



Interactive Brokers Central Europe Zrt.

ANNOUNCEMENT

Information on the Securities Account Balance Enquiry Application
(ÉSZLA) of MNB

Effective: from 14 December 2020

This Announcement contains information on the Securities Account Balance Enquiry Application (ÉSZLA) of MNB.

Interactive Brokers Central Europe Zrt. (hereinafter: IBCE or Company) complies with its reporting obligation relating to ÉSZLA in accordance with the provisions of Act CXX of 2001 on the Capital Market (hereinafter: Capital Market Act) and Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (hereinafter: Investment Firms Act).

1. About ÉSZLA

1. Pursuant to the provisions of the Capital Market Act and the Investment Firms Act effective as from 1 January 2016, starting from February 2016 all entities that manage securities accounts are required to send information on their clients' month-end balances and a new password to their clients every month in order to allow the clients to check the data of their securities accounts and client accounts through the eszlaweb.mnb.hu website created by the Central Bank of Hungary (MNB).
2. The application is available to everyone who owns a securities account, and service providers are required by law to send a login ID and a monthly report to all of their clients, regardless of whether a particular client is an individual or not. The above-mentioned data must also be sent to clients who do not have a positive balance at the end of the given month. Under the effective statutory regulations, clients may not refuse to receive such data and documents.
3. Pursuant to the statutory regulations referred to above, entities managing securities accounts are required to report the balances of all client accounts and the balance of each security held on such accounts to the MNB on a monthly basis. These reports contain anonymous data and do not include either the clients' name or data which could clearly identify a particular client.
4. The relevant statutory regulations contain strict rules for managing and querying the data. The data of each account are sent by investment service providers to the MNB anonymously, with a randomly generated **login ID** assigned to the individual accounts. The unique ID may not be derived from any personal data and must be generated for each client on a one-off basis, irrespective of the number of sub-accounts managed by the entity on behalf of the client. Naturally, if a client has one or more securities accounts with multiple service providers, then the client will have a different login ID for each service provider.
5. Account holders may gain access to the data of their securities and client accounts using the ID (which does not contain personal data) and a password that is different each month.
6. The personal data of the account holder is not and may not be stored by MNB during login and while using the query functions. Anonymous reporting allows MNB to efficiently cross-check the data reported by the service providers. Maintaining the efficiency of these checks is the precise reason why it is important to have as many clients exercise their right to query their data as possible and as often as possible.

2. The Monthly Report

7. The Monthly Report sent by the Company to its Clients contains the **monthly password** necessary for logging into the eszlaweb.mnb.hu website, as well as the month-end closing balances of the given client.
8. The login ID is created by the Company and is uploaded to the IB Account Interface after the account is opened (when the first Monthly Report is generated), while in each case the password

necessary for logging into the MNB website is included in the current Monthly Report uploaded by the Company to the IB Account Interface.

9. In addition to balances for each sub-account, the balance report for each Client also includes a report containing aggregate balance data. Clients can check these data against the figures displayed in MNB's query system.
10. MNB's system does not display month-end data for derivatives and options since these are not subject to the reporting obligation.
11. Only reports for a single period are available in MNB's query system at any given time. The monthly data are available from the 10th workday of the month following the closed month until the 10th workday of the second month following the current month. Past reports are not available for display.
12. The Central Bank of Hungary requires that service providers use, amongst others, their website (with appropriate security measures) and delivery by mail to deliver the above data as securely as possible and that they meet the highest standards of data security. In line with the above, the Company will deliver such data (i.e. the login ID and the monthly report) and the password to its Clients through the IB Account Interface, instead of having it delivered by mail.

3. The login ID

13. In accordance with MNB's requirements, the login ID consists of 24 digits. The first 8 digits are used to identify the entity managing the account, while the remaining digits are generated randomly. The unique ID cannot be derived from any personal data and must be generated for each client on a one-off basis, irrespective of the number of sub-accounts managed by the Company on behalf of the Client. Naturally, if a Client has one or more securities accounts with multiple service providers, then the Client will have a different login ID for each service provider.
14. The name of the Client is not reported to MNB, which also serves to ensure that enquiries can be made anonymously.
15. The Company's Clients will receive their valid login ID for their securities accounts managed by the Company through the IB Account Interface by the 10th workday of the month following the first closed month.
16. Clients do not need to request a login ID as the Company is obliged to deliver one to each Client. Login IDs are issued free of charge and the Company is obliged to deliver one to each Client.
17. Clients can access their login ID via the IB Account Interface following authentication.

4. Monthly password

18. In accordance with the provisions of the Capital Market Act and the Investment Firms Act, the password is included in the Monthly Report to be delivered to Clients. Passwords are valid for a period of one month from the 10th workday of the month following the closed month until the 10th workday of the second month following the current month.
19. In accordance with MNB's requirements, passwords consist of 12 characters and may contain lowercase and uppercase letters and numbers, and they cannot be derived from any personal data and are generated once a month for each Client, irrespective of the number of sub-accounts managed by the Company on behalf of the Client. Naturally, if a Client has one or more securities accounts with multiple service providers, then the Client will have a different password (and login ID) for each service provider. The name of the Client is not reported to MNB, which also serves to ensure that enquiries can be made anonymously.

20. The Company is required to deliver the Monthly Report, which also includes the password, to its Clients before the 10th workday of each month. Clients do not need to request a password as the Company is obliged to deliver one to each Client.

5. The importance of keeping the login ID and the password confidential

21. Unfortunately, so-called phishing attacks aimed at acquiring the identification data of clients who use money market services have become widespread in Hungary as well. Purposes for which identification data could be used illegally:

- obtaining information on client portfolios,
- obtaining information on trade secrets,
- fraud involving personal and/or business data,
- limiting the integrity, authenticity and availability of data.

22. What the Company does to avoid this:

- keeping Clients' data fully confidential,
- informing Clients about potential risks.

23. The importance of client-side security

The Company operates advanced and effective IT security systems to maintain the security, integrity and availability of protected data.

24. Increasing the security awareness of Clients and ensuring that security solutions are adopted on the devices used by Clients are among the Company's top priorities.

In order to guarantee the security of their data, Clients are advised

- to use a fully licensed operating system and software with appropriate settings, including the installation of their most recent patches,
- to use firewall software and regularly updated anti-virus and anti-malware software on their computer and devices, and to use them to run a full system check at least once a month,
- if possible, not to store their personal data on their computer or, if necessary, only in encrypted form,
- to make sure that the login pages of the Company and MNB where identification data are entered are accessed only by manually entering the address on a keyboard and not via bookmarked links,
- not to disclose the login ID and password used to access MNB's system to anyone under any circumstances; neither the Company nor MNB will ask the Clients to do so in any form or via any channel (phone, email, text message, etc.),
- not to leave their computer unattended when turned on and to sign out from the currently visited website or currently used application when suspending or ending a session, and perhaps to lock their screen,
- to regularly delete temporary files created while using the Internet (particularly in public places such as Internet cafés) or to set up the browser so that these are deleted automatically and their storage is disabled,
- to use a secure and encrypted connection when accessing the website they wish to log into whenever they need to enter sensitive information (this can be verified by checking whether the website address begins with https and the image of a closed padlock is displayed at the bottom of the web page),
- to check the details of the digital certificate and whether the certificate is issued to MNB and is valid by double-clicking the security key/closed padlock icon located in the browser's status bar.

6. User manual for running queries in MNB's securities accounts balance enquiry application

25. The online securities account balance enquiry application developed by the Central Bank of Hungary is available at eszlaweb.mnb.hu.
26. After the website address is typed or copied into a browser, the login page of the application is displayed. Clients can log into the balance enquiry application after entering their login ID consisting of 3*8 digits (which begins with the digits 28789075 and is delivered by the Company to the Client at the same time as the first account statement) and their 12-character password containing numbers and lowercase and uppercase letters (delivered by the Company to the Client as part of the regular Monthly Report) and after agreeing to the website's terms of use and entering the verification code displayed on the screen.
27. If the Client is unable to log into the balance enquiry application after following the above instructions, the website will list the possible causes of the error and the suggested solutions.
28. The report containing the Client's securities account balances will be automatically displayed after login, along with the option of downloading the report in PDF format. Only reports for a single period are available at any given time, and reports for past periods cannot be viewed. The report provides an overview of available funds and the securities owned. These data can be checked by the Client against the figures listed in the monthly report delivered by the Company to the Client, but options and futures are not included in the report.
29. In the list entitled "balance of securities", the number of securities owned is aggregated, while face values are displayed only in the case of debt securities. In cases involving fractions of securities, rounding may occur when displaying the number of investment units owned. For transactions involving investment units which are pending settlement at the reporting date, balance statements are issued in line with the requirements stipulated by the regulator, which means that, for purchases or sales of investment units which are pending settlement at the reporting date, the unit numbers and amounts indicated on the balance statement are calculated using the so-called hedging price (the net asset value known at the date of the order) and are different from the actual unit numbers and amounts published after the reporting date.

The table entitled "balance of funds" contains the aggregate legal balance of funds, correct to two decimal places and broken down by currency.
30. When logging out from the securities account balance enquiry application, Clients have the opportunity to notify MNB if they found that something was wrong in connection with their securities account balance.
31. Additional useful information on how to use the system is available in the Frequently Asked Questions (FAQ) section of the eszlaweb.mnb.hu website.

7. Information on the process of complaints handling

32. If during the use of the online securities account balance enquiry application at eszlaweb.mnb.hu a Client discovers that the data displayed in the application are different from the data included in the monthly balance statement from the Company, the Client has the opportunity to notify MNB via the online interface. Such notification is anonymous by default, but the Client may decide to provide their name.

It is important to note that this notification is not treated as a substitute for a complaint submitted to the Company.
33. The Company publishes its complaints handling policy on its website, and Clients may submit their complaints in the form prescribed by the policy using the contact methods listed therein.
34. Due to the fact that the data published on MNB's securities account balance enquiry website cannot be modified, if the reason for the difference is discovered during the course of the

complaints handling procedure, the Client will only be able to check whether the Company has made any adjustments in next month's Monthly Report.

35. Further information on complaints handling is available at MNB's website at <http://www.mnb.hu/fogyasztovedelem/panaszom-van/mit-tegyunk-ha-penzugyi-panaszunk-van> and under the Frequently Asked Questions (FAQ) section of eszlweb.mnb.hu.