**Euro Currency Fact Sheet**

(For Participants joining the Plan on or before April 14, 1998 – Gross Plan)

*Please refer to this fact sheet in conjunction with the Currency Option Fact Sheet*

**Q:** How does the currency option work in the euro-zone?

**A:** Under the currency option, you may receive your pension payments in the currency of your country of principal residence at a fixed rate of exchange. By establishing principal residence in any one of the countries included in the euro-zone, you may elect to receive your pension or part thereof in euro.

**Q:** When did euro become an official currency?

Euro was introduced as a currency effective January 1, 1999 and became a legal tender effective January 1, 2002.

**Q:** What is the definition of a legacy currency?

**A:** The existing national currencies of the countries prior to the adoption of the euro are referred to as the legacy currencies in this fact sheet. The applicable legacy currency depends upon your country of residence within the euro-zone.

**Q:** What exchange rate will be used for conversion?

**A:** Since euro was introduced as a currency in January 1999, a complete 60-month average exchange rate is available only from January 2004.

If your pension effective date was before January 1, 2002, when the legacy currency was in coexistence with euro, the 60-month average rate for the legacy currency of the country of principal residence will be the applicable exchange rate. This rate will be converted to euro using the fixed conversion rate between legacy currency and euro.

If your pension effective date was between January 1, 2002 to December 31, 2003, a combination of the legacy currency of the country of principal residence and euro will be used to
compute the applicable 60-month average rate.

If your pension effective date is on or after January 1, 2004, the 60-month average rate for euro will be the applicable rate for the euro-zone.

**Q:** How will the 60-month average exchange rate be computed for pension effective dates between January 1, 2002 and December 31, 2003?

**A:** In the absence of a complete 60-month euro/dollar average exchange rate, a combination of the exchange rates of U.S. dollar and euro and U.S. dollar and legacy currency of the principal residence country will be used to determine the 60-month average exchange rate.

For months that are within the 60 month period before the pension effective date and before January 1999, the dollar to legacy currency exchange rates will be converted to euro rates by applying the applicable fixed legacy currency to euro exchange rates set by the European Commission. For the remainder of the months within the 60 month period (January 1999 and later) the euro/dollar exchange rate will be applied for purposes of computing the average exchange rate.

For example, suppose your pension became effective January 1, 2003. If your legacy currency is the Italian Lira and you elect payment of your pension in Euro, 13 months of USD to Euro exchange rates are available (this is the number of months from when the Euro became a legal tender – January 1, 2002 to the date your pension became effective – January 1, 2003) Hence, a combination of the exchange rates of US dollar and Euro for 13 months and US Dollar and Italian Lira for the previous 47 months will be used to determine the 60-month average exchange rate.

**Q:** What are the fixed conversion rates between Euro and the legacy currencies?

**A:**

<table>
<thead>
<tr>
<th>Currency</th>
<th>Euro Fixed Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgian Francs</td>
<td>40.3399</td>
</tr>
<tr>
<td>Austrian Schillings</td>
<td>13.7603</td>
</tr>
<tr>
<td>Finnish Markkaa</td>
<td>5.94573</td>
</tr>
<tr>
<td>French Francs</td>
<td>6.55957</td>
</tr>
<tr>
<td>Deutsche Mark</td>
<td>1.95583</td>
</tr>
<tr>
<td>Irish Pounds</td>
<td>0.787564</td>
</tr>
<tr>
<td>Italien Lire</td>
<td>1936.27</td>
</tr>
<tr>
<td>Luxembourg Francs</td>
<td>40.3399</td>
</tr>
<tr>
<td>Netherlands Guilders</td>
<td>2.20371</td>
</tr>
<tr>
<td>Portuguese Escudos</td>
<td>200.482</td>
</tr>
<tr>
<td>Spanish Peseta</td>
<td>166.386</td>
</tr>
<tr>
<td>Greek Drachmas</td>
<td>340.75</td>
</tr>
</tbody>
</table>

**Q:** What CPI - Consumer Price Index- is used by the Plan to measure cost-of-living increase in the euro-zone?

**A:** The pension will be adjusted for cost-of-living based on the movement in the Monetary Union Index of Consumer Prices (MUICP). Inflation in the euro countries is measured by the Monetary Union Index of Consumer Prices (MUICP) compiled by the European Union Statistical Office, Eurostat. The MUICP is a key instrument for monitoring price stability in the euro-
countries. It is based on the Harmonized Indices of Consumer Prices (HICPs) of the countries comprising the Euro zone and it is calculated as a weighted average of the Harmonized Index of Consumer Prices (HICP) of these countries.

**Q:** Does this mean that the cost-of-living adjustment will remain the same irrespective of where I reside in the euro-zone?

**A:** Yes. All pension payments denominated in euro will be adjusted for cost-of-living increases based on a single consumer price index, the MUICP. Cost-of-living increases for euro pensions are based on changes on the MUICP no matter where you reside in the Euro Zone.

**Q:** What is the source of the CPI

**A:** The source is the latest International Financial Statistics (IFS) Consumer Price Index for the euro-zone as available in the Statistical Information Management & Analysis (SIMA) database for the last business day of the preceding April.

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**Disclaimer:**

This Fact Sheet is intended to provide only a summary of the principal provisions of the Plan relating to the Currency Option. It neither establishes nor confers any rights. The Staff Retirement Plan itself is the only document which governs entitlement to and the amounts of SRP benefits or other rights under the Plan. The SRP document is available upon request from Pension Administration Division.

For further information, please call the Pension Information Line (202) 458-2977 or send an e-mail to:pension@worldbank.org

July 2005
Pension Administration
Factors Considered in Determining Principal Residence

Your principal residence is where you maintain your primary household. A number of factors will be considered to determine whether a residence is your principal residence. The determination will be made by the Benefits Administrator based on the particular facts and circumstances, and no individual factor is necessarily determinative. The Benefits Administrator reserves the right to request for additional documentation. Factors that would tend to indicate that a residence is your principal residence include:

- citizenship or permanent residence status in the country in which your residence is located;
- issuance of a certificate of residency from local authorities in regard to your residence (examples of residency certificates issued by a number of countries are set out below);
- payment of income taxes, if applicable, as a resident of the country in which you assert principal residency;
- physical presence of you and your immediate family at your residence for substantial periods of time;
- shipment by the Bank Group of your household goods to your residence as part of your resettlement;
- if you are employed, the proximity of your employment to your residence;
- in the case of international organization employment, an employment contract of a duration that is either indefinite, or for at least two years;

Factors that would tend to indicate that your residence is not your principal residence include:

- transient presence at your residence, whether as a student, short term consultant, or otherwise;
- use of the principal residence solely as a vacation home;
- payment of income taxes as a resident of another country;
- temporary visa status in the country where your residence is located;
- ongoing presence of your immediate family at a different residence;
- full time employment that requires your presence away from the residence;

Residency Certificates Issued in Certain Countries

Austria:
- Meldebestätigung or Bestätigung der Meldung issued by Austrian Authorities.

Canada:
- Certificate of Residence or Domicile issued by the Municipality;
- Certificate of Permanent Residence issued by Immigration Canada;
- Certified copy of latest resident Income Tax return.

France:
- Carte de séjour;
- Certificate of Residence issued by the Mairie or Prefecture de Police;
- Two official documents confirming the address of the "résidence principale" (if above documents cannot be obtained)
Italy:
• Certificato di Residenza, issued by the Servizi Demografici, L’Ufficiale di Anagrafe;
• Dichiarazione di Soggiorno per Stranieri issued by the Ministry of Interior, General Department of Police, Foreigners’ Division.

United Kingdom:
• Certificate of Residence issued by the District Council, the local Police or the Inland Revenue.

Switzerland:
• Copy of Autorisation d’Etablissement;
• Certificate of Residence issued by the Office Cantonal de la Population of the Canton.

United States:
• Copy of United States passport stamped by United States Immigration Authorities upon arrival, and/or alien registration card (green card).

Other examples:
Australia: Certificate of Residence issued by the local Council or by the Department of Immigration.
Belgium: Extract from the Registry of Population.
Burkina Faso: Certificat de Résidence issued by the local Police.
Chile: Certificate of Domicile issued by the Carabineros de Chile.
Columbia: Certificado de Residencia issued by the Alcalde.
Côte d’Ivoire: Certificat de Résidence issued by the local Police.
Denmark: Bopaelsattest issued by the Folkeregistret.
Germany: Certificate of Residence issued by the Citizen Registry Office.
Iraq: Certificate of Residence issued by the Chieftain of the Quarter.
Ireland: Certificate of Residence issued by the Garda.
Japan: Jumin-hyo issued by the Municipality or Household Registry.
Libyan Arab Jamahiriya: Certificate from the Municipality.
Mali: Certificat de Résidence issued by the local Police.
New Zealand: Certificate of Residence issued by the local Council or by the Department of Immigration.
Norway: Certificate of Residence issued by Folkeregister.
Netherlands: Extract from the Register of Population.
Peru: Certificate issued by the Guardia Civil.
Senegal: Certificat de Résidence issued by the local Police.
Spain: Certificado de Residencia issued by the Ayuntamiento or the Autorización de Residencia issued by the Police.
Sweden: Extract from the Parish Register.
Syrian Arab Republic: Certificate of Residence issued by the Mayor, or corresponding authority of the City.
Thailand: Copy of House Domicile Registration.
Togo: Certificat de Résidence issued by the local Police.
Currency Option - Euros

We have been informed by our EUR bank, Bank of America, NA London (Route Code BOFALO), that there are market-wide efforts under way to make the use of IBAN (International Bank Account Number) 'mandatory' beginning 1st January 2006 for transactions up to EUR 50,000 threshold.

Since European banks could attempt to levy new charges as of this date, BOFALO strongly advises clients to obtain IBANs from all of its clients, suppliers, contractors and other beneficiaries, and use them, alongside the relevant route code (external SWIFT BICs) for all EUR payments.

Although BOFALO will not be levying additional charges for non-IBAN compliant transactions, other European Banks (i.e. Beneficiaries' banks) are likely to price-discriminate for non-IBAN transactions, by changing the fees they charge their clients for making payments, and charging premiums for receipts that arrive without an IBAN.

We are not certain, at this time, whether a charge will be levied on the beneficiary client, or whether an attempt will be made to pass a charge back to the remitter. However, by 1st January 2007, European banks may even reject non-IBAN compliant transactions.