

**FINANCIAL STATEMENTS
OF THE AUSCHWITZ-BIRKENAU FOUNDATION
FOR THE FINANCIAL YEAR
FROM 1 JANUARY
TO 31 DECEMBER 2018**

Auschwitz-Birkenau Foundation

Translation of the financial statements for the financial year from 1 January to 31 December 2018 originally issued in the Polish language

Translation of the financial statements of the Auschwitz-Birkenau Foundation for the financial year from 1 January to 31 December 2018 originally issued in the Polish language

In accordance with the Accounting Act of 29 September 1994 (uniform text – Journal of Laws 2019 item 351 with amendments, further: the Accounting Act), the Management Board of the Foundation ensured preparation of the attached financial statements including:

- an introduction to the financial statements;
- a balance sheet prepared as at 31 December 2018 with total assets and liabilities plus equity of PLN 506,397,304.29;
- a profit and loss account for the financial year from 1 January to 31 December 2018 disclosing a financial result of PLN 38,791,341.40 *;
- a statement of changes in equity for the financial year from 1 January to 31 December 2018 disclosing an increase in equity of PLN 32,749,348.38;
- a cash flow statement for the financial year from 1 January to 31 December 2018 disclosing an increase in cash of PLN 49,719,968.47;
- additional information and explanations.

The attached financial statements present a true and fair view of the Foundation's economic and financial position, financial result and profitability. In preparing the financial statements, the Foundation ensured the selection and consistency of accounting principles appropriate for the Foundation's activity.

In the measurement of assets and liabilities and determination of the financial result, the Foundation was assumed to operate as a going concern for the foreseeable future without any material reduction in the scale and in line with its actual and legal status.

The Management Board of the Auschwitz-Birkenau Foundation is responsible for fulfilling the statutory accounting duties.

* The net profit results from: income on operating activities in the amount of PLN 9,082,288.12, financial costs in the amount of PLN 61.01 and financial income in the amount of PLN 29,709,114.29 including unrealized exchange rate differences in the amount of PLN 14,643,670.02.

The Management Board of the Foundation:

Piotr Cywiński -
President of the Management Board

Rafał Pióro -
Vice President of the
Management Board

Łukasz Rozdeicz-
Kryszkowski
- Vice President of the
Management Board

Wojciech Soczewica -
Member of the Management Board

Elwir Świętochowski – Vice
President of the
Management Board

Responsible for keeping accounting records:

Deloitte Doradztwo Podatkowe Dąbrowski i Wspólnicy sp.k.

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Introduction to the financial statements

1. Information on the entity:

- a) name: Auschwitz-Birkenau Foundation
- b) registered seat: 00-534 Warszawa, ul. Mokotowska 56/9
- c) scope of activities: the statutory objective of the Foundation is to ensure the preservation of the Auschwitz Memorial Site – the grounds and remains of the former concentration camps, KL Auschwitz I and Auschwitz II Birkenau as overseen by the Auschwitz-Birkenau State Museum in Oświęcim (further: the Museum), as well as to support the Museum's mission.

The Foundation achieves its statutory objectives by:

- collecting funds for the preservation of the Memorial Site, including the provision of grants;
- supporting scientific, educational, publishing, exhibition and cultural activities connected with Museum's mission;
- co-operating with individuals and legal entities whose activities correspond to the Foundation's goals;
- co-operating with governments, local authorities, non-government, academic and research organizations in Poland and globally in the scope mentioned in the scope specified in the Foundation's objectives;
- initiating and financing own projects, including co-operation with the Museum and other organisation.

- d) authority maintaining the register - the Foundation was registered in the Register of Entrepreneurs of the National Court Register maintained by the Regional Court for the capital city of Warsaw in Warsaw, XII Commercial Division of the National Court Register on 23 April 2009 and was granted register number 328383.

2. Duration of the entity: unlimited.

3. Period covered by the financial statements:

The financial statements were prepared for the period from 1 January to 31 December 2018. The comparative data cover the financial period from 1 January to 31 December 2017.

4. The Management Board of the Foundation:

- Piotr Cywiński - President of the Management Board
- Rafał Pióro - Vice President of the Management Board
- Łukasz Rozdeiczer-Kryszkowski - Vice President of the Management Board
- Wojciech Soczewica - Member of the Management Board
- Elwir Świętochowski - Vice President of the Management Board (till the date of the preparation of the financial statements the change in the Board has not been disclosed in the National Court Register)

5. The Foundation has no internal organizational units preparing independent financial statements.

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6. The financial statements were prepared based on the assumption that the Foundation will continue to operate as a going concern in the foreseeable future. The Management Board believes that there were no circumstances indicating that the Foundation may not be a going concern.
7. The financial statements were prepared in accordance with the Accounting Act.

Description of adopted accounting principles, including principles of measuring assets and liabilities (together with depreciation), determining the financial result and method of preparing the financial statements in the extent left by the Accounting Act at the Foundation's discretion.

Intangible assets

Intangible assets are recognized if it is probable that the future economic benefits that are directly attributable to the asset will flow to the Foundation. Initially, intangible assets are recorded at acquisition cost or cost of production. The initial value of intangible assets is adjusted by depreciation and impairment write-downs. Intangible assets are depreciated using the straight-line method over their estimated useful lives.

An assessment is made at each balance date to determine whether the carrying amounts of assets exceed the amounts of estimated future economic benefits. If there is any evidence indicating that this is actually the case, the carrying amounts of such assets are written down to their net realisable values. The resulting impairment losses are recognized under other operating expenses.

Tangible fixed assets

Tangible fixed assets are stated at acquisition cost, cost of production or re-valued amount, less accumulated depreciation and impairment losses.

Costs incurred on an asset already in use, such as repairs, maintenance or operating fees, are expensed in the reporting period in which they were incurred. If however, it is possible to demonstrate that such costs increase the expected future economic benefits to be derived from a given asset beyond the originally expected benefits, they are capitalized to the initial cost of the asset.

Tangible fixed assets, except for land, are depreciated using the straight-line method over their estimated useful lives, or over the shorter of their useful life and the term of the right to use the assets.

An assessment is made at each balance date to determine whether the carrying amounts of assets exceed the amounts of estimated future economic benefits. If there is any evidence indicating that this is actually the case, the carrying amounts of the assets are written down to their net realisable values. The resulting impairment losses are recognized under other operating expenses.

The following depreciation rates and methods were applied to particular groups of assets:

Tangible fixed assets	Depreciation method	Depreciation rate
Technical equipment and machinery	Straight-line method	14% - 30%
Vehicles	Straight-line method	20%

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Financial assets

Financial assets are initially measured at acquisition cost, which is the fair value the amount paid.

After initial recognition, financial assets classified as held to maturity are valued at the adjusted purchase price calculated using the effective interest rate. Profits and losses that arise from revaluation are recognized under financial profits or losses in the reporting period in which the revaluation took place.

Financial assets classified as available for sale are valued at the fair value. Interest from these assets accrued based on the effective interest rates are recorded as financial income. Profits or losses recorded in the revaluation reserve constitute the difference between the fair value of assets as of the revaluation date, and value of those assets at adjusted purchase price.

Receivables and liabilities

Receivables

As of the balance date receivables were valued at the amount to be paid in accordance with the prudence principle.

Receivables are valued net of any impairment write-downs, taking into account the probability of settlement. Write-downs of receivables are charged to operating costs or to financial costs – depending on the nature of the receivables.

Liabilities

A liability is a commitment to settle an obligation of a reliably estimated value, arising from previous events, resulting in use of existing or future assets of the Foundation.

Liabilities are measured at their face value as at the date of the transaction giving rise to the liability. As of the balance date liabilities are valued at the amount to be paid.

Foreign currency transactions

Business transactions denominated in foreign currencies are recognized on the date of their occurrence at the following exchange rates:

- in the case of foreign currency sales or purchases and the settlement of foreign currency denominated receivables or payables – the rate actually applied on the transaction;
- in other cases, the average National Bank of Poland (NBP) rate announced for a given currency on the day preceding the transaction date.

Assets and liabilities denominated in foreign currencies as of the balance date are translated at that date using the average exchange rate determined by the NBP for a particular currency as of that day (exchange rates as of the end of the financial years 2017 and 2018 are presented below).

Currency	31.12.2018	31.12.2017
EUR	4.3000	4.1709
USD	3.7597	3.4813

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Exchange gains or losses arising on a settlement date, being the result of a difference between the exchange rate applied to a payment and the exchange rate applied on the date the asset or liability was recognised are allocated to financial income or financial expenses, respectively.

The surplus of exchange losses over gains is recognized in financial expenses; the surplus of exchange gains over losses is recognized in financial income.

Cash and cash equivalents

Cash is valued at its nominal value. Cash denominated in foreign currency is valued at its face value converted into Polish zloty. As of the balance date cash is valued at the average exchange rate for a particular currency announced by the NBP as at that day.

Prepayments

Prepayments include expenses borne by the Foundation relating to future accounting periods. The costs are recognized over time and method of their settlement depends on the nature of the costs. Prepaid expenses are disclosed at the nominal value.

Statutory fund

Income of the Foundation from donations shall, as a general rule, constitute investment capital (Perpetual Capital), unless the donor's declaration or the grant agreement clearly requires a different application of a donation. After the year end the donations paid into the Perpetual Capital are transferred to the statutory fund until the level of EUR 120 million is achieved.

Provisions

Provisions are recognized when the Foundation has a present obligation (legal or generally accepted) resulting from past events and when it is certain or highly probable that fulfilment of this obligation would require the outflow of the resources and when a reliable estimate can be made with regard to the amount of the obligation.

Accruals

Accruals include probable liabilities pertaining to the current reporting period, arising in particular from:

- goods and services provided by suppliers, but not invoiced as at the balance date, if the amount payable can be estimated in a reliable manner;
- the obligation to provide in the future services relating to current activities, the amount of which can be estimated even though the origination date of a liability is not yet known.

Accruals are recognized at their nominal value.

Accruals having the character of provisions are presented in the balance sheet as provisions for liabilities under B. I. item of equity and liabilities.

Accruals not having the character of provisions resulting from goods and services provided to the Foundation but not yet invoiced by the suppliers are presented in the balance sheet as trade liabilities. The determination of the quantity or the amount of supply (service) may require estimation.

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Income

The income of the Foundation comprises cash and other financial assets received from sources specified in the Statutes.

Income derives from:

- domestic and foreign donations;
- income from the Foundation's assets;
- interest from investments, including bank deposits and securities (bonds).

The Foundation recognizes income from donations on a cash basis, on the date of their receipt in the bank account, except for donations for administrative purposes, which are recognized on the accrual basis, in the period in which donations are due.

Costs of statutory activities

Costs of statutory activities cover settlements of funds transferred to the Museum and recognized in the accounting books of the Foundation on the accrual basis, i.e. taking into account the level of usage of donations received by the Museum. Amounts transferred to the Museum, but not utilised (not spent) in the financial year, are shown as receivables of the Foundation under other receivables (item B.I.1.a of assets).

Interest

Interest income is recognized on the accrual basis (using the effective interest rate), unless collectability is in doubt.

Profit and loss account format

The Foundation prepares the profit and loss account in the comparative format (non-manufacturing format), whereby income and expenditure are classified according to type.

Cash flow statement

The Foundation prepares the cash flow statement using indirect method.

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Balance sheet		in PLN	
ASSETS	Note	31.12.2018	31.12.2017
A. FIXED ASSETS		<u>415,187,318.93</u>	<u>414,327,492.67</u>
I. Tangible assets		<u>1,799.44</u>	<u>3,729.47</u>
1. Tangible assets	1	1,799.44	3,729.47
a) technical equipment and machinery		1,799.44	3,729.47
II. Long-term investments	4	<u>415,185,519.49</u>	<u>414,323,763.20</u>
1. Long-term financial assets		415,185,519.49	414,323,763.20
a) in other entities:		415,185,519.49	414,323,763.20
– other securities		415,185,519.49	414,323,763.20
B. CURRENT ASSETS		<u>91,209,985.36</u>	<u>59,342,636.10</u>
I. Short-term receivables		<u>132,601.31</u>	<u>132,760.16</u>
1. Receivables from other entities		132,601.31	132,760.16
a) other		132,601.31	132,760.16
II. Short-term investments	5	<u>90,417,196.98</u>	<u>58,654,317.89</u>
1. Short-term financial assets		90,417,196.98	58,654,317.89
a) in other entities		3,778,635.69	24,664,455.20
– other securities		3,760,016.13	24,645,881.44
– other short-term financial assets		18,619.56	18,573.76
b) cash and other monetary assets		86,638,561.29	33,989,862.69
– cash in hand and at bank		7,844,071.65	33,989,862.69
– other cash		78,794,489.64	-
III. Short-term prepayments	8	<u>660,187.07</u>	<u>555,558.05</u>
TOTAL ASSETS		<u>506,397,304.29</u>	<u>473,670,128.77</u>

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Balance sheet - continued

in PLN

EQUITY AND LIABILITIES	Note	<u>31.12.2018</u>	<u>31.12.2017</u>
A. EQUITY		<u>506,109,112.50</u>	<u>473,359,764.12</u>
I. Statutory fund	9	435,287,349.80	419,517,521.28
II. Revaluation reserve		(3,265,271.00)	2,776,722.02
III. Prior years' profits		35,295,692.30	55,411,198.37
IV. Net financial result for the financial year		38,791,341.40	(4,345,677.55)
B. LIABILITIES AND PROVISIONS FOR LIABILITIES		<u>288,191.79</u>	<u>310,364.65</u>
I. Short-term liabilities		<u>40,411.79</u>	<u>71,543.47</u>
1. To other entities		40,411.79	71,543.47
a) credits and loans		-	9,758.04
b) trade liabilities, maturing:		170.50	26,657.28
– within 12 months		170.50	26,657.28
c) tax, customs, insurance and other liabilities		36,963.18	27,640.63
d) remuneration		2,803.49	7,487.49
e) other		474.62	0.03
II. Accruals	8	<u>247,780.00</u>	<u>238,821.18</u>
1. Other accruals		247,780.00	238,821.18
– short-term		247,780.00	238,821.18
TOTAL EQUITY AND LIABILITIES		<u>506,397,304.29</u>	<u>473,670,128.77</u>

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Profit and loss account

in PLN

	Note	<u>01.01.2018-</u> <u>-31.12.2018</u>	<u>01.01.2017-</u> <u>-31.12.2017</u>
A. Income on statutory activity		15,968,633.85	16,211,165.68
I. Donations to Perpetual Capital	9	15,499,395.52	15,769,828.52
II. Donations for administrative expenses		469,238.33	441,337.16
B. Costs of statutory activities of Auschwitz-Birkenau State Museum in Oświęcim	10	5,169,454.53	8,728,936.15
C. Profit from on statutory activity		10,799,179.32	7,482,229.53
D. Administrative expenses of statutory activities		1,727,795.67	1,798,327.21
I. Depreciation		1,930.03	4,941.43
II. Consumption of materials and energy		19,187.78	17,532.08
III. External services	11	712,652.89	587,753.94
IV. Taxes and charges		17.00	-
V. Payroll	12	738,850.51	800,567.35
VI. Social security and other benefits	12	100,757.05	162,504.07
VII. Other expenses	13	154,400.41	225,028.34
E. Profit from statutory activity, after administrative expenses		9,071,383.65	5,683,902.32
F. Other operating income		11,519.03	106.89
I. Gain on disposal of non-financial non-current assets		4,000.00	-
II. Other operating income		7,519.03	106.89
G. Other operating expenses		614.56	48,854.93
I. Other operating expenses		614.56	48,854.93
H. Income on operating activity		9,082,288.12	5,635,154.28
I. Financial income	6	29,709,114.29	15,246,978.37
I. Interest		14,837,965.49	15,246,978.37
II. Gain on disposal of investments		-	-
III. Other:		14,871,148.80	-
- <i>unrealized foreign exchange rate differences*</i>		14,643,670.02	-
- <i>realized foreign exchange rate differences</i>		227,478.78	-
J. Financial expenses	6	61.01	25,227,810.20
I. Interest		61.01	-
II. Other:		-	25,227,810.20
- <i>unrealized foreign exchange rate differences *</i>		-	24,830,037.36
- <i>realized foreign exchange rate differences</i>		-	397,772.84

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Profit and loss account - continued

in PLN

	<u>01.01.2018-</u> <u>-31.12.2018</u>	<u>01.01.2017-</u> <u>-31.12.2017</u>
K. Profit from operations	<u>38,791,341.40</u>	<u>(4,345,677.55)</u>
L. Total financial result, including:	<u>38,791,341.40</u>	<u>(4,345,677.55)</u>
- <i>donations for Perpetual Capital</i>	15,499,395.52	15,769,828.52
- <i>income (loss) from unrealized foreign exchange rate differences</i>	14,643,670.02	(24,830,037.36)
M. Financial result net of donations to Perpetual Capital and unrealized foreign exchange rate differences	<u>8,648,275.86</u>	<u>4,714,531.29</u>

* The presented gains from foreign exchange rate differences in the financial year 01.01.2018-31.12.2018 (PLN 14,643,670.02) is a result of accounting valuation of assets held in EUR and USD, and is not realized.

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Statement of changes in equity	in PLN	
	<u>01.01.2018</u> <u>-31.12.2018</u>	<u>01.01.2017</u> <u>-31.12.2017</u>
Opening balance of equity	473,359,764.12	471,563,571.19
Opening balance of statutory fund	419,517,521.28	405,075,637.80
Change in statutory fund:		
- increase due to transfer of donations to Perpetual Capital received in the previous financial year	15,769,828.52	14,441,883.48
Closing balance of statutory fund	435,287,349.80	419,517,521.28
Opening balance of revaluation reserve	2,776,722.02	(3,365,148.46)
Change in revaluation reserve:		
- increase due to revaluation of financial assets available for sale	-	6,141,870.48
- decrease due to revaluation of financial assets available for sale	(6,041,993.02)	-
	-	-
Closing balance of revaluation reserve	(3,265,271.00)	2,776,722.02
Opening balance of prior years' profits	55,411,198.37	32,799,482.78
Change in prior years' profits – undistributed profit of the previous financial year	(20,115,506.07)	22,611,715.59
Closing balance of prior years' profits	35,295,692.30	55,411,198.37
Total financial result for the financial year	38,791,341.40	(4,345,677.55)
Closing balance of equity	506,109,112.50	473,359,764.12

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Cash flow statement

in PLN

	<u>01.01.2018-</u> <u>31.12.2018</u>	<u>01.01.2017-</u> <u>31.12.2017</u>
Cash flows from operating activities		
Total financial result	38,791,341.40	(4,345,677.55)
Total adjustments	(29,071,209.43)	10,613,921.65
Depreciation and amortization	1,930.03	4,941.43
Exchange rate gains (losses)	(14,991,611.02)	24,488,356.08
Interest and profit sharing (dividend)	(13,953,312.61)	(15,225,165.79)
Profit (loss) on investments	(4,000.00)	-
Change in the balance of receivables	158.85	1,152,466.37
Change in the balance of short-term liabilities excluding credits and loans	(28,704.48)	19,118.30
Change in the balance of accruals and prepaid expenses	(95,670.20)	174,205.26
Total net cash flows from operating activities	9,720,131.97	6,268,244.10
Cash flows from investment activities		
Inflows	56,163,569.94	111,984,614.00
Disposal of intangible and tangible fixed assets	4,000.00	-
From financial assets, including:	56,159,569.94	111,984,614.00
a) in other entities, including:	56,159,569.94	111,984,614.00
- sale of financial assets	40,159,680.00	95,302,643.42
- interest	15,999,889.94	16,681,970.58
Outflows	16,161,306.24	95,361,240.04
Purchase of intangible and tangible fixed assets	-	3,999.00
For financial assets, including:	16,161,306.24	95,357,241.04
a) in other entities, including:	16,161,306.24	95,357,241.04
- purchase of financial assets	16,161,306.24	95,357,241.04
Total net cash flows from investment activities	40,002,263.70	16,623,373.96

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Cash flow statement – continued

in PLN

	<u>01.01.2018-</u> <u>31.12.2018</u>	<u>01.01.2017-</u> <u>31.12.2017</u>
Cash flows from financial activities		
Inflows	-	2,468.00
Credits and loans	-	2,468.00
Outflows	2,427.20	-
Repayment of credits and loans	2,427.20	-
Total net cash flows from financial activities	(2,427.20)	2,468.00
Total cash flows	49,719,968.47	22,894,086.06
Balance sheet change in cash, including:	52,648,698.60	22,808,191.36
- change in cash resulting from exchange rate differences	2,863,494.35	(85,362.75)
- interest accounted for deposits with maturity date shorter than 3 months	65,235.78	(531.95)
Opening balance of cash	33,989,862.69	11,181,671.33
Closing balance of cash, including:	86,638,561.29	33,989,862.69
- of limited disposability	-	-

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Additional information

prepared for the financial year ended 31 December 2018

in PLN

Additional information and explanations include only items related to the Foundation and specified in the attachment to the Accounting Act.

1. Tangible assets

	Technical equipment and machinery	Total
Gross book value opening balance	77,153.67	77,153.67
Decreases:		
- sale	-	-
Gross book value closing balance	77,153.67	77,153.67
Accumulated depreciation opening balance	73,424.20	73,424.20
Increases:		
- depreciation for the financial year	1,930.03	1,930.03
Decreases:		
- sale	-	-
Accumulated depreciation closing balance	75,354.23	75,354.23
Net book value opening balance	3,729.47	3,729.47
Net book value closing balance	1,799.44	1,799.44

The profit on the sale of fully depreciated vehicles was presented in the part F of the profit and loss account (PLN 4,000.00).

2. Classification of financial assets

	31.12.2018	31.12.2017
Financial assets classified as held to maturity:	360,339,130.03	376,055,905.22
- short-term	3,760,016.13	24,645,881.44
- long-term	356,579,113.90	351,410,023.78
Financial assets classified as available for sale:	58,606,405.59	62,913,739.42
- long-term	58,606,405.59	62,913,739.42
Total financial assets	418,945,535.62	438,969,644.64

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3. Revaluation of assets classified as financial instruments

Instrument	Issuer	Currency	Nominal value in currency	Purchase price in currency	Interest rate	Effective interest rate	Maturity date	Carrying value as at 31.12.2018***	Amount recorded as revaluation reserve in current year	Fair value as at 31.12.2018**	Maximum amount exposed to counterparty credit risk
Assets classified as available for sale*								58,606,405.59	(6,041,993.02)	57,053,410.50	58,606,405.59
DE000A1YCQ29	ALLIANZ SE	EUR	6,300,000.00	6,915,415.07	4.75%	-	Perpetual bonds	30,009,606.20	(2,381,373.54)	29,769,878.25	30,009,606.20
FR0011697028	Electricite de France	EUR	2,600,000.00	2,862,421.92	5.00%	-	Perpetual bonds	11,438,719.75	(1,467,375.60)	10,913,412.90	11,438,719.75
FR0011697028	Electricite de France	EUR	3,900,000.00	4,281,318.49	5.00%	-	Perpetual bonds	17,158,079.64	(2,193,243.88)	16,370,119.35	17,158,079.64
Assets classified as held to maturity								360,339,130.03		368,340,582.22	360,339,130.03
PLBRE0005193	mBank	PLN	16,000,000.00	16,161,306.24	WIBOR 6M + 1,8	3.48%	2028-10-10	16,177,996.68	N/A	16 490 539,47	16,177,996.68
PL0000109427	State Treasury	PLN	9,137,000.00	8,169,848.55	2.500%	3.81%	2027-07-25	8,370,601.06	N/A	8,989,848.62	8,370,601.06
PL0000108866	State Treasury	PLN	675,000.00	660,089.25	2.500%	2.80%	2026-07-25	668,483.85	N/A	669,431.25	668,483.85
PL0000108197	State Treasury	PLN	2,789,000.00	2,762,253.49	3.250%	3.58%	2025-07-25	2,775,357.60	N/A	2,920,487.41	2,775,357.60
PL0000108197	State Treasury	PLN	5,050,000.00	5,155,494.50	3.250%	3.18%	2025-07-25	5,140,051.69	N/A	5,288,082.25	5,140,051.69
PL0000107264	State Treasury	PLN	14,770,000.00	14,992,140.80	4.000%	4.07%	2023-10-25	14,829,090.29	N/A	16,026,853.15	14,829,090.29
PL0000107264	State Treasury	PLN	3,242,000.00	3,106,095.36	4.000%	4.69%	2023-10-25	3,170,829.62	N/A	3,517,877.99	3,170,829.62
PL0000500070	National Road Fund	PLN	12,055,000.00	14,996,420.00	5.750%	2.51%	2022-10-25	13,583,745.59	N/A	13,846,373.00	13,583,745.59
PL0000500070	National Road Fund	PLN	9,900,000.00	10,872,873.00	5.750%	4.60%	2022-10-25	10,390,211.67	N/A	11,371,140.00	10,390,211.67
PL0000500070	National Road Fund	PLN	5,950,000.00	6,664,000.00	5.750%	4.38%	2022-10-25	6,292,291.74	N/A	6,834,170.00	6,292,291.74
PL0000500070	National Road Fund	PLN	3,850,000.00	4,358,469.50	5.750%	4.27%	2022-10-25	4,086,734.95	N/A	4,422,110.00	4,086,734.95
PL0000500070	National Road Fund	PLN	2,500,000.00	2,831,925.00	5.750%	4.27%	2022-10-25	2,653,474.89	N/A	2,871,500.00	2,653,474.89
PL0003200025	Capital City of Warsaw	PLN	11,750,000.00	14,214,327.50	6.450%	4.17%	2022-09-23	12,859,810.78	N/A	13,555,387.50	12,859,810.79
PL0003200025	Capital City of Warsaw	PLN	7,300,000.00	8,381,349.00	6.450%	4.53%	2022-09-23	7,896,672.85	N/A	8,421,645.00	7,896,672.85
PL0003200025	Capital City of Warsaw	PLN	5,000,000.00	5,767,700.00	6.450%	4.60%	2022-09-23	5,396,265.90	N/A	5,768,250.00	5,396,265.90
PL0003200025	Capital City of Warsaw	PLN	1,285,000.00	1,489,687.65	6.450%	4.44%	2022-09-23	1,393,950.83	N/A	1,482,440.25	1,393,950.83
PL0000102646	State Treasury	PLN	9,770,000.00	10,993,594.80	5.750%	4.21%	2022-09-23	10,426,713.78	N/A	11,111,421.00	10,426,713.77
PL0000102646	State Treasury	PLN	5,620,000.00	6,203,024.42	5.750%	4.35%	2022-09-23	5,971,703.38	N/A	6,391,626.00	5,971,703.38
PLPKN0000141	PKN ORLEN	PLN	763,900.00	765,351.41	5.000%	5.15%	2020-04-09	775,028.02	N/A	784,678.08	775,028.02

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Instrument	Issuer	Currency	Nominal value in currency	Purchase price in currency	Interest rate	Effective interest rate	Maturity date	Carrying value as at 31.12.2018***	Amount recorded as revaluation reserve in current year	Fair value as at 31.12.2018**	Maximum amount exposed to counterparty credit risk
Assets classified as held to maturity											
XS1130139667	Government of Lithuania	EUR	1,540,000.00	1,540,664.52	2.125%	2.13%	2026-10-29	6,644,734.09	N/A	7,275,988.72	6,644,734.09
XS1107727007	Citigroup	EUR	3,050,000.00	3,100,441.67	2.125%	2.01%	2026-09-10	13,303,181.29	N/A	13,616,714.33	13,303,181.29
XS1069772082	Rabobank	EUR	4,700,000.00	5,007,637.53	2.500%	2.06%	2026-05-26	21,121,207.08	N/A	20,933,012.75	21,121,207.08
XS1254428896	HSBC Holdings	EUR	2,540,000.00	2,580,009.16	3.000%	2.88%	2025-06-30	11,162,187.43	N/A	11,455,321.26	11,162,187.43
DE000DB7XJP9	Deutsche Bank	EUR	1,900,000.00	1,876,630.00	1.125%	1.37%	2025-03-17	8,121,452.31	N/A	7,584,333.55	8,121,452.31
XS1199439222	Abbey National	EUR	6,950,000.00	6,391,407.99	1.125%	2.09%	2025-03-10	28,498,526.72	N/A	29,411,920.45	28,498,526.72
XS1140857316	Standard Chartered	EUR	3,520,000.00	3,682,245.48	3.125%	2.66%	2024-11-19	15,569,342.25	N/A	15,633,671.68	15,569,342.25
XS0858585051	Standard Chartered	EUR	3,250,000.00	3,313,508.56	3.625%	3.47%	2022-11-23	14,104,758.43	N/A	14,935,362.00	14,104,758.43
CH0302790123	UBS	EUR	3,653,000.00	3,664,133.67	1.750%	1.70%	2022-11-16	15,770,075.20	N/A	16,218,799.45	15,770,075.20
XS1218287230	Credit Suisse	EUR	3,600,000.00	3,584,808.00	1.250%	1.31%	2022-04-14	15,587,999.25	N/A	15,613,360.20	15,587,999.25
XS0468940068	Landesbank Berlin	EUR	300,000.00	334,690.07	5.875%	3.76%	2019-11-25	1,321,105.90	N/A	1,351,784.55	1,321,105.90
DE000A0BCLA9	DEPFA	EUR	550,000.00	588,804.30	4.875%	4.45%	2019-05-21	2,438,910.23	N/A	2,409,982.30	2,438,910.23
US00206RDQ20	AT&T	USD	4,245,000.00	4,403,273.65	4.250%	3.88%	2027-03-01	16,636,717.65	N/A	15,647,431.14	16,636,717.65
US00206RCT77	AT&T	USD	995,000.00	1,020,257.27	4.125%	4.08%	2026-02-17	3,816,887.29	N/A	3,660,752.69	3,816,887.29
US278642AL76	eBay	USD	1,965,000.00	1,943,581.50	3.450%	3.85%	2024-08-01	7,358,959.63	N/A	7,070,984.25	7,358,959.63
US278642AL76	eBay	USD	482,000.00	455,357.45	3.450%	4.30%	2024-08-01	1,766,141.74	N/A	1,734,460.26	1,766,141.74
US278642AL76	eBay	USD	1,086,000.00	1,100,536.36	3.450%	3.42%	2024-08-01	4,153,244.28	N/A	3,907,933.28	4,153,244.28
US05581LAB53	BNP Paribas	USD	3,042,000.00	3,083,236.00	3.800%	3.76%	2024-01-10	11,682,706.39	N/A	11,144,277.20	11,682,706.39
XS0783934085	PKO BP	USD	3,309,000.00	3,499,281.29	4.630%	3.91%	2022-09-26	12,917,252.88	N/A	12,736,317.42	12,917,252.88
XS0783934085	PKO BP	USD	3,250,000.00	3,449,654.72	4.630%	3.81%	2022-09-26	12,727,202.06	N/A	12,509,226.84	12,727,202.06
XS0783934085	PKO BP	USD	708,000.00	750,775.59	4.630%	3.76%	2022-09-26	2,777,522.76	N/A	2,725,086.96	2,777,522.76
Total assets								418,945,535.62	(6,041,993.02)	425,393,992.72	418,945,535.62

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Financial assets classified as available for sale were revalued as at 31 December 2018 at fair value calculated on the basis of market quotations of each instrument as of the balance date including interest accrued based on the effective interest rates. Financial assets classified as held to maturity were revalued as at 31 December 2018 at adjusted purchase price.

* Profits or losses arising from revaluation of the entity's financial assets classified as available for sale are recorded in revaluation reserve, in accordance with art. 21 of Decree of Ministry of Finance dated 12 December 2001 on specific rules of recognition, measurement methods, scope of disclosure and method of presentation of financial instruments (Journal of Laws dated 22 December 2001). In accordance with art. 25, paragraph 1 of the Decree interest from these assets accrued based on the effective interest rates are recorded as financial income. Profits or losses recorded in the revaluation reserve in accordance with art. 25, paragraph 3 of the Decree, constitute the difference between the fair value of assets as of the revaluation date, and value of those assets at adjusted purchase price. Accrued interest related to assets classified as available for sale amounted to PLN 1,552,995.07.

** Presented fair value for all instruments in the investment portfolio, was calculated on the basis of market quotations that do not take into account accrued interest.

For assets classified as held to maturity, where fair value is lower than carrying amount, the entity estimates that it is not required to account for impairment losses. The change in fair value of these assets results from short-term fluctuations of market prices and the entity's intention is to hold them until maturity date.

*** The carrying amount of assets classified as available for sale is presented including accrued interest (in Polish: "cena brudna").

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4. Long-term investments

At the balance date long-term investments included bonds denominated in PLN, EUR and USD classified both as assets held to maturity and assets available for sale.

	<u>31.12.2018</u>	<u>31.12.2017</u>
Gross value opening balance	414,323,763.20	422,939,734.17
Increases:	29,503,271.90	42,576,659.04
- purchase of bonds	16,161,306.24	34,928,419.46
- unrealized foreign exchange rate differences	11,788,970.59	-
- interests accrued on debt instruments classified as available for sale	1,552,995.07	1,506,369.10
- revaluation at fair value recorded in revaluation reserve	-	6,141,870.48
Decreases:	28,641,515.61	51,192,630.01
- unrealized foreign exchange rate differences	-	23,963,152.19
- reversal of interests accrued in the previous financial year	1,506,369.10	1,598,015.89
- revaluation at adjusted purchase price	1,232,541.59	985,580.49
- revaluation to fair value recorded in revaluation reserve	6,041,993.02	-
- reclassification to short-term investments due to maturity date within twelve months	3,760,016.13	24,645,881.44
- redemption of bonds	16,100,595.77	-
Gross value closing balance	415,185,519.49	414,323,763.20

5. Short-term investments

	<u>31.12.2018</u>	<u>31.12.2017</u>
Short-term investments in other entities:		
- securities with maturity date within twelve months including revaluation to adjusted purchase price	3,760,016.13	24,645,881.44
- short-term bank deposits with maturity longer than 3 months	18,415.06	18,415.06
- accrued interest on short-term bank deposits with maturity longer than 3 months	204.50	158.70
Total short-term investments in other entities	3,778,635.69	24,664,455.20
	<u>31.12.2018</u>	<u>31.12.2017</u>
Cash and other monetary assets:		
- cash at bank in PLN	2,878,473.87	30,516,273.47
- cash at bank in EUR	3,066,674.82	9,249.76
- cash at bank in USD	1,898,922.96	3,464,339.46
- short-term deposits with maturity shorter than 3 months	78,729,253.86	-
- accrued interest on short-term deposits with maturity shorter than 3 months	65,235.78	-
Total cash and other monetary assets	86,638,561.29	33,989,862.69

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Short-term bank deposits included following deposits:

Bank	Currency	Deposit amount (in original currency)	Deposit amount (in PLN)	Maturity date	Annual interest rate	Accrued interest as at 31.12.2018 (in PLN)
Shorter than 3 months						
PEKAO S.A.	PLN	2,709,316.39	2,709,316.39	2019-01-25	1.55%	7,708.56
PEKAO S.A.	PLN	6,959,603.21	6,959,603.21	2019-02-11	1.63%	6,215.97
PEKAO S.A.	PLN	10,843,416.89	10,843,416.89	2019-01-11	1.40%	8,318.24
PEKAO S.A.	PLN	8,152,369.01	8,152,369.01	2019-03-18	1.67%	4,848.98
PEKAO S.A.	PLN	95,200.00	95,200.00	2019-02-11	1.60%	41.73
PKO BANK POLSKI	PLN	5,000,000.00	5,000,000.00	2019-01-14	1.55%	4,034.25
BGŻ BNP PARIBAS	PLN	600,000.00	600,000.00	2019-01-18	1.18%	252.16
BGŻ BNP PARIBAS	PLN	1,600,000.00	1,600,000.00	2019-01-18	1.12%	490.96
BNP PARIBAS FORTIS	USD	11,375,734.33	42,769,348.36	2019-01-22	2.37%	33,324.93
Longer than 3 months						
PEKAO S.A.	PLN	18,415.06	18,415.06	2019-05-15	1.77%	204.50
Total			78,747,668.92			65,440.28

6. Financial income and expenditure**6.a. Interest from financial instruments (based on contractual interest rates)**

	Interest received in the financial year 01.01.2018- 31.12.2018	Interest due and received in the financial year* 01.01.2018- 31.12.2018	Interest accrued, but not received in the financial year 01.01.2018-31.12.2018		
			due in less than 3 months	due from 3 to 12 months	due above 12 months
Debt instruments classified as held to maturity	13,356,718.74	9,099,448.15	1,520,974.87	2,021,808.12	-
- denominated in PLN	6,413,918.38	4,983,832.47	12,487.93	1,157,610.44	-
• including interest on investments financed through already earned interest	-	-	-	-	-
- denominated in EUR	4,124,378.73	2,217,470.69	561,036.50	864,197.68	-
- denominated in USD	2,818,421.63	1,898,144.99	947,450.44	-	-
Debt instruments classified as available for sale	2,643,171.20	1,128,441.71	1,313,267.12	239,727.95	-
- denominated in EUR	2,643,171.20	1,128,441.71	1,313,267.12	239,727.95	-
Bank deposits	853,661.85	919,102.13	65,235.78	204.50	-
- denominated in PLN	393,039.45	425,154.80	31,910.85	204.50	-
• including interest on investments financed through already earned interest	336,370.02	336,370.02	20,845.90	-	-
- denominated in USD	460,622.40	493,947.33	33,324.93	-	-
• including interest on investments financed	10,283.42	10,283.42	-	-	-

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	through already earned interest					
Total		16,853,551.79	11,146,991.99	2,899,477.77	2,261,740.57	-
		Interest received in the financial year 01.01.2017-31.12.2017	Interest due and received in the financial year* 01.01.2017-31.12.2017	Interest accrued, but not received in the financial year 01.01.2017-31.12.2017		
				due in less than 3 months	due from 3 to 12 months	due above 12 months
Debt instruments classified as held to maturity		13,995,268.10	9,605,405.82	3,962,915.26	19,332.27	-
- denominated in PLN		6,971,747.83	5,423,827.03	1,164,347.33	19,332.27	-
• including interest on investments financed through already earned interest		448,435.53	333,368.81	-	-	-
- denominated in EUR		4,916,178.23	2,809,743.93	1,989,473.70	-	-
- denominated in USD		2,107,342.04	1,371,834.86	809,094.23	-	-
Debt instruments classified as available for sale		2,686,478.08	1,116,960.58	1,273,838.57	232,530.53	-
- denominated in EUR		2,686,478.08	1,116,960.58	1,273,838.57	232,530.53	-
Bank deposits		14,948.45	14,267.11	-	158.70	-
- denominated in PLN		14,674.62	14,094.25	-	158.70	-
• including interest on investments financed through already earned interest		13,899.09	13,704.31	-	-	-
- denominated in USD		273.83	172.86	-	-	-
- denominated in EUR		-	-	-	-	-
• including interest on investments financed through already earned interest		-	-	-	-	-
Total		16,696,694.63	10,736,633.51	5,236,753.83	252,021.50	-

* Interest due and received in the financial year includes interest received from financial instruments acquired during the financial year from the date of purchase of the financial instruments to the date of coupon payments. Interest received in the financial year, but accrued and relating to previous financial periods is not included.

6.b. Result on financial instruments year end revaluations and exchange rate differences realized in the financial year related to the financial instruments

	Result on revaluation at adjusted purchase price for the financial year 01.01.2018-31.12.2018	Exchange rate differences	
		Realized	Unrealized
Debt instruments classified as held to maturity	(2,158,484.88)	347,941.00	10,092,142.45
- denominated in PLN	(1,370,208.77)	-	-
- denominated in EUR	(566,523.36)	347,941.00	4,601,947.53
- denominated in USD	(221,752.75)	-	5,490,194.92
Debt instruments classified as available for sale	-	-	1,688,033.22
- denominated in EUR	-	-	1,688,033.22
Bank deposits	-	-	2,767,353.53
- denominated in USD	-	-	2,767,353.53
Total	(2,158,484.88)	347,941.00	14,547,529.20

	Result on revaluation at adjusted purchase price for the financial year 01.01.2017-31.12.2017	Exchange rate differences	
		Realized	Unrealized
Debt instruments classified as held to maturity	(1,364,635.36)	341,681.28	(21,420,448.22)
- denominated in PLN	(1,153,272.30)	-	-
- denominated in EUR	(259,439.88)	365,079.00	(11,073,828.49)
- denominated in USD	48,076.82	(23,397.72)	(10,346,619.73)
Debt instruments classified as available for sale	-	-	(3,324,226.39)
- denominated in EUR	-	-	(3,324,226.39)
Bank deposits	-	-	(8,805.01)
- denominated in USD	-	-	(8,805.01)
- denominated in EUR	-	-	-
Total	(1,364,635.36)	341,681.28	(24,753,479.62)

6.c. Financial income (expenses)

	<u>01.01.2018</u> <u>-31.12.2018</u>	<u>01.01.2017</u> <u>-31.12.2017</u>
Financial income		
Interest:	14,837,965.49	15,246,978.37
- interest received in the financial year related to financial instruments	16,853,551.79	16,696,694.63
- result on revaluation at adjusted purchase price of financial instruments classified as held to maturity	(2,158,484.88)	(1,364,635.36)
- reversal of accrued interests on debt instruments classified as available for sale	(1,506,369.10)	(1,598,015.89)
- accrued interest on debt instruments classified as available for sale	1,552,995.07	1,506,369.10
- interest received in the financial year related to current bank	30,991.03	7,088.53

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accounts		
- reversal of interest on bank deposits accrued in the previous financial year	(158.70)	(681.34)
- interest on bank deposits accrued in the financial year	65,440.28	158.70
Gain on disposal of investments available for sale	-	-
Other:	14,871,148.80	-
- unrealized foreign exchange rate differences	14,643,670.02	-
- realized foreign exchange rate differences	227,478.78	-
Total financial income	29,709,114.29	15,246,978.37
Financial expenses		
Late payment interest and budgetary interest	-	-
Other:	-	25,227,810.20
- unrealized foreign exchange rate differences	-	24,830,037.36
- realized foreign exchange rate differences	-	397,772.84
Total financial expenses	-	25,227,810.20

6.d. Foreign exchange rate differences

	<u>01.01.2018</u> <u>-31.12.2018</u>	<u>01.01.2017</u> <u>-31.12.2017</u>
Unrealized foreign exchange rate gains (losses) by category of assets:		
Debt instruments classified as available for sale	1,688,033.22	(3,324,226.39)
Debt instruments classified as held to maturity:	10,092,142.45	(21,420,448.22)
- long-term debt instruments	10,100,937.37	(19,385,592.07)
- short-term debt instruments	(8,794.92)	(2,034,856.15)
Bank deposits	2,767,353.53	(8,805.01)
Current bank accounts	96,140.82	(76,557.74)
Total unrealized foreign exchange rate differences	14,643,670.02	(24,830,037.36)
Realized foreign exchange rate gains (losses) by category of assets:	<u>01.01.2018</u> <u>-31.12.2018</u>	<u>01.01.2017</u> <u>-31.12.2017</u>
Debt instruments classified as held to maturity:	347,941.00	341,681.28
- long-term debt instruments	-	(23,397.72)
- short-term debt instruments	347,941.00	365,079.00
Current bank accounts	(119,905.32)	(739,052.58)
Settlements with employees	(556.90)	(401.54)
Total realized foreign exchange rate differences	227,478.78	(397,772.84)

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7. Goals and principles of financial risk management

The entity invests all funds in debt securities of issuers with high ratings and bank deposits.

The Foundation follows an investment policy providing safety to the Perpetual Capital according to the rule 'security is more important than returns'. For diversification of risk, assets are held in EUR, USD and PLN that are also the currencies of major donations. The Foundation does not use change in currency rates as a premise for investment decisions.

When the rating of a particular issuer falls below a pre-determined level, the Foundation acts immediately in order to maintain the desired high security levels of invested funds.

The Foundation limits concentration risk with a particular issuer by setting maximum ratios of the total investment portfolio that may be invested in the securities of one single issuer.

Interest rate risk is limited by investing generally in debt instruments with fixed interest rates. The only appearing exceptions to the rule in Foundation's investment portfolio are perpetual bonds with variable interest rate starting from a specified date in the future and bonds issued by mBank based entirely on the variable interest rate.

8. Accrued and prepaid expenses

	<u>31.12.2018</u>	<u>31.12.2017</u>
Accruals:		
- accounting services	161,680.00	165,000.00
- audit services	86,100.00	73,800.00
- bank charges	-	21.18
Total accruals not being of provisions	<u>247,780.00</u>	<u>238,821.18</u>
	<u>31.12.2018</u>	<u>31.12.2017</u>
Prepaid expenses:		
- donations due from the entity rendering accounting services in favor of the Foundation	570,666.59	477,615.16
- donations due from the entity rendering audit services in favor of the Foundation	86,100.00	73,800.00
- fees related to the Foundation's website	1,435.00	1,446.56
- management board insurance premium	1,643.82	1,643.82
- property insurance premium	169.15	612.25
- travel insurance premium	134.3	141.17
- subscription	38.21	299.09
Total prepaid expenses	<u>660,187.07</u>	<u>555,558.05</u>

9. Statutory fund (Perpetual Capital)

The statutory fund consists of donations received for Perpetual Capital.

Donations to Perpetual Capital received in a given year are initially treated as income and are allocated to statutory capital (Perpetual Capital) in the subsequent financial year, following the approval of the financial statements by the Council of the Foundation.

The Foundation shows donations received in foreign currencies at the historic PLN average exchange rates of the NBP as at the day preceding receipt of each payment to the Perpetual Capital.

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Donations received for Perpetual Capital in respective financial years:

- 2009	1,744,566.38
- 2010	1,959,355.73
- 2011	57,317,408.46
- 2012	66,223,090.96
- 2013	82,485,706.54
- 2014	75,030,995.72
- 2015	120,314,514.01
- 2016	14,441,883.48
- 2017	15,769,828.52
Total statutory fund as at 31 December 2018	<u>435,287,349.80</u>

Following the approval of the 2018 financial statements the statutory fund, including donations received in 2018, will amount to PLN 450,786,745.32.

Most of the Funds received by the Foundation as donations was invested in debt instruments, The total value of the above financial debt instruments as at the balance date amounted to PLN 418,945,535.62. Detailed information on the debt instruments was presented in note no. 3.

Additional funds resulting from gains earned by the Foundation related to investment of the donations (except for cash used by the Foundation to cover donations for the Museum and administrative costs) were located to bank deposits.

Donations to Perpetual Capital received in 2018 by donor:

Donor	Currency of donation	Amount of donation in original currency	Amount of donation in PLN*
US Department of State	USD	3,107,000.00	11,494,346.50
Pillar of Remembrance - Frank Lowy	USD	249,957.50	915,319.37
Pillar of Remembrance - In Honor of the United States Holocaust Memorial Museum dedicated by friends of the Museum	USD	348,333.00	1,243,407.83
Pillar of Remembrance - Ronald S. Lauder	USD	230,000.00	864,524.00
Pillar of Remembrance - Second Generation in Honor of the victims and survivors of the Shoah	USD	159,490.00	583,881.63
Friends of Auschwitz Birkenau Foundation	USD	1,250.00	4,351.63
Bulgaria	EUR	15,000.00	63,145.50
Greece	EUR	5,000.00	20,879.00
Ireland	EUR	10,000.00	42,868.00
Portugal	EUR	5,000.00	21,484.50
David Wiener	USD	50,000.00	187,940.00
Ken and Barbara Horowitz	USD	10,000.00	37,588.00
Roman Kent	USD	1,000.00	3,758.80
Others	EUR	790.00	3,340.22
Others	PLN	12,560.54	12,560.54
Total donations			<u>15,499,395.52</u>

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Donations to Perpetual Capital received in 2017 by donor:

Donor	Currency of donation	Amount of donation in original currency	Amount of donation in PLN*
US Department of State	USD	3,000,000.00	12,090,000.00
Pillar of Remembrance - Frank Lowy	USD	249,957.50	881,750.08
Pillar of Remembrance - In Honor of the United States Holocaust Memorial Museum dedicated by friends of the Museum	USD	243,633.00	965,950.76
Pillar of Remembrance - Ronald S. Lauder	USD	230,000.00	825,907.00
Vatican	EUR	99,848.50	422,439.03
Pillar of Remembrance - Second Generation in Honor of the victims and survivors of the Shoah	USD	63,120.00	246,459.92
Bloomberg Philanthropies	USD	50,000.00	179,545.00
Corinne and Lenny Sands	USD	25,000.00	98,505.00
Sheldon Solow	USD	10,000.00	35,909.00
Slovakia	EUR	2,000.00	8,571.00
Josh Kazdin	USD	1,000.00	3,590.90
Carrie Menkel Meadow	USD	1,000.00	3,590.90
Others	PLN	5,571.10	5,571.10
Others	EUR	480.00	2,038.83
Total donations			15,769,828.52

* Donations were calculated at the average NBP exchange rates as at the day preceding each receipt.

10. Costs of statutory activities – donations transferred to the Museum

Year	Funds transferred to the Museum	Funds expensed by the Museum	Funds not used by the Museum, transferred back into the Foundation's bank account	Return of interest earned on funds transferred to the Museum	Settlements with the Museum	Costs of statutory activities
2012	1,699,000.00	526,572.15	-	-	1,172,427.85	526,572.15
2013	2,144,991.00	1,053,501.31	-	56,519.54	1,148,009.23	996,981.77
2014	2,092,548.50	3,105,168.79	136,502.42	39,446.60	(1,166,195.65)	3,065,722.19
2015	5,226,091.79	5,026,352.89	279,419.49	18,310.45	(100,816.74)	5,008,042.44
2016	5,946,351.58	5,428,194.53	333,180.97	16,235.19	182,900.82	5,411,959.34
2017	7,664,742.85	8,733,269.14	23,168.41	4,332.99	(1,103,596.90)	8,728,936.15
2018	5,211,736.90	5,172,247.53	38,081.70	2,793.00	(131.79)	5,169,454.53
	29,985,462.62	29,045,306.34	810,352.46	137,637.77	132,596.82	28,907,668.57

* In accordance with the General Agreement concluded between the Foundation and the Museum, interest earned on funds transferred to the Museum, generated in given financial year in the bank account supporting projects financed by the Foundation, is reimbursed to the Foundation not later than on 15th January of the following financial year.

Reimbursed interest reduces the costs of project finance transferred and used by the Museum in the year, in which interest was accrued.

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11. Administrative expenses – external services

	<u>01.01.2018</u>	<u>01.01.2017</u>
	<u>-31.12.2018</u>	<u>-31.12.2017</u>
- accounting services	383,138.33	367,537.16
- bank charges	8,590.12	10,208.34
- audit services	86,100.00	73,800.00
- rent of premises	60,024.00	59,040.00
- telecommunication services	9,885.11	22,729.36
- IT services	22,000.00	24,000.00
- translations	7,667.25	14,020.89
- design and preparation of publications	11,657.44	3,919.04
- postal, courier and transport services	1,236.81	6,468.74
- maintenance, repair, renovation	2,026.52	2,231.52
- repair, car review	-	2,126.66
- usage of car	12.30	407.80
- expert services	64,098.00	-
- gaining donors	53,472.53	-
- notary and legal services	386.22	9.84
- other external services	2,358.26	1,254.59
Total	<u>712,652.89</u>	<u>587,753.94</u>

12. Administrative expenses – payroll, social security and other employees benefits

	<u>01.01.2018</u>	<u>01.01.2017</u>
	<u>-31.12.2018</u>	<u>-31.12.2017</u>
- remuneration of Management Board members	397,833.67	382,251.50
- remuneration of other employees	341,016.84	418,315.85
- social security	75,069.26	135,661.59
- medical benefits	21,429.79	21,326.40
- training	4,258.00	990.00
- other employee benefits	-	4,526.08
Total	<u>839,607.56</u>	<u>963,071.42</u>

13. Administrative expenses – other

	<u>01.01.2018</u>	<u>01.01.2017</u>
	<u>-31.12.2018</u>	<u>-31.12.2017</u>
- business travel	111,855.02	183,068.71
- meetings of supervisory authorities	30,650.27	24,379.05
- representation costs	4,415.93	8,531.97
- property insurance	1,775.89	3,667.71
- personal insurance	648.87	549.59
- subscription	714.47	1,001.90
- other	4,339.96	3,829.41
Total	<u>154,400.41</u>	<u>225,028.34</u>

14. Corporate income tax

The Foundation is exempted from corporate income tax pursuant of the Corporate Income Tax Act of 15 February 1992 (Journal of Law 2016, position 1888).

Regulations regarding goods and services tax, corporate income tax, natural person's income tax or social security contributions are subject to changes, as a result of which there is often no reference to fixed regulations or legal precedents. The existing legislation contains ambiguities that cause differences in opinions as to the legal interpretation of tax regulations both between state authorities and between state authorities and enterprises. Taxes and other settlements (for example customs or foreign exchange) may be subject to control by authorities that are entitled to impose significant penalties, and the additional amounts of liabilities established as a result of the inspections must be paid with interest. These phenomena cause that the tax risk in Poland is higher than that usually found in countries with a more developed tax system.

Tax settlements may be reviewed for a period of five years. As a result, the amounts reported in the financial statements may change at a later date after the final determination of their amount by tax authorities.

15. Outlays on non-financial fixed-assets incurred in the preceding year and planned for the following year

In the financial year the Foundation did not incurred outlays for non-financial fixed assets.

The Foundation intends to incur in the following financial year outlays on non-financial fixed assets amounting to PLN 18,000.00.

16. Exchange rates applied for the purpose of valuation of items denominated in foreign currencies

According to the NBP 252/A/NBP/2018 as at 31 December 2018 effective on the balance date, exchange rate taken for the purpose of valuation of receivables, liabilities and cash was as follows: EUR 1 = PLN 4.3000 and USD 1 = PLN 3.7597.

According to the NBP 251/A/NBP/2017 as at 29 December 2017 effective on the balance date, exchange rate taken for the purpose of valuation of receivables, liabilities and cash was as follows: EUR 1 = PLN 4.1709 and USD 1 = PLN 3.4813.

17. Average employment in the financial year, including breakdown according to occupational groups

The Foundation employed 5 office workers as at 31 December 2018. Average employment in the current financial year equalled to 5.

18. Remuneration, including amounts payable to members of the managing and supervising bodies

In the financial year remuneration of members of the Management Board amounted to PLN 397.8 thousands.

No remuneration was paid to the members of the Foundation Council.

19. Loans and similar benefits granted to members of the managing and supervising bodies

The Foundation did not grant loans or any similar benefit to members of the Management Board or the Foundation Council.

20. Significant post-balance date events

By the day of preparation of these financial statements there were no significant post-balance date events in the Foundation, which would require to be included or additionally disclosed in these financial statements for the period from 1 January to 31 December 2018.

21. Significant events from previous years disclosed in the financial statements

None.

22. Changes in accounting policies made during the financial year

None.

23. Information required to ensure comparability of the financial statements for the preceding year with the financial statements for the financial year

None required.

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24. Other significant information concerning the economic and financial position and financial results of the Foundation

The financial statements include all necessary information concerning the economic and financial position and the financial results of the Foundation.

In accordance with §9 art. 4 of the Statutes of the Foundation, it shall be indicated that in the financial year from 1 January to 31 December 2018 and in the comparative period ratio between interest received on Perpetual Capital and administrative expenses of statutory activities presented below was in line with the above mentioned provisions of Statutes:

	<u>31.12.2018</u>	<u>31.12.2017</u>
- Interest received in the Foundations' bank account. Detailed information on interest is presented in note 6a	16,853,551.79	16,696,694.63
- Maintenance of cash value of Perpetual Capital	2,685,803.29	3,016,917.66
- Interest received less allocation of amounts required to maintain cash value of Perpetual Capital	14,167,748.50	13,679,776.97
- Administrative expenses of statutory activities (reduced by donations received from suppliers)	1,258,557.34	1,356,990.05
- Assets (resources) available for statutory activities in form of donations to Auschwitz-Birkenau State Museum in the following year	12,909,191.16	12,322,786.92
- The percentage of administrative costs in net interest income reduced by maintenance of cash value of Perpetual Capital	9%	10%
- The percentage of assets (resources) available for statutory activities in form of donations to Auschwitz-Birkenau State Museum for the next year in realized interest reduced by maintenance of cash value of Perpetual Capital	91%	90%