



Dear Madam, Dear Sir,

we have prepared a document to make the period of changeover to Euro easier for you. Here, you can find all of the necessary **information regarding the conversion of your funds, products and services, as well as the availability of the payment system services at the turn of the 2008/2009 in business centres of Komerční banka Bratislava** (hereinafter the KB Bratislava).

Information regarding the changeover to the common European currency and conversion of products is available also on our website: <http://www.koba.sk/sk/com/euroinformation>. If necessary, you can consult your bank advisor.

Komerční banka Bratislava

Contents

1. SKK to EUR changeover: Terminology	2
2. Availability of KB Bratislava services at the turn of 2008/2009	2
3. Exchange of SKK for EUR after January 1, 2009	4
4. Interests, interest spreads, reference interest rates	5
5. Products of KB Bratislava and changeover to Euro	5
6. Information about changes related to the changeover to Euro in products of the affiliated company SG Equipment Finance	8

1. SKK to EUR changeover: Terminology

Conversion rate

The value of the conversion rate (SKK/EUR = 30,1260) was determined by the Council of EU on July 8, 2008. Until the end of 2008, this conversion rate has only informative value for the purpose of recalculating prices and values from SKK to EUR. In real life, these will be recalculated by the conversion rate as of the date of Euro's introduced in Slovakia, i.e. January 1, 2009.

Calculation of financial values

As of January 01, 2009, financial values in SKK will be recalculated to Euro by using the conversion rate and rounded according to mathematical principles to the nearest eurocent.

Dual display

Dual display of prices has been mandatory from August 24, 2008 towards individuals. Dual display system expresses monetary values in SKK and EUR simultaneously. Until the end of 2008, the relevant value is the one expressed in SKK. The value expressed in EUR will be relevant from January 01, 2009 to December 31, 2009. The values are being recalculated by the conversion rate and rounded according to rounding principles.

Dual circulation

From January 01, 2009 to January 16, 2009, it will be possible to pay in both SKK and EUR. Businesses will be allowed to return change in EUR only. It will not be possible to use Slovak korunas after the end of this period.

Starting kit

The starting kit will contain 45 Slovak Euro coins of all nominal values worth a total of EUR 16.60. Their sale will start on December 1, 2008. The price is SKK 500 per one starting kit. Slovak Euro coins should not be used before January 1, 2009.

Contract continuity

All contracts and agreements signed prior to January 01, 2009 remain valid without any change to the contract terms. Starting on January 01, 2009, contract prices due in SKK will be recalculated by using the conversion rate and will be paid in EUR.

2. Availability of KB Bratislava services at the turn of 2008/2009

System of payments

- **Domestic payments in KB Bratislava**

If you want to make standard payment orders **to other banks** in SKK still in 2008, you need to do so at the subsidiaries of KB Bratislava no later than on December 30, 2008 by 16:00, or by 16:30 via electronic banking. Payment orders to other banks will be possible also on December 31, 2008 via an express method, however, the orders will need to be delivered in writing (paper form) as well as electronically no later than at 9:30.

In case the recipient is a client of KB Bratislava, on December 31, 2008 we will accept payments in SKK no later than at 11:00 (in paper form as well as electronically).

Date	Time	Type of payment	Due date
December 30, 2008	to 16:00	Payment orders in SKK (paper form), due in other banks in 2008	December 30, 2008
December 30, 2008	to 16:30	Payment orders in SKK (electronic form), due in other banks in 2008	December 30, 2008
December 31, 2008	to 11:00	Payment orders in SKK (paper and electronic form) for clients of KB Bratislava due in 2008	December 31, 2008
December 31, 2008	to 9:30	Express payment orders to other banks (paper and electronic form)	December 31, 2008

All payments delivered after these dates will be executed only in 2009. Their value will be recalculated to Euro by the conversion rate and mathematically rounded to two decimal points. Upon successful completion of the transaction, the recalculated value of the payment will be either credited to the recipient's bank account, or will be paid out in cash in EUR. Payments made after January 01, 2009 will be received and executed only in EUR.

Due to the fact that on January 2, 2009, the Slovak banks will not be forwarding payments for clearing, it will not be possible to deliver express payment orders due on January 2, 2009, either in paper or electronic form.

- **Foreign payments in KB Bratislava**

Here is an overview of deadlines for delivery of foreign payment orders in SKK and foreign currencies:

Type of payment:		Currency:	Due by:
On behalf of clients of KB Praha:	standard	SKK, other	December 29, 2008 by 14:00
	urgent	SKK	December 30, 2008 by 12:00
		CZK, EUR, USD	December 31, 2008 by 11:00
On behalf of clients of other banks:	standard	SKK	December 23, 2008 by 14:00
		other	December 29, 2008 by 14:00
	express	SKK	December 29, 2008 by 12:00
		other	December 30, 2008 by 12:00
	urgent	CZK	December 31, 2008 by 09:00
		EUR, USD	December 31, 2008 by 11:00
SEPA EuroPlatba		EUR	December 30, 2008 by 12:00

Payment orders delivered after these dates will be forwarded abroad with value date 2009.

Payment cards

An application for a payment card to be issued for a current account in SKK will be accepted by the bank no later than on **December 11, 2008**. After this deadline, applications for payment cards to be issued for current accounts will be accepted again on January 2, 2009.

Electronic banking (Homebanking a Internetbanking)

Electronic banking of KB Bratislava will be inaccessible from Wednesday, December 31, 2008, 11:00, and is planned to be available again on the afternoon of Thursday, January 01, 2009.

Express payment orders in EUR due on January 2, 2009 will be rejected by the bank and will not be processed.

Investment banking

On December 31, 2008, foreign exchange and money market transactions will be executed via the Investment Banking Department by 11:00.

Any Treasury transactions on the bank's or client's accounts with value date or due on January 2, 2009, will not be possible executed due to the inaccessibility of the bank systems.

Any spot transactions involving SKK will be possible no later than with value date of December 31, 2008.

Business centres of KB Bratislava

The following table shows an overview of opening hours of our business centres in Bratislava, Banská Bystrica, Košice and Žilina.

Please note that the Žilina business centre operates in the cashless mode, i.e. it does not provide cash services.

Date:	December 31, 2008	January 01, 2009	January 02, 2009	January 03, 2009	January 04, 2009	January 05, 2009
All business centres	8:00-12:00	Closed	8:00-16:00	Closed	Closed	8:00-16:00

On Friday, January 2, 2009 KB Bratislava guarantees, via its business centres, execution of the following services:

- deposit / withdrawal in the currency of the account (with the exception of the Žilina business centre, which operates in the cashless mode),
- accepting payment orders; orders delivered on January 2, 2009 will be processed on January 5, 2009,
- withdrawing the Slovak currency from circulation:
 - free-of-charge cash exchange of SKK for EUR (with the exception of the Žilina business centre, which operates in the cashless mode),
 - free-of-charge SKK cash deposits to EUR accounts (with the exception of the Žilina business centre, which operates in the cashless mode).

During the weekend of January 3 to 4, 2009, business centres of KB Bratislava will be closed. Starting on January 5, 2009, they will again offer the standard range of services.

3. Exchange of SKK for EUR after January 1, 2009

After January 1, 2009, cash in SKK will be retracted from circulation in the Bratislava, Banská Bystrica and Košice business centres as follows:

Accepting Slovak coins	by June 30, 2009
Accepting Slovak banknotes	by December 31, 2009

Exchange of SKK for EUR is possible via a cash operation or by depositing SKK onto an account in EUR. The deposited value will be recalculated by the conversion rate as detailed above.

During the dual currency circulation period, Slovak korunas will be exchanged for Euro for free, regardless of the number of the exchanged Slovak notes or coins. Starting on the second workday after the end of the dual circulation period, i.e. on January 20, 2009, the exchange of Slovak banknotes and coins exceeding 100 banknotes and 100 coins will be charged according to the current pricelist.

In case you will need to exchange Slovak currency **exceeding EUR 15,000**, it is necessary to make an **announcement in writing** to the relevant KB Bratislava business centre **two workdays in advance**.

Slovak banknotes and coins to be exchanged should be divided according to nominal values.

4. Interests, interest spreads, reference interest rates

- price conversion will not result in changes in interest rates or interest spreads, meaning the interest rates or interest spreads valid prior to the conversion will remain valid also after the changeover to Euro,
- after the changeover to Euro, the interest rates tied to the BRIBOR and BRIBID reference rates will be tied to the following reference rates:
 - **BRIBID O/N** will be replaced by the following rate: **O/N EUR LIBOR – 0,125%**,
 - **BRIBOR O/N** will be replaced by the following rate: **O/N EUR LIBOR**,
 - **BRIBOR 1M, 2M, 3M, 6M, 9M, 12M** will be replaced by the following rates: **EURIBOR 1M, 2M, 3M, 6M, 9M, 12M**.
- these rules will be valid for both deposit and credit products.

5. Products of KB Bratislava and changeover to Euro

Currency conversion **will not affect prices of products and services**: these will only be recalculated from SKK to EUR by using the conversion rate. In line with the Order of the European Parliament and the Council of Europe no. 2560/2001 from December 19, 2001 on cross-border payments in EUR, starting on January 01, 2009, all payments up to EUR 50,000 executed within the EU and the EEA will be charged as domestic payments. This extends also to the SEPA payments. The change will be applied as of January 01, 2009 and clients will be informed via their account statements.

Current accounts and term accounts

- after the changeover, account numbers will remain unchanged; in case of SKK accounts, only the domestic currency will change from SKK to EUR,
- balances on SKK accounts will be automatically converted by using the conversion rate,

- permanent payment orders, encashment limits and limits tied to client signatures of current SKK accounts will be automatically converted by using the conversion rate.

Credit products

- the current balance of a credit, credit instalments and principals will remain unchanged, and will be automatically converted by using the conversion rate without the need to sign addenda to the existing contracts,
- the last possible date for drawing a new credit in SKK will be December 30, 2008. Next drawing on credits will be possible only from January 5, 2009 and only in EUR.
- distribution of account statements for December 31, 2008 will be executed in a standard way on the next workday, i.e. **January 2, 2009**. Account statements for accounts in Slovak currency will be prepared in SKK.
- first account statement in EUR will be distributed on January 5, 2009 for all current accounts for the date January 2, 2009.
- further distribution of account statements for all types of accounts will be executed in a standard way on the basis of agreed periodicity.

Encashment of the cheques in SKK

- cheques written in SKK by December 31, 2008 will be accepted for encashment also after January 01, 2009, however, they will be paid out only in EUR.

Payment cards

- payment cards will remain functional without limitations also at the turn of the years. They will be tied to the respective domestic currency accounts (now SKK, later EUR) immediately after the conversion,
- after the conversion, weekly limits currently set in CZK will remain unchanged, i.e. will be set in CZK.

Trade Finance

- business transactions conducted in SKK and planned execution after January 01, 2009 will be recalculated by using the conversion rate to EUR,
- in case it is likely the business transaction being signed will extend to 2009, we recommend to draw the contract in EUR.

Investment banking

- the existing transactions signed in SKK with execution after January 01, 2009 will be converted to EUR.

Electronic banking (Internetbanking)

- dual display of balances:
 - current way: SKK (domestic currency) / EUR (informative value),

- after the conversion: EUR (domestic currency) / SKK (informative value),
- predefined payment orders and standing payment orders will be automatically converted to EUR,
- the payment orders in SKK prepared for being signed, which will not be signed and sent to the bank by December 31, 2008 by 11:00 will be rejected and will not be processed,
- authorised payment orders in SKK with forward due date will be converted to EUR on their due dates,
- daily limits of accounts and persons will be recalculated by using the conversion rate to EUR.

Electronic banking (Homebanking)

- dual display of balances:
 - current way: SKK (domestic currency) / EUR (informative value),
 - after the conversion: EUR (domestic currency) / SKK (informative value),
- predefined payment orders will be automatically converted to EUR,
- the payment orders in SKK prepared for being signed, which will not be signed and sent to the bank by December 31, 2008 by 11:00 will be rejected and will not be processed,
- authorised payment orders in SKK with forward due date will be converted to EUR on their due dates,
- those payment orders, which will be authorised in Homebanking in 2008 (or also in 2009 if the connection with bank was not executed and the automatic changeover from SKK to EUR was not performed, i.e. if the first step preceding the payment execution in 2009 was not taken, thus the payments are in SKK), but which will be forwarded to the bank in 2009, will be rejected!
- daily limits of accounts and persons and the limit of the digital signature restriction will be recalculated by using the conversion rate to EUR,
- updates of the client section of the Homebanking (HB) application:
 - KB Bratislava has prepared for EUR clients a new version of the Homebanking,
 - programs, including installation instructions, can be downloaded at the KB Bratislava's home site,
 - the new EUR version will enable converting templates and local limitations with conversion to Euro,
 - if KB Bratislava clients do not install the new version of HB, they can continue using the currently installed version of HB also in 2009, however, the amounts in templates originally in SKK will be converted to a zero value in EUR; any local user-defined limitations will not be converted,
 - in case of problems with the installation, please contact our e-banking support staff - tel.: 00421 2 59277 777, who are available on workdays from 8:00 to 16:30.

6. Information about changes related to the changeover to Euro in products of the affiliated company SG Equipment Finance (SGEF)

Instalment payments

- in case of contracts drawn in SKK, the currency in which the clients will pay the instalments changes. The instalments will be recalculated by using the conversion rate (EUR 1 = SKK 30.1260),
- in case of contracts in EUR, the instalments do not change.

Contract documents

- contract number and its validity remain unchanged.

Instalment calendar

- contracts signed in SKK:
 - instalment calendar is defined in SKK,
 - SGEF clients will receive a new instalment calendar well in advance, detailing all instalment payments as recalculated by the conversion rate and stated in EUR.
- contracts signed in EUR:
 - financial leasing contracts:
 - SGEF clients with financial leasing contracts will receive instalment calendars that will include all invoice details as defined by the Added Value Act,
 - starting on January 1, 2009, it will no longer be necessary to send clients a separate invoice for each leasing payment,
 - the instalment calendar in EUR will serve as the document for the purposes of deducting the payer's tax.
 - other products:
 - clients who have signed other product contracts with SGEF will not receive new instalment calendars with regard to the changeover to Euro.

Dual display

- SGEF, with regard to the fact that its clients are only legal persons and natural persons – entrepreneurs, is not obliged to display dual prices,
- until the end of 2008, SGEF will prepare all invoices in original currency of the relevant product contract.