

Corporate NEWS

in Payments



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IMPROVEMENTS AND NOVELTIES

■ Payments from a bank to a bank in the blink of an eye

The world around us is getting faster and more digitized. The same is true of banking. Perhaps you have also been in a situation where you needed to pay for your holiday immediately, pay an invoice to a supplier, or make other payments immediately. Until recently, you would have to wait until the next day for your payment to be credited to your counterparty's account. Today, there are banks that need no more than blink an eye.

What are instant payments

You can use instant payments for such quick transfers, if you wish to transfer funds between two client accounts held in different banks, which are involved in the instant payment scheme supported by the Czech National Bank. The payments are made in a matter of seconds on any business day or other day, at any time of day or night, i.e. 24/7/365.

However, if you wish to send or receive a domestic payment to or from a bank that is not involved in the instant payment scheme, you will not benefit from this novelty. Komerční banka will nonetheless still allow you to make accelerated payments to other domestic banks on weekdays if you submit the order by 14:15 hrs.

You can use the instant payments easily as long you are a client of Komerční banka, Česká spořitelna, Air Bank, Banka Creditas, Raiffeisenbank, PPF banka, ČSOB (includig Poštovní spořitelna) or Moneta Money Bank. Fio bank, mBank, Equabank, and Hellobank at the turn of the year or in the first months of 2020.

As a rule, up to CZK 400,000

Banks usually do not limit the provision of instant payments to a specific segment of clients. Hence, they can be made by individuals, entrepreneurs, businessmen, small and large companies and even corporations. Most banks allow to transfer an amount of up to CZK 400,000 as a single instant payment. Any bank is entitled to set a limit on that amount with respect to its clients. Komerční banka has not taken this

step and allows its clients to make as many instant payments as needed, even at the maximum amount.

Another limitation may concern specific account types to or from which the banks may allow the instant payments to be made. Komerční banka allows instant payments to be made in favour of CZK current and savings accounts. Clients can then make instant payments from any CZK current account.

How to use instant payments

When working on a joint solution, the banks agreed that instant payments could be used for single and one-off (nonrecurring) payments. Instant payments cannot be imported in batches or used to make standing order payments or direct debit collection.

All clients of Komerční banka can make instant payments from CZK current accounts via MojeBanka and MojeBanka Business internet banking, as well as via Mobilní banka and Mobilní banka Business mobile banking applications (currently only from devices supporting the Android operating system). Starting from mid-December, instant payments can also be made using iOS devices (iPhone, iPad from Apple).

How much is it?

Charges for instant payments are determined by individual banks. While some banks do not distinguish between current domestic payments and instant payments, charging the same fees, other banks charge their clients an extra fee for outgoing instant payments; currently several CZK.

Komerční banka charges the same fee for instant payments as for usual domestic interbank payments. Depending on the type of account, instant payments are either completely free of charge, or a fee of CZK 6.00 is charged. Instant payments are even included in the lump sum charged for the maintenance of an account, or in a package of transactions that holders of certain types of accounts can purchase.

■ Facial scan payment authorisation? It is possible in KB!

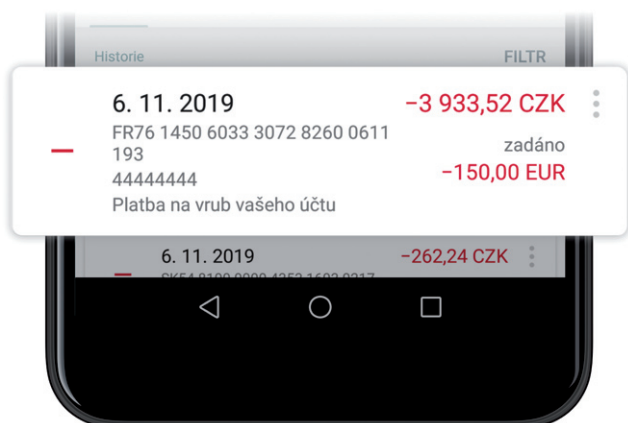
We are constantly striving to improve the Mobile Bank and Mobile Bank Business applications. And now we come up with an absolute stunner: we are the first bank in the Czech Republic to enable **registering and payment authorization**

using face recognition on Android devices. The new Google Pixel 4 and Pixel 4 XL support this option. Therefore, our clients can try to pay by smiling in their phone even today.

IMPROVEMENTS AND NOVELTIES

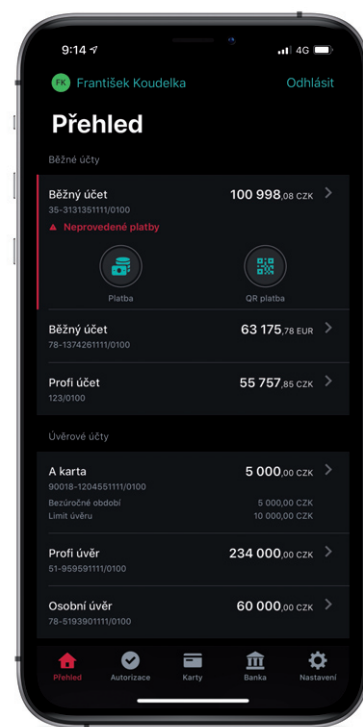
■ Mobilní banka Business app improvements

In the past, the Mobilní banka Business mobile banking application only displayed the account number and transaction amount in the overview of orders waiting for authorization and in the payment history. Based on personal visits to you, our clients, we have learned that you miss the variable symbol, which was only available in the order details section. As of December 2019, Android users will see a new overview of orders waiting for authorization and payment history that will include the variable symbol. We will introduce the same improvement for iOS next year. A feedback from users is important to us and this is another improvement we have made based on comments gathered during the personal visits. The very first modification was cancelling the security limit applicable to the payment authorization via the Mobilní banka Business app.



The new generation of the Mobilní banka Business application is based on the iOS platform. Clients with iOS 13 and iPad OS can look forward to a very popular dark theme. Mobilní banka Business in black saves both your battery and your eyes. You can turn on the theme in the System Settings section.

The Mobilní banka Business app is also simpler now. After user tests, its graphics went through a change. For example, there are only five items in the menu now. At the same time, it contains significantly more functions than before. We have divided and named the items in the menu exactly in line with the results of the testing performed in cooperation with our clients as well as clients of other banks. MacOS Catalina users will also be able to take advantage of the Mobilní banka Business app gadgets.



■ Repeated processing of standing orders

We have brought more automation in the processing of standing payment orders. If a standing order cannot be executed at the due date, we will attempt to execute it on the following business days.

It is often impossible to process standing payment orders due to insufficient funds in the client's account. Therefore, if there are not enough funds in your account on the due date, we will not reject the order but will keep trying to settle the payment. In the case of standing orders with a frequency of 14 days or more, clients will be able to deposit funds into their account for up to 4 days following the due date of the order.

In connection with the repeated processing of standing orders, we have added new options for setting the notifications. Thanks to clear notifications, our clients will immediately learn that a standing order has not been processed yet and how they can solve this situation.

We believe that these changes will make it easier for our clients to repay their obligations through standing orders, especially if they do not have sufficient funds in their account at the due date or if other complications occur during processing.

WHAT WE ARE WORKING ON FOR YOU

■ SEPA payment for the same price as a domestic payment

Starting from 15 December 2019, KB clients will pay the same fee for an outgoing and incoming SEPA payment as they pay for a domestic payment, i.e. CZK 6.00.

The fee reduction applies to the following payments:

- Outgoing and incoming SEPA payment (including payments made under a SEPA standing payment order);
- Payment credited and debited via SEPA Direct Debit;

- Establishing, changing and cancelling a SEPA standing payment order or SEPA Direct Debit mandate.

The limit of EUR 50,000 will no longer apply to SEPA payments. The fee will be the same, notwithstanding the amount of the payment. The fee reduction applies to SEPA payments initiated via internet banking and a KB branch, detailed information www.kb.cz/cheapsepa.

SEPA payment fees effective as of 15 December 2019

Payment	Fee	Surcharge
Outgoing SEPA payment initiated via internet banking (within KB, to KBSK, or to another bank)	CZK 6	–
Outgoing SEPA payment to another bank initiated via internet banking as URGENT	CZK 6	CZK 90 Urgent
Outgoing SEPA payment to KBSK initiated via internet banking as URGENT	CZK 6	–
Outgoing SEPA payment to another bank submitted on a paper-based form at a KB branch as URGENT	CZK 69	CZK 90 Urgent
Outgoing SEPA payment to KBSK submitted on a paper-based form at a KB branch as URGENT	CZK 69	–
Incoming SEPA payment (within KB, from KBSK, or from another bank)	CZK 6	–
Payment debited via SEPA Direct Debit (within KB, to KBSK, or to another bank)	CZK 6	–
Payment credited via SEPA Direct Debit (within KB, from KBSK, or from another bank)	CZK 6	–

■ ATM withdrawals with KB cards for the same price in Europe as in the Czech republic

As a small Christmas present, we have **reduced the fee for ATM withdrawals made with a debit card in most countries of Europe to CZK 39.00**, which is the same fee as that for withdrawals from ATMs operated by other banks in the Czech Republic, with the effect **from 15 December 2019**. This fee applies to withdrawals made with all KB debit cards in the following countries:

Albania | Andorra | Austria | Belarus | Belgium | Bosnia and Herzegovina | Bulgaria | Croatia | Cyprus | Denmark | Estonia | Finland | France | Germany | Greece | Hungary | Iceland | Ireland | Italy | Kosovo | Latvia | Liechtenstein | Lithuania | Luxembourg | Malta | Moldova | Monaco | Montenegro | the Netherlands | North Macedonia | Norway | Poland | Portugal | Romania | San Marino | Serbia | Slovakia | Slovenia | Spain | Sweden | Switzerland | Ukraine | the United Kingdom | Vatican



TIPS/HINTS/GADGETS

■ The latest deadlines for submitting payment orders in 2019

As for credit transfers (outgoing payments) in Czech crowns to be credited to a payee's account held with another bank in the Czech Republic before end 2019, our clients can submit standard payment orders via Internet banking or at a branch as late as 31 December 2018.

This year, you can use Instant Payments (Instant Incoming Payments and Instant Outgoing Payments) between banks that have joined the Instant Payments scheme for the first time. You will receive this information in the MojeBanka, MojeBanka Business and Mobilní banka Internet banking services, and you can submit Instant Outgoing Payment orders via these services. The Instant Payments will affect your account's available balance within a few seconds.

Instant Incoming Payments and Instant Outgoing Payments received and entered in an account held with KB by 20:30, 31 December 2019 will affect the balance on the KB account statement as of 31 December 2019. Instant Incoming Payments and Instant Outgoing Payments received or entered later will affect the available account balance of the account held with KB, but cannot be registered in the client's account statement until in the new year.

Separate orders for standard credit transfers (outgoing payments) can be submitted via Internet banking until

13:00 hrs, 31 December 2018; orders submitted in a batch under the on-line mode until 12:00 hrs (noon), like standard outgoing payment orders; and express credit transfer orders until 14:30 hrs. Orders that will be submitted later cannot be forwarded to other banks until in 2020.

Please note that KB branches will only be open until 13:00 hrs on 31 December 2019, without a noon break. Standard outgoing payment orders will be accepted at branches until 11:00 hrs and super express credit transfer orders until 13:00 hrs.

Outgoing payment orders in Czech crowns within KB can be submitted via Internet banking services as separate orders or in batches until 20:30 hrs, 31 December 2019, or at KB branches until 13:00 hrs.

Detailed information on the deadlines for submitting payment orders at the end of 2019 can be found on the Internet banking bulletin boards and at www.kb.cz/end-year. At the end of 2019, outgoing payment orders due in 2020 will be received via direct banking services at standard times; orders submitted at branch counters or through collection boxes will be received during the opening hours of the KB branches.

■ Your KB Corporate card can beep, too

A contactless card payment has long become a standard, especially in the Czech Republic, where more than nine out of ten transactions are made through a contactless "beep" (with only Australia being better in this respect). Similarly, we have become accustomed to "beeping" by a mobile telephone or watch via Apple Pay, Google Pay, Garmin Pay and Fitbit Pay. In the Czech Republic, over 10% of all card payments are made with smart watches or mobile telephones and a payment card emulated with a telephone or watch is becoming more popular – especially since the February launch of Apple Pay, which has been crushing its competitors mentioned above.

By the way, did you know that you can easily get your corporate card into your mobile telephone or watch? All you have to do is open the pertinent application, enter the card information and verify it with an SMS code.

Detailed instructions can be found at www.kb.cz/en/other/our-applications#Mobile-payments and then you can beep at a payment terminal or ATM like with your plastic card.



WORLD NEWS, LEGISLATION

■ “Payment purpose description” field not to be filled in SEPA payment forms

Due to the update of the SEPA payments and SEPA Direct Debits processing rules, which are defined at the level of the **European Payments Council** and are binding on all banks, the **“Purpose of payment description”** optional field is no more supported for SEPA payments and SEPA Direct Debits with the effect from 17 November 2019. As a rule, this field is used to provide information to your partner about the purpose of/reason for the payment. If you write any text in this field of an online form or in a batch after the effective date specified above, we will remove it from that field. Thus we will ensure that the SEPA payment or SEPA Direct Debits will always be processed (i.e., it will not be rejected

from processing under the STEP2 pan-European settlement system for SEPA payments and SEPA Direct Debits). You can use the **“Message to creditor”** or **“Purpose of payment code”** fields to indicate the purpose of the payment – see the codes at

www.iso20022.org/external_code_list.page.

The **“Purpose of payment description”** field will not be removed from the internet banking applications – MojeBanka, MojeBanka Business and Profibanka (this field is not available in Mobilní banka mobile banking application) – until 24 January 2020.



Do you seek more information? Do you have an idea for improvement or for what you would like to see here next time? Everything is welcome! Please communicate with us through your relationship manager.

You may also contact us through the KB infoline **+420 800 521 521** or mojebanka@kb.cz.