	- 1.3	0.3	- 1.5	4.1	- 2.4	- 2.8	3.0	- 3.4
2007	- 0.6	- 0.3	- 0.2	5.3	- 2.7	- 3.5	0.2	- 1.6
General government debt ⁷								
2005	70.2	92.1	67.8	41.3	66.4	98.8	27.3	105.9
2006	68.5	87.8	67.6	39.2	63.6	95.9	24.7	106.9
2007	66.3	83.9	65.1	35.1	63.9	94.8	24.8	104.1

Sources: National data, European Commission, Eurostat, European Central Bank. Latest data are partly based on press reports and are provisional. — 1 Annual percentage change; GDP of Greece, Portugal, Luxembourg and

the euro area calculated from seasonally adjusted data. — 2 Manufacturing, mining and energy; adjusted for working-day variations. — 3 Manufacturing, in %; seasonally adjusted; data are collected

I. Key economic data for the euro area

3 General economic indicators

Luxembourg	Malta	Netherlands	Austria	Portugal	Slovenia	Spain	Cyprus	Period
Real gross domestic product ¹								
5.2	3.5	2.1	2.9	0.9	4.4	3.6	3.9	2005
6.4	3.2	3.4	3.4	1.4	5.9	3.9	4.1	2006
5.2	3.9	3.5	3.1	1.9	6.8	3.7	4.4	2007
5.4	3.3	2.9	3.2	1.9	6.0	3.6	4.2	2007 Q2
4.9	3.7	4.0	2.7	1.8	6.4	3.6	4.6	Q3
3.8	4.6	4.1	2.6	1.9	4.7	3.6	4.4	Q4
0.9	3.3	3.3	2.9	0.9	5.4	2.8	4.1	2008 Q1
2.4	3.5	3.0	2.4	0.7	5.5	2.0	3.9	Q2
0.0	2.2	1.9	1.2	0.6	...	0.6	3.5	Q3
Industrial production ^{1,2}								
0.9	-	0.4	4.2	0.3	4.0	0.7	0.9	2005
2.4	-	1.4	7.4	2.8	6.6	3.9	0.7	2006
0.3	-	2.3	5.5	1.8	6.2	1.9	3.1	2007
2.2	-	0.0	6.0	1.5	7.4	2.5	2.2	2007 Q2
- 2.9	-	4.7	5.1	1.3	5.8	1.1	3.9	Q3
- 0.7	-	8.4	3.8	0.0	3.0	- 0.2	4.3	Q4
- 2.0	-	5.8	4.6	- 4.4	- 2.7	- 0.5	4.8	2008 Q1
0.7	-	4.8	3.9	- 2.7	1.9	- 5.1	5.4	Q2
1.5	-	0.5	2.7	- 1.6	- 1.6	- 6.1	2.2	Q3
Capacity utilisation in industry ³								
85.2	81.6	82.0	83.4	78.4	83.9	80.5	69.9	2006
87.3	80.8	83.6	85.2	81.8	85.9	81.0	70.0	2007
85.1	79.0	83.4	83.0	79.8	84.1	79.2	72.0	2008
86.5	78.7	83.8	85.2	84.3	85.9	81.4	69.2	2007 Q3
86.5	76.3	83.8	84.8	81.3	86.0	80.0	71.3	Q4
86.0	79.5	83.5	83.6	78.1	84.8	81.1	72.5	2008 Q1
84.5	82.4	83.4	84.0	82.3	85.3	80.2	73.2	Q2
85.9	78.2	83.6	82.4	79.7	83.8	79.0	72.3	Q3
83.9	75.9	82.9	81.9	79.0	82.6	76.4	70.1	Q4
Unemployment rate ⁴								
4.6	7.2	4.7	5.2	7.7	6.5	9.2	5.3	2005
4.6	7.1	3.9	4.8	7.8	6.0	8.5	4.6	2006
4.1	6.4	3.2	4.4	8.1	4.9	8.3	4.0	2007
4.4	5.9	2.7	3.6	7.7	4.5	10.9	3.7	2008 June
4.4	5.8	2.7	3.6	7.8	4.4	11.3	3.8	July
4.4	5.8	2.7	3.7	7.8	4.3	11.6	3.7	Aug
4.5	5.6	2.7	3.8	7.8	4.2	12.1	3.8	Sep
4.6	5.7	2.7	3.8	7.8	4.3	12.8	3.9	Oct
4.6	5.8	2.7	3.8	7.8	4.3	13.4	3.9	Nov
Harmonised Index of Consumer Prices ¹								
3.0	2.6	1.7	1.7	3.0	2.5	3.6	2.2	2006
2.7	0.7	1.6	2.2	2.4	3.8	2.8	2.2	2007
4.1	4.7	p 2.2	p 3.2	..	5.5	4.1	4.4	2008
5.8	5.6	3.0	3.8	3.1	6.9	5.3	5.3	2008 July
4.8	5.4	3.0	3.6	3.1	6.0	4.9	5.1	Aug
4.8	4.9	2.8	3.7	3.2	5.6	4.6	5.0	Sep
3.9	5.7	2.5	3.0	2.5	4.8	3.6	4.8	Oct
2.0	4.9	1.9	2.3	1.4	2.9	2.4	3.1	Nov
0.7	5.0	p 1.7	p 1.5	...	1.8	1.5	1.8	Dec
General government financial balance ⁷								
- 0.1	- 2.8	- 0.3	- 1.5	- 6.1	- 1.4	1.0	- 2.4	2005
1.3	- 2.3	0.6	- 1.5	- 3.9	- 1.2	2.0	- 1.2	2006
3.2	- 1.8	0.3	- 0.4	- 2.6	0.5	2.2	3.5	2007
General government debt ⁷								
6.1	69.9	51.8	63.7	63.6	27.0	43.0	69.1	2005
6.6	63.8	47.4	62.0	64.7	26.7	39.6	64.6	2006
7.0	62.2	45.7	59.5	63.6	23.4	36.2	59.5	2007

in January, April, July and October. — 4 Standardised, as a percentage of the civilian labour force; seasonally adjusted. — 5 Including Slovenia from 2007 onwards. — 6 Including Malta and Cyprus from 2008 onwards. —

7 As a percentage of GDP; euro-area aggregate: European Central Bank (ESA 1995), member states: European Commission (Maastricht Treaty definition).

II Overall monetary survey in the euro area

1 The money stock and its counterparts *

(a) Euro area

€ billion

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) 2	Capital and reserves 3
		Total	of which Securities	Total	of which Securities								
2007 Apr	152.7	167.5	75.0	- 14.8	- 15.4	- 42.4	149.5	191.9	24.8	12.6	0.3	17.2	- 5.3
May	129.9	90.1	15.5	39.8	45.4	- 13.5	77.3	90.8	14.4	16.7	- 0.2	21.2	- 23.4
June	97.5	115.4	- 4.7	- 17.9	- 17.5	55.6	3.4	- 52.2	83.6	19.7	0.7	31.7	31.6
July	86.8	107.9	7.6	- 21.2	- 22.5	8.2	66.7	58.5	47.5	14.6	0.8	7.0	25.1
Aug	- 2.5	34.8	- 4.3	- 37.3	- 31.9	- 51.1	- 10.9	40.2	5.3	- 4.4	0.2	9.3	0.2
Sep	124.4	136.3	23.3	- 11.9	- 11.7	- 24.4	31.1	55.5	10.6	- 3.1	1.3	0.4	12.0
Oct	161.1	162.6	81.9	- 1.4	2.2	11.9	150.1	138.2	59.6	16.8	1.1	- 1.0	42.7
Nov	100.0	100.4	13.3	- 0.4	- 1.2	28.6	80.9	52.3	- 2.9	2.8	0.8	- 12.0	5.4
Dec	123.7	126.0	67.9	- 2.2	- 13.1	- 47.1	- 136.0	- 88.9	86.8	51.1	0.4	1.7	33.7
2008 Jan	127.0	108.9	17.9	18.1	14.6	- 18.1	236.6	254.7	19.1	- 3.3	1.8	10.9	9.7
Feb	56.8	64.1	2.4	- 7.4	2.2	- 18.3	81.3	99.6	- 11.2	- 9.1	- 1.1	- 4.2	3.2
Mar	152.0	138.1	26.8	14.0	7.2	- 48.2	- 55.8	- 7.6	24.1	5.3	- 2.3	12.7	8.4
Apr	185.8	162.8	82.2	23.0	10.8	- 72.2	82.3	154.5	18.6	3.7	- 1.5	11.0	5.4
May	86.0	84.6	17.7	1.3	9.0	- 70.1	- 21.5	48.7	19.9	13.6	- 1.7	15.7	- 7.7
June	52.0	43.8	- 24.9	8.2	- 4.0	15.4	- 133.7	- 149.1	33.8	8.4	- 0.9	16.2	10.1
July	96.4	91.5	36.0	4.9	3.4	- 1.3	33.1	34.5	37.8	- 1.3	- 0.7	17.1	22.8
Aug	17.2	24.8	27.1	- 7.6	- 0.1	- 6.7	20.8	27.5	7.4	- 3.9	- 1.3	0.1	12.5
Sep	36.1	66.0	- 22.4	- 29.9	- 39.2	36.6	23.1	- 13.5	6.9	- 14.5	- 1.3	- 11.0	33.8
Oct	13.2	17.4	- 1.0	- 4.1	- 4.0	55.1	- 42.4	- 97.5	- 52.3	- 3.4	2.6	- 67.1	15.7
Nov	87.6	47.4	30.6	40.1	42.0	17.0	- 83.9	- 100.9	15.0	- 1.8	3.5	- 10.5	23.9

(b) German contribution

Period	I Lending to non-banks (non-MFIs) in the euro area					II Net claims on non-euro-area residents			III Monetary capital formation at monetary financial institutions (MFIs) in the euro area				
	Total	Enterprises and households		General government		Total	Claims on non-euro-area residents	Liabilities to non-euro-area residents	Total	Deposits with an agreed maturity of over 2 years	Deposits at agreed notice of over 3 months	Debt securities with maturities of over 2 years (net) 2	Capital and reserves 3
		Total	of which Securities	Total	of which Securities								
2007 Apr	32.6	33.4	35.6	- 0.9	- 2.8	- 12.4	25.2	37.5	8.8	2.8	0.2	3.6	2.2
May	- 13.9	- 16.0	- 15.2	2.1	5.0	- 2.5	10.9	13.4	- 2.3	- 0.0	- 0.2	6.6	- 8.6
June	- 27.5	- 11.9	- 24.8	- 15.6	- 10.1	58.7	24.1	- 34.6	9.6	2.1	0.6	- 3.8	10.7
July	7.2	7.3	5.8	- 0.1	- 5.4	17.5	13.2	- 4.3	9.8	1.4	0.6	- 0.7	8.5
Aug	- 3.9	13.9	- 3.8	- 17.8	- 11.9	- 10.1	5.6	15.7	- 10.7	- 0.0	0.2	- 9.0	- 1.8
Sep	10.3	19.7	5.7	- 9.4	- 3.2	24.7	48.7	24.0	- 0.3	3.6	0.6	- 3.0	- 1.4
Oct	5.7	8.9	2.5	- 3.2	- 1.9	12.0	4.1	- 7.9	4.2	- 2.8	1.1	5.9	0.0
Nov	- 1.9	4.5	1.4	- 6.4	- 5.2	17.3	28.1	10.7	- 15.0	- 0.7	1.0	- 12.0	- 3.2
Dec	5.8	11.7	- 0.9	- 5.9	- 4.4	21.0	- 0.9	- 21.9	- 2.1	5.1	1.0	- 10.0	1.8
2008 Jan	35.9	36.4	16.0	- 0.5	3.2	- 41.6	- 12.1	29.6	2.3	1.1	- 0.1	1.0	0.4
Feb	- 7.9	- 13.2	- 18.2	5.3	8.7	7.1	29.0	21.9	- 8.3	- 0.8	- 0.9	- 6.5	- 0.1
Mar	44.0	43.5	26.5	0.5	2.7	- 7.9	21.4	29.3	4.2	- 0.5	- 2.1	- 0.9	7.7
Apr	49.9	40.4	29.4	9.4	4.9	- 3.2	17.7	20.9	0.2	0.3	- 1.4	1.6	- 0.3
May	- 12.8	- 7.1	- 14.3	- 5.8	- 0.6	5.8	- 6.7	- 12.5	- 12.3	0.1	- 1.4	- 4.3	- 6.8
June	- 16.9	- 4.1	- 24.2	- 12.8	- 11.8	- 1.1	- 32.5	- 31.4	3.6	- 0.3	- 0.8	0.7	4.0
July	10.1	13.9	2.7	- 3.8	- 3.8	0.1	- 6.8	- 6.9	5.7	- 0.4	- 0.5	- 0.2	6.9
Aug	25.7	30.3	25.8	- 4.6	- 4.2	- 10.2	- 5.1	5.1	- 1.5	- 1.0	- 1.1	- 1.7	2.3
Sep	1.3	18.6	2.2	- 17.3	- 14.8	34.7	71.4	36.7	- 7.4	- 3.0	- 1.1	- 6.3	2.9
Oct	- 9.9	- 12.8	- 10.7	3.0	1.2	23.2	- 2.8	- 26.0	- 14.2	- 3.1	3.0	- 16.8	2.8
Nov	7.4	12.0	1.2	- 4.6	- 2.5	- 38.2	- 76.5	- 38.3	- 5.6	0.8	3.7	- 9.9	- 0.3

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

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

II Overall monetary survey in the euro area

(a) Euro area

IV De- posits of central gov- ernments	V Other factors		VI Money stock M3 (balance I plus II less III less IV less V)										Period		
	Total 4	of which Intra- Eurosystem liability/ claim related to banknote issue	Total	Money stock M2						Repo transac- tions	Money market fund shares (net) 2,7,8	Debt secur- ities with maturities of up to 2 years (incl money market paper) (net) 2,7			
				Total	Money stock M1			Deposits with an agreed maturity of up to 2 years 5	Deposits at agreed notice of up to 3 months 5,6						
					Total	Currency in cir- culation	Overnight deposits 5								
- 9.9	27.9	-	67.6	49.7	21.2	6.2	15.0	36.1	-	7.6	-	0.3	17.6	0.6	2007 Apr
25.9	- 3.1	-	79.3	48.2	20.9	2.9	18.1	31.0	-	3.7	-	3.5	16.0	11.5	May
21.2	- 26.4	-	74.7	95.3	67.0	7.3	59.7	34.6	-	6.3	-	4.4	- 3.1	- 13.0	June
- 41.5	34.7	-	54.2	37.8	- 13.6	8.0	- 21.6	61.6	-	10.2	-	4.9	14.4	- 2.8	July
- 6.3	- 59.8	-	7.4	- 20.4	- 82.8	- 2.3	- 80.5	70.4	-	8.0	-	10.5	- 6.9	- 24.1	Aug
22.3	- 36.5	-	103.6	105.1	77.1	- 0.2	77.3	34.4	-	6.4	-	1.1	- 24.5	21.9	Sep
- 16.5	48.2	-	81.7	56.3	- 31.6	3.1	- 34.7	103.4	-	15.5	-	1.8	12.1	15.0	Oct
15.5	19.1	-	96.8	61.9	40.9	5.1	35.8	27.2	-	6.3	-	8.4	11.7	14.9	Nov
- 48.8	- 70.8	-	109.5	160.7	70.7	19.9	50.8	69.2	-	20.8	-	18.8	- 36.5	4.1	Dec
15.3	46.1	-	28.4	- 31.8	- 62.2	- 16.5	- 45.7	30.0	-	0.3	-	24.2	43.8	- 7.8	2008 Jan
20.3	4.9	-	24.5	27.1	- 47.4	5.6	- 53.0	77.3	-	2.8	-	7.1	11.6	- 21.3	Feb
11.0	- 5.1	-	73.8	80.0	55.1	4.2	50.9	19.3	-	5.7	-	0.5	- 1.8	- 4.0	Mar
- 2.4	4.0	-	93.4	77.7	- 16.6	8.5	- 25.1	96.1	-	1.8	-	14.9	9.3	- 8.5	Apr
- 24.0	- 64.1	-	84.0	58.6	29.5	4.4	25.1	33.2	-	4.1	-	4.4	4.7	16.3	May
37.2	- 28.5	-	25.0	50.5	48.8	6.3	42.5	5.5	-	3.8	-	3.0	- 23.2	0.7	June
- 30.2	63.0	-	24.5	8.2	- 79.1	6.7	- 85.8	98.0	-	10.7	-	2.9	8.8	4.7	July
5.9	- 19.8	-	17.1	0.5	- 51.9	- 2.7	- 49.2	54.9	-	2.6	-	9.8	14.6	- 7.8	Aug
4.6	1.0	-	60.2	75.6	84.8	1.1	83.7	0.7	-	9.9	-	2.4	- 30.9	13.2	Sep
66.9	- 49.0	-	102.7	102.6	55.9	41.7	14.2	51.6	-	4.9	-	5.1	2.5	- 7.4	Oct
70.5	- 31.1	-	50.2	51.1	26.3	4.8	21.5	20.7	-	4.2	-	12.7	11.6	0.1	Nov

(b) German contribution

IV De- posits of central gov- ernments	V Other factors		VI Money stock M3 (balance I plus II less III less IV less V) 10										Period			
	Total	of which Intra- Eurosystem liability/ claim related to banknote issue 9,11	Currency in cir- culation	Total	Components of the money stock						Money market fund shares (net) 7,8	Debt securities with maturities of up to 2 years (incl money market paper)(net) 7				
					Overnight deposits	Deposits with an agreed maturity of up to 2 years	Deposits at agreed notice of up to 3 months 6	Repo transac- tions								
0.3	1.3	0.0	2.2	9.8	-	2.6	17.4	-	4.1	-	0.4	-	0.0	-	0.5	2007 Apr
5.2	- 29.5	2.9	0.0	10.2	8.3	6.4	- 4.2	- 1.5	4.2	-	1.5	-	0.3	-	0.9	May
0.9	- 1.1	1.2	2.6	21.9	9.8	12.3	- 4.1	- 3.2	4.1	-	3.2	-	1.5	-	0.7	June
- 7.3	18.7	0.5	2.3	3.5	2.7	9.3	- 5.8	- 7.0	- 7.0	-	0.4	-	0.4	-	4.7	July
- 0.3	- 19.9	2.3	- 0.9	16.9	- 7.5	26.9	- 3.9	2.7	- 3.9	-	3.8	-	3.8	-	2.6	Aug
- 1.3	8.3	1.8	- 0.5	28.2	13.0	16.2	- 3.6	7.9	- 3.6	-	3.7	-	3.7	-	1.6	Sep
- 0.4	17.8	1.4	1.2	- 4.0	- 11.1	15.6	- 4.8	- 1.7	- 4.8	-	1.0	-	1.0	-	1.0	Oct
5.7	- 22.6	1.1	1.5	47.3	30.9	10.7	- 4.1	5.1	- 4.1	-	0.0	-	0.0	-	4.6	Nov
- 6.5	10.5	0.9	4.7	24.9	- 15.4	51.1	- 6.4	- 13.1	- 6.4	-	0.4	-	0.4	-	3.7	Dec
- 0.1	- 21.3	0.7	- 4.1	13.4	2.6	- 5.1	- 4.8	15.4	- 4.8	-	0.0	-	0.0	-	5.2	2008 Jan
- 1.3	- 7.3	2.1	1.5	16.1	- 4.2	19.7	- 2.1	3.9	- 2.1	-	0.5	-	0.5	-	1.7	Feb
2.3	23.9	1.4	1.4	5.7	8.8	0.7	- 1.6	0.8	- 1.6	-	1.5	-	1.5	-	1.4	Mar
- 3.3	29.7	0.4	2.8	20.1	- 13.3	25.2	- 2.7	9.0	- 2.7	-	1.5	-	1.5	-	3.4	Apr
2.2	- 7.5	2.1	0.4	10.6	2.8	17.4	- 2.1	0.2	- 2.1	-	0.6	-	0.6	-	7.1	May
- 0.3	- 27.2	0.9	2.2	5.8	8.4	- 4.3	- 2.1	7.9	- 2.1	-	0.1	-	0.1	-	3.9	June
- 2.2	5.1	0.2	2.0	1.6	- 22.4	35.6	- 5.1	- 5.8	- 5.1	-	0.1	-	0.1	-	0.7	July
0.1	2.1	2.4	- 1.0	14.9	1.4	14.1	- 3.2	5.0	- 3.2	-	0.3	-	0.3	-	2.1	Aug
0.7	24.9	2.1	0.5	17.9	16.3	- 0.8	- 3.3	7.8	- 3.3	-	0.4	-	0.4	-	1.7	Sep
- 1.4	- 8.6	7.5	10.6	37.5	28.2	13.9	- 1.4	- 1.2	- 1.4	-	3.9	-	3.9	-	1.8	Oct
0.2	- 59.5	1.3	1.3	34.2	9.2	9.9	- 1.1	2.8	- 1.1	-	0.8	-	0.8	-	14.1	Nov

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

M2 or M3. — 11 The difference between the volume of euro banknotes actually issued by the Bundesbank and the amount disclosed in accordance with the accounting regime chosen by the Eurosystem (see also footnote 2 on banknote circulation in Table III.2).

III Consolidated financial statement of the Eurosystem
1 Assets *

€ billion

On reporting date/ End of month 1	Total assets	Gold and gold receivables	Claims on non-euro-area residents denominated in foreign currency			Claims on euro-area residents denominated in foreign currency	Claims on non-euro-area residents denominated in euro		
			Total	Receivables from the IMF	Balances with banks, security investments, external loans and other external assets		Total	Balances with banks, security investments and loans	Claims arising from the credit facility under ERM II
Eurosystem ²									
2008 May 2	1,399.8	209.6	138.0	8.7	129.2	39.6	16.3	16.3	–
9	1,392.9	209.6	137.3	8.7	128.6	48.2	15.4	15.4	–
16	1,440.9	209.6	138.4	9.4	129.0	47.8	15.3	15.3	–
23	1,423.8	209.6	138.4	9.4	129.0	53.3	15.7	15.7	–
30	1,423.2	209.5	136.3	9.4	126.9	54.9	15.6	15.6	–
June 6	1,407.7	209.5	136.2	9.4	126.8	55.3	15.1	15.1	–
13	1,442.6	209.4	135.7	9.4	126.3	55.5	14.8	14.8	–
20	1,441.2	209.4	136.1	9.4	126.7	55.2	14.9	14.9	–
27	1,462.7	209.4	135.3	9.3	125.9	56.3	14.7	14.7	–
July 4	3 1,404.9	209.0	3 137.6	9.3	3 128.3	55.3	15.1	15.1	–
11	1,452.2	209.0	136.0	9.2	126.8	55.8	15.2	15.2	–
18	1,427.3	208.9	131.8	9.2	122.5	56.6	16.7	16.7	–
25	1,450.9	208.4	135.5	9.2	126.3	54.9	15.2	15.2	–
Aug 1	1,444.6	208.3	136.9	9.3	127.6	54.7	16.4	16.4	–
8	1,441.6	208.3	137.0	9.3	127.7	54.6	17.0	17.0	–
15	1,460.2	208.3	136.6	9.3	127.3	59.1	16.3	16.3	–
22	1,435.0	208.3	136.0	9.3	126.7	58.4	15.8	15.8	–
29	1,449.1	208.3	135.4	9.3	126.1	55.1	15.4	15.4	–
2008 Sep 5	1,441.0	208.2	135.2	9.3	125.9	55.5	15.0	15.0	–
12	1,457.7	208.2	134.7	9.2	125.6	55.6	15.5	15.5	–
19	1,460.6	208.1	131.2	9.2	122.0	85.5	16.1	16.1	–
26	1,518.5	208.1	134.4	9.2	125.2	103.2	15.0	15.0	–
Oct 3	3 1,758.7	3 220.4	3 148.6	3 9.8	3 138.8	3 132.2	13.9	13.9	–
10	1,881.9	220.2	147.0	9.8	137.2	165.1	14.2	14.2	–
17	1,973.1	220.2	146.6	9.8	136.8	223.2	13.7	13.7	–
24	1,958.2	220.2	153.9	9.8	144.1	198.9	13.0	13.0	–
31	2,031.4	220.2	155.2	9.8	145.4	205.8	11.2	11.2	–
Nov 7	1,940.4	220.2	155.8	10.1	145.7	226.5	11.4	11.4	–
14	1,998.7	220.2	160.2	11.8	148.5	227.5	11.6	11.6	–
21	1,974.0	220.1	163.0	11.7	151.3	198.4	10.7	10.7	–
28	1,979.1	220.0	159.7	12.6	147.1	208.2	10.3	10.3	–
Dec 5	2,036.5	220.0	162.2	12.5	149.6	248.9	10.1	10.1	–
12	2,053.8	219.9	156.5	12.5	144.0	238.4	9.5	9.5	–
19	2,021.5	219.8	152.8	12.5	140.2	221.4	8.9	8.9	–
26	2,043.5	219.7	149.7	12.5	137.1	229.5	9.2	9.2	–
2009 Jan 2	3 2,088.9	3 218.4	162.1	13.2	148.8	3 225.8	19.7	19.7	–
Deutsche Bundesbank									
2007 Feb	365.5	53.1	31.5	2.7	28.8	–	0.3	0.3	–
Mar	3 371.4	3 54.8	31.3	2.6	28.7	–	0.3	0.3	–
Apr	370.9	54.8	32.5	2.6	29.9	–	0.3	0.3	–
May	377.2	54.8	33.2	2.7	30.5	–	0.3	0.3	–
June	3 373.5	3 52.8	3 32.0	2.7	3 29.4	–	0.3	0.3	–
July	382.1	52.8	31.9	2.6	29.3	–	0.3	0.3	–
Aug	369.6	52.8	31.9	2.6	29.3	–	0.3	0.3	–
Sep	3 394.0	3 57.2	3 31.4	2.5	3 28.9	–	0.3	0.3	–
Oct	394.6	57.2	31.1	2.5	28.6	–	0.3	0.3	–
Nov	410.3	57.2	30.8	2.5	28.3	–	0.3	0.3	–
Dec	3 483.7	3 62.4	3 30.1	2.4	3 27.7	7.1	0.3	0.3	–
2008 Jan	415.5	62.4	30.4	2.4	28.0	6.9	0.3	0.3	–
Feb	432.2	62.4	30.8	2.4	28.4	–	0.3	0.3	–
Mar	3 453.4	3 65.1	3 30.0	2.3	3 27.6	4.5	0.3	0.3	–
Apr	439.6	65.1	31.1	2.3	28.7	8.1	0.3	0.3	–
May	439.2	65.1	30.2	2.5	27.6	14.5	0.3	0.3	–
June	447.2	64.9	30.3	2.5	27.8	12.2	0.3	0.3	–
July	435.9	64.9	29.1	2.5	26.6	9.4	0.3	0.3	–
Aug	449.0	64.9	29.1	2.5	26.7	10.1	0.3	0.3	–
Sep	3 519.7	3 68.8	3 31.1	2.6	3 28.5	3 39.1	0.3	0.3	–
Oct	591.6	68.8	34.5	2.6	31.9	50.5	0.3	0.3	–
Nov	577.1	68.8	34.8	3.3	31.5	61.1	0.3	0.3	–
Dec	3 612.9	3 68.2	3 31.0	3.3	3 27.7	63.3	0.3	0.3	–

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

III Consolidated financial statement of the Eurosystem

Lending to euro-area credit institutions related to monetary policy operations denominated in euro							Other claims on euro-area credit institutions denomi- nated in euro	Securities of euro-area residents denominated in euro	General government debt denominated in euro	Other assets	On reporting date/ End of month 1
Total	Main refinancing operations	Longer-term refinancing operations	Fine-tuning reverse operations	Structural reverse operations	Marginal lending facility	Credits related to margin calls					
Eurosystem ²											
465.0	170.0	295.0	-	-	0.0	0.0	32.0	110.0	38.0	351.3	2008 May 2
445.0	150.0	295.0	-	-	0.0	0.0	34.6	110.6	38.0	354.1	9
486.6	191.5	295.0	-	-	0.1	-	33.9	112.2	38.0	359.0	16
461.9	176.5	285.0	-	-	0.4	0.0	32.5	112.4	38.0	362.1	23
455.8	170.0	285.0	-	-	0.8	0.0	32.1	114.0	38.0	366.9	30
438.0	153.0	285.0	-	-	-	0.0	31.4	114.9	38.0	369.3	June 6
466.0	191.0	275.0	-	-	0.0	0.0	30.4	115.2	38.0	377.6	13
463.0	188.0	275.0	-	-	0.0	0.0	30.6	115.3	38.0	378.7	20
483.0	208.0	275.0	-	-	-	0.0	31.7	114.7	38.0	379.7	27
429.5	154.5	275.0	-	-	0.0	-	30.9	112.6	37.5	377.4	July 4
475.2	175.0	300.0	-	-	0.2	0.0	32.1	112.9	37.5	378.6	11
455.1	155.0	300.0	-	-	-	0.0	33.9	110.2	37.5	376.7	18
475.5	175.5	300.0	-	-	0.0	0.0	35.0	112.0	37.5	376.9	25
466.0	166.0	300.0	-	-	-	0.0	35.2	111.7	37.5	377.9	Aug 1
460.0	160.0	300.0	-	-	-	0.0	35.9	110.6	37.5	380.7	8
476.1	176.0	300.0	-	-	0.1	0.0	36.9	110.0	37.5	379.4	15
451.0	151.0	300.0	-	-	-	0.0	37.3	109.8	37.5	380.9	22
467.0	167.0	300.0	-	-	0.0	0.0	38.2	111.1	37.5	381.2	29
460.0	160.0	300.0	-	-	0.0	0.0	37.6	109.7	37.5	382.2	2008 Sep 5
476.5	176.5	300.0	-	-	-	0.0	40.6	110.0	37.5	379.2	12
450.3	150.0	299.0	-	-	1.3	0.0	43.5	110.3	37.5	378.2	19
487.3	180.0	300.5	-	-	6.8	0.0	46.4	111.3	37.5	375.4	26
635.1	190.0	420.5	-	-	24.6	0.0	75.5	113.1	37.4	382.3	Oct 3
739.4	250.9	447.2	24.7	-	16.6	0.0	66.1	113.6	37.4	378.9	10
773.2	312.0	447.2	-	-	14.0	0.0	61.2	114.8	37.4	382.8	17
767.2	306.0	447.2	-	-	14.1	0.0	64.0	116.3	37.4	387.2	24
839.6	326.6	501.8	-	-	11.2	0.0	63.6	116.9	37.4	381.5	31
723.4	312.8	402.2	-	-	8.4	0.0	67.4	118.7	37.4	379.6	Nov 7
800.7	335.2	462.8	-	-	2.7	0.0	43.6	118.8	37.4	378.7	14
803.5	338.7	462.8	-	-	1.9	0.0	44.1	119.3	37.5	377.2	21
794.9	335.2	455.3	-	-	4.4	0.1	49.5	120.5	37.5	378.5	28
797.6	340.2	455.3	-	-	2.0	0.1	58.0	121.0	37.5	381.4	Dec 5
837.4	218.6	616.1	-	-	2.7	0.0	57.1	121.4	37.5	376.1	12
829.6	210.4	616.9	-	-	2.2	0.1	54.8	120.8	37.5	375.9	19
843.2	224.4	616.9	-	-	1.8	0.1	58.4	121.3	37.5	375.0	26
857.5	239.6	616.9	-	-	0.9	0.1	58.1	282.7	37.5	227.1	2009 Jan 2
Deutsche Bundesbank											
235.0	143.5	91.5	-	-	0.0	-	3.1	-	4.4	38.0	2007 Feb
237.3	130.8	106.4	-	-	0.1	-	3.1	-	4.4	40.1	Mar
247.4	139.6	107.5	-	-	0.4	-	3.1	-	4.4	28.3	Apr
236.9	126.6	110.3	-	-	0.0	-	3.2	-	4.4	44.5	May
243.4	136.2	107.0	-	-	0.2	-	3.2	-	4.4	37.3	June
248.5	146.0	102.4	-	-	-	-	3.3	-	4.4	41.0	July
210.4	89.9	120.5	-	-	0.0	-	3.3	-	4.4	66.5	Aug
223.3	83.8	139.3	-	-	0.2	-	4.3	-	4.4	73.1	Sep
202.2	62.9	139.3	-	-	0.0	-	7.0	-	4.4	92.4	Oct
207.2	77.3	129.9	-	-	0.0	-	10.1	-	4.4	100.3	Nov
268.0	133.1	134.8	-	-	0.1	-	13.1	-	4.4	98.4	Dec
172.7	47.0	125.7	-	-	0.0	-	17.3	-	4.4	120.9	2008 Jan
178.7	59.0	119.7	-	-	-	-	18.5	-	4.4	137.1	Feb
213.1	98.4	103.5	11.2	-	0.0	-	20.6	-	4.4	115.4	Mar
192.5	80.1	112.4	-	-	0.0	-	19.9	-	4.4	118.1	Apr
184.5	71.2	113.2	-	-	0.1	-	19.9	-	4.4	120.2	May
192.4	86.5	105.9	-	-	0.0	-	18.4	-	4.4	124.3	June
184.5	75.5	109.0	-	-	0.0	-	20.3	-	4.4	122.9	July
180.4	76.6	103.8	-	-	0.0	-	22.9	-	4.4	136.8	Aug
223.5	69.2	153.5	-	-	0.8	-	25.2	-	4.4	127.2	Sep
297.1	107.2	186.4	-	-	3.5	-	38.5	-	4.4	97.4	Oct
263.3	101.4	159.7	-	-	2.2	-	23.5	-	4.4	120.9	Nov
277.7	75.3	201.6	-	-	0.8	-	22.0	-	4.4	146.0	Dec

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

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

III Consolidated financial statement of the Eurosystem

Liabilities to non-euro-area residents denominated in euro	Liabilities to euro-area residents in foreign currency	Liabilities to non-euro-area residents denominated in foreign currency			Counterpart of special drawing rights allocated by the IMF	Other liabilities 3	Intra-Eurosystem liability related to euro-banknote issue 2	Revaluation accounts	Capital and reserves	On reporting date/ End of month 1
		Total	Deposits, balances and other liabilities	Liabilities arising from the credit facility under ERM II						
Eurosystem 4										
57.9	1.7	17.5	17.5	—	5.1	143.3	—	156.2	71.8	2008 May 2
66.7	1.5	19.1	19.1	—	5.1	142.7	—	156.2	71.8	9
66.0	1.9	18.4	18.4	—	5.1	143.8	—	156.2	71.9	16
73.9	2.9	16.3	16.3	—	5.1	144.0	—	156.2	71.9	23
73.4	2.3	16.5	16.5	—	5.1	146.1	—	156.2	71.9	30
72.3	2.4	16.6	16.6	—	5.1	146.0	—	156.2	71.7	June 6
76.9	1.6	17.1	17.1	—	5.1	147.1	—	156.2	71.7	13
77.5	1.8	16.6	16.6	—	5.1	146.8	—	156.2	71.7	20
77.5	3.0	15.6	15.6	—	5.1	147.4	—	156.2	71.7	27
77.7	1.8	20.0	20.0	—	5.1	5 145.8	—	5 152.4	71.7	July 4
76.7	2.5	18.2	18.2	—	5.1	144.0	—	152.4	71.7	11
78.3	1.8	16.0	16.0	—	5.1	144.3	—	152.4	71.7	18
78.0	2.9	16.3	16.3	—	5.1	144.0	—	152.4	71.7	25
78.9	2.1	18.3	18.3	—	5.1	146.0	—	152.4	71.7	Aug 1
78.2	1.4	19.5	19.5	—	5.1	148.4	—	152.4	71.7	8
81.7	1.2	19.4	19.4	—	5.1	148.0	—	152.4	71.7	15
81.4	1.3	18.3	18.3	—	5.1	148.2	—	152.4	71.7	22
80.1	0.9	17.3	17.3	—	5.1	148.7	—	152.4	71.7	29
79.0	1.3	17.3	17.3	—	5.1	150.2	—	152.4	71.7	2008 Sep 5
78.3	1.0	17.2	17.2	—	5.1	151.9	—	152.4	71.7	12
108.4	1.5	15.3	15.3	—	5.1	155.3	—	152.4	71.7	19
127.5	2.1	16.1	16.1	—	5.1	156.0	—	152.4	71.7	26
161.6	1.3	5 25.0	5 25.0	—	5.4	5 166.5	—	5 168.7	71.7	Oct 3
195.0	1.0	26.7	26.7	—	5.4	164.9	—	168.7	71.7	10
255.0	1.3	19.8	19.8	—	5.4	167.1	—	168.7	71.7	17
283.6	0.1	16.4	16.4	—	5.4	167.5	—	168.7	71.7	24
303.4	0.7	16.7	16.7	—	5.4	168.7	—	168.7	71.7	31
315.9	— 0.9	16.7	16.7	—	5.4	168.6	—	168.7	71.7	Nov 7
306.2	— 1.4	17.0	17.0	—	5.4	169.0	—	168.7	71.7	14
268.9	— 1.6	16.8	16.8	—	5.4	168.2	—	168.7	71.7	21
278.4	— 1.5	14.5	14.5	—	5.4	167.1	—	168.7	71.7	28
315.1	0.5	15.8	15.8	—	5.4	165.5	—	168.7	71.7	Dec 5
300.8	2.3	13.1	13.1	—	5.4	161.6	—	168.7	71.7	12
279.0	2.8	13.1	13.1	—	5.4	161.2	—	168.7	71.7	19
286.0	2.9	10.2	10.2	—	5.4	161.2	—	168.7	71.7	26
286.8	5 4.5	5 11.3	5 11.3	—	5.4	5 169.2	—	5 176.6	72.0	2009 Jan 2
Deutsche Bundesbank										
3.7	0.0	1.2	1.2	—	1.4	13.5	86.5	45.9	5.0	2007 Feb
3.8	0.0	1.3	1.3	—	1.4	10.1	87.5	5 47.4	5.0	Mar
3.8	0.0	2.5	2.5	—	1.4	10.0	87.5	47.4	5.0	Apr
4.0	0.0	3.0	3.0	—	1.4	10.8	90.4	47.4	5.0	May
3.8	0.0	2.3	2.3	—	1.4	12.4	91.6	5 44.9	5.0	June
4.1	0.0	2.2	2.2	—	1.4	11.6	92.1	44.9	5.0	July
4.1	0.0	2.2	2.2	—	1.4	12.6	94.4	44.9	5.0	Aug
5.4	0.0	2.6	2.6	—	1.3	13.6	96.1	5 49.5	5.0	Sep
7.9	0.0	2.3	2.3	—	1.3	13.0	97.5	49.5	5.0	Oct
11.1	0.0	2.0	2.0	—	1.3	14.1	98.6	49.5	5.0	Nov
14.0	0.0	2.0	2.0	—	1.3	5 13.1	99.5	5 55.0	5.0	Dec
18.4	0.0	2.6	2.6	—	1.3	13.3	100.2	55.0	5.0	2008 Jan
19.4	0.0	3.0	3.0	—	1.3	14.1	102.4	55.0	5.0	Feb
21.7	0.0	3.3	3.3	—	1.3	10.7	103.7	5 58.1	5.0	Mar
21.2	0.0	4.3	4.3	—	1.3	10.2	104.1	58.1	5.0	Apr
21.2	0.0	3.2	3.2	—	1.3	11.3	106.3	58.1	5.0	May
19.6	0.0	3.9	3.9	—	1.3	12.5	107.2	5 57.4	5.0	June
22.1	0.0	3.0	3.0	—	1.3	12.2	107.4	57.4	5.0	July
24.0	0.0	2.4	2.4	—	1.3	13.1	109.8	57.4	5.0	Aug
24.7	0.0	2.1	2.1	—	1.3	5 15.1	111.8	5 62.2	5.0	Sep
21.7	11.9	3.8	3.8	—	1.3	14.8	119.3	62.2	5.0	Oct
16.1	13.5	3.0	3.0	—	1.3	15.9	120.6	62.2	5.0	Nov
9.2	18.4	2.5	2.5	—	1.3	16.9	121.8	5 63.1	5.0	Dec

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

the aforementioned accounting regime and the value of euro banknotes put into circulation is also disclosed as an "Intra-Eurosystem claim/ liability related to banknote issue". — 3 For the Deutsche Bundesbank: including DM banknotes still in circulation. — 4 Source: ECB. — 5 Changes are due mainly to revaluations at the end of the quarter.

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

€ billion

End of month	Number of reporting institutions	Balance sheet total	Cash in hand and credit balances with central banks	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Participating interests	Other assets	
				Total	of which		Total	of which					
					Balances and loans	Securities issued by banks		Loans	Bills	Securities issued by non-banks			
													for up to and including 1 year
All categories of banks													
2008 June	2,014	7,745.1	68.6	3,227.3	2,332.1	829.5	3,940.6	560.1	2,647.7	1.5	708.4	156.5	352.2
July	2,008	7,732.1	55.4	3,212.1	2,314.7	827.4	3,948.2	566.3	2,656.9	1.4	702.7	160.2	356.1
Aug	2,003	7,802.4	62.4	3,230.3	2,325.6	833.2	3,995.0	568.7	2,677.6	1.4	727.0	160.1	354.6
Sep	1,995	7,953.8	82.2	3,344.6	2,450.1	824.1	4,011.8	578.2	2,689.8	1.3	721.6	156.9	358.4
Oct	1,988	8,093.2	66.9	3,455.7	2,576.2	812.7	4,035.2	579.5	2,720.9	1.3	714.1	157.9	377.6
Nov	1,980	8,049.6	69.8	3,424.0	2,530.5	814.2	4,006.3	556.2	2,723.3	1.4	710.6	157.5	392.0
Commercial banks ⁵													
2008 Oct	272	2,530.7	25.0	1,131.5	985.0	133.0	1,130.5	306.2	627.3	0.7	192.2	76.7	167.0
Nov	272	2,487.5	26.3	1,094.1	935.9	136.5	1,116.3	295.9	627.5	0.7	189.3	76.2	174.7
Big banks ⁶													
2008 Oct	5	1,520.7	12.7	714.1	626.0	79.0	589.3	176.5	299.2	0.5	108.5	69.8	134.8
Nov	5	1,506.0	14.5	704.4	604.6	81.8	577.6	169.7	299.7	0.6	104.1	69.3	140.2
Regional banks and other commercial banks													
2008 Oct	164	809.7	10.9	304.4	247.9	52.1	462.1	95.4	285.3	0.1	81.9	6.5	25.7
Nov	163	796.4	9.9	292.2	235.6	53.0	459.2	91.4	285.9	0.1	82.7	6.5	28.6
Branches of foreign banks													
2008 Oct	103	200.3	1.4	113.0	111.1	1.9	79.1	34.3	42.8	0.0	1.8	0.4	6.5
Nov	104	185.1	1.8	97.5	95.7	1.8	79.5	34.8	41.9	0.0	2.5	0.4	5.9
Landesbanken													
2008 Oct	10	1,619.6	6.4	827.6	620.9	181.8	695.1	115.3	453.4	0.1	113.2	27.7	62.9
Nov	10	1,589.7	5.7	801.6	600.1	177.5	689.8	109.2	455.6	0.1	114.9	27.7	64.9
Savings banks													
2008 Oct	438	1,062.7	20.0	279.5	130.7	136.1	724.3	63.3	565.5	0.3	94.7	19.9	19.0
Nov	438	1,071.8	20.0	287.3	134.7	138.1	724.4	62.4	566.0	0.3	95.2	19.9	20.3
Regional institutions of credit cooperatives													
2008 Oct	2	290.7	0.6	185.3	130.3	53.0	76.3	23.2	20.0	0.0	33.0	14.0	14.5
Nov	2	285.4	2.4	182.2	126.1	52.5	73.3	20.9	20.1	0.0	32.2	14.0	13.5
Credit cooperatives													
2008 Oct	1,204	662.9	12.7	195.7	99.1	89.3	423.9	36.6	338.5	0.2	48.3	10.8	19.7
Nov	1,197	672.4	13.3	202.9	103.8	90.4	425.7	36.5	339.3	0.2	49.4	10.9	19.6
Mortgage banks													
2008 Oct	20	826.6	1.2	273.4	166.4	105.1	534.1	15.6	384.1	-	133.2	1.3	16.6
Nov	19	842.8	1.3	290.3	183.3	104.8	531.1	15.9	382.9	-	131.0	1.3	18.9
Building and loan associations													
2008 Oct	25	189.0	0.1	54.0	40.0	12.9	120.9	1.5	108.4	.	11.1	0.3	13.7
Nov	25	189.9	0.1	54.9	40.8	13.1	120.9	1.5	108.5	.	11.0	0.3	13.6
Special purpose banks													
2008 Oct	17	911.1	1.0	508.6	403.8	101.5	330.0	17.9	223.8	-	88.3	7.2	64.3
Nov	17	910.1	0.7	510.8	405.7	101.3	324.9	14.0	223.3	-	87.6	7.2	66.5
Memo item: Foreign banks ⁷													
2008 Oct	147	904.5	7.3	410.7	338.1	65.4	442.9	92.8	278.7	0.2	68.7	6.6	36.9
Nov	148	887.2	9.7	394.9	320.5	65.3	439.6	90.7	277.4	0.2	68.8	6.6	36.5
of which: Banks majority-owned by foreign banks ⁸													
2008 Oct	44	704.2	5.9	297.7	227.0	63.5	363.8	58.5	235.9	0.2	66.8	6.3	30.5
Nov	44	702.2	7.9	297.4	224.8	63.5	360.1	55.9	235.5	0.2	66.3	6.2	30.6

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

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

IV Banks

Deposits of banks (MFIs)			Deposits of non-banks (non-MFIs)								Bearer debt securities outstanding ⁴	Capital including published reserves, participation rights capital, funds for general banking risks	Other liabilities	End of month
Total	of which		Total	of which				Savings deposits ³		Bank savings bonds				
	Sight deposits	Time deposits		Sight deposits	Time deposits ¹		Memo item Liabilities arising from repos ²	Total	of which At three months' notice					
				for up to and including 1 year	for more than 1 year ¹									
All categories of banks														
2,217.8	365.5	1,852.3	2,960.2	894.3	583.3	800.3	139.8	541.8	436.8	140.5	1,725.6	357.4	484.0	2008 June
2,185.1	321.3	1,863.8	2,973.4	868.9	625.7	800.3	148.7	536.2	431.7	142.3	1,726.3	361.1	486.1	July
2,194.5	296.2	1,898.3	2,998.0	875.7	645.0	801.9	157.2	531.9	428.5	143.5	1,742.2	361.2	506.5	Aug
2,343.9	409.7	1,934.2	2,999.3	885.8	640.4	800.4	143.0	527.6	425.2	145.1	1,722.0	364.6	524.1	Sep
2,421.9	405.5	2,016.3	3,044.5	916.4	645.6	804.0	140.9	529.3	423.9	149.2	1,723.7	366.4	536.8	Oct
2,347.2	411.2	1,936.0	3,056.6	936.5	634.7	802.6	132.4	532.0	422.8	150.7	1,736.7	366.5	542.5	Nov
Commercial banks ⁵														
941.8	246.6	695.2	996.5	442.8	282.9	143.0	87.4	106.1	81.0	21.6	250.2	120.8	221.4	2008 Oct
899.7	256.2	643.5	1,000.4	454.0	270.8	143.9	81.8	109.7	80.3	22.1	245.2	120.9	221.3	Nov
Big banks ⁶														
570.4	148.8	421.6	556.2	229.8	169.7	87.2	76.0	60.6	56.4	8.9	195.7	78.0	120.4	2008 Oct
554.5	164.6	389.8	558.7	237.6	164.6	86.7	72.3	60.9	55.9	8.9	192.9	79.0	121.0	Nov
Regional banks and other commercial banks														
219.4	67.4	152.0	404.1	191.2	105.3	49.4	11.4	45.5	24.5	12.6	54.5	37.4	94.3	2008 Oct
207.2	62.7	144.5	406.2	195.4	99.0	50.1	9.5	48.7	24.4	13.0	52.3	36.5	94.1	Nov
Branches of foreign banks														
152.1	30.5	121.6	36.3	21.8	7.9	6.4	0.0	0.0	0.0	0.2	0.0	5.3	6.6	2008 Oct
138.0	28.9	109.2	35.5	21.0	7.1	7.1	-	0.0	0.0	0.2	0.0	5.4	6.2	Nov
Landesbanken														
586.2	58.1	528.1	417.1	70.0	125.4	206.2	46.5	13.7	13.4	1.9	469.7	63.8	82.9	2008 Oct
556.2	57.4	498.8	417.2	66.6	128.7	206.0	46.2	13.8	13.5	2.1	468.0	63.8	84.6	Nov
Savings banks														
206.3	12.5	193.8	700.4	229.3	100.1	14.8	-	261.4	201.1	94.8	45.2	56.1	54.7	2008 Oct
206.8	15.7	191.1	709.7	237.2	101.2	14.9	-	260.9	200.6	95.5	44.4	56.1	54.8	Nov
Regional institutions of credit cooperatives														
154.4	25.9	128.5	52.3	12.4	20.6	17.5	6.9	-	-	1.7	53.5	10.9	19.6	2008 Oct
153.9	28.5	125.4	48.5	12.0	17.5	17.3	4.4	-	-	1.7	54.0	10.9	18.0	Nov
Credit cooperatives														
101.4	3.9	97.5	452.0	153.1	93.8	29.4	-	147.3	127.7	28.4	39.2	38.6	31.5	2008 Oct
105.4	4.4	100.9	457.8	156.9	96.1	29.5	-	146.9	127.6	28.5	38.8	38.7	31.8	Nov
Mortgage banks														
214.4	42.2	172.2	192.1	3.5	10.5	177.6	-	0.5	0.5	0.0	371.6	21.9	26.5	2008 Oct
200.7	33.2	167.6	191.1	3.8	10.1	176.7	-	0.5	0.5	0.0	400.6	21.9	28.4	Nov
Building and loan associations														
28.1	1.9	26.2	124.6	0.4	1.7	121.8	-	0.3	0.3	0.5	5.6	7.3	23.4	2008 Oct
28.0	2.5	25.4	124.0	0.3	1.8	121.1	-	0.3	0.3	0.5	6.9	7.3	23.7	Nov
Special purpose banks														
189.4	14.4	175.0	109.3	4.9	10.5	93.7	0.1	-	-	0.2	488.8	46.9	76.7	2008 Oct
196.6	13.3	183.3	107.9	5.9	8.5	93.4	0.0	-	-	0.2	478.9	46.9	79.9	Nov
Memo item: Foreign banks ⁷														
349.4	99.0	250.4	351.7	167.5	94.4	66.9	20.0	14.9	14.6	8.0	103.3	43.7	56.3	2008 Oct
337.4	105.7	231.7	349.4	166.7	91.6	67.7	20.5	15.1	14.8	8.4	100.4	43.8	56.3	Nov
of which: Banks majority-owned by foreign banks ⁸														
197.4	68.6	128.8	315.5	145.7	86.5	60.5	20.0	14.9	14.6	7.9	103.2	38.4	49.7	2008 Oct
199.4	76.9	122.5	313.9	145.6	84.4	60.6	20.5	15.1	14.8	8.2	100.4	38.4	50.1	Nov

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

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

lending 2,5												Period
prises and households 1,2					to general government 2							
Loans			Securities 5	Memo item Fiduciary loans 8	Total	Loans			Securities 5,9	Equalisation claims 10	Memo item Fiduciary loans 8	
Total	Medium-term 6	Long-term 7				Total	Medium-term 6	Long-term 7				
End of year or month *												
3,104.5	206.8	2,897.8	292.4	85.4	1,193.2	868.8	33.1	835.7	235.4	71.6	17.3	1998
1,764.8	182.5	1,582.3	178.9	49.2	605.6	459.5	30.9	428.6	108.6	37.5	8.7	1999
1,838.9	192.8	1,646.0	199.7	50.1	593.9	455.9	30.4	425.5	104.9	33.1	8.4	2000
1,880.5	191.1	1,689.4	189.7	48.9	556.0	440.3	25.6	414.6	111.8	4.0	8.0	2001
1,909.8	193.5	1,716.3	169.9	47.3	552.1	417.1	27.4	389.7	132.0	3.0	7.5	2002
1,927.7	195.0	1,732.8	168.3	49.9	544.3	401.0	34.6	366.4	141.3	2.0	7.0	2003
1,940.8	194.3	1,746.5	173.5	55.3	566.1	387.7	32.9	354.8	177.5	1.0	6.5	2004
1,953.4	194.7	1,758.8	187.9	52.1	544.1	374.4	32.9	341.4	169.7	-	4.5	2005
1,972.7	194.5	1,778.1	209.1	48.2	515.8	358.4	31.7	326.6	157.4	-	4.8	2006
1,987.3	207.7	1,779.6	181.1	46.5	476.2	332.5	31.9	300.6	143.7	-	4.7	2007
1,969.0	198.8	1,770.3	190.1	48.8	505.4	345.0	33.9	311.1	160.4	-	4.6	2007 June
1,970.9	199.0	1,772.0	188.0	47.6	503.1	343.0	33.3	309.7	160.1	-	4.6	July
1,980.2	202.7	1,777.5	184.8	47.4	497.1	342.3	33.9	308.4	154.8	-	4.6	Aug
1,978.7	203.2	1,775.5	186.1	47.2	492.7	339.1	33.3	305.7	153.6	-	4.6	Sep
1,977.0	200.5	1,776.5	179.7	47.1	482.1	333.7	32.0	301.6	148.4	-	4.6	Oct
1,983.5	203.1	1,780.4	178.1	46.9	480.8	332.0	32.0	300.0	148.7	-	4.6	Nov
1,987.3	207.7	1,779.6	181.1	46.5	476.2	332.5	31.9	300.6	143.7	-	4.7	Dec
1,988.3	209.5	1,778.8	200.6	47.4	467.9	326.6	31.5	295.1	141.3	-	4.5	2008 Jan
1,989.8	210.5	1,779.4	183.3	46.9	471.8	324.0	32.9	291.1	147.8	-	4.5	Feb
1,987.5	211.5	1,776.1	189.6	46.3	472.4	322.7	33.6	289.1	149.7	-	4.5	Mar
1,991.6	211.9	1,779.7	221.1	45.9	479.6	323.0	34.0	289.0	156.6	-	4.5	Apr
1,995.2	212.1	1,783.2	206.2	45.7	479.3	322.3	33.5	288.8	157.0	-	4.5	May
1,995.9	213.3	1,782.6	182.8	44.7	461.8	319.8	32.4	287.3	142.0	-	4.5	June
2,001.8	213.3	1,788.4	182.9	45.2	459.7	317.8	32.1	285.7	141.9	-	4.5	July
2,009.9	215.6	1,794.3	208.8	44.9	456.7	316.2	31.7	284.6	140.5	-	4.4	Aug
2,009.8	215.4	1,794.4	211.9	44.0	444.6	313.7	31.0	282.8	130.9	-	4.4	Sep
2,020.3	218.1	1,802.1	205.3	43.6	445.0	311.9	29.8	282.1	133.2	-	4.5	Oct
2,021.5	218.7	1,802.8	204.9	43.3	442.4	311.3	30.0	281.3	131.2	-	4.5	Nov
Changes *												
+ 121.8	+ 25.1	+ 96.8	+ 24.6	+ 0.3	+ 0.0	+ 8.5	+ 6.2	+ 2.3	- 7.8	- 0.6	- 0.1	1999
+ 71.8	+ 6.9	+ 64.9	+ 22.1	+ 0.8	- 7.7	- 3.8	- 0.4	- 3.5	- 3.1	- 0.8	- 0.3	2000
+ 41.9	- 2.8	+ 44.7	- 9.8	- 1.2	- 35.4	- 16.5	- 5.5	- 10.9	+ 10.1	- 29.1	- 0.4	2001
+ 26.6	- 2.1	+ 28.7	- 19.0	- 1.6	- 3.4	- 23.1	+ 1.0	- 24.1	+ 20.7	- 1.0	- 0.5	2002
+ 17.9	+ 0.2	+ 17.8	- 1.9	+ 2.6	- 5.9	- 16.1	+ 4.9	- 21.0	+ 11.2	- 1.0	- 0.5	2003
+ 10.7	+ 0.2	+ 10.5	+ 4.9	+ 3.6	+ 19.4	- 13.8	- 0.9	- 12.9	+ 34.3	- 1.1	- 0.6	2004
+ 12.5	+ 1.7	+ 10.8	+ 14.3	- 3.0	- 22.1	- 13.4	+ 0.9	- 14.2	- 7.7	- 1.0	- 2.0	2005
+ 2.3	+ 0.2	+ 2.2	+ 21.2	- 3.9	- 28.8	- 16.4	- 1.4	- 15.0	- 12.4	-	+ 0.3	2006
+ 9.6	+ 10.1	- 0.6	- 16.7	- 2.2	- 36.3	- 25.8	+ 0.1	- 26.0	- 10.5	-	- 0.1	2007
- 1.0	- 0.6	- 0.4	- 29.9	- 0.4	- 6.4	+ 1.2	+ 1.7	- 0.5	- 7.7	-	- 0.0	2007 June
+ 1.1	+ 0.2	+ 0.9	- 0.6	- 0.7	- 2.3	- 2.0	- 0.6	- 1.4	- 0.3	-	- 0.0	July
+ 9.3	+ 3.8	+ 5.5	- 3.2	- 0.2	- 6.0	- 0.7	+ 0.6	- 1.3	- 5.3	-	+ 0.0	Aug
- 1.5	+ 0.5	- 2.0	+ 1.3	- 0.2	- 4.4	- 3.3	- 0.6	- 2.7	- 1.2	-	+ 0.0	Sep
- 1.7	- 2.7	+ 1.0	- 1.0	- 0.1	- 7.4	- 5.4	- 1.3	- 4.1	- 2.0	-	+ 0.0	Oct
+ 6.5	+ 3.1	+ 3.4	- 1.5	- 0.2	- 1.3	- 1.6	- 0.0	- 1.6	+ 0.3	-	- 0.0	Nov
+ 3.0	+ 4.5	- 1.5	+ 2.9	- 0.4	- 4.6	+ 0.5	- 0.1	+ 0.6	- 5.1	-	+ 0.1	Dec
+ 1.0	+ 1.8	- 0.9	+ 19.5	- 0.6	- 8.4	- 5.9	- 0.4	- 5.6	- 2.4	-	- 0.1	2008 Jan
+ 1.3	+ 0.7	+ 0.6	- 17.3	- 0.5	+ 3.9	- 2.6	+ 1.4	- 4.1	+ 6.6	-	+ 0.0	Feb
- 2.3	+ 1.0	- 3.3	+ 6.3	- 0.5	+ 0.7	- 1.2	+ 0.7	- 1.9	+ 1.9	-	- 0.0	Mar
+ 4.0	+ 0.4	+ 3.6	+ 31.6	- 0.5	+ 7.0	+ 0.1	+ 0.2	- 0.1	+ 6.9	-	+ 0.0	Apr
+ 3.7	+ 0.2	+ 3.5	- 14.9	- 0.2	- 0.2	- 0.7	- 0.5	- 0.2	+ 0.5	-	- 0.0	May
+ 0.6	+ 1.2	- 0.6	- 23.3	- 1.0	- 17.4	- 2.5	- 1.0	- 1.5	- 14.8	-	- 0.0	June
+ 5.5	- 0.2	+ 5.7	+ 0.1	+ 0.5	- 2.2	- 2.0	- 0.4	- 1.7	- 0.1	-	- 0.0	July
+ 8.3	+ 2.4	+ 5.8	+ 25.9	- 0.3	- 2.9	- 1.5	- 0.4	- 1.1	- 1.4	-	- 0.0	Aug
- 0.3	- 0.2	- 0.1	+ 3.1	- 0.9	- 12.0	- 2.4	- 0.7	- 1.6	- 9.6	-	- 0.1	Sep
+ 9.6	+ 1.8	+ 7.8	- 6.6	- 0.4	+ 0.5	- 1.8	- 1.2	- 0.7	+ 2.3	-	+ 0.1	Oct
+ 1.2	+ 0.6	+ 0.7	- 0.4	- 0.3	- 2.6	- 0.6	+ 0.2	- 0.8	- 2.0	-	+ 0.0	Nov

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

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

IV Banks

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

€ billion

Lending to domestic enterprises and households (excluding holdings of negotiable money market paper and excluding securities portfolios) 1														
Period	of which													
	Total	Mortgage loans, total	Housing loans			Lending to enterprises and self-employed persons								
			Total	Mortgage loans secured by residential real estate	Other housing loans	Total	of which Housing loans	Manufacturing	Electricity, gas and water supply, mining 2	Construction	Wholesale and retail trade 3	Agriculture, forestry and fishing	Transport, storage and communication	Financing institutions (excluding MFIs) and insurance corporations
Lending, total														
End of year or quarter *														
2005	2,226.6	1,154.5	1,093.3	895.9	197.4	1,199.7	311.3	130.6	37.2	49.4	134.1	31.6	57.8	74.0
2006	2,242.2	1,177.5	1,114.7	921.2	193.5	1,204.2	316.1	133.0	39.3	47.2	131.4	32.4	60.9	76.0
2007 Sep	2,278.8	1,172.1	1,105.7	917.6	188.2	1,246.4	309.5	141.5	40.0	47.9	131.9	33.6	63.3	106.9
2007 Dec	2,289.0	1,166.7	1,101.3	914.4	186.8	1,259.7	306.2	145.4	41.3	47.0	135.7	33.2	65.4	101.4
2008 Mar	2,316.5	1,158.3	1,095.0	908.0	187.0	1,293.1	303.5	152.9	41.7	47.9	134.4	33.5	65.8	126.3
2008 June	2,333.8	1,160.3	1,096.0	910.3	185.7	1,309.3	304.4	158.2	43.0	47.6	134.5	34.2	68.5	129.7
2008 Sep	2,355.0	1,161.4	1,097.1	911.0	186.1	1,329.2	304.3	158.6	43.8	47.8	134.7	35.1	71.5	138.9
Short-term lending														
2005	273.2	-	11.2	-	11.2	230.0	6.7	38.8	3.2	9.7	49.2	3.3	6.1	32.8
2006	269.6	-	10.5	-	10.5	228.6	6.3	39.6	3.1	8.8	48.6	3.2	5.5	35.0
2007 Sep	300.0	-	9.0	-	9.0	260.4	4.9	44.4	3.6	9.3	48.6	3.8	6.3	59.4
2007 Dec	301.7	-	8.6	-	8.6	261.6	4.6	46.2	4.4	8.5	52.0	3.1	7.2	52.1
2008 Mar	329.0	-	8.6	-	8.6	289.8	4.6	51.1	4.4	9.5	50.9	3.3	6.7	75.4
2008 June	338.0	-	8.6	-	8.6	299.0	4.8	54.9	4.8	9.3	50.6	3.8	7.9	77.2
2008 Sep	345.2	-	8.6	-	8.6	305.3	4.7	53.2	5.0	9.1	50.4	3.8	6.9	85.5
Medium-term lending														
2005	194.6	-	35.7	-	35.7	122.5	10.7	15.6	2.1	5.2	11.4	3.0	10.6	10.8
2006	194.5	-	34.4	-	34.4	124.6	10.5	18.5	2.2	5.1	11.4	2.9	10.6	11.7
2007 Sep	203.2	-	32.5	-	32.5	135.8	10.3	21.1	2.2	5.5	12.7	3.0	11.8	16.9
2007 Dec	207.7	-	32.2	-	32.2	141.5	10.4	22.3	2.2	5.6	13.1	2.9	12.5	17.4
2008 Mar	211.5	-	31.4	-	31.4	147.0	10.3	24.1	2.0	5.6	13.2	2.9	12.7	18.9
2008 June	213.3	-	31.2	-	31.2	148.7	10.5	24.1	1.9	5.7	13.5	3.0	12.8	18.9
2008 Sep	215.4	-	30.8	-	30.8	152.5	10.7	25.4	1.8	5.9	13.7	3.1	14.0	17.5
Long-term lending														
2005	1,758.8	1,154.5	1,046.3	895.9	150.4	847.2	293.9	76.2	31.8	34.5	73.5	25.2	41.1	30.4
2006	1,778.1	1,177.5	1,069.8	921.2	148.6	850.9	299.3	74.9	34.0	33.3	71.4	26.4	44.7	29.3
2007 Sep	1,775.5	1,172.1	1,064.2	917.6	146.6	850.2	294.3	76.0	34.2	33.0	70.6	26.8	45.2	30.6
2007 Dec	1,779.6	1,166.7	1,060.5	914.4	146.0	856.5	291.2	76.9	34.7	33.0	70.6	27.2	45.7	31.9
2008 Mar	1,776.1	1,158.3	1,055.1	908.0	147.1	856.2	288.6	77.6	35.3	32.8	70.3	27.2	46.4	32.1
2008 June	1,782.6	1,160.3	1,056.2	910.3	146.0	861.6	289.1	79.2	36.3	32.6	70.3	27.5	47.8	33.6
2008 Sep	1,794.4	1,161.4	1,057.7	911.0	146.7	871.3	288.8	80.1	37.0	32.9	70.5	28.1	50.7	35.9
Lending, total														
Change during quarter *														
2007 Q3	+ 16.4	- 2.0	- 0.1	- 0.4	+ 0.3	+ 16.0	- 0.9	+ 0.3	+ 0.9	- 0.1	+ 1.3	+ 0.4	+ 0.8	+ 5.7
2007 Q4	+ 9.4	- 4.6	- 2.9	- 2.3	- 0.6	+ 12.5	- 1.8	+ 3.9	+ 1.3	- 1.0	+ 3.6	- 0.5	+ 2.1	+ 5.6
2008 Q1	+ 27.6	- 6.6	- 6.2	- 5.2	- 1.1	+ 33.3	- 2.6	+ 7.5	+ 0.4	+ 0.9	- 1.0	+ 0.3	+ 0.4	+ 24.7
2008 Q2	+ 17.3	+ 0.4	+ 1.1	+ 1.0	+ 0.1	+ 16.2	+ 0.9	+ 5.3	+ 1.3	- 0.2	+ 0.0	+ 0.8	+ 2.7	+ 3.3
2008 Q3	+ 20.6	+ 1.2	+ 1.1	+ 0.8	+ 0.3	+ 19.2	- 0.3	+ 0.4	+ 0.8	+ 0.1	+ 0.1	+ 0.8	+ 3.0	+ 10.8
Short-term lending														
2007 Q3	+ 7.5	-	- 0.2	-	- 0.2	+ 7.9	- 0.1	- 1.0	+ 0.5	- 0.3	+ 1.7	- 0.1	+ 0.2	+ 4.2
2007 Q4	+ 1.6	-	- 0.4	-	- 0.4	+ 1.2	- 0.3	+ 1.8	+ 0.8	- 0.9	+ 3.4	- 0.6	+ 1.0	- 7.3
2008 Q1	+ 27.6	-	- 0.1	-	- 0.1	+ 28.5	+ 0.0	+ 4.9	- 0.0	+ 1.0	- 0.8	+ 0.2	- 0.5	+ 23.3
2008 Q2	+ 8.9	-	+ 0.1	-	+ 0.1	+ 9.1	+ 0.1	+ 3.7	+ 0.4	- 0.2	- 0.3	+ 0.4	+ 1.1	+ 1.8
2008 Q3	+ 7.1	-	- 0.1	-	- 0.1	+ 6.3	- 0.1	- 1.7	+ 0.2	- 0.2	- 0.3	+ 0.1	- 1.0	+ 8.5
Medium-term lending														
2007 Q3	+ 4.5	-	- 0.6	-	- 0.6	+ 4.6	- 0.4	+ 0.8	+ 0.1	+ 0.2	+ 0.3	+ 0.1	+ 0.7	+ 1.4
2007 Q4	+ 4.9	-	- 0.2	-	- 0.2	+ 6.2	+ 0.4	+ 1.2	- 0.0	+ 0.1	+ 0.4	- 0.1	+ 0.7	+ 0.5
2008 Q1	+ 3.5	-	- 0.8	-	- 0.8	+ 5.2	- 0.1	+ 1.8	- 0.2	+ 0.0	+ 0.1	+ 0.0	+ 0.2	+ 1.2
2008 Q2	+ 1.8	-	- 0.2	-	- 0.2	+ 1.7	+ 0.3	- 0.0	- 0.1	+ 0.1	+ 0.3	+ 0.0	+ 0.2	- 0.0
2008 Q3	+ 2.0	-	- 0.3	-	- 0.3	+ 3.7	+ 0.2	+ 1.4	- 0.1	+ 0.1	+ 0.2	+ 0.1	+ 1.1	- 0.7
Long-term lending														
2007 Q3	+ 4.5	- 2.0	+ 0.7	- 0.4	+ 1.1	+ 3.5	- 0.4	+ 0.5	+ 0.4	+ 0.0	- 0.7	+ 0.4	- 0.1	+ 0.2
2007 Q4	+ 2.9	- 4.6	- 2.3	- 2.3	- 0.0	+ 5.0	- 1.9	+ 0.9	+ 0.5	- 0.2	- 0.1	+ 0.2	+ 0.4	+ 1.2
2008 Q1	- 3.6	- 6.6	- 5.4	- 5.2	- 0.2	- 0.4	- 2.5	+ 0.7	+ 0.6	- 0.2	- 0.2	+ 0.0	+ 0.7	+ 0.2
2008 Q2	+ 6.5	+ 0.4	+ 1.2	+ 1.0	+ 0.2	+ 5.4	+ 0.5	+ 1.6	+ 1.0	- 0.1	- 0.0	+ 0.3	+ 1.4	+ 1.5
2008 Q3	+ 11.5	+ 1.2	+ 1.5	+ 0.8	+ 0.7	+ 9.3	- 0.5	+ 0.8	+ 0.7	+ 0.2	+ 0.2	+ 0.6	+ 2.9	+ 3.0

* Excluding lending by foreign branches. Breakdown of lending by building and loan associations by areas and sectors estimated. Statistical alterations have been eliminated from the changes. The figures for the latest date are

always to be regarded as provisional; subsequent alterations, which will appear in the following Monthly Report, are not specially marked. —

											Lending to employees and other individuals		Lending to non-profit institutions		
Services sector (including the professions)				Memo items				Other lending							
Total	of which			Lending to self-employed persons ⁴	Lending to craft enterprises	Total	Housing loans	Total	of which		Total	of which Housing loans	Period		
	Housing enterprises	Holding companies	Other real estate enterprises						Instalment loans ⁵	Debit balances on wage, salary and pension accounts					
End of year or quarter *													Lending, total		
685.0	160.3	40.6	199.3	407.5	60.6	1,012.9	778.9	234.0	130.1	18.8	14.1	3.1	2005		
684.0	164.2	39.5	197.0	396.6	60.2	1,023.4	795.0	228.4	130.6	17.6	14.7	3.7	2006		
681.4	163.2	45.0	194.1	388.1	59.5	1,018.2	792.6	225.5	130.9	17.2	14.2	3.6	2007 Sep		
690.3	165.0	46.2	197.5	386.6	58.2	1,015.2	791.6	223.7	129.3	17.2	14.0	3.5	2007 Dec		
690.5	165.5	47.4	195.9	384.2	58.6	1,009.6	788.1	221.6	128.9	17.0	13.9	3.5	2008 Mar		
693.5	166.1	48.5	197.2	383.9	58.9	1,010.8	788.1	222.6	130.6	17.1	13.8	3.5	2008 June		
698.8	167.1	49.0	198.4	382.4	58.6	1,012.3	789.5	222.8	130.4	17.9	13.5	3.3	2008 Sep		
													Short-term lending		
86.9	14.1	10.3	23.9	40.1	10.6	41.8	4.5	37.3	2.6	18.8	1.4	0.0	2005		
84.9	13.9	10.1	22.1	36.7	10.0	39.8	4.2	35.6	2.8	17.6	1.2	0.0	2006		
85.0	12.7	13.1	21.6	35.3	10.0	38.8	4.1	34.8	2.6	17.2	0.8	0.0	2007 Sep		
88.0	13.0	13.0	23.3	35.7	9.4	39.2	4.0	35.2	2.5	17.2	0.8	0.0	2007 Dec		
88.4	13.1	14.3	22.3	35.5	10.1	38.3	3.9	34.4	2.5	17.0	0.9	0.0	2008 Mar		
90.5	13.5	15.4	22.5	35.3	10.2	38.2	3.9	34.4	2.5	17.1	0.8	0.0	2008 June		
91.4	13.6	14.7	23.7	35.0	9.9	39.2	3.9	35.3	2.4	17.9	0.7	0.0	2008 Sep		
													Medium-term lending		
63.7	7.3	6.5	15.9	29.8	3.8	71.5	25.0	46.5	37.2	-	0.7	0.1	2005		
62.3	6.9	5.9	15.8	27.7	3.8	69.3	23.9	45.4	37.0	-	0.6	0.1	2006		
62.7	7.0	6.8	16.6	27.5	3.8	66.8	22.2	44.6	36.9	-	0.6	0.0	2007 Sep		
65.7	7.4	7.5	17.7	27.4	3.7	65.4	21.7	43.6	35.8	-	0.7	0.0	2007 Dec		
67.7	7.9	7.5	18.6	27.0	3.7	63.8	21.0	42.7	34.8	-	0.7	0.0	2008 Mar		
68.8	8.4	7.8	19.3	27.1	3.8	63.9	20.6	43.3	35.5	-	0.6	0.0	2008 June		
71.2	8.7	8.5	19.5	26.8	3.9	62.3	20.1	42.2	34.4	-	0.6	0.0	2008 Sep		
													Long-term lending		
534.4	138.9	23.8	159.6	337.6	46.2	899.6	749.4	150.2	90.3	-	12.0	3.1	2005		
536.9	143.4	23.4	159.1	332.1	46.5	914.3	766.8	147.4	90.8	-	12.9	3.6	2006		
533.7	143.5	25.1	155.9	325.2	45.7	912.6	766.3	146.2	91.4	-	12.7	3.6	2007 Sep		
536.6	144.7	25.7	156.5	323.5	45.1	910.6	765.8	144.8	90.9	-	12.5	3.4	2007 Dec		
534.4	144.5	25.6	155.0	321.8	44.8	907.5	763.1	144.4	91.6	-	12.3	3.4	2008 Mar		
534.2	144.3	25.2	155.3	321.5	44.9	908.6	763.7	144.9	92.7	-	12.4	3.4	2008 June		
536.2	144.7	25.8	155.1	320.6	44.8	910.9	765.5	145.3	93.6	-	12.2	3.3	2008 Sep		
Change during quarter *													Lending, total		
+ 6.7	+ 0.8	+ 3.0	+ 0.5	- 1.7	- 0.5	+ 0.5	+ 0.8	- 0.3	+ 1.2	- 0.4	- 0.1	- 0.0	2007 Q3		
+ 8.7	+ 1.5	+ 1.1	+ 3.6	- 1.5	- 1.2	- 2.9	- 0.9	- 2.0	- 1.6	- 0.0	- 0.1	- 0.1	2007 Q4		
+ 0.2	+ 0.4	+ 1.2	- 1.5	- 2.4	+ 0.4	- 5.6	- 3.6	- 2.0	- 0.4	- 0.2	- 0.2	- 0.0	2008 Q1		
+ 3.0	+ 0.7	+ 1.0	+ 1.3	- 0.3	+ 0.3	+ 1.2	+ 0.2	+ 1.0	+ 1.7	+ 0.1	- 0.1	+ 0.0	2008 Q2		
+ 3.2	+ 1.0	+ 0.5	+ 1.0	- 1.6	- 0.3	+ 1.6	+ 1.5	+ 0.1	- 0.3	+ 0.8	- 0.3	+ 0.1	2008 Q3		
													Short-term lending		
+ 2.6	+ 0.2	+ 2.1	- 0.4	- 0.9	- 0.3	- 0.3	- 0.1	- 0.2	+ 0.0	- 0.4	- 0.1	+ 0.0	2007 Q3		
+ 3.0	+ 0.3	- 0.1	+ 1.7	+ 0.3	- 0.6	+ 0.4	- 0.1	+ 0.5	- 0.0	- 0.0	- 0.0	+ 0.0	2007 Q4		
+ 0.4	+ 0.1	+ 1.3	- 1.0	- 0.2	+ 0.7	- 0.9	- 0.1	- 0.8	- 0.0	- 0.2	+ 0.0	-	2008 Q1		
+ 2.1	+ 0.4	+ 1.1	+ 0.2	- 0.1	+ 0.0	- 0.1	- 0.1	- 0.0	- 0.0	+ 0.1	- 0.1	-	2008 Q2		
+ 0.6	+ 0.1	- 0.7	+ 1.2	- 0.3	- 0.3	+ 1.0	+ 0.0	+ 1.0	- 0.1	+ 0.8	- 0.1	- 0.0	2008 Q3		
													Medium-term lending		
+ 1.2	+ 0.6	+ 0.0	+ 0.6	+ 0.1	- 0.0	- 0.1	- 0.3	+ 0.1	+ 0.1	-	- 0.0	- 0.0	2007 Q3		
+ 3.5	+ 0.6	+ 0.7	+ 1.2	- 0.0	- 0.1	- 1.5	- 0.6	- 0.9	- 1.1	-	+ 0.1	+ 0.0	2007 Q4		
+ 2.0	+ 0.5	- 0.0	+ 0.9	- 0.4	- 0.0	- 1.6	- 0.7	- 0.9	- 1.0	-	- 0.1	- 0.0	2008 Q1		
+ 1.2	+ 0.5	+ 0.4	+ 0.8	+ 0.1	+ 0.1	+ 0.2	- 0.4	+ 0.6	+ 0.7	-	- 0.0	- 0.0	2008 Q2		
+ 1.7	+ 0.5	+ 0.7	+ 0.0	- 0.3	+ 0.1	- 1.7	- 0.5	- 1.2	- 1.1	-	- 0.0	- 0.0	2008 Q3		
													Long-term lending		
+ 2.8	+ 0.1	+ 0.8	+ 0.4	- 0.9	- 0.2	+ 1.0	+ 1.1	- 0.2	+ 1.1	-	+ 0.0	- 0.0	2007 Q3		
+ 2.2	+ 0.7	+ 0.5	+ 0.6	- 1.8	- 0.5	- 1.9	- 0.3	- 1.6	- 0.5	-	- 0.3	- 0.1	2007 Q4		
- 2.2	- 0.3	- 0.0	- 1.4	- 1.8	- 0.3	- 3.1	- 2.8	- 0.2	+ 0.6	-	- 0.1	- 0.0	2008 Q1		
- 0.2	- 0.2	- 0.4	+ 0.3	- 0.3	+ 0.1	+ 1.1	+ 0.7	+ 0.4	+ 1.1	-	+ 0.0	+ 0.0	2008 Q2		
+ 0.8	+ 0.5	- 0.2	- 0.2	- 0.9	- 0.1	+ 2.4	+ 2.0	+ 0.3	+ 0.9	-	- 0.1	- 0.1	2008 Q3		

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

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

IV Banks

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

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item		
			Total	for up to and including 1 year	for more than 1 year 2		Fiduciary loans			Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos	
					Total	for up to and including 2 years						for more than 2 years
Domestic non-banks, total												
End of year or month *												
2005	2,276.6	717.0	864.4	231.3	633.1	8.2	624.9	603.4	91.9	42.4	31.6	12.6
2006	2,394.6	747.7	962.8	289.5	673.3	11.7	661.6	586.5	97.5	37.8	30.4	11.2
2007	2,579.1	779.9	1,125.4	418.9	706.5	22.8	683.7	555.4	118.4	36.4	35.0	22.6
2007 Dec	2,579.1	779.9	1,125.4	418.9	706.5	22.8	683.7	555.4	118.4	36.4	35.0	22.6
2008 Jan	2,587.3	785.1	1,130.6	420.3	710.3	24.0	686.3	550.5	121.1	33.6	34.9	36.1
Feb	2,601.7	784.9	1,147.5	434.5	713.0	25.0	688.0	547.6	121.7	33.6	35.0	38.9
Mar	2,601.9	786.3	1,150.0	435.8	714.2	26.1	688.1	543.8	121.8	33.2	35.0	39.9
Apr	2,620.8	779.4	1,178.8	462.5	716.3	26.5	689.8	539.8	122.8	33.1	35.6	50.1
May	2,636.4	782.6	1,193.5	476.5	717.0	27.0	690.0	536.3	124.0	33.1	35.4	49.2
June	2,646.4	793.1	1,194.4	475.9	718.5	28.4	690.1	533.5	125.4	32.9	35.6	57.1
July	2,644.7	768.2	1,221.5	501.6	719.9	29.6	690.4	527.9	127.1	32.5	35.7	52.6
Aug	2,660.4	771.9	1,236.7	515.4	721.3	30.8	690.5	523.6	128.1	32.5	35.7	55.1
Sep	2,676.0	784.7	1,242.4	521.6	720.8	32.2	688.6	519.3	129.6	32.3	35.7	64.9
Oct	2,719.2	812.8	1,252.5	534.6	717.9	32.8	685.1	520.8	133.1	32.3	35.6	63.3
Nov	2,748.8	832.8	1,257.9	540.2	717.6	33.5	684.2	523.4	134.7	32.2	34.8	68.9
Changes *												
2006	+ 118.0	+ 30.0	+ 97.7	+ 57.5	+ 40.2	+ 3.5	+ 36.6	- 16.8	+ 7.2	- 4.1	+ 0.1	- 2.2
2007	+ 181.1	+ 31.6	+ 160.5	+ 127.5	+ 33.0	+ 11.0	+ 22.0	- 31.1	+ 20.1	- 2.0	+ 3.3	+ 9.9
2007 Dec	+ 27.9	- 20.9	+ 39.7	+ 31.9	+ 7.8	+ 2.9	+ 4.9	+ 7.3	+ 1.7	+ 0.1	+ 0.0	- 11.9
2008 Jan	+ 8.0	+ 5.0	+ 5.2	+ 1.4	+ 3.8	+ 1.3	+ 2.5	- 4.9	+ 2.7	- 0.1	- 0.1	+ 13.5
Feb	+ 14.5	- 0.1	+ 16.9	+ 14.2	+ 2.8	+ 1.0	+ 1.8	- 2.9	+ 0.6	+ 0.0	+ 0.0	+ 2.9
Mar	+ 0.4	+ 1.4	+ 2.7	+ 1.3	+ 1.3	+ 1.1	+ 0.2	- 3.7	+ 0.0	- 0.4	+ 0.0	+ 0.9
Apr	+ 18.7	- 7.2	+ 28.8	+ 26.7	+ 2.1	+ 0.5	+ 1.7	- 4.1	+ 1.1	- 0.1	+ 0.6	+ 10.2
May	+ 15.6	+ 3.1	+ 14.7	+ 14.0	+ 0.7	+ 0.4	+ 0.3	- 3.5	+ 1.2	- 0.0	- 0.2	- 0.8
June	+ 9.9	+ 10.5	+ 0.9	- 0.7	+ 1.6	+ 1.4	+ 0.1	- 2.9	+ 1.4	- 0.2	+ 0.2	+ 7.9
July	- 1.7	- 24.9	+ 27.1	+ 25.7	+ 1.4	+ 1.2	+ 0.2	- 5.6	+ 1.7	- 0.5	+ 0.2	- 4.5
Aug	+ 15.7	+ 3.8	+ 15.2	+ 13.8	+ 1.4	+ 1.2	+ 0.2	- 4.3	+ 1.0	+ 0.0	- 0.1	+ 2.5
Sep	+ 15.5	+ 12.8	+ 5.7	+ 6.3	- 0.6	+ 1.4	- 2.0	- 4.4	+ 1.4	- 0.2	- 0.0	+ 9.8
Oct	+ 43.2	+ 28.1	+ 10.1	+ 13.0	- 2.9	+ 0.6	- 3.5	+ 1.5	+ 3.5	- 0.1	- 0.0	- 1.6
Nov	+ 34.3	+ 20.0	+ 10.1	+ 7.6	+ 2.5	+ 0.9	+ 1.7	+ 2.6	+ 1.7	- 0.0	- 0.8	+ 5.7
Domestic government												
End of year or month *												
2005	103.7	21.0	78.7	31.7	47.0	0.5	46.5	2.4	1.5	32.3	1.0	-
2006	134.4	26.7	104.0	51.1	52.9	2.1	50.8	2.1	1.6	28.2	0.8	-
2007	158.5	28.0	127.7	71.9	55.8	3.7	52.1	1.4	1.5	27.6	4.5	-
2007 Dec	158.5	28.0	127.7	71.9	55.8	3.7	52.1	1.4	1.5	27.6	4.5	-
2008 Jan	150.0	24.9	122.2	66.9	55.3	3.2	52.1	1.4	1.5	24.9	4.5	0.2
Feb	149.6	24.9	121.9	66.2	55.8	3.4	52.4	1.3	1.5	25.0	4.5	0.2
Mar	150.0	24.6	122.7	66.7	56.0	4.4	51.6	1.3	1.4	24.7	4.5	-
Apr	149.0	24.1	122.1	66.2	55.9	4.1	51.8	1.3	1.4	24.7	4.6	-
May	159.5	26.4	130.5	74.5	56.0	4.2	51.8	1.2	1.4	24.7	4.4	-
June	166.6	28.6	135.4	79.0	56.4	4.6	51.8	1.2	1.4	24.6	4.4	-
July	162.0	25.4	134.0	77.9	56.1	4.4	51.8	1.2	1.4	24.3	4.4	-
Aug	164.8	26.9	135.3	78.9	56.3	4.5	51.8	1.2	1.4	24.3	4.4	-
Sep	165.8	27.0	136.3	80.4	55.9	4.6	51.3	1.2	1.4	24.2	4.4	-
Oct	160.4	27.2	130.7	75.2	55.5	4.5	51.0	1.1	1.4	24.3	4.4	-
Nov	164.9	30.5	131.9	77.4	54.5	4.3	50.2	1.1	1.5	24.2	3.9	-
Changes *												
2006	+ 30.7	+ 5.7	+ 25.3	+ 19.4	+ 5.9	+ 1.6	+ 4.3	- 0.4	+ 0.1	- 4.0	- 0.1	-
2007	+ 23.5	+ 1.2	+ 23.0	+ 20.8	+ 2.2	+ 1.6	+ 0.6	- 0.6	- 0.1	- 1.2	+ 2.6	-
2007 Dec	+ 1.5	+ 0.7	+ 0.9	+ 0.1	+ 0.8	+ 0.4	+ 0.4	- 0.0	- 0.0	+ 0.0	- 0.0	-
2008 Jan	- 8.6	- 3.0	- 5.4	- 5.0	- 0.5	- 0.5	+ 0.0	- 0.1	+ 0.0	+ 0.1	- 0.0	+ 0.2
Feb	- 0.4	- 0.1	- 0.3	- 0.7	+ 0.4	+ 0.2	+ 0.3	- 0.0	- 0.0	+ 0.0	+ 0.0	-
Mar	+ 0.6	- 0.3	+ 0.9	+ 0.5	+ 0.4	+ 1.0	- 0.6	- 0.0	- 0.0	- 0.3	- 0.0	- 0.2
Apr	- 1.0	- 0.4	- 0.5	- 0.5	- 0.1	- 0.3	+ 0.3	- 0.1	+ 0.0	+ 0.0	+ 0.1	-
May	+ 10.6	+ 2.2	+ 8.4	+ 8.3	+ 0.1	+ 0.1	- 0.0	- 0.0	- 0.0	+ 0.0	- 0.1	-
June	+ 7.0	+ 2.1	+ 4.8	+ 4.4	+ 0.4	+ 0.4	- 0.0	- 0.0	+ 0.0	- 0.1	- 0.0	-
July	- 4.5	- 3.1	- 1.4	- 1.1	- 0.3	- 0.3	- 0.0	- 0.0	- 0.0	- 0.3	+ 0.0	-
Aug	+ 2.7	+ 1.5	+ 1.2	+ 1.0	+ 0.2	+ 0.2	+ 0.0	- 0.0	+ 0.0	+ 0.0	+ 0.0	-
Sep	+ 0.9	+ 0.1	+ 0.8	+ 1.5	- 0.7	+ 0.0	- 0.7	- 0.0	+ 0.0	- 0.1	+ 0.0	-
Oct	- 5.4	+ 0.2	- 5.6	- 5.2	- 0.4	- 0.1	- 0.3	- 0.0	+ 0.0	+ 0.0	- 0.0	-
Nov	+ 6.9	+ 3.3	+ 3.6	+ 3.8	- 0.2	+ 0.0	- 0.2	+ 0.0	+ 0.0	- 0.0	- 0.5	-

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

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

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

€ billion

Period	Deposits, total	Sight deposits	Time deposits 1,2					Savings deposits 3	Bank savings bonds 4	Memo item			
			Total	for up to and including 1 year	for more than 1 year 2					Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities)	Included in time deposits: liabilities arising from repos	
					Total	for up to and including 2 years	for more than 2 years						
Domestic enterprises and households												End of year or month *	
2005	2,173.0	696.0	785.7	199.5	586.1	7.7	578.4	601.0	90.3	10.2	30.7	12.6	
2006	2,260.2	721.0	858.8	238.4	620.4	9.6	610.8	584.5	95.9	9.6	29.5	11.2	
2007	2,420.6	752.0	997.7	347.0	650.7	19.0	631.7	554.0	116.9	8.8	30.5	22.6	
2007 Dec	2,420.6	752.0	997.7	347.0	650.7	19.0	631.7	554.0	116.9	8.8	30.5	22.6	
2008 Jan	2,437.3	760.1	1,008.4	353.4	654.9	20.8	634.1	549.1	119.6	8.6	30.4	35.9	
Feb	2,452.2	760.1	1,025.6	368.3	657.3	21.6	635.7	546.2	120.3	8.6	30.5	38.8	
Mar	2,452.0	761.8	1,027.3	369.1	658.2	21.7	636.5	542.5	120.4	8.5	30.5	39.9	
Apr	2,471.9	755.3	1,056.7	396.3	660.4	22.4	637.9	538.5	121.4	8.4	31.1	50.1	
May	2,476.8	756.2	1,063.0	402.0	660.9	22.8	638.2	535.1	122.6	8.4	31.0	49.2	
June	2,479.8	764.5	1,059.0	396.9	662.1	23.8	638.4	532.2	124.0	8.4	31.2	57.1	
July	2,482.7	742.7	1,087.5	423.7	663.8	25.2	638.6	526.7	125.7	8.2	31.3	52.6	
Aug	2,495.7	745.0	1,101.5	436.5	665.0	26.3	638.7	522.4	126.7	8.2	31.3	55.1	
Sep	2,510.1	757.7	1,106.2	441.3	664.9	27.7	637.3	518.1	128.1	8.1	31.2	64.9	
Oct	2,558.8	785.6	1,121.8	459.5	662.4	28.4	634.0	519.7	131.6	8.0	31.2	63.3	
Nov	2,583.9	802.3	1,126.0	462.9	663.1	29.2	633.9	522.2	133.3	8.0	30.9	68.9	
Changes *												End of year or month *	
2006	+ 87.3	+ 24.3	+ 72.3	+ 38.1	+ 34.2	+ 1.9	+ 32.4	- 16.5	+ 7.1	- 0.1	+ 0.3	- 2.2	
2007	+ 157.7	+ 30.3	+ 137.6	+ 106.8	+ 30.8	+ 9.4	+ 21.4	- 30.5	+ 20.2	- 0.7	+ 0.7	+ 9.9	
2007 Dec	+ 26.4	- 21.5	+ 38.8	+ 31.8	+ 7.1	+ 2.6	+ 4.5	+ 7.3	+ 1.7	+ 0.0	+ 0.0	- 11.9	
2008 Jan	+ 16.6	+ 8.0	+ 10.7	+ 6.4	+ 4.3	+ 1.8	+ 2.5	- 4.8	+ 2.7	- 0.2	- 0.1	+ 13.3	
Feb	+ 14.9	- 0.1	+ 17.2	+ 14.9	+ 2.3	+ 0.8	+ 1.5	- 2.9	+ 0.7	- 0.0	+ 0.0	+ 2.9	
Mar	- 0.2	+ 1.7	+ 1.7	+ 0.8	+ 0.9	+ 0.1	+ 0.9	- 3.7	+ 0.1	- 0.1	+ 0.1	+ 1.1	
Apr	+ 19.7	- 6.7	+ 29.4	+ 27.2	+ 2.2	+ 0.8	+ 1.4	- 4.0	+ 1.1	- 0.1	+ 0.6	+ 10.2	
May	+ 5.0	+ 0.9	+ 6.3	+ 5.7	+ 0.6	+ 0.3	+ 0.3	- 3.4	+ 1.2	- 0.0	- 0.1	- 0.8	
June	+ 2.9	+ 8.3	- 3.9	- 5.1	+ 1.2	+ 1.0	+ 0.2	- 2.8	+ 1.4	- 0.0	+ 0.2	+ 7.9	
July	+ 2.9	- 21.8	+ 28.5	+ 26.8	+ 1.7	+ 1.5	+ 0.2	- 5.5	+ 1.7	- 0.2	+ 0.2	- 4.5	
Aug	+ 13.0	+ 2.3	+ 13.9	+ 12.7	+ 1.2	+ 1.0	+ 0.2	- 4.2	+ 1.0	+ 0.0	- 0.1	+ 2.5	
Sep	+ 14.7	+ 12.7	+ 4.9	+ 4.8	+ 0.1	+ 1.4	- 1.3	- 4.3	+ 1.4	- 0.1	- 0.0	+ 9.8	
Oct	+ 48.7	+ 27.9	+ 15.7	+ 18.2	- 2.5	+ 0.7	- 3.2	+ 1.6	+ 3.5	- 0.1	- 0.0	- 1.6	
Nov	+ 27.4	+ 16.7	+ 6.5	+ 3.8	+ 2.7	+ 0.8	+ 1.9	+ 2.6	+ 1.7	- 0.0	- 0.2	+ 5.7	
of which: Domestic enterprises												End of year or month *	
2005	809.9	233.2	550.8	108.7	442.0	2.4	439.6	5.0	21.0	9.7	19.4	12.6	
2006	874.9	256.1	594.1	122.8	471.3	3.2	468.1	4.5	20.2	9.1	20.0	11.2	
2007	961.9	264.9	672.9	178.6	494.3	5.5	488.8	3.9	20.1	8.3	21.5	22.6	
2007 Dec	961.9	264.9	672.9	178.6	494.3	5.5	488.8	3.9	20.1	8.3	21.5	22.6	
2008 Jan	980.6	281.1	675.6	178.4	497.1	5.6	491.5	3.9	20.1	8.4	21.5	35.9	
Feb	993.1	279.2	690.0	190.7	499.2	5.8	493.4	3.9	20.0	8.4	21.6	38.8	
Mar	990.1	278.8	687.5	187.6	500.0	5.7	494.3	3.9	19.9	8.2	21.7	39.9	
Apr	1,005.0	270.4	710.8	208.3	502.5	6.1	496.4	3.9	19.9	8.2	22.3	50.1	
May	1,005.7	270.7	711.5	208.1	503.3	6.3	497.0	3.8	19.8	8.1	22.3	49.2	
June	1,010.6	283.4	703.7	199.1	504.6	6.9	497.7	3.8	19.8	8.1	22.5	57.1	
July	1,011.5	262.8	725.2	219.0	506.2	7.3	498.9	3.8	19.7	7.9	22.6	52.6	
Aug	1,018.6	264.5	731.0	224.2	506.7	7.6	499.2	3.8	19.3	7.9	22.6	55.1	
Sep	1,039.2	280.7	735.3	226.3	509.1	8.4	500.6	3.8	19.3	7.8	22.4	64.9	
Oct	1,049.5	293.9	732.4	225.5	506.9	8.4	498.5	3.8	19.4	7.8	22.5	63.3	
Nov	1,052.3	292.4	736.6	229.6	507.0	8.1	498.9	3.8	19.4	7.8	22.3	68.9	
Changes *												End of year or month *	
2006	+ 63.5	+ 22.2	+ 42.5	+ 13.4	+ 29.1	+ 0.7	+ 28.4	- 0.5	- 0.8	- 0.1	+ 0.6	- 2.2	
2007	+ 84.8	+ 8.1	+ 77.6	+ 53.9	+ 23.7	+ 2.3	+ 21.4	- 0.6	- 0.4	- 0.7	+ 1.5	+ 9.9	
2007 Dec	- 0.7	- 23.9	+ 23.1	+ 20.4	+ 2.6	+ 0.5	+ 2.1	+ 0.0	+ 0.1	+ 0.0	+ 0.1	- 11.9	
2008 Jan	+ 18.6	+ 16.0	+ 2.6	- 0.2	+ 2.8	+ 0.1	+ 2.7	- 0.0	- 0.1	+ 0.0	- 0.0	+ 13.3	
Feb	+ 12.5	- 1.9	+ 14.4	+ 12.3	+ 2.1	+ 0.2	+ 1.9	+ 0.0	- 0.1	- 0.0	+ 0.1	+ 2.9	
Mar	- 2.9	- 0.4	- 2.4	- 3.2	+ 0.7	- 0.1	+ 0.8	- 0.0	- 0.1	- 0.1	+ 0.1	+ 1.1	
Apr	+ 14.9	- 8.4	+ 23.3	+ 20.7	+ 2.5	+ 0.4	+ 2.2	- 0.0	- 0.0	- 0.1	+ 0.6	+ 10.2	
May	+ 0.8	+ 0.2	+ 0.7	- 0.1	+ 0.8	+ 0.2	+ 0.6	- 0.0	- 0.1	- 0.0	- 0.0	- 0.8	
June	+ 4.8	+ 12.6	- 7.8	- 9.1	+ 1.2	+ 0.6	+ 0.6	- 0.0	- 0.0	- 0.0	+ 0.2	+ 7.9	
July	+ 0.9	- 20.6	+ 21.5	+ 19.9	+ 1.6	+ 0.4	+ 1.2	+ 0.0	- 0.1	- 0.2	+ 0.1	- 4.5	
Aug	+ 7.1	+ 1.8	+ 5.8	+ 5.2	+ 0.6	+ 0.3	+ 0.3	- 0.0	- 0.4	+ 0.0	- 0.1	+ 2.5	
Sep	+ 16.5	+ 15.6	+ 0.8	+ 0.7	+ 0.1	+ 0.8	- 0.7	+ 0.0	+ 0.0	- 0.2	- 0.2	+ 9.8	
Oct	+ 10.4	+ 13.2	- 2.9	- 0.7	- 2.2	- 0.0	- 2.2	- 0.0	+ 0.1	- 0.0	+ 0.0	- 1.6	
Nov	+ 5.0	- 1.5	+ 6.5	+ 4.4	+ 2.0	- 0.2	+ 2.3	+ 0.0	+ 0.0	- 0.0	- 0.1	+ 5.7	

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

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

IV Banks

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

€ billion

Period	Sight deposits						Time deposits 1,2					
	Deposits of domestic households and non-profit institutions, total	by creditor group					Domestic non-profit institutions	by creditor group				
		Domestic households				Total		Domestic households				Total
		Total	Self-employed persons	Employees	Other individuals			Total	Self-employed persons	Employees	Other individuals	
End of year or month *												
2005	1,363.1	462.8	448.1	79.7	305.1	63.2	14.8	234.9	217.0	23.7	179.0	14.2
2006	1,385.3	464.9	450.3	81.7	307.4	61.1	14.6	264.7	245.7	30.1	198.6	16.9
2007	1,458.7	487.1	472.1	83.9	320.9	67.2	15.0	324.8	300.7	41.7	234.3	24.7
2008 June	1,469.2	481.2	465.9	78.9	319.9	67.1	15.3	355.4	328.0	45.2	253.1	29.8
July	1,471.2	480.0	465.3	80.1	318.9	66.3	14.6	362.3	335.5	47.1	257.3	31.1
Aug	1,477.0	480.5	465.6	80.8	318.5	66.4	14.9	370.5	343.3	48.3	262.6	32.4
Sep	1,470.9	477.1	462.5	79.3	316.4	66.8	14.6	370.8	347.1	48.6	265.3	33.1
Oct	1,509.3	491.7	476.7	84.5	323.9	68.3	15.0	389.4	365.4	52.9	276.6	35.8
Nov	1,531.5	509.9	495.0	85.3	339.2	70.6	14.9	389.4	365.9	52.2	277.7	36.0
Changes *												
2006	+ 23.8	+ 2.1	+ 2.2	+ 1.9	- 0.9	+ 1.2	- 0.2	+ 29.8	+ 28.7	+ 5.8	+ 19.9	+ 3.0
2007	+ 72.9	+ 22.2	+ 21.8	+ 2.2	+ 16.0	+ 3.6	+ 0.4	+ 60.0	+ 54.9	+ 11.6	+ 35.6	+ 7.8
2008 June	- 1.9	- 4.3	- 4.2	- 2.8	- 1.2	- 0.2	- 0.1	+ 3.9	+ 3.0	+ 0.1	+ 2.2	+ 0.7
July	+ 2.0	- 1.2	- 0.6	+ 1.2	- 1.2	- 0.6	- 0.6	+ 7.0	+ 7.4	+ 1.9	+ 4.2	+ 1.3
Aug	+ 5.8	+ 0.5	+ 0.3	+ 0.6	- 0.4	+ 0.1	+ 0.2	+ 8.2	+ 7.8	+ 1.2	+ 5.2	+ 1.4
Sep	- 1.8	- 2.9	- 3.2	- 1.4	- 2.1	+ 0.4	+ 0.3	+ 4.1	+ 3.8	+ 0.3	+ 2.8	+ 0.7
Oct	+ 38.3	+ 14.7	+ 14.2	+ 5.2	+ 7.5	+ 1.5	+ 0.5	+ 18.6	+ 18.3	+ 4.3	+ 11.3	+ 2.7
Nov	+ 22.4	+ 18.2	+ 18.4	+ 0.7	+ 15.3	+ 2.4	- 0.2	+ 0.0	+ 0.6	- 0.8	+ 1.1	+ 0.2

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

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

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

€ billion

Period	Deposits												
	Domestic government, total	Federal Government and its special funds 1						State governments					
		Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds 2	Memo item Fiduciary loans
				for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year		
End of year or month *													
2005	103.7	38.8	1.3	7.9	29.6	0.0	12.9	16.3	3.9	2.5	9.9	0.1	19.1
2006	134.4	41.9	2.1	6.2	33.6	0.0	9.5	18.0	5.4	2.5	10.0	0.1	18.5
2007	158.5	38.3	1.9	3.1	33.2	0.0	8.2	27.9	6.0	11.2	10.6	0.1	19.1
2008 June	166.6	37.8	2.3	3.7	31.8	0.0	6.8	36.1	6.3	18.0	11.7	0.1	17.5
July	162.0	35.2	2.0	1.4	31.7	0.0	6.6	34.8	5.2	17.5	12.0	0.1	17.4
Aug	164.8	36.3	2.3	2.1	31.8	0.0	6.6	32.9	4.6	16.2	12.1	0.1	17.4
Sep	165.8	37.5	2.1	4.3	31.1	0.0	6.6	34.6	6.1	16.4	12.0	0.1	17.3
Oct	160.4	35.5	2.4	2.3	30.8	0.0	6.7	31.7	6.4	13.4	11.8	0.1	17.3
Nov	164.9	34.4	1.9	2.2	30.3	0.0	6.7	28.0	4.7	11.4	11.8	0.1	17.3
Changes *													
2006	+ 30.7	+ 3.1	+ 0.8	- 1.7	+ 4.0	- 0.0	- 3.4	+ 1.7	+ 1.6	+ 0.1	+ 0.1	- 0.0	- 0.6
2007	+ 23.5	- 4.3	- 0.2	- 3.1	- 1.0	- 0.0	- 0.5	+ 9.8	+ 0.6	+ 8.6	+ 0.6	+ 0.0	- 0.8
2008 June	+ 7.0	+ 1.1	+ 0.1	+ 1.1	- 0.2	-	- 0.1	+ 7.5	+ 1.8	+ 5.0	+ 0.7	+ 0.0	- 0.0
July	- 4.5	- 2.6	- 0.2	- 2.3	- 0.1	+ 0.0	- 0.2	- 1.3	- 1.1	- 0.5	+ 0.3	+ 0.0	- 0.1
Aug	+ 2.7	+ 1.1	+ 0.3	+ 0.6	+ 0.1	-	+ 0.0	- 1.8	- 0.6	- 1.3	+ 0.1	-	+ 0.0
Sep	+ 0.9	+ 1.3	- 0.3	+ 2.3	- 0.7	+ 0.0	- 0.0	+ 1.6	+ 1.4	+ 0.2	- 0.0	- 0.0	- 0.1
Oct	- 5.4	- 2.0	+ 0.3	- 2.0	- 0.3	+ 0.0	+ 0.0	- 2.8	+ 0.3	- 2.9	- 0.2	+ 0.0	- 0.0
Nov	+ 6.9	- 1.1	- 0.5	- 0.1	- 0.5	-	+ 0.0	- 3.5	- 1.7	- 1.8	+ 0.0	+ 0.0	- 0.0

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

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

					Savings deposits ³				Memo item			
by maturity					Total	Domestic households	Domestic non-profit institutions	Bank savings bonds ⁴	Fiduciary loans	Subordinated liabilities (excluding negotiable debt securities) ⁵	Included in time deposits: liabilities arising from repos	Period
Domestic non-profit institutions	up to and including 1 year	more than 1 year ²										
		Total	of which									
		up to and including 2 years	more than 2 years									
End of year or month *												
17.9	90.8	144.1	5.3	138.8	596.0	586.4	9.6	69.3	0.5	11.3	–	2005
19.1	115.6	149.2	6.4	142.7	580.0	571.1	8.9	75.7	0.5	9.5	–	2006
24.1	168.4	156.4	13.5	142.8	550.1	542.4	7.7	96.8	0.5	9.0	–	2007
27.3	197.8	157.6	16.8	140.7	528.4	521.0	7.4	104.2	0.3	8.7	–	2008 June
26.9	204.7	157.6	17.9	139.7	522.9	515.5	7.3	106.1	0.3	8.7	–	July
27.2	212.2	158.3	18.7	139.6	518.6	511.3	7.3	107.4	0.3	8.7	–	Aug
23.8	215.0	155.9	19.2	136.6	514.3	507.1	7.2	108.8	0.3	8.8	–	Sep
24.1	233.9	155.5	20.0	135.6	515.9	508.7	7.2	112.2	0.3	8.8	–	Oct
23.4	233.3	156.1	21.0	135.1	518.4	511.5	7.0	113.9	0.3	8.7	–	Nov
Changes *												
+ 1.1	+ 24.7	+ 5.1	+ 1.1	+ 4.0	– 16.0	– 15.3	– 0.7	+ 7.9	+ 0.0	– 0.3	–	2006
+ 5.0	+ 52.9	+ 7.1	+ 7.1	+ 0.0	– 29.9	– 28.7	– 1.2	+ 20.6	+ 0.0	– 0.8	–	2007
+ 0.9	+ 4.0	– 0.1	+ 0.4	– 0.5	– 2.8	– 2.7	– 0.1	+ 1.4	– 0.0	– 0.0	–	2008 June
– 0.5	+ 6.9	+ 0.1	+ 1.1	– 1.0	– 5.6	– 5.5	– 0.1	+ 1.8	–	+ 0.0	–	July
+ 0.4	+ 7.5	+ 0.6	+ 0.8	– 0.1	– 4.2	– 4.2	– 0.0	+ 1.4	–	– 0.0	–	Aug
+ 0.3	+ 4.1	– 0.0	+ 0.6	– 0.6	– 4.4	– 4.3	– 0.1	+ 1.4	+ 0.1	+ 0.2	–	Sep
+ 0.3	+ 18.9	– 0.3	+ 0.7	– 1.0	+ 1.6	+ 1.6	– 0.1	+ 3.5	– 0.1	– 0.1	–	Oct
– 0.5	– 0.6	+ 0.6	+ 1.1	– 0.4	+ 2.6	+ 2.8	– 0.2	+ 1.6	–	– 0.1	–	Nov

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

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

Local government and local government associations (including municipal special-purpose associations)						Social security funds						
Total	Sight deposits	Time deposits ³		Savings deposits and bank savings bonds ^{2,4}	Memo item Fiduciary loans	Total	Sight deposits	Time deposits		Savings deposits and bank savings bonds ²	Memo item Fiduciary loans	Period
		for up to and including 1 year	for more than 1 year					for up to and including 1 year	for more than 1 year			
End of year or month *												
28.0	11.8	10.4	2.6	3.2	0.3	20.7	4.1	11.0	4.9	0.7	0.0	2005
30.5	11.5	12.7	3.4	3.0	0.3	44.0	7.8	29.7	6.0	0.6	0.0	2006
37.8	12.3	19.5	3.6	2.5	0.3	54.5	7.7	38.1	8.4	0.3	0.0	2007
38.9	10.9	21.9	3.9	2.2	0.2	53.8	9.1	35.3	9.1	0.3	0.0	2008 June
38.3	10.4	21.8	3.9	2.2	0.2	53.8	7.8	37.1	8.6	0.3	0.0	July
43.1	11.9	25.0	4.0	2.2	0.2	52.5	8.0	35.7	8.5	0.3	0.0	Aug
41.6	10.6	24.6	4.1	2.2	0.2	52.2	8.2	35.1	8.6	0.3	0.0	Sep
40.2	10.7	23.2	4.1	2.2	0.2	53.0	7.7	36.2	8.9	0.3	0.0	Oct
42.1	11.8	24.2	4.0	2.2	0.2	60.4	12.1	39.5	8.5	0.3	0.0	Nov
Changes *												
+ 2.5	– 0.3	+ 2.3	+ 0.7	– 0.2	– 0.0	+ 23.3	+ 3.6	+ 18.7	+ 1.1	– 0.1	– 0.0	2006
+ 7.4	+ 0.9	+ 6.8	+ 0.2	– 0.5	– 0.0	+ 10.5	– 0.1	+ 8.4	+ 2.4	– 0.2	– 0.0	2007
– 2.1	– 0.8	– 1.4	+ 0.1	+ 0.0	–	+ 0.6	+ 1.0	– 0.3	– 0.1	– 0.0	– 0.0	2008 June
– 0.6	– 0.5	– 0.1	+ 0.0	– 0.0	–	+ 0.0	– 1.3	+ 1.8	– 0.5	– 0.0	–	July
+ 4.8	+ 1.6	+ 3.1	+ 0.1	+ 0.0	– 0.0	– 1.3	+ 0.2	– 1.4	– 0.1	–	–	Aug
– 1.6	– 1.3	– 0.3	+ 0.0	– 0.0	– 0.0	– 0.4	+ 0.2	– 0.6	+ 0.0	+ 0.0	– 0.0	Sep
– 1.4	+ 0.1	– 1.4	– 0.1	– 0.0	–	+ 0.8	– 0.6	+ 1.1	+ 0.3	–	–	Oct
+ 2.8	+ 1.1	+ 1.7	+ 0.1	+ 0.0	– 0.0	+ 8.7	+ 4.4	+ 4.0	+ 0.3	–	–	Nov

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

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

IV Banks

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

€ billion

Period	Savings deposits ¹								Memo item Interest credited on savings deposits	Bank savings bonds, ³ sold to			
	of residents						of non-residents			non-banks, total	domestic non-banks		foreign non-banks
	Total	Total	at three months' notice		at more than three months' notice		Total	of which At three months' notice			Total	of which With maturities of more than 2 years	
			Total	of which Special savings facilities ²	Total	of which Special savings facilities ²							
End of year or month *													
2005	611.9	603.4	519.2	404.2	84.2	74.4	8.5	6.8	13.3	99.3	91.9	77.5	7.4
2006	594.9	586.5	487.4	384.4	99.1	89.8	8.3	6.4	13.2	107.6	97.5	70.5	10.0
2007	563.8	555.4	446.0	354.6	109.4	101.4	8.4	6.1	14.2	130.7	118.4	64.5	12.3
2008 July	536.2	527.9	425.6	341.9	102.2	94.9	8.3	6.0	0.5	142.3	127.1	60.7	15.1
Aug	531.9	523.6	422.5	339.9	101.1	93.8	8.3	6.0	0.4	143.5	128.1	60.4	15.3
Sep	527.6	519.3	419.2	337.6	100.0	92.9	8.3	6.0	0.5	145.1	129.6	60.4	15.6
Oct	529.3	520.8	417.8	336.7	103.0	95.8	8.5	6.0	0.6	149.2	133.1	60.5	16.1
Nov	532.0	523.4	416.7	336.9	106.7	99.5	8.6	6.1	0.5	150.7	134.7	60.3	16.0
Changes *													
2006	- 17.0	- 16.8	- 31.7	- 20.4	+ 14.9	+ 15.5	- 0.2	- 0.4	.	+ 7.3	+ 7.2	- 5.5	+ 0.1
2007	- 31.0	- 31.1	- 41.4	- 28.8	+ 10.3	+ 11.6	+ 0.1	- 0.3	.	+ 22.4	+ 20.1	- 6.7	+ 2.2
2008 July	- 5.6	- 5.6	- 5.1	- 3.5	- 0.5	- 0.5	- 0.1	- 0.1	.	+ 1.8	+ 1.7	- 0.2	+ 0.1
Aug	- 4.3	- 4.3	- 3.1	- 2.0	- 1.1	- 1.1	- 0.0	- 0.0	.	+ 1.2	+ 1.0	- 0.3	+ 0.2
Sep	- 4.3	- 4.4	- 3.3	- 2.4	- 1.1	- 1.1	+ 0.0	- 0.0	.	+ 1.7	+ 1.4	+ 0.0	+ 0.3
Oct	+ 1.7	+ 1.5	- 1.4	- 0.9	+ 2.9	+ 2.9	+ 0.2	+ 0.0	.	+ 4.0	+ 3.5	+ 0.1	+ 0.5
Nov	+ 2.7	+ 2.6	- 1.1	- 0.4	+ 3.7	+ 3.7	+ 0.2	+ 0.0	.	+ 1.6	+ 1.7	- 0.2	- 0.1

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

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

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

€ billion

Period	Negotiable bearer debt securities and money market paper							Non-negotiable bearer debt securities and money market paper ⁵					Subordinated	
	Total	of which				with maturities of			Total	of which with maturities of					negotiable debt securities	non- negotiable debt securities
		Floating rate bonds ¹	Zero coupon bonds ^{1,2}	Foreign currency bonds ^{3,4}	Certifi- cates of deposit	up to and including 1 year	more than 1 year including 2 years	more than 2 years		up to and including 1 year	more than 1 year including 2 years	more than 2 years		
End of year or month *														
2005	1,608.7	400.7	25.3	274.5	32.0	61.8	94.8	1,452.1	1.5	0.2	0.5	0.8	45.8	2.5
2006	1,636.2	392.5	41.1	301.5	30.9	68.3	118.3	1,449.5	1.8	0.2	0.8	0.7	51.4	1.2
2007	1,659.1	375.7	54.2	305.1	51.2	109.6	147.5	1,402.0	1.9	0.1	1.1	0.7	53.6	1.4
2008 July	1,672.7	367.7	55.3	312.4	59.7	123.0	180.3	1,369.3	2.0	0.2	1.1	0.7	53.6	1.4
Aug	1,688.4	371.1	57.4	322.7	64.4	131.1	179.7	1,377.6	2.0	0.2	1.1	0.7	53.8	1.4
Sep	1,668.3	365.1	55.3	327.1	62.9	125.4	174.2	1,368.7	2.0	0.2	1.1	0.7	53.7	1.6
Oct	1,670.0	366.9	52.5	349.1	66.5	132.2	168.9	1,368.8	2.3	0.2	1.3	0.8	53.8	1.7
Nov	1,683.5	400.5	53.0	337.9	60.3	154.8	168.5	1,360.1	2.3	0.2	1.3	0.8	53.3	1.6
Changes *														
2006	+ 21.6	- 27.3	+ 8.2	+ 25.4	- 2.3	+ 6.0	+ 22.9	- 7.4	+ 0.2	- 0.0	+ 0.3	- 0.0	+ 4.0	+ 0.2
2007	+ 21.7	- 17.5	+ 12.9	+ 3.6	+ 20.2	+ 40.7	+ 32.3	- 51.3	- 0.1	- 0.1	+ 0.3	- 0.2	+ 2.2	- 0.0
2008 July	+ 2.2	- 0.1	+ 0.3	+ 4.0	- 1.1	- 1.7	+ 4.7	- 0.9	+ 0.0	- 0.0	+ 0.0	+ 0.0	+ 0.2	+ 0.0
Aug	+ 15.7	+ 3.4	+ 2.1	+ 10.4	+ 4.7	+ 8.0	- 0.6	+ 8.3	+ 0.0	- 0.0	+ 0.0	+ 0.0	+ 0.2	+ 0.0
Sep	- 20.1	- 6.0	- 2.1	+ 4.4	- 1.5	- 6.0	- 5.2	- 9.0	- 0.0	-	+ 0.0	- 0.0	- 0.1	+ 0.3
Oct	+ 1.7	+ 1.8	- 2.8	+ 21.9	+ 3.6	+ 6.9	- 4.9	- 0.3	+ 0.3	+ 0.0	+ 0.1	+ 0.1	+ 0.1	+ 0.0
Nov	+ 13.5	+ 31.0	- 1.1	- 11.1	- 6.1	+ 22.6	- 0.4	- 8.7	- 0.0	+ 0.0	- 0.0	-	- 0.5	- 0.0

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

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

IV Banks

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

€ billion

End of year/month	Number of associ- ations	Balance sheet total	Lending to banks (MFIs)			Lending to non-banks (non-MFIs)				Deposits of banks (MFIs) 5		Deposits of non- banks (non-MFIs)		Bearer debt securi- ties out- stand- ing	Capital (includ- ing pub- lished re- serves) 7	Memo item New con- tracts entered into in year or month 8
			Credit bal- ances and loans (ex- clud- ing building loans) 1	Building loans 2	Bank debt securi- ties 3	Building loans			Secur- ities (in- clud- ing Treasury bills and Treasury discount paper) 4	Deposits under savings and loan con- tracts	Sight and time deposits	Deposits under savings and loan con- tracts	Sight and time de- posits 6			
						Loans under savings and loan con- tracts	Interim and bridging loans	Other building loans								
All building and loan associations																
2007	25	189.5	41.8	0.0	12.1	27.6	67.9	11.9	12.1	0.3	22.8	123.8	5.2	6.6	7.3	89.3
2008 Sep	25	190.0	40.7	0.1	14.1	29.1	68.6	11.9	11.2	0.2	27.2	119.6	5.9	6.1	7.3	7.8
Oct	25	189.0	40.0	0.1	14.0	29.3	68.7	11.9	11.1	0.2	27.9	118.7	6.0	5.6	7.3	8.1
Nov	25	189.9	40.8	0.1	14.2	29.4	68.7	11.9	11.0	0.2	27.8	118.0	6.0	6.9	7.3	8.7
Private building and loan associations																
2008 Sep	15	138.6	26.2	0.0	9.4	18.5	53.2	11.0	6.6	0.1	22.5	79.1	5.7	6.1	4.7	5.0
Oct	15	137.5	25.3	0.0	9.4	18.7	53.4	11.0	6.5	0.1	23.0	78.4	5.8	5.6	4.7	5.2
Nov	15	138.6	26.2	0.0	9.6	18.7	53.5	11.0	6.4	0.1	23.1	77.8	5.8	6.9	4.7	5.5
Public building and loan associations																
2008 Sep	10	51.3	14.4	0.0	4.7	10.6	15.3	0.9	4.6	0.1	4.6	40.5	0.2	-	2.6	2.8
Oct	10	51.5	14.7	0.0	4.6	10.6	15.3	0.9	4.6	0.1	4.9	40.3	0.2	-	2.6	2.9
Nov	10	51.3	14.7	0.0	4.5	10.6	15.2	0.9	4.6	0.1	4.7	40.2	0.2	-	2.6	3.2

Trends in building and loan association business

€ billion

Period	Changes in deposits under savings and loan contracts			Capital promised		Capital disbursed					Disbursement commitments outstanding at end of period		Interest and repayments received on building loans 10		Memo item Housing bonuses re- ceived 12	
	Amounts paid into savings and loan ac- counts 9	Interest credited on deposits under savings and loan con- tracts	Repay- ments of deposits under cancelled savings and loan con- tracts	Total	of which Net alloca- tions 11	Total	Allocations				Newly granted interim and bridging loans and other building loans	Total	of which Under allo- cated con- tracts	Total		of which Repay- ments during quarter
							Deposits under savings and loan contracts		Loans under savings and loan contracts 9							
							Total	of which Applied to settle- ment of interim and bridging loans	Total	of which Applied to settle- ment of interim and bridging loans						
All building and loan associations																
2007	24.3	3.2	6.6	45.9	34.1	42.3	21.0	4.2	8.4	3.8	13.0	10.0	7.6	10.3	8.4	0.5
2008 Sep	1.9	0.1	0.5	4.1	3.1	3.9	2.0	0.3	0.9	0.3	1.1	10.6	7.7	0.9	2.0	0.0
Oct	1.8	0.1	0.6	4.5	3.4	4.6	2.2	0.4	0.9	0.3	1.5	10.5	7.6	0.9	0.0	0.0
Nov	1.8	0.1	0.5	4.0	3.2	3.8	2.1	0.3	0.8	0.3	1.0	10.4	7.7	0.8	0.0	0.0
Private building and loan associations																
2008 Sep	1.3	0.0	0.3	2.8	2.0	2.9	1.4	0.2	0.5	0.2	1.0	6.5	4.0	0.6	1.3	0.0
Oct	1.2	0.1	0.3	3.4	2.4	3.6	1.7	0.3	0.6	0.3	1.3	6.5	4.0	0.6	0.0	0.0
Nov	1.2	0.1	0.3	2.9	2.2	2.8	1.5	0.2	0.5	0.2	0.8	6.4	4.0	0.5	0.0	0.0
Public building and loan associations																
2008 Sep	0.6	0.0	0.2	1.2	1.1	1.1	0.6	0.1	0.3	0.1	0.2	4.1	3.7	0.3	0.7	0.0
Oct	0.7	0.0	0.3	1.2	1.0	1.1	0.6	0.1	0.3	0.1	0.2	4.0	3.6	0.3	0.0	0.0
Nov	0.7	0.0	0.3	1.2	1.1	1.0	0.6	0.1	0.3	0.1	0.1	4.0	3.7	0.3	0.0	0.0

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

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

V Minimum reserves

1 Reserve ratios

Germany

% of liabilities subject to reserve requirements

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

Euro area

% of reserve base ¹

Applicable from	Ratio
1999 Jan 1	2

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

2 Reserve maintenance in Germany up to the end of 1998 – pursuant to the Minimum Reserves Order of the Bundesbank

DM million

Monthly
average ¹

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

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

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

3 Reserve maintenance in the euro area

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

Maintenance
period
beginning in ¹

	Reserve base ²	Required reserves before deduction of lump-sum allowance ³	Lump-sum allowance ⁴	Required reserves after deduction of lump-sum allowance	Current account ⁵	Excess reserves ⁶	Deficiencies ⁷
Euro area (€ billion)							
2008 Apr	10,416.7	208.3	0.5	207.8	208.6	0.8	0.0
May	10,391.9	207.8	0.5	207.3	208.1	0.7	0.0
June	10,618.2	212.4	0.5	211.9	212.7	0.8	0.0
July	10,728.4	214.6	0.5	214.1	214.8	0.7	0.0
Aug	10,691.7	213.8	0.5	213.3	214.0	0.7	0.0
Sep	10,763.4	215.3	0.5	214.8	216.8	2.0	0.0
Oct	10,828.5	216.6	0.5	216.1	218.6	2.5	0.0
Nov ^{p,8}	10,886.3	217.7	0.5	217.2	218.7	1.5	...
Dec ^{p,9}	...	...	...	220.6	...	...	...
Of which: Germany (€ million)							
2008 Apr	2,425,851	48,517	196	48,321	48,581	260	1
May	2,453,700	49,074	196	48,878	49,075	197	2
June	2,476,801	49,536	196	49,340	49,520	180	1
July	2,506,799	50,136	195	49,941	50,106	165	0
Aug	2,513,647	50,273	194	50,079	50,242	163	0
Sep	2,516,227	50,325	193	50,131	51,179	1,048	3
Oct	2,540,390	50,808	192	50,615	52,271	1,656	29
Nov	2,594,481	51,890	192	51,697	51,978	281	39
Dec ^p	2,632,087	52,642	192	52,450	...	...	...

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

of the credit institutions at the national central banks. — ⁶ Average credit balances less required reserves after deduction of the lump-sum allowance. — ⁷ Required reserves after deduction of the lump-sum allowance. — ⁸ The total number of deficiencies was not available when this report went to press. — ⁹ Required reserves after deduction of the lump-sum allowance, including required reserves of Slovakia (€ 0.740 billion). Required reserves of the euro area up to 31 December 2008 amounted to € 219.9 billion.

VI Interest rates

1 ECB interest rates

2 Base rates

% per annum

Applicable from	Deposit facility	Main refinancing operations			Applicable from	Deposit facility	Main refinancing operations		
		Fixed rate	Minimum bid rate	Marginal lending facility			Fixed rate	Minimum bid rate	Marginal lending facility
1999 Jan 1	2.00	3.00	—	4.50	2003 Mar 7	1.50	—	2.50	3.50
Jan 4	2.75	3.00	—	3.25	June 6	1.00	—	2.00	3.00
Jan 22	2.00	3.00	—	4.50					
Apr 9	1.50	2.50	—	3.50	2005 Dec 6	1.25	—	2.25	3.25
Nov 5	2.00	3.00	—	4.00					
2000 Feb 4	2.25	3.25	—	4.25	2006 Mar 8	1.50	—	2.50	3.50
Mar 17	2.50	3.50	—	4.50	June 15	1.75	—	2.75	3.75
Apr 28	2.75	3.75	—	4.75	Aug 9	2.00	—	3.00	4.00
June 9	3.25	4.25	—	5.25	Oct 11	2.25	—	3.25	4.25
June 28	3.25	—	4.25	5.25	Dec 13	2.50	—	3.50	4.50
Sep 1	3.50	—	4.50	5.50	2007 Mar 14	2.75	—	3.75	4.75
Oct 6	3.75	—	4.75	5.75	June 13	3.00	—	4.00	5.00
2001 May 11	3.50	—	4.50	5.50	2008 July 9	3.25	—	4.25	5.25
Aug 31	3.25	—	4.25	5.25	Oct 8	2.75	—	3.75	4.75
Sep 18	2.75	—	3.75	4.75	Oct 9	3.25	3.75	—	4.25
Nov 9	2.25	—	3.25	4.25	Nov 12	2.75	3.25	—	3.75
2002 Dec 6	1.75	—	2.75	3.75	Dec 10	2.00	2.50	—	3.00

% per annum

Applicable from	Base rate as per Discount Rate Transition Act 1	Applicable from	Base rate as per Civil Code 2
1999 Jan 1	2.50	2002 Jan 1	2.57
May 1	1.95	July 1	2.47
2000 Jan 1	2.68	2003 Jan 1	1.97
May 1	3.42	July 1	1.22
Sep 1	4.26	2004 Jan 1	1.14
2001 Sep 1	3.62	July 1	1.13
2002 Jan 1	2.71	2005 Jan 1	1.21
Apr 3		July 1	1.17
		2006 Jan 1	1.37
		July 1	1.95
		2007 Jan 1	2.70
		July 1	3.19
		2008 Jan 1	3.32
		July 1	3.19
		2009 Jan 1	1.62

1 Pursuant to the Discount Rate Transition Act, read in conjunction with the Regulation Governing the Use of the Base Rate as a Reference Variable. —

2 Pursuant to section 247 of the Civil Code.

3 Eurosystem monetary policy operations allotted through tenders *

Date of settlement	Bid amount	Allotment amount	Fixed rate tenders		Variable rate tenders			Running for ... days
			Fixed rate	% per annum	Minimum bid rate	Marginal rate 1	Weighted average rate	
			€ million	% per annum				
Main refinancing operations								
2008 Dec 17	209,721	209,721	2.50	—	—	—	6	
Dec 23	223,694	223,694	2.50	—	—	—	7	
Dec 30	238,891	238,891	2.50	—	—	—	7	
2009 Jan 6	216,122	216,122	2.50	—	—	—	8	
Jan 14	203,792	203,792	2.50	—	—	—	7	
Longer-term refinancing operations								
2008 Dec 11	38,080	38,080	2.50	—	—	—	182	
Dec 11	55,924	55,924	2.50	—	—	—	91	
Dec 18	50,793	50,793	2.50	—	—	—	98	
2009 Jan 8	9,454	9,454	2.50	—	—	—	98	
Jan 8	7,559	7,559	2.50	—	—	—	182	

Source: ECB. — * Enlargement of the euro area on 1 January 2009 to include Slovakia. — 1 Lowest or highest interest rate at which funds were

allotted or collected.

4 Money market rates, by month

% per annum

Reporting period	Money market rates reported by Frankfurt banks 1					EONIA 2	EURIBOR 3					
	Overnight money		Three-month funds		One-week funds		One-month funds	Three-month funds	Six-month funds	Nine-month funds	Twelve-month funds	
	Monthly averages	Lowest and highest rates	Monthly averages	Lowest and highest rates	Monthly averages							
2008 June	3.98	3.65 – 4.20	4.91	4.81 – 4.97	4.01	4.20	4.47	4.94	5.09	5.23	5.36	
July	4.17	3.65 – 4.37	4.93	4.90 – 4.97	4.19	4.34	4.47	4.96	5.15	5.25	5.39	
Aug	4.28	4.22 – 4.35	4.94	4.91 – 4.98	4.30	4.40	4.49	4.97	5.16	5.23	5.32	
Sep	4.22	3.35 – 4.55	4.99	4.90 – 5.30	4.27	4.53	4.66	5.02	5.22	5.29	5.38	
Oct	3.67	3.17 – 5.00	5.13	4.74 – 5.43	3.82	4.29	4.83	5.11	5.18	5.21	5.25	
Nov	3.04	2.70 – 3.99	4.29	3.90 – 4.83	3.15	3.35	3.84	4.24	4.29	4.33	4.35	
Dec	2.39	1.95 – 3.05	3.36	2.80 – 4.00	2.49	2.57	2.99	3.29	3.37	3.42	3.45	

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

of real turnover according to the act/360 method and published via Moneyline Telerate. — 3 Euro Interbank Offered Rate: unweighted average rate calculated by Moneyline Telerate since 30 December 1998 according to the act/360 method. — 4 At end-December, 1.95% to 2.20%.

VI Interest rates

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

Effective interest rate % per annum ¹

End of month	Households' deposits				Loans to households						Loans to non-financial corporations		
	Non-financial corporations' deposits				Housing loans			Consumer credit and other loans					
	with an agreed maturity of				with a maturity of								
	up to 2 years	over 2 years	up to 2 years	over 2 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years	up to 1 year	over 1 year and up to 5 years	over 5 years
2008 Apr	4.07	3.07	4.37	4.29	5.59	4.85	5.03	9.07	7.22	6.28	6.04	5.54	5.29
May	4.13	3.06	4.43	4.26	5.62	4.85	5.05	9.08	7.22	6.27	6.09	5.59	5.32
June	4.20	3.08	4.47	4.31	5.68	4.89	5.07	9.11	7.29	6.35	6.18	5.68	5.39
July	4.31	3.07	4.59	4.39	5.72	4.93	5.11	9.19	7.34	6.37	6.25	5.76	5.44
Aug	4.38	3.09	4.65	4.38	5.78	4.95	5.11	9.26	7.38	6.41	6.28	5.79	5.46
Sep	4.45	3.11	4.73	4.44	5.79	5.02	5.14	9.38	7.47	6.47	6.39	5.90	5.54
Oct	4.54	3.08	4.68	4.45	5.81	5.05	5.17	9.45	7.48	6.48	6.43	5.99	5.58
Nov	4.51	3.11	4.44	4.42	5.74	4.99	5.16	9.24	7.51	6.47	6.17	5.81	5.51

(b) New business +

Effective interest rate % per annum ¹

Reporting period	Households' deposits						Non-financial corporations' deposits					
	Overnight	with an agreed maturity of			redeemable at notice of		Overnight	with an agreed maturity of				
		up to 1 year	over 1 year and up to 2 years	over 2 years	up to 3 months	over 3 months		up to 1 year	over 1 year and up to 2 years	over 2 years		
2008 Apr	1.22	4.28	4.16	3.14	2.72	3.81	2.05	4.27	4.56	4.64		
May	1.23	4.32	4.27	3.17	2.73	3.84	2.07	4.26	4.68	4.48		
June	1.24	4.43	4.62	3.28	2.74	3.88	2.06	4.28	4.72	4.01		
July	1.26	4.61	4.83	3.37	2.81	3.94	2.14	4.46	5.06	4.57		
Aug	1.29	4.59	4.84	3.45	2.87	3.98	2.17	4.46	5.34	4.55		
Sep	1.32	4.65	4.85	3.35	2.97	4.01	2.20	4.52	5.19	4.67		
Oct	1.34	4.77	4.85	3.56	3.01	4.12	2.20	4.25	5.05	4.55		
Nov	1.29	4.27	4.68	3.70	3.02	4.20	1.98	3.55	4.59	4.36		

Reporting period	Loans to households												
	Over-drafts	Consumer credit				Housing loans					Other loans		
		Total 2	with an initial rate fixation			Total 2	with an initial rate fixation				over 10 years	floating rate or up to 1 year		over 5 years
floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years	floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years and up to 10 years		floating rate or up to 1 year	over 1 year and up to 5 years					
2008 Apr	10.53	8.55	8.33	7.02	8.46	5.29	5.23	4.91	4.95	5.12	5.83	5.80	5.45
May	10.58	8.64	8.70	7.02	8.44	5.36	5.34	4.96	4.98	5.13	5.99	5.87	5.59
June	10.63	8.57	8.61	6.94	8.44	5.46	5.48	5.11	5.08	5.20	6.03	6.12	5.67
July	10.66	8.80	8.82	7.15	8.58	5.62	5.67	5.27	5.22	5.34	6.08	6.21	5.82
Aug	10.77	8.95	8.86	7.22	8.69	5.69	5.77	5.37	5.29	5.26	6.05	6.28	5.70
Sep	10.80	8.86	8.77	7.20	8.70	5.71	5.80	5.43	5.29	5.37	6.24	6.36	5.77
Oct	10.83	8.93	8.89	7.23	8.70	5.69	5.84	5.39	5.28	5.37	6.37	6.26	5.80
Nov	10.80	8.92	9.00	7.17	8.68	5.60	5.62	5.33	5.22	5.27	5.85	6.16	5.60

Reporting period	Loans to non-financial corporations						
	Overdrafts	Loans up to €1 million with an initial rate fixation			Loans over €1 million with an initial rate fixation		
		floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years	floating rate or up to 1 year	over 1 year and up to 5 years	over 5 years
2008 Apr	6.54	6.03	5.77	5.20	5.30	5.42	5.39
May	6.57	6.10	5.93	5.25	5.27	5.70	5.38
June	6.67	6.16	6.09	5.43	5.35	5.68	5.52
July	6.74	6.26	6.29	5.53	5.45	5.82	5.55
Aug	6.77	6.27	6.34	5.49	5.45	5.60	5.56
Sep	6.92	6.34	6.37	5.64	5.62	5.84	5.63
Oct	6.89	6.52	6.35	5.57	5.59	5.75	5.07
Nov	6.66	6.04	6.10	5.39	4.87	5.05	5.01

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

VI Interest rates

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

End of month	Households' deposits				Non-financial corporations' deposits			
	with an agreed maturity of							
	up to 2 years		over 2 years		up to 2 years		over 2 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2007 Nov	3.95	218,591	2.53	185,967	4.26	110,367	4.30	22,552
Dec	4.06	233,913	2.52	187,966	4.42	114,005	4.31	22,016
2008 Jan	4.04	245,906	2.52	186,950	4.29	112,840	4.30	21,881
Feb	4.01	250,408	2.51	185,966	4.19	123,009	4.33	22,040
Mar	4.03	255,183	2.50	185,527	4.26	116,191	4.32	21,716
Apr	4.11	263,482	2.49	184,344	4.32	121,637	4.34	21,730
May	4.17	271,299	2.49	183,531	4.40	122,362	4.34	21,803
June	4.23	277,318	2.48	182,724	4.47	118,160	4.38	21,713
July	4.33	287,196	2.48	181,642	4.56	121,536	4.41	21,919
Aug	4.40	296,615	2.49	181,577	4.60	121,183	4.44	21,860
Sep	4.46	301,246	2.45	178,637	4.69	123,174	4.44	23,230
Oct	4.51	324,343	2.45	177,619	4.63	123,846	4.46	23,132
Nov	4.42	326,660	2.45	177,052	4.24	123,000	4.51	23,011

End of month	Housing loans to households 3						Consumer credit and other loans to households 4, 5					
	with a maturity of											
	up to 1 year 6		over 1 year and up to 5 years		over 5 years		up to 1 year 6		over 1 year and up to 5 years		over 5 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2007 Nov	6.00	5,580	4.59	27,097	5.11	928,247	10.21	67,118	5.64	66,285	6.16	315,737
Dec	5.98	5,715	4.61	26,823	5.10	926,998	10.39	69,974	5.64	66,288	6.17	313,792
2008 Jan	6.19	5,548	4.62	26,524	5.09	924,788	10.37	67,113	5.64	66,119	6.17	313,350
Feb	6.16	5,524	4.65	26,171	5.09	924,251	10.27	66,879	5.69	64,854	6.16	313,645
Mar	6.18	5,643	4.66	26,002	5.08	922,828	10.39	68,853	5.69	64,918	6.16	312,385
Apr	6.12	5,625	4.67	25,743	5.07	922,724	10.32	66,962	5.68	65,354	6.16	313,135
May	6.18	5,397	4.69	25,587	5.07	923,312	10.33	66,248	5.70	65,268	6.16	313,410
June	6.22	5,493	4.71	25,544	5.07	923,192	10.43	68,794	5.70	65,599	6.18	313,464
July	6.21	5,519	4.76	25,308	5.06	924,208	10.47	66,689	5.73	65,200	6.20	313,990
Aug	6.31	5,477	4.78	25,164	5.06	924,666	10.50	65,485	5.74	65,213	6.21	314,367
Sep	6.28	5,536	4.82	24,989	5.06	924,467	10.60	69,363	5.79	64,216	6.23	313,147
Oct	6.31	5,429	4.86	24,654	5.07	923,312	10.64	68,244	5.84	64,177	6.24	313,766
Nov	6.31	5,431	4.87	24,458	5.06	923,869	10.33	66,374	5.87	64,203	6.24	313,792

End of month	Loans to non-financial corporations with a maturity of					
	up to 1 year 6		over 1 year and up to 5 years		over 5 years	
	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2007 Nov	6.12	168,960	5.25	102,768	5.13	514,169
Dec	6.22	175,804	5.39	109,222	5.17	517,706
2008 Jan	6.15	176,696	5.35	112,568	5.15	519,188
Feb	6.04	181,249	5.30	114,577	5.15	523,115
Mar	6.17	185,006	5.32	116,463	5.14	523,232
Apr	6.18	183,319	5.37	119,193	5.15	526,831
May	6.20	183,855	5.42	120,527	5.16	530,746
June	6.24	188,257	5.47	122,714	5.20	531,783
July	6.30	184,191	5.58	124,690	5.22	533,931
Aug	6.34	183,359	5.62	128,090	5.24	537,289
Sep	6.46	187,397	5.70	130,018	5.26	538,193
Oct	6.36	185,410	5.78	133,883	5.30	540,775
Nov	6.00	186,435	5.57	135,687	5.24	541,932

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

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

VI Interest rates

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

Households' deposits												
Overnight		with an agreed maturity of						redeemable at notice of 8				
		up to 1 year		over 1 year and up to 2 years		over 2 years		up to 3 months		over 3 months		
Reporting period	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 2 € million
2007 Nov	1.84	485,275	4.03	46,651	4.33	4,358	3.26	2,594	2.40	440,239	3.64	108,404
Dec	1.83	487,616	4.22	51,117	4.45	4,997	3.20	2,517	2.46	446,616	3.68	109,427
2008 Jan	1.89	479,559	4.08	67,098	4.38	5,178	3.56	2,096	2.44	441,880	3.76	109,322
Feb	1.89	480,976	3.91	51,891	4.14	2,051	3.22	1,201	2.43	439,835	3.78	108,445
Mar	1.90	483,442	4.01	49,509	4.18	1,308	2.85	1,033	2.44	438,185	3.79	106,376
Apr	1.91	485,248	4.13	59,292	4.27	1,456	3.02	1,226	2.52	435,524	3.82	105,021
May	1.90	485,688	4.18	50,180	4.37	1,359	2.83	845	2.51	433,505	3.85	103,615
June	1.91	481,446	4.27	52,717	4.80	2,511	3.17	1,019	2.53	431,428	3.89	102,836
July	1.95	480,219	4.43	62,011	4.97	3,507	3.24	1,324	2.57	426,345	3.95	102,337
Aug	1.99	480,303	4.51	50,968	5.00	2,914	3.63	1,292	2.58	423,199	4.00	101,222
Sep	2.05	476,817	4.48	53,916	4.98	2,022	3.39	1,391	2.59	419,923	4.03	100,148
Oct	2.09	491,911	4.49	74,919	4.85	2,624	3.66	1,760	2.64	418,584	4.13	103,108
Nov	2.02	510,121	3.89	50,889	4.88	2,623	3.87	1,873	2.54	417,459	4.22	106,825

Non-financial corporations' deposits								
Overnight		with an agreed maturity of						
		up to 1 year		over 1 year and up to 2 years		over 2 years		
Reporting period	Effective interest rate 1 % pa	Volume 2 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2007 Nov	2.34	181,448	4.10	56,793	4.54	615	4.30	606
Dec	2.20	182,148	4.25	58,222	4.71	661	4.70	724
2008 Jan	2.38	175,501	4.08	60,058	4.51	437	5.29	696
Feb	2.41	173,993	4.02	59,230	3.83	202	4.70	550
Mar	2.41	173,778	4.13	66,136	4.51	161	4.57	181
Apr	2.41	172,497	4.20	55,504	4.66	306	5.20	404
May	2.42	171,111	4.21	46,331	4.91	288	5.00	234
June	2.36	173,952	4.30	50,477	5.04	304	5.12	336
July	2.50	172,252	4.41	53,057	5.15	267	5.22	382
Aug	2.47	175,575	4.42	46,256	6.08	460	5.27	201
Sep	2.58	183,927	4.47	52,263	5.39	899	5.27	290
Oct	2.41	193,441	4.17	60,137	4.87	205	4.88	396
Nov	2.14	193,041	3.41	54,043	4.59	422	5.04	271

Loans to households													
Consumer credit with an initial rate fixation of 4						Other loans with an initial rate fixation of 5							
Total	floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years	floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years			
Reporting period	Annual percentage rate of charge 9 % pa	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million		
2007 Nov	7.40	6.19	1,229	5.50	3,131	8.65	2,348	5.15	18,337	5.94	1,296	5.39	2,356
Dec	6.96	5.51	1,472	5.46	2,585	8.27	2,039	5.32	19,696	5.75	2,239	5.33	2,926
2008 Jan	7.58	5.99	1,683	5.73	3,199	8.71	2,631	5.22	17,306	5.91	1,745	5.42	2,866
Feb	7.81	6.36	864	5.84	2,394	8.69	2,143	5.08	10,092	5.78	1,102	5.33	1,752
Mar	7.58	6.17	1,005	5.69	2,523	8.59	2,167	5.26	11,416	5.68	1,041	5.30	1,838
Apr	7.56	5.70	1,087	5.68	2,933	8.66	2,657	5.39	8,433	5.71	1,274	5.25	2,565
May	7.53	6.33	843	5.66	2,634	8.61	2,237	5.41	6,766	5.77	1,081	5.39	1,850
June	7.48	6.25	974	5.52	2,841	8.63	2,412	5.56	6,864	6.09	1,165	5.54	2,628
July	7.71	6.47	1,090	5.67	2,864	8.78	2,616	5.64	10,020	6.19	1,227	5.68	2,802
Aug	7.74	6.24	1,218	5.80	2,322	8.79	2,141	5.62	6,914	6.30	883	5.74	2,164
Sep	7.60	6.08	1,064	5.71	2,555	8.80	2,219	5.72	6,795	6.24	994	5.64	1,934
Oct	7.66	5.86	1,181	5.76	2,656	8.70	2,285	5.88	7,576	6.05	1,337	5.61	2,171
Nov	7.55	5.43	922	5.66	2,289	8.63	2,049	5.19	5,288	5.90	972	5.52	1,420

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

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

VI Interest rates

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

Loans to households (cont'd)											
Overdrafts 11		Housing loans with an initial rate fixation of 3									
		Total	floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years and up to 10 years		over 10 years		
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Annual percentage rate of charge 9 % pa	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2007 Nov	11.76	44,575	5.27	5.91	1,933	5.30	2,248	5.08	4,964	5.02	4,478
Dec	11.88	47,501	5.28	5.97	2,127	5.33	2,094	5.03	4,842	5.01	4,025
2008 Jan	11.87	46,057	5.28	5.99	2,759	5.17	2,776	5.04	5,863	5.06	4,813
Feb	11.81	44,772	5.15	5.80	1,926	5.11	2,085	4.94	4,520	4.89	3,734
Mar	11.84	46,975	5.09	5.73	1,647	5.01	2,181	4.89	4,701	4.88	3,915
Apr	11.81	45,118	5.13	5.86	2,388	4.99	2,966	4.90	6,576	4.97	4,787
May	11.82	44,544	5.19	6.00	1,946	5.06	2,510	4.96	5,480	4.97	4,197
June	11.83	47,209	5.30	6.05	2,173	5.24	2,634	5.06	6,229	5.09	4,703
July	11.91	44,887	5.47	6.18	2,701	5.43	2,829	5.21	6,747	5.28	5,113
Aug	11.94	44,184	5.54	6.28	1,998	5.57	1,932	5.27	4,920	5.30	4,213
Sep	11.98	48,076	5.45	6.24	2,129	5.50	1,979	5.17	5,610	5.21	4,418
Oct	12.01	46,486	5.42	6.34	2,488	5.43	2,431	5.15	6,336	5.12	4,437
Nov	11.88	43,667	5.27	6.07	1,995	5.20	2,363	5.03	5,064	5.01	4,024

Loans to non-financial corporations									
Overdrafts 11		Loans up to €1 million with an initial rate fixation of 13							
		floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years			
Reporting period	Effective interest rate 1 % pa	Volume 12 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	
2007 Nov	7.06	67,908	6.40	8,483	5.71	1,380	5.35	1,975	
Dec	7.15	71,200	6.55	9,614	5.80	1,289	5.38	2,274	
2008 Jan	7.13	70,142	6.31	9,604	5.74	1,248	5.33	2,693	
Feb	7.03	75,934	6.27	7,819	5.72	1,138	5.12	1,250	
Mar	7.11	80,965	6.24	9,491	5.65	1,079	5.11	1,354	
Apr	6.97	80,182	6.26	9,762	5.65	1,297	5.10	1,673	
May	6.98	80,154	6.26	9,173	5.81	1,051	5.15	1,444	
June	7.07	85,801	6.34	10,794	5.97	1,280	5.38	1,734	
July	7.12	82,949	6.36	10,066	6.18	1,313	5.50	1,837	
Aug	7.15	82,270	6.35	8,096	6.27	995	5.65	1,298	
Sep	7.26	85,079	6.46	10,688	6.12	1,091	5.54	1,557	
Oct	7.01	83,629	6.46	10,578	5.96	1,131	5.36	1,487	
Nov	6.68	85,607	5.95	8,719	5.78	989	5.14	1,435	

Loans to non-financial corporations (cont'd)							
Loans over €1 million with an initial rate fixation of 13							
Reporting period		floating rate or up to 1 year 10		over 1 year and up to 5 years		over 5 years	
		Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million	Effective interest rate 1 % pa	Volume 7 € million
2007 Nov	5.12	49,167	5.39	3,453	5.44	6,819	
Dec	5.47	73,727	5.67	7,580	5.53	9,629	
2008 Jan	5.21	59,934	5.39	5,274	5.06	6,876	
Feb	5.09	57,309	5.84	3,873	5.08	4,127	
Mar	5.36	67,678	5.58	3,106	5.43	4,907	
Apr	5.44	68,988	5.59	3,842	5.40	6,057	
May	5.25	66,639	5.74	3,571	5.53	4,224	
June	5.36	80,148	6.09	3,254	5.82	6,699	
July	5.38	90,571	5.97	3,511	5.66	6,703	
Aug	5.46	73,515	5.91	2,956	5.73	3,836	
Sep	5.70	87,137	5.63	3,353	5.73	4,378	
Oct	5.65	87,732	6.10	3,297	5.45	4,254	
Nov	4.91	65,357	5.40	2,226	5.04	3,060	

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

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

VII Capital market

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

Debt securities												
Period	Sales = total purchases	Sales					Purchases					
		Domestic debt securities 1					Foreign debt securities 3	Residents				Non-residents 7
		Total	Bank debt securities	Corporate bonds	Public debt securities 2	Total 4		Credit institutions including building and loan associations 5	Non-banks 6	Bundesbank open market operations 5		
DM million												
1995	227,099	203,029	162,538	– 350	40,839	24,070	141,282	49,193	94,409	– 2,320	85,815	
1996	254,359	233,519	191,341	649	41,529	20,840	148,250	117,352	31,751	– 853	106,109	
1997	332,655	250,688	184,911	1,563	64,214	81,967	204,378	144,177	60,201	–	128,276	
1998	418,841	308,201	254,367	3,143	50,691	110,640	245,802	203,342	42,460	–	173,038	
€ million												
1999	292,663	198,068	156,399	2,184	39,485	94,595	155,766	74,728	81,038	–	136,898	
2000	226,393	157,994	120,154	12,605	25,234	68,399	151,568	91,447	60,121	–	74,825	
2001	180,227	86,656	55,918	14,473	16,262	93,571	111,281	35,848	75,433	–	68,946	
2002	175,396	124,035	47,296	14,506	62,235	51,361	60,476	13,536	46,940	–	114,920	
2003	184,679	134,455	31,404	30,262	72,788	50,224	105,557	35,748	69,809	–	79,122	
2004	233,890	133,711	64,231	10,778	58,703	100,179	108,119	121,841	– 13,723	–	125,772	
2005	252,003	110,542	39,898	2,682	67,965	141,461	95,826	61,740	34,086	–	156,177	
2006	247,261	102,379	40,995	8,943	52,446	144,882	125,329	68,893	56,436	–	121,932	
2007	204,638	90,270	42,034	20,123	28,111	114,368	– 53,354	96,476	– 149,830	–	257,992	
2008 Sep	– 35,652	– 20,054	– 24,760	1,844	2,862	– 15,598	– 35,025	– 23,358	– 11,667	–	627	
Oct	– 36,926	– 18,114	– 23,491	2,334	3,043	– 18,812	– 23,191	– 20,782	– 2,409	–	13,735	
Nov	36,701	49,213	25,232	2,928	21,053	– 12,512	29,950	11,366	18,584	–	6,751	

Shares									
Period	Sales = total purchases	Sales			Purchases				
		Domestic shares 8	Foreign shares 9		Residents				Non-residents 12
					Total 10	Credit institutions 5,11	Non-banks 6		
DM million									
1995	46,422	23,600	22,822	49,354	11,945	37,409	–	2,932	
1996	72,491	34,212	38,280	55,962	12,627	43,335	–	16,529	
1997	119,522	22,239	97,280	96,844	8,547	88,297	–	22,678	
1998	249,504	48,796	200,708	149,151	20,252	128,899	–	100,353	
€ million									
1999	150,013	36,010	114,003	103,136	18,637	84,499	–	46,877	
2000	140,461	22,733	117,729	164,654	23,293	141,361	–	24,194	
2001	82,665	17,575	65,091	2,252	14,714	12,462	–	84,918	
2002	39,338	9,232	30,106	18,398	23,236	41,634	–	20,941	
2003	11,896	16,838	4,946	15,121	7,056	22,177	–	27,016	
2004	– 3,317	10,157	13,474	7,432	5,045	2,387	–	10,748	
2005	31,734	13,766	17,969	451	10,208	9,757	–	31,283	
2006	25,886	9,061	16,825	133	11,323	11,190	–	25,752	
2007	– 2,271	10,053	12,325	15,897	6,702	9,195	–	13,626	
2008 Sep	5,151	4,961	190	10,168	6,386	3,782	–	5,017	
Oct	– 7,121	1,460	8,581	10,224	9,621	603	–	3,103	
Nov	– 4,990	1,181	6,171	9,072	3,715	5,357	–	4,082	

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

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

VII Capital market

2 Sales of debt securities issued by residents *

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

Period	Bank debt securities 1							Corporate bonds 2	Public debt securities 3	Memo item Foreign DM/euro bonds issued by German-managed syndicates
	Total	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities				
Gross sales 4										
1995	620,120	470,583	43,287	208,844	41,571	176,877	200	149,338	102,719	
1996	731,992	563,076	41,439	246,546	53,508	221,582	1,742	167,173	112,370	
1997	846,567	621,683	53,168	276,755	54,829	236,933	1,915	222,972	114,813	
1998	1,030,827	789,035	71,371	344,609	72,140	300,920	3,392	238,400	149,542	
€ million										
1999	571,269	448,216	27,597	187,661	59,760	173,200	2,570	120,483	57,202	
2000	659,148	500,895	34,528	143,107	94,556	228,703	8,114	150,137	31,597	
2001	687,988	505,646	34,782	112,594	106,166	252,103	11,328	171,012	10,605	
2002	818,725	569,232	41,496	119,880	117,506	290,353	17,574	231,923	10,313	
2003	958,917	668,002	47,828	107,918	140,398	371,858	22,510	268,406	2,850	
2004	990,399	688,844	33,774	90,815	162,353	401,904	31,517	270,040	12,344	
2005	988,911	692,182	28,217	103,984	160,010	399,969	24,352	272,380	600	
2006	925,863	622,055	24,483	99,628	139,193	358,750	29,975	273,834	69	
2007	1,021,533	743,616	19,211	82,720	195,722	445,963	15,043	262,872	–	
2008 Aug	103,236	56,251	3,072	5,005	23,002	25,171	28,782	18,204	–	
Sep	101,894	72,681	3,819	8,612	32,405	27,844	2,650	26,562	–	
Oct	118,419	87,349	4,867	3,588	36,670	42,224	3,306	27,764	–	
Nov	130,575	103,058	6,423	1,606	27,667	67,361	3,557	23,961	–	
of which: Debt securities with maturities of more than four years 5										
1995	409,469	271,763	30,454	141,629	28,711	70,972	200	137,503	85,221	
1996	473,560	322,720	27,901	167,811	35,522	91,487	1,702	149,139	92,582	
1997	563,333	380,470	41,189	211,007	41,053	87,220	1,820	181,047	98,413	
1998	694,414	496,444	59,893	288,619	54,385	93,551	2,847	195,122	139,645	
€ million										
1999	324,888	226,993	16,715	124,067	37,778	48,435	2,565	95,331	44,013	
2000	319,330	209,187	20,724	102,664	25,753	60,049	6,727	103,418	27,008	
2001	299,751	202,337	16,619	76,341	42,277	67,099	7,479	89,933	6,480	
2002	309,157	176,486	16,338	59,459	34,795	65,892	12,149	120,527	9,213	
2003	369,336	220,103	23,210	55,165	49,518	92,209	10,977	138,256	2,850	
2004	424,769	275,808	20,060	48,249	54,075	153,423	20,286	128,676	4,320	
2005	425,523	277,686	20,862	63,851	49,842	143,129	16,360	131,479	400	
2006	337,969	190,836	17,267	47,814	47,000	78,756	14,422	132,711	69	
2007	315,418	183,660	10,183	31,331	50,563	91,586	13,100	118,659	–	
2008 Aug	43,870	7,273	1,715	1,350	955	3,253	27,964	8,632	–	
Sep	31,196	20,970	796	5,239	6,012	8,924	2,482	7,744	–	
Oct	21,344	10,880	680	1,259	933	8,008	1,513	8,951	–	
Nov	23,434	9,068	1,230	738	1,801	5,299	3,231	11,135	–	
Net sales 6										
1995	205,482	173,797	18,260	96,125	3,072	56,342	–	354	61,020	
1996	238,427	195,058	11,909	121,929	6,020	55,199	585	42,788	69,951	
1997	257,521	188,525	16,471	115,970	12,476	43,607	1,560	67,437	63,181	
1998	327,991	264,627	22,538	162,519	18,461	61,111	3,118	60,243	84,308	
€ million										
1999	209,096	170,069	2,845	80,230	31,754	55,238	2,185	36,840	22,728	
2000	155,615	122,774	5,937	29,999	30,089	56,751	7,320	25,522	–	
2001	84,122	60,905	6,932	9,254	28,808	34,416	8,739	14,479	–	
2002	131,976	56,393	7,936	26,806	20,707	54,561	14,306	61,277	–	
2003	124,556	40,873	2,700	42,521	44,173	36,519	18,431	65,253	–	
2004	167,233	81,860	1,039	52,615	50,142	83,293	18,768	66,605	–	
2005	141,715	65,798	–	2,151	34,255	37,242	64,962	10,099	–	
2006	129,423	58,336	–	12,811	20,150	44,890	46,410	15,605	–	
2007	86,579	58,168	–	10,896	46,629	42,567	73,127	3,683	–	
2008 Aug	42,747	4,078	–	2,237	2,707	768	3,780	28,053	–	
Sep	–	12,995	–	60	10,401	1,413	9,958	2,185	–	
Oct	10,871	5,575	–	3,575	9,530	7,111	4,419	3,040	–	
Nov	40,293	21,675	–	2,171	6,018	4,918	30,440	15,308	–	

* For definitions, see the explanatory notes in the Statistical Supplement 2 Capital market statistics on p 21 ff. — 1 Excluding registered bank debt securities. — 2 Debt securities issued by enterprises. — 3 Including Federal

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

VII Capital market

3 Amounts outstanding of debt securities issued by residents*

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

End of year or month/ Maturity in years	Bank debt securities ¹								Memo item Foreign DM/euro bonds issued by German- managed syndicates	
	Total	Total	Mortgage Pfandbriefe	Public Pfandbriefe	Debt securities issued by special purpose credit institutions	Other bank debt securities	Corporate bonds	Public debt securities		
DM million										
1996	3,108,724	1,801,517	226,711	845,710	228,306	500,790	3,331	1,303,877	472,180	
1997	3,366,245	1,990,041	243,183	961,679	240,782	544,397	4,891	1,371,313	535,359	
1998	3,694,234	2,254,668	265,721	1,124,198	259,243	605,507	8,009	1,431,558	619,668	
€ million										
1999	2,097,926	1,322,863	134,814	655,024	163,284	369,741	6,280	768,783	339,560	
2000	2,265,121	1,445,736	140,751	685,122	157,374	462,488	13,599	805,786	322,856	
2001	2,349,243	1,506,640	147,684	675,868	201,721	481,366	22,339	820,264	292,199	
2002	2,481,220	1,563,034	155,620	649,061	222,427	535,925	36,646	881,541	247,655	
2003	2,605,775	1,603,906	158,321	606,541	266,602	572,442	55,076	946,793	192,666	
2004	2,773,007	1,685,766	159,360	553,927	316,745	655,734	73,844	1,013,397	170,543	
2005	2,914,723	1,751,563	157,209	519,674	323,587	751,093	83,942	1,079,218	134,580	
2006	3,044,145	1,809,899	144,397	499,525	368,476	797,502	99,545	1,134,701	115,373	
2007	3,130,723	1,868,066	133,501	452,896	411,041	870,629	95,863	1,166,794	85,623	
2008 Sep	3,196,163	1,881,726	141,856	403,373	495,156	841,341	132,969	1,181,468	61,131	
Oct	3,207,033	1,887,301	147,182	393,843	502,267	844,009	136,009	1,183,723	59,347	
Nov	3,247,326	1,908,975	149,352	387,826	497,349	874,449	139,319	1,199,032	56,069	

Breakdown by remaining period to maturity²

Position at end-November 2008

less than 2	1,333,712	910,244	62,827	201,850	222,957	422,610	25,002	398,467	33,563
2 to less than 4	669,266	414,569	44,241	96,823	104,627	168,877	20,356	234,340	8,908
4 to less than 6	420,802	221,999	27,035	45,566	58,566	90,833	22,181	176,621	5,448
6 to less than 8	331,598	184,530	11,400	23,882	27,746	121,502	12,569	134,500	2,902
8 to less than 10	166,125	63,181	3,239	11,816	30,848	17,276	2,055	100,889	1,567
10 to less than 15	45,512	31,690	564	4,052	19,520	7,556	1,705	12,116	894
15 to less than 20	65,019	13,691	49	1,971	7,454	4,218	1,318	50,009	1,704
20 and more	215,293	69,071	-	1,865	25,631	41,574	54,134	92,088	1,084

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

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

4 Shares in circulation issued by residents*

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

Period	Share capital = circulation at end of period under review	Net increase or net decrease (-) during period under review	Change in domestic public limited companies' capital due to							Memo item Share circulation at market values (market capita- lisation) level at end of period under review ²		
			cash payments and ex- change of convertible bonds ¹	issue of bonus shares	contribution of claims and other real assets	contribution of shares, mining shares, GmbH shares, etc	merger and transfer of assets	change of legal form	reduction of capital and liquidation			
DM million												
1996	3 ³ 216,461	7,131	8,353	1,355	396	1,684	-	3,056	833	-	2,432	723,077
1997	221,575	5,115	4,164	2,722	370	1,767	-	2,423	197	-	1,678	1,040,769
1998	238,156	16,578	6,086	2,566	658	8,607	-	4,055	3,905	-	1,188	1,258,042
€ million												
1999	133,513	11,747	5,519	2,008	190	1,075	-	2,099	1,560	-	708	1,603,304
2000	147,629	14,115	3,620	3,694	618	8,089	-	1,986	1,827	-	1,745	1,353,000
2001	166,187	18,561	7,987	4,057	1,106	8,448	-	1,018	905	-	3,152	1,205,613
2002	168,716	2,528	4,307	1,291	486	1,690	-	868	-	2,152	-	647,492
2003	162,131	-	6,585	4,482	923	211	-	322	-	10,806	-	851,001
2004	164,802	-	2,669	3,960	1,566	276	-	220	-	1,760	-	887,217
2005	163,071	-	1,733	2,470	1,040	694	-	1,443	-	3,060	-	1,058,532
2006	163,764	-	695	2,670	3,347	604	-	1,868	-	1,256	-	1,279,638
2007	164,560	-	799	3,164	1,322	200	-	682	-	1,847	-	1,481,930
2008 Sep	167,134	-	1,642	1,792	160	-	-	214	-	84	-	1,070,775
Oct	168,249	-	1,115	1,342	24	3	-	61	-	136	-	901,251
Nov	168,117	-	132	237	4	40	-	94	-	203	-	810,124

* Excluding shares of public limited investment companies. — 1 Including
shares issued out of company profits. — 2 Enterprises listed on the Regulated
Market (the introduction of which marked the end of the division of organ-
ised trading segments into an official and a regulated market on 1 Novem-
ber 2007) or the Neuer Markt (stock market segment was closed down on

24 March 2003) are included as well as enterprises listed on the Open Market.
Source: Bundesbank calculations based on data of the Herausgebergemein-
schaft Wertpapier-Mitteilungen and the Deutsche Börse AG. — 3 Figure
revised downwards by DM1,902 million.

VII Capital market

5 Yields and indices on German securities

Period	Yields on debt securities outstanding issued by residents 1									Price indices 2,3			
	Public debt securities					Bank debt securities				Debt securities		Shares	
	Total	Total	Listed Federal securities		With a residual maturity of more than 9 and including 10 years 4	Total	With a residual maturity of more than 9 and including 10 years	Corporate bonds	Memo item Foreign DM/euro bonds issued by German-managed syndicates 1,5	German bond index (REX)	iBoxx € Germany price index	CDAX share price index	German share index (DAX)
			Total	With a residual maturity of more than 9 and including 10 years 4									
% per annum										Average daily rate	End-1998 = 100	End-1987 = 100	End-1987 = 1000
1997	5.1	5.1	5.1	5.1	5.6	5.0	5.9	5.2	5.5	111.01	.	301.47	4,249.69
1998	4.5	4.4	4.4	4.4	4.6	4.5	4.9	5.0	5.3	118.18	100.00	343.64	5,002.39
1999	4.3	4.3	4.3	4.3	4.5	4.3	4.9	5.0	5.4	110.60	92.52	445.95	6,958.14
2000	5.4	5.3	5.2	5.3	5.6	5.6	5.8	6.2	6.3	112.48	94.11	396.59	6,433.61
2001	4.8	4.7	4.7	4.8	4.8	4.9	5.3	5.9	6.2	113.12	94.16	319.38	5,160.10
2002	4.7	4.6	4.6	4.8	4.7	4.7	5.1	6.0	5.6	117.56	97.80	188.46	2,892.63
2003	3.7	3.8	3.8	4.1	3.7	4.3	5.0	5.0	4.5	117.36	97.09	252.48	3,965.16
2004	3.7	3.7	3.7	4.0	3.6	4.2	4.0	4.0	4.0	120.19	99.89	268.32	4,256.08
2005	3.1	3.2	3.2	3.4	3.1	3.5	3.7	3.7	3.2	120.92	101.09	335.59	5,408.26
2006	3.8	3.7	3.7	3.8	3.8	4.0	4.2	4.2	4.0	116.78	96.69	407.16	6,596.92
2007	4.3	4.3	4.2	4.2	4.4	4.5	5.0	4.6	4.6	114.85	94.62	478.65	8,067.32
2008	4.2	4.0	4.0	4.0	4.0	4.5	4.7	6.3	4.9	121.68	102.06	266.33	4,810.20
2008 Sep	4.4	4.2	4.2	4.1	4.8	4.8	6.4	5.2	5.2	116.87	95.63	332.07	5,831.02
Oct	4.2	3.9	3.8	3.9	4.8	4.8	7.6	5.4	5.4	118.57	97.12	279.51	4,987.97
Nov	3.7	3.5	3.4	3.6	4.3	4.6	7.2	5.0	5.0	120.91	100.64	257.34	4,669.44
Dec	3.3	3.1	3.0	3.1	4.0	4.3	6.9	4.6	4.6	121.68	102.06	266.33	4,810.20

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

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

6 Sales and purchases of mutual fund shares in Germany

Period	Sales								Purchases						
	Domestic mutual funds 1 (sales receipts)								Residents						Non-residents 5
	Sales = total purchases	Total	Mutual funds open to the general public					Foreign funds 4	Total	Credit institutions including building and loan associations 2			Non-banks 3		
			Total	Money market funds	Securities-based funds	Open-end real estate funds	Specialised funds			Total	of which Foreign mutual fund shares	Total	of which Foreign mutual fund shares		
of which														of which Foreign mutual fund shares	
DM million															
1996	83,386	79,110	16,517	– 4,706	7,273	13,950	62,592	4,276	85,704	19,924	1,685	65,780	2,591	– 2,318	
1997	145,805	138,945	31,501	– 5,001	30,066	6,436	107,445	6,860	149,977	35,924	340	114,053	6,520	– 4,172	
1998	187,641	169,748	38,998	– 5,772	27,814	4,690	130,750	17,893	190,416	43,937	961	146,479	16,507	– 2,775	
€ million															
1999	111,282	97,197	37,684	– 3,347	23,269	7,395	59,513	14,086	105,521	19,862	– 637	85,659	14,722	5,761	
2000	118,021	85,160	39,712	– 2,188	36,818	– 2,824	45,448	32,861	107,019	14,454	92	92,565	32,769	11,002	
2001	97,077	76,811	35,522	– 12,410	9,195	10,159	41,289	20,266	96,127	10,251	2,703	85,876	17,563	951	
2002	66,571	59,482	25,907	– 3,682	7,247	14,916	33,575	7,089	67,251	2,100	3,007	65,151	4,082	– 680	
2003	47,754	43,943	20,079	– 924	7,408	14,166	23,864	3,811	49,547	– 2,658	734	52,205	3,077	– 1,793	
2004	14,435	1,453	– 3,978	– 6,160	– 1,246	3,245	5,431	12,982	10,267	8,446	3,796	1,821	9,186	4,168	
2005	85,256	41,718	6,400	– 124	7,001	– 3,186	35,317	43,538	79,242	21,290	7,761	57,952	35,777	6,014	
2006	42,974	19,535	– 14,257	– 490	– 9,362	– 8,814	33,791	23,439	34,593	– 14,676	5,221	19,917	18,218	8,381	
2007	55,141	13,436	– 7,872	– 4,839	– 12,848	6,840	21,307	41,705	51,456	– 229	4,240	51,685	37,465	3,685	
2008 Sep	2,033	1,471	– 1,995	– 635	– 1,429	– 206	3,467	562	2,791	– 378	1,165	3,169	– 603	– 758	
Oct	– 39,333	– 19,842	– 15,209	– 3,946	– 5,749	– 5,075	– 4,633	– 19,491	– 35,091	– 3,687	– 2,352	– 31,404	– 17,139	– 4,242	
Nov	5,775	6,096	– 1,150	– 978	153	– 715	7,246	– 321	5,661	– 1,170	– 175	6,831	– 146	114	

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

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

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

€ billion

Item	2005	2006	2007	2006		2007				2008	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Households ¹											
I Acquisition of financial assets											
Currency and deposits	43.9	42.5	85.9	1.3	19.6	8.9	22.1	16.5	38.4	7.0	15.5
Money market paper	0.1	1.0	- 0.3	0.4	0.2	0.1	- 0.1	- 0.1	- 0.1	- 0.1	- 0.1
Bonds	17.7	37.6	- 33.7	19.6	- 10.0	8.9	- 16.5	- 6.8	- 19.2	12.4	- 3.6
Shares	- 4.0	- 5.0	- 16.5	- 1.0	- 1.0	- 1.0	- 1.0	- 2.5	- 12.0	- 1.0	- 2.5
Other equity	3.0	2.9	2.9	0.7	0.8	0.8	0.7	0.8	0.7	0.8	0.8
Mutual funds shares	17.7	- 7.0	25.6	- 8.2	0.3	11.4	9.9	- 4.5	8.8	10.8	5.7
Claims on insurance corporations ²	59.3	55.0	53.8	13.5	14.0	15.2	12.4	13.8	12.4	15.0	12.3
Short-term claims	2.7	3.0	2.9	0.8	0.7	0.8	0.7	0.7	0.7	0.7	0.7
Longer-term claims	56.6	52.1	50.9	12.7	13.3	14.4	11.7	13.1	11.7	14.3	11.6
Claims from company pension commitments	7.3	10.3	4.3	2.6	2.7	1.0	1.1	1.1	1.1	1.4	1.4
Other claims ³	- 6.2	- 4.9	- 4.8	- 1.2	- 1.2	- 1.2	- 1.2	- 1.2	- 1.1	- 1.2	- 1.2
Total	138.7	132.5	117.3	27.7	25.3	44.0	27.4	17.0	28.8	44.9	28.3
II Financing											
Loans	- 3.4	- 7.2	- 19.0	6.0	- 6.2	- 10.1	- 1.1	- 4.5	- 3.4	- 9.8	0.8
Short-term loans	- 5.1	- 5.4	- 1.2	- 0.2	- 2.6	- 2.0	0.7	- 0.9	1.0	- 0.7	- 0.0
Longer-term loans	1.7	- 1.7	- 17.8	6.1	- 3.6	- 8.0	- 1.8	- 3.6	- 4.4	- 9.0	0.8
Other liabilities	- 2.6	0.4	0.7	- 0.1	0.0	0.1	0.2	0.2	0.2	- 0.2	0.1
Total	- 6.0	- 6.8	- 18.3	5.9	- 6.2	- 10.0	- 0.9	- 4.3	- 3.2	- 10.0	0.9
Corporations											
I Acquisition of financial assets											
Currency and deposits	41.7	27.8	69.7	7.4	15.8	16.2	6.8	20.2	26.5	4.9	- 6.9
Money market paper	2.6	9.6	- 23.0	3.3	1.9	3.9	- 1.0	- 12.5	- 13.3	13.8	- 29.0
Bonds	- 18.9	- 27.6	- 138.2	- 27.4	- 3.3	- 24.9	- 10.7	- 52.1	- 50.5	- 33.9	- 13.7
Financial derivatives	3.8	1.5	37.9	1.3	0.7	5.1	4.8	13.7	14.3	10.0	7.6
Shares	10.7	- 7.6	79.0	13.9	- 36.8	1.6	43.6	19.7	14.1	31.7	73.1
Other equity	- 4.8	34.4	24.2	15.2	10.2	4.3	0.4	20.9	- 1.4	8.4	22.2
Mutual funds shares	4.9	- 8.1	- 3.2	- 6.0	0.0	- 1.5	- 5.3	2.0	1.7	- 3.6	- 2.5
Loans	53.7	26.0	- 6.9	- 5.6	32.7	- 18.6	14.1	1.8	- 4.2	- 19.0	12.0
Short-term loans	49.1	18.4	- 10.4	- 6.0	25.0	- 18.6	8.6	- 1.8	1.4	- 25.3	12.2
Longer-term loans	4.7	7.5	3.5	0.3	7.8	0.0	5.5	3.6	- 5.6	6.3	- 0.1
Claims on insurance corporations ²	1.7	1.5	1.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Short-term claims	1.7	1.5	1.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Longer-term claims	.	.	.	.	.	.	.	.	.	.	.
Other claims	- 11.0	37.1	110.8	5.2	5.3	21.0	- 9.5	20.7	78.6	15.6	- 19.4
Total	84.3	94.7	151.8	7.6	26.9	7.5	43.4	34.8	66.1	28.3	43.8
II Financing											
Money market paper	- 6.9	1.8	18.2	- 3.8	- 4.1	6.1	4.1	- 0.5	8.5	10.3	- 5.1
Bonds	10.1	15.6	- 3.7	8.0	- 2.4	- 1.8	- 1.0	0.8	- 1.7	0.9	4.5
Financial derivatives	.	.	.	.	.	.	.	.	.	.	.
Shares	6.0	4.7	6.8	2.8	0.3	1.9	2.6	0.8	1.5	0.9	1.4
Other equity	1.2	22.6	18.9	8.6	10.4	6.0	1.2	6.9	4.8	5.7	2.7
Loans	9.5	62.8	49.8	13.3	43.2	- 0.3	14.2	13.3	22.6	- 3.0	5.5
Short-term loans	13.3	33.8	23.2	10.1	18.1	6.4	11.8	5.1	- 0.1	- 0.3	14.6
Longer-term loans	- 3.8	29.0	26.6	3.2	25.1	- 6.7	2.4	8.2	22.7	- 2.7	- 9.1
Claims from company pension commitments	5.5	8.2	1.3	2.1	2.0	0.3	0.3	0.3	0.3	0.3	0.3
Other liabilities	7.9	- 1.1	17.3	- 2.5	- 3.3	14.3	- 4.4	4.9	2.5	9.6	4.4
Total	33.2	114.5	108.6	28.4	46.1	26.6	17.0	26.4	38.6	24.7	13.8

¹ Including non-profit institutions serving households. — ² Including private pension funds, burial funds, occupational pension schemes and

supplementary pension funds. — ³ Including accumulated interest-bearing surplus shares with insurance corporations.

VIII Financial accounts

2 Financial assets and liabilities of private non-financial sectors

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

Item	2005	2006	2007	2006		2007				2008	
				Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Households ¹											
I Financial assets											
Currency and deposits	1,492.3	1,534.8	1,620.8	1,515.2	1,534.8	1,543.7	1,565.8	1,582.4	1,620.8	1,627.8	1,643.5
Money market paper	1.0	2.0	1.7	1.8	2.0	2.0	1.9	1.8	1.7	1.6	1.5
Bonds	320.0	396.4	394.4	389.6	396.4	414.6	393.7	400.3	394.4	413.2	396.5
Shares	326.8	361.0	384.7	342.9	361.0	388.1	401.4	383.9	384.7	329.6	302.0
Other equity	201.8	206.0	190.9	210.6	206.0	206.8	205.6	203.7	190.9	194.4	196.9
Mutual funds shares	515.1	514.4	545.1	506.0	514.4	524.3	543.1	538.7	545.1	533.4	536.0
Claims on insurance corporations ²	1,053.2	1,107.8	1,164.6	1,094.0	1,107.8	1,122.9	1,135.2	1,149.0	1,164.6	1,179.6	1,191.8
Short-term claims	77.6	80.6	82.6	79.9	80.6	81.3	82.1	82.8	82.6	83.3	84.0
Longer-term claims	975.6	1,027.2	1,082.0	1,014.1	1,027.2	1,041.5	1,053.2	1,066.2	1,082.0	1,096.3	1,107.8
Claims from company pension commitments	240.5	250.8	255.1	248.1	250.8	251.8	252.9	254.0	255.1	256.5	257.9
Other claims ³	51.6	46.7	40.3	48.0	46.7	45.5	44.3	43.0	40.3	39.1	37.8
Total	4,202.3	4,420.0	4,597.5	4,356.2	4,420.0	4,499.8	4,544.0	4,557.0	4,597.5	4,575.1	4,563.9
II Liabilities											
Loans	1,555.9	1,556.1	1,537.6	1,562.8	1,556.1	1,546.7	1,545.6	1,541.0	1,537.6	1,526.5	1,527.3
Short-term loans	85.6	80.2	78.9	82.8	80.2	78.5	79.2	77.9	78.9	78.1	78.1
Longer-term loans	1,470.3	1,475.9	1,458.7	1,480.0	1,475.9	1,468.2	1,466.4	1,463.1	1,458.7	1,448.4	1,449.2
Other liabilities	12.8	9.9	9.1	11.3	9.9	11.2	11.3	11.2	9.1	10.2	9.9
Total	1,568.7	1,566.0	1,546.7	1,574.1	1,566.0	1,557.9	1,556.9	1,552.2	1,546.7	1,536.7	1,537.2
Corporations											
I Financial assets											
Currency and deposits	396.1	438.7	507.9	443.3	438.7	474.4	474.8	492.7	507.9	531.9	539.3
Money market paper	31.2	38.6	31.1	36.4	38.6	43.7	45.6	30.1	31.1	35.9	12.3
Bonds	134.5	120.8	38.6	118.9	120.8	98.8	87.0	37.9	38.6	24.5	12.3
Financial derivatives	.	.	.	.	.	.	.	.	.	.	.
Shares	848.6	915.1	1,098.7	912.8	915.1	994.9	1,062.6	1,038.3	1,098.7	983.1	982.4
Other equity	257.3	293.0	289.9	290.1	293.0	297.3	294.9	312.0	289.9	302.5	327.3
Mutual funds shares	108.8	106.5	109.5	106.6	106.5	108.2	104.9	107.6	109.5	103.9	98.9
Loans	213.0	241.7	244.4	208.8	241.7	228.3	244.3	245.6	244.4	230.0	243.9
Short-term loans	174.5	198.1	203.6	172.2	198.1	188.7	200.4	198.0	203.6	181.5	193.3
Longer-term loans	38.6	43.6	40.9	36.6	43.6	39.5	43.9	47.6	40.9	48.5	50.6
Claims on insurance corporations ²	41.4	42.8	44.2	42.5	42.8	43.2	43.6	44.0	44.2	44.6	45.0
Short-term claims	41.4	42.8	44.2	42.5	42.8	43.2	43.6	44.0	44.2	44.6	45.0
Longer-term claims	.	.	.	.	.	.	.	.	.	.	.
Other claims	399.5	446.4	501.6	428.6	446.4	464.0	468.7	488.2	501.6	522.3	539.3
Total	2,430.4	2,643.6	2,865.9	2,587.9	2,643.6	2,752.7	2,826.3	2,796.5	2,865.9	2,778.8	2,800.7
II Liabilities											
Money market paper	17.1	18.9	37.1	23.0	18.9	25.0	29.1	28.6	37.1	47.4	42.3
Bonds	89.6	93.7	92.5	94.7	93.7	92.4	89.5	93.0	92.5	96.1	95.5
Financial derivatives	.	.	.	.	.	.	.	.	.	.	.
Shares	1,137.4	1,359.8	1,620.6	1,251.8	1,359.8	1,439.5	1,597.1	1,600.6	1,620.6	1,369.3	1,312.5
Other equity	600.6	623.2	642.1	612.8	623.2	629.2	630.4	637.3	642.1	647.8	650.5
Loans	1,357.0	1,432.8	1,502.1	1,415.3	1,432.8	1,445.8	1,467.1	1,484.1	1,502.1	1,522.5	1,550.3
Short-term loans	417.9	451.5	486.4	436.9	451.5	459.3	476.0	480.8	486.4	480.7	496.4
Longer-term loans	939.1	981.2	1,015.7	978.4	981.2	986.5	991.1	1,003.3	1,015.7	1,041.8	1,054.0
Claims from company pension commitments	206.1	214.2	215.5	212.2	214.2	214.5	214.9	215.2	215.5	215.8	216.1
Other liabilities	358.7	388.8	441.0	369.4	388.8	399.5	410.8	431.0	441.0	448.4	463.5
Total	3,766.4	4,131.5	4,550.9	3,979.3	4,131.5	4,246.0	4,438.9	4,489.9	4,550.9	4,347.3	4,330.9

¹ Including non-profit institutions serving households. — ² Including private pension funds, burial funds, occupational pension schemes and

supplementary pension funds. — ³ Including accumulated interest-bearing surplus shares with insurance corporations.

IX Public finances in Germany

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

Period	€ billion					as a percentage of GDP				
	General government	Central government	State government	Local government	Social security funds	General government	Central government	State government	Local government	Social security funds
Deficit / surplus ¹										
2002	- 78.3	- 36.0	- 30.6	- 5.0	- 6.8	- 3.7	- 1.7	- 1.4	- 0.2	- 0.3
2003	- 87.2	- 39.6	- 32.7	- 7.1	- 7.7	- 4.0	- 1.8	- 1.5	- 0.3	- 0.4
2004	- 83.5	- 52.0	- 27.9	- 2.4	- 1.2	- 3.8	- 2.4	- 1.3	- 0.1	- 0.1
2005 p	- 74.1	- 47.5	- 22.6	+ 0.1	- 4.1	- 3.3	- 2.1	- 1.0	+ 0.0	- 0.2
2006 p	- 35.6	- 34.3	- 10.3	+ 4.0	+ 5.0	- 1.5	- 1.5	- 0.4	+ 0.2	+ 0.2
2007 p	- 4.0	- 26.0	+ 3.4	+ 8.3	+ 10.4	- 0.2	- 1.1	+ 0.1	+ 0.3	+ 0.4
2006 H1 p	- 21.9	- 20.5	- 5.5	+ 1.5	+ 2.7	- 1.9	- 1.8	- 0.5	+ 0.1	+ 0.2
H2 p	- 14.0	- 14.1	- 4.8	+ 2.6	+ 2.3	- 1.2	- 1.2	- 0.4	+ 0.2	+ 0.2
2007 H1 p	+ 4.2	- 10.2	+ 3.7	+ 4.0	+ 6.7	+ 0.4	- 0.9	+ 0.3	+ 0.3	+ 0.6
H2 p	- 8.4	- 16.0	- 0.4	+ 4.3	+ 3.7	- 0.7	- 1.3	- 0.0	+ 0.3	+ 0.3
2008 H1 pe	+ 6.9	- 7.8	+ 4.1	+ 5.9	+ 4.8	+ 0.6	- 0.6	+ 0.3	+ 0.5	+ 0.4
Debt level ²										
End of year or quarter										
2002	1,293.0	798.1	404.1	104.3	3.0	60.3	37.2	18.9	4.9	0.1
2003	1,381.0	845.4	435.3	111.4	5.3	63.8	39.1	20.1	5.1	0.2
2004	1,451.1	887.1	459.7	116.1	4.2	65.6	40.1	20.8	5.3	0.2
2005	1,521.5	933.0	481.9	119.7	2.7	67.8	41.6	21.5	5.3	0.1
2006	1,569.0	968.6	491.8	122.2	1.7	67.6	41.7	21.2	5.3	0.1
2007 pe	1,577.2	977.0	493.5	120.1	1.6	65.1	40.3	20.4	5.0	0.1
2007 Q1 pe	1,573.7	973.0	492.7	121.4	1.4	66.9	41.4	21.0	5.2	0.1
Q2 pe	1,592.5	995.7	488.9	121.4	1.5	67.0	41.9	20.6	5.1	0.1
Q3 pe	1,573.9	978.1	489.2	119.9	1.6	65.5	40.7	20.4	5.0	0.1
Q4 pe	1,577.2	977.0	493.5	120.1	1.6	65.1	40.3	20.4	5.0	0.1
2008 Q1 pe	1,596.2	987.3	503.9	118.2	1.6	65.4	40.4	20.6	4.8	0.1
Q2 pe	1,632.1	995.3	531.2	118.5	1.6	66.1	40.3	21.5	4.8	0.1
Q3 pe	1,627.2	994.2	527.9	117.6	2.0	65.5	40.0	21.2	4.7	0.1

Source: Federal Statistical Office and Bundesbank calculations. — 1 Unlike the fiscal balance as shown in the national accounts, the deficit as defined in the Maastricht Treaty includes interest flows from swaps and forward rate agreements. The half-year figures correspond to the deficit / surplus according to the national accounts. In connection with the publication of

the 2008 annual figures, no revised figures were released for the first half of the year. Therefore, the 2008 half-year figures are not directly comparable with the annual figures. — 2 Quarterly GDP ratios are based on the national output of the four preceding quarters.

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

Period	Revenue			Expenditure						Deficit / surplus	Memo item Total tax burden ¹	
	Total	of which		Total	of which							
		Taxes	Social contributions	Other		Social benefits	Compensation of employees	Interest	Gross capital formation	Other		
€ billion												
2002	952.5	477.5	390.7	84.3	1,030.8	579.8	168.7	62.7	36.1	183.6	- 78.3	879.2
2003	961.9	481.8	396.3	83.9	1,049.2	594.2	169.2	64.3	33.9	187.6	- 87.3	889.3
2004	957.7	481.3	396.5	79.9	1,041.2	592.0	169.6	62.4	31.7	185.5	- 83.5	888.0
2005 p	976.2	493.2	396.5	86.6	1,050.5	597.2	168.7	62.3	31.0	191.3	- 74.3	900.5
2006 p	1,016.4	530.5	399.9	86.0	1,052.3	597.9	167.5	65.3	32.6	189.1	- 35.9	941.7
2007 p	1,065.9	576.3	399.9	89.8	1,070.1	596.7	168.0	67.4	35.6	202.5	- 4.2	988.2
2008 pe	1,093.5	594.1	407.7	91.7	1,095.1	606.3	171.4	69.2	38.1	210.2	- 1.6	1,014.4
as a percentage of GDP												
2002	44.4	22.3	18.2	3.9	48.1	27.1	7.9	2.9	1.7	8.6	- 3.7	41.0
2003	44.5	22.3	18.3	3.9	48.5	27.5	7.8	3.0	1.6	8.7	- 4.0	41.1
2004	43.3	21.8	17.9	3.6	47.1	26.8	7.7	2.8	1.4	8.4	- 3.8	40.2
2005 p	43.5	22.0	17.7	3.9	46.8	26.6	7.5	2.8	1.4	8.5	- 3.3	40.1
2006 p	43.8	22.9	17.2	3.7	45.3	25.8	7.2	2.8	1.4	8.1	- 1.5	40.6
2007 p	44.0	23.8	16.5	3.7	44.2	24.6	6.9	2.8	1.5	8.4	- 0.2	40.8
2008 pe	43.9	23.9	16.4	3.7	44.0	24.4	6.9	2.8	1.5	8.4	- 0.1	40.7
Percentage growth rates												
2002	+ 0.7	- 0.1	+ 1.8	+ 0.3	+ 2.6	+ 5.2	+ 1.5	- 2.8	- 2.1	- 1.5	.	+ 0.5
2003	+ 1.0	+ 0.9	+ 1.4	- 0.5	+ 1.8	+ 2.5	+ 0.3	+ 2.6	- 6.1	+ 2.2	.	+ 1.1
2004	- 0.4	- 0.1	+ 0.1	- 4.8	- 0.8	- 0.4	+ 0.2	- 3.0	- 6.4	- 1.1	.	- 0.1
2005 p	+ 1.9	+ 2.5	- 0.0	+ 8.3	+ 0.9	+ 0.9	- 0.5	- 0.1	- 2.3	+ 3.1	.	+ 1.4
2006 p	+ 4.1	+ 7.6	+ 0.9	- 0.7	+ 0.2	+ 0.1	- 0.7	+ 4.7	+ 5.3	- 1.2	.	+ 4.6
2007 p	+ 4.9	+ 8.6	+ 0.0	+ 4.4	+ 1.7	- 0.2	+ 0.3	+ 3.2	+ 9.2	+ 7.1	.	+ 4.9
2008 pe	+ 2.6	+ 3.1	+ 2.0	+ 2.2	+ 2.3	+ 1.6	+ 2.0	+ 2.7	+ 6.9	+ 3.8	.	+ 2.7

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

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

IX Public finances in Germany

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

€ billion

Period	Central, state and local government ¹									Social security funds ²			General government, total			
	Revenue			Expenditure						Deficit / surplus	Revenue ⁶	Expenditure	Deficit / surplus	Revenue	Expenditure	Deficit / surplus
	Total ⁴	of which		Total ⁴	of which ³											
		Taxes	Financial transactions ⁵		Personnel expenditure	Current grants	Interest	Fixed asset formation	Financial transactions ⁵							
2001	555.5	446.2	23.5	599.6	169.9	213.9	66.6	40.1	16.7	- 44.2	445.1	449.1	- 4.0	923.3	971.5	- 48.2
2002 p	554.7	441.7	20.5	610.9	173.3	226.8	66.1	38.7	11.3	- 56.2	457.7	466.0	- 8.3	927.7	992.2	- 64.5
2003 pe	547.0	442.2	21.5	614.3	174.0	235.0	65.6	36.3	10.0	- 67.3	467.6	474.4	- 6.8	925.2	999.3	- 74.1
2004 pe	545.9	442.8	24.1	610.7	173.4	236.9	64.8	34.3	9.6	- 64.8	469.7	468.5	+ 1.2	926.8	990.4	- 63.6
2005 pe	568.9	452.1	31.3	621.1	172.1	245.3	64.0	33.0	14.3	- 52.2	467.8	471.0	- 3.2	947.4	1,002.7	- 55.3
2006 pe	589.1	488.4	18.1	625.1	169.4	252.1	64.4	33.5	11.7	- 36.1	486.3	466.3	+ 20.0	986.3	1,002.4	- 16.0
2007 pe	644.6	538.2	17.7	643.5	181.4	250.7	66.1	34.1	9.6	+ 1.1	474.9	465.7	+ 9.2	1,025.1	1,014.8	+ 10.2
2006 Q1 p	131.4	106.3	3.8	160.4	40.6	65.6	25.1	4.8	2.9	- 29.0	120.5	116.6	+ 3.9	229.0	254.1	- 25.1
Q2 p	144.3	121.8	4.1	139.9	40.7	59.9	9.5	6.4	2.5	+ 4.5	122.2	117.1	+ 5.0	245.1	235.6	+ 9.5
Q3 p	146.4	121.8	5.9	156.0	40.6	61.2	20.5	8.4	2.6	- 9.5	117.0	115.2	+ 1.7	241.4	249.2	- 7.8
Q4 p	166.0	138.7	4.0	167.8	46.1	64.1	9.0	12.9	3.5	- 1.8	127.2	117.2	+ 10.0	271.1	263.0	+ 8.1
2007 Q1 p	149.4	122.3	2.8	164.5	42.7	64.9	25.5	5.3	3.4	- 15.1	112.2	115.6	- 3.4	238.4	256.9	- 18.5
Q2 p	158.5	136.9	3.0	144.5	43.9	58.4	10.0	6.7	2.5	+ 14.0	119.0	116.3	+ 2.7	253.8	237.0	+ 16.7
Q3 p	155.4	131.6	3.6	160.5	44.2	59.8	21.3	8.6	1.6	- 5.1	116.2	115.6	+ 0.6	248.2	252.8	- 4.6
Q4 p	180.5	147.6	7.9	172.9	49.2	66.1	9.2	12.5	1.9	+ 7.5	126.9	117.8	+ 9.1	283.9	267.3	+ 16.6
2008 Q1 p	160.0	130.9	3.0	164.7	43.7	65.5	24.7	5.3	2.0	- 4.6	114.1	119.4	- 5.3	250.4	260.3	- 10.0
Q2 p	165.9	143.5	2.1	151.5	44.9	61.4	11.1	7.2	1.7	+ 14.3	120.6	120.1	+ 0.5	262.7	247.9	+ 14.8

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

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

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

€ billion

Period	Central government			State government ^{2,3}			Local government ³		
	Revenue ¹	Expenditure	Deficit / surplus	Revenue	Expenditure	Deficit / surplus	Revenue	Expenditure	Deficit / surplus
2001	240.6	261.3	- 20.7	230.9	255.5	- 24.6	144.2	148.3	- 4.1
2002	240.8	273.5	- 32.7	228.8	258.0	- 29.2	147.0	150.4	- 3.5
2003	239.6	278.8	- 39.2	229.2	259.7	- 30.5	142.1	150.1	- 8.0
2004	233.9	273.6	- 39.7	233.5	257.1	- 23.6	147.0	150.4	- 3.4
2005	250.0	281.5	- 31.5	237.4	259.5	- 22.1	151.2	153.7	- 2.4
2006 pe	254.7	282.9	- 28.2	249.1	259.5	- 10.4	158.8	156.2	+ 2.6
2007 pe	277.4	292.1	- 14.7	276.1	266.7	+ 9.4	169.0	161.2	+ 7.8
2006 Q1	52.7	74.1	- 21.4	57.3	64.9	- 7.6	33.8	36.4	- 2.6
Q2	63.0	61.6	+ 1.5	60.6	60.1	+ 0.4	37.7	36.8	+ 0.9
Q3	64.6	73.7	- 9.1	60.5	62.5	- 2.1	40.3	38.1	+ 2.2
Q4 p	74.3	73.5	+ 0.8	70.5	71.2	- 0.7	46.9	44.5	+ 2.5
2007 Q1 p	61.1	74.6	- 13.6	63.5	66.5	- 3.0	35.4	37.6	- 2.1
Q2 p	69.7	64.4	+ 5.3	67.6	61.9	+ 5.7	40.4	37.3	+ 3.1
Q3 p	68.3	76.8	- 8.5	66.2	64.1	+ 2.1	42.5	39.7	+ 2.8
Q4 p	78.3	76.3	+ 2.0	77.9	73.4	+ 4.5	50.5	46.1	+ 4.4
2008 Q1 p	64.1	75.6	- 11.5	67.7	67.7	- 0.1	37.3	37.4	- 0.1
Q2 p	73.0	68.3	+ 4.7	70.7	64.2	+ 6.5	42.7	39.7	+ 3.0
Q3 p	71.2	82.7	- 11.4	67.3	66.3	+ 1.0	43.8	41.1	+ 2.7

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

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

IX Public finances in Germany

9 Federal Employment Agency: budgetary development

€ million

Period	Revenue			Expenditure								Deficit / surplus	Grant or working capital loans from central government
	Total 1	of which		Total 3	Unemployment support 4,5	of which		Job promotion 5,6	of which		Measures financed by levies 7		
		Contributions	Levies 2			Western Germany	Eastern Germany		Western Germany	Eastern Germany			
2001	50,682	47,337	1,640	52,613	25,036	16,743	8,294	20,713	11,094	9,619	1,660	- 1,931	1,931
2002	50,885	47,405	2,088	56,508	27,610	19,751	7,860	21,011	11,568	9,443	2,215	- 5,623	5,623
2003	50,635	47,337	2,081	56,850	29,735	21,528	8,207	19,155	10,564	8,591	1,948	- 6,215	6,215
2004	50,314	47,211	1,674	54,490	29,746	21,821	7,925	16,843	9,831	7,011	1,641	- 4,176	4,175
2005	52,692	46,989	1,436	53,089	27,654	20,332	7,322	11,590	7,421	4,169	1,450	- 397	397
2006	55,384	51,176	1,123	44,162	23,249	17,348	5,901	9,259	6,185	3,074	1,089	+ 11,221	0
2007	42,838	32,264	971	36,196	17,356	13,075	4,282	8,370	5,748	2,623	949	+ 6,643	-
2006 Q1	14,041	13,057	42	12,320	7,155	5,260	1,894	2,306	1,526	780	388	+ 1,721	538
Q2	13,827	12,848	275	11,742	6,362	4,691	1,670	2,266	1,505	761	300	+ 2,084	- 538
Q3	12,860	11,950	302	10,142	5,117	3,879	1,239	2,232	1,486	746	183	+ 2,718	-
Q4	14,656	13,321	504	9,958	4,616	3,518	1,098	2,455	1,669	787	218	+ 4,698	-
2007 Q1	9,932	7,738	78	10,044	5,321	3,971	1,350	2,032	1,370	662	408	- 113	-
Q2	10,837	7,910	303	9,383	4,598	3,440	1,157	2,089	1,423	666	259	+ 1,454	-
Q3	10,366	7,765	232	8,357	3,910	2,979	931	1,985	1,363	622	160	+ 2,010	-
Q4	11,703	8,851	357	8,412	3,528	2,684	843	2,264	1,591	674	122	+ 3,292	-
2008 Q1	8,714	5,955	83	11,295	4,299	3,183	1,116	2,088	1,473	615	327	- 2,581	-
Q2	9,690	6,931	211	10,367	3,739	2,761	978	2,182	1,556	626	255	- 677	-
Q3	9,330	6,317	272	8,648	3,245	2,442	804	2,053	1,462	592	149	+ 683	-

Source: Federal Employment Agency. — 1 Excluding central government liquidity assistance. — 2 Levies to promote winter construction and to pay insolvency compensation to employees. — 3 From 2005, including a compensatory amount or a reintegration payment to central government. — 4 Unemployment benefit and short-time working benefit. — 5 Including contributions to the statutory health, pension and long-term care insurance

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

10 Statutory health insurance scheme: budgetary development

€ million

Period	Revenue 1			Expenditure 1							Deficit / surplus 5	
	Total	of which		Total	Hospital treatment	Medical and dental treatment 3	Pharmaceuticals	Therapeutic treatment and aids	Sickness benefits	Other expenditure on benefits		Administrative expenditure 4
		Contributions 2	Federal grant									
2001	135,790	131,886	.	138,811	44,980	33,495	22,331	9,760	7,717	2,779	7,642	- 3,021
2002	139,707	136,208	.	143,026	46,308	34,899	23,449	9,304	7,561	2,998	8,019	- 3,320
2003	141,654	138,383	.	145,095	46,800	36,120	24,218	9,409	6,973	2,984	8,206	- 3,441
2004	144,279	140,120	1,000	140,178	47,594	34,218	21,811	8,281	6,367	3,731	8,114	+ 4,102
2005	145,742	140,250	2,500	143,809	48,959	33,024	25,358	8,284	5,868	3,847	8,155	+ 1,933
2006	149,929	142,184	4,200	147,973	50,327	34,260	25,835	8,303	5,708	4,526	8,110	+ 1,956
2007 P	155,678	149,966	2,500	153,616	51,102	35,545	27,759	8,655	6,012	2,274	8,132	+ 2,062
2006 Q1	34,744	34,034	-	35,968	12,834	8,483	6,384	1,881	1,477	283	1,836	- 1,224
Q2	38,004	35,279	2,100	36,830	12,658	8,588	6,450	2,071	1,439	574	1,910	+ 1,174
Q3	36,001	35,156	-	36,226	12,551	8,254	6,301	2,048	1,363	515	1,931	- 225
Q4	40,770	37,745	2,100	38,538	12,332	8,888	6,739	2,290	1,412	881	2,384	+ 2,232
2007 Q1	36,437	35,693	-	37,147	12,948	8,793	6,687	1,918	1,525	347	1,879	- 710
Q2	39,316	37,306	1,250	38,299	12,893	8,860	6,862	2,160	1,510	599	1,930	+ 1,017
Q3	37,939	37,138	-	38,068	12,750	8,614	6,897	2,199	1,451	510	1,987	- 129
Q4	41,987	39,829	1,250	40,103	12,512	9,278	7,313	2,378	1,527	818	2,337	+ 1,883
2008 Q1	37,937	37,136	-	39,010	13,410	9,119	7,084	2,011	1,643	322	1,898	- 1,073
Q2	40,361	38,491	1,250	40,232	13,387	9,162	7,339	2,292	1,644	715	2,021	+ 129
Q3	39,185	38,338	-	39,733	13,012	9,075	7,215	2,271	1,602	596	2,045	- 548

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

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

IX Public finances in Germany

11 Statutory long-term care insurance scheme: budgetary development

€ million

Period	Revenue 1		Expenditure 1					Deficit / surplus		
	Total	of which Contributions 2	Total	of which						
				Non-cash care benefits	In-patient care	Nursing benefit	Contributions to pension insurance scheme 3		Administrative expenditure	
2001	16,843	16,581	16,890	2,301	7,744	4,134	979	816	-	47
2002	16,917	16,714	17,346	2,363	8,014	4,151	962	837	-	428
2003	16,844	16,665	17,468	2,361	8,183	4,090	951	853	-	624
2004	16,817	16,654	17,605	2,365	8,349	4,049	925	851	-	788
2005	17,526	17,385	17,891	2,409	8,516	4,050	890	875	-	366
2006	17,749	17,611	18,064	2,437	8,671	4,017	862	886	-	315
2007	18,036	17,858	18,385	2,475	8,831	4,050	861	896	-	350
2006 Q1	4,660	4,631	4,511	611	2,152	998	213	246	+	150
Q2	4,655	4,629	4,447	582	2,158	994	214	222	+	208
Q3	4,471	4,441	4,551	617	2,171	1,014	213	222	-	80
Q4	4,699	4,657	4,526	611	2,191	1,009	218	200	+	173
2007 Q1	4,301	4,265	4,591	624	2,191	1,014	212	238	-	290
Q2	4,469	4,432	4,528	595	2,192	993	213	231	-	59
Q3	4,440	4,403	4,617	623	2,226	1,012	216	213	-	177
Q4	4,813	4,761	4,608	626	2,218	1,015	217	209	+	204
2008 Q1	4,421	4,381	4,681	641	2,229	1,022	210	255	-	261
Q2	4,597	4,563	4,703	634	2,251	1,025	221	230	-	106
Q3	5,167	5,133	4,872	665	2,280	1,089	218	234	+	295

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

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

12 Central government: borrowing in the market

€ million

Period	Total new borrowing		of which Change in money market loans	of which Change in money market deposits	End of year or quarter
	Gross 1	Net			
2001	+ 135,018	- 14,719	+ 3,595	- 1,495	2001
2002	+ 178,203	+ 24,327	+ 2,221	+ 22	2002
2003	+ 227,483	+ 42,270	+ 1,236	+ 7,218	2003
2004	+ 227,441	+ 44,410	+ 1,844	+ 802	2004
2005	+ 224,922	+ 35,479	+ 4,511	+ 6,041	2005
2006	+ 221,873	+ 32,656	+ 3,258	+ 6,308	2006
2007	+ 214,995	+ 6,996	+ 1,086	- 4,900	2007
2006 Q1	+ 75,788	+ 12,526	+ 8,174	- 7,296	2006 Q1
Q2	+ 56,445	+ 14,238	+ 8,228	+ 14,649	Q2
Q3	+ 66,689	+ 16,579	+ 4,181	+ 8,913	Q3
Q4	+ 22,952	- 10,686	- 17,326	- 9,958	Q4
2007 Q1	+ 68,285	+ 4,600	+ 12,649	- 11,200	2007 Q1
Q2	+ 54,415	+ 22,020	+ 5,792	+ 27,209	Q2
Q3	+ 51,413	- 20,291	- 4,783	- 27,450	Q3
Q4	+ 40,882	+ 667	- 12,571	+ 6,541	Q4
2008 Q1	+ 69,510	+ 10,443	+ 12,306	- 705	2008 Q1 P
Q2	+ 52,618	+ 7,478	+ 4,872	+ 10,289	Q2 P
Q3	+ 53,933	- 2,231	- 10,736	- 12,088	Q3 P

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

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

€ million

End of year or quarter	Total	Banking system		Domestic non-banks		Foreign creditors p€
		Bundesbank	Credit institutions	Social security funds	Other 1	
2001	1,223,966	4,440	534,262	174	230,890	454,200
2002	1,277,667	4,440	536,900	137	238,390	497,800
2003	1,358,137	4,440	530,700	341	301,956	520,700
2004	1,430,582	4,440	544,200	430	306,912	574,600
2005	1,489,029	4,440	518,500	488	312,401	653,200
2006	1,533,697	4,440	496,900	480	329,577	702,300
2007	1,540,381	4,440	457,000	476	313,065	765,400
2006 Q1	1,508,932	4,440	522,400	486	308,906	672,700
Q2	1,525,012	4,440	528,500	485	320,887	670,700
Q3	1,540,523	4,440	519,300	485	331,598	684,700
Q4	1,533,697	4,440	496,900	480	329,577	702,300
2007 Q1	1,538,621	4,440	513,900	480	321,201	698,600
Q2	1,556,684	4,440	504,600	480	320,564	726,600
Q3	1,535,253	4,440	489,000	480	308,433	732,900
Q4	1,540,381	4,440	457,000	476	313,065	765,400
2008 Q1 P	1,541,759	4,440	467,300	475	306,744	762,800
Q2 P	1,554,151	4,440	462,200	506	291,806	795,200
Q3 P	1,547,527	4,440	432,100	506	295,981	814,500

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

X Economic conditions in Germany

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

Item	2007			2008			2007				2008		
	2006	2007	2008	2006	2007	2008	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	Index 2000=100			Annual percentage change									
At constant prices, chained													
I Origin of domestic product													
Production sector (excluding construction)	114.0	119.9	120.7	5.9	5.2	0.7	5.3	5.4	5.4	4.7	2.6	6.3	0.9
Construction	77.4	79.4	82.0	- 2.3	2.6	3.3	16.3	0.2	- 1.4	- 1.7	2.3	6.9	4.4
Wholesale/retail trade, hotel and restaurant services, transport and storage 1	110.5	111.0	113.2	4.2	0.5	1.9	1.8	0.8	0.6	- 1.1	2.5	3.8	1.7
Financing, renting and business services 2	108.2	112.2	114.1	2.1	3.6	1.7	4.2	4.1	3.2	3.0	2.2	2.5	1.8
Public and private services 3	103.7	105.1	106.0	0.7	1.3	0.9	0.9	1.3	1.3	1.7	0.7	1.2	1.1
Gross value added	107.3	110.4	111.9	2.9	2.9	1.4	3.7	3.1	2.7	2.3	2.0	3.6	1.5
Gross domestic product 4	106.1	108.7	110.1	3.0	2.5	1.3	3.4	2.5	2.4	1.6	1.9	3.3	1.3
II Use of domestic product													
Private consumption 5	102.5	102.1	102.1	1.0	- 0.4	0.0	- 0.2	- 0.2	0.0	- 1.0	- 0.0	0.1	- 0.3
Government consumption	102.7	105.0	107.3	0.6	2.2	2.2	2.1	2.5	2.3	1.8	1.6	2.5	2.8
Machinery and equipment	111.0	118.7	124.9	11.1	6.9	5.3	8.6	5.3	6.5	7.5	6.2	11.2	6.9
Premises	86.5	88.0	90.5	5.0	1.8	2.7	14.1	- 0.0	- 1.0	- 2.8	1.8	6.3	3.7
Other investment 6	126.6	136.7	145.8	8.0	8.0	6.6	4.3	8.9	9.6	8.8	8.4	6.2	6.5
Changes in inventories 7 8	.	.	.	0.0	0.1	0.3	- 0.1	- 0.5	0.0	0.9	- 0.2	0.0	0.4
Domestic use	100.0	101.1	102.8	2.1	1.1	1.6	2.0	0.4	1.0	1.2	0.9	2.3	1.9
Net exports 8	.	.	.	1.0	1.4	- 0.3	1.6	2.1	1.5	0.5	1.1	1.2	- 0.5
Exports	152.2	163.5	169.9	12.7	7.5	3.9	10.1	9.3	8.3	2.8	5.8	7.3	3.9
Imports	134.4	141.1	148.4	11.9	5.0	5.2	7.5	5.2	5.5	2.2	4.1	5.6	5.7
Gross domestic product 4	106.1	108.7	110.1	3.0	2.5	1.3	3.4	2.5	2.4	1.6	1.9	3.3	1.3
At current prices (€ billion)													
III Use of domestic product													
Private consumption 5	1,355.1	1,373.7	1,404.1	2.3	1.4	2.2	1.0	1.4	1.9	1.2	2.3	2.5	2.3
Government consumption	425.4	435.6	453.2	1.3	2.4	4.0	2.3	2.6	2.6	2.2	3.0	4.2	4.1
Machinery and equipment	178.1	189.4	197.7	9.8	6.3	4.4	7.9	4.9	5.9	6.7	5.1	9.9	5.9
Premises	218.6	236.4	251.0	7.5	8.1	6.2	21.9	7.0	4.9	2.5	4.7	9.4	7.5
Other investment 6	26.4	27.7	28.4	3.9	5.1	2.6	4.2	5.3	5.4	5.3	3.0	3.1	3.0
Changes in inventories 7	- 13.7	- 10.9	- 2.9	.	.	.	.	.	.	.	.	.	.
Domestic use	2,190.0	2,251.9	2,331.6	3.1	2.8	3.5	3.2	2.1	2.6	3.4	2.7	4.2	4.3
Net exports	131.5	171.0	157.9	.	.	.	.	.	.	.	.	.	.
Exports	1,052.7	1,137.2	1,191.0	14.3	8.0	4.7	11.4	9.9	8.5	2.9	6.4	8.1	5.4
Imports	921.2	966.2	1,033.1	14.9	4.9	6.9	7.4	5.1	4.8	2.6	5.9	8.2	9.5
Gross domestic product 4	2,321.5	2,422.9	2,489.4	3.5	4.4	2.7	5.2	4.4	4.4	3.5	3.1	4.5	2.7
IV Prices (2000 = 100)													
Private consumption	108.9	110.8	113.3	1.3	1.7	2.2	1.3	1.6	1.8	2.3	2.3	2.4	2.6
Gross domestic product	106.1	108.1	109.7	0.5	1.9	1.5	1.7	1.9	2.0	1.9	1.2	1.2	1.4
Terms of trade	99.9	100.5	99.7	- 1.3	0.7	- 0.9	1.3	0.6	1.0	- 0.2	- 1.2	- 1.7	- 2.1
V Distribution of national income													
Compensation of employees	1,149.5	1,183.6	1,225.6	1.7	3.0	3.6	3.1	3.3	2.6	2.9	3.5	3.3	3.6
Entrepreneurial and property income	616.1	643.5	654.6	8.7	4.5	1.7	7.5	0.3	6.8	2.8	3.8	8.7	1.7
National income	1,765.6	1,827.1	1,880.2	4.1	3.5	2.9	4.7	2.2	4.1	2.9	3.6	5.1	2.9
<i>Memo item:</i> Gross national income	2,362.4	2,464.2	2,529.8	4.0	4.3	2.7	5.7	3.6	4.5	3.5	2.9	4.1	2.7

Source: Federal Statistical Office; figures computed in November 2008. Initial annual results for 2008: figures computed in January 2009. — 1 Including communication services. — 2 Financial intermediation, real estate activities, renting and business services. — 3 Including care-at-home services. — 4 Gross value added plus taxes on products (netted with subsidies on prod-

ucts). — 5 Including non-profit institutions serving households. — 6 Intangible fixed asset formation (inter alia, computer software and entertainment, literary or artistic originals) and cultivated assets. — 7 Including net increase in valuables. — 8 Contribution of growth to GDP.

X Economic conditions in Germany

4 Orders received by construction *

Adjusted for working-day variations ◊

Period	Germany					Western Germany 1					Eastern Germany 2							
	Total	Annual percentage change	Housing construction	Industrial construction ³	Public sector construction	Total	Annual percentage change	Housing construction	Industrial construction ³	Public sector construction	Total	Annual percentage change	Housing construction ⁴	Industrial construction ³	Public sector construction			
			2000 = 100					2000 = 100					2000 = 100			2000 = 100		
			2000 = 100	Not adjusted	Price-adjusted			2000 = 100	Not adjusted	Price-adjusted			2000 = 100	Not adjusted	Price-adjusted	2000 = 100	Not adjusted	Price-adjusted
2003	79.3	- 10.7	67.5	78.6	87.5	82.0	- 11.1	75.6	79.7	88.7	71.9	- 9.7	45.1	75.4	84.3			
2004	74.3	- 6.3	61.3	72.8	84.2	76.9	- 6.2	70.5	74.5	83.8	67.2	- 6.5	35.8	67.8	85.3			
2005	73.8	- 0.7	56.9	74.4	83.5	77.8	+ 1.2	66.5	78.0	84.8	62.7	- 6.7	30.5	64.2	80.2			
2006	77.6	+ 5.1	59.4	81.3	84.9	82.1	+ 5.5	68.9	84.8	87.3	65.4	+ 4.3	33.1	71.1	78.6			
2007	84.2	+ 8.5	56.1	90.0	95.1	89.7	+ 9.3	64.5	94.5	100.1	69.0	+ 5.5	33.1	76.8	82.2			
2007 Oct	96.3	+ 25.9	56.7	96.8	120.5	104.0	+ 27.9	65.8	96.9	136.6	75.1	+ 18.3	31.6	96.5	78.9			
Nov	77.2	+ 9.5	45.6	83.7	89.7	83.0	+ 11.6	53.3	84.8	99.7	61.5	+ 2.8	24.5	80.4	63.8			
Dec	75.0	+ 6.7	51.6	82.7	80.8	78.7	+ 8.3	56.6	84.7	85.8	64.6	+ 1.1	38.0	76.6	68.0			
2008 Jan	68.8	+ 14.9	41.5	87.2	65.0	75.0	+ 16.3	49.1	93.5	70.1	51.4	+ 9.1	20.5	69.0	51.6			
Feb	65.5	+ 2.2	46.0	74.5	67.4	73.3	+ 8.4	54.2	84.1	73.0	43.8	- 19.5	23.3	46.8	52.9			
Mar	95.0	+ 2.2	60.3	95.4	116.1	101.8	+ 2.5	68.7	101.8	122.8	76.1	+ 0.4	37.2	76.7	98.8			
Apr	88.9	+ 1.3	52.9	102.4	96.0	96.4	+ 3.2	58.4	112.0	102.5	68.0	- 5.9	37.7	74.6	79.2			
May	87.9	- 1.9	55.4	91.8	103.8	93.8	- 2.5	63.1	96.0	110.7	71.8	+ 0.8	34.1	79.7	86.1			
June	100.1	+ 4.3	63.1	108.4	114.0	102.0	- 0.2	67.8	112.3	111.7	95.1	+ 20.5	50.2	97.1	119.8			
July	98.3	+ 5.0	59.2	97.3	123.7	105.3	+ 4.5	67.3	104.3	130.7	78.9	+ 6.9	37.0	77.1	105.8			
Aug	85.6	+ 2.1	53.2	93.0	97.3	87.3	- 1.8	60.4	93.9	96.8	80.7	+ 15.6	33.3	90.6	98.7			
Sep	96.8	+ 3.4	64.6	104.4	108.3	103.3	+ 5.9	73.1	111.8	112.5	78.9	- 5.1	41.2	82.9	97.3			
Oct	80.8	- 16.1	53.5	90.4	87.0	87.5	- 15.9	61.6	96.9	93.1	62.3	- 17.0	31.3	71.5	71.3			

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

of; civil engineering". — ◊ Using the Census X-12-ARIMA method, version 0.2.8. — 1 Excluding West Berlin. — 2 Including West Berlin. — 3 Including the railways and post office. — 4 Not working-day adjusted.

5 Retail trade turnover *

Adjusted for working-day variations ◊

Period	Retail trade 1											Memo item				
	Total	of which: by enterprises' main product range 2										Retail trade plus retail sales of motor vehicles and motorcycles and sales of automotive fuel			of which	
				Food, beverages, tobacco		Cosmetic, pharmaceutical and medical products		Textiles, clothing, footwear and leather goods		Furniture and lighting equipments, domestic appliances, building materials				Retail sales of motor vehicles ³		
		2003 = 100	Annual percentage change	Not adjusted	Price-adjusted	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Annual percentage change	2003 = 100	Not adjusted	Price-adjusted	2003 = 100	Annual percentage change
2003 4	100.1	- 0.5	- 0.5	100.2	+ 1.9	100.0	+ 2.5	100.1	- 5.3	100.2	- 0.6	100.2	+ 0.2	- 0.1	100.5	+ 2.4
2004	101.8	+ 1.7	+ 1.8	103.3	+ 3.1	99.9	- 0.1	103.5	+ 3.4	103.8	+ 3.6	102.0	+ 1.8	+ 1.5	102.5	+ 2.0
2005	103.7	+ 1.9	+ 1.4	106.3	+ 2.9	104.5	+ 4.6	105.5	+ 1.9	102.0	- 1.7	103.9	+ 1.9	+ 1.2	104.9	+ 2.3
2006 5	104.9	+ 1.2	+ 0.6	106.7	+ 0.4	107.2	+ 2.6	108.1	+ 2.5	105.8	+ 3.7	106.5	+ 2.5	+ 1.5	112.0	+ 6.8
2007 6	103.5	- 1.3	- 2.3	106.0	- 0.7	110.1	+ 2.7	109.9	+ 1.7	103.8	- 1.9	104.1	- 2.3	- 3.5	105.7	- 5.6
2007 Nov 6	108.8	- 0.9	- 3.0	106.6	+ 0.6	114.5	+ 2.9	112.2	- 2.0	112.1	- 5.6	109.6	- 2.9	- 5.1	112.6	- 10.4
Dec 6	123.6	- 5.6	- 7.4	120.6	- 4.4	124.8	- 1.7	134.7	- 2.9	126.6	- 9.9	119.3	- 7.2	- 9.1	103.1	- 17.7
2008 Jan	97.4	+ 3.7	+ 1.5	99.7	+ 0.4	109.2	+ 6.3	94.0	+ 4.6	94.6	+ 2.8	96.1	+ 7.1	+ 4.6	91.6	+ 20.2
Feb	94.1	+ 3.1	+ 0.4	98.2	+ 0.7	104.5	+ 4.3	87.7	+ 8.3	90.8	+ 0.7	95.1	+ 5.4	+ 2.6	97.8	+ 13.1
Mar	106.6	+ 0.6	- 2.1	110.5	+ 1.6	110.7	± 0.0	103.2	- 6.9	110.5	- 0.5	109.0	+ 1.0	- 1.8	116.6	+ 1.9
Apr	104.8	- 1.5	- 3.9	109.0	- 0.8	112.2	+ 2.0	112.7	- 11.1	104.4	- 0.8	106.7	- 0.7	- 3.2	112.3	+ 2.0
May	105.4	+ 4.0	+ 1.2	108.9	+ 1.7	107.8	- 0.8	119.1	+ 14.2	103.1	+ 3.5	107.3	+ 2.9	+ 0.2	110.7	- 3.1
June	100.8	+ 1.3	- 1.4	105.3	+ 1.3	108.8	+ 2.2	100.7	- 1.8	98.9	+ 0.1	102.7	- 0.6	- 3.3	107.5	- 6.2
July	103.6	+ 1.5	- 1.8	106.6	+ 0.4	113.3	- 0.1	106.5	+ 1.0	99.8	- 0.9	104.4	- 0.4	- 3.5	104.9	- 7.9
Aug	103.4	+ 3.1	- 0.2	106.7	+ 3.9	107.5	+ 0.1	105.0	± 0.0	99.8	+ 0.9	102.6	+ 1.5	- 1.6	96.8	- 6.3
Sep	105.1	+ 3.4	+ 0.5	104.2	+ 3.0	110.8	+ 3.0	123.8	+ 2.0	102.1	+ 0.2	103.9	+ 0.9	- 1.9	99.5	- 6.3
Oct	110.1	+ 2.5	+ 0.1	110.4	+ 2.5	114.8	+ 0.5	126.5	+ 1.5	108.5	- 0.4	108.9	+ 0.3	- 2.1	104.4	- 7.9
Nov	110.2	+ 1.3	+ 0.1	108.0	+ 1.3	116.8	+ 2.0	116.5	+ 3.8	111.7	- 0.4	108.4	- 1.1	- 2.0	102.2	- 9.2

Source of the unadjusted figures: Federal Statistical Office. — * Excluding value-added tax. — ◊ Using the Census X-12-ARIMA method, version 0.2.8. — 1 Excluding sales of motor vehicles and motorcycles and excluding the sale of automotive fuel. — 2 Retail sales in stores. — 3 Including motor vehicle parts and accessories. — 4 Figures for 2003 do not include Lower

Saxony. — 5 From January 2006 reporting population expanded annually to include new entities; statistical break in reporting population eliminated by chain-linking. — 6 From January 2007 figures are provisional in some cases revised, and particularly uncertain in recent months owing to estimates for missing reports.

X Economic conditions in Germany

8 Households' income *

Period	Gross wages and salaries 1		Net wages and salaries 2		Monetary social benefits received 3		Mass income 4		Disposable income 5		Saving 6		Saving ratio 7
	€ billion	Annual percentage change	€ billion	Annual percentage change	€ billion	Annual percentage change	€ billion	Annual percentage change	€ billion	Annual percentage change	€ billion	Annual percentage change	%
2000	883.4	3.4	569.6	4.0	339.9	2.8	909.5	3.6	1,337.4	3.1	123.2	0.4	9.2
2001	902.0	2.1	590.0	3.6	353.8	4.1	943.9	3.8	1,389.5	3.9	130.9	6.2	9.4
2002	908.2	0.7	591.9	0.3	367.7	3.9	959.6	1.7	1,402.8	1.0	139.3	6.4	9.9
2003	908.3	0.0	589.0	- 0.5	378.3	2.9	967.2	0.8	1,431.8	2.1	147.2	5.6	10.3
2004	914.6	0.7	603.3	2.4	378.2	- 0.0	981.5	1.5	1,454.5	1.6	151.4	2.9	10.4
2005	912.3	- 0.2	602.7	- 0.1	378.6	0.1	981.3	- 0.0	1,481.4	1.8	156.7	3.5	10.6
2006	926.7	1.6	605.2	0.4	377.6	- 0.3	982.8	0.2	1,514.1	2.2	159.0	1.5	10.5
2007	958.2	3.4	623.4	3.0	372.6	- 1.3	996.1	1.4	1,540.9	1.8	167.1	5.1	10.8
2007 Q2	231.8	3.6	147.6	2.8	93.0	- 2.0	240.6	0.9	378.6	1.6	38.9	3.4	10.3
Q3	237.9	3.0	158.6	2.5	93.0	- 0.9	251.6	1.2	381.6	2.0	35.0	3.7	9.2
Q4	266.5	3.5	172.4	3.5	92.3	- 0.9	264.7	2.0	398.1	1.9	38.2	8.5	9.6
2008 Q1	231.0	4.0	149.4	3.1	94.7	0.4	244.1	2.0	394.1	3.0	59.2	7.7	15.0
Q2	240.3	3.7	151.4	2.6	93.3	0.3	244.7	1.7	390.4	3.1	42.2	8.3	10.8
Q3	247.3	3.9	163.6	3.1	93.5	0.6	257.1	2.2	393.0	3.0	38.4	9.6	9.8

Source: Federal Statistical Office; figures computed in November 2008. — * Households including non-profit institutions serving households. — 1 Residence concept. — 2 After deducting the wage tax payable on gross wages and salaries and employees' contributions to the social security funds. — 3 Social security benefits in cash from the social security funds, central, state and local government and foreign countries, pension payments (net), private funded social benefits, less social contributions on social benefits, consumption-related taxes and public charges. — 4 Net wages and salaries

plus monetary social benefits received. — 5 Mass income plus operating surplus, mixed income, property income (net), other current transfers received, income of non-profit institutions serving households, less taxes (excluding wage tax and consumption-related taxes) and other current transfers paid. Including the increase in claims on company pension funds. — 6 Including the increase in claims on company pension funds. — 7 Saving as a percentage of disposable income.

9 Pay rates (overall economy)

Period	Index of negotiated wages 1								Memo item: Wages and salaries per employee 3	
	on an hourly basis		on a monthly basis				Basic pay rates 2			
			Total		Total excluding one-off payments					
2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	2000 = 100	Annual percentage change	
2000	100.0	2.0	100.0	1.9	100.0	2.1	100.0	2.1	100.0	1.5
2001	102.0	2.0	101.9	1.9	102.2	2.2	102.2	2.2	101.8	1.8
2002	104.6	2.6	104.5	2.6	104.5	2.2	104.4	2.2	103.2	1.3
2003	106.7	2.0	106.6	2.0	106.7	2.1	106.9	2.4	104.5	1.3
2004	108.0	1.2	108.0	1.3	108.1	1.3	108.6	1.6	105.1	0.6
2005	108.9	0.9	109.1	1.1	109.1	0.9	109.7	1.0	105.4	0.3
2006	110.0	1.0	110.5	1.2	110.0	0.8	110.7	0.9	106.4	0.9
2007	111.3	1.2	112.0	1.4	111.6	1.5	112.3	1.5	108.0	1.6
2007 Q2	104.3	1.7	104.9	1.8	103.6	1.3	111.9	1.3	105.0	1.8
Q3	113.8	1.4	114.5	1.6	114.2	1.6	112.8	1.7	107.1	1.3
Q4	124.6	1.0	125.4	1.1	125.6	1.7	113.2	1.7	118.2	1.7
2008 Q1	105.0	2.5	105.6	2.6	105.9	2.8	114.7	2.9	103.8	2.2
Q2	106.0	1.7	106.7	1.7	107.0	3.2	115.6	3.3	107.1	2.0
Q3	117.1	2.9	117.9	2.9	117.4	2.8	116.3	3.1	109.5	2.3
2008 May	106.4	0.6	107.1	0.7	107.3	3.6	115.6	3.5	.	.
June	106.2	2.6	106.9	2.7	107.1	3.0	116.0	3.1	.	.
July	136.3	2.1	137.3	2.2	137.2	2.5	116.3	3.2	.	.
Aug	108.0	4.1	108.8	4.2	107.4	2.9	116.3	3.0	.	.
Sep	106.9	2.5	107.6	2.6	107.5	3.0	116.4	3.1	.	.
Oct	106.5	2.7	107.3	2.8	107.6	2.9	116.5	3.0	.	.
Nov	167.8	2.4	169.0	2.5	169.5	2.6	116.6	3.0	.	.

1 Current data are normally revised on account of additional reports. — 2 Excluding one-off payments and covenants (capital formation benefits, special payments, such as annual bonuses, holiday pay, Christmas bonuses

(13th monthly salary payment) and retirement provisions). — 3 Source: Federal Statistical Office; figures computed in November 2008.

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

€ million

Item	2005	2006	2007	2008					
				Q1	Q2	Q3	Aug	Sep	Oct
A Current account	+ 13,029	+ 8,540	+ 37,835	- 8,552	- 24,448	- 9,078	- 5,995	- 4,198	- 4,837
1 Goods									
Exports (fob)	1,221,930	1,391,477	1,506,697	388,996	403,555	398,926	119,806	138,096	143,107
Imports (fob)	1,174,936	1,371,678	1,449,188	390,537	397,377	404,825	125,035	141,027	140,819
Balance	+ 46,994	+ 19,799	+ 57,510	- 1,540	+ 6,178	- 5,899	- 5,229	- 2,931	+ 2,287
2 Services									
Receipts	403,790	438,799	488,258	115,727	125,679	135,969	44,811	44,629	43,869
Expenditure	365,624	394,682	435,065	103,862	109,949	120,354	40,200	40,035	41,143
Balance	+ 38,166	+ 44,118	+ 53,194	+ 11,866	+ 15,731	+ 15,615	+ 4,611	+ 4,594	+ 2,726
3 Income	+ 1,401	+ 23,779	+ 11,149	+ 7,991	- 29,249	+ 3,861	+ 1,892	+ 2,073	+ 1,204
4 Current transfers									
Transfers from non-residents	85,214	88,668	89,017	26,414	21,680	14,409	4,393	5,375	4,695
Transfers to non-residents	158,747	167,828	173,038	53,282	38,790	37,063	11,661	13,309	15,749
Balance	- 73,531	- 79,158	- 84,019	- 26,868	- 17,108	- 22,654	- 7,268	- 7,934	- 11,055
B Capital account	+ 11,395	+ 9,335	+ 13,980	+ 6,123	+ 3,005	+ 1,981	+ 520	+ 538	+ 4
C Financial account (net capital exports: -)	+ 10,760	+ 137,755	+ 29,436	- 4,407	+ 87,168	- 41,138	- 29,631	- 5,817	+ 75,261
1 Direct investment	- 207,427	- 156,661	- 90,424	- 107,142	- 49,174	- 40,530	- 9,761	- 18,509	- 14,056
By resident units abroad	- 359,755	- 415,566	- 455,315	- 151,577	- 24,935	- 71,723	- 10,989	- 35,174	- 17,981
By non-resident units in the euro area	+ 152,327	+ 258,906	+ 364,892	+ 44,434	- 24,239	+ 31,193	+ 1,228	+ 16,665	+ 3,925
2 Portfolio investment	+ 129,177	+ 290,367	+ 137,750	+ 73,822	+ 34,335	+ 17,430	- 18,208	+ 44,486	+ 121,683
By resident units abroad	- 414,436	- 533,854	- 440,551	- 69,378	- 137,625	+ 49,766	- 17,886	+ 86,868	+ 131,022
Equity	- 134,246	- 153,195	- 81,068	+ 44,390	- 30,828	+ 27,450	+ 7,125	+ 26,360	+ 48,736
Bonds and notes	- 263,408	- 313,126	- 283,300	- 39,213	- 96,006	- 6,801	- 12,599	+ 7,120	+ 30,252
Money market instruments	- 16,781	- 67,531	- 76,184	- 74,553	- 10,792	+ 29,117	- 12,412	+ 53,388	+ 52,034
By non-resident units in the euro area	+ 543,612	+ 824,220	+ 578,302	+ 143,200	+ 171,960	- 32,335	- 322	- 42,382	- 9,339
Equity	+ 255,505	+ 299,915	+ 96,048	+ 46,067	- 20,704	- 92,953	- 8,879	- 89,309	- 43,427
Bonds and notes	+ 234,956	+ 521,619	+ 446,381	+ 78,300	+ 171,843	+ 60,937	+ 30,333	+ 29,532	- 22,881
Money market instruments	+ 53,153	+ 2,685	+ 35,871	+ 18,833	+ 20,822	- 318	- 21,775	+ 17,395	+ 56,969
3 Financial derivatives	- 17,302	+ 3,043	- 53,889	- 20,972	- 9,096	- 1,026	- 5,882	+ 2,833	+ 24,048
4 Other investment	+ 88,645	+ 1,886	+ 41,085	+ 54,959	+ 111,109	- 19,196	+ 1,824	- 36,070	- 47,802
Eurosystem	+ 5,332	+ 29,099	+ 69,445	+ 12,009	+ 50,709	+ 108,133	+ 3,163	+ 105,587	+ 137,991
General government	+ 5,350	+ 9,114	+ 6,366	+ 3,869	- 6,780	+ 11,364	- 530	+ 362	+ 6,498
MFIs (excluding the Eurosystem)	+ 86,858	- 24,897	+ 80,777	+ 65,230	+ 79,881	- 112,101	+ 183	- 120,287	- 205,929
Long-term	- 44,716	- 51,597	- 110,280	- 47,182	- 49,383	- 67,248	- 16,850	- 28,110	- 38,968
Short-term	+ 131,576	+ 26,696	+ 191,059	+ 112,412	+ 129,265	- 44,853	+ 17,033	- 92,177	- 166,960
Other sectors	- 8,896	- 11,430	- 115,501	- 26,148	- 12,703	- 26,592	- 992	- 21,731	+ 13,638
5 Reserve assets (Increase: -)	+ 17,669	- 879	- 5,153	- 5,074	- 7	+ 2,185	+ 2,396	+ 1,444	- 8,612
D Errors and omissions	- 35,186	- 155,628	- 81,250	+ 6,836	- 65,724	+ 48,233	+ 35,105	+ 9,476	- 70,428

* Source: European Central Bank.

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

€ million

Period	Services						Other services			Compensation of employees ⁵	Investment income
	Total	Travel ¹	Transportation ²	Financial services	Patents and licences	Government services ³	Total	of which			
								Services of self-employed persons ⁴	Construction and assembly work, repairs		
2003	- 34,497	- 37,332	+ 1,833	+ 1,421	- 747	+ 5,088	- 4,761	- 1,836	+ 1,476	- 1,182	- 13,885
2004	- 29,341	- 35,302	+ 3,870	+ 1,328	- 260	+ 5,349	- 4,325	- 1,363	+ 986	- 989	+ 21,420
2005	- 24,914	- 36,317	+ 6,245	+ 1,678	- 474	+ 3,688	+ 267	- 1,636	+ 3,076	- 1,376	+ 27,063
2006	- 15,556	- 32,771	+ 5,015	+ 2,229	- 1,446	+ 3,680	+ 7,737	- 1,807	+ 3,715	- 956	+ 38,572
2007	- 16,427	- 34,331	+ 6,265	+ 2,987	- 1,709	+ 3,211	+ 7,151	- 1,994	+ 2,365	- 602	+ 42,568
2007 Q1	- 2,509	- 5,479	+ 1,243	+ 734	- 756	+ 770	+ 979	- 350	+ 425	+ 335	+ 12,672
Q2	- 1,973	- 8,213	+ 1,753	+ 786	- 189	+ 872	+ 3,019	- 463	+ 694	- 151	+ 1,624
Q3	- 9,708	- 14,645	+ 1,721	+ 664	- 399	+ 839	+ 2,113	- 453	+ 729	- 640	+ 13,608
Q4	- 2,238	- 5,994	+ 1,548	+ 803	- 365	+ 730	+ 1,040	- 729	+ 518	- 147	+ 14,665
2008 Q1	- 1,483	- 5,824	+ 1,582	+ 1,014	- 428	+ 794	+ 1,380	- 427	+ 326	+ 316	+ 12,759
Q2	- 3,738	- 8,128	+ 1,903	+ 685	- 190	+ 912	+ 1,081	- 336	+ 439	- 196	- 67
Q3	- 7,736	- 14,916	+ 2,063	+ 626	- 607	+ 892	+ 4,207	- 317	+ 724	- 654	+ 14,269
2008 Jan	- 1,113	- 1,518	+ 403	+ 423	- 253	+ 241	- 409	- 178	+ 56	+ 100	+ 2,988
Feb	+ 274	- 1,578	+ 711	+ 376	+ 56	+ 255	+ 455	- 125	+ 81	+ 107	+ 4,488
Mar	- 645	- 2,728	+ 468	+ 215	- 232	+ 299	+ 1,334	- 125	+ 189	+ 109	+ 5,284
Apr	- 118	- 1,917	+ 685	+ 273	- 225	+ 327	+ 740	- 118	+ 113	- 70	- 564
May	- 1,846	- 2,902	+ 562	+ 209	+ 13	+ 316	- 44	- 107	+ 67	- 58	- 3,141
June	- 1,775	- 3,310	+ 656	+ 204	+ 22	+ 268	+ 385	- 110	+ 258	- 68	+ 3,637
July	- 2,549	- 4,728	+ 823	+ 251	- 441	+ 316	+ 1,230	- 140	+ 189	- 209	+ 4,291
Aug	- 3,796	- 5,775	+ 588	+ 101	- 39	+ 272	+ 1,058	- 78	+ 280	- 231	+ 4,506
Sep	- 1,392	- 4,414	+ 652	+ 274	- 127	+ 305	+ 1,918	- 99	+ 256	- 214	+ 5,472
Oct	- 1,906	- 3,173	+ 625	+ 500	- 210	+ 265	+ 87	- 137	+ 8	- 59	+ 4,558
Nov	- 393	- 1,391	+ 504	+ 468	- 55	+ 225	- 144	- 117	- 47	- 81	+ 4,273

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

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

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

€ million

Period	Public ¹						Private ¹			Private ¹		
	Total	Total	International organisations ²			Other current transfers ³	Total	Workers' remittances	Other current transfers	Total ⁴	Public ¹	Private ¹
			Total	of which European Communities								
2003	- 27,817	- 17,791	- 14,962	- 13,265	- 2,829	- 10,026	- 3,332	- 6,694	+ 311	- 1,238	+ 1,549	
2004	- 27,849	- 16,694	- 14,249	- 12,672	- 2,444	- 11,156	- 3,180	- 7,976	+ 435	- 1,095	+ 1,529	
2005	- 28,585	- 17,609	- 16,266	- 14,689	- 1,343	- 10,976	- 2,926	- 8,050	- 1,248	- 3,419	+ 2,172	
2006	- 26,895	- 14,443	- 14,912	- 13,384	+ 469	- 12,452	- 2,927	- 9,525	- 175	- 1,924	+ 1,749	
2007	- 30,681	- 16,140	- 18,572	- 16,913	+ 2,432	- 14,541	- 3,005	- 11,536	+ 224	- 2,037	+ 2,261	
2007 Q1	- 10,927	- 7,665	- 7,136	- 6,533	- 529	- 3,261	- 751	- 2,510	+ 157	- 292	+ 448	
Q2	- 4,873	- 88	- 3,768	- 3,353	+ 3,680	- 4,785	- 751	- 4,034	+ 419	- 328	+ 747	
Q3	- 9,040	- 5,720	- 5,509	- 5,213	- 211	- 3,320	- 751	- 2,568	+ 317	- 323	+ 640	
Q4	- 5,842	- 2,667	- 2,159	- 1,812	- 508	- 3,175	- 751	- 2,424	- 669	- 1,095	+ 426	
2008 Q1	- 11,530	- 8,469	- 8,281	- 7,653	- 189	- 3,061	- 756	- 2,305	+ 518	- 271	+ 789	
Q2	- 4,305	- 789	- 4,771	- 4,308	+ 3,981	- 3,515	- 756	- 2,759	+ 322	- 363	+ 684	
Q3	- 7,907	- 4,826	- 4,416	- 3,998	- 410	- 3,081	- 756	- 2,325	- 287	- 365	+ 78	
2008 Jan	- 3,511	- 2,468	- 2,502	- 2,282	+ 34	- 1,043	- 252	- 791	+ 446	- 107	+ 553	
Feb	- 5,027	- 3,985	- 3,653	- 3,342	- 332	- 1,042	- 252	- 790	+ 217	- 84	+ 302	
Mar	- 2,993	- 2,017	- 2,126	- 2,029	+ 110	- 976	- 252	- 724	- 146	- 80	- 65	
Apr	- 1,862	- 710	- 2,202	- 2,037	+ 1,492	- 1,152	- 252	- 900	- 64	- 122	+ 58	
May	- 336	+ 970	- 1,211	- 1,174	+ 2,181	- 1,306	- 252	- 1,054	+ 407	- 111	+ 518	
June	- 2,106	- 1,049	- 1,357	- 1,097	+ 309	- 1,057	- 252	- 805	- 21	- 130	+ 109	
July	- 2,635	- 1,569	- 1,442	- 1,250	- 127	- 1,067	- 252	- 815	- 123	- 148	+ 26	
Aug	- 2,579	- 1,607	- 1,393	- 1,265	- 214	- 972	- 252	- 720	- 46	- 103	+ 57	
Sep	- 2,693	- 1,650	- 1,581	- 1,484	- 69	- 1,043	- 252	- 791	- 117	- 113	- 4	
Oct	- 3,725	- 2,715	- 2,415	- 2,302	- 300	- 1,010	- 252	- 758	- 199	- 138	- 61	
Nov	- 3,717	- 2,602	- 2,231	- 2,096	- 372	- 1,115	- 252	- 863	- 81	- 123	+ 42	

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

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

XI External sector

7 Financial account of the Federal Republic of Germany

€ million

Item	2005	2006	2007	2007		2008				
				Q4	Q1	Q2	Q3	Sep	Oct	Nov
I Net German investment abroad (Increase/capital exports: -)	- 392,981	- 451,654	- 661,282	- 129,960	- 212,742	- 77,432	- 70,872	- 68,058	+ 52,176	+ 32,034
1 Direct investment 1	- 55,384	- 75,489	- 124,123	- 43,525	- 41,466	- 36,343	- 11,512	- 5,248	- 9,879	- 14,658
Equity capital	- 24,715	- 56,876	- 47,152	- 23,674	- 15,833	- 22,619	- 7,565	- 2,207	- 1,611	- 7,014
Reinvested earnings 2	- 19,039	- 24,252	- 30,193	- 8,725	- 9,012	- 6,902	- 11,068	- 3,997	- 2,396	- 2,514
Other capital transactions of German direct investors	- 11,630	+ 5,638	- 46,778	- 11,126	- 16,622	- 6,822	+ 7,121	+ 956	- 5,871	- 5,130
2 Portfolio investment	- 204,948	- 161,339	- 133,334	- 9,579	- 31,580	- 17,001	+ 14,514	+ 14,833	+ 47,447	+ 19,263
Shares 3	- 19,948	+ 6,982	+ 22,739	+ 6,713	+ 11,548	+ 12,411	+ 862	- 203	+ 9,144	+ 6,431
Mutual fund shares 4	- 43,538	- 23,440	- 41,705	- 9,770	- 10,618	- 5,165	- 1,149	- 562	+ 19,491	+ 321
Bonds and notes 5	- 136,384	- 137,243	- 95,817	- 391	- 22,866	- 21,868	+ 12,817	+ 10,663	+ 15,027	+ 717
Money market instruments	- 5,078	- 7,639	- 18,551	- 6,131	- 9,645	- 2,379	+ 1,984	+ 4,935	+ 3,785	+ 11,794
3 Financial derivatives 6	- 9,040	- 6,515	- 71,216	- 27,238	- 18,660	- 15,102	+ 338	+ 6,698	+ 5,735	- 1,250
4 Other investment	- 125,792	- 211,244	- 331,657	- 50,271	- 119,870	- 8,097	- 75,842	- 84,828	+ 12,246	+ 28,948
MFIs 7,8	- 85,773	- 207,632	- 224,809	- 10,426	- 79,555	+ 2,517	- 64,300	- 76,947	- 26,335	+ 50,489
Long-term	- 69,969	- 71,591	- 96,773	- 24,860	- 25,280	- 48,416	- 51,308	- 24,195	- 7,457	- 6,088
Short-term	- 15,804	- 136,041	- 128,036	+ 14,435	- 54,275	+ 50,934	- 12,992	- 52,752	- 18,877	+ 56,577
Enterprises and households	- 21,118	- 29,169	- 49,497	- 12,237	- 23,029	+ 4,143	- 18,616	- 12,486	+ 2,109	+ 7,791
Long-term	- 12,093	- 24,395	- 46,867	- 15,790	- 4,693	- 4,632	- 8,373	- 2,344	- 5,095	- 1,680
Short-term 7	- 9,025	- 4,774	- 2,629	+ 3,553	- 18,335	+ 8,775	- 10,243	- 10,143	+ 7,203	+ 9,470
General government	+ 3,172	+ 1,068	+ 8,373	- 4,020	- 1,322	- 6,235	+ 11,496	- 3,523	+ 6,709	- 6,149
Long-term	+ 7,711	+ 7,497	+ 257	+ 703	- 367	- 237	- 77	+ 6	+ 22	+ 28
Short-term 7	- 4,539	- 6,428	+ 8,117	- 4,723	- 955	- 5,997	+ 11,573	- 3,529	+ 6,688	- 6,178
Bundesbank	- 22,073	+ 24,488	- 65,724	- 23,588	- 15,963	- 8,523	- 4,422	+ 8,128	+ 29,762	- 23,182
5 Change in reserve assets at transaction values (Increase:-)	+ 2,182	+ 2,934	- 953	+ 653	- 1,165	- 889	+ 1,630	+ 487	- 3,373	- 269
II Net foreign investment in Germany (Increase/capital imports: +)	+ 262,256	+ 300,540	+ 425,352	+ 54,711	+ 146,444	- 3,973	+ 37,429	+ 40,082	- 70,974	- 21,323
1 Direct investment 1	+ 33,747	+ 43,977	+ 37,856	+ 4,067	+ 2,683	+ 5,899	+ 1,309	+ 6,721	+ 499	+ 6,982
Equity capital	+ 26,760	+ 25,297	+ 23,519	- 273	+ 2,340	+ 2,545	+ 732	+ 919	- 53	+ 134
Reinvested earnings 2	+ 1,797	+ 3,897	+ 6,167	+ 2,287	+ 4,648	+ 2,042	+ 1,831	+ 1,847	+ 1,012	+ 992
Other capital transactions of foreign direct investors	+ 5,190	+ 14,783	+ 8,170	+ 2,053	- 4,305	+ 1,312	- 1,254	+ 3,955	- 459	+ 5,857
2 Portfolio investment	+ 174,012	+ 151,028	+ 267,893	+ 94,636	+ 7,729	+ 12,549	+ 11,870	- 6,781	- 14,981	+ 10,943
Shares 3	+ 11,821	+ 20,715	+ 6,216	+ 7,515	- 25,789	- 46,089	- 15,644	- 5,396	+ 2,995	+ 4,078
Mutual fund shares	+ 6,013	+ 8,381	+ 3,685	+ 519	- 1,459	+ 533	- 2,084	- 758	- 4,242	+ 114
Bonds and notes 5	+ 159,293	+ 124,745	+ 207,841	+ 70,317	+ 18,192	+ 47,511	+ 18,386	+ 31	- 17,810	+ 5,792
Money market instruments	- 3,115	- 2,813	+ 50,151	+ 16,285	+ 16,784	+ 10,594	+ 11,213	- 658	+ 4,075	+ 959
3 Other investment	+ 54,497	+ 105,536	+ 119,603	- 43,992	+ 136,032	- 22,421	+ 24,250	+ 40,142	- 56,492	- 39,248
MFIs 7,8	+ 22,456	+ 60,515	+ 73,217	- 45,045	+ 97,752	- 30,290	+ 27,957	+ 42,197	- 72,113	- 36,605
Long-term	- 9,830	- 11,881	- 14,197	- 11,148	- 2,883	+ 598	+ 8,003	+ 7,230	+ 1,107	+ 6,898
Short-term	+ 32,286	+ 72,397	+ 87,413	- 33,897	+ 100,635	- 30,888	+ 19,954	+ 34,967	- 73,220	- 43,503
Enterprises and households	+ 30,568	+ 46,486	+ 36,865	+ 1,006	+ 21,656	+ 4,582	- 8,362	- 4,182	+ 8,212	+ 5,158
Long-term	+ 17,953	+ 27,526	+ 17,260	+ 6,838	+ 9,165	+ 456	+ 590	- 307	+ 450	+ 1,077
Short-term 7	+ 12,615	+ 18,961	+ 19,605	- 5,832	+ 12,491	+ 4,126	- 8,952	- 3,875	+ 7,763	+ 4,081
General government	+ 3,578	- 179	- 1,827	- 8,007	+ 7,491	+ 4,693	+ 1,682	+ 2,087	- 3,290	- 2,930
Long-term	+ 2,648	+ 862	- 1,551	+ 46	- 878	- 200	- 142	- 31	- 251	+ 279
Short-term 7	+ 929	- 1,040	- 276	- 8,054	+ 8,369	+ 4,893	+ 1,824	+ 2,118	- 3,039	- 3,209
Bundesbank	- 2,105	- 1,287	+ 11,349	+ 8,054	+ 9,133	- 1,406	+ 2,973	+ 40	+ 10,699	- 4,871
III Financial account balance 9 (Net capital exports: -)	- 130,725	- 151,113	- 235,930	- 75,249	- 66,298	- 81,405	- 33,442	- 27,976	- 18,798	+ 10,712

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

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

8 External position of the Bundesbank *

DM million

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

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

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

9 External position of the Bundesbank in the euro area °

€ million

End of year or month	Reserve assets and other claims on non-residents						Other claims on non-euro- area residents 1,3	Claims within the Eurosistem (net) 2	Other claims on residents in other euro-area member states	Liabilities vis-à-vis non- residents 3	Net external position (col 1 less col 9)
	Total	Reserve assets			Foreign currency reserves	Reserve position in the Inter- national Monetary Fund and special drawing rights					
		Gold and gold receivables									
1	2	3	4	5	6	7	8	9	10		
1999 Jan 4	95,316	93,940	29,312	8,461	56,167	140	1,225	11	8,169	87,146	
1999	141,958	93,039	32,287	8,332	52,420	9,162	39,746	11	6,179	135,779	
2000	100,762	93,815	32,676	7,762	53,377	313	6,620	14	6,592	94,170	
2001	76,147	93,215	35,005	8,721	49,489	312	17,385	5	8,752	67,396	
2002	103,948	85,002	36,208	8,272	40,522	312	18,466	167	9,005	94,942	
2003	95,394	76,680	36,533	7,609	32,538	312	17,945	456	10,443	84,951	
2004	93,110	71,335	35,495	6,548	29,292	312	20,796	667	7,935	85,175	
2005	130,268	86,181	47,924	4,549	33,708	350	42,830	906	6,285	123,983	
2006	104,389	84,765	53,114	3,011	28,640	350	18,344	931	4,819	99,570	
2007	179,492	92,545	62,433	2,418	27,694	350	84,064	2,534	16,005	163,488	
2008	230,775	99,185	68,194	3,285	27,705	350	128,668	2,573	30,169	200,607	
2007 July	120,334	85,125	53,446	2,594	29,085	350	33,606	1,253	6,325	114,009	
Aug	144,630	85,469	53,554	2,594	29,321	350	57,148	1,664	6,257	138,373	
Sep	151,300	88,592	57,168	2,530	28,894	350	60,480	1,879	8,013	143,288	
Oct	171,237	90,168	59,549	2,475	28,144	350	78,473	2,246	10,159	161,077	
Nov	177,674	89,233	59,157	2,426	27,651	350	85,625	2,466	13,068	164,606	
Dec	179,492	92,545	62,433	2,418	27,694	350	84,064	2,534	16,005	163,488	
2008 Jan	208,663	99,028	68,255	2,398	28,376	350	106,706	2,580	21,032	187,632	
Feb	226,761	100,879	70,196	2,378	28,306	350	122,924	2,608	22,382	204,379	
Mar	198,070	95,103	65,126	2,335	27,642	350	100,029	2,588	24,919	173,151	
Apr	198,225	92,633	61,352	2,345	28,935	350	102,683	2,559	25,586	172,639	
May	200,042	92,387	62,311	2,518	27,558	350	104,777	2,528	24,450	175,592	
June	206,618	95,220	64,930	2,495	27,796	350	108,553	2,495	23,498	183,120	
July	203,949	93,722	64,108	2,468	27,146	350	107,259	2,617	25,121	178,827	
Aug	217,137	93,048	62,296	2,539	28,213	350	121,103	2,636	26,641	190,496	
Sep	215,889	99,936	68,808	2,623	28,504	350	112,975	2,628	26,756	189,133	
Oct	183,398	97,415	62,655	2,773	31,987	350	83,214	2,419	38,598	144,801	
Nov	213,908	104,612	70,131	3,476	31,005	350	106,395	2,551	33,778	180,130	
Dec	230,775	99,185	68,194	3,285	27,705	350	128,668	2,573	30,169	200,607	

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

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

11 ECB euro reference exchange rates of selected currencies *

EUR 1 = currency units ...

Yearly or monthly average	Australia AUD	Canada CAD	China CNY 1	Denmark DKK	Japan JPY	Norway NOK	Sweden SEK	Switzerland CHF	United Kingdom GBP	United States USD
1999	1.6523	1.5840	.	7.4355	121.32	8.3104	8.8075	1.6003	0.65874	1.0658
2000	1.5889	1.3706	² 7.6168	7.4538	99.47	8.1129	8.4452	1.5579	0.60948	0.9236
2001	1.7319	1.3864	7.4131	7.4521	108.68	8.0484	9.2551	1.5105	0.62187	0.8956
2002	1.7376	1.4838	7.8265	7.4305	118.06	7.5086	9.1611	1.4670	0.62883	0.9456
2003	1.7379	1.5817	9.3626	7.4307	130.97	8.0033	9.1242	1.5212	0.69199	1.1312
2004	1.6905	1.6167	10.2967	7.4399	134.44	8.3697	9.1243	1.5438	0.67866	1.2439
2005	1.6320	1.5087	10.1955	7.4518	136.85	8.0092	9.2822	1.5483	0.68380	1.2441
2006	1.6668	1.4237	10.0096	7.4591	146.02	8.0472	9.2544	1.5729	0.68173	1.2556
2007	1.6348	1.4678	10.4178	7.4506	161.25	8.0165	9.2501	1.6427	0.68434	1.3705
2008	1.7416	1.5594	10.2236	7.4560	152.45	8.2237	9.6152	1.5874	0.79628	1.4708
2007 Feb	1.6708	1.5309	10.1326	7.4541	157.60	8.0876	9.1896	1.6212	0.66800	1.3074
Mar	1.6704	1.5472	10.2467	7.4494	155.24	8.1340	9.2992	1.6124	0.68021	1.3242
Apr	1.6336	1.5334	10.4400	7.4530	160.68	8.1194	9.2372	1.6375	0.67934	1.3516
May	1.6378	1.4796	10.3689	7.4519	163.22	8.1394	9.2061	1.6506	0.68136	1.3511
June	1.5930	1.4293	10.2415	7.4452	164.55	8.0590	9.3290	1.6543	0.67562	1.3419
July	1.5809	1.4417	10.3899	7.4410	166.76	7.9380	9.1842	1.6567	0.67440	1.3716
Aug	1.6442	1.4420	10.3162	7.4429	159.05	7.9735	9.3231	1.6383	0.67766	1.3622
Sep	1.6445	1.4273	10.4533	7.4506	159.82	7.8306	9.2835	1.6475	0.68887	1.3896
Oct	1.5837	1.3891	10.6741	7.4534	164.95	7.6963	9.1735	1.6706	0.69614	1.4227
Nov	1.6373	1.4163	10.8957	7.4543	162.89	7.9519	9.2889	1.6485	0.70896	1.4684
Dec	1.6703	1.4620	10.7404	7.4599	163.55	8.0117	9.4319	1.6592	0.72064	1.4570
2008 Jan	1.6694	1.4862	10.6568	7.4505	158.68	7.9566	9.4314	1.6203	0.74725	1.4718
Feb	1.6156	1.4740	10.5682	7.4540	157.97	7.9480	9.3642	1.6080	0.75094	1.4748
Mar	1.6763	1.5519	10.9833	7.4561	156.59	7.9717	9.4020	1.5720	0.77494	1.5527
Apr	1.6933	1.5965	11.0237	7.4603	161.56	7.9629	9.3699	1.5964	0.79487	1.5751
May	1.6382	1.5530	10.8462	7.4609	162.31	7.8648	9.3106	1.6247	0.79209	1.5557
June	1.6343	1.5803	10.7287	7.4586	166.26	7.9915	9.3739	1.6139	0.79152	1.5553
July	1.6386	1.5974	10.7809	7.4599	168.45	8.0487	9.4566	1.6193	0.79308	1.5770
Aug	1.6961	1.5765	10.2609	7.4595	163.63	7.9723	9.3984	1.6212	0.79279	1.4975
Sep	1.7543	1.5201	9.8252	7.4583	153.20	8.1566	9.5637	1.5942	0.79924	1.4370
Oct	1.9345	1.5646	9.1071	7.4545	133.52	8.5928	9.8506	1.5194	0.78668	1.3322
Nov	1.9381	1.5509	8.6950	7.4485	123.28	8.8094	10.1275	1.5162	0.83063	1.2732
Dec	2.0105	1.6600	9.2205	7.4503	122.51	9.4228	10.7538	1.5393	0.90448	1.3449

* Calculated from daily values; for additional euro reference exchange rates, see Statistical Supplement 5, Exchange rate statistics. — 1 Up to

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

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

As of	Country	Currency	ISO currency code	Euro 1 = currency units ...
1999 January 1	Austria	Austrian schilling	ATS	13.7603
	Belgium	Belgian franc	BEF	40.3399
	Finland	Finnish markka	FIM	5.94573
	France	French franc	FRF	6.55957
	Germany	Deutsche Mark	DEM	1.95583
	Ireland	Irish pound	IEP	0.787564
	Italy	Italian lira	ITL	1,936.27
	Luxembourg	Luxembourg franc	LUF	40.3399
	Netherlands	Dutch guilder	NLG	2.20371
	Portugal	Portuguese escudo	PTE	200.482
	Spain	Spanish peseta	ESP	166.386
	2001 January 1	Greece	Greek drachma	GRD	340.750
2007 January 1	Slovenia	Tolar	SIT	239.640
2008 January 1	Cyprus	Cyprus pound	CYP	0.585274
	Malta	Maltese lira	MTL	0.429300
2009 January 1	Slovakia	Slovak koruna	SKK	30.1260

Overview of publications by the Deutsche Bundesbank

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

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

Annual Report

Financial Stability Review

Monthly Report

For information on the articles published between 1990 and 2008 see the index attached to the January 2009 *Monthly Report*.

Monthly Report articles

February 2008

- The economic scene in Germany around the turn of 2007-08

March 2008

- German balance of payments in 2007
- Macroeconomic effects of changes in real exchange rates

April 2008

- Ten years of monetary policy cooperation in the Eurosystem
- Price and volume effects of VAT increase on 1 January 2007
- Outlook for Germany's statutory pension insurance scheme

May 2008

- The economic scene in Germany in spring 2008

June 2008

- Outlook for the German economy – macroeconomic projections for 2008 and 2009
- The market for federal state bonds

July 2008

- Recent developments in the international financial system
- Development and application of DSGE models for the German economy

August 2008

- The economic scene in Germany in summer 2008

September 2008

- The performance of German credit institutions in 2007
- Monetary growth and its determinants in recent years
- Liquidity risk management at credit institutions

October 2008

- Germany's international investment position since the beginning of monetary union: developments and structure
- Development of tax revenue in Germany and current tax policy issues
- Financing constraints and capital accumulation: microeconomic evidence

November 2008

- The current economic situation in Germany

December 2008

- Outlook for the German economy – macroeconomic projections for 2009 and 2010
- The euro ten years on – the German economy in monetary union

January 2009

- Bank Lending Survey: an interim assessment and current developments
- German enterprises' profitability and financing in 2007
- The Basel Framework in practice – implementing the Basel advanced approaches in Germany

Statistical Supplements to the Monthly Report¹

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

Special Publications

Makro-ökonomisches Mehr-Länder-Modell,
November 1996²

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

Die Zahlungsbilanz der ehemaligen DDR 1975 bis 1989, August 1999²

The market for German Federal securities,
May 2000

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

Bundesbank Act, September 2002

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

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

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

European economic and monetary union,
September 2005

Special Statistical Publications *

- 1 Banking statistics guidelines and customer classification, July 2003³

2 Bankenstatistik Kundensystematik Firmenverzeichnisse, June 2008²

3 Aufbau der bankstatistischen Tabellen,
January 2000^{2,4}

4 Financial accounts for Germany 1991 to 2007,
June 2008⁴

5 Extrapolated results from financial statements of German enterprises 1994 to 2003, March 2006⁴

6 Ratios from financial statements of German enterprises 2004 to 2005, February 2008⁴

7 Erläuterungen zum Leistungsverzeichnis für die Zahlungsbilanz, February 2005²

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

9 Securities deposits,
August 2005

10 Foreign direct investment stock statistics,
April 2008^{1,4}

11 Balance of payments by region,
August 2007

12 Technologische Dienstleistungen in der Zahlungsbilanz, June 2008²

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

^o Not available on the website.

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

² Available in German only.

³ Solely available on the website, updated at half-yearly intervals. Only the sections "Monthly Balance Sheet Statistics", "External position" and "Customer classification" ("Overall survey on sectoral classification", "Survey on breakdown by industry or activity" and "Explanatory notes on the system of customer classification by industry or activity") are available in English.

⁴ Available on the website only.

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Banking legislation

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

2 Gesetz über das Kreditwesen, January 2008²

2a Solvabilitäts- und Liquiditätsverordnung, February 2008²

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

For footnotes, see p 79*.