

*Appendix No 1 to the Resolution No 9/2010 of the Management Board of Bank BPH SA of 19 January 2010 on accepting The Policy on Policy on counteracting money laundering and combating financing terrorism and amending the Declaration of Bank BPH SA Management Board re. measures to prevent money laundering and financing of terrorism in Bank BPH SA.*

**DECLARATION OF THE MANAGEMENT BOARD OF BANK BPH SA ON MEASURES TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM IN BANK BPH S.A**

The Management Board of Bank BPH SA is aware of risks to the financial system resulting from the money laundering procedures and also risks affecting the Bank due to the possibility of abuse of the Bank's activities by some customers to legalise funds originating from illegal or undisclosed sources as well as for purposes related to the financing of terrorists activities. The Management Board of Bank BPH SA is undertaking all necessary measures to prevent the abuse of the services offered by the Bank BPH SA for purposes related to the mentioned crimes.

The policy of Bank BPH SA in this regard imposes application of all regulations of the Polish Act dated 16 November 2000 on preventive measures against money laundering and counteracting terrorist financing which integrates European Union directives into the Polish legislation on anti-money laundering. Bank BPH SA has adopted internal regulations and procedures regarding the prevention of money laundering and financing of terrorism compliant with the Polish law, the European Union law, recommendations of the Financial Action Task Force (FATF), GE Group standards, and also other applicable guidelines. Procedures implemented by Bank BPH SA specify the rules of identifying the customer, risk assessment relating to money laundering and terrorist financing, applying financial security measures that include identification of PEP (Politically Exposed Persons) and beneficial owners, registering the transaction above the equivalent of EUR 15 000, reporting suspicious transactions, storing transaction-related documents and reviewing. Bank BPH SA has brought into being the anti-money laundering organizational unit and appointed people in charge. The Management Board of Bank BPH SA makes an effort to provide the anti-money laundering Team with all means necessary to fulfill their assigned tasks.

The staff members of Bank BPH SA are fully aware of their responsibility to identify the bank's customers properly, applying the "Know Your Customer" rule and reporting suspicious transitions. Bank BPH SA provides the staff members with training on identifying potential money laundering transactions. All transactions, which indicate any potential risk of money laundering purposes, are to be notified to the General Inspector of Financial Information, Polish Financial Intelligence. In case of confirming the suspicions, Bank BPH SA cooperates with prosecution bodies fighting against financial fraud.

Bank BPH SA makes all necessary effort to verify credibility of financial institutions it cooperates with. The Bank, taking into consideration its own reputation as a credible institution, does not enter into any business relations with fictitious banks or financial institutions of doubtful credibility.

The Management Board of Bank BPH SA ensures that procedures and comprehensive solutions in force in the Bank are enhanced on a regular basis.