

Bank Name: K&H Bank Zrt

Location: H-1095 Lechner Ödön fasor 9, Budapest, Hungary

Know Your Customer Anti-Money Laundering and Embargo Questionnaire

I. General AML Policies, Practices and Procedures:	Yes	No
1. Is the AML compliance program approved by the FI's board or a senior committee?	Y <input type="checkbox"/>	N <input type="checkbox"/>
2. Does the FI have a legal and regulatory compliance program that includes a designated officer that is responsible for coordinating and overseeing the AML framework?	Y <input type="checkbox"/>	N <input type="checkbox"/>
3. Has the FI developed written policies documenting the processes that they have in place to prevent, detect and report suspicious transactions?	Y <input type="checkbox"/>	N <input type="checkbox"/>
4. In addition to inspections by the government supervisors/regulators, does the FI have an internal audit function or other independent third party that assesses AML policies and practices on a regular basis?	Y <input type="checkbox"/>	N <input type="checkbox"/>
5. Does the FI have a policy prohibiting relationships with shell Banks? <i>(A shell bank is defined as a bank incorporated in a jurisdiction in which it has no physical presence and which is unaffiliated with a regulated financial group.)</i>	Y <input type="checkbox"/>	N <input type="checkbox"/>
6. Does the FI have policies to reasonably ensure that no client will conduct transactions with or on behalf of shell banks through any of its accounts or products?	Y <input type="checkbox"/>	N <input type="checkbox"/>
7. Does the FI have policies covering relationships with Politically Exposed Persons (PEP's), their family and close associates?	Y <input type="checkbox"/>	N <input type="checkbox"/>
8. If answer for question 7 is yes: Does the FI have automated screening to identify PEP's?	Y <input type="checkbox"/>	N <input type="checkbox"/>
9. Does the FI have record retention procedures that comply with applicable law?	Y <input type="checkbox"/>	N <input type="checkbox"/>
10. Are the FI's AML policies and practices being applied to all branches and subsidiaries of the FI both in the home country and in locations outside of that jurisdiction?	Y <input type="checkbox"/>	N <input type="checkbox"/>
II. Risk Assessment	Yes	No
11. Does the FI have a risk-based assessment of its customer base and their transactions?	Y <input type="checkbox"/>	N <input type="checkbox"/>
12. Does the FI determine the appropriate level of enhanced due diligence necessary for those categories of customers and transactions that the FI has reason to believe pose a heightened risk of illicit activities at or through the FI?	Y <input type="checkbox"/>	N <input type="checkbox"/>
III. Know Your Customer, Due Diligence and Enhanced Due Diligence	Yes	No
13. Has the FI implemented processes for the identification of those customers on whose behalf it maintains or operates accounts or conducts transactions?	Y <input type="checkbox"/>	N <input type="checkbox"/>

14. Does the FI have a requirement to collect information regarding its customers' business activities?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
15. Does the FI assess its FI customers' AML policies or practices?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
16. Does the FI have a process to review and, where appropriate, update customer information relating to high risk client information?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
17. Does the FI have procedures to establish a record for each new customer noting their respective identification documents and 'Know Your Customer' information?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
18. Does the FI complete a risk-based assessment to understand the normal and expected transactions of its customers?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
19. Does the FI ensure not to establish relationship with entities active in gaming / gambling businesses?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
IV. Reportable Transactions and Prevention and Detection of Transactions with Illegally Obtained Funds		Yes No
20. Does the FI have policies or practices for the identification and reporting of transactions that are required to be reported to the authorities?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
21. Does the FI screen customers and transactions against lists of persons, entities or countries issued by government/competent authorities?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
22. Does the FI have policies to reasonably ensure that it only operates with correspondent FIs that possess licenses to operate in their countries of origin?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
V. Transaction Monitoring		Yes No
23. Does the FI have a monitoring program for unusual and potentially suspicious activity that covers funds transfers, cash deposits and monetary instruments such as travelers' checks, money orders, etc?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
VI. Correspondent Account		Yes No
24. Does the FI allow direct use of the correspondent account by customers to transact business on their own behalf?	Y <input type="checkbox"/>	N <input checked="" type="checkbox"/>
25. If the answer to question 24 is yes, will the FI verify the identities of and continuously monitor its business relationship with these customers and provide at K&H Bank's request the documents, data or information obtained in relation to these customers?	Y <input type="checkbox"/>	N <input type="checkbox"/>
VII. AML Training		Yes No
26. Does the FI provide AML training to relevant employees that includes: <ul style="list-style-type: none"> ▪ Identification and reporting of transactions that must be reported to government authorities. ▪ Examples of different forms of money laundering involving the FI's products and services. ▪ Internal policies to prevent money laundering. 	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
27. Does the FI retain records of its training sessions including attendance records and relevant training materials used?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>

28. Does the FI communicate new AML related laws or changes to existing AML related policies or practices to relevant employees?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
29. Does the FI employ third parties to carry out some of the functions of the FI?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
30. If the answer to question 29 is yes, does the FI provide AML training to relevant third parties that includes: <ul style="list-style-type: none"> ▪ Identification and reporting of transactions that must be reported to government authorities. ▪ Examples of different forms of money laundering involving the FI's products and services. ▪ Internal policies to prevent money laundering. 	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
VIII. Embargo policy	Yes	No
31. Does the FI have, or plan to have a presence or business interest in any of the following countries: Iran, Sudan, North Korea, Syrian Arab Republic, Cuba?	Y <input type="checkbox"/>	N <input checked="" type="checkbox"/>
32. Does the FI have, or plan to have a presence or business interest in Crimea / Sevastopol Regions?	Y <input type="checkbox"/>	N <input checked="" type="checkbox"/>
33. Does the FI have, or plan to have a presence or business interest in South Sudan or Myanmar (Burma)?	Y <input type="checkbox"/>	N <input checked="" type="checkbox"/>
34. Does the FI have business interest in Zimbabwe or Belarus, or have any joint ventures with the government of Zimbabwe or Belarus?	Y <input type="checkbox"/>	N <input checked="" type="checkbox"/>
35. Does the FI have or plan to have presence or business interest in any of the following countries: Central African Republic, Chad, Congo Democratic Republic, Equatorial Guinea, Eritrea, Korea Democratic Republic, Libya, Somalia, Tajikistan, Turkmenistan, Uzbekistan, Yemen.	Y <input type="checkbox"/>	N <input checked="" type="checkbox"/>
36. If the answer for questions 31-35 is yes, please specify: N/A		
37. Does the FI prohibit USD transactions to the following countries: Iran, Sudan, South Sudan, North Korea, Syrian Arab Republic, Cuba, Myanmar (Burma)?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
38. Does the FI operates embargo screening system?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>
39. If the answer to question 38 is yes: Please indicate the name of the system applied and the database used: NORKOM Embargo Tool (by Detica); WorldCheck database		
40. If the answer to question 38 is yes please add the sanction lists used: (ie: EU, OFAC, UN, other – specify): EU, OFAC, UN, KBC own		
41. Has the FI implemented controls to identify customers that are targeted by EU, OFAC, UN sanctions?	Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>

Ownership information:	
Name	Address
KBC Bank NV (direct owner)	B-1080 Havenlaan 2, Brussels, Belgium
KBC GROUP NV (UBO)	B-1080 Havenlaan 2, Brussels, Belgium

Additional information:

(Please indicate which question the information is referring to.)

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Name: Dr Zsolt Lukács
Title: Head of AML & EF Regulation Department
 dr. Lukács Zsolt főosztályvezető
Date: 11 April, 2017