

## PUBLIC NOTES

### On the prevention and impeding of money laundering and financing of terrorism

According to Act CXXXVI of 2007 on the prevention and impeding of money laundering and financing of terrorism all credit institutions, thus ERSTE BANK HUNGARY ZRT. too are required to examine their customers (their deputies, representatives and those authorised to dispose), and to keep record of their personal identification data listed in the Act.

#### CUSTOMER EXAMINATION OBLIGATION

The bank shall examine the customer

- a) upon establishing business connection (in case of written contract clients have to be identified in each and every case irrespective of the value limit and the identification data have to be registered. Clients who already have been identified do not have to be identified again);
- b) when a transaction order reaching or exceeding three million six hundred thousand HUF is executed (in HUF or FCY);
- c) if data, facts or circumstances arise that refer to money laundering or financing of terrorism, and no examination took place previously according to points a)-b);
- d) if doubts are raised concerning the authenticity or reliability of customer identification data registered previously;
- e) the examination obligation determined in point b) also applies to interrelated transaction orders, if their aggregate sum reach three million six hundred thousand HUF. In this case the examination has to be carried out when the transaction order is accepted with which the aggregate value of the orders reaches three million six hundred thousand HUF.

#### CUSTOMER EXAMINATION MEASURES

According to the act, the following personal identification data have to be included in the bank's records:

- **in the case of domestic natural person:**
  - surname and first name (birth name) or married name,
  - address,
  - nationality,
  - number and type of the identification document.

In addition to the data listed above, the bank - since these are necessary because of the type of services provided by the bank and for the identification and retrieval of the customer, business connection and transaction order – registers the following data:

- - place and date of birth,
- - mother's maiden name.
- **in the case of foreign natural person:** only those from the above listed data that can be determined from the identification document, as well as the residence in Hungary.
- **in the case of legal entity or organisation without legal personality:**
  - name, short name,
  - seat (business address in Hungary in the case of a foreign company),
  - company registration number of a legal entity or the number of the resolution on its foundation (registration, incorporation) or the registration number in the case of other legal entity.

In addition to the data listed above, the bank - since these are necessary because of the type of services provided by the bank and for the identification and retrieval of the customer, business connection and transaction order – registers the following data:

- core activity,
- name and position of persons entitled to act as deputy,
- delivery agent's identification data.

Subsequent to the examination of the legal entity or the organisation without legal personality, the bank also examines the person who acts for the legal entity or the organisation without legal personality.

**The identification should be carried out on the basis of the documents determined in the Act.**

**The following documents of a natural person have to be presented:**

- personal identification document and address certificate, or passport and address certificate, or driving licence card and address certificate of a Hungarian citizen;
- passport or personal identification document of a foreign natural person, if this entitles him to reside in Hungary, or certificate of registration, or another document proving the right of residence.

**The following documents of a legal entity or an organisation without legal personality have to be presented which certifies that**

- the domestic business organisation has been incorporated, or the request for incorporation has been submitted; the private entrepreneur has received the entrepreneurial certificate, or the request for registration has been submitted adequately. Entrepreneurial certificate, certificate issued by authority or certificate of request for registration can be accepted, the domestic legal entity has been registered or the request for registration has been submitted,
- the foreign legal entity or other organisation without legal personality has been registered or incorporated in its own country.

**The following documents of a legal entity or an organisation without legal personality have to be presented, if they have not been registered yet:**

- deed of foundation (article of incorporation) of a legal entity or an organisation without legal personality prior to submitting the request for registration to the company court or other relevant authorities. In this case the legal entity or the organisation without legal personality is required to certify the incorporation at the company court or the registration at the court or other relevant authority within 30 days.

The bank may only accept authorised documents that are not older than 30 days.

**The customer examination obligation is considered to be fulfilled, if the bank has the authorised copy of the identification document,** which can only be accepted as proof of the performance of identification, if

- a) the authorised copy was made and attested by the administrator of the Hungarian consulate or the notary public, or
- b) the administrator of the consulate or the notary public equipped the copy with an attestation that certifies the conformity of the copy with the original document, or
- c) the copy was made by an authority that is entitled to prepare certified copy in the relevant state and - in the absence of international agreement to the contrary - the administrator of the Hungarian consulate legalized the authority's signature and stamp on the copy.

## **STATEMENT OBLIGATION**

In addition to giving their personal identification data, the customers have to make a statement in writing whether they proceed at the bank in their own name or in the name and favour of another person as

beneficial owner (beneficial owner statement).

In case the customer acts for another person, he has to make the name and address, as well as the citizenship of the beneficial owner available to the bank in the statement.

In addition to the above data, if it is necessary for the identification of the customer, the business connection or the business order, or for the prevention and impeding of money laundering and financing of terrorism due to the type and amount of the business connection, the transaction order and the customer's circumstances, the Bank may request the following data of the beneficial owner from the customer:

- type and number of the identification document,
- residence in Hungary of a foreign citizen (if there is any – in words only),
- place and date of birth,
- mother's maiden name.

The customer who has a domicile abroad has to make a written statement to the Bank, whether he is considered as a politically exposed person in his own country and, if so, what is his position (PEP statement).

In case the customer having domicile abroad declares that he is a politically exposed person, the business connection can only be established and the transaction order can only be fulfilled subsequent to the approval of the Bank's manager as stipulated in the Bank's statutes of organisation and operation.

**According to the Act CXXXVI of 2007 on the prevention and impeding of money laundering, examination of the customer can only be considered as complete, if the data set forth in the law have been registered electronically or on paper basis, can be retrieved and the statement on the beneficial owner, as well as the PEP statement of the customer having domicile abroad are available. In case the customer personal identification data, as well as the specific data of the beneficial owner cannot be determined or obtained during the process, the Bank shall deny the establishment of business connection, the transaction order and the execution of further transaction orders.**

After 01. January 2009, the Bank shall deny the execution of the transaction order, if

- a) the business connection with the customer was established prior to the entry into force (14. December 2007) of this Act,
- b) the customer did not appear in person or by deputy at the service provider for the purpose of examination and
- c) the result of the examination determined in Sections 7-10. is not available completely.

According to the Act, persons giving order to the bank are also considered as customers (ad-hoc customer). Pursuant to Section 6, Subsection (2) of the Act, the identification obligation applies to all interrelated transaction orders, if their aggregate amount reaches three million six hundred thousand HUF. In the case of currency purchase (cash), the customer examination obligation applies to the interrelated transaction orders, if their aggregate value reaches or exceeds five hundred thousand HUF. In order to fulfil this obligation, the Bank may execute the identification of the ad-hoc customers (who have no account) in each and every case **irrespective of the value limit**.

In the case of currency purchase transactions, the following data have to be indicated on the transaction voucher:

- a) in the case of domestic natural person:
  - surname and first name (birth name),
  - address,
  - type and number of the identification document
- b) in the case of legal entity or organisation without legal personality:
  - name, short name,
  - seat and address of the branch in Hungary of a foreign company,

- company registration number of a legal entity or the number of the resolution on its foundation (registration, incorporation) or the registration number in the case of other legal entity.
- c) in the case of foreign natural person:
  - residence in Hungary.

If you need further information, please call the Bank's phone customer service on 06 40 222 222 (0 menu item).

Thank you for your understanding and cooperation!

**Budapest, 26.01.2011**

**ERSTE BANK HUNGARY ZRT.**