

Dear Customer,

Hereby we would like to inform you about an important change in legal regulations relevant to payment services<sup>1</sup> that will come into force as of 14<sup>th</sup> September 2019. Based on the Act provisions, in order to make the electronic payments more secure the application of the provisions of strong customer authentication<sup>2</sup> will become mandatory as of this date. According to the change which directly affects our customers, **from 14<sup>th</sup> September 2019 the Bank's electronic channels can be used only with strong customer authentication<sup>2</sup>, also known as two-factor authentication process, for both login to the service and signing orders.** At our Bank the two-factor authentication process for KDB NetBank and KDB PC Kontakt (installed client program) services is implemented by using ViCA application, which is already available. You can find more details about ViCA application in the following guide (can be found on our homepage: Electronic banking services / KDB NetBank submenu):

[http://www.kdbbank.eu/docs/35/KDB\\_ViCA\\_users\\_guide\\_20180924.pdf](http://www.kdbbank.eu/docs/35/KDB_ViCA_users_guide_20180924.pdf)

Due to this change, those clients who currently use traditional (single-factor) authentication method (user ID + login password, fixed signature password, SMS signature code), they will need switching to ViCA app. In order to apply ViCA app, the account holder and the user(s) shall appear together once personally at one of our branches, in order to sign a contract modification (new user's data sheet). The code required to register the ViCA application will be sent via SMS text message, so if your phone number has been changed, at the same time please provide your new one to us.

**We kindly call your attention that as of 14<sup>th</sup> September 2019 you will not be able to use the KDB NetBank and KDB PC Kontakt services in the usual way (by using traditional authentication method)! In order to avoid this, please visit one of our branches as soon as possible to apply for ViCA app.**

In order to comply with the requirements of strong customer authentication, the process of online bankcard purchase transactions will also change, a separate notice will be published later about it.

We will continuously inform our customers about the changes through several channels. Please give special attention to your messages in your KDB NetBank or KDB PC Kontakt mailbox, and the announcements published at our branches and on our homepage ([www.kdbbank.eu](http://www.kdbbank.eu)).

**In the near future, we will also provide a personalized message about the specific changes, we will contact our customers concerned either by phone, SMS text message or postal letter.**

Should you have any questions, please do not hesitate to contact our Call Center (at +3614734440 between 7:00 am and 8:00 pm on working days) or your relationship manager, or visit any of our branches.

Thank you for your kind cooperation in advance.

Budapest, 29<sup>th</sup> March 2019

**KDB Bank Europe Ltd.**

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<sup>1</sup> Act LXXXV of 2009 on the Pursuit of the Business of Payment Services

<sup>2</sup> The strong customer authentication means an authentication based on the use of two or more elements categorized as

- knowledge (something only the user knows, e.g. static password, PIN code),
- possession (something only the user possesses, e.g. SIM card, registered token application on mobile phone, bankcard chip) and
- inherence (something the user is, e.g. fingerprint, facial recognition)

that are independent, in that the breach of one does not compromise the reliability of the others, and is designed in such a way as to protect the confidentiality of the authentication data.