



THE SLOVAK REPUBLIC

EUR 2,000,000,000 4.35 PER CENT. NOTES DUE 2025

NOTES ISSUE ŠD 216

This offering circular (the “**Offering Circular**”) constitutes neither a prospectus for the purposes of Section 121 of Act No. 566/2001 Coll. on Securities and Investment Services, as amended (the “**Securities Act**”) nor a base prospectus for the purposes of Article 5(4) of Directive 2003/71/EC (the “**Prospectus Directive**”). Accordingly, this Offering Circular does not purport to meet the format and the disclosure requirements of Prospectus Directive and Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive and it has not been and will not be submitted for approval to any competent authority within the meaning of the Prospectus Directive.

The EUR 2,000,000,000 4.35 per cent. Notes due 14 October 2025 (the “**Notes**”) are issued as part of the issue ŠD 216 under which notes with total nominal value of up to EUR 3,000,000,000 (the “**Authorised Amount**”) may be issued. The interest shall be paid in arrear annually and both the interest and the principal shall be paid pursuant to the relevant provisions of the “*Terms and Conditions of the Notes*” section of this Offering Circular.

The Notes shall be issued in book-entry form (in Slovak: *zaknihované*) as bearer securities (in Slovak: *cenné papiere na doručiteľa*) and shall be governed by the law of the Slovak Republic. In accordance with the provisions of the Securities Act and the provisions of Act No. 530/1990 Coll. on Bonds, as amended (the “**Bonds Act**”), the Notes shall be registered with the Central Securities Depository of the Slovak Republic (in Slovak: *Centrálny depozitár cenných papierov SR, a.s.*; the “**Central Depository**”). The Notes may also be made available to be held through International Central Securities Depositories (the “**ICSDs**”) such as Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme (“**Clearstream**”), provided that a link between the respective ICSD and the Central Depository is available and utilised for such purpose. The Issuer makes no representation and provides no warranties as to the availability and utilisation of any such link and disclaims any responsibility to ensure that any such link is available and utilised. For further information please see “*Settlement*” section of this Offering Circular.

An application shall be made for the Notes to be admitted to trading on the Main Listed Market (in Slovak: *kótovaný hlavný trh*) of the Bratislava Stock Exchange (in Slovak: *Burza cenných papierov v Bratislave, a.s.*; the “**Bratislava Stock Exchange**”) and at the discretion of the Issuer, the Notes may also be admitted to listing, trading and/or quotation on any other listing authorities, stock exchanges, regulated markets and/or quotation systems as it sees fit, provided that the relevant requirements for such admission have been met.

JOINT LEAD MANAGERS

HSBC

TATRA BANKA

SOCIÉTÉ GÉNÉRALE

UNICREDIT BANK SLOVAKIA

Offering Circular dated 12 October 2010

IMPORTANT NOTICES

This Offering Circular contains information provided by the Slovak Republic acting through the Ministry of Finance of the Slovak Republic (the “**Issuer**” or “**Slovak Republic**”) in connection with the issue of the Notes. The Issuer accepts responsibility for the information contained in this Offering Circular. On behalf of the Issuer, the issue of the Notes is procured by the Debt and Liquidity Management Agency (in Slovak: *Agentúra pre riadenie dlhu a likvidity*; the “**Agency**”), the state agency managing the issue of state securities and effecting their payment.

Pursuant to a mandate letter dated 27 September 2010 (the “**Mandate Letter**”), the Issuer has appointed HSBC France, Société Générale, Tatra banka, akciová spoločnosť and UniCredit Bank Slovakia a. s. as lead managers (the “**Managers**”) for the issuance of the Notes and the underwriting of their allocation, subject to terms further agreed in the Subscription Agreement dated 12 October 2010 between the Issuer and the Managers (the “**Subscription Agreement**”).

This Offering Circular should be read and construed together with any other documents incorporated by reference herein (see “*Documents Incorporated by Reference*”).

The Issuer confirms that this Offering Circular is true and accurate in all material respects and is not misleading in any material respect, that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that to the best of the Issuer’s knowledge and belief this Offering Circular does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the issue, offering and sale of the Notes) not misleading in any material respect; and that all reasonable enquiries have been made to verify the foregoing.

Neither this Offering Circular, nor any other information supplied in connection with issue of the Notes: (i) is intended to provide the basis for any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer or the Managers that any recipient of this Offering Circular, or any other information supplied relating to the issue of the Notes, should purchase any Notes. Each investor contemplating the purchase of any Notes should make its own independent investigation of its financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, as it deems necessary. Neither this Offering Circular, nor any other information supplied in connection with the issue of any Notes, constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe to or purchase any Notes.

No representation, warranty or undertaking is made or implied by the Managers or any of their respective affiliates, and neither the Managers nor any of their respective affiliates makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, as to the accuracy or completeness at any time of the information contained in this Offering Circular. No person has been authorised by the Issuer or the Managers to give any information or to make any representation not contained in any supplement hereto, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Managers. Neither the delivery of this Offering Circular, nor the offering, sale or delivery of any Note shall, under any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial situation of the Issuer since the date hereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Notes is correct at any time subsequent to the date on which it is supplied or, if different, to the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons who come into possession of this Offering Circular are required by the Issuer to inform themselves of and observe any such restrictions. In particular, such persons are required to comply with the restrictions on the offer or sale of Notes and on the distribution of this Offering Circular and other information in relation to the Notes set out under “*Subscription and Sale*” section below.

Only persons that are registered as the owners of the Notes in the accounts with the Central Depository or with a member of the Central Depository or that are entered in the register of a custodian that holds the Notes in a holding (intermediary) account with the Central Depository will be recognised as owners of the Notes. The owners of Notes held in a holding (intermediary) account with the Central Depository will be able to exercise all of their rights against the Issuer through the respective custodian (accountholder) that has such holding (intermediary) account with the Central Depository. Consequently, the investors holding the Notes through accounts with Euroclear, Clearstream or other ICDS will not be considered as the owners of the Notes under Slovak law and will have no direct claims vis-à-vis the Issuer. Such investors will be able to exercise their right under the Notes vis-à-vis the Issuer only through the relevant Slovak account holders which may be Euroclear, Clearstream or other ICDS, as applicable (if those are registered as the owners of the Notes in the accounts with the Central Depository or with a member of the Central Depository) or other custodian (accountholder) that has a holding (intermediary) account with the Central Depository with respect to the Notes held for the ICDS, save for limited circumstances provided for in “Terms and Conditions of Notes”, in which such persons may be allowed to have direct recourse against the Issuer.

In connection with the issue of Notes to be underwritten by the Managers, the Manager or Managers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in this Offering Circular may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake any stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant issue of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Issue Date and 60 days after the date of the allotment of the relevant Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Unless otherwise stated, all annual information, including budgetary information, is based on calendar years. Statistical data appearing in this Offering Circular has, unless otherwise stated, been principally obtained from the Statistical Office of Slovak Republic, the Ministry of Finance of the Slovak Republic (the “**Ministry of Finance**”) and the National Bank of Slovakia (further also referred to as “**NBS**”). Similar statistics may be obtainable from other sources, although the underlying assumptions and methodology, and consequently the resulting data, may vary from source to source. Certain statistical information relating to 2009 should be treated as preliminary and any statistical information may be subject to future adjustment.

This Offering Circular is based upon statistics for the period 2005 to 2010 and uses the year 2000 as the base year (except for measurement of industrial production and revenue, where 2005 was used as the base year). The calculation of gross domestic product has changed from previous periods by the allocation of FISIM (financial intermediation services indirectly measured) from intermediate consumption to household and government consumption. In real terms, this change produced higher numbers for final consumption and lower numbers for both exports and imports. Calculations of expenditures and deficit have also been revised. The revision mainly consisted of the inclusion of Slovak Television and Slovak Radio in the general government sector. Moreover, the activities of private health insurance companies beyond the compulsory state health insurance have been excluded from the general government sector. The aim of these revisions was to bring the statistical methods applied within the Slovak Republic in line with the approach adopted throughout the rest of the European Union. As a result, certain macroeconomic indicators presented in the Offering Circular may differ from those presented in any other previous offering circulars that might have been made

available by the Issuer prior to the date hereof in connection with issuance of any debt instruments by the Issuer.

In accordance with the Eurostat decision dated 15 March 2007, the Slovak Republic has introduced a time-adjusted cash method for the accrual recording of taxes and social contributions. For this purpose, the calculations of general government deficit and debt for the period 2003-2007 were revised, which also influenced the calculation of GDP. The methodology also includes more detailed sub-classifications in the general government sector and introduces non-material changes in the classification of some source items, including, for example, insurance paid by the state for selected groups.

In 2007 and at the beginning of 2009, there were two important changes in the methodology for the calculation of macroeconomic data of the Slovak Republic. The first change concerns the revision of the quarterly and annual national accounts due to the introduction of volume chain-linking and other methodological changes, which has resulted in historical GDP data in this Offering Circular differing from previously published data. The second was a change from the national classifications of the sectors (OKEC) to a classification system compatible with Eurostat (SK NACE Rev.2). This resulted in new historical data for industrial production as compared with previously published data. This has also resulted in new data for retail sales.

Further, during the revision of the annual national accounts, which was finalized on 31 August 2009, the Slovak Statistical Office carried out some adjustments due to the implementation of new methods according to EU regulations and Eurostat recommendations; new and adjusted data sources were also used. These adjustments were related to a change of the classification of charges paid for the collection and disposal of waste from other taxes on production D.29 to service fees and therefore to the intermediate consumption of individual institutional sectors P.2, the final consumption of households P.3 and market output P.11 of general government sector S.13. Charges paid for car registration were reclassified from taxes on products D.29 and other current taxes D.59 to taxes on products, except for VAT and import taxes D.214. In accordance with the Eurostat recommendation, private health insurance companies were reclassified from the general government sector S.13 to the financial corporation sector S.12, particularly in the sub-sector of financial auxiliaries S.124. Financial resources related to public health insurance administered by these insurance companies are henceforth classified in general government sector S.13, specifically in social security funds sub-sector S.1314. Another change was the specification of intermediate consumption P.2 of financial corporations sector S.12 based on the investigation of the incorrect recording of paid charges by some reporting units related to the consumption of material, energy and services. The foregoing adjustments were carried out at current and constant prices in all of the 1995 – 2008 time series.

In this Offering Circular, unless otherwise specified or unless the context requires otherwise, references to “**EUR**” or “**euro**” refer to the currency introduced as part of the European Economic and Monetary Union pursuant to the Treaty on European Union (as amended from time to time). On 1 January 2009, the euro became legal tender in the Slovak Republic. It replaced the Slovak crown (“**SKK**”) at the fixed exchange rate of EUR 1 = SKK 30.1260. For the sake of convenience, certain amounts in this Offering Circular are specified in both euro and SKK using the above exchange rate, unless indicated otherwise.

Note that the definition of “**Notes**” used in this Offering Circular (excluding the “*Terms and Conditions of the Notes*” section hereof) differs from the definition of the same term in the “*Terms and Conditions of the Notes*” section hereof. The definition used in this Offering Circular (excluding the “*Terms and Conditions of the Notes*” section hereof) refers to the notes offered pursuant the offering to which this Offering Circular relates, whilst the definition used in the “*Terms and Conditions of the Notes*” section hereof, refers also to any other notes that may be issued under the Terms and Conditions of the Notes.

FOR A DESCRIPTION OF CERTAIN RESTRICTIONS REGARDING THE DISTRIBUTION OF THE OFFERING CIRCULAR AND THE OFFER OR SALE OF NOTES, SEE THE SECTION ENTITLED “SUBSCRIPTION AND SALE”.

IN PARTICULAR, THE NOTES HAVE NOT BEEN AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “US SECURITIES ACT”), AND THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE US SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

DOCUMENTS INCORPORATED BY REFERENCE

Any documents incorporated by reference in and forming part of this Offering Circular shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Upon an oral or written request, the Agency shall provide, free of charge, a copy of this Offering Circular in electronic form. A copy of this Offering Circular shall also be available on the website of the Agency at www.ardal.sk. The website address is provided to allow the sourcing of a copy of the Offering Circular and does not serve to incorporate any further information found on the website into this Offering Circular, unless this Offering Circular explicitly refers to any document available on such website, in which case such reference must be taken only as a reference to that particular document.

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SUMMARY OF THE ISSUE OF THE NOTES

The following is only a brief summary of key features of the issue of the Notes, does not purport to be complete and should be read in conjunction with the rest of this Offering Circular and, to the extent applicable, the Terms and Conditions of the Notes set out herein.

Issuer:	The Slovak Republic acting through the Ministry of Finance and the Agency.
Managers:	HSBC France Société Générale Tatra banka, akciová spoločnosť UniCredit Bank Slovakia a. s.
Registrar:	Central Securities Depository of the Slovak Republic (in Slovak: <i>Centrálny depozitár cenných papierov SR, a.s.</i>).
ISIN:	SK4120007543
Common code:	054900627
Aggregate value of Notes:	EUR 2,000,000,000
Interest:	The Notes shall bear a fixed rate of interest of 4.35 per cent. per annum.
Authorised Amount:	EUR 3,000,000,000
Designation of Notes by the Issuer:	State bond 216
Further Issues:	In addition to the issue of the Notes, the Issuer may from time to time create and issue further notes, having the same terms and conditions as the Notes, which shall be consolidated and form a single series with the Notes. The Issuer may sell any number of such subsequently issued notes either (i) by way of subscription of such notes by a syndicate or manager (dealer); (ii) by way of auction of such notes open to the participants in the primary market organised by the Agency in accordance with the rules issued by the Agency; or (iii) by other means as the Issuer may deem fit in its sole discretion.
Form of Notes:	Notes shall be issued in book-entry (in Slovak: <i>zaknihované</i>) form as bearer securities (in Slovak: <i>cenné papiere na doručiteľa</i>).
Status and Ranking of Notes:	The Notes will constitute direct, general and unconditional, unsubordinated unsecured obligations of the Issuer and will at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Notes will at all times rank at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer.
Maturity:	The maturity date of any and all Notes shall be 14 October 2025.

Redemption:	Notes shall be redeemed at par on the Maturity Date.
Early Redemption:	The Notes may not be redeemed by the Issuer before the Maturity Date. The Issuer may purchase Notes in the open market or otherwise at any price, at any time. Any Notes so purchased will forthwith be cancelled, and accordingly may not be resold, except that any Notes so purchased will not be required to be cancelled if used in market operations for balance of reserves for the repurchase operations in the framework of the Last Resort Lending conducted with primary dealers.
Denominations:	Notes will be issued in denominations of EUR 1.00.
Taxation:	All payments in respect of Notes will be made free and clear of withholding taxes of the Slovak Republic, unless the withholding is required by law. In that event, the Issuer will (subject to the provision of Condition 9) pay such additional amounts as will result in the Note holders receiving such amounts as they would have received in respect of such Notes had no such withholding been required, save as provided in Condition 9.
Governing Law:	Law of the Slovak Republic.
Jurisdiction:	All disputes relating to the Notes shall be settled by the courts of the Slovak Republic.
Language:	The Terms and Conditions of the Notes are written in the Slovak language and supplemented with an English language translation. The Slovak text shall be prevailing and binding. The English language translation is provided for convenience only.
Listing:	An application shall be made by the Issuer for admission of the Notes for trading at the Main Listed Market of the Bratislava Stock Exchange. The Issuer may at its discretion also make application to any other regulated market as it sees fit, but has no obligation whatsoever towards the Managers or any holders of the Notes to make such application.
Depository:	Notes shall be registered with the Central Depository. Notes may also be held through an ICSD such as Euroclear and/or Clearstream subject to availability and utilisation of the/a relevant link between such ICSD and the Central Depository, whether direct or indirect.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material generally and in the United States of America, the United Kingdom and the Slovak Republic, see “ <i>Subscription and Sale</i> ”.
Representation of Noteholders:	None. There is no mechanism for convening meetings of Note holders in the Terms and Conditions of the Notes, nor any representation by an agent or trustee entity. Noteholders wishing to convene meetings of Noteholders must do so between themselves.
Stabilising Manager:	HSBC France

USE OF PROCEEDS

The net proceeds of issue of the Notes will be used for the repayment of the existing debt of the Slovak Republic and for the financing of the deficit in the state budget of the Slovak Republic.

THE SLOVAK REPUBLIC

Geography and Population

Slovak Republic is located in Central Europe and borders Austria, the Czech Republic, Hungary, Poland and Ukraine. With an estimated population of 5.4 million and a land area of 49,035 square kilometres, it is comparable in area and population to Denmark. The capital of the Slovak Republic is Bratislava. It has a population of approximately 425,000 and is located on the Danube River near the Austrian border, about 60 kilometres northeast of Vienna. Approximately 86% of the population is estimated to be ethnically Slovak, 10% is ethnically Hungarian and 2% is ethnically Roma. The remainder of the population is comprised of groups from a variety of ethnic backgrounds, including Czechs. The Roman Catholic faith is the dominant religion.

According to the latest research undertaken by the Slovak Statistical Office, the Slovak Republic's population has been stable during the last four years and this trend may continue in the future. As of 31 December 2007, the population density was 110 inhabitants per square kilometre. Life expectancy, as of 31 December 2007, was 78.1 years for women and 70.5 years for men.

History

The origins of the current Slovak Republic lie in the 6th century, when it was first settled by the Slavs. Beginning in the 11th century, most of the present day territory of Slovakia was part of the Kingdom of Hungary, and from the 16th century until the end of the First World War, it was part of the Habsburg monarchy (later known as the Austro-Hungarian Empire). In 1918, following the collapse of the Austro-Hungarian Empire, an independent Czechoslovakia was created and established as a democratic republic.

Between 1918 and 1938, Czechoslovakia was politically stable and economically prosperous. The country had inherited most of the Austro-Hungarian Empire's industrial capacity and its labour force was considered highly skilled. Following the German invasions of Czechoslovakia in 1938 and 1939, Germany declared the Czech regions of Bohemia and Moravia a protectorate, while Slovakia became a separate republic under German rule.

After the Second World War, Czechoslovakia again became an independent single state. Although many Czech and Slovak industrial areas were destroyed during the Second World War, Czechoslovakia did not suffer the devastation that other countries sustained. Parliamentary elections were held in May 1946, resulting in the Communist Party coming to power. In 1948, the Communist Party fully seized control of Czechoslovakia. A new constitution was adopted in 1960, which formally consolidated the Communist Party's control of the country.

Demands for greater political freedom culminated in the appointment of a reform-oriented government during the spring of 1968 and the ensuing period of political liberalization was widely known as Prague Spring. However, in August 1968, an invasion by Soviet and Warsaw Pact troops forcibly suppressed these reform efforts. A 1968 amendment to the 1960 constitution established Czechoslovakia as a federation of the Czech Socialist Republic (Bohemia and Moravia) and the Slovak Socialist Republic (Slovakia), collectively known as the Czechoslovak Socialist Republic.

Communist rule ended in November 1989 following the so-called "Velvet Revolution". In April 1990, the name of the country was changed to the Czech and Slovak Federal Republic (the "CSFR").

In November 1992, the Federal Assembly of the CSFR adopted the Act on the Dissolution of the Federation, on the basis of which, effective from 1 January 1993, the CSFR was peacefully separated into two independent states: the Slovak Republic and the Czech Republic. With effect from the same date, the Slovak Republic adopted a new constitution providing for the separation of legislative, executive and judicial powers. Legally, each republic became a successor to the CSFR, and federal property was divided, with certain exceptions, on a two-to-one ratio (Czech Republic to Slovak Republic) reflecting the relative size of the populations and economies. Separate monetary systems and currencies were introduced by each country in February 1993.

Slovak Republic became a member of the Organization for Economic Cooperation and Development (the “OECD”) on 28 September 2000, the North Atlantic Treaty Organization (“NATO”) on 29 March 2004 and the European Union (the “EU”) on 1 May 2004. It joined the Schengen Agreement (providing for the removal of systematic border controls between the participating countries) on 21 December 2007 and adopted the euro as its official currency on 1 January 2009.

Political System

President

Slovak Republic is a parliamentary republic with a president as head of state. Since 1998, the president is elected for a term of five years by direct public vote. The president may not be, among other things, a member of the National Council or a judge. The president may serve a maximum of two five-year terms. The current president, Mr. Ivan Gašparovič, was first elected in April 2004 and re-elected in April 2009. The next regular presidential elections are scheduled to be held in 2014.

Government

The government of the Slovak Republic is the country’s supreme executive body. The government consists of a prime minister, four deputy prime ministers (three of whom are also ministers) and nine ministers; an additional Ministry of Environment will be created on 1 November 2010 and a minister will be appointed. The prime minister is appointed and dismissed by the president. The president appoints and dismisses ministers upon proposals from the prime minister. The current prime minister is Ms. Iveta Radičová.

National Council

The National Council of the Slovak Republic is the country’s legislative body. Members of the National Council are elected in direct elections by secret ballot. The National Council has 150 members who are elected for four-year terms. Among other things, it enacts the constitution, constitutional laws and laws, approves the state budget and final budget account, ratifies international agreements and is empowered to issue declarations of war. The last elections to the National Council were held on 12 June 2010.

Judicial Power

The Constitutional Court of the Slovak Republic is an independent judicial body charged with upholding the Constitution of the Slovak Republic and constitutional law. The Constitutional Court has authority to interpret provisions of the Constitution as well as to decide on matters that relate to compatibility of legislative acts of lesser force with the Constitution and to decide on certain infringement of human rights by public bodies.

The system of general courts of the Slovak Republic consists of the Supreme Court, Regional Courts and District Courts.

Slovak Republic is a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, which allows for the enforcement and recognition in the Slovak Republic of arbitration awards rendered in other participating states.

Enforceable judgments rendered by the courts of another EU member state are enforceable in the Slovak Republic without review as to their merits, subject to a successful petition of an interested party for a declaration of enforceability. A declaration of enforceability for such a judgment will not be issued if the recognition/enforcement of such judgment is, among other things: (a) manifestly contrary to public policy; (b) unfair due to the fact that the defendant was not given sufficient time to prepare his/her defence; (c) irreconcilable with a judgment rendered by a Slovak court between the same parties; or (d) irreconcilable with an earlier judgment involving the same cause of action and between the same parties in another jurisdiction.

Legislation facilitating and regulating a market economy is relatively new. Consequently, Slovak courts are less experienced than their Western counterparts in adjudicating matters in areas such as capital markets.

Regional Government Structure

The regional government structure consists of eight regions centred around the Slovak Republic's eight largest cities, Bratislava, Trnava, Nitra, Trenčín, Žilina, Banská Bystrica, Prešov and Košice. Each of the eight regions is sub-divided into districts. There are 79 districts in total. The regional administration currently controls infrastructure, education and other services allocated by the state or created by the region. The administration of municipalities is currently handled by directly elected representatives, who are elected for four-year terms.

International Relations

Slovak Republic maintains diplomatic relations with approximately 175 countries and is a member of a large number of international organizations, including the United Nations, the International Monetary Fund, the International Bank for Reconstruction and Development, the International Finance Corporation, the European Bank for Reconstruction and Development, the World Trade Organization, the OECD and the Central Europe Free Trade Agreement.

EU Accession

Slovak Republic became a full member of the EU on 1 May 2004. Slovak Republic did not seek any derogation from the implementation of the *acquis communautaire* during accession negotiations. However, it did seek the establishment of transition periods, justified in light of the need to improve the performance levels of the Slovak economy or to secure extensive capital investments. The following transition periods were negotiated by The Slovak Republic: (a) free movement of persons (seven years); (b) freedom to provide services (three years); (c) free movement of capital (seven years); (d) energy (five years); (e) environment (in most cases three years); (f) taxation (from one to five years, depending on the type of goods); (g) transport (two years); (h) agriculture (from three (production of certain foods) to ten years (direct payments to the agriculture sector)); and (i) competition (from five to six years).

Slovak Republic was allocated 13 seats in the European Parliament.

Slovak Republic joined the Schengen Agreement on 21 December 2007, enabling a higher degree of free movement of individuals among the participating states and regulating the protection of common external borders

Slovak Republic ratified the European Union's Lisbon Treaty in April 2008.

As the last step in European integration, the Slovak Republic adopted the euro as its official currency on 1 January 2009.

NATO

Slovak Republic joined NATO in March 2004.

Central European Initiative

Slovak Republic is also a member of the Central European Initiative, which includes Austria, Italy, Slovenia, Croatia, Hungary, Poland and the Czech Republic. This initiative mainly addresses issues related to regional infrastructure development.

Double Taxation Agreements and Foreign Investment Treaties

To date, the Slovak Republic has concluded bilateral agreements on the avoidance of double taxation with approximately 61 countries, including France, Germany, Luxembourg, Netherlands, Belgium,

Italy, Spain, the United Kingdom and the United States. It has also concluded bilateral agreements on the protection and promotion of investments with a number of countries, including Austria, France, Germany, Sweden, the United Kingdom and the United States.

Legal and Arbitration Proceedings

The Slovak Republic is involved in a number of legal and arbitration proceedings, including (i) two arbitration proceedings brought by EUREKO, B.V. and HICEE, B.V in connection with the alleged breach of an agreement between the Czech and Slovak Federative Republic (the Slovak Republic became a successor to this agreement) and the Kingdom of the Netherlands regarding the protection and reciprocal promotion of investments due to the unequal treatment of health insurance providers based on changes in legislation regarding the provision of health insurance and (ii) an arbitration proceedings brought by EURAM Bank AG in connection with the alleged breach of an agreement between the Czech and Slovak Federative Republic (the Slovak Republic became a successor to this agreement) and the Republic of Austria due to the same changes in legislation regarding the provision of health insurance. The amounts claimed by the claimants are in aggregate approximately EUR 1.1 billion, excluding interest and related legal and other costs.

The Slovak Republic is a defendant in arbitration proceedings brought by Albert Jan Oostergetel in connection with the alleged breach of an agreement between the Czech and Slovak Federative Republic (the Slovak Republic became a successor to this agreement) and the Kingdom of the Netherlands regarding the protection and reciprocal promotion of investments in which the claimants allege that the Bankruptcy Court in Bratislava and the Tax Office of Bratislava II acted in a discriminatory manner in contravention of the applicable provisions of the said agreement as well as Article I of the Supplementary Protocol to the agreement on the Protection of Human Rights and Fundamental Freedoms. The amount of damages claimed by the claimant is approximately EUR 268 million, excluding interest and related legal and other costs.

THE SLOVAK ECONOMY

Background

During the 1990s, the Slovak economy was transformed from a centrally planned economy to an economy based on free market principles. This process included radical reforms based on price liberalization, free convertibility of the currency, macroeconomic stabilization and extensive privatisation.

Initially, this resulted in an approximately 25% decline in real GDP between 1989 and 1993, as well as accelerated inflation and increased unemployment. The economy was heavily dependent on energy imports from the Russian Federation and there was little likelihood of a resumption of exports to traditional markets in Eastern Europe.

The economy turned around in the mid-1990s and real GDP growth exceeded 6% between 1995 and 1997. This recovery was initially driven by strong exports, mainly to Western Europe and a related increase in industrial production, with strong growth in such areas as chemicals, oil refining, metals production and machinery, although, after 1995, real GDP growth was driven increasingly by domestic consumption.

To put the economy on a path of sustainable growth, the Slovak Republic adopted an austerity package designed to address large fiscal and current account deficits by controlling domestic demand and promoting industrial activity primarily through the support for foreign direct investment and structural reform in the banking and industrial sectors. Since 2000, economic growth has increased as a result of higher foreign direct investment, privatisation, economic restructuring and a significant decrease in interest rates.

Since 2002, a commitment to consolidating prior reforms and pursuing new reforms dominated the political scene in the Slovak Republic. The main goal was to enhance sound economic growth and decrease the budget deficit. In January 2003, changes in regulated prices and new indirect tax rates came into force. Later, reforms of the tax and pension systems, social security and health care were implemented.

The main features of the 2004 tax reform programme included the introduction of a 19% flat tax on personal and corporate income and a single 19% VAT rate that had initially applied to all goods and services but which from 2008 through 2010 was modified by subjecting a limited selection of goods to 10% and 6% rates. In addition, in order to achieve progress in the harmonization of legislation with EU standards, adjustments to excise taxes were adopted. Since the tax reforms were implemented, several changes have been implemented in the tax system (mainly eliminating certain minimum exemptions and deductions without diminishing its positive features).

Pension reforms included the introduction of a 3-pillar system with a "pay as you go" first pillar, a contributory second pillar involving pension savings accounts, and a voluntary "supplementary" third pillar. Reforms instituted in the social security system included legislative changes designed to discourage long-term inactivity and abuse of the system. In the healthcare sector, reforms were aimed at stabilising the healthcare system. Further measures concentrated on increasing disposable funds in this sector in order to create conditions for enhancing the efficiency and effectiveness of the system.

Real GDP grew by 10.6% in 2007 and 6.2% in 2008. Such growth was accompanied by an improvement of the current account (5.3% of GDP in 2007 and 6.5% of GDP in 2008), caused mainly by positive trade balance developments.

The Slovak economy was affected by the financial and economic crisis in 2009 when it suffered a drop in GDP of 4.7%. The Slovak economy was particularly impacted by the global economic crisis because a weaker foreign demand took its toll on Slovak exports, specialised in cyclically-sensitive consumer durables, especially cars (its per capita production is one of the highest in the world) and electronics, the production of which has almost halved year-on-year. On the other hand, the development in 2009 was more positive than expected in forecasts. The anticipated GDP decrease by

more than 6% was more moderate and reached only 4.7%. The main factor behind the better than expected development was a faster recovery of the most important trading partners of the Slovak Republic. The fast growth of the external environment continued into the first half of 2010, which resulted in the growth of the real GDP by 4.7%. The updated forecast of the Ministry of Finance for 2010 projects a growth of 4.0%.

The following table sets out certain macroeconomic data regarding the Slovak economy in the period from 2006 to the first half of 2010:

Macroeconomic Statistics

	2006	2007	2008	2008	2009	1H2010
	SKK	SKK	SKK	EUR	EUR	EUR
<i>(amounts in billions of the indicated currency, except for percentages)</i>						
Economic Data						
Nominal GDP	1,658.3	1,854.2	2,025.1	67.221	63.332	31.428
Real GDP (growth in %)	8.5	10.6	6.2	6.2	(4.7)	4.7
Real exports (growth in %)	21.0	14.3	3.2	3.2	(16.5)	16.6
Real imports (growth in %)	17.8	9.2	3.1	3.1	(17.6)	12.2
Unemployment (%)	13.3	11	9.6	9.6	12.1	14.8
Consumer prices (growth in %)	4.5	2.8	4.6	4.6	1.6	0.8
Producer prices (growth in %) ..	8.4	2.1	6.1	6.1	-2.5	-4.7
State budget surplus (deficit)	(31.7)	(23.5)	(21.2)	(0.704)	(2.791)	(4.699)
as a % of GDP	(1.9)	(1.3)	(1.0)	(1.0)	(4.4)	(7.2)
Total revenues	292.0	322.2	342.0	11.352	10.541	11.147
as a % of GDP	17.6	17.4	16.9	16.9	16.6	17.0
Total expenditures	323.7	345.7	363.2	12.056	13.332	15.847
as a % of GDP	19.5	18.7	17.9	17.9	21.0	24.2
External state debt	212.3	212.0	135.6	4.501	7.768	8.2
as a % of nominal GDP	12.8	11.5	6.7	6.7	12.3	26.0

Source: NBS, Slovak Statistical Office and Ministry of Finance.

The following table sets out certain data relating to the balance of payments in the period from 2006 to May 2010:

Balance of Payments

	2006	2007	2008	2009	Until 31 May 2010
Balance of Payments Data					
Current account surplus (deficit)					
(U.S.\$ million)	(3,919.10)	(3,949.79)	(6,195.00)	(2,822.23)	(539.0)
as a % of GDP	(7.0)	(5.3)	(6.5)	(3.2)	(2.1)
Export of goods (U.S.\$ million)	41,477.83	57,489.50	69,921.77	55,395.18	24,977.33
Import of goods (U.S.\$ million)	44,009.66	58,354.83	70,929.26	53,739.83	24,260.37
NBS's foreign exchange reserves					
(U.S.\$ million)	13,363.80	18,975.9	18,830.4	1,803.9	1,926.5

Source: NBS, Slovak Statistical Office and Ministry of Finance.

Gross Domestic Product

Real GDP increased by 4.7% in the first half of 2010, as compared to decline of 5.6% in 2009 caused by the global crisis and growth of 8.4% in 2007. The increase in GDP was mainly driven by strong foreign demand causing a boost in Slovak exports and change in inventories. On the other hand, weak performance of the labour market is negatively reflected into the low household consumption. The share of private and government consumption in the first half of 2010 slightly decreased compared with the first half of 2009 and represented 59.8% and 18.2% respectively. In the first half of 2010, the net foreign trade (*i.e.*, the export of goods and services minus the import of goods and services) contribution to the GDP was 4.1%, which reflected an increase in exports due to a stronger foreign

demand from the Slovak Republic's main trading partners, but also a weaker growth in imports due to the slow dynamic of the household consumption and gross fixed investment.

The Ministry of Finance is currently expecting GDP to grow at a rate of 4.0% in 2010. The economic growth is expected to decline slightly to 3.3% in 2011 due to government consolidation effort when the public deficit is planned to decrease from 7.8% of GDP in 2010 to 5.5% of GDP in 2011. The latest forecast of the National Bank of Slovakia (June 2010) envisages the GDP to grow by 3.7% in 2010 and 4.3% in 2011. The IMF estimate for this year is 4.1% and 4.3% for 2011.

The following table sets out the components of real GDP in the respective periods from 2006 to the first half of 2010:

Components of Real GDP

	2006	2007	2008	2008	2009	1H2010
	SKK	SKK	SKK	EUR	EUR	EUR
	<i>(amounts in billions of the indicated currency, using constant prices⁽¹⁾, except for percentages)</i>					
Total consumption expenditure	944.5	993.5	1,051.5	34.90	34.95	16.79
<i>of which:</i>						
Households	707.4	756.3	801.8	26.62	26.43	12.87
Government	237.1	237.2	249.7	8.29	8.52	3.91
Gross fixed capital formation	359.1	391.6	398.6	13.23	11.85	5.54
Export of goods and services.....	1,232.8	1,409.0	1,453.9	48.26	40.29	22.09
<i>less:</i>	1,249.9	1,365.3	1,407.1			
Import of goods and services				46.71	38.49	38.49
Real GDP	1,293.7	1,430.6	1,518.9	50.42	48.07	23.74
Percentage change (%)	8.5	10.6	6.2	6.2	(-4.7)	(4.7 ⁽²⁾)

(1) Constant 2000 prices are used.

(2) 2010-1H vs. 2009-1H growth

Source: The Slovak Statistical Office.

The sectoral breakdown of GDP has changed substantially since 1989. In 2010, as of June 30, 58.9% of GDP was generated in the service sector (mainly through market services, including real estate, wholesale and retail trade, transportation and communication) whereas this sector represented approximately 30% in the period from 1989 to 1991. Conversely, the industry and construction sectors together generated 29.6% of GDP in the first half of 2010, compared with 60% in 1991. The increase in investment in the Slovak Republic, particularly in the automotive manufacturing sector, caused an increase in the contribution of manufacturing to GDP in the recent past. The agricultural sector's contribution has remained below 5% since 1999.

The following table sets out nominal GDP and the annual percentage shares of nominal GDP by sector in the respective periods from 2006 to the first half of 2010:

Nominal GDP by Sector

	2006		2007		2008		2008		2009		1H2010	
	SKK	(%)	SKK	(%)	SKK	(%)	EUR	(%)	EUR	(%)	EUR	(%)
<i>(amounts in billions of the indicated currency, except for percentages)</i>												
Industry ⁽¹⁾	468.7	28.3	516.9	27.9	546.9	27.0	18.2	27.0	14.7	23.2	7.5	23.9
Construction	114.7	6.9	130.8	7.1	151.8	7.5	5.0	7.5	5.1	8.0	1.8	5.8
Agriculture and forestry.....	53.6	3.2	58.8	3.2	57.0	2.8	1.9	2.8	1.5	2.4	0.7	2.3
Services	859.1	51.8	965.0	52.0	1,082.6	53.5	35.9	53.5	36.3	57.3	18.5	58.9
Other ⁽²⁾	162.2	9.8	182.6	9.8	186.8	9.2	6.2	9.2	5.8	9.1	2.9	9.2
Nominal GDP..	1,658.3	100.0	1,854.2	100.0	2,025.1	100.0	67.2	100.0	63.3	100.0	31.4	100.0

⁽¹⁾ Includes extraction of minerals, manufacturing, and production and supply of electricity, gas and water.

⁽²⁾ Includes indirect taxes, imputed production of banking sector and profits and losses from stock ownership.

Source: The Slovak Statistical Office and the Ministry of Finance

Slovak Republic has implemented the electronic toll collection system (operating since January 2010) and is conducting motorway constructions (with a total length of 156.7 km) by means of private-public partnerships (“PPP”). The original estimated construction costs of PPP motorway projects were EUR 5.3 billion, excluding VAT. However, due to the lack of liquidity in the banking sector and as a result of the new government initiative to increase the share of EU funding, some parts of the PPP projects have been cancelled or postponed.

Inflation

Inflation in the Slovak Republic declined continuously throughout 2009 under the influence of slack global demand caused by the economic downturn. The trend of declining inflation was further supported by falling prices of oil and foodstuffs. Inflation in EU hit its bottom in July 2009 when it dropped to –0.7% in the euro area. The average annual inflation declined to 1.6% in 2009 measured by the CPI, or to 0.9% when measured at the harmonised level following the Eurostat methodology. In January and February 2010, the CPI inflation rate in the Slovak Republic reached its all-time low of 0.4% year-on-year. In March 2010 inflation moved on a moderate growth path. It is expected that inflation might rise in the second half of 2010 as a result of the loose monetary policy of the European Central Bank coupled with recovering worldwide demand. Nevertheless, the average CPI inflation for 2010 will be probably below the 1.6% from 2009.

The following table sets out the average year-on-year inflation rate (as measured by the CPI) for the respective periods from 2006 to the first half of 2010:

Rate of Inflation

	2006	2007	2008	2009	1H2010
	<i>(average % change year-on-year)</i>				
Consumer price index.....	4.5	2.8	4.6	1.6	0.8
“Core” inflation ⁽¹⁾	2.5	2.9	4.6	0.5	0.9

⁽¹⁾ Core inflation means inflation excluding the influence of increases in regulated prices and the influence of changes in indirect taxes.

Source: The Slovak Statistical Office.

The following table sets out the consolidated general government revenues and expenditures from 2005 to 2010 (according to ESA95 methodology):

Consolidated General Government Budget

	Actual						Estimate
	2005	2006	2007	2008	2008	2009	2010*
	ESA95	ESA95	ESA95	ESA95	ESA95	ESA95	ESA95
	SKK	SKK	SKK	SKK	EUR	EUR	EUR
	<i>(amounts in billions of the indicated currency, except for percentages)</i>						
Total Revenue.....	525.3	555.1	602.6	658.1	21.844	21.705	20.950
Total Expenditures.....	567.1	612.4	637.0	704.7	23.393	25.995	26.058
General government balance.....	(41.8)	(57.3)	(34.4)	(46.7)	(1.549)	(5.003)	(5.108)
<i>as a % of GDP.....</i>	<i>(2.8)</i>	<i>(3.5)</i>	<i>(1.9)</i>	<i>(2.3)</i>	<i>(2.3)</i>	<i>(7.9)</i>	<i>(7.8)</i>

Note: (2005-2008) – EDP 16 April 2010 notification. The consolidated general government budget includes, among other things, the state budget and budgets of Social Insurance Company, health insurance companies, municipalities and higher administrative units (in Slovak “Vyšší územnosprávny celok”), National Property Fund, Slovak Land Fund, state funds.
2009 – EDP 1 October 2010 notification (to be confirmed by Eurostat).

* Estimate

Source: Ministry of Finance.

As regards the general government deficit, the Slovak Republic attained the first of its fiscal consolidation objectives in 2007 by reducing the general government deficit below 3% of GDP in line with the Maastricht fiscal criteria. Deficit grew to 7.9% of GDP in 2009 (notification as of 1 October 2010) what reflected the impact of adverse economic development caused by economic crisis and the measures taken by the government to stimulate economic growth. General government gross debt grew from 27.7% of GDP at the end of 2008 to 35.7% of GDP at the end of 2009.

In 2010 the general government deficit is estimated at 7.8% of GDP, as compared to the budgeted deficit of 5.5% of GDP. Deterioration of the budget deficit can be attributed mainly to the worse outcome in 2009 which could not be fully reflected in the budget preparation for 2010. Moreover, economic recovery in 2010 is driven especially by increase of exports. Development of labour market and household consumption, which are more tax intensive, are expected to be still weak. General government debt will continue to increase and will reach 41.9% of GDP in 2010.

The objective of a new created government is to decrease general government deficit below 3% of GDP until 2013 and to fulfil Maastricht criterion again. Under the consolidation of public finance government consider introducing of measures focused on decrease of expenditures and increase of tax revenues. Government plans to save around EUR 900 Mio on expenditure side of budget and to adopt measures including tax changes which will raise government revenues by EUR 800 Mio in 2011. Tax measures focus especially on abolishing of tax exemption and tax allowances but also VAT standard rate will be increased from 19% to 20%.

The following table sets out the sub-sector balances of the general government budget from 2005 to 2010 (according to ESA95 methodology):

Sector Balances of the Consolidated General Government Budget

	Actual					
	2005	2006	2007	2008	2008	2009
	ESA95	ESA95	ESA95	ESA95	ESA95	ESA 95
	SKK	SKK	SKK	SKK	EUR	EUR
	(amounts in billions of the indicated currency, except for percentages)					
Central government						
balance.....	(34.5)	(54.9)	(34.1)	(54.3)	(1.801)	(4.278)
Local government						
balance.....	0.4	(4.9)	(2.2)	(1.5)	(0.048)	(0.401)
Social security funds						
balance.....	(7.8)	2.5	1.9	9.0	0.300	(0.324)
General government						
balance.....	(41.8)	(57.3)	(34.4)	(46.7)	(1.549)	(5.003)
<i>as a % of GDP.....</i>	<i>(2.8)</i>	<i>(3.5)</i>	<i>(1.9)</i>	<i>(2.3)</i>	<i>(2.3)</i>	<i>(7.9)</i>

Note: (2005-2009) – EDP 16 April 2010 notification. The consolidated general government budget includes, among other things, the state budget and budgets of Social Insurance Company, health insurance companies, municipalities and higher administrative units (in Slovak “Vyšší územnosprávny celok”), National Property Fund, Slovak Land Fund and state funds.

2009 – EDP 1st October 2010 notification (to be confirmed by Eurostat).

* Estimate

Source: Ministry of Finance.

Imports and Exports of Goods by Region

The following table sets out the imports and exports of goods by region for each of the years from 2006 to 2010:

Imports and Exports of Goods by Region

	Imports				
	2006	2007	2008	2009	1H2010
EU	68.1	68.9	67.6	67.6	67.0
<i>of which:</i>					
Germany	20.4	19.9	18.4	16.8	15.6
Austria	3.4	3.1	2.7	2.9	2.6
Italy	4.6	4.0	3.5	4.1	3.1
Czech Republic.....	12.0	11.5	10.6	12.3	10.3
Russia	11.5	9.4	10.8	9.0	9.4
USA.....	1.3	1.1	1.2	1.2	0.9
Japan.....	2.0	1.6	1.4	1.3	1.5
OECD	70.1	69.8	64.3	70.1	63.0

	Exports				
	2006	2007	2008	2009	1H2010
EU	85.1	86.7	85.2	85.7	84.5
<i>of which:</i>					
Germany	23.5	21.5	19.8	20.1	19.1
Austria	6.1	5.8	5.7	5.8	6.4
Italy	6.5	6.4	5.6	6.1	6.0
Czech Republic.....	13.7	12.4	13.5	12.9	13.6
Russia	1.6	2.3	4.1	3.6	3.8
USA.....	3.2	2.5	1.7	1.1	1.3
Japan.....	0.3	0.2	0.2	0.1	0.1
OECD	89.6	88.5	86.2	87.0	86.4

⁽¹⁾ Data for the first 6 months of 2010.

Source: The Slovak Statistical Office and the National Bank of Slovakia.

The state budget deficit has been financed in the past by the issue of domestic and foreign placed bonds.

INDEBTEDNESS

State Debt

Prior to 2003, public debt was administered by the Ministry of Finance. Since May 2003, however, the Ministry of Finance has cooperated with the Agency and the State Treasury (in Slovak: *Štátna pokladnica*) in discharging this function. The framework for all direct internal and external debt incurred by the Slovak Republic is set out in the Act No. 386/2002 Coll. on the State Debt and State Guarantees, as amended. The Agency and the State Treasury were established by the Act on the Treasury.

In 2004, the Agency took responsibility for the management of the state's debt and liquidity. The Agency's responsibilities include the following: (a) cooperation with the Ministry of Finance in developing a state debt financing strategy; (b) coordinating and realizing repayments of state debt; (c) managing the issue of state securities; (d) clearing securities transactions; (e) making financial payments with the proceeds of the sale of state securities; (f) conducting operations connected with the management of state debt; and (g) conducting operations on the money market on the account of the state connected with the management of state funds.

Methodology

Both the Ministry of Finance and the NBS keep records of state debt. The NBS and Ministry of Finance classify bond issues as external debt based on the domicile of the owner. Accordingly, both institutions record the purchase by foreign domiciled investors of Slovak state bonds issued in the Slovak Republic as external debt. Statistical information in this Offering Circular on state debt and state guaranteed debt is compiled in accordance with presented methodology.

In 2006, the Ministry of Finance made its state debt reporting procedures to conform to Eurostat requirements. These changes were related to state bonds issued in Slovak currency. As a consequence, state bonds owned by non-Slovak residents are reported in the external state debt category while under the previous practice of reporting they were part of the domestic state debt. In addition, high risk state guarantees became part of the state debt.

State Debt

As of 30 June 2010, state debt was EUR 24 billion compared with EUR 21.3 billion at the end of 2009. No state debt is owed to the NBS or ECB (European Central Bank), although it may be possible that the ECB temporarily holds debt securities issued by the Slovak Republic as a part of its operations in the open market.

The funding of the state debt is currently conducted in accordance with the Government Debt Management Strategy for the period from 2007 to 2010. It is expected that the Slovak Republic's gross borrowing requirements in 2010 will reach the level of EUR 7.6 billion, what compares to EUR 6.9 billion in 2009.

As regards the current structure of the government debt, 95.7% of the general government debt is in the form of government bonds. The obligations of the Slovak Republic under the state guarantees are expected to constitute 2.2% of the government debt at the end of 2010 and the provision of new state guarantees is subject to substantial statutory constraints. Furthermore, 99.6% of the government debt is denominated in EUR.

The following table sets out state debt in accordance with the Ministry of Finance methodology:

State Debt

	As of 31 December					As of 30
	2005	2006	2007	2008	2009	June 2010
Domestic state debt ⁽¹⁾ (SKK / EUR* billions)	292.9	271.6	309.2	396.1	13.5	15.8
Domestic state debt (U.S. \$ billions) ⁽²⁾	9.2	10.3	13.5	18.5	19.5	19.4
as a % of nominal GDP	19.9	16.6	16.7	19.5	21.3	50.3
External state debt ⁽³⁾ (SKK / EUR* billions)	196.9	212.3	212.0	135.6	7.8	8.2
External state debt (U.S.\$ billions) ⁽²⁾	6.2	8.1	9.3	6.3	11.2	10.0
as a % of nominal GDP	13.4	13.0	11.4	6.7	12.3	26.0
Total (SKK / EUR* billions)	489.8	483.9	521.2	531.7	21.3	24.0
Total (U.S.\$ billions)⁽²⁾	15.4	18.4	22.8	24.9	30.7	29.4
as a % of nominal GDP	33.3	29.6	28.2	26.2	33.6	76.3
Nominal GDP (SKK / EUR* billions)	1,471.1	1,659.6	1,850.9	2,028.4	63.3	31.4
Nominal GDP (U.S.\$ billions) ⁽²⁾	46.0	63.2	80.9	94.9	91.2	38.6

* Information since 2009 is in EUR.

⁽¹⁾ Domestic state debt means public debt owed by the state or NBS initially incurred or issued in the Slovak Republic, regardless of the currency of denomination, although to date all such debt has been incurred in Slovak crowns.

⁽²⁾ Applicable U.S.\$: SKK exchange rates are as follows:

30.12.2005	1 U.S.\$ = 31.948 SKK
29.12.2006	1 U.S.\$ = 26.246 SKK
31.12.2007	1 U.S.\$ = 22.870 SKK
31.12.2008	1 U.S.\$ = 21.385 SKK
31.12.2009	1 U.S.\$ = 1.4406 EUR
30.6.2010	1 U.S.\$ = 1.2271 EUR

⁽³⁾ External state debt means public debt owed by the state or NBS initially incurred or issued outside The Slovak Republic, regardless of currency of denomination.

Source: The Agency

The following table sets out state debt service in accordance with the Ministry of Finance methodology for the years from 2005 to 2010:

State Debt Service

Domestic Debt	Actual					Budget
	2005	2006	2007	2008	2009	2010
	SKK	SKK	SKK	SKK	EUR	EUR
<i>(amounts in millions of the indicated currency)</i>						
1. Interest of domestic state bonds	16,186	11,272	17,305	12,048	339.945	498.045
2. Cost of cash management	1,565	7,268	3,651	5,369	178.217	162.360
3. Interest of domestic loans	395	258	293	105	3.488	0.069
4. Fees	22	22	37	36	1.195	4.700
Total Domestic Debt	18,168	18,820	21,286	17,559	582.846	665.174
Foreign Debt						
1. Interest of foreign state bonds ..	3,576	3,076	4,079	5,309	176.211	254.675
2. Interest of domestic bonds - non-residents	—	2,861	2,466	2,237	74.267	40.000
3. Cost of foreign cash management	—	—	—	—	0.091	114.859
4. Interest of foreign loans	1,931	1,558	2,120	1,535	50.948	56.542
5. Fees	40	55	48	20	0.655	3.690
Total Foreign Debt	5,547	7,550	8,712	9,101	302.082	479.076
Total Debt	23,715	26,370	29,999	26,659	884.928	1,144.250

Source: The Agency

The following table sets out the principal payments to service state debt in accordance with the Ministry of Finance methodology in the years from 2011 to 2027:

Principal Payments

Status as of	2011	2012	2013	2014	2015	2016	2017	2018
<i>(amounts in millions of EUR)</i>								
Domestic bonds principal	2,428.60	2,490.00	2,258.28	1,327.76	1,500.00	943.60	1,327.76	0.00
Foreign bonds principal	0.00	0.00	0.00	1,000.00	2,000.00	0.00	1,000.00	0.00
Domestic loans principal	1.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign loans principal	130.99	72.23	62.58	280.54	44.24	14.43	14.18	14.18
Total	2,561.48	2,562.23	2,320.86	2,608.30	3,544.24	958.03	2,341.94	14.18

	2019	2020	2021	2022	2023	2024	2025	2026	2027
<i>(amounts in millions of EUR)</i>									
Domestic bonds principal	1,327.76	1,635.60	0.00	0.00	0.00	0.00	0.00	1,049.80	0.00
Foreign bonds principal	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00
Domestic loans principal	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign loans principal	109.18	14.18	13.14	9.05	8.21	5.60	1,303.84	3.84	3.84
Total	1,436.94	1,649.78	1,013.14	9.05	8.21	5.60	1,303.84	1,053.64	3.84

Ratings

The Slovak Republic is rated by a number of international credit rating agencies. The following table sets forth the ratings of the respective agencies as of the date hereof:

	Standard & Poor's	Moody's	Fitch Ratings	R&I	JCR
Rating	A+	A1	A+	A	A+
	stable outlook	stable outlook	stable outlook	stable outlook	stable outlook
Assignment Date	November 27, 2008	March 27, 2009	July 8, 2008	July 16, 2008	August 21, 2008

Up-to-date credit ratings of the Slovak Republic may be obtained on the website of the National Bank of Slovakia at <http://www.nbs.sk/en/about-the-bank/rating>.

TAXATION

The following is a general description of the material Slovak and EU tax considerations relating to the acquisition, ownership, disposition and retirement of the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in the relevant countries or elsewhere. This summary does not take into account or discuss the tax laws of any country other than the Slovak Republic nor does it take into account specific double taxation treaties, the individual circumstances, and financial situation or investment objectives of an investor in the Notes. This summary is based upon tax laws of the Slovak Republic as in effect on the date of this Offering Circular and is subject to any change in law that may take effect after such date.

Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

Slovak Taxation

Interest

Interest income from the Notes realized by a legal entity performing business activity and treated as Slovak tax resident ("**Slovak Business Entity**") is not subject to any withholding. Such income should be accounting driven, i.e., included in its P/L statement and tax base which may result in accounting profit and taxable income. A standard 19% Slovak corporate income tax rate applies.

An individual who is treated as a Slovak tax resident ("**Slovak Individual**") will be subject to 19% withholding tax in the Slovak Republic on its interest income from the Notes. The same also applies to (i) a legal person tax resident in the Slovak Republic established for purposes other than to engage in business activities, (ii) the National Bank of Slovakia, or (iii) the National Property Fund of the Slovak Republic, ("**Slovak Non-Business Entity**"). The Slovak Individual could consider the tax withheld to be tax prepayment in its corporate income tax return.

Interest income from the Notes realized by an individual or a person other than an individual who is not treated as a resident of the Slovak Republic for tax purposes ("**Non-Slovak Resident**") and not holding the Notes through a permanent establishment in the Slovak Republic will be subject to 19% withholding tax in the Slovak Republic. However, an applicable Double Taxation Treaty may eventually decrease or eliminate the level of such withholding. Further, if the Non-Slovak Resident not holding the Notes through a permanent establishment in the Slovak Republic, who is tax resident of an EU Member State or European Economic Area, submits its corporate income tax return on the Slovak source income in the Slovak Republic, it could deduct this 19% withholding tax, considering it to be a tax prepayment, from the final income tax liability in the Slovak Republic.

Tax gross-up

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer, and in addition, any payments of principal or interest by any Slovak entity, shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Slovak Republic or any political subdivision therein or any authority therein or thereof having power to tax (the "**Taxes**"), unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by each Holder and each Person who is for the time being shown in the records of Clearstream and/or Euroclear as the holder of a particular nominal amount of the Notes (the "**Recipient**") after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note to a Recipient, if such Recipient is liable to the Taxes in respect of such Note by reason of the Recipient being (i) Slovak Individual, or (ii) Slovak Non-Business Entity.

Capital Gains

Income realized by a Non-Slovak Resident, not holding the Notes through a permanent establishment in the Slovak Republic, from the sale of the Notes to another Non-Slovak Resident, not acquiring the Notes through a permanent establishment in the Slovak Republic, will not be subject to any Slovak income tax.

Income realized by a Non-Slovak Resident, not holding the Notes through a permanent establishment in the Slovak Republic, from the sale of the Notes: (i) to a Slovak tax resident, or (ii) to a Slovak permanent establishment of another Non-Slovak Resident will be subject to taxation in the Slovak Republic, unless an applicable Double Taxation Treaty provides the taxation of any income or capital gains realized from the sale of the Notes by such Non-Slovak Resident. Most of the Double Taxation Treaties do not permit taxation of such income in the Slovak Republic at all.

If such income realized by a Non-Slovak Resident still remains taxable in the Slovak Republic under the previous paragraph and the applicable Double Taxation Treaty does not state otherwise, a 19% securing tax is deducted by the purchaser, unless the Non-Slovak Resident is a tax resident of an EU Member State. Such tax security could be subsequently credited against the final Slovak tax liability of the Non-Slovak Resident.

Income realized by Slovak tax residents from the sale of the Notes is generally subject to Slovak corporate or personal income tax at the 19% flat rate. Losses from the sale of the Notes will only be tax deductible if the conditions prescribed by Act No. 595/2003 Coll. are met.

Proposed amendment

An amendment of Income Tax Act is currently proposed according to which, as of January 1, 2011, any income from state bonds, such as the Notes, realized by a Non-Slovak Resident would not be subject to tax in the Slovak Republic. The amendment has not been approved yet.

Revaluation differences

Slovak tax residents that prepare their financial statements under the Slovak Accounting Standards for Entrepreneurs or under the International Financial Reporting Standards may be required to revalue the Notes to fair value for accounting purposes, whereby the revaluation would be accounted for as revenue or expense. Such revenue is generally taxable and the corresponding expense should be generally tax deductible for Slovak tax purposes.

Other applicable taxes

No Slovak stamp duty, registration, transfer or similar taxes will be payable in connection with the acquisition, ownership, sale or disposal of the Notes by Slovak tax residents or Non-Slovak Residents.

EU Savings Directive

Under Directive 2003/48/EC (the “**Savings Directive**”), Member States are required to provide to the tax authorities of another Member State details of payments of interest (as defined in the Savings Directive) made by a paying agent (as defined in the Savings Directive) within its jurisdiction to an individual resident in that other Member State. During a transitional period, Austria, Belgium and Luxembourg are allowed to apply a withholding tax on interest payments instead of providing details of payments of interest to the tax authorities of other Member States. The rate of withholding tax is 15% during the first three years of the transitional period, 20% during the subsequent three years, and 35% until the end of the transitional period.

A number of third countries and dependent or associated territories have adopted similar measures with effect from 1 July 2005.

TERMS AND CONDITIONS OF THE NOTES
A. NON-BINDING ENGLISH LANGUAGE VERSION

1. INTRODUCTION

The Slovak Republic acting through the Ministry of Finance of the Slovak Republic, with registered seat at Štefanovičova 5, P. O. BOX 82, 817 82 Bratislava, Identification No. 00151742 (the “**Issuer**”) represented by the Debt and Liquidity Management Agency (in Slovak: *Agentúra pre riadenie dlhu a likvidity*; “**ARDAL**”) is establishing the issue of EUR 3,000,000,000 (the “**Authorised Amount**”) 4.35 per cent. notes due 2025 (the “**Notes**”) on the terms specified herein (the “**Conditions**”). The ISIN in respect of the Notes is SK4120007543 and the designation of the Notes is Štátne dlhopisy 216, abbreviated as ŠD 216.

2. DEFINITIONS

In these Conditions, the following expressions have the following meanings:

“**Account**” means either (i) an Owner’s Account, or (ii) a Holding (Intermediary) Account;

“**Accountholder**” means (i) in relation to Notes that are credited to the Owner’s Account, the owner of that account; and (ii) in relation to Notes that are credited to the Holding (Intermediary) Account, the person for which that account has been opened by the Central Depository, and which may include Clearstream and/or Euroclear or any Custodian holding any Notes for Clearstream and/or Euroclear, as applicable;

“**Bonds Act**” means Act No. 530/1990 Coll., as amended;

“**Business Day**” means a day on which the TARGET system is open for business except for Saturday, Sunday and any other day which is considered a public holiday under Sections 1 and 2 of Act No. 241/1993 Coll. on state holidays, holidays and memorial days, as amended;

“**Central Depository**” means Centrálny depozitár cenných papierov SR, a.s., with its registered seat at ul. 29. augusta 1/A, Bratislava 814 80, Slovak Republic, registered in the Commercial Register maintained by the District Court Bratislava I, Section: Sa, Insert No.: 493/B;

“**Clearstream**” means Clearstream Banking, société anonyme;

“**Closure Event**” means the Issuer has been notified (i) that the Central Depository or other clearing system in respect of the Notes has been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory, technical maintenance or otherwise) or has announced an intention permanently to cease business or has in fact done so and no successor clearing system is available, (ii) that any form of insolvency proceedings was commenced in respect of (a) Clearstream (if it is a Custodian), (b) Euroclear (if it is a Custodian), and/or (c) any other Custodian holding any Notes on behalf of Clearstream and/or Euroclear (as applicable);

“**Custodian**” means a custodian holding any Notes on its Holding (Intermediary) Account on behalf of a Holder;

“**Denomination**” means EUR 1.00 (one euro);

“**Early Termination Amount**” means in respect of each Note the principal of such Note equal to the Denomination plus interest accrued as calculated in accordance with Condition 5 to but excluding the date on which principal and interest payable in respect of such Note in accordance with the foregoing have been discharged in full by the Issuer;

“**Euroclear**” means Euroclear Bank S.A./N.V.;

“**Holder**” means in relation to any Notes, the Person or Persons to whose Owner’s Account the Notes are credited or who is registered as the owner of the Notes in the internal records of the Custodian holding the relevant Notes in its Holding (Intermediary) Account, if not otherwise proven;

“**Holding (Intermediary) Account**” means an account in the Central Depository established and existing pursuant to Section 105a of the Securities Act and which account may be created by the Central Depository for any other central depository, foreign central depository or for local or foreign securities brokers or local or foreign banks;

“**Interest Payment Date**” means each of 14 October 2011, 14 October 2012, 14 October 2013, 14 October 2014, 14 October 2015, 14 October 2016, 14 October 2017, 14 October 2018, 14 October 2019, 14 October 2020, 14 October 2021, 14 October 2022, 14 October 2023, 14 October 2024, 14 October 2025;

“**Issue Date**” means 14 October 2010, as the date on which first portion of Note(s) shall be issued;

“**Maturity Date**” means 14 October 2025;

“**Owner’s Account**” means an account in the Central Depository or maintained on behalf of a Holder with a member of the Central Depository established and existing pursuant to Section 105 of the Securities Act;

“**Person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, regardless of whether it has a separate legal personality;

“**Rate of Interest**” means the 4.35 per cent. per annum; and

“**Securities Act**” means Act No. 566/2001 Coll., as amended.

3. FORM, DENOMINATION AND TITLE

3.1 Form and Registration

The Notes will be issued in book-entry form (in Slovak: *zaknihované*) as bearer (in Slovak: *na doručiteľa*) securities.

The Notes will be registered in the Central Depository in accordance with the Securities Act. No global certificates, definitive certificates or coupons will be issued with respect to any Notes under any circumstances.

3.2 Principal of Notes

The principal amount of each Note will be equal to the Denomination. The Issuer declares that it owes the amount equal to the Denomination of the Note to the Holder.

3.3 Title

The Notes will be transferable only by debiting the transferor’s Account and crediting the transferee’s Account and in accordance with the rules and procedures for the time being of the Central Depository and subject to all applicable laws or by making any appropriate entries in the records of the relevant Custodian in respect of any Notes held on the relevant Holding (Intermediary) Account.

3.4 Direct Rights

The Holders will be recognised as the owners of the Notes under Slovak law. Any rights such Holders may have will be without prejudice to the method of payment of any amounts in respect of the Notes under Condition 7 or such other rights that according to the provisions hereof belong solely to the relevant Accountholders.

However, in the case of an Event of Default under Condition 10 (*Events of Default*) or in case of a Closure Event, the Issuer will recognise that each Person who is for the time being shown in the records of Clearstream and/or Euroclear (as applicable) as the holder of a particular nominal amount of the Notes shall be entitled to enforce its rights and the obligations of the Issuer under the Notes and exercise the rights of a Holder of that nominal amount of Notes pursuant to Clearstream and/or Euroclear's standard procedures and subject to any mandatory provisions of any applicable laws.

3.5 Records of the Central Depository

The records of the Central Depository and the records of the members of the Central Depository shall be evidence of the identity of the Accountholders and the number of Notes credited to the Account of each Accountholder. For these purposes a statement issued by the Central Depository stating:

- (i) the name of the Accountholder to which the statement is issued, and
- (ii) the aggregate nominal amount of Notes credited to the Accounts of the Accountholders,

at the relevant time or date as set out in such statement, shall be a conclusive evidence as to the identity of the Accountholders.

4. STATUS OF THE NOTES

The Notes constitute direct, general and unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsubordinated and unsecured obligations of the Issuer, present and future, save for such obligations as may be preferred by provisions of law that are mandatory and of general application to creditor rights.

5. INTEREST

5.1 Interest Rate and Interest Payment Dates

The Notes shall be issued as notes bearing fixed interest that shall be equal to the Rate of Interest. The Notes shall bear interest from and including the Issue Date at the Rate of Interest payable annually in arrear on each Interest Payment Date in the manner set forth in Condition 7 (*Payments*). The first payment (representing a full year's interest) shall be made on 14 October 2011.

5.2 Accrual of Interest

Each Note shall bear interest from and including the Issue Date or an Interest Payment Date to but excluding the next Interest Payment Date or the Maturity Date, as the case may be. Each Note will cease to bear interest from the relevant payment date unless payment of the principal is improperly withheld or refused, in which case it will continue to bear interest at the Rate of Interest up to but excluding the date on which the principal has been paid in full.

5.3 Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the "**Accrual Date**") to but excluding the date on which it falls due or on which the principal is paid in full in accordance with Condition 5.2 (*Accrual of Interest*) (as applicable) divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date or, if there is no such following Interest Payment Date, to but excluding 14 October in the calendar year immediately following after the calendar year of which the Accrual Date is a part.

6. REDEMPTION AND PURCHASE

6.1 Redemption at Maturity

Unless previously purchased and cancelled as provided below, each Note shall be redeemed by payment by the Issuer of amount equal to the Denomination on the Maturity Date.

6.2 Purchase

The Issuer may purchase Notes in the open market or otherwise at any price, at any time. Any Notes so purchased will forthwith be cancelled, and accordingly may not be resold, except that any Notes so purchased will not be required to be cancelled if used in market operations for balance of reserves for the repurchase operations in the framework of the Last Resort Lending conducted with primary dealers.

6.3 Cancellation

All Notes which are redeemed will forthwith be cancelled, and accordingly may not be reissued or resold. Other than as provided in Condition 6.2 (*Purchase*), the Notes in respect of which the Early Termination Amount has been paid in full shall be deemed to have been redeemed for the purposes of the preceding sentence

6.4 No Other Redemption

The Issuer shall not be entitled to redeem the Notes and the Holders shall not be entitled to require the Issuer to redeem the Notes other than as provided in Condition 6.1 (*Redemption at Maturity*) above, subject to Condition 10 (*Events of Default*).

7. PAYMENTS

7.1 Method of Payment

All payments of principal and interest on the Notes shall be made through ARDAL by wire transfer in accordance with the applicable legislation and as provided herein. The place of payment shall be the address of ARDAL referred to in Condition 12.2.

7.2 Payments of Principal

The Issuer is obliged to repay the principal of the Notes on the Maturity Date as specified in this Condition 7.2. The Accountholder registered as the Accountholder in respect of the relevant Notes immediately before the Central Depository opens for business on the relevant payment date shall be entitled to receive the principal payment on the Notes, which shall be made by wire transfer to the account specified by the Accountholder in the Payment Information Form on the relevant payment date. The payment obligation shall be treated as discharged in full by the Issuer when an irrevocable instruction is given to the relevant payment system and the payment is debited from the relevant account of the Issuer.

7.3 Interest

The Issuer is obliged to pay the interest payments on each Interest Payment Date as specified in this Condition 7.3. The Accountholder registered as the Accountholder in respect of the relevant Notes immediately before the Central Depository opens for business on each Interest Payment Date or other date for the payment of interest shall be entitled to receive the interest payment on the Notes which shall be made by wire transfer to the account specified by the Accountholder in the Payment Information Form on the relevant Interest Payment Date or other date for the payment of interest. The payment obligation shall be treated as discharged in full by the Issuer when an irrevocable instruction is given to the relevant payment system and the payment is debited from the relevant account of the Issuer.

7.4 Payments subject to Applicable Laws

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged by the Issuer in respect of such payments.

7.5 Notification of Payment Information

Each Accountholder is obliged to provide the Issuer with sufficient information to allow the Issuer to effect the interest and/or principal payment in relation to any Notes of which such person is a Accountholder. For this purpose, each Accountholder is obliged to complete and deliver to ARDAL

the form appearing on the website of ARDAL at: www.ardal.sk/en/government-securities/documents in English language and on the website of ARDAL at: www.ardal.sk/sk/statne-cenne-papier/dokumenty in Slovak language (there are different forms for the Accountholder being a natural person and the Accountholder being a legal person) (the “**Payment Information Form**”) at least 10 Business Days prior to each Interest Payment Date or Maturity Date (the “**Submission Deadline**”). The Payment Information Form must be signed by person(s) authorized to act on behalf of the Accountholder.

If the Accountholder is a legal person the Payment Information Form must have attached to it the extract from the commercial, trade or company register in which such Accountholder is registered.

The fact that the Accountholder does not disclose in the relevant Payment Information Form the identity and tax residency status of the beneficial owners for whose benefit such Accountholder holds the relevant Notes shall not prejudice the rights under Condition 9.

If the relevant Accountholder holds any Notes for a Holder, Euroclear and/or Clearstream and it shall be under the applicable laws required to make any withholding or deduction as contemplated by Condition 9, the Payment Information Form shall among other information include information on any additional amounts that shall be payable in accordance with Condition 9.

The Payment Information Form must be delivered either:

- (i) in hard copy to the address of ARDAL referred to in Condition 12.2; or
- (ii) by facsimile to one of the following numbers: +421 2 57262 525 / +421 2 5245 0381; or
- (iii) in the form of scanned documents by email to the following electronic mail address: ardal@ardal.sk.

In the event that multiple Payment Information Forms relating to one Accountholder are received by ARDAL, the latest to have been received by ARDAL shall be treated as definitive.

Any of the above contact details may be changed by ARDAL by publishing new contact details on its website: www.ardal.sk, where the information shall be published both in Slovak and English. Such new contact details shall take effect on the date specified on the website, but not earlier than one calendar month after the information is published on such website.

7.6 Non-Notification of Payment Information

If the Payment Information Form together with its attachments is not delivered to ARDAL on or before the Submission Deadline in accordance with Condition 7.5 (*Notification of Payment Information*) above, the Issuer shall make payment of the relevant sums 10 Business Days after the due delivery of the Payment Information Form together with its attachments.

Any payment made in accordance with this Condition 7.6 (*Non-Notification of Payment Information*) shall be treated as a payment made in a due and timely manner and the Issuer expressly disclaims any liability for making any such payments in the manner described.

7.7 Payment Day

If the date for payment of any amount in respect of any of the Notes is not a Business Day, the Accountholder thereof shall not be entitled to payment until the next following Business Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

7.8 General Provisions Applicable to Payments

The Accountholders shall be the only persons entitled to receive payments in respect of the Notes and the Issuer will be discharged by payment to, or to the order of, the Accountholders in respect of each amount so paid. Each of the persons shown in the records of Clearstream or Euroclear as the holder of a particular nominal amount of the Notes must look solely to Clearstream or Euroclear, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the Accountholders. However, where a Closure Event prevents the payments being made to such persons, the Persons

shown for the time being in the records of Clearstream and/or Euroclear (as applicable) shall have the right to receive the payments directly from the Issuer subject to Condition 3.4.

8. PRESCRIPTION

Any rights under the Notes shall become unenforceable after the lapse of a 10-year period from (i) the relevant Interest Payment Date, in the case of the right to claim an interest payment, (ii) the Maturity Date, in the case of the right to claim a principal payment, and (iii) the first day on which such right could have been enforced under law, in the case of any other right, as the foregoing may be modified by an amendment or replacement of the relevant provisions of the Bonds Act.

9. TAXATION

9.1 Payment without Withholding

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer, and in addition, any payments of principal or interest by a any Slovak entity, shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Slovak Republic or any political subdivision therein or any authority therein or thereof having power to tax (the “**Taxes**”), unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by each Holder and each Person who is for the time being shown in the records of Clearstream and/or Euroclear as the holder of a particular nominal amount of the Notes (the “**Recipient**”) after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note to a Recipient, if such Recipient is liable to the Taxes in respect of such Note by reason of the Recipient being (i) an individual who is tax resident in the Slovak Republic, (ii) a legal person tax resident in the Slovak Republic established for purposes other than to engage in business activities; (iii) the National Bank of Slovakia, or (iv) the Fund of National Property of the Slovak Republic.

9.2 Additional Amounts

Any reference in these Conditions to any amounts payable in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 9.

10. EVENTS OF DEFAULT

The following events or circumstances (each an “**Event of Default**”) shall be acceleration events in relation to the Notes, namely:

- (i) if the Issuer fails to pay any principal or interest in respect of any Notes when due and the default continues for a period of 30 Business Days; or
- (ii) if the Issuer fails to perform or comply with any of its other obligations in respect of the Notes which default is incapable of remedy or, if capable of remedy, is not remedied 45 days after written notice of such default has been given to the Issuer.

If any Event of Default shall occur in relation to any Notes, all of the Notes may, by written notice addressed and delivered by the Accountholders (subject to Condition 3.4 (*Direct Rights*)) holding at least 25 per cent. of the aggregate principal amount of the Notes then outstanding to ARDAL in accordance with Condition 12.1 (*Notices to the Issuer*), be declared immediately due and payable, whereupon, unless that the Issuer shall have cured or otherwise rectified the relevant Event of Default, the Notes shall become due and payable at the Early Termination Amount. Notice of any such declaration shall promptly be given to all Holders by the Issuer.

If the Issuer receives notice in writing from Accountholders, subject to Condition 3.4 (*Direct Rights*), in respect of at least 50 per cent. of the aggregate principal amount of the Notes then outstanding to the effect that Event(s) of Default giving rise to such declaration is or are cured or is or are waived by

them following any such declaration and that such Accountholders request that the Issuer disregard the relevant declaration, the rights and obligations of the Holders, the Accountholders and the Issuer shall be treated as if there were no such declaration and the Issuer shall give notice thereof to all Holders. No such action by the Accountholders shall affect any other or any subsequent Event of Default or any right of any Accountholder in relation thereto.

11. SALE OF NOTES AND FURTHER ISSUES

The maximum nominal value of the Notes issued under these Conditions shall be equal to the Authorised Amount. The Issuer shall initially sell the Notes in the aggregate par value at its discretion by way of subscription of such Notes by the managers appointed by the Issuer in accordance with the relevant subscription agreement. The Issuer may from time to time without the consent of Accountholders or Holders create and issue further Notes, having terms and conditions same as the Notes that have already been issued, which shall be consolidated and form a single series with any outstanding Notes. The Issuer may sell any number of such subsequently issued Notes either (i) by way of subscription of such Notes by a syndicate or manager (dealer); (ii) by way of auction of such Notes open to the participants in the primary market organised by ARDAL in accordance with the rules issued by ARDAL; or (iii) by other means as the Issuer may deem fit in its sole discretion.

The anticipated issue period of the Notes is from the Issue Date until 31 December 2020.

Issue price of the Notes is not limited and shall be determined by the Issuer from time to time whenever any portion of the Notes is sold.

12. NOTICES

12.1 Notices to the Issuer

Any communication addressed to the Issuer to be made under or in connection with the Notes shall be made in writing by letter or by fax sent to ARDAL at the address or fax number specified in Condition 12.2 (*Address*) below, unless otherwise provided herein.

12.2 Address

All communications in writing must be delivered to the following address:

Agentúra pre riadenie dlhu a likvidity
Radlinského 32
813 19 Bratislava
Slovenská republika

If communication is made by fax, it must be sent to one of the following numbers: +421 2 57262 525 / +421 2 5245 0381

Any of the above contact details may be changed by ARDAL by publishing new contact details on its website: www.ardal.sk, where the information shall be published both in Slovak and English. Such new contact details shall take effect on the date specified on the website, but not earlier than one calendar month after the information is published on such website.

12.3 Delivery

Any communication or document made or delivered to the Issuer in connection with the Notes will be effective (i) if made by fax, when transmitted to ARDAL and (ii) if sent by post or courier, on the second Business Day after the day of sending to ARDAL; without prejudice to the provisions of Condition 7.6.

12.4 Language

Any notice given under or in connection with any Notes must be made in English or in Slovak.

12.5 Notices to Holders and Accountholders

Unless otherwise provided herein, any notices to the Holders and/or the Accountholders shall be made (i) by publication of the relevant notice on the website of ARDAL at www.ardal.sk ; and (ii) by publication of the relevant notice in (1) a leading Slovak-language daily newspaper publishing stock exchange news and (2) a leading English-language daily newspaper having general circulation in Europe (which is expected to be *The Financial Times*). In any event, the notices shall also be published in such other manner as may be required by the rules and regulations of any stock exchange on which the Notes are listed and/or traded or other relevant authority the rules and regulations of which apply to the Notes at the relevant time. The notices to the Holders and/or the Accountholders shall be made both in English and Slovak. Any such notice will be deemed to have been given on the date of first publication or, where required to be published in more than one newspaper, on the date of first publication in all required newspapers.

13. ROUNDING

For the purposes of any calculations referred to in these Conditions, unless otherwise specified in these Conditions, (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent., being rounded up to 0.00001 per cent.), and (b) all amounts in euro will be rounded to the nearest cent (with one half cent being rounded up). No rounding will be applied to any intermediate calculations and only the final sum that is to be paid to the respective Person on a single occasion shall be rounded in accordance with the foregoing.

14. ADMISSION OF THE NOTES TO STOCK EXCHANGE

An application shall be made to admit the Notes to trading on the main listed market of the Bratislava Stock Exchange. Notes may also be admitted to listing, trading and/or quotation on any other listing authorities, stock exchanges, regulated markets and/or quotation systems as the Issuer sees fit, provided that the relevant requirements for such admission have been met.

15. FINANCIAL RESOURCES FOR REPAYMENT OF THE NOTES

Any and all payments to be made under the Notes shall be funded from the financial resources allocated for that purposes by the state budget for the relevant year that will either come from (i) the resources received by the Issuer as income of the state budget, (ii) the resources obtained by issuance by the Issuer of any appropriate debt instruments or entering into with any party into appropriate credit arrangements or (iii) the privatisation sale of any assets of the Issuer.

16. WAIVER AND REMEDIES

The rights hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take another action in the same, similar or other instances without such notice or demand.

17. GOVERNING LAW

These Conditions and any non-contractual obligations arising therefrom or connected with the Notes shall be governed by and construed in accordance with the law of the Slovak Republic.

18. JURISDICTION

18.1 Jurisdiction

The Issuer irrevocably agrees for the benefit of the Accountholders and Holders that the courts of the Slovak Republic shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes which may arise out of or in connection with the Notes (respectively, “**Proceedings**” and “**Disputes**”) and, for such purposes, it irrevocably submits to the non-exclusive jurisdiction of such courts.

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of the Slovak Republic being nominated as the forum to hear and determine any Proceedings and to settle any Disputes and agrees not to claim that any such court is not a convenient or appropriate forum.

18.2 Waiver of Immunity from Execution

To the extent that the Issuer or any of its revenues, assets or properties shall be entitled to any immunity from suit, from the jurisdiction of any such court, from set-off, from attachment prior to judgment, from attachment in aid of execution of judgment, from execution of a judgment or from any other legal or judicial process or remedy, and to the extent that in any such jurisdiction there shall be attributed such an immunity, the Issuer irrevocably waives such immunity to the fullest extent permitted by the laws of such jurisdiction. Such waiver of immunities constitutes only a limited and specific waiver by the Issuer for the purposes of these Conditions and under no circumstances shall it be construed as a general waiver by the Issuer or a waiver with respect to proceedings unrelated to the Notes.

18.3 Excluded Assets

Notwithstanding the foregoing, under the laws of the Slovak Republic, the funds, assets, rights and general property of a military character controlled by a military or defence agency or authority of the Slovak Republic which participates in the defence of the Slovak Republic; or mineral resources, underground waters, natural resources and water streams of the Slovak Republic located in the Slovak Republic are immune from execution and attachment and any process in the nature thereof and the foregoing waiver shall not constitute a waiver of such immunity or any immunity from execution or attachment or process in the nature thereof with respect to the Slovak Republic's diplomatic missions in any jurisdiction outside the Slovak Republic or with respect to the assets of the Slovak Republic necessary for the proper functioning of the Slovak Republic as a sovereign power.

19. LANGUAGE

These Conditions are written in the English and Slovak language. The Slovak text shall be prevailing and binding.

B. BINDING SLOVAK LANGUAGE VERSION

EMISNÉ PODMIENKY

1. ÚVOD

Slovenská republika, v mene ktorej koná Ministerstvo financií Slovenskej republiky, so sídlom Štefaničova 5, P.O. BOX 82, 817 82 Bratislava, IČO: 00151742 (ďalej len „**Emitent**“) zastúpené Agentúrou pre riadenie dlhu a likvidity (ďalej len „**ARDAL**“), vydáva dlhopisy (ďalej len „**Dlhopisy**“) v celkovej menovitej hodnote 3 000 000 000 EUR (ďalej len „**Najvyššia suma menovitých hodnôt**“) s úrokovou sadzbou kupónu 4,35 % p. a. a splatných v roku 2025, za podmienok uvedených v týchto emisných podmienkach (ďalej len „**Podmienky**“). Dlhopisom bol pridelený ISIN: SK4120007543 a majú názov Štátne dlhopisy 216 a krátke označenie ŠD 216.

2. DEFINÍCIE

Na účely týchto Podmienok majú nasledujúce pojmy nižšie uvedený význam:

„**Centrálny depozitár**“ znamená spoločnosť Centrálny depozitár cenných papierov SR, a.s., so sídlom ul. 29. augusta 1/A, 814 80 Bratislava, Slovenská republika, zapísaná v Obchodnom registri Okresného súdu Bratislava I, oddiel: Sa, vložka č. 493/B;

„**Clearstream**“ znamená spoločnosť Clearstream Banking, société anonyme;

„**Deň splatnosti úrokov**“ znamená každý z nasledujúcich dní: 14. október 2011, 14. október 2012, 14. október 2013, 14. október 2014, 14. október 2015, 14. október 2016, 14. október 2017, 14. október 2018, 14. október 2019, 14. október 2020, 14. október 2021, 14. október 2022, 14. október 2023, 14. október 2024, 14. október 2025;

„**Deň splatnosti**“ znamená 14. október 2025;

„**Deň začiatku vydávania**“ znamená 14. október 2010, ktorý je dňom kedy bude vydaná prvá časť Dlhopisov;

„**Držiteľ účtu**“ znamená (i) v súvislosti s Dlhopismi, ktoré sú pripísané na Účet majiteľa, majiteľa daného účtu, a (ii) v súvislosti s Dlhopismi, ktoré sú pripísané na Držiteľský účet, osobu pre ktorú bol daný účet otvorený Centrálnym depozitárom a ktorou môže byť tiež Clearstream a/alebo Euroclear alebo akýkoľvek Správca, ktorý drží akékoľvek Dlhopisy pre Clearstream a/alebo Euroclear;

„**Držiteľský účet**“ znamená účet vedený v Centrálnom depozitári zriadený a vedený podľa § 105a Zákona o cenných papieroch, ktorý Centrálny depozitár môže zriadiť pre iného centrálného depozitára, zahraničného centrálného depozitára alebo pre domácich alebo zahraničných obchodníkov s cennými papiermi alebo domáce alebo zahraničné banky;

„**Euroclear**“ znamená spoločnosť Euroclear Bank S.A./N.V.;

„**Hodnota pri predčasnom splatení**“ v súvislosti s Dlhopisom znamená istinu daného Dlhopisu rovnajúcu sa Menovitej hodnote spolu s príslušným úrokom vypočítaným v súlade s článkom 5, do dňa (vynímajúc tento deň) kedy Emitent v súvislosti s daným Dlhopisom splatil istinu a úrok podľa vyššie uvedeného v plnom rozsahu;

„**Majiteľ**“ znamená v súvislosti s akýmkoľvek Dlhopismi, Osobu, na ktorej Účte majiteľa sú Dlhopisy pripísané alebo ktorá je evidovaná ako majiteľ Dlhopisov v internej evidencii Správcu, ktorý drží príslušné Dlhopisy na svojom Držiteľskom účte, pokiaľ sa nepreukáže opak;

„**Menovitá hodnota**“ znamená 1,00 EUR (jedno euro);

„**Osoba**“ znamená akúkoľvek fyzickú osobu, spoločnosť, podnik, firmu, partnerstvo, spoločný podnik, združenie, organizáciu, štát alebo štátny orgán alebo iný subjekt, bez ohľadu na to, či má alebo nemá právnu subjektivitu;

„**Pracovný deň**“ znamená deň, kedy je otvorený systém TARGET na zúčtovanie, okrem soboty, nedele a akéhokoľvek iného dňa, ktorý sa podľa § 1 a § 2 zákona č. 241/1993 Z. z. o štátnych sviatkoch, dňoch pracovného pokoja a o pamätných dňoch, v znení neskorších predpisov, považuje za deň pracovného pokoja;

„**Prípád uzatvorenia**“ znamená, že Emitentovi bolo oznámené, že (i) Centrálny depozitár alebo iný systém vyrovnania v súvislosti s Dlhopismi bol nepretržite zatvorený počas 14 dní (z iného dôvodu než kvôli štátnemu sviatku, zo zákonom ustanoveného dôvodu, z dôvodu technickej údržby alebo z iného podobného dôvodu) alebo oznámil svoj zámer natrvalo ukončiť svoju činnosť alebo ju v skutočnosti už ukončil a žiadny nástupca, ktorý by prevádzkoval systém vyrovnania nie je k dispozícii, alebo (ii) bola začatá akákoľvek forma insolvenčného konania voči (a) spoločnosti Clearstream (ak je Správcom), (b) spoločnosti Euroclear (ak je Správcom), a/alebo (c) akémukoľvek inému Správcom, ktorý drží akékoľvek Dlhopisy pre Clearstream a/alebo Euroclear (podľa okolností);

„**Správca**“ znamená správcu držiaceho akékoľvek Dlhopisy na svojom Držiteľskom účte pre Majiteľa;

„**Účet majiteľa**“ znamená účet vedený v Centrálnom depozitári alebo vedený pre Majiteľa u člena Centrálného depozitára, ktorý je zriadený a vedený podľa § 105 Zákona o cenných papieroch;

„**Účet**“ znamená buď (i) Účet majiteľa alebo (ii) Držiteľský účet;

„**Úrokový výnos**“ znamená 4,35 % *per annum*;

„**Zákon o cenných papieroch**“ znamená zákon č. 566/2001 Z. z., v znení neskorších predpisov; a

„**Zákon o dlhopisoch**“ znamená zákon č. 530/1990 Zb., v znení neskorších predpisov.

3. PODOBA, MENOVITÁ HODNOTA A VLASTNÍCTVO

3.1 Podoba a registrácia

Dlhopisy budú vydané v zaknihovanej podobe vo forme na doručiteľa.

Dlhopisy budú zaregistrované v Centrálnom depozitári podľa Zákona o cenných papieroch. V súvislosti s Dlhopismi nebudú vydané žiadne globálne certifikáty, konečné certifikáty alebo kupóny, a to za žiadnych okolností.

3.2 Istina Dlhopisov

Istina každého Dlhopisu sa bude rovnať jeho Menovitej hodnote. Emitent vyhlasuje, že dlhuje sumu rovnajúcu sa Menovitej hodnote Dlhopisu Majiteľovi.

3.3 Vlastníctvo

Dlhopisy sú prevoditeľné len ich odpísaním (zápisom na ťarchu) z Účtu prevodcu a ich pripísaním v prospech Účtu nadobúdateľa v súlade s platnými pravidlami a postupmi Centrálného depozitára a podľa platných právnych predpisov alebo vykonaním príslušných zmien zápisov v evidencii príslušného Správcu vo vzťahu k Dlhopisom držaným na príslušnom Držiteľskom účte.

3.4 Priame práva

Majitelia budú považovaní za majiteľov Dlhopisov podľa slovenského práva. Akékoľvek práva, ktoré títo Majitelia môžu mať, nebudú mať žiadny vplyv na spôsob platby akejkoľvek sumy súvisiacej s Dlhopismi podľa článku 7 alebo na ďalšie práva, ktoré podľa ustanovení týchto Podmienok prináležia výlučne príslušným Držiteľom účtov.

Ak však nastane Prípád neplnenia podľa článku 10 (*Prípady neplnenia*) alebo ak nastane Prípád uzatvorenia, Emitent uzná, že každá Osoba evidovaná v danom čase v evidencii spoločnosti Clearstream a/alebo Euroclear (podľa okolností) ako držiteľ Dlhopisov s určitou menovitou hodnotou je oprávnená uplatňovať svoje práva a vymáhať plnenie povinností Emitenta vyplývajúce z daných Dlhopisov a bude môcť vykonávať práva Majiteľa Dlhopisov v danej menovitej hodnote, to všetko podľa štandardných prevádzkových pravidiel spoločností Clearstream a/alebo Euroclear a podľa kogentných ustanovení príslušných právnych predpisov.

3.5 Evidencia Centrálného depozitára

Evidencia Centrálného depozitára a evidencia členov Centrálného depozitára sa považuje za dôkaz totožnosti Držiteľov účtov a počtu Dlhopisov pripísaných na Účte každého Držiteľa účtu. Na tieto účely sa za konečný dôkaz totožnosti Držiteľov účtov považuje výpis vystavený Centrálnym depozitárom v danom čase alebo v deň uvedený na predmetnom výpise, na ktorom bude uvedený:

- (i) meno Držiteľa účtu, pre ktorého sa daný výpis vystavuje; a
- (ii) celková menovitá hodnota Dlhopisov pripísaných na Účtoch Držiteľov účtov.

4. STATUS DLHOPISOV

Dlhopisy zakladajú priame, všeobecné a nepodmienené, nepodriadené a nezabezpečené záväzky Emitenta a majú navzájom rovnocenné postavenie (*pari passu*) bez akýchkoľvek vzájomných preferencií a prinajmenšom rovnocenné postavenie (*pari passu*) so všetkými ostatnými terajšími alebo budúcimi nepodriadenými a nezabezpečenými záväzkami Emitenta s výnimkou tých záväzkov, ktoré môžu mať prednostné postavenie výhradne z titulu kogentných ustanovení právnych predpisov aplikujúcich sa všeobecne na práva veriteľov.

5. ÚROK

5.1 Úroková sadzba a Dni splatnosti úrokov

Dlhopisy sa vydávajú ako dlhopisy úročené pevným úrokom, ktorý sa rovná Úrokovému výnosu. Dlhopisy budú úročené odo Dňa začiatku vydávania (vrátane tohto dňa) úrokom vo výške rovnajúcej sa Úrokovému výnosu, pričom úrok bude splatný raz ročne vždy v Deň splatnosti úrokov spôsobom uvedeným v článku 7 (*Platby*). Prvá úhrada (predstavujúca úrok za celý rok) sa uskutoční dňa 14. októbra 2011.

5.2 Akumulácia úrokov

Každý Dlhopis bude úročený od a vrátane Dňa začiatku vydávania alebo od a vrátane príslušného Dňa splatnosti úrokov do nasledujúceho Dňa splatnosti úrokov alebo Dňa splatnosti (podľa okolností a vynímajúc príslušný deň). Každý Dlhopis prestane byť úročený od príslušného platobného dňa, okrem prípadu ak je platba istiny neoprávnene zadržaná alebo odmietnutá, pričom v takom prípade bude Dlhopis naďalej úročený úrokom vo výške Úrokového výnosu až do dňa (vynímajúc tento deň), kedy bude istina splatená v plnom rozsahu.

5.3 Výpočet úrokov za kratšie ako celé úrokové obdobie

Ak je potrebné, aby sa úrok vypočítal za kratšie obdobie ako jeden celý rok, vypočíta sa na základe (a) skutočného počtu dní v období medzi dňom, kedy sa začal úrok akumulovať (vrátane tohto dňa) (ďalej len „**Deň akumulácie úrokov**“) a dňom (okrem tohto dňa), kedy je úrok splatný alebo kedy dôjde k splateniu istiny v plnom rozsahu podľa článku 5.2 (*Akumulácia úrokov*) (podľa okolností) vydelení (b) skutočným počtom dní odo Dňa akumulácie úrokov (vrátane tohto dňa) až do nasledujúceho Dňa splatnosti úrokov (vynímajúc tento deň) alebo v prípade, že žiadny takýto nasledujúci Deň splatnosti úrokov neexistuje, do 14. októbra (vynímajúc tento deň) kalendárneho roka, ktorý bezprostredne nasleduje po kalendárnom roku, do ktorého spadal Deň akumulácie úrokov.

6. SPLATENIE A KÚPA

6.1 Splatenie v Deň splatnosti

Pokiaľ nedošlo ku kúpe a zániku Dlhopisov ako sa uvádza nižšie, každý Dlhopis bude splatený tým, že Emitent zaplatí sumu rovnajúcu sa Menovitej hodnote v Deň splatnosti.

6.2 Kúpa Dlhopisov

Emitent môže kedykoľvek kúpiť Dlhopisy na voľnom trhu alebo inak za akúkoľvek cenu. Akékoľvek takto kúpené Dlhopisy bezodkladne zaniknú, a teda nemôžu byť znova predané, s výnimkou prípadu,

keď takto nakúpené Dlhopisy budú použité pri operáciách na trhu na vyváženie rezerv v rámci repo operácií, ktoré sú súčasťou „last resort lending“ programu s účastníkmi primárneho trhu.

6.3 Zánik

Všetky Dlhopisy, ktoré Emitent splatí, zaniknú a nemôžu sa opäť vydať ani predať. Okrem prípadu podľa článku 6.2 (*Kúpa Dlhopisov*), na účely predchádzajúcej vety sa Dlhopisy, v súvislosti s ktorými bola Hodnota pri predčasnom splatení splatená v plnom rozsahu, považujú za splatené.

6.4 Žiadny iný spôsob splatenia

Emitent nie je oprávnený splatiť Dlhopisy a Majitelia nie sú oprávnení žiadať Emitenta, aby splatil Dlhopisy inak, než ako sa uvádza v článku 6.1 (*Splatenie v Deň splatnosti*) vyššie, s výnimkou podľa ustanovení článku 10 (*Prípady neplnenia*).

7. PLATBY

7.1 Spôsob platby

Všetky platby istiny a úroku Dlhopisov sa budú uskutočňovať bezhotovostne prostredníctvom ARDALu v súlade s platnými právnymi predpismi a v zmysle ustanovení uvedených v týchto Podmienkach. Platobné miesto je adresa ARDALu uvedená v článku 12.2.

7.2 Platby istiny

Emitent sa zaväzuje splatiť istinu Dlhopisov v Deň splatnosti ako je uvedené v tomto článku 7.2. Držiteľ účtu, ktorý bude vo vzťahu k príslušným Dlhopisom zaregistrovaný ako Držiteľ účtu bezprostredne predtým, než bude Centrálny depozitár otvorený na bežnú prevádzku v príslušný platobný deň, bude oprávnený požadovať platbu istiny súvisiacej s Dlhopismi a daná úhrada sa uskutoční v príslušný platobný deň bankovým prevodom na účet, ktorý Držiteľ účtu uvedie na Pokyne s platobnými údajmi. Platobná povinnosť Emitenta sa považuje za splnenú v plnom rozsahu, keď je príslušnému platobnému systému zadaný neodvolateľný príkaz na úhradu a úhrada je odpísaná z príslušného účtu Emitenta.

7.3 Úrok

Emitent sa zaväzuje vyplatiť úrok Dlhopisov v Deň splatnosti úrokov ako je uvedené v tomto článku 7.3. Držiteľ účtu, ktorý bude vo vzťahu k príslušným Dlhopisom zaregistrovaný ako Držiteľ účtu bezprostredne predtým, než bude Centrálny depozitár otvorený na bežnú prevádzku v príslušný Deň splatnosti úrokov alebo v iný príslušný platobný deň úroku, bude oprávnený požadovať platbu úroku súvisiaceho s Dlhopismi a daná úhrada sa uskutoční v príslušný Deň splatnosti úrokov alebo v iný príslušný platobný deň úroku bankovým prevodom na účet, ktorý Držiteľ účtu uvedie na Pokyne s platobnými údajmi. Platobná povinnosť Emitenta sa považuje za splnenú v plnom rozsahu, keď je príslušnému platobnému systému zadaný neodvolateľný príkaz na úhradu a úhrada je odpísaná z príslušného účtu Emitenta.

7.4 Platby podliehajúce platným právnym predpisom

Všetky platby v súvislosti s Dlhopismi podliehajú vo všetkých prípadoch všetkým príslušným fiškálnym a iným zákonom a predpisom platným v platobnom mieste, tým však nie sú dotknuté ustanovenia článku 9. Emitent nebude vo vzťahu k takým platbám účtovať žiadne poplatky alebo náklady.

7.5 Oznámenie platobných údajov

Každý Držiteľ účtu je povinný poskytnúť Emitentovi dostatočné informácie, ktoré mu umožnia uskutočniť úhradu úrokov a/alebo istiny v súvislosti s akýmkoľvek Dlhopismi, u ktorých je daná Osoba uvedená ako Držiteľ účtu. Na tento účel je každý Držiteľ účtu povinný vyplniť a ARDALu doručiť formulár, ktorý bude zverejnený na nasledujúcej internetovej stránke ARDALu v anglickom jazyku: www.ardal.sk/en/government-securities/documents a na nasledujúcej internetovej stránke ARDALu v slovenskom jazyku: www.ardal.sk/sk/statne-cenne-papiere/dokumenty (formulár je odlišný pre Držiteľa účtu fyzickú osobu a Držiteľa účtu právnickú osobu) (ďalej len „**Pokyn** s

platobnými údajmi“) aspoň 10 Pracovných dní pred každým Dňom splatnosti úrokov alebo Dňom splatnosti (ďalej len „**Lehota na podanie**“). Pokyn s platobnými údajmi musí podpísať osoba/-by oprávnená/-né konať v mene Držiteľa účtu.

Ak je Držiteľom účtu právnická osoba, k Pokynu s platobnými údajmi musí byť priložený výpis z obchodného registra alebo obdobného registra, v ktorom je Držiteľ účtu zapísaný.

Skutočnosť, že Držiteľ účtu neuvedie na príslušnom Pokyne s platobnými údajmi identifikáciu skutočných vlastníkov v prospech ktorých daný Držiteľ účtu drží príslušné Dlhopisy spolu s ich daňovou rezidenciou nemá vplyv na práva podľa článku 9.

Ak príslušný Držiteľ účtu drží akékoľvek Dlhopisy pre Majiteľa, Euroclear a/alebo Clearstream a podľa príslušných právnych predpisov bude povinný urobiť akúkoľvek zrážku alebo odpočet ako predpokladá článok 9, Pokyn s platobnými údajmi bude zároveň obsahovať informáciu o akýchkoľvek dodatočných sumách, ktoré je povinný Emitent zaplatiť v súlade s článkom 9.

Pokyn s platobnými údajmi sa musí doručiť:

- (i) vo forme originálu na adresu ARDALu uvedenú v článku 12.2, alebo
- (ii) faxom na jedno z nasledovných čísel: +421 2 5726 2525 / +421 2 5245 0381, alebo
- (iii) v podobe naskenovaných dokumentov e-mailom na e-mailovú adresu: ardal@ardal.sk.

V prípade, že ARDALu bude doručených viacero Pokynov s platobnými údajmi ohľadom jedného Držiteľa účtu, rozhodujúci bude posledný prijatý Pokyn s platobnými údajmi.

ARDAL môže zmeniť vyššie uvedené kontaktné údaje prostredníctvom zverejnenia nových kontaktných údajov v slovenskom a anglickom jazyku na svojej internetovej stránke: www.ardal.sk. Tieto nové kontaktné údaje nadobúdajú účinnosť v deň uvedený na internetovej stránke, najskôr však jeden kalendárny mesiac odo dňa zverejnenia danej informácie na uvedenej internetovej stránke.

7.6 Neoznámenie platobných údajov

V prípade, že ARDALu nie je doručený Pokyn s platobnými údajmi spolu s prílohami v rámci Lehoty na podanie podľa článku 7.5 (*Oznámenie platobných údajov*) vyššie, Emitent vykoná príslušné platby do 10 Pracovných dní odo dňa riadneho doručenia Pokynu s platobnými údajmi spolu s prílohami.

Akákoľvek platba vykonaná podľa tohto článku 7.6 (*Neoznámenie platobných údajov*) sa bude považovať za riadne a načas vykonanú platbu a Emitentovi z vykonania platieb v súlade s týmto ustanovením nebude vyplývať žiadna zodpovednosť.

7.7 Deň platby

Ak v súvislosti s akýmkoľvek Dlhopisom nie je deň platby akejkoľvek čiastky Pracovným dňom, Držiteľ účtu vo vzťahu k danému Dlhopisu nebude mať právo požadovať platbu až do nasledujúceho Pracovného dňa na príslušnom mieste a v súvislosti s takýmto odkladom nemá právo na ďalší úrok alebo inú platbu.

7.8 Všeobecné ustanovenia vzťahujúce sa na platby

Držitelia účtov sú jedinými osobami, ktoré majú právo na platby súvisiace s Dlhopismi a Emitent si splní svoju povinnosť úhrady v prospech Držiteľov účtov v súvislosti každou čiastkou takýmto spôsobom uhradenou. Každá osoba uvedená v evidencii Clearstreamu alebo Euroclearu ako držiteľ konkrétnej menovitej hodnoty Dlhopisov je povinná obrátiť sa výlučne na Clearstream alebo Euroclear, podľa okolností, v súvislosti s jej nárokom na podiel platby, ktorú vykonal Emitent v prospech Držiteľov účtov. Avšak ak dôjde k Prípadu uzatvorenia, ktorý zabraňuje tomu, aby boli platby vykonané týmto osobám, Osoby, ktoré budú v danom čase evidované v evidencii Clearstreamu a/alebo Euroclearu (podľa okolností), budú mať právo požadovať platbu priamo od Emitenta v súlade s článkom 3.4.

8. PREMLČANIE

Akékoľvek práva vyplývajúce z Dlhopisov sa premlčujú po uplynutí 10 ročnej lehoty od (i) príslušného Dňa splatnosti úrokov v prípade práva na úhradu úrokov, (ii) Dňa splatnosti v prípade práva na úhradu istiny a (iii) prvého dňa, v ktorý sa dané právo mohlo uplatniť v zmysle zákona, v prípade iného práva než sú uvedené vyššie, tak ako môžu byť tieto menené formou zmeny úpravy alebo náhrady príslušných ustanovení Zákona o dlhopisoch.

9. ZDANENIE

9.1 Platba bez zrážok

Všetky platby istiny a úrokov z Dlhopisov vykonávané Emitentom alebo v jeho mene a okrem toho všetky platby istiny a úrokov vykonávané slovenskou osobou, budú vykonané bez zrážok a odpočtov na účely akýchkoľvek súčasných alebo budúcich daní, dávok, výmerov alebo vládnych poplatkov akejkoľvek povahy uložených, vyrubených, inkasovaných, zrážaných alebo vymeraných Slovenskou republikou alebo v jej mene akoukoľvek jej politickou zložkou alebo jej orgánom, ktorý má právomoc zdaňovať (ďalej len „**Dane**“), s výnimkou ak takúto zrážku alebo odpočet Daní vyžaduje zákon. V takom prípade je Emitent povinný uhradiť také dodatočné sumy, aby zabezpečil, že každý Majiteľ a každá Osoba, ktorá je v relevantnom čase uvedená v evidencii Clearstreamu a/alebo Euroclearu ako držiteľ Dlhopisov s určitou menovitou hodnotou (ďalej len „**Príjemca**“) obdrží po vykonaní takýchto zrážok alebo odpočtov takú sumu, akú by obdržal, keby sa žiadne také zrážky alebo odpočty nevyžadovali. Takéto dodatočné sumy však nebudú vyplatené ak je Príjemca: (i) fyzická osoba, ktorá je daňovým rezidentom v Slovenskej republike, (ii) právnická osoba, ktorá je daňovým rezidentom v Slovenskej republike a ktorá bola zriadená alebo založená na iný účel ako na podnikanie, (iii) Národná banka Slovenska, alebo (iv) Fond národného majetku Slovenskej republiky.

9.2 Dodatočné sumy

Akýkoľvek odkaz v týchto Podmienkach na sumy, ktoré majú byť splatné vo vzťahu k Dlhopisom, takisto zahŕňa aj dodatočné sumy, ktoré môžu byť splatné podľa tohto článku 9.

10. PRÍPADY NEPLNENIA

Nasledujúce udalosti alebo okolnosti (každá jednotlivito ďalej len ako „**Prípád neplnenia**“) sa v súvislosti s Dlhopismi považujú za udalosti vedúce k predčasnej splatnosti Dlhopisov:

- (i) ak Emitent nevykoná akúkoľvek platbu istiny alebo úroku vo vzťahu k Dlhopisom v deň splatnosti a toto neplnenie povinnosti pretrváva po dobu 30 Pracovných dní, alebo
- (ii) ak Emitent nesplní alebo porušuje niektorú zo svojich ostatných povinností vo vzťahu k Dlhopisom, pričom toto porušenie nemožno odstrániť, alebo ak toto porušenie možno odstrániť, nie je odstránené do 45 dní po doručení písomného oznámenia Emitentovi o takom porušení.

Ak v súvislosti s akýmikoľvek Dlhopismi nastane Prípád neplnenia, všetky Dlhopisy môžu byť vyhlásené za okamžite splatné zaslaním a doručením ARDALu v súlade s článkom 12.1 (*Oznámenia pre Emitenta*) písomného oznámenia Držiteľov účtov (s prihliadnutím na článok 3.4 (*Priame práva*)) vo vzťahu k aspoň 25 % celkovej sumy menovitých hodnôt vtedy vydaných a nezaniknutých Dlhopisov, a ak Emitent príslušný Prípád neplnenia nenapraví alebo inak neodstráni, Dlhopisy sa stanú okamžite splatnými na sumu rovnajúcu sa Hodnote pri predčasnom splatení. Emitent je povinný bezodkladne oznámiť vyhlásenie okamžitej splatnosti všetkým ostatným Majiteľom.

Ak Emitent dostane písomné oznámenie od Držiteľov účtov (s prihliadnutím na článok 3.4 (*Priame práva*)) vo vzťahu k aspoň 50 % celkovej sumy menovitých hodnôt vtedy vydaných a nezaniknutých Dlhopisov v tom zmysle, že Prípád, resp. Prípady neplnenia, ktoré viedli k takémuto vyhláseniu, boli napravené alebo vyhlásenie každého takéhoto prípadu odvolávajú a že títo Držitelia účtov ďalej žiadajú Emitenta, aby ignoroval príslušné vyhlásenie, má sa za to, že práva a povinnosti Majiteľov, Držiteľov účtov a Emitenta zostávajú nezmenené, akoby dané vyhlásenie neexistovalo a Emitent túto skutočnosť oznámi všetkým Majiteľom. Žiadne takéto konanie zo strany Držiteľov účtov nemá vplyv

na žiadny iný alebo následný Prípád neplnenia, ani na žiadne právo ktoréhokoľvek Držiteľa účtu s tým súvisiace.

11. PREDAJ DLHOPISOV A ĎALŠIE VYDÁVANIA

Maximálna suma menovitých hodnôt všetkých Dlhopisov vydaných na základe týchto Podmienok sa bude rovnať Najvyššej sume menovitých hodnôt. Emitent ako prvé predá Dlhopisy s celkovou sumou menovitých hodnôt ním určenou prostredníctvom upísania týchto Dlhopisov manažérmi vymenovanými Emitentom podľa príslušnej zmluvy o upísaní. Emitent môže kedykoľvek následne, a to bez súhlasu Držiteľov účtov alebo Majiteľov, vydať ďalšie Dlhopisy s rovnakými podmienkami ako majú Dlhopisy, ktoré už boli vydané, a tieto budú spolu s už vydanými Dlhopismi tvoriť jednu emisiu. Emitent môže následne predať akékoľvek množstvo takto vydaných Dlhopisov buď (i) upísaním Dlhopisov syndikátu alebo obchodníkovi, (ii) prostredníctvom aukcie Dlhopisov účastníkom primárneho trhu, ktorú zorganizuje ARDAL v súlade s pravidlami vydanými ARDALom, alebo (iii) iným spôsobom, ktorý Emitent podľa vlastného uváženia považuje za vhodný.

Predpokladaná lehota, počas ktorej budú Dlhopisy celej emisie vydávané začína v Deň začiatku vydávania a trvá do 31. decembra 2020.

Emisný kurz Dlhopisov nie je limitovaný a bude určený Emitentom vždy pri vydávaní danej časti Dlhopisov.

12. OZNÁMENIA

12.1 Oznámenia pre Emitenta

Akákoľvek komunikácia adresovaná Emitentovi na základe Dlhopisov alebo v súvislosti s nimi musí byť zaslaná v písomnej forme listom alebo faxom ARDALu na adresu alebo faxové číslo uvedené v článku 12.2 (*Adresa*) nižšie a pokiaľ nie je v týchto Podmienkach stanovené inak.

12.2 Adresa

Každá komunikácia v písomnej forme sa musí doručovať na túto adresu:

Agentúra pre riadenie dlhu a likvidity

Radlinského 32

813 19 Bratislava

Slovenská republika

Ak sa komunikácia zasiela faxom, musí sa zaslať na jedno z nasledovných čísel: +421 2 5726 2525 / +421 2 5245 0381.

ARDAL môže zmeniť vyššie uvedené kontaktné údaje a to zverejnením nových kontaktných údajov v slovenskom aj anglickom jazyku na svojej internetovej stránke: www.ardal.sk. Tieto nové kontaktné údaje nadobúdajú účinnosť v deň uvedený na internetovej stránke, najskôr však jeden kalendárny mesiac odo dňa zverejnenia danej informácie na uvedenej internetovej stránke.

12.3 Doručovanie

Akákoľvek komunikácia alebo dokument zaslaný alebo doručený Emitentovi v súvislosti s Dlhopismi sa bude považovať za vykonanú (i) v prípade faxu, keď bude faxová správa prijatá ARDALom, a (ii) v prípade pošty alebo kuriéra, druhý Pracovný deň po dni odoslania ARDALu; toto ustanovenie však nemá vplyv na článok 7.6.

12.4 Jazyk

Akékoľvek oznámenie na základe alebo v súvislosti s Dlhopismi musí byť v anglickom alebo slovenskom jazyku.

12.5 Oznámenia pre Majiteľov a Držiteľov účtov

Pokiaľ nie je v týchto Podmienkach uvedené inak, všetky oznámenia pre Majiteľov a/alebo Držiteľov účtov sa uskutočnia (i) zverejnením príslušného oznámenia na internetovej stránke ARDALu www.ardal.sk, a (ii) zverejnením príslušného oznámenia v (1) poprednom denníku vydávanom v slovenskom jazyku, ktorý uverejňuje burzové správy a (2) poprednom denníku vydávanom v anglickom jazyku s celoeurópskou distribúciou (očakáva sa, že týmto denníkom bude *The Financial Times*). Oznámenia sa budú zverejňovať aj iným spôsobom, ak to vyžadujú pravidlá a predpisy akejkoľvek burzy cenných papierov, na ktorých sú Dlhopisy kótované a/alebo na ktorých sa s nimi obchoduje alebo akéhokoľvek iného príslušného orgánu, ktorého pravidlá a predpisy sa vzťahujú na Dlhopisy v danom čase. Oznámenia pre Majiteľov a/alebo Držiteľov účtov budú v anglickom aj slovenskom jazyku. Akékoľvek oznámenie sa bude považovať za vykonané v deň, kedy bolo po prvýkrát zverejnené alebo, ak sa vyžaduje, aby bolo dané oznámenie zverejnené vo viac ako jednom denníku, v deň kedy bolo po prvýkrát zverejnené vo všetkých požadovaných denníkoch.

13. ZAOKRÚHĽOVANIE

Na účely akéhokoľvek výpočtu uvedeného v týchto Podmienkach, pokiaľ sa v týchto Podmienkach neuvádza inak: (a) všetky percentuálne hodnoty získané pri týchto výpočtoch sa v prípade potreby zaokrúhľia na najbližšiu jednu stotisícinu percentuálneho bodu (0,000005 % sa zaokrúhľia na 0,00001 %); (b) všetky sumy v eurách sa zaokrúhľia na najbližší cent (pol centa sa zaokrúhľia smerom nahor). Priebežné výpočty sa zaokrúhľovať nebudú a len konečná suma, ktorá sa má zaplatiť príslušnej Osobe v danom prípade sa zaokrúhľia podľa vyššie uvedeného pravidla.

14. PRIJATIE NA OBCHODOVANIE NA BURZE

Bude podaná žiadosť o prijatie Dlhopisov na obchodovanie na hlavnom kótovanom trhu Burzy cenných papierov v Bratislave, a.s. Dlhopisy tiež môžu byť prijaté na obchodovanie a/alebo môžu byť kótované na akýchkoľvek iných burzách, regulovaných trhoch a/alebo kótovacích systémoch podľa uváženia Emitenta, ak budú splnené príslušné požiadavky na dané prijatie a/alebo kótovanie.

15. FINANČNÉ ZDROJE NA SPLÁCANIE DLHOPISOV

Akékoľvek platby vykonávané v súvislosti s Dlhopismi budú financované z finančných zdrojov určených na tento účel v štátnom rozpočte na daný rok a budú (i) zo zdrojov získaných Emitentom ako príjem štátneho rozpočtu, (ii) zo zdrojov získaných Emitentom emisiou príslušných dlhových nástrojov alebo z uzatvorenej dohody o poskytnutí dlhového financovania s akoukoľvek osobou, alebo (iii) z privatizačného predaja akýchkoľvek aktív Emitenta.

16. VZDANIE SA PRÁVA A OPRAVNÉ PROSTRIEDKY

Práva vyplývajúce z týchto Podmienok sú poskytnuté ako dodatočné práva k všetkým ostatným právam vyplývajúcim zo zákona. Žiadne oznámenie ani žiadosť podané v akejkoľvek príhode nebude predstavovať vzdanie sa práva vykonať iné úkony v rovnakom, podobnom alebo inom prípade bez takéhoto oznámenia alebo žiadosti.

17. ROZHODUJÚCE PRÁVO

Tieto Podmienky a všetky mimozmluvné povinnosti vyplývajúce z nich alebo v súvislosti s Dlhopismi sa riadia a vykladajú v súlade s právom Slovenskej republiky.

18. SÚDNA PRÁVOMOC

18.1 Súdna právomoc

Emitent v prospech Držiteľov účtov a Majiteľov dlhopisov neodvolateľne súhlasí s tým, že súdnu právomoc na prerokovanie a rozhodovanie o akýchkoľvek sporoch, úkonoch alebo konaniach, a na urovanie akýchkoľvek sporov, ktoré môžu vzniknúť na základe alebo v súvislosti s týmito

Dlhopismi (ďalej len „**Konania**“ a „**Spory**“) majú slovenské súdy a Emitent sa na tieto účely neodvolateľne podriaďuje súdnej právomoci týchto súdov.

Emitent sa týmto neodvolateľne vzdáva všetkých námietok, ktoré by mohol mať voči stanoveniu slovenských súdov ako príslušných na prerokovanie a rozhodnutie akéhokoľvek Konania a urovanie akéhokoľvek Sporu, a zaväzuje sa nenamietat' proti príslušnosti týchto súdov.

18.2 Vzdanie sa imunity voči súdnemu konaniu

V rozsahu, v akom sa na Emitenta alebo akéhokoľvek jeho výnosy, aktíva alebo majetok vzťahuje akákoľvek imunita voči súdnemu konaniu, imunita voči súdnej právomoci akéhokoľvek takéhoto súdu, voči započítaniu, zabaveniu pred vynesením rozsudku, zabaveniu na pomoc pri výkone rozsudku, alebo voči výkonu rozsudku alebo akémukoľvek inému právnemu alebo súdnemu procesu alebo prostriedku nápravy, a v rozsahu, v akom sa v akejkoľvek takejto jurisdikcii takáto imunita prizná, sa Emitent neodvolateľne vzdáva tejto imunity v najväčšom možnom rozsahu, povolenom podľa práva príslušnej jurisdikcie. Takéto vzdanie sa imunity zakladá len obmedzené a konkrétne vzdanie sa zo strany Emitenta na účely týchto Podmienok a za žiadnych okolností sa nebude vykladať ako všeobecné vzdanie sa imunity zo strany Emitenta, ani za vzdanie sa imunity vo vzťahu ku konaniam, ktoré nesúvisia s Dlhopismi.

18.3 Vylúčený majetok

Bez ohľadu na vyššie uvedené majú prostriedky, aktíva, práva a všeobecný majetok vojenského charakteru v správe vojenských a obranných úradov a orgánov Slovenskej republiky, ktoré sa podieľajú na obrane Slovenskej republiky; nerastné bohatstvo, podzemné vody, prírodné zdroje a vodné toky Slovenskej republiky, nachádzajúce sa na území Slovenskej republiky, podľa právneho poriadku Slovenskej republiky imunitu voči exekúcii a zabaveniu a nijaké rozhodnutie takejto podstaty ani vyššie uvedené vzdanie sa nepredstavujú vzdanie sa takejto imunity, ani žiadnej inej imunity voči exekúcii alebo zabaveniu alebo procesu takéhoto charakteru vo vzťahu k diplomatickým misiám Slovenskej republiky v akejkoľvek jurisdikcii mimo Slovenskej republiky alebo vo vzťahu k aktívam Slovenskej republiky, ktoré sú potrebné na riadne fungovanie Slovenskej republiky ako nezávislého štátu.

19. JAZYK

Tieto Podmienky sú vyhotovené v anglickom a slovenskom jazyku. Slovenský text je rozhodujúci a záväzný.

SUBSCRIPTION AND SALE

Sale of the Notes

The Issuer intends to sell the Notes directly to the Managers at a pre-agreed price to be specified in the Subscription Agreement.

If the Issuer creates and issues further notes, with the same terms and conditions as the Notes; such notes shall be consolidated and form a single series with the Notes and the Issuer may sell any such notes (i) by way of subscription of such notes by a syndicate or manager (dealer); (ii) by way of auction of such notes open to the participants in the primary market organised by the Agency in accordance with the rules issued by the Agency; or (iii) by other means as the Issuer may deem fit in its sole discretion.

The nominal value of the notes issued under the Terms and Condition of the Notes shall not exceed the Authorised Amount.

Nothing in this Offering Circular should be understood as implying that at any point up to the Maturity Date the Issuer shall sell notes whose aggregate nominal value is equal to the Authorised Amount.

Selling Restrictions

United States of America

The Notes have not been and will not be registered under the US Securities Act, and thus, they may not be offered or sold within the United States unless the offered Notes are registered under the US Securities Act or an exemption to the registration requirements of the US Securities Act is available.

The Notes will be issued and delivered outside the United States and its possessions in connection with their original issuance. The Managers have not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Notes within the United States or its possessions in connection with their original issuance. Further, in connection with the original issuance of such Notes, the Managers have not communicated, and will not communicate directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Notes. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations hereunder, including U.S. Treas. Reg. §1.163-5(c)(2)(i)(C).

United Kingdom

Each Manager has represented, warranted and agreed that:

- (a) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended, (the “FSMA”)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (b) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Slovak Republic

No approval or permit has been sought or obtained from the National Bank of Slovakia in accordance with the Securities Act in respect of the Notes, the offering of the Notes in the Slovak Republic or abroad or the Offering Circular. Pursuant to Section 125h(1)(b) of the Securities Act, the offering of notes issued by the Slovak Republic (such as the Notes) does not constitute an offering in relation to

which the Issuer would be obliged to draw up a prospectus and have such prospectus approved by the National Bank of Slovakia.

General

Persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or the possession or distribution of the Offering Circular or any other offering material, in any country or jurisdiction in which an action for that purpose is required.

The Issuer and the Managers do not represent that this Offering Circular may be lawfully distributed or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering.

Each Manager has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes the Offering Circular or any other offering material relating to the Notes.

SETTLEMENT

Registration of Notes

The Notes shall be registered in the Central Depository and may be held by the relevant holders in their accounts established either with the Central Depository or with a member of the Central Depository.

Title to Notes

Only persons that are registered as the owners of the Notes in the accounts with the Central Depository or with a member of the Central Depository or that are entered in the register of a custodian that holds the Notes in a holding (intermediary) account with the Central Depository will be recognised as owners of the Notes. The owners of Notes held in a holding (intermediary) account with the Central Depository will be able to exercise all of their rights against the Issuer through the respective custodian (accountholder) that has such holding (intermediary) account with the Central Depository.

ICSDs

The Notes may also be held through Euroclear and/or Clearstream. As of the date hereof, both Euroclear and Clearstream have either direct or indirect links with the Central Depository; an indirect link is normally maintained through a custodian that holds Notes for ICDS in a holding (intermediary) account with the Central Depository. Persons holding any Notes in their accounts with Euroclear and/or Clearstream must only look to Euroclear and/or Clearstream for the discharge of the obligations of the Issuer under the Notes. Subject to as further provided below, such persons holding any Notes through Euroclear and/or Clearstream may only exercise their rights against the Issuer through Euroclear and/or Clearstream or the relevant custodian that holds such Notes for Euroclear and/or Clearstream, whichever entity is registered as a holder of an account in relation to such Notes with the Central Depository.

A person holding any Notes through Euroclear and/or Clearstream may only have direct rights against the Issuer under the limited circumstances provided for in the “Terms and Condition of Notes.” Such rights are always subject to the standard rules of procedure of Euroclear and/or Clearstream (if so enabled thereunder) and the applicable laws.

It should be noted that the Issuer does not have any direct agreement with Euroclear and/or Clearstream to the effect that any links with the Central Depository will remain available as long as any Notes remain outstanding. The Issuer does not have any direct means to ensure that such links will remain available.

GENERAL INFORMATION

- (1) The Issuer has obtained all necessary consents, approvals and authorisations in The Slovak Republic in connection with the issuance of the Notes.
- (2) An application shall be made to admit the Notes to trading on the Bratislava Stock Exchange. Notes may also be admitted to listing, trading and/or quotation on any other listing authorities, stock exchanges, regulated markets and/or quotation systems as the Issuer sees fit, provided that the relevant requirements for such admission have been met.
- (3) For so long as any Notes shall be outstanding, copies of the English and Slovak versions of the following documents shall be provided by the Agency in electronic form upon oral or written request and shall also be available on the website of the Agency at www.ardal.sk:
 - (a) the Offering Circular; and
 - (b) Terms and Conditions of the Notes.
- (4) The Notes have been accepted for clearance through the Central Depository.
- (5) The Notes are issued in a manner that allows Eurosystem eligibility in relation to criteria concerning the depository in which securities are registered. To the best knowledge of the Issuer, the Notes also comply with all other criteria for Eurosystem eligibility as collateral in open market operations undertaken by the ECB in effect at the date hereof, and upon their issuance, they will be eligible for use as collateral in such transactions with the ECB. The Issuer makes no representation whatsoever as to whether such eligibility will be retained throughout the entire period during which any Notes shall be outstanding. It should be noted that as of the date of this Offering Circular, the link between Euroclear and/or Clearstream and the Central Depository is not an approved link for the purposes of the provision of collateral to the ECB. Hence, the Notes, when used as collateral provided to the ECB, must be delivered to the National Bank of Slovakia through the Central Depository, which will hold the collateral on behalf of the ECB as part of the Correspondent Central Banking Model.

ISSUER

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