



CAPITAL GROUP
GETIN HOLDING S.A.
REPORT ON OPERATIONS OF THE CAPITAL GROUP AND ISSUER
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

Wrocław, dated August 18th, 2017

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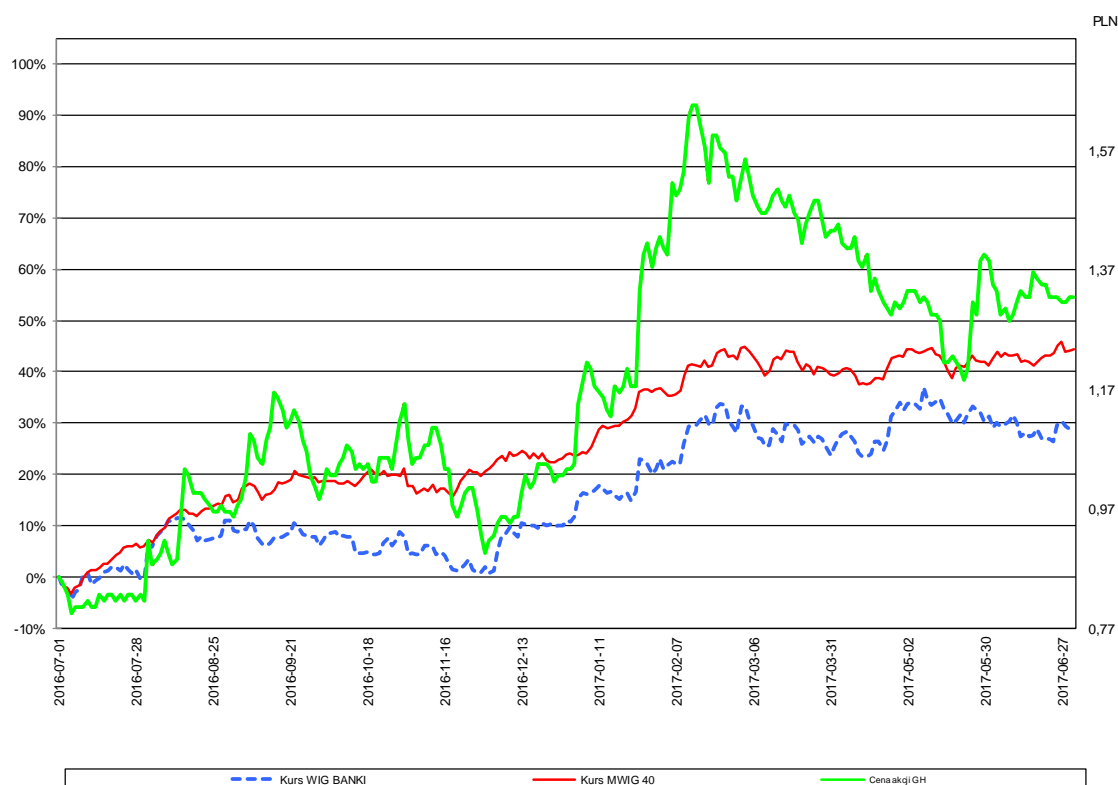
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Report on operations of the Capital Group and Issuer

1. The main successes and failures of Getin Holding Capital Group in H1 2017

Getin Holding

- Getin Holding share price:



In H1 2017, the Issuer kept pursuing the strategy aimed at the Group's business development and achieving a high return rate on investment in subsidiaries operating in the financial sector, predominantly focused on providing services to small and medium-sized enterprises, while assuming the possibility of limiting its presence in markets of low potential return but high risk levels. The Issuer actively influenced the strategy and management of the controlled companies so as to ensure growth of the value of the assets, their security and to utilize potential synergy opportunities emerging within the Group.

On 04.05.2017, the Issuer's Extraordinary General Meeting resolved to appoint Mr. Wojciech Kostrzewa to the Issuer's Supervisory Board.

On 29.05.2017, in connection with the planned Extraordinary General Meeting concerning the increase of the Issuer's share capital, the Issuer signed with LC Corp B.V. based in Amsterdam a preliminary agreement to sell new issue C-series shares. Under the agreement the Issuer was to offer LC Corp BV C-series shares in the amount corresponding to the share of LC Corp BV in the overall number of the Issuer's shares increased by the number of shares offered under an additional offer. Pursuant to the agreement, LC Corp B.V. made a prepayment for the issue price of shares amounting to PLN 27 million, on 26.06.2017.

On 27.06.2017 the Extraordinary General Meeting resolved to increase the Issuer's share capital by PLN 27.8 million PLN by issuing new C-series shares while disapplying pre-emptive rights. Pursuant to the aforesaid resolution, the C-series shares were primarily offered to shareholders who hold more

than 5% of the Issuer's shares, proportionally to their share in the Issuer's share capital, and then – to other shareholders indicated by the Issuer. Disapplying pre-emptive rights was justified by raising funds from the issue in the shortest possible time.

Shares were offered and agreements were signed after the balance sheet date.

Furthermore, on 13.06.2017, the Issuer signed with Carcade (Russia) an agreement to sell 26,690 shares in Idea Bank (Belarus), carrying 32.916% of the bank's share capital (see section 5 hereof).

I. Segment of banking services in Poland

The segment of banking services of the Issuer's Capital Group in Poland comprises Idea Bank Group (Poland) that includes among others Idea Bank S.A. (that offers a wide range of loan, savings and deposit products to small and medium-sized companies), Idea Leasing S.A. (leasing of vehicles and machinery), Idea Money S.A. (factoring and debt recovery), and Tax Care S.A. (that offers in accounting and financial advisory services to small companies).

The net result generated on the operations continued by the segment companies in H1 2017 totalled PLN 109.9 million, and was 62.6% lower compared to the corresponding period in 2016, i.e. PLN 294.1 million. The total result comprises the following items:

IB PL Group	kPLN
Net interest income	383 434
<i>Interest income</i>	569 371
<i>Interest expenses</i>	-185 937
Net fee and commission income	187 329
<i>Fee and commission income</i>	259 427
<i>Fee and commission expenses</i>	-72 098
Other net operating income and expenses	-17 787
Net impairment losses	-133 896
Operating expenses	-290 218
Share in net profit (loss) of associates	21 886
Income tax	-40 889
Net profit (loss) on continued activity	109 859

As of the end of H1 2017, the total assets held by the segment companies totalled PLN 22.9 billion, which means a 17 % growth compared to the end of H1 2016 (PLN 19.5 billion).

The balance of deposits as at the end of the balance sheet period amounted to PLN 16.5 billion, compared to PLN 13.7 billion in the corresponding period in 2016, which means a 20.8% growth.

The balance of loans and lease receivables at the end of H1 2017 totalled PLN 16.1 billion, which means a 19.4% growth compared to PLN 13.5 billion in H1 2016.

Idea Bank Group (Poland) offers its products to small and medium-sized enterprises, as well as to sole proprietors. The Group is to grow along with the growth of its clients' businesses, while enhancing its market position.

On 24.03.2017, Idea Investment S.a.r.l (company controlled by Idea Bank (Poland) was paid the second instalment of the price for shares in GetBack S. A. amounting to PLN 334 million.

II. Segment of banking and debt recovery services Ukraine

The segment of banking and debt recovery services of the Issuer's Capital Group in Ukraine comprises Idea Bank (Ukraine) that offers products and services to individual clients, Gwarant Puls and Idea Leasing (Ukraine) and New Finance Service group (previously Seret, acquisition, sale and recovery of debt portfolios, including receivables due to Idea Bank (Ukraine), the transaction is described in section 11. hereof).

The net result generated in the segment in H1 2017 totalled UAH - 6.3 million (UAH - 43.3 million), including the result of Idea Bank (Ukraine) of PLN - 9.1 (UAH - 62.3 million), and the result generated by New Finance Service and consolidation adjustments of PLN - 15.3 million (UAH - 104.7 million).

The total result generated by segment comprises the following items:

	kPLN	kUAH
Net interest income	43 260	296 572
<i>Interest income</i>	75 132	515 073
<i>Interest expenses</i>	-31 872	-218 501
Net fee and commission income	8 681	59 513
<i>Fee and commission income</i>	10 780	73 903
<i>Fee and commission expenses</i>	-2 099	-14 390
Other net operating income and expenses	-1 940	-13 300
Net impairment losses	-34 727	-238 074
Operating expenses	-22 943	-157 287
Income tax	1 354	9 282
Net profit	-6 315	-43 293

As at the end of H1 2017, the value of assets held by the segment companies totalled PLN 513.2 million (UAH 3.6 billion), which means a 6.4% growth compared to the value at end of H1 2016, i.e. PLN 482.4 million (UAH 3 billion, which means a 19.7% growth in UAH).

The balance of deposits as at the end of the balance sheet period amounted to PLN 391 million (UAH 2.7 billion), which means a 3.1 % growth compared to H1 2016, expressed in PLN, i.e. PLN 379.1 million (UAH 2.4 billion, which means a 16.1% growth in UAH).

The balance of loans as at the end of H1 2017 amounted to PLN 412.4 million (UAH 2.9 billion), which means a 14.5% growth compared to H1 2016, expressed in PLN, i.e. PLN 360.1 million (UAH 2.2 billion, which means a 28.9% growth in UAH).

New Finance Service Group is a platform for carrying out operations of debt recovery and financial intermediation in Ukraine. To the Group's negative result contributed provisions made for the non-performing loans portfolio.

Idea Bank (Ukraine)

As at the end of H1 2017, the net result generated by Idea Bank (Ukraine) totalled PLN 9.1 million (UAH 62.3 million), which means a growth by over nine times compared to the end of H1 2016, i.e. PLN 0.9 million (UAH 5.6 million, which means a tenfold growth in UAH).

The total result comprises the following items:

	kPLN	kUAH
Net interest income	43 296	296 816
<i>Interest income</i>	75 171	515 341
<i>Interest expenses</i>	-31 875	-218 525
Net fee and commission income	8 683	59 526
<i>Fee and commission income</i>	10 782	73 916
<i>Fee and commission expenses</i>	-2 099	-14 390
Other net operating income and expenses	-1 887	-12 927
Net impairment losses	-16 239	-111 328
Operating expenses	-22 778	-156 158
Income tax	-1 986	-13 615
Net profit	9 089	62 314

In H1 2017, Idea Bank (Ukraine) offered cash loans through its own sales network, including Internet channels, and through financial agents (banks and finance companies).

The following events had a major impact over the net financial result generated in the reported period:

- The local currency loans sale volume was 37% higher compared to the corresponding period in 2016;
- The interest margin increased by 9.2 p. p. (from 9.3% by the end of H1 2016 to 18.5% by the end of H1 2017);
- Reduction of new sale risk, and keeping the COR rate for the bank's loans portfolio at max. 9%;
- Reduction of operational costs that contributed to the improvement of the C/I ratio that stood at 45.6% by the end of H1 2017 (fall by 6.7 p.p. compared to H1 2016, i.e. 52.3%);

At the same time Idea Bank (Ukraine) fully complied with the new requirements concerning credit risk imposed by the National Bank of Ukraine and binding as of 01.02.2017.

Like several other companies that operate in the financial sector, Idea Bank (Ukraine) fell victim to the mass computer virus attack launched at the end of June 2017 that left them unable to operate for several days. That attack did not however have a material impact over the bank's operations, nor violated safety of clients' funds deposited in the bank.

Furthermore, after the balance sheet date, the Issuer granted two loans to New Finance Service sp. z o. o. for developing the group's debt recovery operations. The loans amounted to PLN 40 million (see 2.24 hereof).

III. Segment of banking services in Belarus

The segment of banking services of the Issuer's Capital Group in Belarus comprises Idea Bank (Belarus) that offers financial services to retail clients and comprehensive services to companies, and specialises in sale of instalment and cash loans, as well as Idea Broker and Idea Finance.

Idea Bank (Belarus) is developing as a universal financial institution that focuses predominantly on individual clients and small and medium-sized enterprises selling loans and raising deposits through a network of its own branches. It also provides cash and settlement services in branches and currency exchange in bureaux de change.

As at the end of H1 2017, the net result generated by Idea Bank (Belarus) totalled PLN 14.2 million (BYN 6.9 million), which means a growth by 27.5% compared to the end of H1 2016, i.e. PLN 11.1 million (BYN 5.7 million, which means a 19.8% growth in BYN).

The total result generated by the segment comprises the following items:

	kPLN	kBYN
Net interest income	30 969	14 989
<i>Interest income</i>	49 763	24 085
<i>Interest expenses</i>	-18 794	-9 096
Net fee and commission income	6 171	2 987
<i>Fee and commission income</i>	10 070	4 874
<i>Fee and commission expenses</i>	-3 899	-1 887
Other net operating income and expenses	14 165	6 856
Net impairment losses	3 409	1 650
Operating expenses	-36 231	-17 536
Income tax	-4 317	-2 089
Net profit	14 166	6 856

As of the end of H1 2017, the value of assets held by the segment companies totalled PLN 597.9 million (BYN 309 million), which means a fall by 11.6% compared to the end of H1 2016, i.e. PLN 676.1 million (BYN 338.1 million, which means a fall by 8.6% in BYN).

The balance of deposits as at the end of the balance sheet period amounted to PLN 351.2 million (BYN 181.6 million), which means a fall by 24.3% compared to H1 2016, expressed in PLN, i.e. PLN 464.1 million (BYN 232 million, which means a fall by 21.8% in BYN).

The balance of loans as at the end of H1 2017 amounted to PLN 348.5 million (BYN 180.1 million), which means a 4.5% growth compared to H1 2016, expressed in PLN, i.e. PLN 333.6 million (BYN 166.8 million, which means an 8.0% growth in BYN).

In H1 2017, Idea Bank (Belarus) focused predominantly on offering loan products to individual clients and comprehensive services to small and medium-sized enterprises in the Belarusian market, and on transactional banking.

On 23.01.2017, Idea Bank (Belarus) obtained from the European Bank of Reconstruction and Development the loan tranche of USD 1.5 million (equivalent of PLN 6.3 million) under the agreement dated 22.12.2016. The loan was granted to facilitate crediting of small and medium-sized enterprises in Belarus by Idea Bank (Belarus).

In February 2017, Idea Bank (Belarus) launched a new product – a credit card for individual clients.

The Assets Quality Review, required by the National Bank of Belarus, proved high quality of the bank's assets and confirmed its compliance with capital adequacy requirements.

Under the agreement of 13.06.2017, Carcade (Russia) purchased from the Issuer 26.690 bank's shares, accounting for 32.916% in the bank's stock. The transaction is discussed in detail in 5 hereof.

IV. Segment of lease and financial services in Russia

The lease and financial segment of the Issuer's Capital Group in the Russian Federation comprises Carcade Group and Assets Service Finance. Carcade Group comprises Carcade, one of larger Russia based lease companies that specialises in leasing of passenger cars and light commercial vehicles to small and medium-sized companies, Centr Karawto, a company that is engaged in increasing efficiency of sales of post-lease vehicles, and Carcade Service, a company that offers lease-related legal, tax and accounting consultancy. Assets Service Finance was formed to service the portfolio of overdue receivables.

As at the end of H1 2017, the net result generated by the segment totalled PLN 3.1 million (RUB 46.5 million), which means a growth by 191% compared to the end of H1 2016, i.e. PLN 1.1 million (RUB 18.8 million, which means a grow by 147.2% in RUB).

The total result generated by the segment comprises the following items:

	kPLN	kRUB
Net interest income	30 887	458 377
<i>Interest income</i>	71 575	1 062 206
<i>Interest expenses</i>	-40 688	-603 829
Net fee and commission income	12 215	181 276
<i>Fee and commission income</i>	12 215	181 276
<i>Fee and commission expenses</i>	0	0
Other net operating income and expenses	18 015	267 351
Net impairment losses	-15 530	-230 472
Operating expenses	-41 533	-616 369
Share in net profit (loss) of associates	382	5 669
Income tax	-1 305	-19 367
Net profit	3 131	46 465

As of the end of H1 2017, the value of assets held by the segment companies totalled PLN 836.7 million (RUB 13.4 billion), which means a fall by 17.0% compared to the end of H1 2016, i.e. PLN 1,008.6 million (RUB 16.3 billion, which means a fall by 17.6% in RUB).

As at the end of H1 2017, lease receivables totalled PLN 600.5 million (RUB 9.7 billion), which means a fall by 23.6 % compared to H1 201, i.e. PLN 789.7 million (RUB 12.7 billion, which means a fall by 24.1% in RUB).

Since the beginning of 2017, Carcade managed to obtain financing from the largest banks operating in the Russian market, such as Sberbank Russia and UnicreditBank, exceeding RUB 1.6 billion (PLN 111 million). At the same time, in the issue of BO-03 market bonds, with the total face value of RUB 2.5 billion (equivalent of PLN 168.5 million), Carcade ensured funds for its lease operations until the end of 2017. The Issuer issued a guarantee to secure the loan granted by Sberbank Russia.

Under the agreement of 13.06.2017, OOO Carcade purchased from the Issuer 26.690 shares in Idea Bank Belarus, accounting for 32.916% in the bank's stock. The transaction is discussed in detail in 5 hereof.

V. Segment of banking and lease services in Romania

The segment of banking and lease services of the Issuer's Capital Group in Romania comprises Idea Bank Group (Romania) that includes Idea Bank (Romania), a universal bank, Idea Leasing Romania IFN S.A (lease company) Idea Finance IFN S.A., Idea Investment S.A., and Idea Broker de Asigurare S.R.L. (insurance broker). Products and services offered by Idea Bank (Romania) are targeted at individual and small and medium-sized clients.

The Group comprises also Idea Leasing IFN (Romania), one of the leading Romania based lease companies that offers lease of movable property (including loans) for small and medium-sized enterprises.

The net result generated by the segment companies H1 2017 totalled PLN 2.4 million (RON 2.6 million), which means a fall by 65.6% compared to the corresponding period in 2016, i.e. PLN 7.0 million (RON 7.1 million), which means a fall by 64.2% in RON. The total result comprises the following items:

	kPLN	kRON
Net interest income	24 247	25 909
<i>Interest income</i>	38 770	41 428
<i>Interest expenses</i>	-14 523	-15 519
Net fee and commission income	14 604	15 605
<i>Fee and commission income</i>	17 267	18 451
<i>Fee and commission expenses</i>	-2 663	-2 846
Other net operating income and expenses	9 118	9 743
Net impairment losses	-3 677	-3 929
Operating expenses	-39 604	-42 319
Income tax	-2 296	-2 453
Net profit	2 392	2 556

As at the end of H1 2017, the value of assets held by the segment companies totalled PLN 1.9 billion (RON 2.0 billion), which means a 26.5% growth compared to the end of H1 2016, i.e. PLN 1.5 billion (RON 1.5 billion, which means a growth by 33.7% in RON).

The balance of deposits as at the end of the balance sheet period amounted to PLN 1.3 billion (RON 1.4 billion), which means a 35.1% growth compared to H1 2016, i.e. PLN 961.9 million (RON 982 million, which means a growth by 42.8% in RON).

As at the end of H1 2017, lease receivables totalled PLN 1.3 billion (RON 1.4 billion), which means a growth by 24.8% compared to H1 2016, i.e. PLN 1 billion (RON 1.1 billion, which means a growth by 31.9% in RON).

Idea Bank (Romania)

The net result generated by Idea Bank (Romania) by the end of H1 2017 totalled PLN 1.7 million (RON 1.9 million) compared to PLN -0.8 million (RON -0.8 million) in H1 2016.

The total result comprises the following items:

	kPLN	kRON
Net interest income	18 156	19 402
<i>Interest income</i>	26 955	28 803
<i>Interest expenses</i>	-8 799	-9 401
Net fee and commission income	8 577	9 165
<i>Fee and commission income</i>	10 871	11 616
<i>Fee and commission expenses</i>	-2 294	-2 451
Other net operating income and expenses	7 277	7 775
Net impairment losses	-2 982	-3 186
Operating expenses	-28 036	-29 958
Income tax	-1 253	-1 339
Net profit	1 739	1 859

In H1 2017, Idea Bank (Romania) increased the sale of consumer loans, including extremely popular with clients "Selfie" loan. The bank also reported increase in sale of loans addressed to companies.

Material events that contributed to the income generated by the segment as at the end of H1 2017 include:

- Increase of the interest income by PLN 27.0 million compared to PLN 21.7 million in H2 2016, to which contributed an increase in the loans sale by 8.6% and changing its structure, i.e. increasing the share of high interest bearing loans (such as the "Selfie" loan).
- Reduction of financing costs by Idea Bank (Poland) to 1.3% by the end of H1 2017, compared to 1.5% by the end of 2016.
- Increase of the joint capital ratio to 14.4% at the end of H1 2017 compared to 11.7% at the end of 2016. The ratio required by the National Bank of Romania at the end of H1 2017 was 13.25%. The increase of the ratio over the required minimum was possible after increasing the company's capital by Getin Holding S.A. and optimisation of the bank's assets structure.

In March 2017, Idea Bank (Romania) won the *Bank of the Year* award and the award for the best loan for individual clients. The awards were granted at the Credit Brokers Gala ceremony.

VI. Segment of financial services in Poland

The segment of financial services of the Issuer's Capital Group in Poland comprises M.W. Trade.

After H1 2017, M.W. Trade reported PLN 5.2 million worth net result, that was 31.2% lower compared to the corresponding period in 2016 (PLN 7.5 million). The total result comprises the following items:

MWT

	kPLN
Net interest income	8 773
<i>Interest income</i>	21 755
<i>Interest expenses</i>	-12 982
Net fee and commission income	414
<i>Fee and commission income</i>	1 074
<i>Fee and commission expenses</i>	-660
Other net operating income and expenses	278
Net impairment losses	0
Operating expenses	-3 083
Income tax	-1 203
Net profit	5 179

The segment's balance sheet total as at the end of H1 2017 decreased by 23.8% to PLN 559.1 million, compared to PLN 733.3 million in the corresponding period in 2016.

In H1 2017, M.W. Trade carried on its operations in the public healthcare market offering independent public healthcare institutions solutions that help them restructure their debt and improve their liquidity. While pursuing its sales strategy, the company also offered its financing products (loans, debt restructuring, leaseback, loan intermediation) to local government units. In H1 2017, the company's result on sale was PLN 28% lower than in H1 2016. The main factors that contributed to the result included lower average monthly value of the receivables portfolio (PLN 551.4 million in H1 2017 compared to PLN 745.3 million in H1 2016).

As at the end of H1 2017, the main item in the company's balance sheet is invariably the portfolio consisting of long- and short-term receivables from healthcare units and local government units due to loans and debt restructuring. The M.W. Trade's portfolio as at the end of H1 2017 decreased 3% to PLN 543 million, compared to the end of 2016 (PLN 562.5 million).

The volume of both balance sheet and off-balance sheet contracting totalled PLN 287.2 million compared to PLN 156.3 million in the previous year, which means the overall growth by 84%. In H1 2017, M.W. Trade intermediated in contracting credit facilities worth PLN 57.3 million, which translated to commission income of PLN 1.1 million (compared to PLN 22 thousand in the corresponding period in 2016).

In the reported period, M.W. Trade reduced its operating costs by 25.8% to PLN 16.9 million, compared to PLN 22.7 million at the end of H1 2016.

M.W. Trade optimises its financing resources on an ongoing basis, adapting to the current market situation and its assets portfolio as well as to the sale targets in the market. As at 30.06.2017, the company had available under loan agreements credit facilities worth PLN 128 million, of which it utilised PLN 99.1 million.

Thanks to the applied policy and changing the liabilities structure and premature repayment of receivables in 2016, the assets-liabilities match and liquidity ratios improved considerably.

The company's debt ratio, i.e. the proportion of the total liabilities and provisions to the assets total, as at 30.06.2017 stood at 85%, and it was comparable to the historical data.

2. Description of material unusual events or factors that had a material impact on Getin Holding Group's financial results

Getin Holding Capital Group is not subject to seasonal or cyclical fluctuations.

3. Material risk factors and threats to the Group's growth.

Idea Bank (Poland) operates in Poland, therefore its operating profit, financial standing, and growth prospects to a great extent depend on the economic, political, and legislative environment in Poland. Possible slump in the European economy may have a material adverse impact on condition of entrepreneurs that operate either in the Polish or the European market and who are the bank's main clients. For the bank transactions, and also debt recovery related to them, creditworthiness of the bank's clients and their willingness to invest is of paramount importance.

In case of Idea Bank (Ukraine) the risk of escalation of the crisis in the east Ukraine that may have an adverse impact on the country's financial system. Any further escalation of the conflict, plus linking the f/x rates to the IMF financing, may increase the liquidity risk and further outflow of funds deposited in the bank.

The slowing down growth of the main business partners of Ukraine (such as China, Russia) may have a material impact on Ukraine's balance of payments and its major macroeconomic indicators. The operations of Idea Bank (Ukraine) may also be affected by a developing business competition in the banking sector in the area of cash loans, specifically from major banks.

Factors that may affect operations of Carcade include sanctions imposed by the USA and EU that translate into the liquidity of the financial sector and substantial weakening of the local currency. Another factor that may affect the business is potential growth of credit risk.

Whereas, further growth of Carcade depends on its access to operational financing sources. While making decisions potential financing institutions consider Carcade's shrinking portfolio and the quality of its assets. Forecasts show that the growth of the car lease market in Russia slows down to 5-15% in 2017.

For Idea Bank (Belarus) the weakness of the Belarusian economy, to which contribute both low or negative GDP growth, slight foreign currency provisions and high external debt to GDP ratio, may lead to the national currency devaluation, which in turn might have an adverse effect on the liquidity risk and diminish deposits, consequently affecting the Group's operations and performance in the segment.

A material factor that may impact the operations of Idea Bank (Romania) in the nearest future is unpredictability of legal changes concerning the banking and financial sectors (including long-term consequences of changes in the regulations on consumer bankruptcy and mortgage loans), fiscal policy aiming at reduction of the budget deficit, and the EU economic situation, specifically potential impact of the Greek banking sector on Romanian banks.

Operations of Idea Bank (Romania) may be affected by seasonal fluctuation in the deposit market. After initial growth in deposits raised in January 2017, in February the bank faced a slowdown and a slight fall in March, only to see the growing tendency come back in April.

M.W. Trade provides financial services in a specific market niche, which leads to market concentration and the company's dependency on the situation and changes in the healthcare sector. Material factors that affect the services of financing healthcare institutions include also financial standing of hospitals' suppliers in connection with the possible deterioration of the hospital's liquidity, as well as introduction of legal restrictions for trading debt of SP ZOZ (independent public healthcare

institutions). Therefore changes that the sector is currently undergoing may materially affect operations of M.W. Trade.

In case of financing local government units, MW Trade's operations may be affected by the economic situation of local governments, that is reduction of income resulting from reduction in taxes plus increased expenses for own and assigned tasks, as well as increased debt caused by increasing investment expenditure for projects co-financed by the EU.

The business risk to which Getin Holding Capital Group is exposed to is largely depended on business cycles in economy. Slump in national economies, where capital investments are currently being made or are planned to be made, may have an adverse impact on return on such investments. Fluctuations in the economic situation in markets where such investments are made are currently hardly foreseeable. Getin Holding Group companies adapt their risk management mechanisms to the current economic situation on a ongoing basis.

Getin Holding in principle, as a holding company, focuses on performance of its role as a business incubator for start-ups and innovative enterprises. Therefore, the risks and threats include risk related to launching new projects.

4. Seasonality of the Group's operations in H1 2017

Getin Holding Capital Group is not subject to seasonal or cyclical fluctuations.

5. Consequences of the changes to the Capital Group structure

Getin Holding S.A.

On 31.01.2017, Getin Holding signed with LC Corp B.V. based in Amsterdam a supplementary arrangement to the sale agreement dated 02.03.2016 concerning 755 shares in Getin Leasing S.A. (accounting for 10.02% of the share capital and carrying 10.02% of all voting rights at general meetings), waiving conditions precedent set forth in the agreement. Consequently, on the same date the parties enforced the agreement and LC Corp B.V. purchased the said shares. In consequence, the Issuer got rid of all shares in Getin Leasing S.A.

On 10.03.2017, Issuer signed an agreement with physical person to acquire 0.02% stake in the share capital of Seret Invest sp. a o. o., a company based in Kiev, Ukraine and a conditional agreement to acquire from the said company 100% shares in New Finance Service sp. z o. o. (former Spółka Finansowa Seret sp. z o.o.), provided that the transaction gets clearance from the Ukrainian antimonopoly authority. The transaction price totalled UAH 101 thousand (equivalent of PLN 15.4 thousand).

On 22.06.2017, the Ukrainian antimonopoly authority agreed for the Issuer's acquisition of 100% in the share capital of New Finance Service, and consequently the Issuer is the sole shareholder of the company.

On 28.03.2017, the General Meeting of Getin Investment sp. z o. o., a subsidiary company wholly owned by the Issuer, resolved to increase the share capital from PLN 50 thousand to PLN 70 thousand. The increase in the company's share capital was registered on 12.06.2017.

On a basis of decision of sole shareholder of OOO Assets Service Finance from 14.06.2017 increased company's share capital by RUB 271 million (PLN 17,8 million), that is from RUB 30 million (PLN 2 million) up to amount of RUB 301 million (PLN 19,8 million). Getin Holding Acquired the whole shares in increased capital.

Idea Bank Group (Poland)

On 04.01.2017, IL Intermediary Sp. z o. o., a subsidiary company wholly owned by Idea Leasing S.A., was formed to service new products of Idea Leasing S.A.

On 31.03.2017, Idea Bank S.A. sold Idea Money S.A., with participation and through agency of DM Noble Securities S.A., 600.000 shares in Tax Care S.A. accounting for 100% in the share capital for PLN 370 million. The transaction aimed at adapting the structure of Idea Bank Group (Poland) to operations carried out by the Group companies.

On 31.03.2017 the Extraordinary General Meeting of Shareholders of Idea Box S.A. passed a resolution on increasing the company's share capital by PLN 5.5 million by issuing 547.3 thousand H-series shares with the face value of PLN 10 each. Idea Bank (Poland) took 356.2 thousand shares.

On 03.04.2017, Idea Investment S.a.r.l. took up 49.99% shares in Idea 24/7 Inc., a new company based in the United States of America, with the total value of USD 1.2 million (equal to PLN 4.4 million).

On 20.06.2017 the Extraordinary General Meeting of Shareholders of Idea Box S.A. passed a resolution on increasing the company's share capital by PLN 1 million by issuing 104.3 thousand I-series shares with the face value of PLN 10 each. All shares were taken up by LC Corp B.V. based in Amsterdam.

Idea Bank (Romania)

On 24.03.2017, the General Meeting of Idea Bank (Romania) resolved to increase the share capital by RON 14.5 million (equivalent of PLN 13.8 million), and in consequence as at the balance sheet date the bank's share capital totalled RON 209.7 million (equivalent of PLN 198.9 million). All new shares issued by the bank within the increase of the share capital were taken up by the Issuer.

On 28.06.2017, the General Meeting of Idea Bank (Romania) resolved to increase the share capital by RON 10 million (equivalent of PLN 9.2 million), and in consequence as at the balance sheet date the bank's share capital totalled RON 219.7 million (equivalent of PLN 203.6 million). All new shares issued by the bank within the increase of the share capital were taken up by the Issuer.

Idea Bank (Belarus)

On 13.06.2017, the Issuer signed with Carcade an agreement to sell 26,690 shares in Idea Bank (Belarus) with the value of BYN 330.60 each (equivalent of PLN 683.1), accounting for 32.916% of the bank's share capital, for the price of RUB 716.4 million (equivalent of PLN 47.2 million). The title in the shares was transferred on 16.06.2017, and thus the Issuer's direct stake in the bank's share capital decreased to 67.079%. Presently, the Issuer holds 99.998% shares in the bank's share capital, including 32.916% through Carcade.

6. The Management Board's position concerning accomplishment of previously published forecasts for the given year and comparison of the data presented in the semi-annual statement to the forecasts

Neither the Issuer, nor its subsidiaries published any financial forecasts.

7. Information about changes in the ownership of significant blocks of shares

Structure of the ownership of significant blocks of shares as of the date of publication of H1 2017 report to the Issuer's knowledge:

SHAREHOLDERS ENTITLED DIRECTLY OR INDIRECTLY TO AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE COMPANY'S GENERAL MEETING AS OF THE DATE OF PUBLICATION OF THE REPORT FOR Q1 2017

No.	Shareholder	Number of shares held	Number of votes arising from the shares held	Share in the share capital (%)	Share of votes at GMs (%)
1	Leszek Czarnecki directly and indirectly* including: LC Corp B.V. based in Amsterdam	417 702 237 335 647 589	417 702 237 335 647 589	57.12% 45.90%	57.12% 45.90%
2	Nationale_Nederlanden Otwarty Fundusz Emerytalny	38 200 052	38 200 052	5.22%	5.22%
3	Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	37 840 831	37 840 831	5.17%	5.17%

*Dr. Leszek Czarnecki holds directly 81,872,327 shares accounting for 11.20% of the share capital and conferring the right to 11.20% votes at GMs and indirectly through his subsidiaries 335,829,910 shares accounting for 45.92% of the share capital and conferring the right to 45.92% votes at GMs. Companies directly and indirectly controlled by Dr. Leszek Czarnecki: LC Corp B.V., based in Amsterdam, which holds 313,729,781 shares accounting for 42.90% of the share capital and conferring the right to 42.90% votes at GMs, RB Investcom Sp. z o. o., based in Wrocław, which holds 32,922 shares accounting for 0.0045% of the share capital and conferring the right to 0.0045% votes at GMs, Idea Money S.A., the company based in Warsaw, which holds 2,521 shares accounting for 0.0003% of the share capital and conferring the right to 0.0003% votes at GMs, and the Jolanta and Leszek Czarnecki Foundation which holds 119,878 shares accounting for 0.0163% of the share capital and conferring the right to 0.0163% votes at GMs. Furthermore, Dr. Leszek Czarnecki holds indirectly shares through Getin Holding S.A. that has 21,917,808 own (treasury) shares, accounting for 3.00% of the share capital but carrying no rights to vote at GMs, as well as Open Finance Fundusz Inwestycyjny Otwarty Subfundusz Akcji Małych i Średnich Spółek managed by Open Finance TFI S.A. which holds 27,000 shares accounting for 0.0037% of the share capital and conferring the right to 0.0037% votes at GMs.

SHAREHOLDERS ENTITLED DIRECTLY OR INDIRECTLY TO AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE COMPANY'S GENERAL MEETING AS OF THE DATE OF PUBLICATION OF THE REPORT FOR H1 2017

No.	Shareholder	Number of shares held	Number of votes arising from the shares held	Share in the share capital (%)	Share of votes at GMs (%)
1	Leszek Czarnecki directly and indirectly* including: LC Corp B.V. based in Amsterdam	392 702 237 310 647 589	392 702 237 310 647 589	53,70% 42,48%	53.70% 42.48%
2	Nationale-Nederlanden Otwarty Fundusz Emerytalny and Nationale-Nederlanden Dobrowolny Fundusz Emerytalny	75 764 574	75 764 574	10,36%	10.36%
3	Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	37 840 831	37 840 831	5,17%	5.17%

*Dr. Leszek Czarnecki holds directly 81,872,327 shares accounting for 11.20% of the share capital and conferring the right to 11.20% votes at GMs and indirectly through his subsidiaries 310,829,910 shares accounting for 42.50% of the share capital and conferring the right to 42.50% votes at GMs. Companies directly and indirectly controlled by Dr. Leszek Czarnecki: LC Corp B.V., based in Amsterdam, which holds 310,647,589 shares accounting for 42.48% of the share capital and conferring the right to 42.48% votes at GMs, RB Investcom Sp. z o. o., based in Wrocław, which holds 32,922 shares accounting for 0.0045% of the share capital and conferring the right to 0.0045% votes at GMs, Idea Money S.A., the company based in Warsaw, which holds 2,521 shares accounting for 0.0003% of the share capital and conferring the right to 0.0003% votes at GMs, and the Jolanta and Leszek Czarnecki Foundation which holds 119,878 shares accounting for 0.0164% of the share capital and conferring the right to 0.0163% votes at GMs. Furthermore, as well as Open Finance Fundusz Inwestycyjny Otwarty Subfundusz Akcji Małych i Średnich Spółek managed by Open Finance TFI S.A. which holds 27,000 shares accounting for 0.0037% of the share capital and conferring the right to 0.0037% votes at GMs.

8. List of changes of the number of shares owned by members of management and supervisory boards

Person	Position	Number of shares held			
		As of the date of publication of Q1 2017 report	Increases	Decreases	As of the date of publication of H1 2017 report
Management Board members					
Piotr Kaczmarek	President of Management Board	24 000	-	-	24 000
Krzysztof Jarosław Bielecki	Deputy President of Management Board	0	-	-	0
Izabela Lubczyńska	Member of Management Board	4 518	-	-	4 518
Krzysztof Florczak	Member of Management Board	0	-	-	0
Supervisory Board members					
Leszek Czarnecki	Chairman of Supervisory Board	81 872 327 ¹⁾	-	-	81 872 327 ¹⁾
		335 829 910 ²⁾	-	25 000 000	310 829 910 ²⁾
Remigiusz Baliński	Vice-Chairman of Supervisory Board	197 637	-	-	197 637
Marek Grzegorzewicz	Member of Supervisory Board	101 963	-	-	101 963
Wojciech Kostrzewa	Member of Supervisory Board	0	-	-	0
Adam Maciejewski	Member of the Supervisory Board	0	-	-	0

1) Shares directly held by Mr. Leszek Czarnecki.

2) Shares indirectly held by Mr. Leszek Czarnecki.

9. List of pending court proceedings

In H1 2017 there was no single proceeding concerning the Issuer's or its subsidiaries' liabilities or claims of value at least equal to 10% of the Issuer's equity. Nor were there any pending proceedings concerning the Issuer's or its subsidiaries' liabilities or claims of total value of at least 10% of the Issuer's equity.

10. Information about conclusion by the Issuer or its subsidiary of a single or more substantial transactions with a related entity, if the transaction or transactions were concluded on terms other than the arm's length principle

In H1 2017 neither the Issuer nor its subsidiaries concluded any substantial transactions with a related entity on terms other than the arm's length principle.

11. Information about granting by the Issuer or its subsidiary of a loan or credit guarantee or a guarantee of the value of at least 10% of the Issuer's equity

On 08.02.2017, the Issuer signed with Idea Bank (Poland) an annex to the existing guarantee agreement securing liabilities of Idea Leasing (Romania) due to the receivables acquisition agreement whereby the parties increased the guarantee amount to PLN 275 million.

On 14.04.2017, the Issuer signed with PSA Sberbank Russia a Deed of Guarantee and Indemnity securing the credit facility granted by the bank to Carcade on 15.03.2017. The credit facility amount is RU 600 million (equal to PLN 41.9 million).

12. List of factors that in the Issuer's opinion will affect the Capital Group's performance in at least one quarter to come

Idea Bank (Ukraine)

As regards the Ukrainian market, material factors that may affect the Group's performance in the future include the political situation in the east of Ukraine and the overall macroeconomic situation that comprises foreign exchange rates to the hryvnia, balance of payments, and granting a loan by the International Monetary Fund. Other factors that may have an impact on performance of Idea Bank Group (Ukraine) are interest rates for loans and deposits in the interbank market, and the overall level of liquidity of the Ukrainian banking system.

In subsequent periods the financial result generated by Idea Bank (Ukraine) may be affected by expected improvement of macroeconomic indicators, including growth of the Ukrainian GDP and further reduction of the inflation rate, which may have a positive impact on the overall economic situation in the country, in spite of the conflict in the east and the current political instability. Increasing competition in loan products for individual clients and new requirements on credit risk assessment imposed by the National Bank of Ukraine will require further adjustments to the market conditions.

Imposing new requirements by the National Bank of Ukraine concerning consumer loan intermediaries may influence loan sale volumes generated by loan intermediaries and partner banks.

Idea Bank (Belarus)

The National Bank of Belarus is consistently pursuing its policy aiming at reduction of loan interest rates, which is implemented by means of specifying maximum interest rates, i.e. by interfering free market pricing.

In H1 2017, the National Bank of Belarus reduced the maximum interest rates three times, by total 8.8 p.p., from 23% to 15%, yet the downward dynamics slowed down.

Whereas the decision of National Bank of Belarus about lifting the obligation to present income confirmation by loan applicants who are individual clients should have a positive impact on the sales volume and shorten the loan decision making procedure.

Idea Bank Group (Romania)

A material factor that may have an impact on the result generated by Idea Bank (Romania) in future will be increased ROBOR3M interest rate as it may influence both the net interest income and the trends in the deposit market. Invariably low ROBOR 3M rate may contribute to lower interest income in the subsequent periods. On the other hand however, considerably higher volumes of loans sold will increase the income in the subsequent periods.

Carcade (Russia)

The declining tendency in sales of Carcade's products related to the present economic situation in the Russian Federation and the sanctions imposed by the USA, EU and other countries has been curbed. The risk of imposing further sanctions may however have an adverse impact on the liquidity and opportunities for ensuring further financing.

The economic situation in the Russian Federation may affect the demand for lease products.

M.W. Trade

The strategic goal of M.W. Trade is to increase the company's goodwill by providing within the capital group complex specialised financial services for public units, especially to healthcare institutions and local government units while keeping high operating profitability. The experience and expertise concerning peculiarity of the market of financing healthcare institutions, access to resources within the Group, providing specialist services within flexible offers, as well as good relationships with healthcare and local government units will have a decisive impact on achieving its business goals by M.W. Trade.

Whereas, the planned creation of so called hospitals networks may improve settlements between healthcare institutions and the National Health Fund (NFZ). Amendment to the Act on Healthcare Benefits Financed from Public Funds that was enacted on 10.06.2017. By the end of June there was published a list of hospitals qualified to the network in each province, supplemented by healthcare units that will be merged from two or more existing units. The lists will be effective from 01.10.2017 for the subsequent 4 years.

13. Other information that the Issuer finds important for assessment of its employment, property, financial situation, financial result and their changes as well as information important for assessment of the Issuer's ability to pay its liabilities

Apart from the events reported hereinabove, in the reported period in the Capital Group there were no events important for assessment of its employment, property, financial situation, financial result and their changes as well as information important for assessment of the Issuer's ability to pay its liabilities.

Piotr Kaczmarek
President of Management Board

Krzysztof Jarosław Bielecki
Deputy President of the Management Board

Izabela Lubczyńska
Member of Management Board

Krzysztof Florczak
Member of Management Board