

Discount and lombard rates of the Bundesbank and special interest rate charged for failing to comply with the minimum reserve requirements *

% pa

| Applicable from | Discount rate 1 | Lombard rate | Applicable from | Discount rate 1 | Lombard rate 2, 6, 7 |
|-----------------|-----------------|--------------|-----------------|-----------------|----------------------|
| 1948 July 1 | 5 | 6 | 1975 Feb 7 | 5 1/2 | 7 1/2 |
| 1949 May 27 | 4 1/2 | 5 1/2 | Mar 7 | 5 | 6 1/2 |
| July 14 | 4 | 5 | Apr 25 | 5 | 6 |
| 1950 Oct 27 | 6 | 7 | May 23 | 4 1/2 | 5 1/2 |
| 1952 May 29 | 5 | 6 | Aug 15 | 4 | 5 |
| Aug 21 | 4 1/2 | 5 1/2 | Sep 12 | 3 1/2 | 4 1/2 |
| 1953 Jan 8 | 4 | 5 | 1977 July 15 | 3 1/2 | 4 |
| June 11 | 3 1/2 | 4 1/2 | Dec 16 | 3 | 3 1/2 |
| 1954 May 20 | 3 | 4 | 1979 Jan 19 | 3 | 4 |
| 1955 Aug 4 | 3 1/2 | 4 1/2 | Mar 30 | 4 | 5 |
| 1956 Mar 8 | 4 1/2 | 5 1/2 | June 1 | 4 | 5 1/2 |
| May 19 | 5 1/2 | 6 1/2 | July 13 | 5 | 6 |
| Sep 6 | 5 | 6 | Nov 1 | 6 | 7 |
| 1957 Jan 11 | 4 1/2 | 5 1/2 | 1980 Feb 29 | 7 | 8 1/2 |
| Sep 19 | 4 | 5 | May 2 | 7 1/2 | 9 1/2 |
| 1958 Jan 17 | 3 1/2 | 4 1/2 | Sep 19 | 7 1/2 | 9 |
| June 27 | 3 | 4 | 1982 Aug 27 | 7 | 8 |
| 1959 Jan 10 | 2 3/4 | 3 3/4 | Oct 22 | 6 | 7 |
| Sep 4 | 3 | 4 | Dec 3 | 5 | 6 |
| Oct 23 | 4 | 5 | 1983 Mar 18 | 4 | 5 |
| 1960 June 3 | 5 | 6 | Sep 9 | 4 | 5 1/2 |
| Nov 11 | 4 | 5 | 1984 June 29 | 4 1/2 | 5 1/2 |
| 1961 Jan 20 | 3 1/2 | 4 1/2 | 1985 Feb 1 | 4 1/2 | 6 |
| May 5 | 3 | 4 | Aug 16 | 4 | 5 1/2 |
| 1965 Jan 22 | 3 1/2 | 4 1/2 | 1986 Mar 7 | 3 1/2 | 5 1/2 |
| Aug 13 | 4 | 5 | 1987 Jan 23 | 3 | 5 |
| 1966 May 27 | 5 | 6 1/4 | Nov 6 | 3 | 4 1/2 |
| 1967 Jan 6 | 4 1/2 | 5 1/2 | Dec 4 | 2 1/2 | 4 1/2 |
| Feb 17 | 4 | 5 | 1988 July 1 | 3 | 4 1/2 |
| Apr 14 | 3 1/2 | 4 1/2 | July 29 | 3 | 5 |
| May 12 | 3 | 4 | Aug 26 | 3 1/2 | 5 |
| Aug 11 | 3 | 3 1/2 | Dec 16 | 3 1/2 | 5 1/2 |
| 1969 Mar 21 | 3 | 4 | 1989 Jan 20 | 4 | 6 |
| Apr 18 | 4 | 5 | Apr 21 | 4 1/2 | 6 1/2 |
| June 20 | 5 | 6 | June 30 | 5 | 7 |
| Sep 11 | 6 | 7 1/2 | Oct 6 | 6 | 8 |
| Dec 5 | 6 | 9 | 1990 Nov 2 | 6 | 8 1/2 |
| 1970 Mar 9 | 7 1/2 | 9 1/2 | 1991 Feb 1 | 6 1/2 | 9 |
| July 16 | 7 | 9 | Aug 16 | 7 1/2 | 9 1/4 |
| Nov 18 | 6 1/2 | 8 | Dec 20 | 8 | 9 3/4 |
| Dec 3 | 6 | 7 1/2 | 1992 July 17 | 8 3/4 | 9 3/4 |
| 1971 Apr 1 | 5 | 6 1/2 | Sep 15 | 8 1/4 | 9 1/2 |
| Oct 14 | 4 1/2 | 5 1/2 | 1993 Feb 5 | 8 | 9 |
| Dec 23 | 4 | 5 | Mar 19 | 7 1/2 | 9 |
| 1972 Feb 25 | 3 | 4 | Apr 23 | 7 1/4 | 8 1/2 |
| Oct 9 | 3 1/2 | 5 | July 2 | 6 3/4 | 8 1/4 |
| Nov 3 | 4 | 6 | July 30 | 6 3/4 | 7 3/4 |
| Dec 1 | 4 1/2 | 6 1/2 | Sep 10 | 6 1/4 | 7 1/4 |
| 1973 Jan 12 | 5 | 7 | Oct 22 | 5 3/4 | 6 3/4 |
| May 4 | 6 | 8 | 1994 Feb 18 | 5 1/4 | 6 3/4 |
| June 1 | 7 | 9 | Apr 15 | 5 | 6 1/2 |
| 1974 Oct 25 | 6 1/2 | 8 1/2 | May 13 | 4 1/2 | 6 |
| Dec 20 | 6 | 8 | 1995 Mar 31 | 4 | 6 |
| | | | Aug 25 | 3 1/2 | 5 1/2 |
| | | | Dec 15 | 3 | 5 |
| | | | 1996 Apr 19 | 2 1/2 | 4 1/2 |
| | | | to | | |
| | | | 1998 Dec 31 | | |

Base rates

% pa

| Applicable from | Base rate as per Discount Rate Transition Act 5, 6, 7 |
|-----------------|---|
| 1999 Jan 1 | 2.50 |
| May 1 | 1.95 |
| 2000 Jan 1 | 2.68 |
| May 1 | 3.42 |
| Sep 1 | 4.26 |
| 2001 Sep 1 | 3.62 |
| 2002 Jan 1 | 2.71 |
| to | |
| Apr 3 | |
| | Base rate as per Civil Code 8 |
| 2002 Jan 1 | 2.57 |
| July 1 | 2.47 |
| 2003 Jan 1 | 1.97 |
| July 1 | 1.22 |
| 2004 Jan 1 | 1.14 |
| July 1 | 1.13 |
| 2005 Jan 1 | 1.21 |
| 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 |
| July 1 | 0.12 |
| 2011 July 1 | 0.37 |
| 2012 Jan 1 | 0.12 |

* Special interest rate charged for failing to comply with the minimum reserve requirements: 3% pa above lombard rate; unchanged since 1 January 1951. — 1 Until 31 July 1990 this was also the rate for cash advances. Until May 1956 lower rates likewise applied for foreign bills and export drafts; fixed special rates were charged for certain credits which had been granted to the Reconstruction Loan Corporation and which ran out at the end of 1958 (for details see Report of the Deutsche Bundesbank for the Year 1961, p 91). — 2 From 1 August 1990 to 31 December 1993 this was also the rate for cash advances; from 1 January 1994 cash advances have no longer been granted. Wherever reference is made in an Act to the interest rate applicable for cash advances of the Federal Government, the rate will be replaced by the base rate as per Discount Rate Transition Act increased by 1.5 percentage points (see also footnote 6a and 7). Pursuant to the Discount Rate Transition Act, read in conjunction with the Lombard Rate Transition Regulation, the lombard rate has been replaced with effect from 1 January 1999 by the rate applied by the European Central Bank (ECB) for its marginal lending facility wherever the lombard rate is used as a reference variable for interest and other payments (see also footnote 6b and 7). — 3 An allowance of 3/4 % per annum was granted to the credit institutions in respect of the lombard loans taken up between 10 and 31 December 1964. — 4 Lombard loans were generally not granted to the credit institutions at the lombard rate during following periods: from 1 June 1973 to 3 July 1974; from 20 February 1981 to 6 May 1982. — 5 Pursuant to the Discount Rate Transition Act, read in conjunction with the Regulation Governing the Use of the Base Rate as a Reference Variable, this rate has replaced the discount rate from 1 January 1999 wherever the latter is used in contracts and regulations as a reference variable for interest and other payments. This base rate is the discount rate of the Bundesbank which applied on 31 December 1998. It changes on

1 January, 1 May and 1 September of each year, and will change for the first time on 1 May 1999 if the interest rate applied by the ECB to its longer-term refinancing operations (marginal rate) has changed by at least 0.5 percentage point (see also footnote 6c and 7) — 6 Wherever the rates listed in this column are used as a reference variable for interest and other payments in Federal legislation (in the field of civil law and judicial procedural law), in state legislation (as stipulated in the Act Introducing the Civil Code) or in executive instruments and contracts based on such regulations, the following changes apply as from 1 January 2002: (a) the rate for cash advances of the Federal Government has been replaced by the base rate in the Civil Code increased by 1.5%; (b) the lombard rate has been replaced by the ECB's marginal lending facility rate; (c) the base rate as per Discount Rate Transition Act has been replaced by the base rate pursuant to section 247 of the Civil Code (see also footnote 7). — 7 Pursuant to Article 4 (1) of the Act on the Amendment of Provisions concerning the Evaluation of Insurance Enterprises' Capital Investment, the Discount Rate Transition Act, the Regulation Governing the Use of the Base Rate as a Reference Variable and the Lombard Rate Transition Regulation have been repealed. Pursuant to Artikel 4 (2) of the same Act, from 4 April 2002 the discount rate and the base rate as per Discount Rate Transition Act have been replaced by the base rate pursuant to section 247 of the Civil Code, the lombard rate by the ECB's marginal lending facility rate, and the interest rate for cash advances of the Federal Government by the base rate pursuant to section 247 of the Civil Code increased by 1.5 percentage points. — 8 Starting at 3.62%, it is adjusted on 1 January and 1 July of each year (for the first time on 1 January 2002) by the percentage points by which the reference variable (the ECB's most recent main refinancing operation, marginal rate) has increased or decreased since the last change in the base rate.

Successor to the discount rate and lombard rate

With the start of Stage Three of Economic and Monetary Union, monetary policy powers were transferred from the Deutsche Bundesbank to the European System of Central Banks, ie the Bundesbank's discount rate and lombard rate have not been set since 1 January 1999.

Wherever remuneration is determined by reference to the discount rate and the lombard rate in the provisions of Federal law or in contracts and executory instruments, substitute arrangements for such reference variables have therefore been adopted by the legislature.

Such arrangements had initially been enacted by the Discount Rate Transition Act (*Diskontsatz-Überleitungs-Gesetz*) of 9 June 1998 (Federal Law Gazette [*Bundesgesetzblatt*] I, page 1242). Pursuant to section 1 of this act, the base rate was the legal successor to the discount rate, the base rate initially being the discount rate of the Deutsche Bundesbank applicable on 31 December 1998. This rate changed at regular intervals on 1 January, 1 May and 1 September of each year, changing initially at the start of 1 May 1999. It was changed by the percentage points by which the rate of interest applied by the European Central Bank to its longer-term refinancing operations (longer-term refinancing rate) had risen or fallen since the most recent change in the base rate [see the Regulation Governing the Use of the Base Rate as a Reference Variable (*Basiszinssatz-Bezugsgrößen-Verordnung*) of 10 February 1999 (Federal Law Gazette I, page 139)]. (The initial adjustment had been determined by the change in the longer-term refinancing rate since the replacement of the discount rate). Any adjustment made on the above-mentioned reference dates depended on the longer-term refinancing rate having changed by at least 0.5 percentage point. If there were any changes, the Bundesbank announced the new base rate in the Federal Gazette (*Bundesanzeiger*).

The time limit of 31 December 2001 for this arrangement that was originally set in the act has been rendered inapplicable by Article 2 (3) of the Act concerning remote sales contracts and other consumer law matters and redenomination of provisions in euro (*Gesetz über Fernabsatzverträge und andere Fragen des Verbraucherrechts sowie zur Umstellung von Vorschriften auf Euro*) of 27 June 2000 (Federal Law Gazette I, page 901).

Section 3 (2) 1 of the Discount Rate Transition Act read in conjunction with the Lombard Rate Transition Regulation (*Lombardsatz-Überleitungs-Verordnung*) of 18 December 1998 (Federal Law Gazette I, page 3819) established the interest rate applied by the European Central Bank to its marginal lending facility (marginal lending rate) as the successor to the lombard rate as a reference variable.

With the entry into force of the Act on Modernising the Law of Obligations (*Gesetz zur Modernisierung des Schuldrechts*) of 26 November 2001 (Federal Law Gazette I, page 3138) on 1 January 2002, there now occurred a further change in the legal situation. Pursuant to Article 229 section 7 of the Act Introducing the Civil Code (*Einführungsgesetz zum Bürgerlichen Gesetzbuch*) contained therein,

1. the base rate of the Civil Code replaces the base rate pursuant to the Discount Rate Transition Act of 9 June 1998 (Federal Law Gazette I, page 1242),
2. the base rate (section 247 of the Civil Code) replaces the discount rate of the Deutsche Bundesbank,
3. the interest rate applied by the European Central Bank to its marginal lending facility (marginal lending rate) replaces the lombard rate of the Deutsche Bundesbank

with effect from 1 January 2002 if these rates are used as reference variables for interest rates and other payments under Federal legislation in the field of civil law and the procedural law of the courts, in legislation subject to state (Land) law pursuant to these provisions and in executory instruments and contracts on the basis of such regulations.

Pursuant to section 247 of the Civil Code (new), the base rate for cases 1 and 2 is no longer coupled to the rate of the longer-term refinancing operations. Furthermore, this base rate will be adjusted only twice a year on 1 January and 1 July. There is no longer provision for a threshold value in section 247 of the Civil Code (new). The base rate pursuant to section

247 (1) of the Civil Code initially amounts to 3.62% (since 1 September 2001 this had corresponded to the applicable base rate pursuant to the Discount Rate Transition Act) and changes on the aforementioned adjustment dates by the percentage points by which its reference variable has risen or fallen since the most recent change in the base rate. The reference variable in this case is the rate of interest applied by the European Central Bank to its last main refinancing operation prior to the first calendar day of the half-year in question. Pursuant to Article 229 section 7 (3) of the Act Introducing the Civil Code, the first change of the base rate took place on 1 January 2002.

The main reason for the adoption of this procedure is to comply with the requirements of the EC Late Payment Directive (2000/35/EC of 29 June 2000). This prescribes a statutory rate of interest for late payment, which (plus a margin) is based on the last main refinancing rate of the ECB prior to 1 January and 1 July, respectively.

This meant that, from 1 January 2002, differing base rates initially took place of the discount rate depending on the relevant branch of law. Accordingly, both interest rates were announced by the Deutsche Bundesbank in the Federal Gazette. For the period prior to 1 January 2002, however, the Discount Rate Transition Act and the regulations issued on the basis of the act are to be applied in their current versions up to that date to all branches of law (Article 229 section 7 (2) of the Act Introducing the Civil Code).

On 3 April 2002 the Act on the Amendment of Provisions concerning the Evaluation of Insurance Enterprises' Capital Investment and the Repeal of the Discount Rate Transition Act (*Gesetz zur Änderung von Vorschriften über die Bewertung der Kapitalanlagen von Versicherungsunternehmen und zur Aufhebung des Diskontsatz-Überleitungs-Gesetzes*) of 26 March 2002 was promulgated in the Federal Law Gazette I, page 1219. Pursuant to Article 5 of that act, it enters into force on the day after it has been promulgated.

Pursuant to Article 4 section 1 of this act, the Discount Rate Transition Act, the Regulation Governing the Use of the Base Rate as a Reference Variable, the FIBOR Transition Regulation and the Lombard Rate Transition Regulation are repealed. Pursuant to Article 4 section 2 (1) of the Act on the Amendment of Provisions concerning the Evaluation of Insurance Enterprises' Capital Investment and the Repeal of the Discount Rate Transition Act, the Bundesbank's discount rate and the base rate under the Discount Rate Transition Act are replaced by the base rate pursuant to section 247 of the Civil Code, the FIBOR is replaced by the EURIBOR, the lombard rate of the Deutsche Bundesbank is replaced by the interest rate on the marginal lending facility of the European Central Bank (marginal lending rate), and the interest rate for cash advances of the Federal Government by the base rate pursuant to section 247 of the Civil Code increased by 1.5 percentage points.

This means that, from 4 April 2002, the base rate pursuant to the Discount Rate Transition Act finally ceases to have any relevance to any claims arising from that date onwards. Therefore, holders of claims, to which the base rate under the Discount Rate Transition Act still applied after 1 January 2002, have to adjust their calculation of interest immediately with the entry into force of the Act on the Amendment of Provisions concerning the Evaluation of Insurance Enterprises' Capital Investment and the Repeal of the Discount Rate Transition Act.

By virtue of Article 4 section 2 (2) of the Act on the Amendment of Provisions concerning the Evaluation of Insurance Enterprises' Capital Investment and the Repeal of the Discount Rate Transition Act, the Federal Ministry of Justice is, furthermore, empowered to replace in Federal acts and regulations, by way of statutory regulation without the consent of the Bundesrat, the designation of reference variables relating to the discount rate, the lombard rate of the Deutsche Bundesbank, the base rate, FIBOR and the interest rate for cash advances of the Federal Government, and thus to make a final revision of the legal texts.