

AML and ATF Announcement

DEAR CUSTOMERS,

Pursuant to Act CXXXVI of 2007 on Preventing and Combating Money Laundering and Terrorist Financing (AML Act) the Bank must identify its Clients in the cases defined in said Act and particularly when entering into business relations, in the event of any transaction involving a sum amounting to HUF 3,6 million or more, and any currency conversion involving a sum amounting to HUF 500,000 or more, irrespective of the currencies involved in such transaction.

Beyond these cases, K&H Bank asks for certain personal data at all cash transactions on the basis of the three reasons you can read below.

1st The biggest part of our customers want to be sure that K&H Bank can inform them about all the details of transactions performed on their account paying no regard to the amount of the transaction. K&H Bank are to suit this demand to strengthen the trust and confidence of customers. This is a reasonable demand of most of our clients which our bank must accept.

2nd The bank must check the data and verificate of the identity of any person who performs a transaction on the basis of the below mentioned regulations of the EU:

2580/2001/EC regulation;

2004/1763/ EC regulation;

1508/2006/ EC regulation;

1461/2006/ EC regulation;

and 881/2002/ EC regulation

to ensure that no person can perform transaction who is a terrorist or is in relation with terrorism financing.

3rd On the basis of AML Act, financial institutions must monitor cumulated transactions (connected with each other) within a year.

Please present your personal ID documents in order to facilitate the administrative work.

Prior to establishing a customer business relationship, the Bank determines the risk category of its candidate customers pursuant to the risk assessment procedure set out in its "Regulation on the prevention and combating of money laundering and terrorist financing", and decides about establishing a customer business relationship based on the findings of the appropriate client due diligence review. In the case of clients assigned to the HIGH risk category, completing the client due diligence review takes **maximum 2 days**. In cases where the customer relationship would pose an unacceptably high risk for the Bank, which, as a consequence, will reject establishing such a relationship, the Bank will destroy all copies made of the original documents presented by the customer and all statements made by the customer for the purposes of the client due diligence review.

Furthermore, on the basis of AML Act the Bank must ask its customers for a written statement on whether in their transactions they act for or on the behalf of another (natural person) beneficial owner. Customers with a permanent residence abroad must make a statement on whether they are politically exposed persons or not.

Pursuant to the statutory regulations applicable to bank customers, we would hereby like to ask our customers to notify the Bank within 5 days of any change in the data recorded during their previous identification (including the statement on actual ownership) and visit us so that we can record such change in their data.

Thank you,

K&H Bank Zrt.