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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

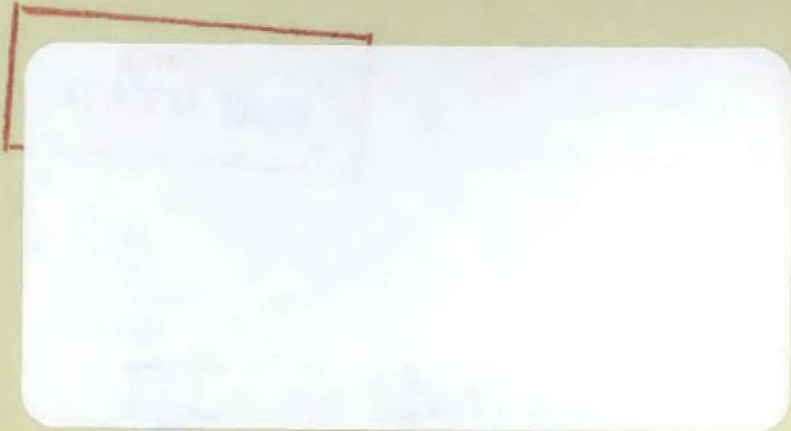
Washington DC 20433

Telephone: 202-473-1000

Internet: [www.worldbank.org](http://www.worldbank.org)

**PUBLIC DISCLOSURE AUTHORIZED**

Bonds - Borrowing - Germany - General 1966-



**The World Bank Group**  
**Archives**

1052462

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Germany - Bonds - Marketing - General - Correspondence - Volume 2

WBG Archives

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# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany		<b>Barcode No.</b>  1052462
<b>Document Date</b> Dec 31, 1968	<b>Document Type</b> Report	
<b>Correspondents / Participants</b>		
<b>Subject / Title</b> Copies of Papers Relating to the Private Borrowing in 1968 of DM 400,000,000 Principal Amount from Rheinische Girozentrale Und Prinzialbank		
<b>Exception No(s).</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict		
<b>Reason for Removal</b> Attorney - Client Privilege		
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.
		Withdrawn by Chandra Kumar
		Date Aug 1, 2014

I. GOVERNMENT CONSENT

## OFFICE MEMORANDUM

TO: Mr. Ernst vom Hofe

FROM: S. Aldewereld 

SUBJECT: Borrowing in Germany

DATE: June 19, 1968

The International Bank for Reconstruction and Development proposes to borrow as soon as possible DM400 million from the Rheinische Girozentrale und Provinzialbank, Dusseldorf. The loan would carry an interest rate of 6-1/2% and the proceeds to the World Bank would be 98%. The loan would be repayable by the Bank in six approximately equal annual instalments beginning July 1, 1977.

The Government of the Federal Republic of Germany is hereby requested in accordance with Section 1(b) of Article IV of the Bank's Articles of Agreement to approve this borrowing by the Bank in the Federal Republic of Germany. The Government of the Federal Republic of Germany is further requested to agree, pursuant to the same provision of the Articles of Agreement, that the proceeds of such borrowing may be exchanged for the currency of any member of the Bank without restriction.

As I told you today, Dr. Hankel has already informed me that the German authorities would approve the above request.

I would appreciate it if you would convey the text of the World Bank's official request, as stated above, by cable to the German authorities with the request that they communicate their consent also by cable. As you know, we propose to submit the borrowing transaction to the Board on Tuesday, June 25 and it would be appreciated if the German authorities' consent would reach us before the date of the Board Meeting.

## OFFICE MEMORANDUM

TO: Mr. S. Aldewereld  
FROM: Ernst vom Hofe *EC*  
SUBJECT: Borrowing in Germany

DATE: June 21, 1968

Reference is made to your memorandum dated June 19, 1968.

Today I received the following cable from the Federal Ministry of Economics:

"I have taken notice of your intention - transferred to me by the German Executive Director, Mr. vom Hofe - to borrow as soon as possible DM 400 million from the Rheinische Girozentrale und Provinzialbank, Duesseldorf; the loan would carry an interest rate of 6 1/2 % and the proceeds to the World Bank would be 98; the loan would have a final maturity of 15 years. I hereby approve in accordance with Section 1 (b) of Article IV of the Bank's Articles of Agreement this borrowing by the Bank. I further agree that the proceeds of such borrowing may be exchanged for the currency of any member of the Bank without restriction."

With regard to the publication of the proposed borrowing, my Government is of the opinion that it is up to the World Bank and the Rheinische Girozentrale und Provinzialbank to make a decision. My Government does not have any preference.

## OFFICE MEMORANDUM

TO: Mr. S. Aldewereld

DATE: June 24, 1968

FROM: Joerg Jaeckel SUBJECT: Borrowing in Germany

Reference is made to Mr. vom Hofe's memorandum dated June 21, 1968 and today's conversation with Mr. Sella.

The last part of the first sentence in the third paragraph of the memorandum dated June 21, 1968 must read as follows: "... the loan would have a final maturity of 14 years". Originally, "15 years" had been mentioned because of a typographical error in the incoming cable.

cc: Mr. P. Sella

II. CORPORATE ACTION



CONFIDENTIAL

**FOR  
EXECUTIVE  
DIRECTORS'  
MEETING**

For consideration  
on June 25, 1968

FROM: The Secretary

**DECLASSIFIED**

**AUG 0 1 2014**

**WBG ARCHIVES**

R68-109

June 21, 1968

PROPOSED BORROWING IN DEUTSCHE MARK

The following papers are attached:

Draft Resolution authorizing the borrowing of 400 million Deutsche Mark from the Rheinische Girozentrale und Provinzialbank, Düsseldorf (Attachment 1).

Draft loan agreement (Darlehnsvertrag) between the Rheinische Girozentrale und Provinzialbank, Düsseldorf, and the Bank (Attachment 2).

English translation of the said draft loan agreement (Attachment 3).

Distribution:

Executive Directors and Alternates  
President  
President's Council  
Executive Vice President, IFC  
Vice President, IFC  
Department Heads, Bank and IFC



# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany		<b>Barcode No.</b>  1052462		
<b>Document Date</b> Jun 21, 1968	<b>Document Type</b> Board Record			
<b>Correspondents / Participants</b>				
<b>Subject / Title</b> Authorizing the Borrowing of 400 million Deutsche Mark from the Rheinische Girozentrale und Provinzialbank, Dusseldorf				
<b>Exception No(s).</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
<b>Reason for Removal</b> Board Record				
<b>Additional Comments</b> Declassification review of this record can be initiated upon request		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"> <tr> <td><b>Withdrawn by</b> Chandra Kumar</td> <td><b>Date</b> Aug 1, 2014</td> </tr> </table>	<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> Aug 1, 2014
<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> Aug 1, 2014			



# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany	<b>Barcode No.</b>  1052462
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<b>Document Date</b> JULY <del>May</del> 8, 1968	<b>Document Type</b> Board Record
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**Correspondents / Participants**

**Subject / Title**  
SM68-26 (IDA/M68-22)  
Minutes of Meeting of the Executive Directors of the Bank and IDA held in the Board Room on June 25, 1868, at 10:00 a.m.

**Exception No(s).**

1    2    3    4    5    6    7    8    9    10 A-C    10 D    Prerogative to Restrict

**Reason for Removal**  
Board Record

**Additional Comments**  
Declassification review of this record can be initiated upon request

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Withdrawn by Chandra Kumar	Date Aug 1, 2014
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RHEINISCHE GIBOZENTRALE UND PROVINZIALBANK  
DUSSELDORF

JUNE 25, 1968

TELEX

GERMANY

ATTENTION DR. ANDERS AM PLEASED TO INFORM YOU THAT GOVERNMENT OF FEDERAL  
REPUBLIC OF GERMANY HAS CONSENTED TO AND THE EXECUTIVE DIRECTORS OF THE WORLD BANK  
HAVE APPROVED THE BORROWING OF DM 400 MILLION FROM GIBOZENTRALE ON THE TERMS  
AND CONDITIONS AGREED DURING YOUR VISIT STOP CERTIFIED COPY OF RESOLUTION OF  
EXECUTIVE DIRECTORS HAS BEEN MAILED TO YOU TODAY STOP REGARDS

CAVANAUGH  
TREASURER

Robert W. Cavanaugh  
Treasurer

Mr. SIMON ALDENBERG  
C/o PALACE HOTEL  
BRUSSELS

JUNE 25, 1968

HLF

BELGIUM

CAVANAUGH HAS CABLED GIECENTRALE TODAY AS FOLLOWS: QUOTE AM PLEASED  
TO INFORM YOU THAT GOVERNMENT OF FEDERAL REPUBLIC OF GERMANY HAS CONSENTED  
TO AND THE EXECUTIVE DIRECTORS OF THE WORLD BANK HAVE APPROVED THE  
BORROWING OF DM 400 MILLION FROM GIECENTRALE ON THE TERMS AND CONDITIONS  
AGREED DURING YOUR VISIT STOP CERTIFIED COPY OF RESOLUTION OF EXECUTIVE  
DIRECTORS HAS BEEN MAILED TO YOU TODAY STOP REGARDS UNQUOTE

SELLA

Mr. Piero Sella

Legal

INTBAFRAD  
4 AVENUE D' IENA  
PARIS 16

JUNE 25, 1968

TELEX

FRANCE

ATTENTION MESSRS. ALDEWERELD AND BROCHES CAVANAUGH HAS CABLED GIROZENTRALE  
TODAY AS FOLLOWS: QUOTE AM PLEASED TO INFORM YOU THAT GOVERNMENT OF  
FEDERAL REPUBLIC OF GERMANY HAS CONSENTED TO AND THE EXECUTIVE DIRECTORS  
OF THE WORLD BANK HAVE APPROVED THE BORROWING OF DM 400 MILLION FROM  
GIROZENTRALE ON THE TERMS AND CONDITIONS AGREED DURING YOUR VISIT STOP  
CERTIFIED COPY OF RESOLUTION OF EXECUTIVE DIRECTORS HAS BEEN MAILED TO YOU  
TODAY STOP REGARDS UNQUOTE

SKLLA

Mr. Piero Sella  
Legal

III • LOAN AGREEMENT

## DARLEHNSVERTRAG

Die RHEINISCHE GIROZENTRALE UND PROVINZIALBANK, Düsseldorf,  
- im folgenden "Bank" genannt -

gewährt als Führerin eines Konsortiums von Girozentralen und Landesbanken der Bundesrepublik Deutschland

der INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, Washington, D.C.

- im folgenden "Weltbank" genannt -

ein Darlehn in Höhe von

DM 400.000.000,-

(in Worten: Deutsche Mark Vierhundert Millionen)

zu folgenden Bedingungen:

### § 1

Die Bank schließt den Darlehnsvertrag im eigenen Namen ab. Das Darlehn wird im Rahmen der satzungsmäßigen Aufgaben der Weltbank verwendet.

### § 2

Das Darlehn wird in Deutscher Mark gewährt. Die Auszahlung des Darlehns erfolgt in Höhe von 98 % des Nennbetrages am 1. Juli 1968 auf ein für die Weltbank bei der Bank zu eröffnendes Konto. Das Darlehn ist vom Auszahlungstage an mit 6,5 % jährlich auf den jeweils geschuldeten Darlehnsbetrag zu verzinsen. Die Zinsen sind halbjährlich am 1. Januar und 1. Juli eines jeden Jahres, erstmals am 1. Januar 1969, zu entrichten. Die Zinsen werden berechnet auf der Basis von 360 Tagen pro Jahr, 30 Tagen pro Monat.



§ 3

Das Darlehn hat eine Laufzeit von 14 Jahren. Es ist zum Nennwert zurückzuzahlen in fünf gleichen Jahresraten von DM 67.000.000,-, jeweils fällig am 1. Juli der Jahre 1977 bis 1981, und einer Schlußrate von DM 65.000.000,-, fällig am 1. Juli 1982.

§ 4

Während der Laufzeit des Darlehns steht weder der Bank noch der Weltbank ein Kündigungsrecht zu, ausgenommen die Bestimmungen der nachfolgenden beiden Absätze.

Die Weltbank hat das Recht, nach Ablauf der tilgungsfreien Jahre, d.h. erstmals am 1. Juli 1977, außer der jeweils fälligen Tilgungsrate die jeweils letztfällige Tilgungsrate zusätzlich zu zahlen, sofern sie dies der Bank mindestens drei Monate vorher ankündigt.

Sollte die Weltbank in Verzug geraten mit der Rückzahlung von Darlehen oder Anleihen, mit der Zahlung der darauf anfallenden Zinsen oder mit der Erfüllung von Verpflichtungen zur Bildung von Rückkaufs- oder Tilgungsfonds in Bezug auf irgendeins ihrer Darlehen oder in Bezug auf Teilschuldverschreibungen irgendeiner ihrer Anleihen sowie in Bezug auf ähnliche von ihr eingegangene, übernommene oder garantierte gegenwärtige oder zukünftige Verbindlichkeiten sowie mit der Erfüllung der in § 6 enthaltenen Verpflichtungen aus der Negativklausel, und sollte dieser Verzug 90 Tage fort dauern, so ist die Bank während eines danach fort dauernden Verzuges berechtigt, dieses Darlehn einschließlich aufgelaufener Zinsen fällig und zahlbar zu stellen. Dies hat in der Weise zu geschehen, daß der Hauptniederlassung der Weltbank in Washington, D.C., eine schriftliche Kündigung der Bank übergeben oder durch eingeschriebenen Brief übermittelt wird. Dieses Darlehn wird am dreißigsten Tage nach Eingang solcher Kündigung fällig und zahlbar, es sei denn, daß vorher jeder Verzug beseitigt worden ist.

§ 5

Die Weltbank hat alle Zahlungen am Sitz der Bank oder an die von der Bank benannte Zahlstelle zu leisten.

§ 6

Die Weltbank versichert, daß sie keinem ihrer Darlehns- oder Anleihegläubiger irgendwelche Sicherheiten gewährt hat; sie verpflichtet sich, der Bank mindestens die gleichen Sicherheiten zu stellen, die sie möglicherweise einem ihrer Darlehns- oder Anleihegläubiger stellen wird. Dies gilt nicht für Hypotheken oder andere Sicherheiten, die die Weltbank zur Sicherung des vollen oder teilweisen Kaufpreises für von ihr erworbene Vermögenswerte an diesen einräumt.

§ 7

Soweit es für die Durchführung der in den Statuten (Articles of Agreement) der Weltbank vorgesehenen Geschäftstätigkeit erforderlich ist und vorbehaltlich der Bestimmungen der genannten Statuten, sind die in den Gebieten ihrer Mitglieder befindlichen Vermögenswerte und Guthaben der Weltbank von allen Einschränkungen, Reglementierungen, Kontrollen und Moratorien irgendwelcher Art befreit. Die Weltbank kann, falls dies zur Erfüllung ihrer Verpflichtungen notwendig ist, alle ihr gehörenden Währungsbestände ihrer Mitglieder verwenden oder sie gegen andere Währungen tauschen, ohne jede Beschränkung seitens der betreffenden Mitglieder.

§ 8

Die Bank ist berechtigt, Girozentralen, Landesbanken und Sparkassen der Bundesrepublik Deutschland an diesem Darlehn zu beteiligen, entsprechende Teile der Darlehnsforderung abzutreten und Weiterabtretungen an derartige Institute zu genehmigen. Die Abtretung an andere ist ausgeschlossen.

§ 9

Für diesen Vertrag ist bezüglich Form und Inhalt sowie der daraus entstehenden Rechte und Pflichten der Vertragspartner ausschließlich das Recht der Bundesrepublik Deutschland maßgebend, nach dem er auszulegen ist. Insoweit unterwirft sich die Weltbank der Rechtsprechung der deutschen Gerichte und wählt als Domizil die Geschäftsräume der Bank, Düsseldorf, Friedrichstraße 56. Beide Parteien wählen Düsseldorf als Gerichtsstand.

Erfüllungsort für diesen Vertrag ist Düsseldorf; alle Zahlungen seitens der Weltbank sind in Deutscher Mark ohne jeglichen Abzug gegenwärtiger oder zukünftiger Steuern und Abgaben zu erbringen.

§ 10

Dieser Vertrag wird in zwei Exemplaren in deutscher Sprache ausgefertigt, je eins für die Weltbank und für die Bank.

Düsseldorf, den 28. Juni 1968

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

gez. Simon Aldewereld

RHEINISCHE GIROZENTRALE  
UND PROVINZIALBANK

gez. Lipfert      Butschkau

INCOMING CABLE

D/ AND TIME OF CABLE: JUNE 28, 1968 343PM

LOG NO.: WU TELEX / 28

TO: INTBAFRAD

FROM: DUSSELDORF

ROUTING	
ACTION COPY:	MR. CAVANAUGH
INFORMATION COPY:	TREASURER'S
DECODED BY:	

TEXT:

FOR MR. CAVANAUGH

CONTRACT SIGNED

ALDEWERELD

IR

FOR INFORMATION REGARDING CABLES, PLEASE CALL THE COMMUNICATIONS UNIT EXT. 2021

ORIGINAL

IV • CERTIFICATE AND  
LABRAL OPINION



# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany		<b>Barcode No.</b>  1052462		
<b>Document Date</b> Jun 25, 1968	<b>Document Type</b> Special Delivery			
<b>Correspondents / Participants</b> To : Rheinische Girozentrale und Provinzialbank From : T.M.C. Asser, Attorney				
<b>Subject / Title</b> Herrn Direktor Dr. H. Anders				
<b>Exception No(s).</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
<b>Reason for Removal</b> Attorney - Client Privilege				
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<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> Aug 1, 2014			



## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

1818 H Street, N.W., Washington, D. C. 20433, U.S.A.  
Area Code 202 • Telephone - EXecutive 3-6360 • Cable Address - INTBAFRAD

CERTIFICATE

Re: Private Borrowing from Rheinische Girozentrale  
und Provinzialbank of 1968

I, M. M. Mendels, hereby certify:

- (1) that I am the Secretary of International Bank for Reconstruction and Development (hereinafter called the Bank);
- (2) that attached hereto as Attachment I is a true copy of Resolution No. 68-44, duly adopted by the Executive Directors of the Bank at a meeting duly called and held on June 25, 1968, at which a quorum was present and acting throughout, and that said Resolution is in full force and effect and has not been amended;
- (3) that attached hereto as Attachment II is a true copy of the draft Loan Agreement, drawn up in the German language, between the Bank and Rheinische Girozentrale und Provinzialbank for the borrowing of the sum of four hundred million Deutsche Mark (DM 400,000,000), with an English translation attached, which was presented to said meeting of the Executive Directors.

I further certify that the following offices in the Bank are now held by the following persons whose specimen signatures are attached hereto as Attachment III:

President.....Robert S. McNamara  
Vice President.....J. Burke Knapp  
Vice President.....Simon Aldewereld  
Vice President.....Sir Denis Rickett  
Vice President.....Mohamed Shoaib  
General Counsel.....A. Broches  
Treasurer.....Robert W. Cavanaugh  
Secretary.....M. M. Mendels  
Associate General Counsel.....Lester Nurick  
Deputy General Counsel.....Ellsworth E. Clark  
Deputy Treasurer.....Francis R. Poore  
Deputy Secretary.....Donald D. Fowler

IN WITNESS WHEREOF I have hereunto affixed my hand and the official  
seal of the Bank this twenty-fifth day of June, 1968.

M. M. Mendels  
Secretary





# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany		<b>Barcode No.</b>  1052462		
<b>Document Date</b> Jun 30, 1968	<b>Document Type</b> Board Record			
<b>Correspondents / Participants</b>				
<b>Subject / Title</b> Resolution 68-44 - Authorizing the Borrowing of 400 million Deutsche Mark from the Rheinische Girozentrale und Provinzialbank, Dusseldorf				
<b>Exception No(s).</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
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<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> Aug 1, 2014			

Legal Department  
DRAFT  
June 21, 1968

D A R L E H N S V E R T R A G

Die Rheinische Girozentrale und Provinzialbank, Düsseldorf,

- im folgenden Bank genannt -

gewährt als Führerin eines Konsortiums von Girozentralen und Landesbanken  
der Bundesrepublik Deutschland

der International Bank for Reconstruction and Development, Washington, D. C.

- im folgenden Weltbank genannt -

ein Darlehn in Höhe von

DM 400.000.000,-

(Vierhundert Millionen Deutsche Mark)

zu folgenden Bedingungen:

Par. 1

Die Bank schliesst den Darlehnsvertrag im eigenen Namen ab. Das Darlehn  
wird im Rahmen der satzungsmässigen Aufgaben der Weltbank verwendet.

Par. 2

Das Darlehn wird in Deutscher Mark gewährt. Die Auszahlung des Darlehns  
erfolgt in Höhe von 98% des Nennbetrages am 1. Juli 1968 auf ein für die  
Weltbank bei der Bank zur eröffnendes Konto. Das Darlehn ist vom  
Auszahlungstage an mit 6,5% jährlich auf den jeweils geschuldeten Darlehns-  
betrag zu verzinsen. Die Zinsen sind halbjährlich am 1. Januar und 1. Juli  
eines jeden Jahres, erstmals am 1. Januar 1969 zu entrichten. Die Zinsen  
werden berechnet auf der Basis von 360 Tagen pro Jahr, 30 Tagen pro Monat.

Par. 3

Das Darlehn hat eine Laufzeit von 14 Jahren. Es ist zum Nennwert zurückzuzahlen in fünf gleichen Jahresraten von DM 67.000.000,-, jeweils fällig am 1. Juli der Jahre 1977 bis 1981, und einer Schlussrate von DM 65.000.000,-, fällig am 1. Juli 1982.

Par. 4

Während der Laufzeit des Darlehns steht weder der Bank noch der Weltbank ein Kündigungsrecht zu, ausgenommen die Bestimmungen der nachfolgenden beiden Absätze.

Die Weltbank hat das Recht, nach Ablauf der tilgungsfreien Jahre, d.h. erstmals am 1. Juli 1977, ausser der jeweils fälligen Tilgungsrate die jeweils letztfällige Tilgungsrate zusätzlich zu zahlen, sofern sie dies der Bank mindestens drei Monate vorher ankündigt.

Sollte die Weltbank in Verzug geraten mit der Rückzahlung von Darlehen oder Anleihen, mit der Zahlung der darauf anfallenden Zinsen oder mit der Erfüllung von Verpflichtungen zur Bildung von Rückkaufs- oder Tilgungsfonds in Bezug auf irgendeins ihrer Darlehen oder in Bezug auf Teilschuldverschreibungen irgendeiner ihrer Anleihen sowie in Bezug auf ähnliche von ihr eingegangene, übernommene oder garantierte gegenwärtige oder zukünftige Verbindlichkeiten sowie mit der Erfüllung der in Par. 6 enthaltenen Verpflichtungen aus der Negativklausel und sollte dieser Verzug 90 Tage fort dauern, so ist die Bank während eines danach fort dauernden Verzuges berechtigt, dieses Darlehn einschliesslich aufgelaufener Zinsen fällig und zahlbar zu stellen. Dies hat in der Weise zu geschehen, dass der Hauptniederlassung der Weltbank in Washington, D. C. eine schriftliche Kündigung der Bank übergeben oder durch eingeschriebenen Brief übermittelt wird.

Dieses Darlehn wird am dreissigsten Tage nach Eingang solcher Kündigung fällig und zahlbar, es sei denn, dass vorher jeder Verzug beseitigt worden ist.

Par. 5

Die Weltbank hat alle Zahlungen am Sitz der Bank oder an die von der Bank benannte Zahlstelle zu leisten.

Par. 6

Die Weltbank versichert, dass sie keinem ihrer Darlehns- oder Anleihegläubiger irgendwelche Sicherheiten gewährt hat; sie verpflichtet sich, der Bank mindestens die gleichen Sicherheiten zu stellen, die sie möglicherweise einem ihrer Darlehns- oder Anleihegläubiger stellen wird. Dies gilt nicht für Hypotheken oder andere Sicherheiten, die die Weltbank zur Sicherung des vollen oder teilweisen Kaufpreises für von ihr erworbene Vermögenswerte an diesen einräumt.

Par. 7

Soweit es für die Durchführung der in den Statuten (Articles of Agreement) der Weltbank vorgesehenen Geschäftstätigkeit erforderlich ist und vorbehaltlich der Bestimmungen der genannten Statuten, sind die in den Gebieten ihrer Mitglieder befindlichen Vermögenswerte und Guthaben der Weltbank von allen Einschränkungen, Reglementierungen, Kontrollen und Moratorien irgendwelcher Art befreit. Die Weltbank kann, falls dies zur Erfüllung ihrer Verpflichtungen notwendig ist, alle ihr gehörenden Währungsbestände ihrer Mitglieder verwenden oder sie gegen andere Währungen tauschen, ohne jede Beschränkung seitens der betreffenden Mitglieder.

Par. 8

Die Bank ist berechtigt, Girozentralen, Landesbanken und Sparkassen der Bundesrepublik Deutschland an diesem Darlehn zu beteiligen, entsprechende Teile der Darlehnsforderung abzutreten und Weiterabtretungen an derartige Institute zu genehmigen. Die Abtretung an andere ist ausgeschlossen.

Par. 9

Für diesen Vertrag ist bezüglich Form und Inhalt sowie der daraus entstehenden Rechte und Pflichten der Vertragspartner ausschliesslich das Recht der Bundesrepublik Deutschland massgebend, nach dem er auszulegen ist. Insoweit unterwirft sich die Weltbank der Rechtsprechung der deutschen Gerichte und wählt als Domizil die Geschäftsräume der Bank, Düsseldorf, Friedrichstrasse 56. Beide Parteien wählen Düsseldorf als Gerichtsstand.

Erfüllungsort für diesen Vertrag ist Düsseldorf; alle Zahlungen seitens der Weltbank sind in Deutscher Mark ohne jeglichen Abzug gegenwärtiger oder zukünftiger Steuern und Abgaben zu erbringen.

Par. 10

Dieser Vertrag wird in zwei Exemplaren in deutscher Sprache ausgefertigt, je eins für die Weltbank und für die Bank.

Düsseldorf, am ..... 1968

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

RHEINISCHE GIROZENTRALE  
UND PROVINZIALBANK

Legal Department  
June 21, 1968

TRANSLATION OF GERMAN DRAFT

LOAN AGREEMENT

The Rheinische Girozentrale und Provinzialbank, Düsseldorf,

- hereinafter called the Bank -

grants as leader of a consortium of Girozentralen and Landesbanken of  
the Federal Republic of Germany

to the International Bank for Reconstruction and Development, Washington,  
D.C.

- hereinafter called the World Bank -

a loan in the amount of

DM 400,000,000

(Four Hundred Million Deutsche Mark)

subject to the following conditions:

Par. 1

In concluding the loan the Bank acts in its own name. The loan will be  
used in the activities of the World Bank under its Articles of Agreement.

Par. 2

The loan is granted in Deutsche Mark. Payment of the proceeds of the  
loan will be made at 98% of the nominal amount on July 1, 1968, into an  
account with the Bank to be opened in the name of the World Bank. The  
loan bears interest from the day of payment at the rate of 6.5% per an-  
num on the nominal amount outstanding from time to time. Interest will  
be paid semi-annually on January 1 and July 1 of each year, for the first  
time on January 1, 1969. Interest will be calculated on the basis of a  
360-day year, 30-day month.

Par. 3

The loan has a maturity of 14 years. It will be repaid at par in five equal annual instalments of DM 67,000,000 on July 1 of each of the years 1977 through 1981 and a final instalment of DM 65,000,000 on July 1, 1982.

Par. 4

During the life of the loan neither the Bank nor the World Bank has a right to prepayment of the loan except as provided in the following two sub-paragraphs.

After expiration of the years of grace, i.e. for the first time on July 1, 1977, the World Bank has the right to pay besides the instalment due on any maturity date one additional instalment which shall be the last instalment then outstanding, provided that the World Bank shall notify the Bank of such additional payment at least three months in advance.

If the World Bank shall default in the repayment of the principal of loans or bonds, in the payment of interest thereon, or in the performance of any covenant in respect of a purchase fund or a sinking fund in, any of its loans, bonds or any similar existing or future obligations issued, assumed or guaranteed by the World Bank or in the performance of the negative pledge covenant contained in par. 6 hereof, and such default shall continue for a period of 90 days, then thereafter during the continuance of such default the Bank is entitled to declare this loan (including the interest accrued thereon) to be due and payable. To this effect the Bank shall deliver by hand or registered mail a written notice to the World Bank at its principal

office in Washington, D.C. On the thirtieth day after receipt of such notice this loan shall become due and payable, unless prior to that time all such defaults shall have been cured.

Par. 5

The World Bank shall make all payments at the Bank's domicile or at a place of payment named by the Bank.

Par. 6

The World Bank confirms that it has not given any security to its creditors on account of loans or funded debts; the World Bank undertakes to give to the Bank at least the same security which it might give to one of its creditors on account of loans or funded debts (with the exception of mortgages or other security on property purchased by the World Bank to secure the payment in whole or in part of the purchase price of said property).

Par. 7

According to its Articles of Agreement, the property and assets of the World Bank held in the territories of its members are, to the extent necessary to carry out the operations provided for in its Articles and subject to the provisions of said Articles, exempt from restrictions, regulations, controls and moratoria of any nature. The World Bank may, if necessary to meet its obligations, use all the currencies of the members which it holds or exchange them for other currencies without any restrictions on the part of its members whose currencies are offered.

Par. 8

The Bank has the right to allow the Girozentralen, Landesbanken and



Savings Banks of the Federal Republic of Germany to participate in this loan, to assign corresponding parts of the loan and to authorize secondary assignments to such institutions. The assignment to others is excluded.

Par. 9

The form and contents of this contract as well as all rights and obligations of the contracting parties arising therefrom are exclusively subject to German law according to which this contract will be interpreted. In this respect the World Bank submits to the jurisdiction of the German courts and elects domicile at the office of the Bank, Düsseldorf, Friedrichstrasse 56. Both parties elect Düsseldorf as forum.

The place of performance of this contract is Düsseldorf; all payments shall be made in Deutsche Mark, without deduction for levies or taxes, present or future.

Par. 10

This Contract is executed in two originals in the German language, one for the World Bank and the other one for the Bank.


Düsseldorf, .....1968

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

RHEINISCHE GIROZENTRALE  
UND PROVINZIALBANK

SPECIMEN SIGNATURES OF OFFICERS

President .....   
Robert S. McNamara

Vice President .....   
J. Burke Knapp

Vice President .....   
Simon Aldewereld

Vice President .....   
Denis Rickett

Vice President .....   
Mohamed Shoaib

General Counsel .....   
A. Broches

Treasurer .....   
Robert W. Cavanaugh

Secretary .....   
M. M. Mendels

Associate General Counsel .....   
Lester Nurick

Deputy Treasurer .....   
Francis R. Poore

Deputy Secretary .....   
Donald D. Fowler



# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany		<b>Barcode No.</b>  1052462		
<b>Document Date</b> Jun 25, 1968	<b>Document Type</b> Special Delivery			
<b>Correspondents / Participants</b> To : Mr. A. Broches From : T.M.C. Asser				
<b>Subject / Title</b> Copies of Legal Opinion				
<b>Exception No(s).</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
<b>Reason for Removal</b> Attorney - Client Privilege				
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.		
		<table border="1"><tr><td>Withdrawn by Chandra Kumar</td><td>Date Aug 1, 2014</td></tr></table>	Withdrawn by Chandra Kumar	Date Aug 1, 2014
Withdrawn by Chandra Kumar	Date Aug 1, 2014			



# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany		<b>Barcode No.</b>  1052462		
<b>Document Date</b> Jun 28, 1968	<b>Document Type</b> Letter			
<b>Correspondents / Participants</b> To : Rheinische Girozentrale und Provinzialbank From : A. Broches, general Counsel				
<b>Subject / Title</b> Re : Borrowing of four hundred million Deutsche Mark from the Rheinische Girozentrale und Provinzialbank				
<b>Exception No(s).</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
<b>Reason for Removal</b> Attorney - Client Privilege				
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.		
		<table border="1"><tr><td>Withdrawn by Chandra Kumar</td><td>Date Aug 1, 2014</td></tr></table>	Withdrawn by Chandra Kumar	Date Aug 1, 2014
Withdrawn by Chandra Kumar	Date Aug 1, 2014			



# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany		<b>Barcode No.</b>  1052462		
<b>Document Date</b> July 26, 1968	<b>Document Type</b> Letter			
<b>Correspondents / Participants</b> To : Mrs. Nanette Sebert From : T.M.C. Asser, Attorney				
<b>Subject / Title</b> Re : German Private Borrowing				
<b>Exception No(s).</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
<b>Reason for Removal</b> Attorney - Client Privilege				
<b>Additional Comments</b>		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"> <tr> <td>Withdrawn by Chandra Kumar</td> <td>Date Aug 1, 2014</td> </tr> </table>	Withdrawn by Chandra Kumar	Date Aug 1, 2014
Withdrawn by Chandra Kumar	Date Aug 1, 2014			

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Cable Address - INTBAFRAD PARIS

INTERNATIONAL DEVELOPMENT ASSOCIATION

Cable Address - INDEVAS PARIS

EUROPEAN OFFICE:

4, AVENUE D'IÉNA, PARIS (16<sup>e</sup>) - FRANCE

Telephone - 553-2510

August 13, 1968

Mr. T.M.C. Asser  
Attorney  
Legal Department  
International Bank for Reconstruction  
and Development  
Washington, D.C. 20433

Re: German Private Borrowing

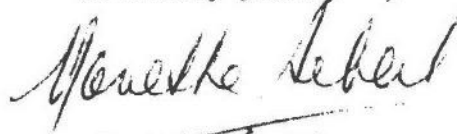
Dear Mr. Asser:

This will acknowledge, with best thanks, your letter of July 26, enclosing a signed official copy of the Certificate of Secretary with attachments, relative to the borrowing, under caption.

I am sorry not to have written sooner, but you will have guessed that a sudden trip to Frankfurt is the cause of the delay.

With kindest regards,

Sincerely yours,



Nanette Sebhart  
Financial Operations Officer

V • PMT - INVESTMENT OF  
PROCEEDS

REGISTERED MAIL NUMBER	563
---------------------------	-----

*Rheinische Girozentrale  
und Provinzialbank*

4 Düsseldorf, den 1. Juli 1968  
Friedrichstr. 56 Ruf 8261

- 21/1 -

Luftpost / Einschreiben

International Bank for  
Reconstruction and Development

Washington, D.C. / USA

Betr.: DM 400.000.000,-- Darlehn

Sehr geehrte Herren!

Wir nehmen höflich Bezug auf die verschiedenen in Düsseldorf und Washington geführten Verhandlungen und freuen uns, daß der Darlehnsvertrag am 28. Juni d.J. unterzeichnet worden ist. Wir erlauben uns, Ihnen als Anlage das für Sie bestimmte Exemplar zu übersenden. Wunschgemäß fügen wir ferner drei Kopien des Darlehnsvertrages bei.

Entsprechend § 2 des Darlehnsvertrages haben wir heute den Darlehnsbetrag zu Lasten des auf Ihren Namen eingerichteten Darlehnskontos Nr. 842/11 305 wie folgt ausbezahlt:



	DM 400.000.000,--
./ . 2 % Disagio	<u>DM 8.000.000,--</u>
	DM 392.000.000,--
	=====

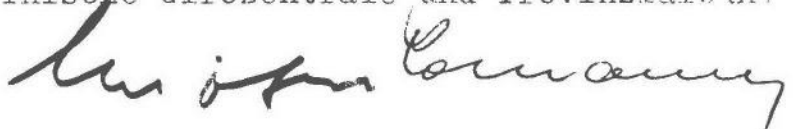
Vorstehenden Darlehnsnettobetrag haben wir vereinbarungsgemäß auf das für Sie eingerichtete Konto Nr. 11 306 T übertragen. Zu Lasten des Kontos Nr. 11 306 T werden wir

am 1. Juli 1968	DM 100.000.000,--	
am 15. Juli 1968	DM 100.000.000,--	
am 1. August 1968	DM 100.000.000,--	
am 15. August 1968	DM 92.000.000,--	zuzüglich der bis zu diesem Datum aufgelaufenen Zinsen in Höhe von 3 1/2 % p.a.

für Ihre Rechnung an die Deutsche Bundesbank überweisen. Buchungsanzeigen gehen Ihnen jeweils zu.

Wir hoffen gern, daß dieses Darlehnsgeschäft der Beginn einer angenehmen und zur beiderseitigen Zufriedenheit sich entwickelnden Geschäftsverbindung sein möge.

Mit vorzüglicher Hochachtung  
Rheinische Girozentrale und Provinzialbank



Anlagen

## TRANSLATION

Rheinische Girozentrale  
und Provinzialbank

4 Düsseldorf, July 1, 1968  
Friedrichstrasse 56 Tel. 8261

Airmail / Registered Mail

International Bank for Reconstruction  
and Development  
Washington, D. C. / USA

Re: DM 400,000,000 Loan

Dear Sirs:

We kindly refer to the various negotiations in Düsseldorf and Washington. We are pleased that the loan agreement has been signed on June 28, 1968. Enclosed you may find your copy of the agreement as well as three extra copies for which you asked.

Pursuant to paragraph 2 of the loan agreement, we disbursed today from the loan account Nr. 842/11 305 in your name the following amount:

	DM 400,000,000
./ .2% discount	DM 8,000,000
	<u>DM 392,000,000</u>

As agreed we paid the above net principal amount of the loan into account Nr. 11 306 T which we opened for you. From account Nr. 11 306 T we shall transfer for your account to the Deutsche Bundesbank:

on July 1, 1968	DM 100,000,000
on July 15, 1968	DM 100,000,000
on August 1, 1968	DM 100,000,000
on August 15, 1968	DM 92,000,000

plus the interest of  
3-1/2% per annum  
accrued until said  
dates.

From time to time we shall send you notices of transfer.

We hope that this lending operation will be the start of a pleasant and happy business connection.

Very truly yours,

Rheinische Girozentrale und Provinzialbank

Enclosures



## OFFICE MEMORANDUM

TO: Robert S. McNAMARA

DATE: May 29, 1968

FROM: S. Aldewereld and Denis Rickett

SUBJECT: Borrowing in Germany

This memorandum:-

- (a) sets out briefly the past history of World Bank borrowing in Germany;
- (b) summarizes the proposals put forward to the Bank through Dr. Donner, the German Executive Director, by Prof. Lipfert on behalf of the Rheinische Girozentrale;
- (c) records the discussions which have taken place in the past two weeks between Sir Denis Rickett and representatives of the Bundesbank, the Ministry of Economics and Prof. Lipfert;
- (d) suggests the line which might be followed when you visit Germany with Mr. Aldewereld on June 6 and 7.

Past History

The Bank's borrowing in Germany in the past has taken two forms: (i) private placements with the Bundesbank, and (ii) bond issues to the public.

The first private placement with the Bundesbank was made in June 1957 and consisted of \$100 million of 4-1/4% notes maturing serially in one, two and three years. Since then, additional issues of notes and bonds have been placed privately with the Bundesbank. Our total borrowings from that source are now approximately \$600 million denominated in both deutsche marks and dollars. The original maturities varied between 1 and 12 years; we have been able to roll them over as they became due, and maturities now range from August 1, 1968 to February 1, 1973. The indications are that we shall continue to be able to roll them over though we may be asked to refinance dollar maturities by fresh borrowings in deutsche marks. We should agree to this and should try to get a longer renewal than the four to five years which has been usual hitherto. There is attached as Annex 1 a schedule of presently outstanding borrowings from the Deutsche Bundesbank.

So far we have made three public issues of bonds in Germany, namely: (i) in April 1959 DM 200 million of 15 year 5% bonds maturing equally in the last 10 years of the issue; (ii) in March 1965 DM 250 million of 20 year 5-1/2% bonds to be retired serially in the last 15 years of the issue, and (iii) in March 1968 DM 120 million of 10 year 6-3/4% bonds redeemable at maturity. For all three of these issues the manager of the underwriting syndicate has been the

Deutsche Bank. The Dresdner Bank has been co-manager.

Some controversy arose over the terms of the third and last of these issues. The Deutsche Bank advised that the bonds should carry a coupon of 7% and be issued at a discount. When the Ministry of Economics heard of this proposal they objected strongly on the ground that both the German Federal Government and the Länder were issuing bonds with a 6-1/2% coupon at a slight discount. In their view the credit of the World Bank was at least as good. If, therefore, the Bank issued bonds with a 7% coupon, we should be putting up the market against them. After several weeks the Deutsche Bank proposed with the consent of the Government and the Bank agreed that the bonds be issued with a coupon of 6-3/4% at a price of 98-1/2 giving a yield to the public of 6.96%. The commission paid to the Deutsche Bank, which had been 1-1/2% for the first two bond issues, was increased to 1-3/4%. The cost to the Bank was thus 7.21%. The issue was considerably over-subscribed and went to a premium immediately it came on offer. The yield at the present price of 101-1/8 is 6.60%.

#### Approach by the Rheinische Girozentrale

On April 29 last the German Executive Director, Dr. Donner, addressed a memorandum to you stating that the Federal German Government and the Bundesbank were anxious to stimulate capital exports from Germany in general and to the World Bank in particular and that the government was anxious to see greater competition amongst German banks in floating issues. Dr. Donner reported that Prof. Helmut Lipfert, Member of the Managing Board of the Rheinische Girozentrale, was most interested in establishing a connection with the World Bank and would be in a position to arrange in the form either of a private placement or of a public offering an issue of DM 300 million World Bank bonds. For tactical reasons, Prof. Lipfert would prefer a private placement. Dr. Donner attached to his memorandum a table submitted by Prof. Lipfert showing the rates of interest and prices which might be charged (see Annex 2) for various maturities and periods of grace. Lipfert would charge no commission. Dr. Donner pointed out that these terms seemed to be more favorable than those quoted by Mr. Heinz Ansmann, a German banker, whom he had recently introduced to the Bank. They also compared favorably with the price charged by the Deutsche Bank for the most recent public issue. He therefore suggested: (a) that the Bank should get in touch with Prof. Lipfert, and (b) that the Economics Ministry in Bonn should be consulted through the German Executive Director before the Bank entered into final talks with either the Rheinische Girozentrale or any other German bank on a new bond issue.

#### Discussions with the Bundesbank and the Ministry of Economics

Sir Denis Rickett discussed this proposal informally with Dr. Emminger of the Bundesbank in Bologna on May 5, Dr. Hankel of the Ministry of Economics in Bonn on May 10, and Dr. Blessing of the Bundesbank in Stockholm on May 15. Dr. Emminger's view, which was

subsequently endorsed by Dr. Blessing, was that the question whether the World Bank should establish working relations with the Rheinische Girozentrale raised a question of principle on which the Bundesbank would not wish to take a position since in such a matter they must remain neutral. There was clearly a risk that the Deutsche Bank might be offended and it would be important to get in touch with them as soon as possible. They and the Dresdner Bank held a commanding position particularly for market borrowing by overseas borrowers. They might, however, see no objection to another institution being used for a private placing. The Rheinische Girozentrale with their very large resources would be in a good position to arrange such a placing. If they merged with the Landesbank für Westfalen, they would be the largest bank of the kind. The Ministry of Economics should, of course, be consulted but might not object if, as would presumably be the case, we did not have in mind an immediate approach. We should, in any event, need time for discussion with those concerned. Prof. Schiller would be holding an important meeting on May 20 at which the whole question of foreign lending would be reviewed. The Ministry of Economics had at first been afraid that if there were a spate of new foreign issues this would push up the rate of interest in Germany. Experience had shown, however, that this need not be so given the policy which the Bundesbank was following in managing the market. The Ministry of Economics would have a natural interest in seeing that the World Bank did not concede too high an interest rate because of the effect this would have on borrowing by German Government entities.

Dr. Hankel told Sir Denis Rickett that the Ministry of Economics would have no objection to the proposed transaction by the Rheinische Girozentrale. Naturally it was for the World Bank to form its own judgment about the timing of any fresh approach to the German market; equally, it would be for them to decide whether to do business on this occasion with someone other than the Deutsche Bank. The Ministry of Economics could not advise on this. Dr. Hankel agreed, however, with Dr. Emminger's view that the Rheinische Girozentrale might be in a good position to arrange a private placing. He thought that the amount mentioned in Dr. Donner's memorandum - DM 300 million - might need to be spread over a number of tranches.

#### Discussion with Prof. Lipfert

Sir Denis Rickett had luncheon with Prof. Lipfert in Dusseldorf on May 21. Lipfert had been present on the previous afternoon at a meeting in Bonn with Prof. Schiller which had been attended by the managers of the 16 leading credit institutions. Officials of the Ministry and representatives of the Bundesbank had also been present. The original purpose of the meeting had been to discuss measures for lowering the level of German interest rates, and fears had been expressed that foreign lending by Germany might force rates upwards. The situation had, however, now changed and both the Government and the Bundesbank were convinced of the necessity of intensifying the export of capital from Germany. Liquidity in the German money market was so high that no adverse effect on the level of German interest rates need

be feared. For balance of payments reasons, a larger export of capital was now regarded as urgently necessary.

Rickett explained to Lipfert that the World Bank would be interested in borrowing for a term of 10 to 20 years subject to agreement on the rate of interest. What was Lipfert's estimate of the maximum amount which might be raised in FY 1969? If this was to be done by a private placing, who would be the holders? What were Lipfert's ideas of timing?

Lipfert replied that up to DM 600 million could be raised in FY 1969; of this, DM 200 to 400 million might be raised in the first quarter of the year. There could be either a "private private" placing or a "public private" placing. In the first case the Rheinische Girozentrale would lend to the World Bank and would refinance itself by placing its own obligations with its market partners, principally the savings banks for whom it acted as a clearing house and private insurance companies. Under the second alternative the Rheinische Girozentrale would place the World Bank's bonds with these institutions. With the "private private" placing no one need know that the World Bank was the borrower. Lipfert said that he would send to Washington an up-to-date statement of the alternative possibilities as regards redemption and the rates of interest applicable to the various maturities. This statement is attached as Annex 3. It confirms that DM 400 million could be raised by a private placing in the first quarter of fiscal 1969.

It will be seen that the Girozentrale offers ten alternatives in which the choice is between a semi-annual coupon of 6-1/2% or 6-3/4% while the grace periods range from three to ten years, and the final maturities vary from ten to twenty years. In all these alternatives the cost to the Bank would be approximately 6-3/4%. There will be no underwriting commission.

#### Line to be Followed in Further Discussions

We suggest that your discussions in Germany next week should have four objects.

In the first place you will wish to let Prof. Schiller know, as a matter of courtesy, what we have in mind and to give him an indication of the approximate terms as regards maturity and rate of interest which we expect to be able to negotiate.

In the second place you will wish to discuss the proposed private placing with Dr. Blessing and ask for his comments. In addition, you will wish to discuss with him the "roll-over" of the maturities of our borrowings from the Bundesbank along the lines set out on page 1 of this memorandum.

In the third place you will wish to see Dr. Wilfrid Guth of the Deutsche Bank and secure his acquiescence and good will. You could make it clear that we have no intention of abandoning our close connection with the Deutsche Bank who have already made three public issues for us. It seemed to us, however, that in the case of a private placing there need be no objection to our doing business with the Rheinische Girozentrale which is well placed to carry out such an operation for us. We should continue to look to the Deutsche Bank to



act as manager in the case of any further public issues we make in Germany.

Finally, you will wish to see Prof. Lipfert and discuss the terms on which the placing should be made. Our recommendations on this are as follows:-

1. Other things being equal, we should express our preference for a "private private" placing which would be less likely to interfere with the market for our publicly issued bonds, although even a "public private" placing would probably have only a small effect on that market. In addition, a "private private" placing might be less unpalatable to the Deutsche Bank. We were informed that normally a "private private" placing would be slightly more expensive than a "public private" placing, but we were given to understand that in the case of a World Bank placing there would be no difference.
2. One point that might be raised by Prof. Lipfert is the length of time the purchaser(s) of the issue would be expected or would agree to hold the issue in portfolio. From our point of view the longer this time is the better, although it might be difficult to reach an understanding for a time longer than say three years.
3. We should express our preference for a 20 year issue with a 10 year grace period. Under the option offered by Prof. Lipfert at the conclusion of his memorandum, it would be possible if we so wished to reduce the redemption period to 5 years without penalty by doubling the annual amortization after the grace period.
4. The rates of interest quoted by Prof. Lipfert are based on either a 6-1/2% or 6-3/4% coupon. We suggest that a 6-1/2% coupon is to be preferred in view of what is said about the yield in 5. below.
5. With a coupon of 6-1/2%, the issue price of 97.25% suggested by Prof. Lipfert gives a yield of 6-3/4%. The terms are better than those proposed in the previous offer, namely 95.5%, even though the amount of the placing is DM 100 million larger. We should try, however, to do better still. The Bundespost and the Bundesbahn have recently borrowed at long term on a yield base of 6.67% and 6.68%, respectively, while the Government of the Saar and the Province of Rhineland Pfalz have borrowed on a yield basis of 6.55% and 6.52%, respectively. The Federal Government has

borrowed at 6-1/2%. We might take the line that our credit should be at least as good as that of the Federal Government and certainly better than that of the Provincial Governments and Government entities. We should, therefore, ask for the bonds to be placed at par giving a yield of 6-1/2%. If this is not accepted, there is obviously room for compromise somewhere between 6-1/2% and 6-3/4%, e.g. at 6-5/8%, i.e. an issue price of, say, 98-1/2 - 98-3/4.

6. If agreement in principle is reached, a tentative time schedule should be discussed for working out the details of this transaction. This, however, could be done by Mr. Aldewereld after you leave on Friday, June 7.

cc: Mr. Broches ✓  
Mr. Cavanaugh  
Sir Denis Rickett  
S. Aldewereld

DRickett/Saldewereld:mc

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

BORROWINGS FROM DEUTSCHE BUNDESBANK OUTSTANDING

February 29, 1968

(in millions)

<u>Maturity</u>	<u>Principal Amount</u>		<u>Interest Rate</u>
	<u>U.S. \$</u>	<u>DM</u>	
August 1, 1968	\$ 12	50	4-1/2%
	20	80	4-1/8%
October 1, 1968	16	64	5-1/4%
February 1, 1969	12	50	4-1/2%
	20	80	4-1/8%
August 1, 1969	12	50	4-1/2%
	20	-	4-1/8%
	-	80	4-1/4%
October 1, 1969	8	32	5-1/8%
February 1, 1970	12	50	4-1/2%
	20	80	4-1/4%
August 1, 1970	12	50	4-1/2%
	18	80	4-1/4%
October 1, 1970	8	32	5-1/8%
February 1, 1971	12	50	4-1/2%
	9.375	37.5	4-1/4%
	8	32	4-7/8%
August 1, 1971	12	50	4-1/2%
	16	64	5-1/2%
February 1, 1972	12	50	4-1/2%
	17.375	69.5	6-1/8%
August 1, 1972	12	50	4-1/2%
February 1, 1973	12	50	6-1/8%
	<u>\$ 300.750</u> <sup>1/</sup>	<u>DM 1,231.0</u>	

<sup>1/</sup> In addition, Bundesbank purchased \$5.0 million of our 5-3/4% Two Year Bonds of 1967 due September 15, 1969.

Treasurer's Department  
Securities Division  
March 5, 1968

Enclosure 1

Valid until May 10, 1968

Except for major changes in German credit- and capital-market-conditions

To: International Bank for Reconstruction and Development

Ref.: Indication of Rates for Private Placement denominated  
in D-Mark totaling DM 300 millions. Free Selection and  
Combinations among Redemption Possibilities and/or Terms

*met*

1. Redemption in full after:

4 years

minus 1 month

6 1/8 % p.a. - 100 %

5 years

5 1/4 % p.a. - 95 5/8 %

5 1/2 % p.a. - 96 5/8 %

5 3/4 % p.a. - 97 3/4 %

6 % p.a. - 98 3/4 %

6 1/4 % p.a. - 99 7/8 %

7 years

6 % p.a. - 97 1/8 %

6 1/4 % p.a. - 98 5/8 %

6 1/2 % p.a. - 99 7/8 %

8 years

6 % p.a. - 95 3/8 %

6 1/4 % p.a. - 96 7/8 %

6 1/2 % p.a. - 98 1/2 %

9 years

6 % p.a. - 94 1/8 %

6 1/4 % p.a. - 95 3/4 %

6 1/2 % p.a. - 97 1/2 %

6 3/4 % p.a. - 99 1/8 %

10 years

6 1/4 % p.a. - 95 1/4 %

6 1/2 % p.a. - 97 %

6 3/4 % p.a. - 98 3/4 %

Interest payment off all terms will be semi-annually.

Commitment fee none - Prepayment not possible.

*h.*

2. Redemption after years of grace in equal annual instalments at the end of each redemption year

8 years (3 + 5)

grace period 3 years

5 1/2 % p.a. - 95 1/2 %  
5 3/4 % p.a. - 96 3/4 %  
6 % p.a. - 98 %

10 years (5 + 5)

grace period 5 years

6 1/2 % p.a. - 98 1/4 %  
6 3/4 % p.a. - 99 3/4 %

15 years (5 + 10)

grace period 5 years

6 1/2 % p.a. - 96 7/8 %  
6 3/4 % p.a. - 98 3/4 %

20 years (10 + 10)

grace period 10 years

6 1/2 % p.a. - 95 1/2 %  
6 3/4 % p.a. - 97 7/8 %

8 years (5 + 3)

grace period 5 years

6 % p.a. - 96 3/4 %  
6 1/2 % p.a. - 99 1/2 %

15 years (3 + 12)

grace period 3 years

6 1/2 % p.a. - 97 3/8 %  
6 3/4 % p.a. - 99 1/8 %

20 years (5 + 15)

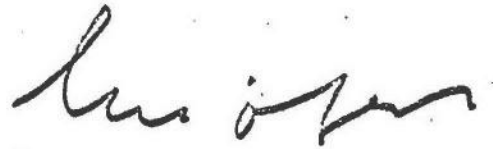
grace period 5 years

6 1/2 % p.a. - 96 1/8 %  
6 3/4 % p.a. - 98 3/8 %

Interest payment of all terms will be semi-annually.

Commitment fee none - Prepayment possible only

- a) after elapse of grace years at the end of each redemption year, and
- b) with not more than the double of the annual redemption amount as maximum prepayment amount.

A handwritten signature in cursive script, appearing to read "L. J. Jones", is located in the lower right quadrant of the page.

E n c l o s u r e

Ref.: Indication of Rates for the first part of up to DM 400.000.000.-- of a total loan of DM 600.000.000.-- to the International Bank for Reconstruction and Development.

Free selection and combinations among redemption possibilities and/or terms

---

Inter Payment: semi-annually postnumerando  
 Commitment Fee: none

1. Redemption in full after 10 years

Interest Rate: 6,5 % p.a.  
 Pay Out: 98,25 %  
or  
 Interest Rate: 6,75 % p.a.  
 Pay Out: 100 %  
 Prepayment: not possible

2. Redemption after years of grace in equal annual instalments at the end of each redemption year

Term:	15 years <u>(3+12)</u>	15 years <u>(5+10)</u>	20 years <u>(5+15)</u>	20 years <u>(10+10)</u>
Grace period:	3 years	5 years	5 years	10 years
Interest Rate:	6,5% p.a.	6,5% p.a.	6,5% p.a.	6,5% p.a. *
Pay Out:	98,25 %	98 %	97,5 %	97,25 % *
<u>or</u>				
Interest Rate:	6,75 % p.a.	6,75% p.a.	6,75% p.a.	6,75% p.a.
Pay Out:	100 %	100 %	99,75 %	99,625 %

\*) Net conditions of the last issue of the Federal Government of W.-Germany for the Ministry of Mail and Communications.

Prepayment:

possible only .

- a) after elapse of grace years  
at the end of each redemption  
year, and
- b) with not more than the double  
of the annual redemption amount  
as maximum prepayment amount.

*h. fu*



PCSSasa/PSella/aes

May 31, 1968

Preliminary Check-List for Proposed German Borrowing

This list refers only to legal matters to be discussed with German banks or authorities - not to routine internal steps, such as preparation of Board documents, SEC submission, etc. Nor does it cover purely financial questions, such as sinking or purchase funds, redemption in advance of maturity or possible bank commissions. Items marked with one asterisk refer only to a public issue; two asterisks refer only to a private placement.

1. German Government approval: routine.
2. Contract with Rheinische Girozentrale in form of a Loan Agreement\*\* (with right to demand bonds - cf. 1960 agreement with Bundesbank, attachment A) or an Underwriting Agreement\* (cf. 1968 agreement with Deutsche Bank, attachment B).
- 3.\*\*Undertaking by purchaser(s) to keep bonds in portfolio (i.e., not to resell them) for a given period. This may take the form of an understanding recorded in the Loan Agreement. (In placements with the Bundesbank, it has only been indicated that: "while reserving its full right of disposition of the notes, [it] is not acquiring them with a view to their distribution in the United States"; A better example may be the commitment undertaken by some American investors, such as attachment C.)
- 4.\* Restriction on offering with respect to the United States: this is standard, though it may have to be explained to the Rheinische Girozentrale. In the 1968 Underwriting Agreement this restriction was expressed as follows: "During the period of public offering the bonds will not be offered in the United States or to residents of the United States"; it was also reflected in the listing prospectus.)
5. Form of Temporary Certificate.
6. Form of Bond (including possible coupons and talons): presumably these will be in bearer rather than in registered form, since we learned in 1960 that registered bonds are unusual in Germany.
- 7.\* Offer of Sale (Verkaufsangebot): for our 1968 issue this was reduced to a short circular extracted by the manager of the underwriting syndicate from the draft prospectus.

- 8.\* Listing Prospectus: probably very close to our March 1968 German prospectus (India-clause modified as for 1968 Swiss issue); however, if issue is in June, then July 1967-March 1968 figures may be required, and if issue is in July, then complete FY 1968 figures may be required.
- 9.\* Price Waterhouse Opinion: required if there is a listing prospectus. Difficulty should arise only if FY 1968 figures required before audit is completed.
- 10.\* Indemnification Letter by Bank to Underwriters: standard (see attachment D).
- 11.\* Guarantee Letter by Bank to Stock Exchanges: standard (see attachment E).
- 12.\* Default Letter by Syndicate Manager to Bank (if a syndicate is formed): standard (see attachment F).
13. Bank Secretary's Certificate(s): contents will depend on exact nature of transaction.
14. Lombardfähigkeit (eligibility as collateral against advances from Bundesbank): should be no difficulty in obtaining this once more from Bundesbank as for all previous public issues - though, since all previous private placements had been with the Bundesbank itself, there had been no occasion to request this with respect to such loans.
15. Deckungsstockfähigkeit (eligibility for purchase by insurance companies): should be no difficulty in obtaining this again as for all previous public issues. However, as usual, the Insurance Commission probably will not give an advance approval in principle, but will only act on application by an insurance company wishing to purchase any bonds.
16. Mündelsicherheit (eligibility for investment by fiduciaries): no immediate possibility of obtaining this (matter investigated thoroughly in 1959).
17. Taxes: should be basically unchanged from 1968 issue:
  - (a) Issue Tax (Wertpapiersteuer): no longer imposed in Germany.
  - (b) Transfer Tax (Boersenumsatzsteuer): This tax does not affect the Bank directly, since it is in principle imposed only on the first purchaser from the syndicate banks and on all subsequent purchasers (except probably on the Bank itself). Nothing need be done.

- (c) Income [Withholding] Tax (Kapitalertragsteuer): not imposed on any foreign issues, including those of the Bank. Nothing need be done.
  - (d) Added Value Tax (Mehrwertsteuer): will probably be imposed on ancillary parts of the transaction (e.g., printing bills). We should protest and pay, but ultimately the matter will have to be settled with the German Government on the basis of discussions already initiated with German B.D.
18. Payment Arrangements:
- (a) Establishment of special account(s) for Bank;
  - (b) Custody and delivery arrangements for Temporary Certificate: depend on exact sequence of transaction.
19. Press Release(s).
20. Printing of Bonds: We can use our present printer (Giesecke & Devrient), which would be preferable, unless Rheinische Girozentrale has its own candidate.

Revised Draft of 2 Paragraphs -

"Preliminary Check-List for Proposed German Borrowing"

- 8.\* Listing Prospectus: probably very close to the March 1968 German Prospectus (India-clause modified as for 1968 Swiss issue); with respect to the Financial Statements, we would prefer to continue to use the December 1967 figures, unless publication is at the end of August when complete translated FY 1968 Statements may be available.
20. Printing of Bonds: if there is a public issue, we can use our present printer (Giesecke & Devrient), which would be preferable, unless Rheinische Girozentrale has its own candidate. If the placement is private and only a few Certificates and Bonds are required, we would print them in Washington.



# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany		<b>Barcode No.</b>  1052462		
<b>Document Date</b> Jun 18, 1968	<b>Document Type</b> Memorandum			
<b>Correspondents / Participants</b> To : Mr. A. Brochas From : T.M.C. Asser, Attorney				
<b>Subject / Title</b> German Registered Bond - Issue - "Lombardfaehigkeit" and Muendelsicherheit"				
<b>Exception No(s).</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
<b>Reason for Removal</b> Attorney - Client Privilege				
<b>Additional Comments</b>		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"> <tr> <td><b>Withdrawn by</b> Chandra Kumar</td> <td><b>Date</b> Aug 1, 2014</td> </tr> </table>	<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> Aug 1, 2014
<b>Withdrawn by</b> Chandra Kumar	<b>Date</b> Aug 1, 2014			

June 21, 1968

Dr. H. Anders  
 Direktor bei der  
 Rheinischen Girozentrale und Provinzialbank  
 4 HUSSELBOHN  
 Friedrichstrasse 56  
 Germany

Dear Dr. Anders:

Enclosed please find 15 copies of the Annual Report 1966/1967  
 of the International Bank for Reconstruction and Development in  
 the German language as requested by you.

It was a real pleasure meeting you during the short time of  
 our discussions. Please give my regards to Prof. Lipfert, Mr. Schmidt  
 and Mr. Koenigs.

Yours sincerely,

W. H. van Sagsvult  
 Assistant Chief, Securities Division  
 Treasurer's Department

Encl.

cc: Mr. Cunningham  
 Mr. Sells  
 ✓ Mr. Dealy/Sec. Div. Files

W. H. van Sagsvult:is

21. Juni 1968

Rheinische Girozentrale und Provinzialbank  
Friedrichstrasse 56  
Düsseldorf  
Federal Republic of Germany

Für: Herrn Direktor Dr. H. Anders

Sehr geehrter Herr Direktor!

Eingehend sende ich Ihnen 15 Abschriften der Statuten der Weltbank in der deutschen Sprache und der im Bundesgesetzblatt von 1965 veröffentlichten offiziellen Übersetzung der am 17. Dezember 1965 dem Artikel III der Statuten hinzugefügten Bestimmungen bezüglich der Internationalen Finanz-Corporation.

Mit vorzüglicher Hochachtung.

T. M. C. Asser  
Attorney

TRANSLATION June 21, 1968

Rheinische Girozentrale und Provinzialbank  
Friedrichstrasse 56  
Essen/dorf  
Federal Republic of Germany

Attention: Dr. H. Anders, Director

Dear Mr. Director:

Enclosed I send you fifteen copies of the German text of the Articles of Agreement of the World Bank and the official translation, published in the Bundesgesetzblatt of 1965, of the provisions concerning the International Finance Corporation by which Article III of the Articles of Agreement was amended on December 17, 1965.

Very truly yours,

T. M. C. Asser  
Attorney





# Record Removal Notice

<b>File Title</b> Bonds Borrowing - General - Germany		<b>Barcode No.</b>  1052462		
<b>Document Date</b> Jun 24, 1968	<b>Document Type</b> Memorandum			
<b>Correspondents / Participants</b> M.L. Nurick T.M.C. Asser				
<b>Subject / Title</b> Private Borrowing of DM 400,000,000				
<b>Exception No(s).</b> <input type="checkbox"/> 1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input checked="" type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/> 6 <input type="checkbox"/> 7 <input type="checkbox"/> 8 <input type="checkbox"/> 9 <input type="checkbox"/> 10 A-C <input type="checkbox"/> 10 D <input type="checkbox"/> Prerogative to Restrict				
<b>Reason for Removal</b> Attorney - Client Privilege				
<b>Additional Comments</b>		<p>The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information. This Policy can be found on the World Bank Access to Information website.</p> <table border="1"> <tr> <td>Withdrawn by Chandra Kumar</td> <td>Date Aug 1, 2014</td> </tr> </table>	Withdrawn by Chandra Kumar	Date Aug 1, 2014
Withdrawn by Chandra Kumar	Date Aug 1, 2014			

INCOMING CABLE

D. ... AND TIME  
OF CABLE: JUNE 27, 1968 442 PM

LOG NO.: ITT TELEX/27

TO: INTBAFRAD

FROM: DUESSELDORF

ROUTING	
ACTION COPY:	MR. ASSER
INFORMATION COPY:	
DECODED BY:	

TEXT:

ATTN. MR. T.M.C. ASSER, ATTORNEY ODER VERTRETER

BETR.: DM 400 MIO DARLEHN

ZUR INFORMATION UNSERER KONSORTEN BENOETIGEN WIR NOCH ZUSAETZLICH

15 EXEMPLARE IHRER STATUTEN (ARTICLES OF AGREEMENT)

UND 15 EXEMPLARE IHRES JAHRESBERICHTES 1966/67

IN DEUTSCHER SPRACHE.

FUER EINE KURZFRISTIGE UEBERSENDUNG WAREREN WIR DANKBAR

MIT VORZUEGLICHER HOCHACHTUNG

RHEINISCHE GIROZENTRALE UND PROVINZIALBANK

GEZ. KOMANNS

GEZ. SAENGER

MA

FOR INFORMATION REGARDING CABLES, PLEASE CALL THE COMMUNICATIONS UNIT EXT. 2021

ORIGINAL

INCOMING CABLE

DATE AND TIME  
OF CABLE:

JUNE 25, 1968

1633

LOG NO.:

RCA TELEX / 25

TO:

INTBAFRAD

FROM:

DUSSELDORF

ROUTING

ACTION COPY: MR. BROCHES

INFORMATION  
COPY:

DECODED BY:

TEXT:

ATTN. MR. A. BROCHES, GENERAL-COUNSEL ODER VERTRETER

BETR.: DM 400 MIO DARLEHN

WIR BEABSICHTIGEN, DEN DARLEHNSVERTRAG MORGEN IN DRUCK ZU GEBEN.

WIR BITTEN SIE DESHALB UM MOEGLICHST BALDIGE FERNSCHRIFTLICHE

RUECKAEUSSERUNG, OB IHR BOARD MIT DEM IN WASHINGTON PARAPHIERTEN

TEXT DES DARLEHNSVERTRAGES EINVERSTANDEN IST.

MIT VORZUEGLICHER HOCHACHTUNG

RHEINISCHE GIROZENTRALE UND PROVINZIALBANK

GEZ. DR. ANDERS

GEZ. KOMMAN

IR

FOR INFORMATION REGARDING CABLES, PLEASE CALL THE COMMUNICATIONS UNIT EXT. 2021

ORIGINAL

INCOMING CABLE

DATE AND TIME OF CABLE: JULY 1, 1968 1630

LOG NO.: WU TELEX/1

TO: INTBAFRAD

FROM: DUESSELDORF

ROUTING	
ACTION COPY:	MR. ASSER
INFORMATION COPY:	
DECODED BY:	

TEXT:

ATTN. MR. T.M.C. ASSER, ATTORNEY ODER VERTRETER

BETR.: DM 400 MIO DARLEHN

WIR BESTAETIGEN DANKEND DEN EMPFANG VON JE 15 EXEMPLAREN IHRER STATUTEN UND IHRES GESCHAEFTSBERICHTES 1966/67.

WIR WAEREN IHNEN DANKBAR, WENN SIE UNS KURZFRISTIG NOCH WEITERE 10 EXEMPLARE IHRER STATUTEN (ARTICLES OF AGREEMENT) IN DEUTSCHER SPRACHE UEBERSENDEN WUERDEN.

MIT VORZUEGLICHER HOCHACHTUNG

RHEINISCHE GIROZENTRALE UND PROVINZIALBANK

GEZ. KOMANNS

GEZ. SAENGER

MC

1. Juli 1968

Herrn Direktor B. Komanns  
Rheinische Girozentrale und Provinzialbank  
Friedrichstrasse 56  
Düsseldorf  
Federal Republic of Germany

Sehr geehrter Herr Direktor!

Eingehend sende ich Ihnen 10 Exemplaren der Statuten der Weltbank in deutscher Sprache. Leider gab es keine gedruckte Exemplare mehr, denn die Weltbank bereitet eine neue <sup>H</sup>Übersetzung vor, die übrigens im materiellen Sinn keineswegs von dem Inhalt der Ihnen übersendeten Exemplaren abweichen wird.

Mit vorzüglicher Hochachtung,

T. M. C. Asser  
Attorney

TRANSLATION

July 1, 1968

Express/Airmail

Mr. B. Komanns, Director  
Rheinische Girozentrale und Provinzialbank  
Friedrichstrasse 56  
Düsseldorf  
Federal Republic of Germany

Dear Mr. Director:

Enclosed we send you ten copies of the Articles of Agreement of the World Bank in German. Unfortunately, we had no more printed copies because the World Bank is preparing a new translation which, however, does not differ materially from the contents of the copies sent to you.

Very truly yours,

T. M. C. Asser  
Attorney

Mr. Robert W. Cavanaugh

July 1, 1968

W. M. van Saagsvelt

400 million Deutsche Mark Loan from Rheinische Girozentrale

In Handelsblatt, Düsseldorf of Thursday, June 27 reference is made to our recent loan from the Rheinische Girozentrale in Düsseldorf. A translation of the announcement is as follows:

"We learn that all the "Girozentralen" of the Federal Republic of Germany under leadership of the Rheinische Girozentrale in Düsseldorf will grant a loan to the World Bank in the amount of 400 million Deutsche Mark. The loan will have a interest rate of 6-1/2%, payment of the proceeds of the loan will be made at 98% of the nominal amount and will have a maturity of 14 years with a 8-year period of grace. The interest will be paid semi-annually".

cc: Mr. Deely/Sec.Div.Files

WivanSaagsvelt:is



# RHEINISCHE GIROZENTRALE UND PROVINZIALBANK DÜSSELDORF

Luftpost

International Bank for  
Reconstruction and Development  
attn. Mr. T.M.C. Asser, Attorney  
oder Vertreter  
1818 H Street, N.W.

Washington, D.C. 20433 / USA

Anschrif/ Address: Friedrichstr. 56  
Telegrammschrift/ Cable-Address: Landesbank  
Telefon: 82 64  
Fernschreiber/ Teleprinter: 0858 2608, 0858 2608  
Code: Peterson 3rd and 4th Ed.

Ihr Zeichen  
Your Ref.

Ihre Nachricht vom  
Your Letter dated

Unser Zeichen  
Our Ref.  
21/1 S/Me

4 DÜSSELDORF 1  
Postfach 4128, P.O. Box 4128  
4. Juli 1968

Betreff: DM 400 Mio-Darlehn  
Reference:

Sehr geehrte Herren !

Höflich dankend bestätigen wir den Eingang von  
10 Exemplaren Ihrer Statuten. Über die prompte  
Erledigung unserer Bitte haben wir uns sehr gefreut.

Wir hoffen, daß wir nunmehr ausreichend mit  
Informationsmaterial versorgt sind und begrüßen Sie

mit vorzüglicher Hochachtung  
Rheinische Girozentrale und Provinzialbank

Zahlungsverkehr mit allen deutschen Sparkassen und Girozentralen - Member of the Clearing System of the German Savings Banks and Girozentralen



THIS FILE IS CLOSED AS OF  
DECEMBER 1968.  
FOR FURTHER CORRESPONDENCE SEE:  
1969 - 1971.

RECORDS MANAGEMENT SECTION  
February 1969

Mr. Robert W. Cavanaugh

October 14, 1968

W. M. van Saagsvelt

Destruction of matured notes issued to Deutsche Bundesbank

The following notes were destroyed by me today, in the presence of Mr. Deely:

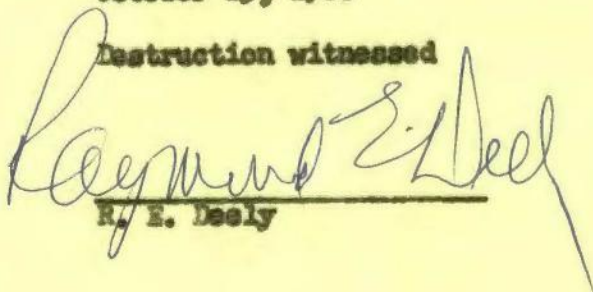
<u>Number of Note</u>	<u>Date of Note</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
2 Temporary Certificate	Aug. 1, 1960	\$ 12,000,000	1 1/2%	Aug. 1, 1968
2 Temporary Certificate	Aug. 1, 1960	DM 50,000,000	1 1/2%	Aug. 1, 1968
1	Aug. 1, 1964	DM 80,000,000	4-1/8%	Aug. 1, 1968
1	Aug. 1, 1964	\$ 20,000,000	4-1/8%	Aug. 1, 1968
1	Aug. 1, 1966	\$ 16,000,000	5%	Oct. 1, 1968
1	Aug. 1, 1966	DM 64,000,000	5%	Oct. 1, 1968

cc: Mr. Deely/Sec. Div. Files

WfvanSaagsvelt/mt

October 15, 1968

Destruction witnessed

  
Raymond E. Deely  
R. E. Deely

Mr. Simon Aldewereld

June 4, 1968

Francis R. Poore

Borrowing from Deutsche Bundesbank

You have asked to be advised as to the probable rates for 4-5-6-7 and 8 year maturities the Bank would recommend to the Deutsche Bundesbank for the roll-over of the August 1 maturity if we were to do so today. Although we have not in the past based our rates on direct obligations of the U.S. Government, U.S. Treasury bonds in the 4 to 10 year range are quoted at yields from about 5-5/8% to 5-3/4% and U.S. Treasury Notes in the 4 to 7 year range are quoted at yields of about 5-7/8%. U.S. agencies issues (Fannie Mae and Federal Land Bank) are quoted at yields from 6-1/8% to 6-3/8% approximately. With this in mind, our offer would have to be at least 6-1/4% and probably 6-3/8%.

Yields for issues in Deutsche mark for the same range of maturities are 5.80% to 6.25% for German Government obligations; 6.00% to 6.65% for Bundespost issues and 5.78% to 6.50% for Bundesbahn issues.

cc: Mr. Cavanaugh

REDeely:is

*Handwritten signature*

Mr. Robert W. Cavanaugh

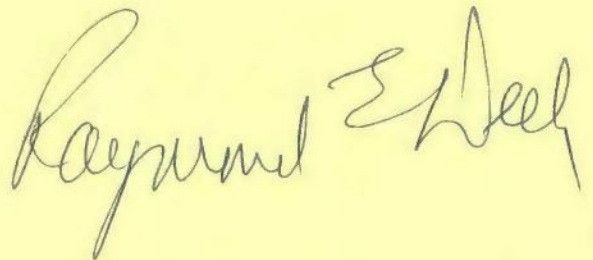
May 15, 1968

W. M. van Saagsvelt 

Destruction of Notes and Temporary Certificates issued  
to Deutsche Bundesbank, due February 1, 1968

The following Notes were destroyed by Mr. Deely and myself  
today:

Note No. 1	4-7/8% in the principal amount of \$8,000,000 issued February 1, 1966.
Note No. 1	4-7/8% in the principal amount of DM32,000,000 issued February 1, 1966.
Note No. 1	4-1/4% in the principal amount of \$9,375,000 issued August 1, 1965.
Note No. 1	4-1/4% in the principal amount of DM37,500,000 issued August 1, 1965.
Temporary Certificate No.1	4-1/2% in the principal amount of DM50,000,000 issued August 1, 1960.
Temporary Certificate No.1	4-1/2% in the principal amount of \$12,000,000 issued August 1, 1960.



cc: Mr. Szasz  
Mr. Deely/Sec.Div. Files

WivanSaagsvelt:ls

Sir Denis Rickett

May 2, 1968

Robert W. Cavanaugh

Borrowing in Germany

As we discussed, I am attaching a schedule of our outstanding borrowings with the Bundesbank. As you will see, there is a maturity of \$32 million and DM130 million coming due on August 1, 1968. After you have discussed this with Dr. Emminger in Italy, would you please let me know whether the Bundesbank is in principle agreeable to renewing these maturities.

Attachment

cc: Mr. Aldewereld

RWCavanaugh:emk

*RWC*

Mr. George D. Woods

May 10, 1966

Robert W. Cavanaugh *RWC*

Borrowings from Bundesbank

As you requested for your discussions with Mr. Blessing, there is attached a schedule of the special private borrowings from the Bundesbank which are now outstanding. In addition to the amounts shown on the attached schedule, the Bundesbank holds \$10 million in our Two Year central bank issue which matures October 1, 1966 and \$11 million in the similar issue which matures September 15, 1967. As you will see, the first three maturities and the last three maturities are smaller than the others. For this reason it would make sense to roll over each of the first three maturities into the last three. However, this would mean a five-year renewal for each of the maturities. The Bundesbank has recently been reluctant to go as far as five years. One way of solving this would be to roll over part of each maturity for five years and have the remainder mature on an earlier date or dates, which would give an average life of less than five years.

As you know, the Bundesbank did not buy any of the Two Year central bank issue we placed in March. As we cannot count on Italy and perhaps some of the others buying large amounts of the Two Year issue we plan to place next March, it would be very desirable to have the Bundesbank participate. This might be accomplished by suggesting to them that, instead of rolling over each of the next three maturities in full, \$15 million of the total be placed in our Two Year central bank issue next March and that the balance be renewed for five years at each maturity, which will bring the average life to about 4-1/2 years. The total amount of the next three maturities is the equivalent of \$96 million. They will probably wish to put half of this in dollars and half in Deutsche marks. The Deutsche mark equivalent to \$48 million could be spread equally over the last three maturities at the equivalent of \$16 million (DM64 million) each. Of the \$48 million dollar portion, \$15 million could be placed in the Two Year issue and the balance of \$33 million could be spread over the last three maturities at \$11 million each. One way of doing this would be that on each of the first three maturities we repay them \$5 million and roll over the balance which would be equivalent to \$27 million.

If the interest rate on the five-year maturities was to be set now, I would suggest 5%. U.S. Government securities in the five-year area give a yield of about 4.80% to 4.90%.

cc: Mr. Wilson

RWCavanaugh:emk

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

BORROWINGS FROM DEUTSCHE BUNDESBANK OUTSTANDING  
FEBRUARY 1, 1966

(in millions)

<u>Maturity</u>	<u>Principal Amount</u>		<u>Interest Rate</u>
	<u>US \$</u>	<u>DM</u>	
August 1, 1966	22	40	3-3/4%
February 1, 1967	22	40	3-3/4%
August 1, 1967	22	40	3-3/4%
February 1, 1968	12	50	4-1/2%
	9.375	37.5	4-1/4%
	8	32	4-7/8%
August 1, 1968	12	50	4-1/2%
	20	80	4-1/8%
February 1, 1969	12	50	4-1/2%
	20	80	4-1/8%
August 1, 1969	12	50	4-1/2%
	20	-	4-1/8%
	-	80	4-1/4%
February 1, 1970	12	50	4-1/2%
	20	80	4-1/4%
August 1, 1970	12	50	4-1/2%
	18	80	4-1/4%
February 1, 1971	12	50	4-1/2%
	9.375	37.5	4-1/4%
	8	32	4-7/8%
August 1, 1971	12	50	4-1/2%
February 1, 1972	12	50	4-1/2%
August 1, 1972	12	50	4-1/2%
	<u>\$ 318.750</u>	<u>DM 1,159</u>	

Treasurer's Department  
Securities Division  
January 20, 1966