

Compliance with U.S AML/BSA rules and regulations

In order to comply with the U.S Anti-Money Laundering Program and with Bank secrecy Act (AML/BSA), Saehan bank has following the rules and controls:

1. FATF (Financial Action Task Force) recommends that all financial institution in U.S should have Laws or regulations enacted against money laundering. As a financial institution located in the U.S, Saehan Bank, is abided by such laws or regulations set against Anti-Money Laundering and Terrorist Financing.
2. One of the recommendations given by FATF for a financial institution in U.S is that all Financial Institution should have a written policy against Money Laundering and Terrorist Financing. Saehan Bank has been strengthening bank's Laundering and Terrorist Financing. Saehan Bank has been strengthening bank's AML/BSA compliance program over the years and intends to maintain a strong written compliance program.
3. Saehan Bank's policy against money laundering and terrorist financing is applicable to the headquarters and to all its branches.
4. Saehan Bank's policy stipulates its internal controls and procedures to cover "The Forty recommendations" given by FATF.
5. One of "The Forty Recommendation" specified is to have an independent audit for a financial institution. Saehan Bank's policy stipulates that the bank will conduct an independent audit, at least annually.
6. Saehan Bank has assigned a qualified person to comply with Anti-Money Laundering and Terrorist Financing as indicated below:

Karen May
SVP & BSA Compliance Officer
Saehan Bank
3580 Wilshire Blvd. #1500
Los Angeles, CA 90010, U.S.A
Ph: 213-388-5550
Fax: 213-637-9899
E-mail:Karenm@saehanbank.com

7. Saehan Bank continues to provide training to all employees on AML/BSA regularly.

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8. Saehan Bank received an enforcement action of Cease & Desist (C & D) in 2003. However, the order was lifted in 2004 and we intended sustain the compliance culture.
9. Saehan Bank utilizes third party software to detect suspicious and unusual activities.
10. One of the regulations required by the regulators in the U.S for financial institutions is to report any suspicious and unusual activities to the regulatory authority (FinCEN). Saehan Bank uses variety of reports to detect suspicious activities and report in a timely manner.
11. Per BSA and USA PATRIOT Act regulations, Saehan Bank maintains all BSA/AML reports for 5 years.
12. Under the US PATRIOT Act which requires financial institutions to implement CIP (Customer Identification Program) on their customers, Saehan Bank has policy and procedures on verifying customer's identity using reliable and independent sources of documents, data, and/or information.
13. It is Saehan Bank's policy to not establish or maintain accounts of shell banks.
14. Saehan Bank posts its senior management information on the company website, [www. Saehanbank.com](http://www.Saehanbank.com).
15. Although Saehan Bank is not publicly trade yet, it does not have any shareholders with holdings of more than 20%.

Please fee free to contact Karen May, SVP & BSA Officer via e-mail at Karenm@saehanbank.com if you have any further questions. The information posted I certified by the Saehan Bank's BSA Compliance Officer.

Karen May
SVP & BSA Compliance Officer