

Announcement

on the amendment of the General Retail Banking Business

Regulations

CIB Bank Zrt. (1027 Budapest, Medve u. 4-14.; company reg. no.: 01-10-041004) (hereinafter: Bank) hereby informs its Clients that, as from 25 May 2018, the following sections of the Bank's General Retail Banking Business Regulations are amended as follows.

Section 2 entitled "Definitions" will be supplemented with the following "General Data Protection Regulation" definition below, and the definition of the "Anti-Money Laundering Act" will be amended as follows.

Data Protection Regulation REGULATION (EU) 2016/679 of the EUROPEAN PARLIAMENT AND OF THE COUNCIL on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC,

Anti-Money Laundering Act: Act LIII of 2017 on the Prevention of Money Laundering and Terrorism Financing.

5.2.1. Legal basis of the data processing

The Bank shall process the Client's data in accordance with the provisions of the relevant statutory regulations (thus, in the case of personal data, the General Data Protection Regulation and the Data Protection Act). The Bank shall provide information on the method and details of data management to the Client and other data subjects in a public Data Protection and Data Security Policy. For the purposes of this section, "data subject" means the person – including the Client – to whom the data relates. Management of data takes place in the following cases:

- (a) The data subject consents to the management of the data. The Bank may also process the data if the Client proves that a data subject other than themselves has given their consent to the processing of their data; the Client's declaration in and of itself will not be considered sufficient.
- (b) If the data processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into an agreement;
- (c) If the processing is necessary for compliance with a legal obligation to which the Bank is subject;
- (d) If the processing is necessary in order to protect the vital interests of the data subject or of another natural person;
- (e) If the processing is necessary for the purposes of the legitimate interests pursued by the Bank or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data

subject which require protection of personal data, in particular where the data subject is a child. In the case of such data processing, the Bank conducts a prior "interest assessment test", of the results of which it shall inform the data subject.

5.2.2. Purpose of the management of data:

Data processing purposes can be the following in particular:

- a) preparation, conclusion and performance of an Agreement concluded with members of the group of companies operating with the Bank or the Bank's participation whose main establishment is in Hungary,
- b) following the termination of the Agreement, the exercising of rights and fulfilment of obligations originating from the Agreement, thus in particular the enforcement of any outstanding claims based on the Agreement.
- c) a contact initiated by the Bank or other members of the group of companies operating with the Bank's participation whose main establishment is in Hungary for direct marketing or market research purposes (by mail, phone or via some other, electronic or other means of communication);
- d) in order that the Bank and other members of the group of companies operating with the Bank's participation whose main establishment is in Hungary should be able to directly assess the Client's needs in an identifiable manner in the interest of satisfying them at a higher level (preparation of statistics);
- e) risk management (analysis, evaluation and mitigation, as well as ensuring prudent operation and compliance with risk assumption and capital adequacy provisions),
- f) prevention, investigation, and detection of abuses related to the products and services provided by the Bank or other members of the group of companies operating with the Bank's participation whose main establishment is in Hungary,
- g) fulfilment of the statutory obligations of members of the group of companies operating with the Bank's participation whose main establishment is in Hungary, including, in particular, the fulfilment of obligations stipulated by the laws aimed at countering money laundering and terrorism financing, as well as the laws regulating the financial, insurance brokerage and investment services provided by the members of the CIB Bank Group (and in these two latter cases the Bank shall, based on the statutory regulations and in the cases specified therein, forward the data to third parties)
- h) allowing the members of the group of companies operating with the Bank's participation whose main establishment is in Hungary to assert their claims

through a consistent recovery process, and to facilitate the enforcement of any settlement obligations they may have towards each other, and

- i) complaint management.

5.2.3. Management and forwarding of data

- a) CIB Bank Group

Based on the Client's specific consent, for the purposes detailed under Sections 5.2.2 d) and e), the Bank shall be entitled to (A) transfer the Client's data to the members of the CIB Bank Group for the purpose of processing such data, and (B) take over and process the data processed by other members of the CIB Bank Group, and in this context, by way of the authorisation, the Client shall exempt the data controller from its obligation of confidentiality. The authorisation may also apply to any data transfer to those members of the CIB Bank Group whose registered office, permanent establishment and place of actual data management is in a member state of the European Union. A data transfer may only take place in justified cases, for the purposes indicated in the above section, and the data subject shall be appropriately informed thereof in all cases. The data recipient may only use the data for the purpose of data transfer, and it may not forward such data to third parties. The Bank shall ensure that the requirement of data security and the conditions of lawful data management are provided for at the party receiving the data too, and thus shall ensure the security of the data, in particular the prevention of any unauthorised access, alteration, forwarding, publication, deletion or destruction, as well as any accidental damage or destruction, or any inaccessibility caused by a change in the applied technology.

- b) Statutory provisions

Based on applicable statutory provisions, the Bank shall have the right to transfer data related to the Client that otherwise qualify as secret or personal data to the organisations identified in the relevant law (e.g. Section 164/B of the Credit Institutions Act).

- c) Execution of orders

If the Consumer gives the Bank an order that requires the data to be transferred, then the Bank may, in the interest of executing the order, transfer the data to the extent required for this, and in this respect the Client shall grant the Bank special exemption from its confidentiality obligation.

- d) Using the services of a data processor, engaging an organisation performing outsourced activities

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The Bank may employ a data processor, and the Bank shall provide information on the identity of such data processors on the www.cib.hu website as well as in the information publications placed in the Bank's branches.

e) Judicial, authority and supervisory procedures

On the basis of special authorisation (individual exemption from banking secrecy), the Bank may disclose any data or facts related to the Client which otherwise qualify as bank secrets or business secrets to a court of law, or to an authority or supervisory organ, if the Bank is required to prove before such court or authority the performance, content, circumstances or correctness of a service provided or denied to the Client.

f) Undue payment

On the basis of a separate, special authorisation, the Bank may issue the name and address of the Client to such third parties who declare in writing, in a private deed of full probative force or in a public deed, assuming liability for unlawful data processing, that an amount paid or transferred by it to the Client's Bank Account was an undue payment (*solutio indebiti*), if the Client does not see to the retransfer of such amount within 15 days following the Bank's prior notification in relation thereto.

g) The Bank's representative

It shall not qualify as a breach of the confidentiality obligation if, based on a statutory authorisation, the Bank provides information to its representative or an agent employed by the Bank, since the Bank assumes responsibility for the confidential conduct of such representative or agent.

h) Agents and other persons

On the basis of the statutory authorisation, the Bank shall be entitled to disclose any information and/or data related to the Client which otherwise qualify as bank secrets, securities secrets or business secrets to agents, intermediaries, typographers, persons/companies commissioned to enforce claims, persons/companies performing outsourcing activities, organisations performing consumer and customer satisfaction surveys and research, as well as other agents and representatives who are necessary and employed for the purpose of providing the Bank's services and/or who are in a contractual relationship with the CIB Bank Group and are bound by the obligation of confidentiality, either within or outside the country. The data transfer may take place, subject to full compliance with the provisions of the relevant statutes, under a contract for outsourcing, intermediary services or data processing.

i) Creditworthiness appraisal

For Unsecured Loans, as part of the creditworthiness appraisal, the Bank first checks that the basic conditions are fulfilled. A positive check of the basic conditions is a precondition for applying for Unsecured Loans.

The Bank shall, in accordance with the individual Specific Business Regulations governing Credit Facility and Loan Agreements, conduct a credit appraisal and credit-worthiness procedure.

Security interests

The Client acknowledges that the Bank is entitled to check – with regards to the conclusion and performance of the agreement – the characteristics of the Securities provided on the basis of the Specific Business Regulations regarding Security, as well as the Client's entitlement with regard to the Security concerned. During this procedure, the Client shall make available to the Bank all the necessary data requested by the Bank (including the insurance secrets necessary to the extent required for the purpose of complying with the provisions of the said Specific Business Regulations). Through the delivery, the Client gives its consent to the joint management of the above data and any other data related to the Client that is lawfully available for the Bank, in order to enable the Bank to make a well-founded decision regarding the acceptance or the necessity of supplementing the Security, as well as any other issues related to the Security.

j) State-subsidised transactions

In the case of state-subsidised transactions, the Bank may, based on the Agreement or a statutory regulation, transfer any relevant data to the appropriate state organ (such as the tax authority), for the purpose of verifying the lawfulness of the transaction, the Client's compliance with its obligations and the fulfilment of other tasks stipulated by law.

k) CCIS

Provisions related to the CCIS Act concerning the Client are available in Annex 3 of these business regulations.

5.2.4. Conditions of data transfers to third countries or international organisations

Data transfers to third countries or international organisations are only possible if the guaranteed protections under the Regulation are ensured. Any data transfer to an EEA state should be regarded as though a data transfer had occurred within the territory of Hungary.

5.2.5. Special consents

a) Automated decision-making

On the basis of the legal grounds specified under Section 5.2.1, the Bank shall be entitled to evaluate the Client's personal data as well as its data classed as bank or securities secrets through automated data processing, and to make a decision exclusively by way of automated data processing for the purpose identified at the time of the ordering of the automated data processing and disclosed to the Client. The Client shall have the right not to be subject to a decision based solely on automated processing, including profiling, which produces legal effects concerning him or her or similarly significantly affects him or her.

- a) is necessary for entering into, or performance of, an agreement between the Client and the Bank;
- b) is authorised by Union or Member State law to which the controller is subject; or
- c) is based on the Client's explicit consent

In the cases referred to in sections (a) and (c), the Bank shall implement suitable measures to safeguard the data subject's rights and freedoms and legitimate interests, at least the right to obtain human intervention on the part of the Bank, to express his or her point of view and to contest the decision.

b) Provision of information and the related documentation

The Bank may, for the purpose of providing the Services under the Agreements, checking compliance with the Client's obligations and fulfilling the Bank's commitments, request (either electronically or by phone), verify and store any information related to the Client's personal, deposit, credit and risk data, as well as the documents containing such information for the duration specified in the relevant law. The documents supplied – if the Bank expressly requests authentic documents – must be either originals or copies electronically authenticated by a notary public.

c) Checking in records

Based on the data subject's consent, or if permitted by statutory regulations, the Bank is entitled to check the data provided by the data subject and, in order to prevent the unauthorised use of document(s) suitable for personal identification, to check, based on the data supplied by the Central Office for Administrative and Electronic Public Services, the provided personal data, and the documents presented.

d) Identification document

In the interest of the prevention of money laundering, in the course of the customer identification process conducted in accordance with the Anti-Money Laundering Act, the Bank shall, in the event of an

application for a loan product, prepare copies of the photo identification document of the applicant.

e) Photographs

The Bank places security cameras at the Branches and at the ATMs it operates and saves the video recordings. The Bank may, at its premises, at the cash-substitute payment instrument acceptance places and at the electronic cash-acceptance places belonging to its own acceptance network, prepare photographs of the persons performing a Transaction, and may store and use such photographs for settlement and security purposes. In compliance with the relevant statutory provisions, the Bank shall keep these photographs for a maximum of 60 days, and it may use such photographs as evidence.

f) Voice recordings

The Bank will record the conversation with the Client giving instructions if it is required for the conclusion or performance of the agreement. These voice recordings will be kept by the Bank until the lapse of the statutory limitation period of the claims arising from the agreement.

The Bank will record the telephone communication conducted in relation to complaints handling and other matters identified in the applicable laws in accordance with the statutory regulations even if consent is not available. These voice recordings will be retained by the Bank for the duration specified in the relevant law.

In other cases the Bank will record telephone conversations, if the data subject consents to such recording. These voice recordings will be deleted by the Bank after consent is withdrawn, except if the voice recording is indispensable for the performance of a related legal obligation of the Bank and does not disproportionately limit the rights of the data subject. These circumstances can be ascertained on the basis of a successful preliminary interest assessment test.

At the Client's request, the Bank shall provide an opportunity to listen to the voice recording made of a conversation, at a pre-arranged time falling at the earliest on the 8th Banking Day following the submission of the request, at the Bank's premises, in the joint presence of a Bank employee and the Client (or a legal representative or some other authorised person), and it shall make available, free of charge, to the Client, a copy of the authenticated transcript made of the audio-recording. The voice recordings are stored in compliance with the provisions of the statutory regulations.

g) Technical identifiers

By using any of the Electronic Services or CIB24, the Client gives its consent to the Bank to record, for technical, statistical, verification and bank security purposes, the technical identifiers of the technical devices, software and connection used by the Client until such time as the purpose of the data processing continues to exist.

5.2.7. Duration of data management

The data processing – unless otherwise provided by a legal regulation or by the Agreement – shall last until the expiry of the period of enforceability of the rights and obligations arising from the particular legal relationship in connection with which the Bank or the CIB Bank Group is processing the data. The data manager deletes the data if it is obvious that such data will not be used in the future. In the case of statutory mandatory processing, the Bank will process the personal data of the data subjects until the expiry of the statutory limitation period, for example:

- in connection with taxation: for 5 years;
- in connection with accounting: for 8 years;
- in connection with money laundering and terrorist financing generally for 8 years, but in certain cases specified in the Act on the prevention and combating of money laundering and terrorist financing for 10 years;
- for 60 days in the case of video recordings;
- at least 5 years in the case of voice recordings related to complaints handling.

5.2.8. Rights of the data subject

a) The Bank ensures to the data subjects the rights granted to them by law. Thus, the data subject may, in particular

(i) request information on the data managed, recorded and forwarded at the Bank or at the members of the CIB Bank Group. The data manager provides such information in writing. Such information shall be provided free of charge if the party requesting the information did not submit to the data manager any application for information relating to the same matter in the current year. In all other cases the data manager may require a reimbursement of costs;

(ii) in the absence of any statutory provision to the contrary, request the rectification, erasure, restriction of the processing of their personal data processed at the Bank or at the members of the CIB Bank Group; and

(iii) in the case of the legal basis specified under Section 5.2.1 e), or in the case of data processing for the purpose of direct marketing, object to the processing of their personal data; and

(iv) shall have the right to receive the personal data concerning him or her, which he or she has provided to a Bank in a structured, commonly used and machine-readable format.

b) In the cases specified in the law the provision of information may be denied. If the data controller refuses to provide information, or if it rejects the request for rectification, restriction, data release or erasure, and if the data subject has other objections to the data processing, the data subject may have recourse to a court or to the Hungarian National Authority for Data Protection and Freedom of Information. The Bank shall, at the data subject's request, provide information on the available legal remedies.

CIB Bank Zrt.

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