



MKB BANK NYRT

SANCTION POLICY

MKB Bank fully adheres to all the financial and economic restrictive measures that appear in the EU and the local regulatory environment. Certain restrictive measures imposed on certain counterparties and transactions by the United States (OFAC) should be followed due to their extraterritorial scope; these measures are also fulfilled by MKB Bank.

For more information on EU, OFAC and UN sanctions lists, please see the following links:

UN: <https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>

EU: http://ec.europa.eu/dgs/fpi/what-we-do/sanctions_en.htm

US (OFAC): <http://www.ustreas.gov/offices/enforcement/ofac/sdn/>

MKB Bank **will not execute either incoming or outgoing transactions**, regardless of the currency of the transaction, from financial institutions (including their subsidiaries and branches), public entities, legal entities and private individuals or to all such persons or entities, **who fall under the restrictive programme** of the EU, UN and the US.

Transactions for products that are subject to restrictions - military equipment, unapproved dual-use items, nuclear-related materials - cannot be executed under any circumstances.

■ GENERAL INFORMATION CONCERNING CROSS-BORDER TRANSACTIONS

Correspondent banks have the right to withhold certain transactions for further investigation if their filtering systems generate a potential sanctioning result. Such transactions may be either transactions initiated by our customers or creditable to them. Transactions are performed by correspondent banks by requesting and evaluating information and/or documents. Refusal to provide information and/or documents may also result in the blocking of the transaction amounts. In such a case, MKB Bank can only act as an intermediary between the customer and the correspondent bank, they have no decision-making or decision vetoing rights.

- **GENERAL PROHIBITIONS CONCERNING US TRANSACTIONS, US PERSONS AND PRODUCTS ORIGINATING FROM THE US**

US Person: any private or legal person residing or operating in the United States of America, as well as the citizens and permanent residents of the United States irrelevant of their location, or any legal entity - and any of its units -, including subsidiaries, which are subject to United States law.

I. MKB Bank does not execute USD transactions to Iran, Cuba, Syria, Sudan, South Sudan or North Korea, or transactions from those countries.

II. No USD payments can be completed to persons, organisations, banks (including their branches and subsidiaries) appearing or not appearing on Iranian, Cuban, Syrian, Sudanese, South Sudanese, Crimean and North Korean blacklists, and the payments of such natural or legal persons may not be carried out via the United States.

III. The Bank does not execute transactions to Iran, Cuba, Syria, Sudan, South Sudan and North Korea which concern US nationals or US products (excluding humanitarian products) and does not execute transactions from these countries.

- **SPECIAL INFORMATION RELATING TO IRAN**

In the case of transactions arriving from or going to Iranian partners or Iranian financial institutions (including their subsidiaries and branches) not subject to EU and US restrictive measures, only those relating to humanitarian products (medicine, foodstuffs) may be executed. For each transaction documents (invoice, contract) must be provided to certify its concernment in the import and export of medicine and foodstuffs.

- **SPECIAL INFORMATION RELATING TO RUSSIA**

The sanctions related to Russia are highly diverse and comprehensive, EU and OFAC sanctions vary, so most of the transactions related to Russia are subject to detailed investigation to ensure that the transaction can be processed under Hungarian law and MKB Bank's own guidelines.

- **SPECIAL INFORMATION RELATING TO NORTH-KOREA**

MKB Bank does not execute any transactions in relation to North Korea

■ RISK APPROACH RELATED INFORMATION

MKB Bank reserves the right to carry out further investigations of customer relationships which jeopardise its reputation or certain transactions, or refuse them based on risk, e.g.:

Creating and maintaining a customer relationship and/or executing a transaction

- relating to a natural or legal persons sanctioned by the EU, US or UN
- relating to a natural or legal persons linked to the arms trade and chemical weapons
- relating to natural or legal persons performing activities linked to gambling
- relating to offshore companies

The prohibitive and restrictive provisions are enforced by the MKB Bank also in relation to the beneficial owners during customer acceptance and the execution of individual transactions.