

## PRIVACY POLICY

on data processing in the field of financial services and investment services by a KDB Bank Európa Zártkörűen Működő Részvénytársaság

**Effective as of May 6, 2020**

### 1. Identity and contact details of the data controller

Name KDB Bank Európa Zártkörűen Működő Részvénytársaság (a továbbiakban: Bank)

Seat: 1054 Budapest, Bajcsy Zsilinszky út 42-46.

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### 2. Name and contact details of the Data Protection Officer

Name:	dr.	Attila	Szabolcs	Tóth
Post address:	1382	Budapest,	Pf.	1.
E-mail:	<a href="mailto:adatvedelem@kdbbank.eu">adatvedelem@kdbbank.eu</a>			

### 3. Purpose, legal basis of the data processing, categories of personal data affected by the data processing, duration of data processing

#### 3.1. Assessment of credit rating

The purpose of the data management is to examine the credit rating and creditworthiness of the potential client in the course of credit assessment in accordance with CLXII. on the conditions of prudent retail lending and the assessment of creditworthiness. In order to achieve this goal, the Bank is processing the personal, financial, income and assets data necessary for the assessment of credit rating. The legal basis for the processing of data shall be the fulfillment of a legal obligation pursuant to Article 6 (1) (c) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (GDPR). The Bank shall disclose customer information constituting bank secrets related to the non-concluded service contract, including data relating to rejected credit applications, in accordance with Articles 166 / A. § (2) - (3) of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises. In the case of a positive credit assessment and a service agreement, the Bank shall treat the customer data constituting the bank secret relating to the credit application for six years after the termination of the business relationship.

### 3.2. *Data management relating to the prevention and combating of money laundering and terrorist financing*

The purpose of data processing is fulfillment of statutory tasks to prevent and deter money laundering and terrorist financing; fulfillment of client due diligence obligations; fulfillment of reporting requirements related to money laundering; continuous monitoring of the business; performing screenings; suspension of transaction; statutory control of sanctions and blacklists; implementation of financial and asset restraint measures; keeping records of the data and documents recorded during client due diligence, and of all other data and documents recorded in connection with each transaction, which ensure their identification. In order to achieve this goal, the Bank is processing data necessary for carrying out tasks related to the prevention of money laundering and terrorist financing (Articles 7 (2), 8 (2) - (3), 9 (1) - (2), § 10 (1) - (2), 19 (1) - (2), 30 (2) of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing). The legal basis for data management is the fulfillment of a legal obligation under Article 6 (1) (c) of the GDPR. Data processing is based on the Pmt. 56 (2), 57 (1) - (3), 58 (1), Kit. (3) (6) and Article 14 (2).

### 3.3. *CRS (Financial Account Tax Investigation)*

The purpose of the data processing is to conduct a tax due diligence process to determine which account holders in the CRS participating country (s) have tax jurisdiction. In order to achieve this goal, the Bank processing tax data, as well as the the data specified Annex I, point I, of Act No in Act XXXVII of 2013 on the further development of the system of institutions strengthening the security of the individual players of the financial intermediary system. The Bank shall retain the data obtained in connection with the verification of the tax liability for financial accounts for six years after the termination of the business relationship.

### 3.4. *FATCA (US tax assessment)*

The purpose of the data processing is the Act XIX of 2014 on the promulgation of the Agreement between the Government of Hungary and the Government of the United States of America on the Promotion of International Tax Compliance and the Implementation of the FATCA Regulation and the Amendment of Related Laws. conducting the due diligence procedure in accordance with Annex I of Law No. 2 of the Act, and annual reporting to the NAV on the information specified in Article 2, paragraph 2 (a), in the manner and at the time specified in Article 3. In order to achieve this goal, the Bank processing tax data. The legal basis for data processing is the fulfillment of a legal obligation under Article 6 (1) (c) of the GDPR. Compulsory data processing is required by Article 4 (1) (a) Act XIX of 2014. The Bank retains the data obtained in connection with the US tax assessment for six years after the termination of the business relationship.

### 3.5. *Services*

The purpose of data processing prior to the conclusion of the service contract is to take action at the request of the potential client, to prepare the service contract, to establish a contractual relationship, to exercise the rights and obligations arising from the service contract, to provide services; recording and storing the contract and any related document, keeping a credit record; monitoring and controlling the life of the contract; valuation of collateral, regular monitoring of collateral; risk assessment; customer rating; information related to moratorium; taking and recording recovery actions (litigation and out-of-court claims); customer relationship; settlement of financial settlements, fulfillment of accounting obligations; managing data related to submitting a secondary account ID. In order to achieve this purpose, the Bank

processing the data necessary for the establishment, performance, maintenance and termination of the service relationship, in particular (customer) identification (authentication) data, contact data, (customer) contract data, including data necessary for the conclusion of the contract or for the performance of the contract, customer rating data, customer rating results, data on collateral or collateral, financial data on delays, data necessary for performing and recording payment transactions, account transactions, data on individual customer transactions data. The legal basis for data processing is the fulfillment of a legal obligation under Article 6 (1) (c) of the GDPR; performance of a contract under Article 6 (1) (b) of the GDPR; a legitimate interest within the meaning of Article 6 (1) (f) of the GDPR; contribution under Article 6 (1) (a) of the GDPR. Required data processing is required in particular by Resolution 40/2016 on the prudential requirements for client and partner rating and collateral valuation by MNB; Act V of 2013 on the Civil Code; Article 169 (2) of Act C of 2000 on Accounting, Act L of 2009 on the Order for Payment Procedure (hereinafter: Fmhtv.) [E.g. Section 20 (1) (a)], CXXX of 2016 on the Code of Civil Procedure. (hereinafter: Pp.) [e.g. Section 170 (1) (b)], Act LIII of 1994 on Judicial Enforcement (hereinafter: Vht.) [e.g. Section 11 (2)]. As a rule, the Bank treats customer data constituting bank secrets related to the concluded service agreement for six years after the termination of the business relationship. Accounting documents, including contracts, settlement and installment agreements, cash flow statements, bank statements, cash receipts, property and expense court decisions, verdicts and their particulars, shall be disclosed in the Bank's annual report for the for eight years after the year of its adoption.

### 3.6. *Complaint Handling*

The purpose of data processing is to fulfill the statutory complaint handling and registration obligation. In order to achieve this goal, the Bank processing the data necessary to fulfill its complaint management and registration obligations, in particular customer identification (authentication) data and customer communication data, including the processing of any personal data related to the data subject, special personal data as defined in Article 9 (1) of the GDPR, as well as criminal personal data as defined in Article 10 of the GDPR. The legal basis for data management is the fulfillment of a legal obligation under Article 6 (1) (c) of the GDPR. In particular, Article 288 (1) of Hpt.

### 3.7. *Voice recording*

The purpose of data processing is to fulfill the statutory obligation of complaint and record keeping; raising the standard of customer service (quality assurance); distance contracts; provision of client commissioning services relating to the taking, transmission and execution of orders; making a legally valid statement; ensuring traceability of customer communications. To achieve this goal, the Bank manages customer identification (authentication) data, customer communication data, including recorded human voice. The legal basis for data management is to fulfill a legal obligation under Article 6 (1) (c) of the GDPR and, in the absence of mandatory data management, to consent under Article 6 (1) (a) of the GDPR. In case of mandatory data processing, data processing is in accordance with Article 288 (2) of Hpt and Article 55 (10) and 121 (2) of Bszt, Article 70 (1) of Fsztv. In the case of contributory data processing, data processing lasts for six years from the date of termination of the business relationship

### 3.8. *Recording communications relating to client orders taken in connection with investment services*

The purpose of data processing is to record the communication of client orders taken in the context of investment services, including conversations and messages that do not lead to the provision of client services. To achieve this goal, the Bank processing customer identification data, including the name of the potential customer, communication data related to customer orders, including data from conversations and messaging that do not lead to the provision of customer order services, ) (potential) customer phone

number. The legal basis for data processing is the fulfillment of the legal obligation under Article 6 (1) (c) of the GDPR. Article 16 (6) and (7) of Directive 2014/65 / EU on Markets in Financial Instruments and amending Directive 2002/92 / EC and Directive 2011/61 / EU (hereinafter "MiFID II") , MiFID II. Recital 57, Article 25 (1) of Regulation (EU) No 600/2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR), to Directive 2014/65 / EU of the European Parliament and of the Council Articles 74 to 76 of Regulation (EU) No 2017/565 supplementing the organizational requirements and operating conditions of investment firms and the terms defined therein. The Bank shall keep records of investment services contracts and client orders for a period of five years and, if required by the supervisory authority of the National Bank of Hungary, for a maximum of seven years.

### 3.9. *Processing of reference data*

The purpose of data processing is to fulfill the statutory data management obligation through the transfer of registered reference data to the Central Credit Information System (hereinafter: CCIS) and the receipt, maintenance and recording of reference data from the CCIS; a more informed assessment of creditworthiness and the promotion of credit risk reduction for the safety of reference data providers. The legal basis for data management is to fulfill a legal obligation under Article 6 (1) (c) of the GDPR or, in the case of a statement affecting the visibility of the credit agreement KHR and a positive retention statement, consent under Article 6 (1) (a) of the GDPR. Mandatory data processing is prescribed in particular by the KHR tv. Section 5 (2) (a), (3), Section 7 (a) to (b), Section 6 (3) to (6), Section 7 (b), 11-13 . §§ 18, 18 (1) and 19 (1). Data processing is based on KHR tv. 8-9. (1) and Article 19 (1). Detailed data management rules for KHRs, together with a call to appeal for remedies, can be found on the KHR information sheet at: <https://www.kdbbank.eu/kondiciok-dijak>.

### 3.10. *Providing a close relative with non-breach of bank secrecy information*

The purpose of the data controlling is the amount of outstanding debt, the amount of overdue debt, the monthly installment due, the account number to which the installment is to be paid (loan account number) in relation to the loan taken and not yet repaid Providing information on the remaining maturity to a close relative of the testator upon his / her written request. In order to achieve this goal, the Bank processing relatives data, including close relatives. The legal basis for data processing is the fulfillment of a legal obligation under Article 6 (1) (c) of the GDPR. Data handling is governed by Hpt. § 164 point (y). Data processing is governed by Hpt. § 164 (y).

### 3.11. *Claim against the heir*

The purpose of the data controlling is to enforce a limited claim against the heir of the estate, which is financially liable for the inheritance debts, in the case of an out-of-court proceeding or, in case of failure, in legal proceedings. In order to achieve this goal, the Bank manages the data necessary for the enforcement of claims, including in particular natural personal data, contact details and claim data; and any data generated during the claim. The legal basis for data management is the Bank's legitimate interest in enforcing a financial claim against the heir who has the status of a testator in accordance with Article 6 (1) (f) of the GDPR; or fulfillment of a legal obligation under Article 6 (1) (c) of the GDPR. Data processing shall last for eight years from the date of termination of the claim.

### 3.12. *Data processing related to internal audit*

Article 107 (1) of Hpt requires the operation of the internal control function, including the internal control function and defines the basic requirements for the internal control function. In particular, the department

responsible for carrying out the internal audit must analyze, examine and evaluate the compliance of the internal control systems with the rules and regulations and the economy, efficiency and effectiveness of their operation; analyze and examine the management of available resources, the safeguarding and enhancement of assets and the adequacy of the accounts, the accuracy of the accounts; formulate findings, conclusions and recommendations regarding the processes examined in order to eliminate, eliminate or reduce risk factors, shortcomings, prevent or detect irregularities, improve the institution's effectiveness and improve and improve its internal control systems; it shall record and monitor the action taken on the internal audit reports (hereinafter referred to as "the internal audit activity"). In carrying out its internal audit activity as a legal obligation, the organizational unit responsible for carrying out the internal audit activity shall have access to the documents related to the subject matter of the internal audit, taking into account data protection requirements, in particular the purpose limitation principle. As part of the supervisory activities of the Magyar Nemzeti Bank, the audit process involves conducting comprehensive investigations, follow-up audits, targeted audits, or simultaneous audits of several organizations or persons on the same topic, as well as supervisory audits. The frequency of investigations is determined by legal requirements: at least every three years the Bank shall conduct a comprehensive investigation in accordance with Act CXXXIX of 2013 on the National Bank of Hungary. Prudential auditing also includes examining the effectiveness of the internal control system, including familiarizing yourself with the audit reports produced during the execution of the internal audit activity.

### 3.13. *Operation of electronic monitoring system*

The purpose of data controlling is to prevent, detect, prove, commit and secrecy of securities; and allowing for legal consequences in the event of a breach of protection. In order to achieve this goal, the Bank manages the image and situation data of those entering and staying in the area monitored by each camera. Legal basis of data management for the Bank's property and personal protection; and a legitimate interest in secrecy under Article 6 (1) (f) of the GDPR. Data management takes 30 days from recording.

### 3.14. *Direct marketing*

The purpose of data management is to solicit direct marketing purposes. To achieve this goal, the Bank manages the customer's name and contact details. The legal basis for data management is consent under Article 6 (1) (a) of the GDPR. Data processing shall take place until the last day of the fifth year from the date of consent.

### 3.15. *Backup*

The purpose of data processing activity is to provide a backup that allows the system to be restored within a critical time period of service provision by the system and to ensure that the system is safely restored. In order to achieve this goal, the Bank processing customer data and bank secrecy data. The legal basis for data controlling is the fulfillment of a legal obligation under Article 6 (1) (c) of the GDPR. Each backup is kept for three months.

## **4. The recipients or categories of recipients of the personal data**

In the event of any data, fact, circumstance suggesting that money laundering, terrorist financing, or the origin of a thing is punishable, the data transmission (filing) will be addressed to the National Bureau of Tax and Customs Anti-Money Laundering and Terrorist Financing.

The Bank provides the Bank of Hungary with regular, ad-hoc data provision based on the appointment of the Magyar Nemzeti Bank.

In the case of reference data management and data processing related to consumer declarations allowing for free cash withdrawal, the addressee of the data transfer is the BISZ Central Credit Information Private Limited Company.

The tax account of the financial accounts and the United States of America are subject to the National Debt and Customs Office.

In the case of data processing in connection with the execution of a payment transaction, the recipient of the data transfer shall be the financial institution holding the payee's payment account.

The Consolidated Deposit Reporting Service is addressed to the National Deposit Insurance Fund.

The Bank is entitled to involve a data processor in the data management activity throughout the life cycle of the data held by the Bank. The Bank shall use the data processors specified in its announcement posted on its premises open for client traffic and in the list published on the website [www.kdbbank.eu](http://www.kdbbank.eu) to carry out the data processing activities indicated therein.

Any activity related to the Bank's financial and ancillary financial services activities or assigned by law to carry out data management, as well as its investment or ancillary investment services activities, or any of the Bszt. You may outsource any activity or service not covered by this Agreement, subject to compliance with data protection regulations, and may enter into an exclusive contract with a business entity that is independent of the organization to perform it on a continuous or regular basis. The Bank has entrusted to persons, organizations and companies listed in its announcement in its premises open for client traffic and in the list published on [www.kdbbank.eu](http://www.kdbbank.eu) its outsourced activities in the field of credit institutions and investment services.

The Bank may employ an intermediary for the provision of financial and ancillary financial services and for investment and ancillary investment services. The list of intermediaries the Bank always uses is available on the website of the National Bank of Hungary: [http://felugyelet.mnb.hu/bal\\_menu/market\\_places/search/kozvetitok/kozvetitok\\_keresese.html](http://felugyelet.mnb.hu/bal_menu/market_places/search/kozvetitok/kozvetitok_keresese.html).

The Bank reserves the right to assign its receivables to third parties by assignment.

## **5. Transfer of data to third countries / international organizations**

The transfer of data to countries outside the European Economic Area may be subject to a compliance decision (Andorra, Argentina, Faroe Islands, Guernsey, Israel, Jersey, Canada, Isle of Man, Switzerland, Uruguay, USA, New Zealand, Japan); (b) the application of binding corporate rules in addition to the general data protection clauses adopted by the European Commission). In the absence of a compliance decision or appropriate safeguards, Article 49 of the GDPR provides for the possibility of derogations in specific situations (eg data transmission necessary for the performance of a contract between the customer and the Bank). If the transfer of data cannot be based on a compliance decision, there are no adequate guarantees and none of the special situations apply, the transfer to third countries and international organizations can only take place if the transfer is limited to a limited number of customers, and the Bank has examined all circumstances of the transfer and has provided adequate guarantees regarding the protection of personal data on the basis of this examination.



## 6. Automated individual decision-making

In case of a loan application, the Bank conducts credit assessment activities in accordance with Government Decree 361/2009. And Government Decree 32/2014. (IX. 10.) MNB decree. This involves profiling the borrower's income and transaction coverage on the basis of statutory criteria. The logic of profiling is based on determining the ratio of the loan applicant's income to the loan installment requested and the ratio of the total loan amount to the value of the collateral. The decision will determine whether the borrower qualifies as creditworthy or whether it is excluded by law. This process helps the Bank make fair and responsible lending decisions.

## 7. The right of the contact persons of the contractual partners and of the Bank's own employees (hereinafter referred to as the "concerned") to be contacted regarding data processing

### 7.1. Deadline

The Bank shall, within one month from the receipt of the request, inform the person concerned of the action taken on its request for the exercise of its rights.

The Bank may, if necessary, extend this time limit by a further two months, taking into account the complexity of the application and the number of applications. The Bank shall inform the person concerned of the extension of the deadline, indicating the reasons for the delay, within one month after receipt of the request.

### 7.2. Right of access

The data subject shall have the right to obtain confirmation from the controller, through the contact details set out in section 1 as to whether or not personal data concerning him or her are being processed, and, where that is the case, access to the personal data and the following information:

- the Bank
  - o what personal information
  - o on what legal basis,
  - o for what data management purpose,
  - o How long to process; in addition to that
  - to whom, when, on what legal basis, to which personal data the Bank provided access to or forwarded personal data to the Bank;
  - the source of your personal data, if it has not been made available to the Bank by the data subject;
  - whether the Bank applies automated decision-making and its logic, including profiling.
- The Bank shall, at the request of the data subject, make a copy of the personal data subject to such processing available for the first time free of charge, after which it may charge a reasonable fee based on administrative costs.

### 7.3. Right to rectification

The data subject may request the Bank to modify any of his / her personal data through the contact details given in section 1. The condition for satisfying the application is that the person concerned can credibly prove the accuracy of the corrected data.

#### 7.4. *Right to restriction of processing*

The data subject may request the Bank to restrict the processing of his / her personal data through the contact details specified in Section 1, by clearly indicating the limited nature of the data processing and providing for separate treatment from other data if:

- disputes the accuracy and accuracy of your personal data and the accuracy and accuracy of the personal data processed cannot be established beyond a reasonable doubt - in this case the Bank will limit the processing of the data for the duration of the clarification of the existing doubts;
- the processing is unlawful and the data subject opposes the deletion of the data and instead requests that their use be limited to the duration of the legitimate interest in not deleting the data;
- the Bank no longer needs personal data for the purpose of data management, but the data subject requires them to make, assert or defend legal claims; obsession
- the data subject has objected to the processing of data - in this case the restriction applies for a period of time until it is established whether the Bank's compelling legitimate reasons take precedence over the data subject's legitimate ones.

#### 7.5. *Right to protest*

The data subject may, at any time, object to the legitimate interest in the processing of his or her personal data through the contact details set out in point 1. In such a case, the Bank may not further process the personal data unless it proves that the processing is justified by compelling legitimate reasons, which take precedence over the interests, rights and freedoms of the data subject or are related to the filing, enforcement or defense of legal claims.

#### 7.6. *Right to delete*

The data subject may request the deletion of his / her personal data through the contact details provided in point 1 if he / she withdraws his / her consent to data processing in the case of data processing based on the consent of the data subject and has no other legal basis or that there is no overriding legitimate reason for data processing on the Bank's side.

The Bank shall delete personal data without the request of the data subject if:

- the data processing is unlawful, in particular if the data processing is contrary to the principles of data protection, its purpose has ceased to exist or its further processing is no longer necessary for the purpose of the data processing, its legal period, there is no other legal basis for processing the data;
- the deletion of data has been ordered by law, by an act of the European Union, by the National Data Protection and Freedom of Information Authority or by a court;
- personal data must be deleted in order to comply with a legal obligation under EU or national law applicable to the Bank.

#### 7.7. *The right to data portability*



The data subject may request, through the contact details set out in paragraph 1, the Bank to make available his personal data in a structured, widely used, machine-readable and interoperable format if the processing is based on consent or contract; and the processing of personal data is automated.

## 7.8. *Withdrawal of consent*

The data subject shall have the right to withdraw his consent at any time through the contact details provided in point 1. Withdrawal of the consent shall not affect the legality of the consent based data management prior to the withdrawal.

## **8. The right to a remedy**

If the data subject considers that the Bank has violated the applicable data protection requirements in the processing of his / her personal data, he / she may file a complaint with the National Data Protection and Freedom of Information Authority or have the right to take legal action to protect his data.

Contact details of Nemzeti Adatvédelmi és Információszabadság Hatóság:

Address: 1125 Budapest, Erzsébet Szilágyi fasor 22 / c  
Post address: 1530 Budapest, Pf. 5  
Phone:+36(1)391-1400  
Fax:+36(1)391-1410  
E-mail:ugyfelszolgalat@naih.hu  
Website:http://naih.hu

The person concerned may also bring the action before the competent court in the place where he or she is domiciled.

Should arise any discrepancy in connection with the interpretation of the English and the Hungarian versions of this privacy notice, the Hungarian version shall prevail.