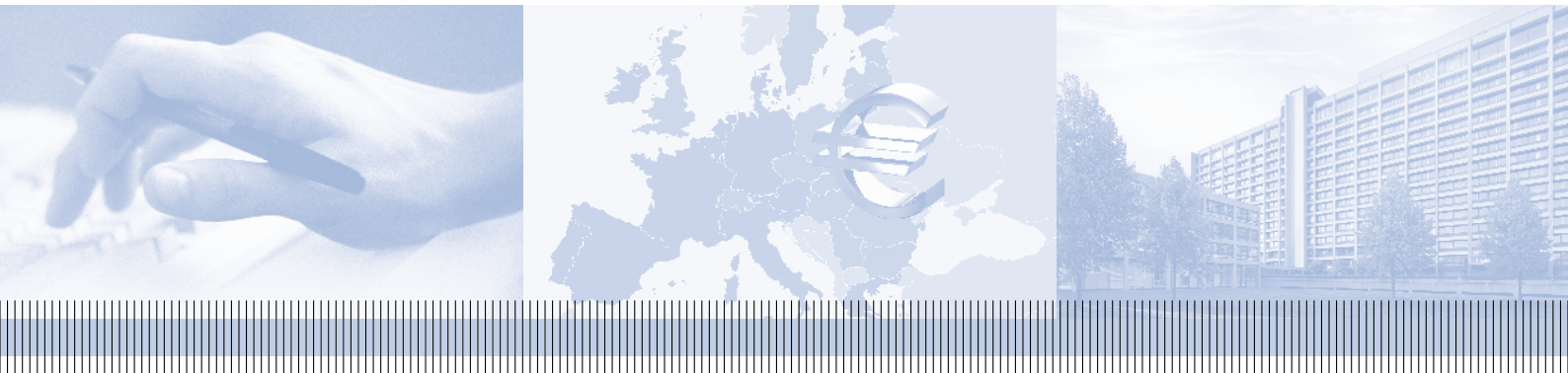


CORRESPONDENT BANKING



Department Payments and Settlement Systems

The statutory mandate

Pursuant to section 3 of the Bundesbank Act, the Bundesbank shall arrange for the execution for domestic and international payments. The Bundesbank maintains correspondent banking relationships; besides about 205 euro accounts kept for foreign business partners, circa 65 foreign currency accounts are held with institutions abroad for the settlement of payments. These correspondent banking relationships allow payment settlement – also for the Bundesbank’s domestic customers – across state and currency borders. As a central bank the Bundesbank carries out correspondent banking on a limited scale only.

The correspondents

In the correspondent banking business, the Bundesbank maintains correspondent banking relationships with foreign commercial banks and central banks (including comparable institutions).

Modalities for account management at the Bundesbank

The following conditions apply to accounts held at the Bundesbank.

- | Accounts kept in euro solely
- | No account management fees

- | No obligation to maintain a certain minimum credit balance

- | Accounts are kept on a non-borrowing basis only.

- | Interest paid on account balance dependent on the counterparty

In addition to the euro accounts kept for foreign correspondent banks, in exceptional cases foreign currency accounts can be held for domestic credit institutions in order to conduct correspondent banking business (subject to a charge).

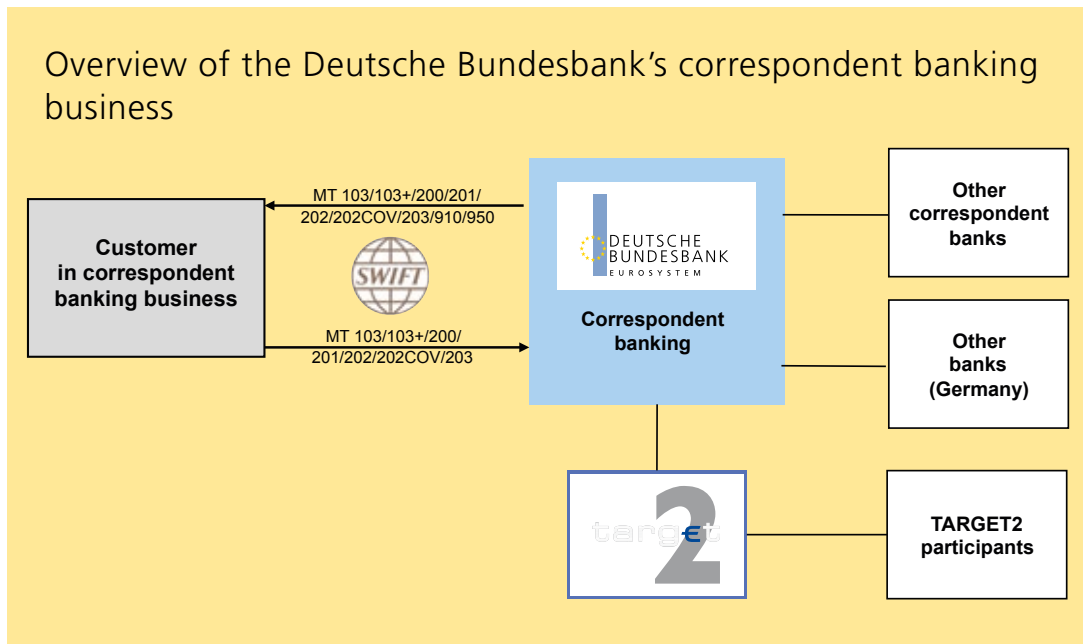
Interest paid on credit balances

Accounts kept for foreign central banks accrue interest; the remuneration depends on the general interest rates set by the ESCB and on the domicile of the account holder.

For more information on special euro reserve management services, please visit our website www.bundesbank.de → Central Bank Service
Tel: +49 69 9566 8877
E-mail: crm.zahlungsverkehr@bundesbank.de

Payment services

Payment orders can be denominated either in euro or in a foreign currency. Euro payments are processed on a single transaction basis and in real time as they are received via the



Bundesbank's own Customer Access Mechanism (CAM) application. Foreign currency payments debited against an account held in the same currency are handled respectively. The execution of foreign currency payments debited to an euro account is realized in accordance with the established market practice, ie after two payment transaction business days.¹

To the correspondent banks of the Bundesbank the correspondent banking relationship gives access to the Eurosystem's real-time gross settlement system, TARGET2. The correspondents can submit and receive payment

orders for TARGET2 processing via the Bundesbank. By request the accessibility of the correspondent banks in TARGET2 can be published in the TARGET2 directory.

The Bundesbank generally communicates with correspondents via SWIFT. They can place payment orders using SWIFT MT 103, MT 103+, MT 200, MT 201, MT 202, MT 202COV and MT 203. Correspondents are informed of incoming payment orders by using the aforementioned SWIFT messages. Credit advice is sent by MT 910. The correspondents are informed of book-keeping entries to their account by SWIFT MT 950.

¹ Payment transaction business days are all days from Monday to Friday except the TARGET2 holidays (as determined and announced by the ECB – currently: 1 January, Good Friday, Easter Monday, 1 May, 25 December and 26 December).

Cut-Off-Times

For same-day processing, the payment-orders must be submitted to the Deutsche Bundesbank by the following cut-off-times:

- I Euro payments and foreign currency payments debited to a foreign currency account in the same currency
 - SWIFT MT 103 / MT 103+ 4.45 pm
 - SWIFT MT 200 / MT 201 / MT 202 / MT 202COV / MT 203 5.45 pm
- I Foreign currency payments debited to an euro account (executed according to the established market practice, ie two payment transaction business days after submission) 1.30 pm

Payment orders submitted after these times are deemed to have been submitted for the following payment transaction business day. Furthermore, it is possible to submit payment orders that specify a transaction date (value date) up to nine payment transaction business days in the future.

Prices

Maintenance of giro accounts No charge

Payment orders (per item)

- I executed in euro
 - within Germany or to countries within the European Union (EU)/ the European Economic Area (EEA). In addition if there has been settled at least one TARGET2 compliant payment by a credit institution of an EU/EEA country € 100.00 per month
 - to countries outside the EU/EEA ¼ ‰
 - minimum of € 2.50
 - maximum of € 100.00
- I executed in foreign currency and settled in euro ½ ‰
 - minimum of € 5.00
 - maximum of € 100.00
- I executed and settled in the same foreign currency ¼ ‰
 - minimum of € 2.50
 - maximum of € 100.00
 plus expenses