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## PRESS RELEASE

### EURO BANKNOTES AND COINS HAVE BEEN SUCCESSFULLY INTRODUCED IN ESTONIA

On 1 January 2011, euro banknotes and coins were introduced successfully in Estonia – the 17th Member State of the European Union to adopt the euro. Until 14 January 2011, it will be possible to pay in cash using either euro or Estonian kroon banknotes and coins. However, change will usually only be given in euro. Thereafter, the euro will become the sole legal tender in Estonia. An information campaign had been undertaken to inform Estonian citizens of the visual elements of the euro banknotes and coins, their security features and the modalities for their introduction in Estonia.

The cash changeover has progressed smoothly and in line with the national changeover plan devised by a commission of governmental experts, involving Eesti Pank and chaired by the Estonian Ministry of Finance, which counts extensively on the involvement of the major stakeholders in the cash lifecycle. From a logistical point of view, one of the key elements of the cash changeover plan has been the pre-distribution (frontloading and sub-frontloading) of euro cash to professional parties, which started in September 2010 for coins and in November 2010 for banknotes.

The frontloading to the banking sector and the subsequent sub-frontloading of euro cash to retailers and similar businesses resulted in the widespread availability of euro banknotes and coins in automated teller machines (ATMs) and shops' cash registers, for instance. By the end of 2010, 10.5 million euro banknotes and 85.5 million euro coins had been frontloaded, of which 2 million euro banknotes and 44 million euro coins had been sub-frontloaded. In December 2010, in order to enable citizens to pay exact amounts in shops, thereby reducing the amount of money kept by shopkeepers for change, commercial banks and post offices also offered 700,000 coin starter kits containing 42 coins with a combined face value of EUR 12.79.

To cover the initial requirements – including the amounts needed for frontloading – and the prospective demand in, at least, the remainder of 2011, Eesti Pank borrowed 44.89 million euro banknotes with a face value of EUR 1.5 billion from the Eurosystem's stocks. The 194 million euro coins with a face value of EUR 58.4 million were produced by the Mint of Finland.

To make the cash changeover as smooth and as swift as possible, all publicly accessible ATMs have been dispensing only euro banknotes since 1 January 2011. Furthermore, all commercial bank branches offering cash services opened their exchange counters on 1 and 2 January 2011.

Eesti Pank will redeem Estonian kroon banknotes and coins free-of-charge at the official conversion rate of EUR 1 = EEK 15.6466 for an unlimited period of time. Until end-June 2011, commercial bank branches offering cash services will also exchange Estonian kroon banknotes and coins free of charge, without any restrictions, at the official conversion rate. After that date, this service will continue to be offered by a limited number of branches.

In connection with the introduction of the euro in Estonia, the national central banks of the euro area will be exchanging Estonian kroon banknotes for euro at the official conversion rate until 28 February 2011, as a free-of-charge service. The amount exchanged is limited to EUR 1,000 for any given party and transaction on any single day.

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