

# Privacy Policy

## concerning the provision of investment and ancillary services

Effective as of: 24 June 2022

### 1. General provisions

Dear Data Subject, please be informed that you can find detailed information on the data processing of Raiffeisen Bank Zrt. in our [Privacy Policy](#) available in the Bank's website; however, we think it is also important that we describe the distinguishing characteristics of the processes in question in this policy in detail.

#### 1.1. Controller: Raiffeisen Bank Zrt. and its subsidiaries (collectively, the "Bank" or "Banking Group").

**Members of the Hungarian Banking Group** (for detailed information on the group members, see [this link](#)):

- Raiffeisen Bank Zrt. (registered office: 1133 Budapest, Váci út 116-118.)
- RB Service Centre Kft. (registered office: 4400 Nyíregyháza, Örmester utca 4.)
- Raiffeisen Investment Fund Management Zrt. (registered office: 1133 Budapest, Váci út 116-118.)
- Raiffeisen Corporate Lízing Zrt. (registered office: 1133 Budapest, Váci út 116-118.)
- Raiffeisen Biztosításközvetítő Kft. (registered office: 1133 Budapest, Váci út 116-118.)

#### 1.2. Contact details of the Bank's data protection officers



In writing in the form of a letter sent to the address Raiffeisen Bank Zrt. Budapest 1700



In-person at any branch of Raiffeisen Bank



Electronically by an e-mail sent to the address [info@raiffeisen.hu](mailto:info@raiffeisen.hu)



On the phone at phone number 06-80-488-588

The Bank's data protection officer is dr. Gergely Balázs, and the data protection officer of the Subsidiaries is dr. Ildikó Dunár.

### 2. Processing purpose

#### 2.1. Provision of investment services

The Bank is one of the key players of the Hungarian financial market that provides universal services. Its reliable operation rests on the expertise of its staff, the high-level service offered to the customers, and a well-capitalised shareholder background.

The Bank as a financial institution as per the Banking Act<sup>1</sup> also provides specific services to its customers (both retail and corporate) (the "Customer"), including investment services and ancillary investment services as per the Investment Firms Act<sup>2</sup> (collectively, the "Investment Services").

In the scope of investment services, the Bank provides the following services to its Customers:

- receiving and transmitting client orders,
- execution of orders on behalf of clients,
- dealing on own account,

<sup>1</sup> Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises

<sup>2</sup> Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing Their Activities

- portfolio management,
- investment advice,
- placement of financial instruments including a commitment for the purchase of assets (securities or other financial instruments) (underwriting guarantee),
- placement of financial instruments without any commitment for the purchase of assets (financial instruments).

In the scope of ancillary services, the Bank provides the following services to its Customers:

- safekeeping and administration of financial instruments for the account of clients,
- safe custody services relating to securities for the account of clients, including the safekeeping and administration of printed securities for the account of clients, except for providing and maintaining securities accounts at the top tier level (central maintenance service) as per point (2) of Section A of the Annex of Regulation (EU) 909/2014,
- granting credits and loans to investors,
- advice to companies on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of companies,
- foreign exchange services on own account where these are connected to the provision of investment services,
- investment research and financial analysis,
- services related to underwriting guarantees,
- investment services and activities as well as ancillary services related to the underlying instruments of the derivatives included under Art. 6 e)-g), j) and k) of the Investment Firms Act.

## 2.2. Data processing related to Investor Questionnaires (MiFID Suitability and Appropriateness Test)

Providing Investment Services also imposes specific additional duties on the Bank, including among others the duty to have—in line with the investor protection provisions of the Investment Firms Act, the MiFID II Directive<sup>3</sup>, and Commission Delegated Regulation (EU) 2017/565<sup>4</sup>—appropriateness tests<sup>5</sup> (the “**Appropriateness Test**”) and/or suitability tests<sup>6</sup> (the “**Suitability Test**”) completed by the individual Customers prior to the provision of investment services.

The purpose of processing the data included in the **Appropriateness Test** is to assess appropriateness, i.e. that the Bank identify which services, transactions and financial instruments the Customer is familiar with, and give feedback to the Customer on these, examine the features of the transactions executed by the Customer, and furthermore examine whether the Customer has relevant financial knowledge or professional experience to understand and assess the nature of the services and products, and the related risks, so that the Bank can offer to the Customer services related to transactions and financial instruments that are truly appropriate for the Customer.

The purpose of processing the data included in the **Suitability Test** is to assess suitability, i.e. that the Bank examine and give feedback to the Customer regarding whether the services and products offered by the Bank are suitable to implement the Customer’s investment objectives, and whether the measure of risks connected to the offered services and products is consistent the Customer’s investment objectives, risk appetite, financial situation and loss absorbing capacity, or not, so that the Bank recommend transactions and financial instruments that are adjusted to the Customer’s circumstances and suitable to implement the Customer’s investment expectations.

In the scope of the **Appropriateness Test**, the Bank

- identifies the services, transactions and financial instruments known to the Customer,
- examines the nature, magnitude, and frequency of the Customer’s transactions with financial instruments, and the length of the time period needed to execute these,
- examines the Customer’s education level, occupation, or any previous occupation relevant to the evaluation.

<sup>3</sup> Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU

<sup>4</sup> Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive

<sup>5</sup> Art. 45-46 of Investment Firms Act

<sup>6</sup> Art. 44 of Investment Firms Act

In the scope of the **Suitability Test**, the Bank

- assesses whether or not the transaction is consistent with the Customer's investment objectives, including the Customer's risk tolerance,
- examines whether or not the transaction is such that the Customer is able financially to bear any related investment risks consistent with his/her investment objectives,
- examines whether or not the transaction is such that the Customer has the necessary experience and knowledge in order to understand the risks involved in the transaction or in the management of his/her portfolio.

In the scope of the **Appropriateness and Suitability Test**, the Bank may request from the Customer

- a written statement concerning his/her assets and income, education level, capital market knowledge and experiences, etc.,
- presentation of documents corroborating the Customer's statements, and
- disclosure of any agreement with other investment firms or commodities brokers.

The Bank assigns its retail customers into 3 categories: Normal Retail, Premium and Private customers. The Bank provides investment services to the different categories of Customers as follows:

- For Customers belonging to the Premium and Private categories, the Bank provides investment services both on an advisory and a non-advisory basis (including and not including investment advice, respectively).
- To its Customers belonging to the Private category, the Bank also offers portfolio management services.
- To Customers belonging to the Normal Retail category, the Bank provides non-advisory service only.

In the case of advisory / portfolio management services, the Bank offers a personalised recommendation related to financial instruments or investment services to the Customer. The Bank presents the given financial instrument as an asset suitable for the Customer, taking into account the Customer's individual circumstances.

Our Customers' attention is expressly drawn to the fact that the law does not make it mandatory to complete the Suitability Test in the case of all services, therefore in such cases the Customer may decide whether he/she wants to complete the test, and consent to the processing of the personal data provided in the test, or not. If after consultation with the Bank the Customer consents to the completion of the Suitability Test beyond the scope of mandatory data processing, the Bank shall process the data; however, the Customer may at any time withdraw his/her consent without any explanation with a notice to the Bank.

Where the law orders that providing the relevant data and completing the test is a precondition for the use of the given service, the Customer shall have the right to use the given service only after completing the test. Please be informed that in accordance with Art. 44-45 of the Investment Firms Act, completion of the Suitability Test is mandatory in the case of the provision of investment advisory or portfolio management services. The list of the services offered by the Bank is determined by the Business Conditions for Investment Services, the relevant Lists of Terms & Conditions, and the Customers' agreements with the Bank.

Where the Bank does not get the information necessary to carry out the Suitability and Appropriateness Test in full, or if the evaluation of the information leads to a result on the basis of the methodology elaborated by the Bank that does not enable the Bank to provide the service requested in respect of the relevant financial product to the given Customer, then in accordance with Art. 54 (1) d) and e) of the Investment Firms Act the Bank shall refuse to provide investment advisory or portfolio management services.

In the case of a non-advisory service, the Bank provides information to the customer on the products offered by it. The Bank provides information to the customer about possible investment alternatives without expressly recommending a concrete product to the customer.

The Bank provides general information on the products, presenting the product range, from which the customer selects the product he/she wishes to purchase, and decides whether or not to give an order. Depending on the customer's decision, the Bank enters the order in the system, and executes it for the customer's benefit.

In order to use non-advisory services, the Bank requests the customer to complete the Appropriateness Test so that the Bank may examine whether the customer has sufficient product knowledge and experience in respect of the investment selected by him/her.

In the absence of the completion of the Appropriateness Test, the Bank will execute the Customer's orders from time to time given for so-called non-complex products but will not be able to ascertain whether the product is appropriate for the Customer or not.

In accordance with the Investment Firms Act completion of the Appropriateness Test is mandatory in the case of so-called complex products, and the provisions of Article 45 (1)-(3) of the Investment Firms Act are governing when examining this.

Execution-only service means in accordance with Art. 5 (1) a) and b) and Art. 45 (3) of the Investment Firms Act the reception, transmission, and execution of orders for non-complex financial instruments on behalf of customers, upon the customer's express request, without any examination of suitability and appropriateness. The Bank does not provide "execution-only" services.

	<b>NORMAL RETAIL</b>	<b>PREMIUM</b>	<b>PRIVATE</b>
<b>Available services</b>	Non-advisory service	Advisory service Non-advisory service	Advisory service Portfolio management service Non-advisory service

	<b>NORMAL RETAIL</b>	<b>PREMIUM</b>	<b>PRIVATE</b>
<b>Test to be completed</b>	Appropriateness Test	Appropriateness Test (where the customer refuses to complete the Suitability Test): - only non-advisory service may be used or full test (Suitability and Appropriateness Test): - full range of investment services is available - mandatory in case of investment advice	Appropriateness Test (where the customer refuses to complete the Suitability Test): - only non-advisory service may be used or full test (Suitability and Appropriateness Test): - full range of investment services is available - mandatory in case of investment advice and portfolio management

In accordance with the Investment Firms Act and NMG Decree 16/2017<sup>7</sup>, the Bank maintains, operates, and regularly reviews a process for the approval of each financial instrument and the approval of significant adaptations of existing financial instruments before such instruments are marketed or distributed to the Customers. This is the Bank's so-called product approval/product governance process.<sup>8</sup>

It is an important element of the process to determine the target markets of the products in order to enable the Bank to offer products that meet the needs, objectives and characteristics of the customer.

Through the questions asked in the Suitability and Appropriateness Tests, the Bank assesses the Customers' objectives and preferences so that such information can be compared with the target market of the distributed product, and the product will be offered by the Bank to Customers belonging to the target market. Before the customer order is given, the Bank completes the target market assessment.

The prospectus relating to the completion of the MiFID Investor Questionnaire is [available in the Bank's website](#).

### **2.3. Handling of the recorded communication related to investment services**

In accordance with the requirements set out in the MiFID II and in the Investment Firms Act (the act implementing MiFID II), as well as in Commission Delegated Regulation (EU) 2017/565, the Bank records all telephone conversations, electronic and personal communications relating to transactions concluded when dealing on own account and the provision of client order services that relate to the reception, transmission and execution of client orders, irrespective of whether these are related to advisory, non-advisory or portfolio management services. Such telephone conversations and electronic and personal communications also include those that are intended to result in transactions concluded when dealing on own account or in the provision of client order services that relate to the reception, transmission, and execution of client orders, even if those conversations or communications do not result in the conclusion of such transactions or in the provision of client order services.

The Bank records the Customers' requests for proposal as well.

Orders given by the customer in other ways are recorded by the Bank in a durable medium (e.g.: letter, fax, e-mail). Of any relevant personal conversations with the customer, minutes are drawn.

<sup>7</sup> NMG Decree 16/2017 (VI.30.) on the product approval process applicable by investment firms (NGM 16/2017)

<sup>8</sup> Art. 17/A, Art. 40 (2)-(3) of Investment Firms Act

## **2.4 Use of electronic channels to provide information related to investment services**

The Bank has the right to arrange that all information to be provided to customers or potential customers is delivered in electronic format. An exception from this is if the (potential) retail customer requests the information to be sent (invariably) on paper, in which case such information should be provided to the customer on paper, free of charge. The Bank is obliged to call the attention of (potential) retail customers to the fact that they can receive any information prescribed by law on paper as well.

Existing retail customers who before 28 February 2022 received the information to be provided under the Investment Services Act on paper shall be informed by the Bank of the change at least 8 weeks before the transition to electronic format.

If during such 8-week period an existing retail customer does not request the Bank to continue providing information on paper, after the lapse of the 8-week period of notice the information required under the Investment Services Act shall be automatically sent in electronic format.

The Bank shall primarily use the Raiffeisen DirektNet (Internet Brokering) system, the Bank's website ([www.raiffeisen.hu](http://www.raiffeisen.hu)) and e-mail correspondence to implement the use of electronic channels to provide information; however, it reserves the right to change electronic notification channels, properly informing retail customers of the change.

### 3. The purpose, legal basis and duration of processing

Type of processing	Processing purpose	Legal basis of processing	Categories of processed data	Retention period
<b>Conclusion of investment service agreement</b>	Conclusion of the investment service agreement, performance of contract, enforcement of the provisions of the contract, preparation of the individual transactions to be implemented, communication under the contract, and provision of adequate information relating to the contract.	<p><b>Performance of contract</b> Art. 6 (1) b) of GDPR</p> <p><b>Performance of legal obligation</b> Art. 6 (1) c) of GDPR Art. 40 (6a), (6b), (7a), (7b) of Investment Firms Act</p>	Identification data, mother's name, address data, place of stay in the absence of address, tax identification number, mailing address, e-mail address, number of securities (depository) account, number of client account, country of birth, place of birth, nationality, foreign exchange status, signature.	<p>8 years from the cessation of the contract or the claim in accordance with Art. 56-59/A of the Money Laundering Act and the Accounting Act, and 5 or 7 years in accordance with Art. 55 (10) of the Investment Firms Act.</p> <p>In the case of unrealised contracts, retention period is 5 years from the recording of the data as per the Civil Code.</p>
<b>Execution of MiFID Appropriateness Test</b>	To identify the services, transactions and financial instruments known to the Customer, and examine whether the Customer has any relevant financial knowledge or professional experience.	<p><b>Performance of contract</b> Art. 6 (1) b) of GDPR</p> <p><b>Performance of legal obligation</b> Art. 6 (1) c) of GDPR Art. 45 (1) of Investment Firms Act</p>	Customer's name, Customer ID, Customer basic number, tax identification number, Customer's basic MiFID category, MiFID questionnaire reference number, highest education level, job, financial and investment knowledge and experience relating to financial instruments, signature.	<p>8 years from the cessation of the contract or the claim in accordance with Art. 56-59/A of the Money Laundering Act and the Accounting Act, and 5 or 7 years in accordance with Art. 55 (10) of the Investment Firms Act.</p> <p>In the case of unrealised contracts, retention period is 5 years from the recording of the data as per the Civil Code.</p>
<b>Execution of MiFID Suitability Test</b>	To evaluate whether the services and products offered are suitable to implement the customer's investment goals, and whether the measure of risks connected to the offered services and products meets the customer's financial situation and loss absorbing capacity.	<p><b>In case of Premium and Private customers using advisory services:</b></p> <p><b>Performance of contract</b> Art. 6 (1) b) of GDPR</p> <p><b>Performance of legal obligation</b> Art. 6 (1) c) of GDPR Art. 44 (1) of Investment Firms Act</p> <p><b>In case of Premium and Private customers using non-advisory services:</b></p> <p><b>Consent of data subject</b> Art. 6 (1) a) of GDPR</p>	Customer's name, Customer ID, Customer basic number, tax identification number, Customer's basic MiFID category, MiFID questionnaire reference number, investment objectives, investment horizon, financial condition (total wealth, asset types held, monthly savings, source of income, source of liabilities), risk appetite relating to investments, loss absorbing capacity.	<p>8 years from the cessation of the contract or the claim in accordance with Art. 56-59/A of the Money Laundering Act and the Accounting Act, and 5 or 7 years in accordance with Art. 55 (10) of the Investment Firms Act.</p> <p>In the case of unrealised contracts, retention period is 5 years from the recording of the data as per the Civil Code.</p>

Type of processing	Processing purpose	Legal basis of processing	Categories of processed data	Retention period
<b>Execution of target market assessment</b>	<p>Execution of target market assessment.</p> <p>Through the questions asked in the MiFID Tests, the Bank assesses the Customers' objectives and preferences so that such information can be compared with the target market of the distributed product, and the product will be offered by the Bank to Customers belonging to the target market.</p>	<p><b>Performance of legal obligation</b>            Art. 6 (1) c) of GDPR            Art. 17/A, Art. 40 (2)-(3) of Investment Firms Act            NGM Decree 16/2017</p> <p><b>Legitimate interest</b>            Art. 6 (1) f) of GDPR</p>	<p>Personal data processed in relation to MiFID Suitability and Appropriateness Tests.</p>	<p>8 years from the cessation of the contract or the claim in accordance with Art. 56-59/A of the Money Laundering Act and the Accounting Act, and 5 or 7 years in accordance with Art. 55 (10) of the Investment Firms Act.</p> <p>In the case of unrealised contracts, retention period is 5 years from the recording of the data as per the Civil Code.</p>
<b>Handling of the recorded communication related to investment services</b>	<p>To keep record of orders, complaint handling.</p>	<p><b>Performance of legal obligation</b>            Art. 6 (1) c) of GDPR            Art. 55 and Art. 121 of Investment Firms Act            Articles 72-75 of Regulation (EU) 2017/56</p>	<p>Personal data included in audio recordings (telephone communication), electronic communication, or minutes.</p>	<p>8 years in case of the recording of orders in accordance with Art. 56-59/A of the Money Laundering Act and the Accounting Act, and 5 or maximum 7 years in accordance with Art. 55 (10) of the Investment Firms Act.</p> <p>If a complaint is filed, 5 years following the response given on the complaint.</p>

The withdrawal of consent will not affect the lawfulness of any earlier data processing performed under such consent. Customers and prospective customers are entirely free to decide whether to give their consent or not, therefore you may at any time change or withdraw your consent without limitation or without any reason given, free of charge.

#### **4. Data processing**

The Bank has the right to engage processors for data processing. For detailed information on processors, see the [List of Data Processors](#) and [Annex No. 2 to the General Business Conditions \(Outsource List\)](#).

#### **5. Rights of data subjects**

You shall have the right to request information through any of the above communication channels of the Bank at any time about the processing of your personal data, or access such data, and may furthermore request your personal data to be rectified, erased or restricted, and you are also entitled to the right to object to the processing of your personal data. For more details concerning your rights, see the Bank's [General Privacy Policy](#), in the chapter "Rights of the data subjects".

#### **6. Legal remedies**

In case you suppose that your rights to privacy have been violated, you may refer to the Bank's Data Protection Officer and inform him/her of the problem related to the Bank's data processing, as well as request information from him/her or ask for his/her opinion.

If you disagree with the opinion of the Bank's Data Protection Officer, but also regardless of that, upon any violation of your rights related to the protection of your personal data, you may refer your complaint to the Hungarian National Authority for Data Protection and Freedom of Information (registered office: 1055 Budapest, Falk Miksa utca 9-11., mailing address: 1363 Budapest, Pf. 9, telephone: +36-1-391-1400, fax: +36-1-391-1410, e-mail: [ugyfelszolgalat@naih.hu](mailto:ugyfelszolgalat@naih.hu)) for remedy.

In case you suppose that your rights to privacy have been violated, you also have the right to refer to a court. The lawsuit shall be adjudicated by the competent court having jurisdiction at the registered office of the defendant or, if you prefer, by the court having jurisdiction at your residential address or place of stay. You may look up the court having jurisdiction in legal disputes related to data processing at the following link: <http://birosag.hu/ugyfelkapcsolati-portal/illeteksegkereso>.

#### **7. Further information**

The Bank shall have the right at any time to change the content of this policy in its sole discretion, without giving any special notice. Such changes are not governed by the provisions of Chapter XIX of the [General Business Conditions](#).

If you need more information, please refer to the privacy policies available in the website [www.raiffeisen.hu](http://www.raiffeisen.hu) under the heading [Data Processing](#), the [General Business Conditions](#), the [Business Conditions for Investment Services](#) and the relevant statutory provisions, including in particular the provisions of [Regulation \(EU\) 2016/679 of the European Parliament and of the Council](#) (General Data Protection Regulation or GDPR), and you may as well ask for information at any communication channel of the Bank as detailed above.

For issues that are not regulated—or not regulated in sufficient detail—here, the provisions relevant to this legal relationship of the [General Privacy Policy](#), available in the [Bank's website](#), shall be governing.