MEMORANDUM OF UNDERSTANDING

between the

NEW YORK STATE BANKING DEPARTMENT

and the

COMMISSION FOR BANKING SUPERVISION
REPUBLIC OF POLAND

The Authorities express, through this Memorandum of Understanding ("Memorandum"), their willingness to cooperate with each other on the basis of mutual trust and understanding in the supervision of cross-border establishments within their respective jurisdictions, and taking into consideration, as appropriate, their particular supervisory needs. The Authorities will use their best endeavors to cooperate in routine supervisory procedures, and to notify and provide to each other relevant information regarding any material supervisory concerns with respect to a cross-border establishment.

I. For the purposes of this Memorandum:

1. "Authority" means the Commission for Banking Supervision ("CBS") and the New York State Banking Department ("Department").

2. "Supervised institution" means an institution incorporated in the Republic of Poland that is subject to the supervision of the CBS, or a banking organization that is subject to regulation or supervision by the Department.

3. "Banking Organization", means any entity chartered under New York Banking Law ("NYBL"), or any branch of a foreign banking corporation licensed under NYBL.

4. The term "branch" includes branches, agencies and representative offices and means an organizational unit of a supervised institution incorporated in the Home Authority country operating in the Host Authority country.

5. "Subsidiary" means a separate legal entity authorized or supervised by a Host Authority and controlled (as such term may be used in applicable law) by a supervised institution incorporated in the other country.

6. "Cross-border establishment" means a branch or subsidiary.

7. "Home Authority" means an Authority located in New York State or the Republic of Poland that is responsible for the supervision, on a consolidated basis, of a supervised institution and its cross-border establishments.

8. "Host Authority" means an Authority located in the Republic of Poland or New York State that is responsible for the supervision of cross-border establishments.

II. Competent Authorities

1. The Department regulates and supervises banking organizations that are chartered or licensed under the provisions of NYBL.

2. The CBS is in charge of the supervision of banks (including foreign bank branches and representative offices) located within the jurisdiction of the Republic of Poland).

III. Sharing of Information

The Authorities recognize first and foremost that information should be shared in order to facilitate effective supervision of supervised institutions on a consolidated basis. Information-sharing should include contact during the authorization and licensing process, in the supervision of the on-going activities of such entities, and in the possible revocation of a license.

1. The Authorities hereby recognize that close cooperation during the authorization process of a cross-border establishment as well as sharing of information on an ongoing basis would be mutually advantageous for the Authorities for effective supervision of supervised institutions exercised on a consolidated basis.

2. To the extent possible, a request for information pursuant to this Memorandum should be made in writing. Where the Authorities perceive a need for expedited action, a request may be initiated in any form but should be confirmed subsequently in writing.

   A request should generally specify the following:

   a) the information sought by the requesting Authority;

   b) a general description of the matter which is the subject of the request and the purpose for which the information is sought; and

c) the desired time period for reply and, where appropriate, the urgency thereof.

3. The Authority receiving a request should endeavor to acknowledge receipt as soon as possible by mail, fax or e-mail and, to the extent possible, specify the estimated time period to provide a written response.

4. In connection with the authorization process,

a) the Host Authority should notify the Home Authority, without delay, of applications for approval to establish or acquire cross-border establishments in the host jurisdiction;

b) upon request, the Home Authority should inform the Host Authority whether the applicant-supervised institution is in substantial compliance with banking laws and regulations, and whether it may be expected, given its administrative structure and internal controls, to manage the cross-border establishment in an orderly manner. The Home Authority should also, upon request, assist the Host Authority by verifying or supplementing any information submitted by the applicant;

c) the Home Authority should inform the Host Authority about the nature of its regulatory system and the extent to which it will conduct consolidated supervision over the applicant. Similarly, the Host Authority should indicate the scope of its supervision and indicate any specific features that might give rise to the need for special arrangements; and

d) to the extent permitted by law, the Home and Host Authorities should share information on the fitness and properness of prospective directors, managers and relevant shareholders of the cross-border establishment.

The procedures described above also would apply, to the extent appropriate, in cases where a supervised institution, rather than acquiring or establishing a subsidiary, seeks to acquire shares of a supervised institution in the other jurisdiction and is required to seek authorization from the Authority in that other jurisdiction in order to acquire such shares.

5. When a supervised institution within the jurisdiction of the Home Authority proposes to set up a cross-border establishment in the territory of the Host Authority country, the Host Authority shall seek the opinion of the Home Authority (or obtain a statement of "no-objection") before the authorization is granted.

6. In connection with the ongoing supervision of cross-border establishments in

New York and Republic of Poland, the Authorities should:

a) provide information to the appropriate Authority regarding material developments or concerns with respect to the operations of a cross-border establishment;

b) respond to requests for information on their respective national regulatory systems and inform each other about major changes, in particular those which have a significant bearing on the activities of cross-border establishments;

c) endeavor to inform the appropriate Host Authority, in a timely manner and to the extent reasonable, about any external factor which may significantly influence the financial condition of such cross-border establishments in the host country;

d) inform the relevant Authority of material administrative penalties imposed, or other formal enforcement action taken, against a cross-border establishment. Prior notification should be made, as far as practicable and subject to applicable laws; and

e) facilitate the transmission of any other relevant information that might be required to assist with the supervisory process.

7. Before enforcement or administrative action is taken by one Authority on the sole basis of information received from the other Authority, the requesting Authority will endeavor to consult the providing Authority.

IV. On-site Inspections

The Authorities recognize that cooperation is particularly useful in assisting each other in carrying out on-site inspections of cross-border establishments in the host country.

At the discretion of the Host Authority and in accordance with the applicable laws and provisions in each jurisdiction, on-site inspections may be carried out independently or jointly with the Host Authority. The Host Authority should allow the Home Authority to carry out on-site inspection concerning any cross-border establishments of a supervised institution within its jurisdiction, subject to the fulfillment of the following formalities:

a) The Authorities will use their best efforts to ensure that requests for on-site inspections or/and participation in the inspection are provided by the

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Home Authority at least two months before the anticipated date of the visit, specifically regarding the purpose of the inspection or the participation in the inspection, its expected duration, the institutions to be inspected and data regarding persons who will take part in the inspection;

b) The Authorities should consider positively requests for on-site inspections on an expedited basis where a demonstrated supervisory need exists;

c) The Home Authority should inform and provide the Host Authority, to the extent reasonable, of the results of the review relevant to the operations of the cross-border establishment at the conclusion of an examination or inspection.

V. The Supervision of Cross-Border Institutions

This paragraph shall apply if a Host Authority is unable to obtain from a cross-border establishment information that it considers necessary to carry out its supervisory responsibilities with respect to that cross-border establishment because such information is maintained at an office of a supervised institution located outside of the host country. The Host Authority shall contact the Home Authority to request assistance in gaining access to such information from such office of the supervised institution. The Authorities will endeavor to work together to find an appropriate solution.

If it is deemed appropriate and in accordance with applicable law, the Home Authority, in its sole discretion, may invite the Host Authority to accompany the Home Authority to review relevant information located at the offices of the supervised institution outside the host country.

VI. Financial Crimes

1. The Authorities will co-operate closely when they identify suspected financial criminal activities in supervised institutions. For the purposes of this Memorandum, financial crimes include money laundering and unauthorized banking business.

2. The Home and Host Authorities may share information to the extent allowed under their laws on financial crimes concerning the respective supervised institutions which carry out cross-border activities in the other country or which could affect the other country. In the event that an

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Authority, during an examination or inspection conducted on the territory of the counterpart jurisdiction, detects a serious criminal violation of the laws of its jurisdiction, the Authority may be under a strict legal obligation to pass the information immediately to the appropriate law enforcement authorities in its home country. In these circumstances, to the extent permitted by law, the Authority should inform the other Authority of its intended action.

VII. Protection of Information

1. Information would be shared to the extent reasonable and subject to relevant statutory provisions, including those restricting disclosure. The request for information under this Memorandum may be denied on grounds of public interest or national security or when disclosure would interfere with an ongoing investigation.

2. Any confidential information received from the other Authority will be used exclusively for lawful supervisory purposes. To the extent permitted by law, each Authority shall hold confidential all information obtained and would not disclose such information other than as necessary to carry out its lawful supervisory responsibilities. In this regard, employees of each supervisory Authority are generally bound to hold confidential all information obtained in the course of their duties.

3. In the case where an Authority is legally compelled to disclose confidential information received pursuant to this Memorandum, such Authority should cooperate in seeking to preserve the confidentiality of the information to the extent permitted by law. The Authority receiving a legally enforceable request for confidential information provided under this Memorandum should, to the extent permitted by law, consult with the Authority that provided such information before providing it to the requesting party. If the Authority that provided the information does not consent to the disclosure, the Authority that is compelled to share it will advise the requesting party that the forced disclosure could adversely affect the future transmission of confidential information by foreign supervisory authorities and request that the information be kept confidential by the requesting party.

4. In cases where an Authority receives a request for information from a third party, but disclosure is not legally compelled or necessary to carry out the Authority's lawful supervisory responsibilities, the Authority receiving the request should consult and obtain the prior consent from the Authority that originally provided the information before releasing it.

VIII. Ongoing Coordination

The Authorities may promote their cooperation through visits for information purposes and by exchanges of staff. In addition, the Authorities may pursue areas where the training of staff at one Authority would benefit from input and support by the other in order to reinforce sound banking supervisory practices in both countries.

The Authorities may conduct meetings as often as appropriate to discuss issues concerning supervised institutions which maintain cross-border establishments within their respective jurisdictions.

Cooperation and assistance in accordance with this Memorandum will continue until the expiration of 30 days after one Authority gives written notice to the other Authority of its intention to discontinue cooperation and assistance. If an Authority gives such notice, cooperation and assistance in accordance with this Memorandum will continue with respect to all requests for assistance that were made before the effective date of notification until the requesting Authority withdraws the matter for which assistance was requested. In the event of termination of this Memorandum of Understanding, information obtained under this Memorandum of Understanding will continue to be treated confidentially in accordance with the provisions of Article VII.

The Memorandum has been prepared in four copies – two in Polish and two in English. Each Party has obtained two copies – one copy in Polish and one in English. Both versions are equal. In case of any doubt with regard to the interpretation of this Memorandum due to differences between the language versions, the matter in question will be treated by the Authorities in such a manner as to fulfill the principles and objectives on which this Memorandum is based.

CONFIRMED this date, September 21, 2007

Richard H. Neiman

NEW YORK STATE BANKING DEPARTMENT

CONFIRMED this date, September 21, 2007

COMMISSION FOR BANKING SUPERVISION OF THE REPUBLIC OF POLAND

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