

MEMORANDUM OF UNDERSTANDING

between

KOMISJA NADZORU FINANSOWEGO OF THE REPUBLIC OF POLAND

and

THE FINANCIAL SERVICES COMMISSION

and

THE FINANCIAL SUPERVISORY SERVICE

OF THE REPUBLIC OF KOREA

IN THE AREA OF BANKING SUPERVISION

Komisja Nadzoru Finansowego (hereinafter referred to as the 'KNF') of the Republic of Poland, on the one side, and the Financial Services Commission (hereinafter referred to as the 'FSC') and the Financial Supervisory Service (hereinafter referred to as the 'FSS') of the Republic of Korea, on the other side (hereinafter jointly referred to as the 'Authorities' and individually as an 'Authority');

Considering that the KNF, pursuant to the Act of 21 July 2006 on financial market supervision (Journal of Laws 2023, items 753 and 825), is competent for the supervision of the financial market, including, inter alia, the banking, capital, insurance, pension, payment service providers and credit unions sectors;

Considering that the FSC is vested by the Act on the Establishment, etc. of the Financial Services Commission of the Republic of Korea with the task of performing broad supervisory functions in financial supervision, mainly licensing financial businesses, revising and drafting financial regulations and formulating financial policies, as well as the instruction and supervision of the FSS;

Considering that the FSS is vested by the Act on the Establishment, etc. of Financial Services Commission of the Republic of Korea with the power to conduct examinations and supervision of all financial institutions and other oversight and enforcement activities; and

Intending to cooperate in the area of banking supervision;

Have reached the following understanding:

1. Definitions

For the purposes of this Memorandum of Understanding (hereinafter referred to as the 'Memorandum'):

- (a) 'Supervised Institution' means a bank within the meaning of the Polish banking law, incorporated in the Republic of Poland and subject to the supervision of the KNF, or a financial institution licenced and regulated by the FSC/FSS as a bank, mutual savings bank or specialised credit finance company according to the relevant laws and regulations of the Republic of Korea;
- (b) 'Home Authority' means an Authority responsible for the supervision of a supervised institution;
- (c) 'Host Authority' means an Authority in whose country the cross-border establishment has been established;
- (d) 'Requested Authority' means the Authority to whom a request is made pursuant to this Memorandum;
- (e) 'Requesting Authority' means the Authority that makes a request pursuant to this Memorandum;
- (f) 'Cross-border Establishment' means a branch or a representative office or a subsidiary which is established in the country of the Host Authority by a supervised institution or its dependent entity:
 - (i) 'Branch' means a legally dependent organisational unit of a supervised institution or of its dependent entity, established and conducting banking activity in the country of the Host Authority;
 - (ii) 'Representative Office' means a legally dependent organisational unit of a supervised institution or of its dependent entity, other than a branch, established in the country of the Host Authority and conducting business limited to activities consisting in advertising and promoting the banking activity of the supervised institution or its dependent entity, as stipulated in the relevant authorisations;
 - (iii) 'Subsidiary' means a supervised institution, being a separate legal person, established in the country of the Host Authority and controlled directly or indirectly by a supervised institution established in the country of the Home Authority; and
 - (iv) 'Dependent Entity' means an entity, being a separate legal person, controlled directly or indirectly by a supervised institution;
- (g) 'Major Cyber Incident' means an information and communication technology (ICT)-related incident with a high or potentially high adverse impact on the

network and information systems that support the critical functions of supervised institutions.

2. General provisions

1. Each Authority will endeavour to provide assistance or information to the other Authorities within the framework of this Memorandum, in line with the domestic laws and regulations of each Authority.
2. This Memorandum does not create any legally binding rights and obligations of the Authorities under international law. This Memorandum does not modify or supersede any laws or regulations of the two countries.

3. Cooperation and information sharing

1. The Authorities will, subject to the laws and regulations applicable in the two countries, cooperate by sharing information on material developments affecting either the Korean or the Polish banking system, as well as views on relevant bank regulatory and supervisory issues.
2. The Authorities will exchange information on cross-border establishments and cooperate in the supervision thereof. Without prejudice to the applicable laws and regulations of both countries concerning the protection of information, the exchange of information and cooperation will encompass in particular:
 - (a) exchange of information on the supervised institutions and their dependent entities in case of the intention thereof to establish a cross-border establishment;
 - (b) exchange of information on cross-border establishments and groups to which they belong;
 - (c) possibility for the Host Authority to participate in supervisory colleges of the supervised institutions having branches or subsidiaries; and
 - (d) supervisory visits of the Home Authority to cross-border establishments.
3. The rules and procedures for the supervisory visits will be determined as part of ongoing cooperation on a case-by-case basis.
4. The exchange of information between the Authorities will be carried out in compliance with best practices and standards of international data security. This will include, but is not limited to, strong encryption, storing data in secure locations, creating safe measures for data transfer and data security incident management that is acceptable to the Authorities. This will be done in accordance with the provisions of Paragraph 9 (Protection of Information).
5. The Authorities will communicate only in English, unless there are reasons of urgency. In such case, documents will be transmitted in their original language,

and, if possible and available, accompanied by a provisional English summary of the key aspects of the document. This approach will apply, unless otherwise specifically jointly decided by the Authorities for one or more individual cases.

6. For the purpose of the implementation of this Memorandum, the Authorities will:

- (a) exchange copies of laws and regulations and other documents governing the Authorities' activities in the areas stated in this Paragraph;
- (b) periodically organise joint research projects, seminars, conferences, study tours and working meetings on issues of interest to the Authorities; and
- (c) assist each other in the establishment of contacts with commercial banks and other financial institutions of the two countries.

7. The Authority receiving a request will endeavour to acknowledge its receipt as soon as possible by mail or email, and to provide a written response in a timely manner.

4. Facilitating bank licensing

1. In connection with the authorisation process:

- (a) the Host Authority will inform the Home Authority, without delay, of applications for approval to establish a cross-border establishment in its country or of notifications of the intention to acquire a qualifying holding therein;
- (b) upon request, the Home Authority will inform the Host Authority whether the applicant or proposed acquirer, being a 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 will also, upon request, assist the Host Authority by verifying or supplementing any information submitted by the applicant or proposed acquirer;
- (c) the Home Authority will inform the Host Authority about the nature of its regulatory system and the extent to which it will conduct consolidated supervision over the applicant or proposed acquirer. Similarly, the Host Authority will 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 Authority will share information on the fitness and propriety of prospective directors, managers and relevant shareholders of the cross-border establishment.

2. When a supervised institution proposes to set up a cross-border establishment, the Host Authority will, on a best-effort basis, seek the opinion of the Home Authority (or obtain a statement of "no-objection") before the authorisation is granted. In its supervisory approach toward the establishment and development of the cross-border establishments, each Authority will take into account the

expectations of the other Authority with regard to the desirable legal form under which the cross-border establishments will be established and function.

5. On-site examinations

1. The Home Authority and the Host Authority may carry out on-site examinations of cross-border branches or representative offices of an authorised institution incorporated within the country of one Authority and operating in the country of Host Authority.

2. The Authorities will keep each other informed of plans to examine a cross-border establishment or to appoint a third party to conduct an examination on their behalf, with sufficient advance notice. The notification will specify the purposes, scope, expected start and end dates of the inspection, the branch/representative office to be inspected and the names of the persons leading the examination.

3. The Authorities may accompany each other in on-site examinations. At the discretion of the Host Authority, inspections may be carried out by the Home Authority alone independently or in cooperation with the Host Authority. The Authorities decision on whether to conduct a joint inspection or an independent inspection will be made within a reasonable timeframe, taking into account the inspection planning process, no later than the commencement of the inspection at the cross-border branch or representative office of an authorised institution.

4. The Authority performing an on-site examination will share the relevant key findings with the non-participating Authority within a reasonable timeframe.

6. AML/CFT supervision

The Authorities will, subject to the laws and regulations applicable in the two countries, cooperate by sharing information aimed at fostering effective monitoring and taking the measures necessary to ensure compliance with the supervised institutions' anti-money laundering (AML) / counter-terrorism financing (CFT) obligations.

7. Cooperation in relation to cybersecurity and major cyber incidents

1. The Authorities will cooperate in the area of cybersecurity to achieve a deeper understanding of the cyber risks and major cyber incidents faced by supervised institutions, as these may have a direct impact on the supervised institutions' risk management and operational risk. In this regard, the Authorities, to the extent permitted by their respective domestic laws, will endeavour to exchange views and relevant information in the area of cybersecurity.

2. The transfer of information should not contain any information that could be potentially used by a third party to decrease ICT security or increase the risk of data leakage. Alternatively, if such information is to be provided, the transfer of information will be handled with the highest degree of security measures and the data will be stored in a secured location and available only to the users relevant to a given case.

3. The Authorities will inform each other promptly if they become aware of a major cyber incident affecting supervised institutions that maintain cross-border establishments in each other's country.

8. Crisis management

In connection with cross-border cooperation on crisis management for a cross-border establishment and its head office or parent banking organisation affected by the crisis, the Home and Host Authorities will consider together possible issues and barriers that may arise in cross-border cooperation, and seek potential solutions. Detailed arrangements in this respect may be further specified by the Authorities as required.

9. Protection of information

1. Information will be shared to the extent reasonable and subject to relevant statutory provisions, including those restricting disclosure. A request for information under this Memorandum may be denied on the grounds of the relevant laws and regulations, public interest or national security or when disclosure interferes 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 will preserve the confidentiality of all information obtained and will not disclose such information other than as necessary to carry out its lawful supervisory responsibilities. In this regard, employees of the Authorities are generally bound to preserve the confidentiality of all information obtained in the course of performing their duties. The processing of information is subject to data protection provisions referred to in the relevant laws and regulations applicable in the two countries.

All information that can be considered sensitive, including, but not limited to, personal data, market data and critical information related to cyber security, will be processed, handled, transferred and disposed of in accordance with international best practices for security measures and data protection.

3. In cases where an Authority is legally compelled to disclose confidential information received under this Memorandum, that Authority will promptly notify

the Authority that originated the information and cooperate in seeking to preserve the confidentiality of the information to the extent permitted by relevant laws of the two countries.

4. In cases where an Authority receives a request for information from a third party, but disclosure of such information is not legally required or necessary to carry out the Authority's lawful supervisory responsibilities, the Authority receiving the request will consult and obtain the prior written consent of the Authority that originated the information in order to release it.

5. The FSS and FSC will provide, on behalf of the KNF, the information clause of the KNF to persons whose personal data is entrusted to the KNF. The content of the KNF's information clause is attached as Annex A to this Memorandum, and the KNF will provide an updated form as necessary or applicable. An update of Annex A will not require and will not constitute an amendment to this Memorandum.

10. Final provisions

1. Cooperation and assistance in accordance with this Memorandum will continue until the expiration of thirty (30) days after an Authority gives written notice to the other Authorities of its intention to discontinue cooperation and assistance. If an Authority gives such a 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 termination unless the requesting Authority withdraws the request for assistance. In the event of the termination of this Memorandum, information obtained under this Memorandum will continue to be treated as confidential in accordance with the provisions of Paragraph 9 (Protection of Information).

2. In the event of the termination of this Memorandum, all information that may be considered sensitive, including, but not limited to, personal data, market data and critical cybersecurity-related information, will be effectively disposed of in accordance with relevant international best practices.

3. The Authorities will adopt principles for cooperation in consolidated supervision over cross-border establishments as soon as such establishments begin their activities.

4. Annex B contains a list of the contact details of contact points, which will be updated as necessary. An update of the list will not require and will not constitute an amendment to the Memorandum.

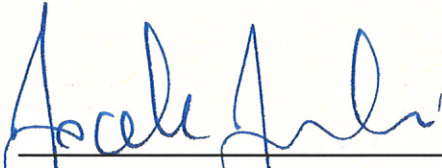
5. If an update of the information clause in Annex A or the list of contact points in Annex B is required, the modifying Authority will notify the other Authorities in writing.

6. Following its signature, this Memorandum may be published in full or in part by any of the Authorities on their websites, excluding the information clause in Annex A as well as the list of contact points in Annex B.

7. This Memorandum will come into effect on the date of signature by the Authorities.

Signed at Seoul on 13 November 2024, in the English language.

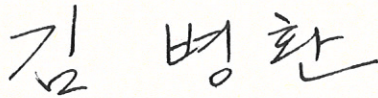
For Komisja Nadzoru Finansowego of
the Republic of Poland



Jacek Jastrzębski
Chair of the Board

DATE: 13 November 2024

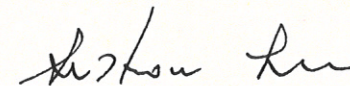
For the Financial Services Commission of
the Republic of Korea



Byoung Hwan Kim
Chairman

DATE: 13 Nov 2024

For the Financial Supervisory Service
of the Republic of Korea



Se-Hoon Lee
First Senior Deputy Governor

DATE: 13 November 2024