

INFORMATION MATERIAL

Structured Certificates of Deposits linked to DAX index with 100% capital protection at maturity

Issuer	Bank BPH SA
Series Identifier	D-PLN-DAXAC-170524
Nominal Amount of one Certificate	1 000 PLN
Issue Price of one Certificate	1 000 PLN
Redemption Price of one Certificate	1 000 PLN
Minimum investment amount	3 000 PLN (3 Certificates)
Subscription Period	14 September – 16 October 2015 (invested funds bear no interest during the Subscription Period)
Subscription Fee	Up to 1,4%
Issue Date	22 September 2015
Interest Period	22 September 2015 – 24 May 2017
Interest Rate Fixing Date	22 May 2017
Interest Payment Date	24 May 2017
Maturity Date	24 May 2017
Description of the product	Investment in PLN denominated Certificates of Deposits issued by Bank BPH S.A. guarantees 100% capital protection on the Maturity Date. Additionally the holder of the Certificates is entitled to receive on the indicated Interest Payment Date interest based on the Interest Rate formula provided below.
Capital Protection	100% on the Maturity Date (subscription fee is not returned)
Interest	For each Certificate an amount equal to the Interest Rate multiplied by the Nominal Amount of one Certificate. Interest is subject to capital income tax in accordance with relevant regulations.
Reference Index	DAX stock market index. Bloomberg code: DAX<Index>

Interest rate (IR):	Interest Rate will be calculated as follows: $IR = \text{MAX} [0\%; PF \cdot (\text{Average Final Price} / \text{Initial Price} - 1)]$ IR will be rounded up to the third decimal Interest amount per one Certificate is calculated as the product of the Interest Rate and the Nominal Amount of one Certificate
PF (Participation Factor)	Not less than 30% and not more than 40%. The final value will be set by the Issuer on the Issue Date.
Initial Price	The official closing price of the Reference Index on the Issue Date
Average Final Price	The arithmetic average of the official closing prices of the Reference Index on Averaging Dates
Averaging Dates	22 April 2016, 21 October 2016, 22 May 2017
Secondary Market	<p>Minimum Secondary Market Price: 950 PLN for one Certificate. The actual secondary market price of the Certificates depends primarily on the time remaining to maturity and market conditions prior to and on the day of the secondary market transaction. Therefore it may but does not have to be higher than the indicated Minimum Secondary Market Price.</p> <p>As a rule secondary market is conducted by the Issuer on a monthly basis. Certificates sale orders should be submitted by Certificates holders by 13:00 on the first business Monday of each month. The funds will be reimbursed to Customers 2 business days thereafter. Minimum secondary market order is for 3 Certificates.</p> <p><u>The secondary market value of the Certificates may not reflect the current performance of the Reference Index</u></p>

Main features of the product

- The Interest Rate is proportional to the positive average rate of return of the Reference Index and is not limited
- Defensive interest rate calculation formula based on averaging of the index returns
- Relatively short investment horizon
- 100% capital protection on the Maturity Date (fully covered by Bank Guarantee Fund (BFG) up to the equivalent of EUR 100 000)
- Interest is not guaranteed. It depends on the performance of the Reference Index during the investment period and may be 0% in the worst case scenario.
- In the case of sale of Certificates on the secondary market before the Maturity Date the investor may lose up to PLN 50 per one Certificate sold

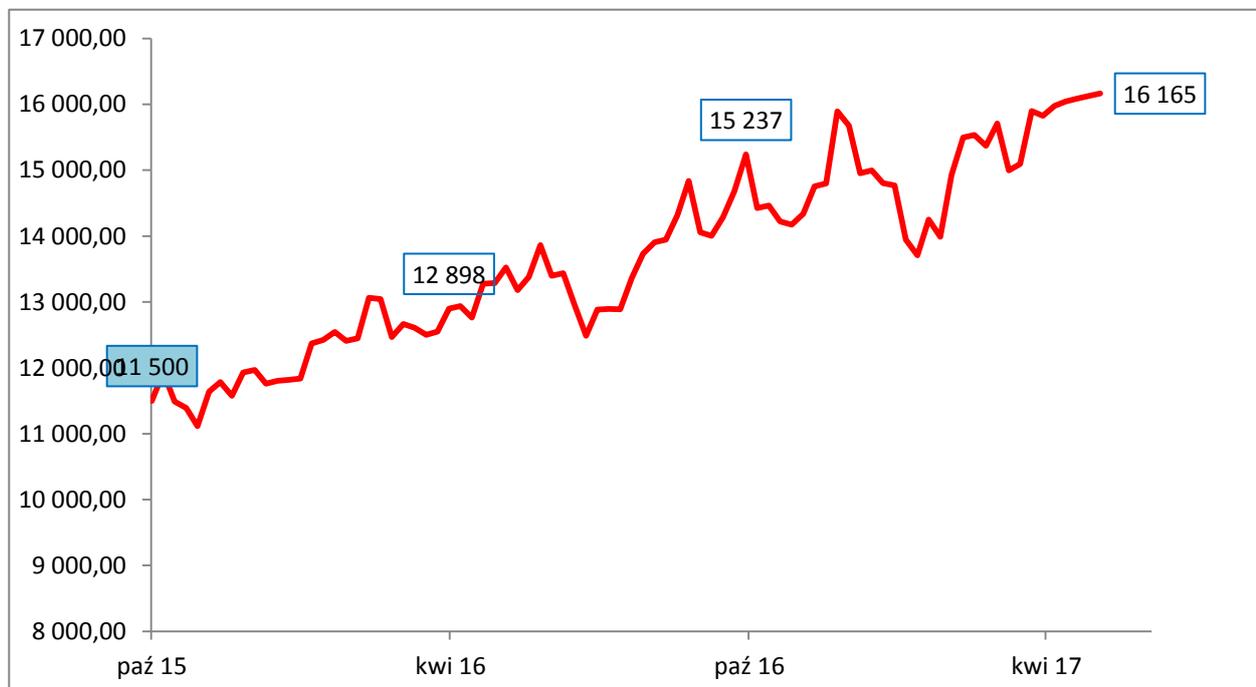
SCENARIO ANALYSIS

The following scenarios have been presented only to help understand how the product functions. They cannot be regarded as projections of the future performance of the investment. Numerical values presented in the scenarios are for illustrative purposes only and they should not be treated as forecasts of the Reference Index values in the future.

Let us assume that an investor purchased Certificates for a total nominal value of PLN 3 000 and the PF is 35% (The Issuer will set the value of PF on the Issue Date. It will be no less than 30% and no more than 40%). We look at different paths the Reference Index could theoretically take during the investment period to see what level of return on investment each of them would produce. The calculations do not take into account any capital income taxes (**Personal Income Taxes Act dated 16 July 1991, Dz. U. 1991 nr 80 poz. 350 z późn. zm.**).

1. Optimistic scenario

In the optimistic scenario we assume that the index steadily increases during the investment period. The Initial Level was fixed at 11500 and the Final Level calculated as the average of semi-annual observations is $(12898+15237+16165)/3=14766,67$. Therefore the average rate of return on the index equals 28,406% $(14766,67/11500-1)$ and the Interest Rate is 9,942% $(\text{MAX}[0\%; 35\%*28,406\%])$.

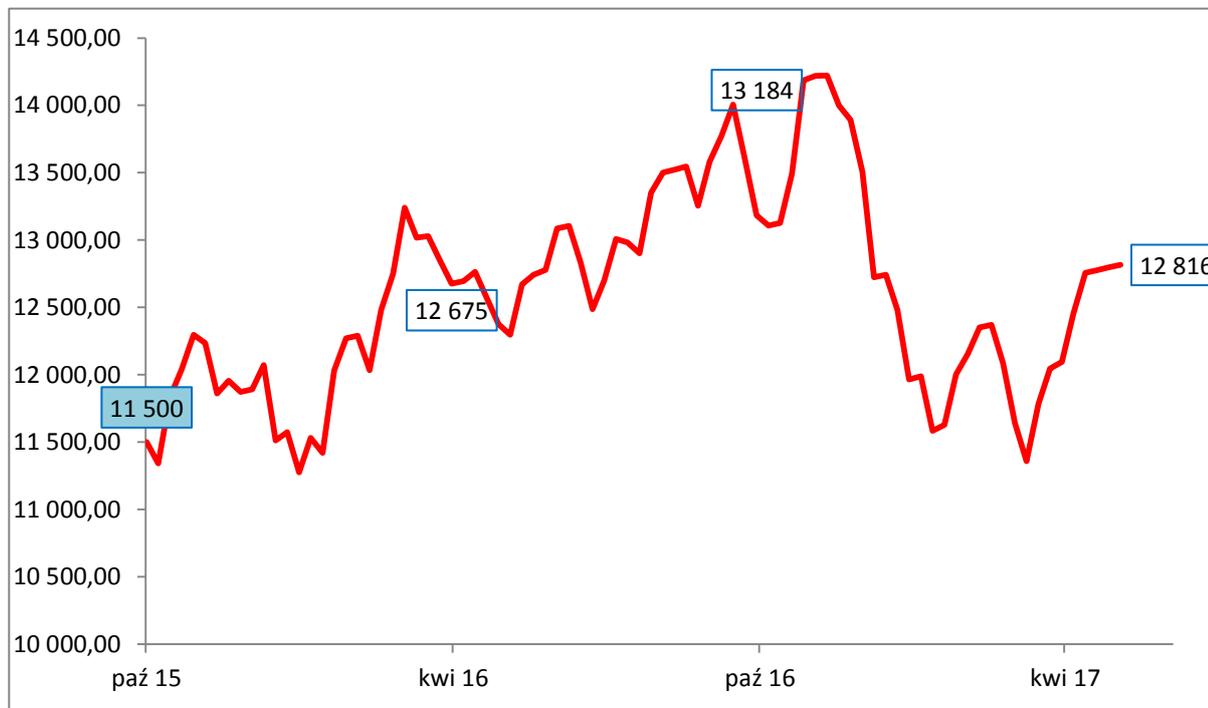


Invested amount	Interest Rate	Interest	Total amount paid on the Maturity Date
PLN 3 000	9,942%	PLN 298,26	PLN 3 298,26

The values used in the above calculations are for illustrative purposes only and should not be regarded as projections of the reference index levels in the future.

2. Moderate scenario

In this scenario we assume that the index initially rises but later the trend reverses. The Initial Level was fixed at 11500 and the Final Level calculated as the average of semi-annual observations is $(12675+13184+12816)/3=12891,67$. Therefore the average rate of return on the index equals 12,101% $(12891,67/11500-1)$ and the Interest Rate is 4,235% $(\text{MAX}[0\%; 35\%*12,101\%])$.

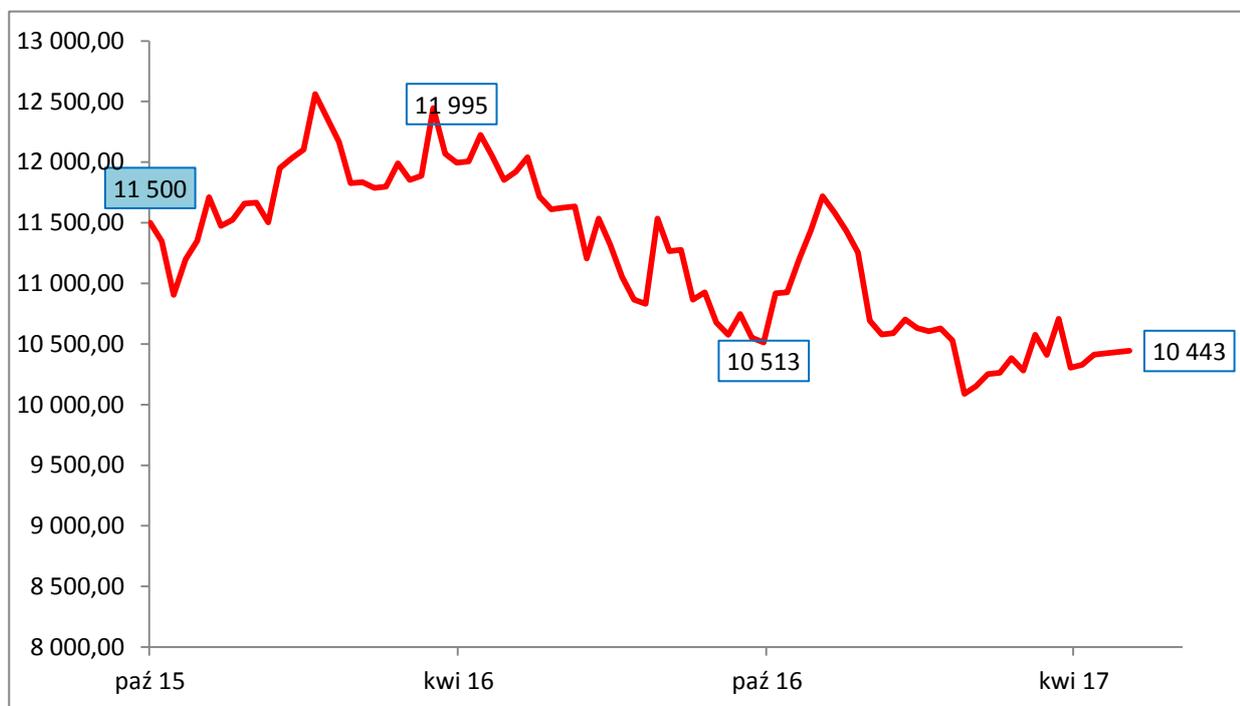


Invested amount	Interest Rate	Interest	Total amount paid on the Maturity Date
PLN 3 000	4,235%	PLN 127,06	PLN 3 127,06

The values used in the above calculations are for illustrative purposes only and should not be regarded as projections of the reference index levels in the future.

3. Pessimistic scenario

In the pessimistic scenario we assume that contrary to the investor's expectations the index falls over the investment period. The Initial Level was fixed at 11500 and the Final Level calculated as the average of semi-annual observations is $(11995+10513+10443)/3=10983,67$. Therefore the average rate of return on the index equals $-4,49\%$ $(10944,67/11500-1)$ and the Interest Rate is 0% $(\text{MAX}[0\%; 35\%*-4,49\%])$. Under such a scenario only the invested capital of PLN 3 000 is returned to the investor on the Maturity Date.

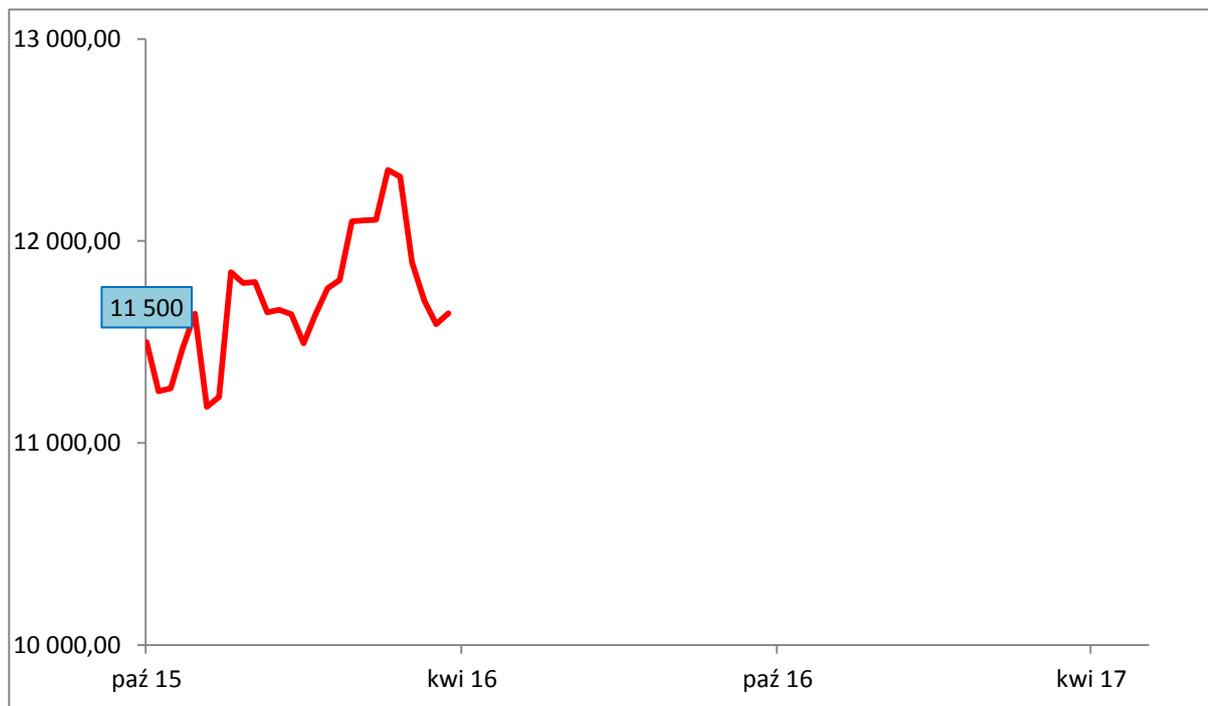


Invested amount	Interest Rate	Interest	Total amount paid on the Maturity Date
PLN 3 000	0%	0	PLN 3 000

The values used in the above calculations are for illustrative purposes only and should not be regarded as projections of the reference index levels in the future.

4. Secondary market sale scenario

After 6 months the investor decides to sell the Certificates back to the Issuer on the secondary market. On the day of the secondary market transaction the Issuer offers to buy the Certificates at the minimum guaranteed price of 95% or PLN 950 per Certificate. The investor receives PLN 2 850 for their 3 Certificates which means s/he takes a loss of PLN 150 or 5% of invested capital.



Invested amount	Secondary market price	Amount returned to investor	Loss
PLN 3 000	95%	PLN 2 850	PLN 150

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Investor's expectations

The product is suitable for an investor that:

- Expects full protection of invested capital and understands that it is only effective when the product is held to its maturity
 - Accepts 19 month investment period
 - Understands and accepts that the return on the investment depends on the future performance of The Reference Index
 - Accepts that the secondary market is only available on a monthly basis
 - Understands and accepts that the invested capital is protected only at 95% in the case of selling the product to the Issuer on the secondary market
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Investor's profile

Investment horizon					
12 months	19 months	2 years	3 years	4 years	5 years
Level of risk					
Very low	Low	Midium	Elevated	High	Very high
Risk sensitivity					
Complete aversion to risk	High sensitivity to risk	Acceptance of limited risk	Acceptance of limited risk	Acceptance of unlimited risk	Speculator

Major risks

Liquidity risk: In order to redeem early the certificates the Client should submit his order during the last week of each month but not later than the first Monday of the subsequent month (included). The order will be executed within two business days after the first Monday of each month.

Partial loss of the invested capital: The capital is fully protected only on the maturity date and does not apply if the Client decides to redeem the certificates prior to that date. In case of early redemption, the invested capital is protected at the minimum level of 95%, meaning that the Client may lose up to 5% of the invested capital.

Market risk: The return on the investment depends on market variables. As a result it cannot be determined in advance and may be lower than expected or equal to zero

All potential risks are presented in Ogolne Zasady Emisji which are available on the Bank's website and in the branches.

Disclaimer

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