MEMORANDUM OF UNDERSTANDING

between the

OFFICE OF THE COMPTROLLER OF THE CURRENCY
and
THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
and
THE FEDERAL DEPOSIT INSURANCE CORPORATION

and the

COMMISSION FOR BANKING SUPERVISION OF THE REPUBLIC OF POLAND

The Authorities express, through this understanding, 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 in respect of a cross-border establishment.

I. For the purposes of this Understanding:

1. "Authority" means the Commission for Banking Supervision (CBS); the Office of the Comptroller of the Currency (OCC); the Board of Governors of the Federal Reserve System (Board); or the Federal Deposit Insurance Corporation (FDIC).

2. "supervised institution" means an institution incorporated in Poland and being subject to the supervision of the CBS or means a banking organization incorporated in the USA and being subject to the supervision of the OCC, the Board and/or the FDIC. "Banking organization" means a bank, or a financial or bank holding company, and its bank and non-bank subsidiaries, subject to regulation or supervision by the Board, the OCC, and/or the FDIC.

3. "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.

4. "branch" means an organizational unit of a supervised institution incorporated in the Home Authority country operating in the Host Authority country.

5. "cross-border establishment" means a branch or subsidiary of a supervised institution.

6. "home Authority" means an Authority located in the USA or Poland, responsible for the supervision on a consolidated basis of a supervised institution and its cross-border establishments.

7. "host Authority" means an Authority located in Poland or the USA responsible for the

supervision of cross-border establishments.

II. Competent Authorities

1. The OCC, the Board, and/or the FDIC regulate and supervise banks, financial and bank holding companies, certain nonbanking operations of foreign banks that are subject to the Bank Holding Company Act, and branches, agencies and representative offices of foreign banks, located within the jurisdiction of the United States of America.

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

III. Sharing of Information

The Authorities recognize that information should be shared in order to facilitate effective supervision on a consolidated basis of supervised institutions. 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 closer co-operation 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 article 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(ies) should notify the home Authority(ies), without delay, of applications for approval to establish or acquire cross-border establishments in the host jurisdiction;

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

   (c) the home Authority(ies) should inform the host Authority(ies) about the nature of its regulatory system and the extent to which it will conduct consolidated supervision over the applicant. Similarly, the host Authority(ies) should indicate the scope of its/their 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(ies) 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 on 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 the United States and Poland, the Authorities should:

   (a) provide relevant information to the appropriate Authority(ies) regarding material developments or supervisory concerns in respect of 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(ies), in a timely manner and to the extent reasonable, about any event which has the potential to endanger the stability of cross-border establishments in the host country;

(d) inform the relevant Authorit(ies) 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 former will endeavor to consult the latter.

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.

1. At the discretion of the host Authority(ies) 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(ies). The Host Authority would allow the Home Authority to carry out an 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 the on-site inspection or/and participation in the inspection are provided by the Home Authority at least two months before the envisaged 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 of the persons who shall take part in the inspection;

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

(c) The home Authority would inform the host Authority at the conclusion of an examination or inspection and provide, to the extent reasonable, information on the results of the review relevant to the operations of the cross-border establishment.

V. Supervision of Cross-border Establishments

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 an office of the supervised institution. The Authorities will endeavor to work together to find an appropriate solution. If

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 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 understanding, 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 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 understanding 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 would 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 under this understanding, that Authority would 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 understanding would, to the extent permitted by law, consult with the Authority that provided such information before providing it to the requesting body. If the Authority that provided the information does not consent to the onward sharing, the Authority that is compelled to share will advise the requesting body 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 body.

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 would consult and obtain the prior consent from the Authority(ies) that originated the information in order to release 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 agency would benefit from input and support by the other agency in order to reinforce sound banking supervisory practices in both countries.

The Authorities would 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 of Understanding will continue until the expiration of 30 days after one Authority gives written notice to the other Authorities 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 eight copies - four in Polish and four 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 understanding due to differences between the language versions, the matter in question will be treated by the OCC, the Board, the FDIC and the CBS in such a manner as to fulfil the principles and objectives on which this understanding is based.

CONFIRMED:

Office of the Comptroller of the Currency
By .....
Douglas W. Roeder
Senior Deputy Comptroller

Commission for Banking Supervision
By.....
Leszek Balcerowicz
President of the National Bank of Poland
Acting as the Chairperson of the
Commission for Banking Supervision

Board of Governors of the Federal Reserve System
By .....
Stephen M. Hoffman, Jr.
Deputy Director

Federal Deposit Insurance Corporation
By .....
Michael J. Zamorski
Director

Dated:.....