

Warsaw, 23.05.2001

**The National Bank of Poland about preparations
to introduce the euro in cash form
in the Economic and Monetary Union member countries**

A special press conference with the participation of Leszek Balcerowicz, President of the National Bank of Poland, on May 23rd, 2001 started the NBP's information campaign about preparations to introduce the euro in cash form in the Economic and Monetary Union (EMU) member countries and preparations of the third countries, including Poland, to the operation of the exchange of national currencies of the 12 EMU member countries to the euro.

Since January 2002 notes and coins of the euro will replace known notes and coins of national currencies of twelve European Union member countries. Deutschmarks, French francs, Austrian schillings, Greek drachmas and currencies of the remaining Economic and Monetary Union member countries will definitely lose the status of the legal tender.

The responsibility for the effective exchange is taken by all institutions that participate in this process - mainly commercial banks.

The National Bank of Poland has prepared a set of measures that will make it easier for Poland's citizens to adjust to the new situation. The legal framework of the exchange has been established (the project of the act on results of the introduction of the single currency the euro in some EU member countries is already in its final legislation phase), the central bank will help commercial banks – as necessary – in terms of logistics. The National Bank of Poland – together with other partners – will also carry out a wide-range

information campaign in order to make Polish citizens aware of this fact, its process and results of the money exchange in the EU member countries.

Since January 1st, 2002 the euro ultimately replaces national currencies of the EMU countries (Germany, France, Italy, Holland, Belgium, Luxembourg, Spain, Portugal, Ireland, Finland, Austria and Greece).

Since that date it will not be possible to use the existing national currencies of the EMU countries for making any non-cash domestic or foreign payments; since that moment the only accepted non-cash legal tender on the territory of the monetary union will be the euro.

Since January 1st, 2002 the ATM's on the territory of the monetary union will only give the euro notes.

After February 28th, 2002, on the territory of the EMU, it will be possible to exchange national currencies to the euro only in banks.

The most important dates related to the exchange

September 1st, 2001 – revealing how the notes and coins are protected,

January 1st, 2002 – beginning of the exchange,

February 28th, 2002 – end of the double circulation of national currencies and the euro.

Dates of the exchange of national currencies to the euro and the purchase of national currencies by the EMU countries are presented in a table below:

Country	Date to which the national currency will be the legal tender *	Date to which national currencies can be exchanged into the euro in a commercial bank **	How long national currencies will be purchased (with a discount)
Austria	28.02.2002	The date is not known yet	Without time limit
Belgium	28.02.2002	31.12.2002	Notes: without time limit Coins: end of 2004
Finland	28.02.2002	Will be decided by commercial banks	Notes and coins: 10 years
France	17.02.2002	30.06.2002	Notes: 10 years Coins: 3 years
Greece	28.02.2002	The date is not known yet	Notes: 10 years Coins: 2 years
Spain	28.02.2002	30.06.2002	Without time limit
Holland	27.01.2002	31.12.2002	Notes: 01.01.2032 Coins: 01.01.2007
Ireland	09.02.2002	30.06.2002	Without time limit
Luxembourg	28.02.2002	30.06.2002	Notes: without time limit Coins: end of 2004
Germany	31.12.2001	28.02.2002	Without time limit
Portugal	28.02.2002	30.06.2002	Notes: 20 years Coins: end of 2002
Italy	28.02.2002	Will be decided by commercial banks	10 years

* Until 12 p.m. of the given date.

** Including the given date.

Since January 1st, 2002, on the territory of Poland a commercial bank customer will have the right and the bank – the obligation to:

- pay out cash at the request of the customer from a foreign currency account converted by the bank from a national currency to the euro in case of a demand deposit (*a vista*) and at maturity in case of a time deposit,
- exchange notes and coins of national currencies to the euro notes and coins,
- make the purchase/sale transaction of the euro for the Polish currency.

In this connection, banks will have to perform the following activities:

- converting from 12 national currencies into the euro of:
 - all bank accounts,
 - all financial products offered by banks,
 - entries in the banks' books,
 - entries in the bank reporting,
 - information contained in the software of the IT systems of banks;
- providing themselves with such amount of particular euro notes and coins in order to be able to:
 - exchange into the euro, on every customer demand, without disturbances, any amount of notes and coins of the 12 national currencies within the period from January 1st, 2002 to December 31st, 2002,
 - pay out the euro from foreign currency accounts since January 1st, 2002,
 - make purchase/sale transactions of the euro/zloty since January 1st, 2002;
- preparing themselves in terms of logistics (in consultation with commercial banks from the EMU area) to the exchange into the euro of the national currencies being withdrawn from circulation and to the transfer of these currencies abroad (storage, transportation, insurance, etc.);
- informing customers about the future developments and advising them what efforts and when they should make in order to make the process of switching over to the euro the most effective for them;
- taking into account the cost of this whole operation when the banks' budget is planned.

After December 31st, 2002 notes and coins of national currencies can be put to purchase at commercial banks. Whether this purchase will be without time limit or limited in time, whether notes and coins will be treated equally, what charges will be taken and what their eventual differentiation will depend on - all of this will be decided by particular commercial banks.

After December 31st, 2002, the NBP will purchase for a year, i.e. until December 31st, 2003, the notes and coins of national currencies exclusively from those commercial banks with which it has signed agreements on providing with foreign monetary units.

Note:

Today's press conference about the euro for the first time was transmitted on the NBP web site – www.nbp.pl