What does the Bundesbank do for me?
In Germany, it is the Bundesbank’s task to ensure that there is always a sufficient quantity of euro cash in circulation and that it is of high quality. To this end, each of the Bundesbank’s 35 branches supply fresh cash to banks and retailers, who then pass this cash on to their customers, eg via ATMs or at the supermarket checkout.

Those same banks and retailers then pay any surplus cash back into accounts held at the Bundesbank, at which point the branches check the notes and coins for authenticity and monitor their quality. The Bundesbank regularly replaces any worn-out banknotes with new ones. Counterfeit money is examined at the Bundesbank’s National Analysis Centre (NAC) in Mainz.

Moreover, anybody still possessing old Deutsche Mark notes and coins can exchange these at any branch for euro, free of charge.
Nowadays, payments between individuals, banks, enterprises and public institutions often don’t involve cash. One of the Bundesbank’s duties is to keep payment operations running smoothly, both within Germany and across its borders, thus ensuring swift and secure credit transfers.

It is important for payment systems to run without a hitch. Malfunctions not only negatively impact the economy. They also shake people’s faith in the currency.

For this reason, the Bundesbank offers a range of reliable services to aid the clearing and settlement of payments. To this end, it monitors existing payment systems and works on enhancing these at the national and international level.

And thanks to digitalisation, new payment methods are emerging. The Bundesbank’s specialists are actively exploring the potential of mobile payment methods and real-time payment systems, including the promising benefits of innovations such as blockchain technology, whilst also focusing on cyber security.
A functioning economy needs to have a stable banking system that people can trust. Banking supervisors set the rules for banks and check whether they are being complied with.

Banks in the euro area are supervised jointly by the European Central Bank (ECB) and the national supervisory authorities (NSAs) as part of the Single Supervisory Mechanism (SSM).

In Germany, responsibility for supervising credit institutions lies with the Bundesbank and the Federal Financial Supervisory Authority (BaFin).

The Bundesbank has specialists across nine Regional Offices and its Central Office who supervise the roughly 1,800 credit institutions in Germany on an ongoing basis. Their job is to make sure that your local savings bank or credit cooperative, say, can always honour its payment obligations, has sufficient capital, and can cope with the risks it has taken.

The larger (“significant”) institutions are overseen directly by the ECB, but the Bundesbank helps supervise them, together with BaFin, as a member of what are called joint supervisory teams (JSTs).
The financial system is every bit as interconnected nationally as it is internationally. Imagine a situation in which banks or insurers take on too much risk: they might run into trouble and end up doing damage to other institutions or even entire economies.

It is a scenario that can dry up the flow of credit to businesses, destroy jobs and send government debt skyrocketing, as the financial and sovereign debt crisis so clearly demonstrated.

Experts at the Bundesbank analyse what causes crises so that they can identify new potential risks to the financial system and issue warnings, if necessary. Besides assessing the German financial system, the Bundesbank’s specialists work on global and European bodies and at institutions such as the Financial Stability Board.

This enables the Bundesbank to alert policymakers and the financial sector to possible adverse developments and the need for timely countermeasures.
We all buy things for our everyday needs, save up for more expensive purchases or put money aside to provide for our old age. Businesses need intermediate goods, and they take out loans to finance investment. Amidst all of this, it is essential to keep purchasing power stable.

If purchasing power shrinks too much, causing inflation, this has an especially hard impact on those earning a long-term fixed income, ie recipients of wages and salaries, a pension or benefits. Rising prices mean that they can buy less and less with the money in their pockets. Likewise, if prices fall too much, amounting to deflation, this has negative consequences. Businesses make less profit, potentially forcing them to fire employees who in turn can no longer afford to spend so much.
The key concern of the Bundesbank is therefore to work hand in hand with the European Central Bank (ECB) and the other 18 national central banks in the euro area to safeguard price stability. This union of institutions is called the Eurosystem. Its supreme decision-making body is the ECB Governing Council, on which Bundesbank President Jens Weidmann also has a seat. The stated objective of the ECB Governing Council is to keep inflation below, but close to, 2% in the medium term.

In making decisions, the members of the Council only exert an indirect influence on price developments, however. Specifically, they set the interest rates at which banks can borrow or deposit central bank money and, in so doing, affect banks’ lending behaviour.

When these rates are set low, the incentive to borrow in order to finance investment or make larger purchases is higher. This additional demand tends to push up prices more quickly. When rates are set high, this reduces borrowing and encourages saving, effectively slowing down price increases.
We would like to invite you to our regular events at our Central Office as well as at our Regional Offices and branches in various locations:

- Art exhibitions
- Guided tours
- Money Museum
- Open Day
- Interesting specialist talks in the “Forum Bundesbank” series
- Workshops and training courses on counterfeit money
- Appearances at trade fairs

Note: The majority of the events are held in German.

Current event dates can be found at: www.bundesbank.de/termine

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