



Product Annex

Basic Services

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Product Annex

to the Special Terms and Conditions for the Provision of Certain Services for Foreign Central Banks, Monetary Authorities or International Organisations (including EU Institutions)

Basic services

Section I

Giro transactions and account management

Article 1

Scope of services

The Bank carries euro-denominated giro accounts for customers. As the account-carrying institution, it processes domestic and international payment orders for its customers within the framework of the Special Terms and Conditions and the Product Annexes. Payment orders designed for the settling of credit and debit positions from net settlement systems or transnational clearing arrangements shall not be processed via the account. The Bank charges the customer fees pursuant to the Interest Rate and Price Schedule.

Article 2

Account management

- (1) Giro accounts are not carried as current accounts.
- (2) The giro accounts are carried on a credit balance basis subject to the exceptions set out in the Product Annexes for Basic and Investment Services. Interest is paid on credit balances pursuant to the Product Annex for Investment Services and the Interest Rate and Price Schedule. Interest on excess reserves (reserves not invested within the framework of the Product Annex for Investment Services) is paid in accordance to the Interest Rate and Price schedule.
- (3) All payments relating to transactions between the Bank and the customer shall be booked to the giro account (unless otherwise agreed in specific cases). The Bank is entitled to debit amounts owed to it by the customer to the customer's giro account.

- (4) The Bank books incoming payments to the customer's account. The customer may not refuse the credit booking or prohibit it in advance. If the beneficiary is not specified precisely, the Bank reserves the right to transfer the amount back to the originator. In other respects, the Bank shall take reasonable measures to avoid misrouting due to incorrect or incomplete information.
- (5) The Bank may cancel – by means of a simple reverse entry – any credit bookings made without a corresponding obligation (e.g. due to an oversight or clerical error) provided it has a right of recovery.
- (6) The account holder will be informed of all bookings to the account and of the account balance by means of a statement of account (by SWIFT MT 950 or camt.053, or alternatively by post).

Article 2a

Fees due on excess balances (“negative interest”)

If the Euro Short-Term Rate (€STR) is below 0.20%, the Bank shall levy a fee on balances which the customer has not invested within the framework of the Product Annex for Investment Services (excess balances) at €STR minus 20 basis points. The day-count convention 'actual/360' is applied in this context. Fees payable by the customer shall be debited to the customer's account on the first business day of the following month with value date on the first calendar day of the following month.

Article 3

Acceptance, cover and execution of payment orders

- (1) The Bank accepts domestic and international payment orders denominated in euro from its customers.

Furthermore, the Bank accepts payment orders denominated in foreign currencies from international organisations (including EU Institutions). All currencies listed in the “Notice on foreign exchange operations” (*Merkblatt für das Devisengeschäft*), which forms part of the Bank's General Terms and Conditions, are accepted.

- (2) Euro-denominated and foreign currency payments can be submitted electronically via SWIFT from Monday to Sunday, 0.00 to 24.00.

For same-day processing on a payment transaction business day, the payment orders must be submitted to the Bank by the following cut-off times:¹

a) Euro payments

- SWIFT MT 103 / MT 103 (STP) / pacs.008 / pacs.008 (STP) 16.45

¹ Local time in Frankfurt am Main, Germany

- SWIFT MT 200 MT 202 / MT 202COV / pacs.009 / pacs.009 COV 17.45
- b) Foreign currency payments 13.30

Payment orders submitted after these times are deemed as having been submitted for the following payment transaction business day.

- (3) If cover is available before the cover closing time, it can be assumed that processing will start on the same day and that the credit transfer will be executed on the same day ((2) a) or in accordance with established practices, i.e. two payment transaction business days following submission ((2) b).

The following cover closing times are to be observed:

- a) Euro payments
 - SWIFT MT 103 / MT 103 (STP) / pacs.008 / pacs.008 (STP) 16.55
 - SWIFT MT 200 / MT 202 / MT 202COV / pacs.009 / pacs.009 COV 17.55
- b) Foreign currency payments on the execution day 16.55
(usually two payment transaction business days after submission, see (4))

Payments without cover remain in a queue until such cover is available. Any payment orders still in the queue at the time of the respective cover closing time are automatically deleted. The submitter receives a special MX message (pacs.002) via SWIFT about this.

- (4) Insofar as they are applicable, the relevant provisions in the Bank's General Terms and Conditions (section IV. C and D., see also Technical Handbook) apply to the acceptance, cover and execution of payment orders subject to the following modifications.

- Definition of "submission day"

Submission day means the payment transaction business day on which the payment order arrives at the Bank until the cut-off time according to paragraph (2) or the next payment transaction business day if the payment will be held over until this day according to paragraph (2) (hereinafter referred to as "submission day").

- Definition of "execution day"

Execution day means the payment transaction business day on which the Bank, in executing the payment order, will pass on the funds (hereinafter referred to as "execution day").

For payment orders submitted via SWIFT, it is necessary to specify a payment transaction business day as the execution day in the field <InterbankSettlementDate> of the SWIFT MX message respectively in field 32A of the SWIFT MT message; this may be up to nine payment

transaction business days after the submission day (hereinafter referred to as the “set execution day”). If the set execution day is more than nine payment transaction business days after the submission day, the payment order is rejected and returned to the submitter – independent of the delivery format – using SWIFT MX message pacs.002.

- For euro payments:
 - Execution day shall be the set execution day.
 - Execution day shall be the submission day, if the set execution day has already elapsed. The payment order will not be rejected, but time-stamped with the submission day and processed.
- Foreign currency payments:
 - Execution day will be the set execution day, except for the cases of the following subparagraph:

Execution day will be the second payment transaction business day after the submission day, if the submission day is less than two payment transaction business days prior to the set execution day. The payment order will not be rejected. Instead, it will be time-stamped with the submission day and processed.
 - The applicable exchange rate is the rate in effect two payment transaction business days prior to the execution day.
- The Bank will execute payment orders once the data required for execution have been provided and a sufficient credit balance is available – subject to the exceptions set out in the Product Annex for Investment Services.

Article 4

Cancellation of payment orders; payment execution rejected by the Bank

- (1) The customer cannot cancel a payment order once it has been received by the Bank.

If the Bank and the account holder have agreed on a specific date to execute the payment order (“predefined execution day”), the account holder can cancel the order until the close of business on the Bank’s working day prior to the agreed date (see Technical Handbook).

- (2) The Bank may refuse to execute the payment order if the prerequisites for execution in accordance to article 3 have not been met.

Article 5
Special liability provisions

The Bank's liability in the execution of payment orders is determined by the Special Terms and Conditions.

Section II
Securities clearing and safe custody accounts

Article 6
Scope of services

- (1) The Bank accepts for safe custody and administration on behalf of customers marketable debt securities denominated in euro (or in a former currency of a country which has adopted the euro) which, according to the daily updated List of eligible marketable assets², are eligible as collateral for monetary policy operations with the Bank. This does not include debt securities in haircut category 5 (asset-backed securities).
- (2) In addition, the Bank accepts for safe custody and administration on behalf of customers shares and other equity interests in issuers domiciled in the European Union. On special request, debt securities other than those mentioned in paragraph 1 are accepted as well, provided that these can be held in safe custody either directly at the German central securities depository Clearstream Banking Frankfurt (CBF) or through its links with other central securities depositories. (Shares and other equity interests and debt securities within the meaning of this paragraph 2, together with the marketable debt securities mentioned in paragraph 1, are hereinafter referred to as "Securities".)
- (3) The Bank charges the customer a safe custody account fee for these services pursuant to the Interest Rate and Price Schedule.

Article 7
Dispositions over the safe custody account

(a) Incoming deliveries

- (1) The Bank shall execute orders to deliver Securities to the customer's safe custody account against payment (DVP) or free of payment (FOP) on the specified delivery date provided that the Bank receives the orders by no later than 16.00 on the TARGET business day prior to the delivery date. The Bank is entitled to execute orders that it receives after this point in time, but the intended delivery date might not be met in such cases. Moreover, in the case of deliveries versus payment, the execution of an order is subject to the proviso that, on the delivery date, the customer has made sufficient cover available on its account at the Bank and has specified the payment amount in euro and that the customer's trading partner has sent a corresponding delivery instruction to the central securities depository involved.
- (2) In the event of insufficient cover, the Bank is entitled to permit an overdraft on the customer's giro account in individual cases provided that the other assets held at the Bank offer adequate

² To be found on the ECB's homepage; we will provide the link on request. The list is updated regularly by the ECB.

collateral. If the account remains overdrawn overnight, interest shall be charged on the overdraft amount at the marginal lending rate of the Eurosystem plus 100 basis points.

- (3) The Bank reserves the right to demand, in individual cases, that the customer provides cover on its giro account by a certain time on the execution date.

The order will not be executed if the payment amount on the receipt instruction differs by more than €25 from that on the delivery instruction (or €2 for payment amounts of less than €100,000). In the case of smaller differences, the order shall be executed based on the payment amount on the delivery instruction.

(b) Outgoing deliveries

- (1) The Bank shall execute orders for the delivery of Securities on the specified delivery date provided that they have been submitted to the Bank by no later than 16.00 on the TARGET business day prior to the delivery date. The Bank is entitled to execute orders that it receives after this point in time, but the intended delivery date might not be met in such cases.
- (2) Sufficient assets must be available on the safe custody account on the TARGET business day prior to the delivery date. Otherwise, the Bank shall execute the order only once it has received the Securities. Moreover, in case of delivery against payment, the execution of the order is subject to the proviso that the payment amount has been specified in euro and that the customer's trading partner has sent a corresponding receipt instruction to the central securities depository involved. If the Bank receives more than one order from the customer for the same class of Securities for the same value date and not all the orders are covered by Securities, the Bank reserves the right to not execute the orders or to choose the sequence in which they are executed as long as not all the orders are covered by Securities.

(c) Common rules for outgoing and incoming deliveries

- (1) Unless otherwise agreed, the Bank shall accept orders only in the form of authenticated SWIFT messages.
- (2) All Securities in collective safe custody are to be delivered to the Bank's Omnibus-Client-securities account **7073** at CBF. The customer may opt for an individual client segregated account to be opened by the Bank with Clearstream Banking AG. In such case and in line with Art. 7 paragraph 2 of the Special Terms and Conditions the Bank will charge the customer the additional fees levied by Clearstream Banking AG to the Bank for the opening of the individual client segregated account.
- (3) Securities held in fiduciary safe custody ("Wertpapierrechnung") are to be delivered (unless otherwise agreed) to the Bank's Omnibus-Client securities account **67073** at CBF, which is managed by Clearstream Banking Luxembourg (CBL). Art. 7 paragraph 2 of the Special Terms and Conditions applies *mutatis mutandis*.

- (4) Securities or documents which can be delivered only as physical certificates are to be sent to

Deutsche Bundesbank

Z 500

Taunusanlage 5

60329 Frankfurt am Main, Germany

- (5) When Securities held in individual safe custody are submitted, the Bank arranges for them to be converted into collective safe custody certificates.

Article 8

Customer's ownership of domestic Securities; purchase of foreign Securities via Securities held in safe custody abroad

The customer's legal position with regard to certain purchased Securities depends on whether the Securities in question are domestic or foreign Securities as described in section IX paragraphs 10 and 11 of the Bank's General Terms and Conditions.

Article 9

Special provisions for liability in the case of third-party safe custody

- (1) If the Bank employs a third party for the safe custody and administration of Securities (section IX paragraph 11 of the Bank's General Terms and Conditions), article 4 (4) of the Special Terms and Conditions shall apply to the Bank's liability.
- (2) In the case of Securities held in safe custody and administered by Clearstream Banking AG (section IX paragraph 10 of the Bank's General Terms and Conditions), the Bank shall be liable in accordance with article 4 (5) of the Special Terms and Conditions.
- (3) A third party within the meaning of paragraph 1 may be another central bank within the Eurosystem, another national central securities depository of an EU member state, an international central securities depository or Clearstream Banking AG. The aforementioned institutions may use a link to another national or international central securities depository, regardless of whether such links have been admitted for providing securities as collateral in the Eurosystem's monetary policy operations.

Article 10

Safe custody account maintenance, declaration of ownership

- (1) The Bank may cancel by means of a simple reverse entry any bookings erroneously made to safe custody accounts as the result of an oversight, a clerical error or other reasons.
- (2) In the case of each delivery of Securities to its safe custody account, the customer implicitly declares that the Securities are either its property or that it is authorised to dispose freely of these Securities.

Article 11

Safe custody account statements

- (1) The customer receives a safe custody account statement at the end of every month; in addition, the customer may request further safe custody account statements in individual cases.
- (2) The form of communication is determined by article 8 of the Special Terms and Conditions.

Article 12

Forwarding information, redemption of Securities

Information is forwarded and Securities are redeemed in line with the provisions in sections IX (13) and (15) of the Bank's General Terms and Conditions.