

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

Basic rate of interest

% per annum

% per annum

| Applicable from | Discount rate 1 | Lombard rate | Applicable from | Discount rate 1 | Lombard rate | Applicable from | Discount rate 1 | Lombard rate 2a, 6a, 7 | Applicable from | Basic rate of interest as per Discount Rate Transition Act 5 6 7 |
|-----------------|-----------------|--------------|-----------------|-----------------|--------------|-----------------|-----------------|------------------------|-----------------|--|
| 1948 July 1 | 5 | 6 | 1970 Mar 9 | 7 ½ | 9 ½ | 1983 Mar 18 | 4 | 5 | 1999 Jan 1 | 2.50 |
| | | | July 16 | 7 | 9 | Sep 9 | 4 | 5 ½ | May 1 | 1.95 |
| 1949 May 27 | 4 ½ | 5 ½ | Nov 18 | 6 ½ | 8 | 1984 June 29 | 4 ½ | 5 ½ | 2000 Jan 1 | 2.68 |
| July 14 | 4 | 5 | Dec 3 | 6 | 7 ½ | | | | May 1 | 3.42 |
| | | | | | | | | | Sep 1 | 4.26 |
| 1950 Oct 27 | 6 | 7 | 1971 Apr 1 | 5 | 6 ½ | 1985 Feb 1 | 4 ½ | 6 | 2001 Sep 1 | 3.62 |
| | | | Oct 14 | 4 ½ | 5 ½ | Aug 16 | 4 | 5 ½ | 2002 Jan 1 | 2.71 |
| 1952 May 29 | 5 | 6 | Dec 23 | 4 | 5 | | | | to Apr 3 | |
| Aug 21 | 4 ½ | 5 ½ | | | | 1986 Mar 7 | 3 ½ | 5 ½ | | |
| | | | 1972 Feb 25 | 3 | 4 | | | | | |
| 1953 Jan 8 | 4 | 5 | Oct 9 | 3 ½ | 5 | 1987 Jan 23 | 3 | 5 | 2002 Jan 1 | 2.57 |
| June 11 | 3 ½ | 4 ½ | Nov 3 | 4 | 6 | Nov 6 | 3 | 4 ½ | July 1 | 2.47 |
| | | | Dec 1 | 4 ½ | 6 ½ | Dec 4 | 2 ½ | 4 ½ | | |
| 1954 May 20 | 3 | 4 | 1973 Jan 12 | 5 | 7 | 1988 July 1 | 3 | 4 ½ | 2003 Jan 1 | 1.97 |
| | | | May 4 | 6 | 8 | July 29 | 3 | 5 | July 1 | 1.22 |
| 1955 Aug 4 | 3 ½ | 4 ½ | June 1 | 7 | 9 | Aug 26 | 3 ½ | 5 | 2004 Jan 1 | 1.14 |
| | | | Nov 26 | 7 | 4 13 | Dec 16 | 3 ½ | 5 ½ | July 1 | 1.13 |
| 1956 Mar 8 | 4 ½ | 5 ½ | 1974 Jan 12 | 7 | 9 | 1989 Jan 20 | 4 | 6 | 2005 Jan 1 | 1.21 |
| Apr 19 | 5 ½ | 6 ½ | Mar 14 | 7 | 4 13 | Apr 21 | 4 ½ | 6 ½ | July 1 | 1.17 |
| May 6 | 5 | 6 | Apr 9 | 7 | 9 | June 30 | 5 | 7 | | |
| | | | May 28 | 7 | 4 10 | Oct 6 | 6 | 8 | 2006 Jan 1 | 1.37 |
| 1957 Jan 11 | 4 ½ | 5 ½ | July 4 | 7 | 9 | | | | July 1 | 1.95 |
| Sep 19 | 4 | 5 | Oct 25 | 6 ½ | 8 ½ | 1990 Nov 2 | 6 | 8 ½ | | |
| | | | Dec 20 | 6 | 8 | | | | 2007 Jan 1 | 2.70 |
| 1958 Jan 17 | 3 ½ | 4 ½ | 1975 Feb 7 | 5 ½ | 7 ½ | 1991 Feb 1 | 6 ½ | 9 | July 1 | 3.19 |
| June 27 | 3 | 4 | Mar 7 | 5 | 6 ½ | Aug 16 | 7 ½ | 9 ¼ | | |
| | | | Apr 25 | 5 | 6 | Dec 20 | 8 | 9 ¾ | 2008 Jan 1 | 3.32 |
| 1959 Jan 10 | 2 ¾ | 3 ¾ | May 23 | 4 ½ | 5 ½ | | | | July 1 | 3.19 |
| Sep 4 | 3 | 4 | Aug 15 | 4 | 5 | 1992 July 17 | 8 ¾ | 9 ¾ | | |
| Oct 23 | 4 | 5 | Sep 12 | 3 ½ | 4 ½ | Sep 15 | 8 ¼ | 9 ½ | 2009 Jan 1 | 1.62 |
| | | | | | | | | | July 1 | 0.12 |
| 1960 June 3 | 5 | 6 | 1977 July 15 | 3 ½ | 4 | 1993 Feb 5 | 8 | 9 | | |
| Nov 11 | 4 | 5 | Dec 16 | 3 | 3 ½ | Mar 19 | 7 ½ | 9 | 2011 July 1 | 0.37 |
| | | | | | | Apr 23 | 7 ¼ | 8 ½ | | |
| 1961 Jan 20 | 3 ½ | 4 ½ | 1979 Jan 19 | 3 | 4 | July 2 | 6 ¾ | 8 ¼ | 2012 Jan 1 | 0.12 |
| May 5 | 3 | 3 4 ½ | Mar 30 | 4 | 5 | July 30 | 6 ¾ | 7 ¾ | | |
| | | | June 1 | 4 | 5 ½ | Sep 10 | 6 ¼ | 7 ¼ | 2013 Jan 1 | -0.13 |
| 1965 Jan 22 | 3 ½ | 4 ½ | July 13 | 5 | 6 | Oct 22 | 5 ¾ | 6 ¾ | July 1 | -0.38 |
| Aug 13 | 4 | 5 | Nov 1 | 6 | 7 | | | | | |
| | | | 1980 Feb 29 | 7 | 8 ½ | 1994 Feb 18 | 5 ¼ | 6 ¾ | 2014 Jan 1 | -0.63 |
| 1966 May 27 | 5 | 6 ¼ | May 2 | 7 ½ | 9 ½ | Apr 15 | 5 | 6 ½ | July 1 | -0.73 |
| | | | Sep 19 | 7 ½ | 9 | May 13 | 4 ½ | 6 | | |
| 1967 Jan 6 | 4 ½ | 5 ½ | 1981 Feb 25 | 7 ½ | 4 12 | | | | 2015 Jan 1 | -0.83 |
| Feb 17 | 4 | 5 | Oct 9 | 7 ½ | 4 11 | 1995 Mar 31 | 4 | 6 | | |
| Apr 14 | 3 ½ | 4 ½ | Dec 4 | 7 ½ | 4 10 ½ | Aug 25 | 3 ½ | 5 ½ | 2016 July 1 | -0.88 |
| May 12 | 3 | 4 | | | | Dec 15 | 3 | 5 | | |
| Aug 11 | 3 | 3 ½ | 1982 Jan 22 | 7 ½ | 4 10 | | | | 2023 Jan 1 | 1.62 |
| | | | Mar 19 | 7 ½ | 4 9 ½ | 1996 Apr 19 | 2 ½ | 4 ½ | July 1 | 3.12 |
| 1969 Mar 21 | 3 | 4 | May 7 | 7 ½ | 9 | to | | | | |
| Apr 18 | 4 | 5 | Aug 27 | 7 | 8 | Dec 31 | | | 2024 Jan 1 | 3.62 |
| June 20 | 5 | 6 | Oct 22 | 6 | 7 | | | | July 1 | 3.37 |
| Sep 11 | 6 | 7 ½ | Dec 3 | 5 | 6 | | | | | |
| Oct 5 | 6 | 9 | | | | | | | 2025 Jan 1 | 2.27 |
| | | | | | | | | | July 1 | 1.27 |
| | | | | | | | | | 2026 July 1 | 1.52 |

* Special interest rate charged for failing to comply with the minimum reserve requirements: 3% p.a. 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 basic rate of interest 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 ¾ % per annum was granted to the credit institutions in respect of the lombard loans taken up between 10 and 31 December 1964. — **4** Sonderlombard rate from 1 June 1973 to 3 July 1974; from 20 February 1981 to 6 May 1982. In this period, the usual lombard loan was replaced by the "Sonderlombard" loan with a higher "Sonderlombard" rate. — **5** Pursuant to the Discount Rate Transition Act, read in conjunction with the Regulation Governing the Use of the basic rate of interest 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 basic rate of interest 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 executory 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 basic rate of interest 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 basic rate of interest as per Discount Rate Transition Act has been replaced by the basic rate of interest 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 basic rate of interest 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 basic rate of interest as per Discount Rate Transition Act have been replaced by the basic rate of interest 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 basic rate of interest pursuant to section 247 of the Civil Code increased by 1.5 percentage points. — **8** Currently at 1.52%, 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 basic rate of interest.

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, i.e. 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 basic rate of interest was the legal successor to the discount rate, the basic rate of interest 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 basic rate of interest [see the Regulation Governing the Use of the basic rate of interest 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 basic rate of interest 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 basic rate of interest of the Civil Code replaces the basic rate of interest pursuant to the Discount Rate Transition Act of 9 June 1998 (Federal Law Gazette I, page 1242),
2. the basic rate of interest (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 basic rate of interest for cases 1 and 2 is no longer coupled to the rate of the longer-term refinancing operations. Furthermore, this basic rate of interest 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 basic rate of interest pursuant to section 247 (1) of the Civil Code initially amounts to 3.62% (since 1 September 2001 this had corresponded to the applicable basic rate of interest 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 basic rate of interest. 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 basic rate of interest 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 basic rates of interest 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 basic rate of interest 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 basic rate of interest under the Discount Rate Transition Act are replaced by the basic rate of interest 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 basic rate of interest pursuant to section 247 of the Civil Code increased by 1.5 percentage points.

This means that, from 4 April 2002, the basic rate of interest 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 basic rate of interest 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 basic rate of interest, FIBOR and the interest rate for cash advances of the Federal Government, and thus to make a final revision of the legal texts.