

MASTER FILES
ROOM C-525

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EBD/99/2

January 4, 1999

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Euro**

The Secretary has received the following memorandum dated January 4, 1999 from Mr. Esdar:

On behalf of my colleagues representing the European Union countries, I should like to inform you of the following:

1. On December 31, 1998, the Council of the European Union has decided that effective January 1, 1999, the irrevocably fixed conversion rates between the euro and the currencies of the Member States adopting the euro, are:

1 euro =	40.3399	Belgian francs
=	1.95583	German marks
=	166.386	Spanish pesetas
=	6.55957	French francs
=	0.787564	Irish pounds
=	1,936.27	Italian lire
=	40.3399	Luxembourg francs
=	2.20371	Dutch guilders
=	13.7603	Austrian schillings
=	200.482	Portuguese escudos
=	5.94573	Finnish markkas.

2. On December 31, 1998, the ministers of the euro-area Member States of the European Community, the European Central Bank and the ministers and central bank governors of Denmark and Greece have decided, following a common procedure involving the European Commission and after consultation of the Monetary Committee, to fix the central rates of the participant currencies in the Exchange Rate Mechanism which comes into operation on January 1, 1999 (ERM II).

The euro central rates of the Danish krone and Greek drachma are as follows (units of national currency per euro):

Danish krone	7.46038
Greek drachma	353.109

A fluctuation band of plus or minus 2.25 % will be observed around the central rate for the Danish krone. The standard fluctuation band of plus or minus 15 % will be observed around the central rate for Greek drachma.

Other Distribution:
Department Heads