THE GETIN HOLDING CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2006

This is a translation of a document originally issued in the Polish language.
The Polish original should be referred to in matters of interpretation.

GETIN HOLDING S.A.

Consolidated financial statements for the 6 month period ended 30 June 2006

To the Shareholders of Getin Holding S.A.

In accordance with the provisions of the Decree of the Council of Ministers dated 19 October 2005 concerning current and periodic information submitted by issuers of securities (Official Journal no 05.209.1744), the Management Board of Getin Holding S.A. is pleased to present this consolidated interim, half-year, report of the Getin Holding Capital Group (the „Group" or the „Capital Group").

The consolidated financial statements for the 6 month period ended 30 June 2006 included in this Report have been prepared on the assumption that the Group will continue as a going concern without any significant limitation in the scope of its activities. These consolidated financial statements present truly and fairly all information material for the assessment of the results of the Group operations for the 6 month period ended 30 June 2006, as well as its financial position[1] as at 30 June 2006.

In preparing the consolidated financial statements, appropriate accounting policies were adopted, which were applied consistently throughout the period.

The consolidated balance sheet, income statement, cash flow statement and additional notes to the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards and have been presented in this Report in the following order:

The Directors' Report on the activities of the Capital Group has been appended to these consolidated financial statements.

President of the Management Board

Chief Accountant

Wrocław, 18 September 2006

[1] Translation of the following expression in Polish: "*sytuacja majątkowa i finansowa*"

Table of contents

CONSOLIDATED BALANCE SHEET

As at 30 June 2006 and 31 December 2005

			30 June 2006 unaudited	31 December 2005
		Notes	in thousand PLN	in thousand PLN
	ASSETS			
I.	Cash and balances with the Central Bank	26	227 062	182 523
II.	Bills of exchange eligible for rediscounting with the Central Bank		841	2 063
III.	Amounts due from banks	27	1 534 984	1 888 578
IV.	Financial assets held for trading	28	77	80
V.	Derivative financial instruments	29	10 589	17 585
VI.	Other financial instruments at fair value through profit or loss	30		
VII.	Loans and advances to customers	31	4 421 075	3 290 435
VIII.	Finance lease receivables	32	106 761	83 078
IX.	Investment securities	33	1 911 216	1 551 514
	1. Available for sale	33	1 878 257	1516 597
	2. Held to maturity	33	32 959	34 917
X.	Investments in associates	34	2 736	2 736
XI.	Intangible assets	36	447 612	437 904
XII.	Property, plant and equipment	37	92 437	96 325
XIII.	Investment properties	38	17 341	17 602
XIV.	Non current assets classified as held for sale	40	3 458	2 943
XV.	Tax assets	23	144 515	93 109
	1. Current tax assets		5 065	3 630
	2. Deferred tax assets		139 450	89 479
XVI.	Other assets	39	153 537	51 529
	TOTAL ASSETS		**9 074 241**	**7 718 004**
	LIABILITIES AND EQUITY			
	Liabilities			
I.	Amounts due to Central Bank	42		
II.	Amounts due to other banks and finance institutions	43	1125978	1 414 928
III.	Derivative financial instruments	29	37 102	1 421
IV.	Other finance liabilities at fair value through profit or loss	44		
V.	Deposits from customers	45	5358403	4 692 426
VI.	Issued debt	46	1 031 839	256 072
VII.	Income tax payable		243	26
VIII.	Other liabilities	47	196 072	115 159
IX.	Deferred tax liabilities	23	85 100	57 820
X.	Provisions	48	35 185	53 106
XI.	Liabilities directly associated with non-current assets classified as available for sale	40	0	1 228
	TOTAL LIABILITIES		**7 869 922**	**6 592 186**
	Equity attributable to equity holders of the parent company		**1 179 973**	**1 107 180**
XII.	Share capital	51	535 328	534 335
XIII.	Retained earnings	52	-14 530	-11 952
XIV.	Net (loss) profit		79 528	78 439
XV.	Other reserves	52	579 647	506 358
	Minority interest		**24 346**	**18 638**
	Total equity		**1 204 319**	**1 125 818**
	TOTAL EQUITY AND LIABILITIES		**9 074 241**	**7 718 004**

CONSOLIDATED INCOME STATEMENT

For the 6 month periods ended 30 June 2006 and 30 June 2005

			Period ended 01.01-30.06.2006 unaudited	Period ended comparative data 01.01-30.06.2005 unaudited
		Notes	in thousand PLN	in thousand PLN
I.	Interest income	10	306 453	221 470
II.	Interest expense	10	134 417	101 292
III.	**Net interest income**		**172 036**	**120 178**
IV.	Fee and commission income	11	87 735	25 443
V.	Fee and commission expense	11	11 505	4 350
VI.	**Net fee and commission income**		**76 230**	**21 093**
VII.	Dividend received	12	0	10
VIII.	Result on financial instruments re-measured to fair value	13	16 137	262
IX.	Result on investment securities	14	272	557
X.	Foreign exchange result	16	42 789	22 500
XI.	Other operating income	17	25 543	18 963
XII.	Other operating expenses	17	9 307	5 814
XIII.	**Net operating income**		**75 434**	**36 478**
XIV.	Provisions for impairment losses	20	-55 494	-23 191
XV.	Administrative expenses	18	173 260	114 078
XVI.	**Operating profit**		**94 946**	**40 480**
XVII.	Share in net profit (loss) of associates	22	0	-426
XVIII.	Gain/loss on disposal of investments		-123	0
XIX.	**Profit / loss before income tax**		**94 823**	**40 054**
XX.	Corporate income tax	23	13 230	8 280
XXI.	**Net profit /loss for the period**		**81 593**	**31 774**
	1. Attributable to equity holders of the Company		79 528	21 945
	2. Attributable to minority interest		2 065	9 829
	Earnings per share			
	- basic for the period	24	0.15	0.07
	- diluted for the period	24	0.15	0.07

There were no discontinued activities.

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY

Comparative date for the 6 month period ended 30 June 2005, unaudited

	Attributable to equity holders of the parent company											
			Other capital									
	Share capital	Retained earnings	Reserve capital	Revaluation reserve	General Risk Fund	Other reserves	Cumulative translation adjustment [from translation of subordinated entities]	Convertible bonds	Net (loss) profit	Total	**Minority interest**	**Total equity**
	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN
At 31 December 2004	**315 000**	**-25 708**	**95 678**	**2 380**			**-112**		**22 074**	**409 312**	**121 938**	**531 250**
Adjustment caused by introduction of IAS 39 in relation to provision for credits and loans' impairment - correction of error		10 882								10 882	4 402	15 284
Adjustment caused by introduction of IAS 39 on deferred tax - correction of error										0		0
At 1 January 2005 (as per IFRS)	**315 000**	**-14 826**	**95 678**	**2 380**	**0**	**0**	**-112**	**0**	**22 074**	**420 194**	**126 340**	**546 534**
Issue of shares	114 335		233 429							347 764		347 764
Transfer of profit for previous year to retained earnings		22 074							-22 074	0		0
Dividend payment										0		0
Net change of investment securities available for sale less deferred tax				20 483						20 483	8 124	28 607
Cumulative translation adjustment [from translation of subordinated entities]							146			146	58	204
Net profit or (loss) for the year									21 945	21 945	9 829	31 774
Appropriation of profit of Getin Bank S.A.		-22 709				22 709				0		0
Coverage of loss of Getin Holding S.A.		3 608	-3 608							0		0
Consolidation purchase / GB issue of shares of series S										0	2 089	2 089
Consolidation purchase / GB contributing issue of shares of series I										0	-138 062	-138 062
Other		36				172				208	-124	84
At 30 June 2005 (as per IFRS)	**429 335**	**-11 817**	**325 499**	**22 863**	**0**	**22 881**	**34**	**0**	**21 945**	**810 740**	**8 254**	**818 994**

Notes to the consolidated financial statements presented on pages 10-115 are an integral part of this statement of changes in the consolidated shareholders' equity.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY
For the 6 month period ended 30 June 2006, unaudited

	Attributable to equity holders of the parent company											
			Other capital									
	Share capital	Retained earnings	Reserve capital	Revaluation reserve	General Risk Fund	Other reserves	Cumulative translation adjustment [from translation of subordinated entities]	Convertible bonds	Net (loss) profit	Total	**Minority interest**	**Total equity**
	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN
At 1 January 2006 (as per IFRS)	**534 335**	**-11 952**	**469 352**	**12 128**	**0**	**22 709**	**214**	**1 955**	**78 439**	**1 107 180**	**18 638**	**1 125 818**
Net change of available-for-sale investments				-10 347						-10 347	-118	-10 465
Transfer of profit for previous year to retained earnings		78 439							-78 439	0		0
Cumulative translation adjustment [from translation of subordinated entities]							93			93	68	161
Net profit or (loss) for the period									79 528	79 528	2 065	81 593
Appropriation of profit of Getin Bank S.A.		-80 554				80 554				0		0
Appropriation of profit of Fiolet S.A.		-695				695				0		0
Management options								1 010		1 010		1 010
Equity issued	993		1 283							2 276		2 276
Acquisition of Open Finance										0	-11 720	-11 720
Disposal of WBC S.A.										0	15 289	15 289
Consolidation purchase / GB issue of shares of series U										0	193	193
Acquisition of shares of Getin Bank										0	-70	-70
Other		233								233		233
At 30 June 2006 (as per IFRS)	**535 328**	**-14 530**	**470 635**	**1 781**	**0**	**103 959**	**307**	**2 965**	**79 528**	**1 179 973**	**24 346**	**1 204319**

Notes to the consolidated financial statements presented on pages 10-115 are an integral part of this statement of changes in the consolidated shareholders' equity.

CONSOLIDATED CASH FLOW STATEMENT

For the 6 month periods ended 30 June 2006 and 30 June 2005

		Period ended 01.01-30.06.2006 unaudited	comparative data Period ended 01.01-30.06.2005 unaudited
	Notes	in thousand PLN	in thousand PLN
A. Cash flows from operating activities			
I. Net profit (loss)		81 593	31 774
Adjustments:		-1 087 566	90 013
Depreciation		13 053	10 140
Share in net profit of associates		0	426
Foreign exchange differences		190	-8566
(Profit) loss on investing activities		-862	-1059
Interest and dividend		0	7337
Change in receivables from banks		57 738	
Change in financial assets held for trading and other financial instruments at fair value through profit or loss		3	
Change in derivative financial instruments (assets)		6 996	
Change in loans and advances to customers		-1 130 640	-635 210
Change in finance lease receivables		-19 726	
Change in investment securities available for sale		-371 491	-466 700
Change in deferred tax assets		-49 021	-11 378
Change in other assets		-85 215	8 775
Change in amounts due to banks		-294 171	765 946
Change in derivative financial instruments and other financial liabilities at fair value through profit or loss		35 681	
Change in amounts due to customers		665 977	432 511
Change in liabilities from the issue of debt securities		8 577	
Change in provisions		9 359	2 835
Change in other liabilities		63 466	-17 654
Other adjustments		4012	1 536
Income tax paid		-34 069	-21 970
Current tax expense		32 577	23 044
Net cash from operating activities		**-1 005 973**	**121 787**
B. Cash flows from investing activities			
Inflows		6 644	6 816
Sale of shares in subsidiaries, net of cash disposed		0	
Sale of shares in associates		0	
Sale of investment securities		1958	1818
Proceeds from sale of intangible assets and tangible fixed assets		4 686	4 998
Other investing inflows		0	
Outflows		-22 761	-19 415
Purchase of subsidiaries, net of cash acquired	54	0	
Purchase of associates		0	
Purchase of investment securities		0	
Purchase of intangible assets and tangible fixed assets		-22 347	-19 415
Other investing outflows		-414	
Net cash used in investing activities		**-16 117**	**-12 599**
C. Cash flows from financing activities			
Issue of shares		2 383	
Issue of debt securities		777 387	3 924
Redemption of debt securities issued		-10 197	
Dividends paid to equity holders of the parent company			
Dividends paid to minority interest			
Other financing inflows		-113	-130
Net cash from financing activities		**769 460**	**3 794**
D. Net change in cash and cash equivalents		**-252 630**	**112 982**
Net foreign exchange differences		91	1 103
E. Cash and cash equivalents at the beginning of the period		**765 358**	**395 384**
F. Cash and cash equivalents at the end of the period (F+/- D)	**54**	**512 819**	**509 469**
of which is restricted use		0	75

ADDITIONAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 General information

The Getin Holding capital group (hereinafter referred to as the "Capital Group" or the "Group") consists of the parent company, Getin Holding S.A. (hereinafter referred to as "Getin Holding", the "Company" or the "Issuer"), and its subsidiaries (see note 2 of the additional notes).
The consolidated financial statements of the Group cover the 6 month period ended 30 June 2006 and contain the comparative data for the 6 month period ended 30 June 2005 as well as the balance sheet data as at 31 December 2005.
The registered office of Getin Holding S.A. is located in Wrocław, at pl. Powstańców Śląskich 16-18.
The Company was originally registered under the name "Centaur S.A." on 23 February 1996 with the District Court Wrocław Fabryczna, Entry no. RHB 6173. On 28 February 2000, pursuant to the Resolution of the General Shareholders' Meeting, the Company's name was changed to Getin Service Provider S.A. The Company was registered under this name with the District Court in Wrocław on 16 March 2000. On 23 March 2001, Getin Service Provider S.A. was registered with the National Court Register maintained by the District Court for Wrocław Fabryczna, VI Economic Department of the National Court Register, Entry no. KRS 0000004335. On 24 July 2003, pursuant to the Resolution of the General Shareholders' Meeting, the Company's name was changed to Getin Holding S.A.
The parent company was granted statistical number REGON 932117232. As of 6 November 2003, in accordance with the application for changes in the REGON registry system, the Company's core business has been "capital investments on Polish and foreign markets" (PKD 6523Z).

The Issuer and the remaining Group entities have an unlimited period of operation.

The Company operates as the parent company of the Capital Group and, apart from this, it does not carry out any other material operating activity. The operations of the remaining companies of the Capital Group is conducted in three basic operating segments:

- banking services;
- lease services;
- financial agency.

The type of the activities of individual companies of the Capital Group is described in note 2 of the additional notes to the consolidated financial statements.

Since the Issuer's business enterprise does not include any internal self-reporting organisational units, and the remaining companies of the Group, whose financial data are included in the consolidated financial statements do not have internal self-reporting organisational units, the presented consolidated financial statements and other financial data do not contain aggregate data.

Mr Leszek Czarnecki, a physical person, is the controlling person for the entire Getin Holding Group.

2 Composition of the Group

As at 30 June 2006 the Group consists of Getin Holding S.A. and the following companies:

(in thousand PLN)

Subsidiaries

Company name	Registered office	Registry court appropriate for the Company's registered office	Type of activity	% in share capital	% of total number of votes	Consolidation method
Getin Bank SA[4)]	ul.Pszczyńska 10, Katowice	District Court in Katowice, Economic Department of the National Court Register	Banking	99.29%	99.29%	Full
Carcade OOO	ul. Prospekt Mira 81 Kaliningrad, Federacja Rosyjska	District Inspection of the Ministry of Taxes and Fees of the Russian Federation no. 8 for Kaliningrad	Lease	60.00%	60.00%	Full
GBG Serwis Sp.z o.o.	ul. 1 Maja 87, Katowice	District Court in Katowice, Economic Department of the National Court Register	Protection of persons and property; provision of services	100%[1)]	100%[1)]	Full
Getin Raty S.A. [2)]	ul. Sączewskiego 17 Będzin	District Court in Katowice, Economic Department of the National Court Register	Lease and financial agency services	100%	100%	Full
Górnoślązak Sp.z o.o.	ul. 1 Maja 87, Katowice	District Court in Katowice, Economic Department of the National Court Register	Debt collection	49.00%[3)]	49.00%[3)]	Full
Fiolet S.A.	ul. Tylna 12 Łódź	District Court in Łódź XX Department of the National Court Register, Register of Entrepreneurs	Financial agency	60.00%	60.00%	Full
Open Finance S.A.	ul. Wołoska 18 Warszawa	District Court for the City of Warsaw XX Economic Department of the National Court Register	Financial agency	100.00%[5]	100.00%[5)]	Full
Noble Bank S.A. [6)]	ul. Okopowa 1 Lublin	District Court in Lublin XI Economic-Registry Department	Banking	92.41%	92.46%	Full
Getin Finance PLC	Wielka Brytania		Financial services	100%[7)]	100%[7)]	Full

[1)] - GBG Serwis Sp. z o.o. was the subsidiary until 22 January 2006, when it was sold by Getin Bank S.A., which held 100% of shares in GBG Serwis Sp. z o.o.
[2)] – formerly GBG Finanse S.A.
[3)] - Górnoślązak Sp. z o.o. was the subsdidary until 22 January 2006, when the disposal was effected of GBG Serwis Sp. z o.o., which held 49% of shares in Górnoślązak Spółka z o.o. As at 30 June 2006, GETIN Raty S.A. holds 49% shares in Górnoślązak Sp. z o.o.
[4)] – formerly Górnośląski Bank Gospodarczy S.A.
[5)] - Noble Bank S.A. has 100% shares in Open Finance S.A.
[6)] – formerly Wschodni Bank Cukrownictwa S.A.
[7)] - 99.998% shares is owned by Getin Bank S.A., 0.002% - by Getin Holding S.A.

Associates

Company name	Registered office	Registry court appropriate for the Company's registered office	Type of activity	% in share capital	% of total number of votes	Consolidation method
Powszechny Dom Kredytowy SA	ul.Sukiennice 6 50-107 Wrocław	District Court for Wrocław-Fabryczna, VI Economic Department of the National Court Register	Financial agency services	21.00%	21.00%	Equity method

(in thousand PLN)

Getin Leasing SA	ul.Raclawicka 2/4 53-146Wroclaw	District Court for Wroclaw-Fabryczna, VI Economic Department of the National Court Register	Lease	12.24%	12.24%	Equity method

During the period from 1 January 2006 to 30 June 2006, the following changes took place in the composition of the Capital Group:

- Disposal as at 19 January 2006 by GETIN Bank all of possessed shares of GBG Serwis Sp. z o.o. located in Sosnowiec on behalf of EKOTRADE Sp. z o.o. located in Warszawa. The disposed shares represented 100% of the share capital of GBG Serwis. Additionally GBG Serwis Sp. z o.o. possessed 49% of the shares of Górnoślązak Sp. z o.o., consequently by the disposal of GBG Serwis Sp. z o.o., Getin Holding Capital Group reduced its shares of Górnoślązak Sp. z o.o. from 98% to 49%.
- Acquisition, in accordance with the agreement dated 25 January 2006, by Getin Holding from ASK Investments of 150.000 ordinary bearer shares of Open Finance, which represent 30% of the share capital of Open Finance and give 150,000 (30%) votes at the General Shareholders' Meeting of Open Finance,
- Disposal by Getin Holding to ASK Investments of 15,000,000 registered, preference shares, class „G" of WBC (Wschodni Bank Cukrownictwa), which represent 7.49% of the share capital of WBC and give right to 7.5% of shares at the General Shareholders' Meeting of WBC (agreement dated 25 January 2006),
- Taking up by GETIN Bank as of 31 March 2006, 49,998 ordinary bearer shares of Getin Finance Public Limited Company with its registered office in London, Great Britain, representing 99,998% of the share capital of Getin Finance and giving the same number of votes at the shareholders' meeting of Getin Finance. Getin Holding owns directly one share of Getin Finance, which represents 0.002 % of the share capital of Getin Finance.

3 Management Board of the parent company

As at the date of the preparation of these consolidated financial statements, the Management Board of Getin Holding S.A. was composed of:

- Piotr Stępniak – President

In the period covered by these consolidated financial statements i.e. from 1 January 2006 to 30 June 2006, the following changes took place in the composition of the Company's Management Board:

- Mr Tadeusz Pietka resigned as Vice-President of the Management Board of Getin Holding S.A. as of 1 February 2006.

4 Approval of the financial statements

These consolidated financial statements were approved for publication on 18 September 2006.

5 Significant accounting policies

5.1 Basis for preparing consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments and available-for-sale financial assets that have been measured at fair value.

The consolidated financial statements are presented in thousand PLN (in “PLN thousands”), and all figures are given in PLN thousands, unless indicated otherwise.

The consolidated financial statements have been prepared on the assumption that the group companies will continue as going concerns in the foreseeable future i.e. for a period of at least 12 months from 30 June 2006. As at the date of approval of these consolidated financial statements, there were no circumstances that would indicate a threat to the continued activity of the Group companies.

5.2 Statements of compliance

The attached consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards („IFRS”), including International Accounting Standard No. 34 and IFRS adopted by the European Union. On the date of the approval of the Consolidated Financial Statements approval, given the current process of implementation of IFRS in the European Union and the scope of the Group’s activities, to the extent of accounting policies adopted by the Group there is no difference between IFRS and IFRS adopted by European Union.

IFRS comprise standards and interpretations accepted by the International Accounting Standards Board („IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

Certain Group entities keep their books of accounts in accordance with accounting policies specified in the Accounting Act dated 29 September 1994 (“the Accounting Act”), with subsequent amendments („Polish Accounting Standards”). The consolidated financial statements include a number of adjustments not included in the books of account of those Group companies, which were made to reconcile the financial statements of those companies to be in conformity with IFRS.

5.3 Estimates

The preparation of the consolidated financial statements in accordance with International Financial Reporting Standards requires that appropriate assumptions and estimates are made, which may affect the amounts showed in the financial statements, including those in the notes to the consolidated financial statements.

The estimates which were made as at the date of transition to IFRS, i.e. as at 1 January 2004, and at any balance sheet date reflect the conditions which existed on those dates (e.g. market prices, interest rates, currency exchange rates). Even though the assumptions made are based on the best estimates of the Management Board on the current activities and events of the Group, the actual results may differ from those estimated.

The main assumptions/ subjective assessments adopted by the Group in making the estimates include primarily:

- Impairment of financial assets

The assumptions made with respect to estimate of impairment of loans and credits have been described in note 5.20

- Impairment of investments in associates

An assessment is made at each balance sheet date to determine whether there is any objective evidence that an investment in associate may be impaired. If such evidence exists, the Group estimates the value in use of the investment. This requires that certain assumptions are made concerning, e.g. future cash flow which the Group may obtain from dividend or cash flow from disposal of investments. If different assumptions were made with respect to investment valuation, the carrying amount of certain investments could be affected.

- Impairment of other non-current assets

An assessment is made at each balance sheet date to determine whether there is any objective evidence that an asset (or any cash-generating unit) may be impaired. If such evidence exists, the Group formally estimates the recoverable amount. The estimation of the value in use of other non-current assets (or a cash-generating unit) requires that certain assumptions are made concerning, e.g. future cash flow which the Group may obtain from a given fixed asset (or a cash-generating unit), possible changes in the amounts or dates of the cash flow, other factors, e.g. lack of liquidity. If different valuation assumptions were made, the carrying amount of certain non-current assets could be affected.

- Valuation of derivative financial instruments (derivatives) and non-listed debt securities available-for-sale

The fair value of available-for-sale debt securities not-quoted on an active market is determined using valuation models based on discounted cash flows. The variables used for valuation include, as far as possible, data obtained from the observable markets. However, the Group also make assumptions as regards credit risk of its business partner, consistency and correlations which affect instrument valuation. If different valuation assumptions were used, the valuation of financial instruments could be affected.

- Calculation of provision for retirement benefits

The level of provision for retirement benefits is determined on the basis of valuation carried out by an independent actuary and is updated at the end of each financial year.

- Impairment of goodwill

After initial recognition, goodwill is stated at acquisition cost, less any accumulated impairment losses. Goodwill impairment test is carried out once a year. Additionally, an assessment is made at each balance sheet date to determine whether there is any objective evidence that goodwill may be impaired.

5.4 Measurement and reporting currency

The parent company's measurement currency and the reporting currency of these consolidated financial statements is Polish zloty (PLN).

The measurement currency of Carcade OOO is the Russian rouble.

5.5 Changes in accounting policies

In the year commencing 1 January 2006, the following new standards and interpretations, as well as amendments to the existing standards came into effect:

- Amendment to IAS 19 *Employee benefits* – this amendment opens the possibility to apply an alternative method of accounting for actuarial gains and losses in equity. It also specifies additional requirements for certain multi-employer plans. Additionally, this amendment introduces new information requirements. Since the Group does not intend to change its accounting policies concerning the method of disclosure of actuarial gains and losses and does not participate in any multi-employer program, the application of amended IAS 19 affected only the scope of the information disclosed.
- Amendment to IAS 39 *Fair value option* – this amendment limits the application of the option of re-measurement of financial instruments to fair value through profit or loss. Due to the fact that the Group included in the category of financial instruments at fair value through profit and loss only the financial instruments held-for-trading, this amendment to IAS 39 did not have any effect on the assets or liabilities disclosed, or their values.
- Amendment to IAS 39 and IFRS 4 *Financial guarantee contracts* – this amendment introduces the requirement to recognize liabilities arising from financial guarantees issued at fair value and to re-measure them to the higher of the following two values: (a) unsettled balance of commissions received and deferred, and (b) the balance of expenditure required to settle the liability. This amendment does not apply to the Group.
- Amendment to IAS 39 *Cash flow hedge for the anticipated intra-group transactions* – this amendment allows to treat the risk of exchange rate in respect of anticipated intra-group transactions as the hedged item in the consolidated financial statements on the following conditions: (a) the transaction is made in currency other than the functional currency of either party of the transaction, and (b) the risk of change in the exchange rate will affect the consolidated profit or loss. Given the fact that the Group companies do not make transactions in the currency other than the functional currency of either party, the amendment to IAS 39 does not apply.
- IFRS 6 *Exploration and Evaluation of Mineral Resources* – this standard applies to the companies operating in the excavation industry and does not affect the Group.
- Interpretation IFRIC 4 *Determining Whether an Arrangement Contains a Lease* – this interpretation requires to review the agreements which legal form is not a lease agreement, but which may still result in the right to have the asset at ones' disposal. As a result of the review of such agreements, the Management Board concluded that this Standard is not applicable to the Group.

(in thousand PLN)

- Interpretation IFRIC 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds* – this interpretation does not relate either to the business activities or transactions made by the Group.
- Interpretation IFRIC 6 *Obligations arising from participating in the electric and electronic market* – this interpretation does not relate either to the business activities or transactions made by the Group.

Earlier application

In the current year, the Group did not account for the regulations of IFRS 7 *Financial instruments – disclosures,* which will be applicable to the preparation of the financial statements for the periods commencing on or after 1 January 2007.

Additionally, in the 1st half of 2006, the Group did not make any changes in the accounting policies.

5.6 Correction of error

In the consolidated financial statements as at 30 June 2006, the Group assessed the impairment loss of the financial assets in accordance with IAS 39 (with certain simplifications adopted) and applied a similar valuation method for impairment losses of financial assets recognised in the financial statements commencing 1 January 2005. Getin Bank S.A. applied the following criteria for its model of the assessment of impairment loss of financial assets:

- the loan portfolio was divided into groups of homogeneous loans and a group of loans significant as individual items;
- the group of homogeneous loans was divided into loans with and with no exposure to impairment loss;
- the portfolio of loans with no impairment loss exposure was valued using the historical loss ratio or depending on the product type (with no historical data database) - using the adopted expert ratios, which were based on the historical ratios calculated for similar (i.e. by product or by borrower) loan portfolios;
- the portfolio of loans with the impairment loss exposure was valued using the estimated recovery rates;
- for groups of products, for which there was no possibility to estimate the historical recovery rates due to the lack of the relevant data, the expert ratios were adopted;
- for technical reasons, no discounting of future cash flows was performed;
- collaterals were valued in accordance with PAS.

Since the simplifications applied to the assessment of financial assets' impairment did not meet the criteria of IAS 39, the loan portfolio was re-calculated in the consolidated financial statements as at 30 June 2006.

The effect of the above re-calculation on equity and the financial result for the comparative period has been shown in the table below:

	Equity as at 1 Jan 2005	Equity as at 30 June 2005	Net profit as at 30 June 2005
As per consolidated financial statements prepared in accordance with IAS as at 30 June 2005	**545 688**	**823 386**	**37 012**
Impairment of financial assets – IAS 39	*846*	*-4 392*	*-5 238*
As per the attached consolidated financial statements prepared in accordance with IFRS	**546 534**	**818 994**	**31 774**

	Assets as at 1 Jan 2005	Assets as at 30 June 2005
As per consolidated financial statements prepared in accordance with IAS as at 30 June 2005	**4 607 452**	**5 966 311**

(in thousand PLN)

Impairment of financial assets – IAS 39	*846*	*-5 238*
As per the attached consolidated financial statements prepared in accordance with IFRS	**4 608 298**	**5 961 073**

	Cash flows from operating activities as at 30.06.2005, including:	*Net profit*	*Adjustments*	Cash flows from investing activities as at 30.06.2005	Cash flows from financing activities as at 30.06.2005	Total cash flows as at 30.06.2005
As per consolidated cash-flow statement prepared in accordance with IAS as at 30 June 2005	**121 787**	***37 012***	***84 775***	**-12 599**	**3 794**	**112 982**
Impairment of financial assets – IAS 39		*-5 238*	*5 238*			
As per the attached consolidated cash-flow statement prepared in accordance with IFRS	**121 787**	***31 774***	***90 013***	**-12 599**	**3 794**	**112 982**

5.7 Consolidation principles

These consolidated financial statements comprise the financial statements of Getin Holding SA and the financial statements of its subsidiaries, each of them prepared for the 6 month period ended 30 June 2006. The financial statements of subsidiaries have been prepared for the same reporting period as the financial statements of the parent company, using the consistent accounting policies applied for like transactions and economic events. Adjustments have been made in order to eliminate any discrepancies in the accounting policies applied.

All significant inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless they are an impairment indicator.

Subsidiaries are consolidated from the date on which control is transferred to the Group, and cease to be consolidated from the date such control ends. The control of the parent company over the entity takes place when it holds directly or indirectly, through its subsidiaries, more than half of the votes in a given company unless it may be proved that such ownership does not affect the control. Control is also exercised when the Company has the possibility to affect the financial and operating policies of the given entity (detailed conditions are laid down in IAS 27).

In the case of an increase/decrease in the share in net assets of the controlled subsidiary, the surplus of costs of the business combination over the share of the acquiring entity in the net assets of the controlled subsidiary is recognised as goodwill.

5.8 Investments in associates

Investments in associates are valued using the equity method. Associates are entities on which the parent company directly or through its subsidiaries exercises significant influence and which are not its subsidiaries or joint ventures. The financial statements of associates are the basis for valuation of shares held by the parent company in the given associate using the equity method. The financial year of associates and the parent company is the same. Associates apply accounting policies set forth in the Accounting Act. Before calculating the share in the net assets of associates, appropriate adjustments are made so that the financial data of those entities comply with the IFRS applied by the Group.

Investments in associates are carried at acquisition cost adjusted by subsequent amendments in the share of the parent company in the net assets of those entities. The Company’s income statement reflects its share in the operating results of the associates. In the case of a change posted directly to equity of associates, the parent company recognizes its share in each change and discloses it, if appropriate, in the statement of changes in equity.

(in thousand PLN)

5.9 Foreign currency transactions

Transactions denominated in currencies other than PLN are translated into PLN at the exchange rate prevailing on the transaction date or at the rate of exchange committed in a related forward contract.

As at the balance sheet date, monetary assets and liabilities denominated in currencies other than PLN are translated into PLN at the average exchange rate set for a given currency by the National Bank of Poland prevailing at the end of the reporting period. Exchange differences resulting from translation are recorded under finance income or finance costs or, in cases defined in the accounting policies, are capitalized in the cost of the assets. Non-monetary assets and liabilities recognised at historical cost denominated in a foreign currency are disclosed at historical cost prevailing on the transaction date. Non-monetary assets and liabilities recognised at fair value expressed in a foreign currency are translated using the exchange rate prevailing at the date of re-measurement to fair value.

The following exchange rates have been adopted for the balance sheet valuation purposes:

	30 June 2006	31 December 2005	30 June 2005
USD	3.1816	3.2613	3.3461
EUR	4.0434	3.8598	4.0401

The financial statements of foreign entities are translated into PLN as follows:

- balance sheet items - at the average rate of exchange set by the National Bank of Poland as at the balance sheet date;
- income statement items - at the rate representing the arithmetic mean of the average exchange rates set by the National Bank of Poland as at the last day of each reporting month. Foreign exchange differences arising from such translation are recognised directly in equity as a separate item.

The functional currency of Carcade OOO is the Russian rouble (RUB).

5.10 Tangible fixed assets

Tangible fixed assets comprise fixed assets, construction in progress and prepayments for construction in progress. Fixed assets include fixed assets used for the Group’s needs and owned by the Group companies, as well as those used under lease agreements.

Fixed assets are valued at acquisition cost or cost of production less accumulated depreciation and impairment losses. The initial value of fixed assets includes their acquisition price plus all direct costs incurred to effect the purchase and to bring the asset to a usable condition. In the case of a subsidiary included in consolidation, the acquisition cost of its fixed assets is their fair value estimated as at the acquisition date.

Prepayments for construction in progress are stated at nominal value.

Construction in progress is stated at its cost and/ or production cost less impairment losses. Construction in progress is not depreciated until completed and brought into use.

At the time of acquisition, fixed assets are divided into components, which represent asset parts with a significant value and which may be assigned separate useful lives. Overhaul costs are classified as asset separate component.

Fixed assets, except for land, are depreciated using the straight-line method using the following base rates arising from their estimated useful lives:

Buildings	2.5 - 5.0 %
Leasehold improvements (buildings)	10.0% - 30%
Plant and machinery (except for computer hardware)	20.0%
Own computer hardware	20.0% - 30.0%
Own motor vehicles	14.0% - 20.0%
Other	10.0% - 20.0%

If, at the time of the preparation of the financial statements, circumstances occurred which indicate that the carrying amount of tangible fixed assets might not be recoverable, the assets are reviewed for possible impairment. If impairment indicators have been identified and the carrying amount exceeds the estimated recoverable value, then the value of those assets or cash-generating units to which those assets belong is reduced to the recoverable amount. The recoverable amount is the higher of the following two values: net selling price or the value in use. In determining the value in use, the estimated future cash flow is discounted to the present value using the gross discount rate reflecting current market assessment of the time value of money and the risk related to the given asset. In the case of assets which do not generate cash inflow in a sufficiently independent manner, the recoverable amount is determined for the cash-generating unit to which the given asset belongs. Impairment write-downs are disclosed in the income statement in the cost of sales of the given item.

An item of tangible fixed assets may be removed from the balance sheet (de-recognised) after it is sold or if no future economic benefits are expected from its further use. Any gains or losses arising on asset de-recognition (calculated as the difference between potential net income from sales and the carrying amount of the given item) are recognised in the income statement in the period, in which asset de-recognition took place.

Construction in progress relates to fixed assets under construction or assembly and is stated at acquisition cost or cost of production. Construction in progress is not depreciated until completed and brought into use.

The residual values, useful lives or depreciation methods of fixed assets are verified, and if needed, adjusted at the end of each financial year.

5.11 Investment property

Investment property is valued at acquisition cost which includes transaction costs. Investment property is removed from the balance sheet if the given investment property item is permanently removed from use, and no future benefits are expected from its sale. Any gains or losses arising from de-recognition of investment property are disclosed in the income statement for the period, in which the item was de-recognised. Investment property is depreciated using the straight-line method and the base rate of 2.5%, which results from estimates of investment property useful life. The principles of assessment as to whether there has been an impairment loss on investment property have been described in note 5.25.

5.12 Intangible assets

Intangible assets are assets which meet the following criteria:

- are separable, i.e. are capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Intangible assets are valued at acquisition cost or cost of development less accumulated amortisation and impairment losses.
In the case of a subsidiary included in consolidation, the acquisition cost of an intangible asset is its fair value estimated as at the acquisition date.

The Group applies the following amortisation rates for intangible assets, taking into account their useful lives:

* costs of development work completed	33%
* own software (for a value of more than PLN 3.500)	20%
* own software (for a value of up to PLN 3.500)	50%
* patents, licenses, trademarks	- useful lives are determined individually
* trademarks	- indefinite useful lives

The useful lives of intangible assets, depending on their type, were assessed as having finite or indefinite useful lives. Intangible assets with finite useful lives are amortised over their useful lives and tested for impairment each time impairment indicators have been identified. The amortisation period and amortisation method for intangible assets with finite useful lives are verified at least at the end of each financial year. Changes in the expected useful lives or the pattern, in which the assets' future economic benefits are expected to be consumed in the future are recognised through the change in the amortisation period or amortisation method, as appropriate amortisation charges of intangible assets with finite useful lives are taken to the income statement to the category which corresponds to the function of the given intangible asset.

Intangible assets (individual items or cash generating units) with indefinite useful lives and those, which are not used, are tested for impairment on an annual basis. In the case of other intangible assets, an assessment is made at each balance sheet date to determine whether circumstances or events occurred that might indicate asset impairment. Useful lives are also verified annually, and if necessary, adjusted effective from the beginning of the financial year.

5.13 Research and development costs

Research costs are taken to the income statement when incurred. Investment expenditure incurred for development work made as part of the given project are transferred to the following period, if it may be deemed that they will be recovered in the future. After initial recognition of expenditure under development work, the historical cost model is applied, which requires that assets are recognised at acquisition cost less accumulated depreciation and accumulated impairment write-downs. Any costs transferred to the following period are amortised over the projected period of obtaining revenues from the sale of the given project.

Development costs are tested for impairment each year – if the asset has not yet been given over for use, or more often – if, during the reporting period, impairment indicators have been identified pointing out that their carrying amount might not be recoverable.

5.14 Goodwill

Goodwill arising from business combination is initially stated at its cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Tests for goodwill impairment are carried out once a year. Goodwill is not amortised.

As at the acquisition date, goodwill is allocated to each cash-generating unit which may benefit from merger synergy. An impairment loss is determined by the estimate of the recoverable amount of the cash-generating unit to which the goodwill is allocated. If the recoverable amount of the cash-generating unit is lower than its carrying amount, an impairment loss is recognised. If the goodwill is part of the cash-generating unit and part of the business of that unit is sold, when determining profits or losses on the sale of such business, goodwill related to the sale of the business is included in its carrying amount. In such circumstances, the value of the goodwill sold is determined on the basis of the relative value of business sold and the value of the retained part of the cash-generating unit.

5.15 Borrowing costs

Borrowing costs are capitalized as part of the costs of qualifying fixed assets. Borrowing costs include interest and foreign exchange gains or losses.

5.16 Inventories

Inventories are stated at the lower of the cost and net realisable value.

Net realisable value is the selling price estimated at the balance sheet date, net of VAT and excise taxes, less any rebates, discounts and other similar items, less the estimated costs to complete and costs to sell, plus the amount of any related subsidy.

5.17 Trade receivables

Trade receivables with a maturity period of up to 30 days are recognised and carried at original invoice amounts, less allowances for bad debts. The doubtful debt allowance is estimated only if the recovery of the entire receivable is no longer possible. Doubtful debts are written off to the income statement at the time they are declared unrecoverable.

If the impact of the time value of money is significant, the value of the receivable is determined by discounting the projected future cash flows to the present value, using the gross discount rate reflecting the current market assessment of the time value of money. If the discounting method was used, the increase in receivables reflecting the passage of time is recognised as finance income.

The value of receivables is adjusted by an appropriate write-downs reflecting their recoverability. Write-downs against receivables are recorded under other operating expenses or finance costs, depending on the type of receivable.

The amounts of forgiven, statute-barred or bad debts reduce the amount of the write-downs that were previously recognised against the account.

The amounts of forgiven, statute-barred or bad debts for which no write-downs or only partial write-downs were made are recorded under other operating expenses or finance costs, as appropriate.

5.18 Lease receivables

Group companies are parties to lease agreements under which they use third party tangible fixed assets or intangible assets over an agreed period of time, in return for payments.

In the case of a finance lease agreement, which transfers substantially all of the risks and rewards of ownership of an asset, the leased asset is de-recognised (finance lease), and a corresponding lease liability is recognised, at the present value of the minimum lease payments at the inception of the lease term. Lease payments are apportioned between finance income and reduction of the outstanding lease receivable, so as to produce a constant rate of return on the outstanding lease receivable.

Lease payments made under lease agreements which do not meet the criteria of finance leases are recognised as an expense in the income statement on a straight-line basis over the lease term.

Fixed assets or intangible assets under operating lease are recognised in the balance sheet under non-current assets and are depreciated/amortised in accordance with the policies referred to in point 5.10 of the additional notes.

5.19 Cash and cash equivalents

Cash and short-term deposits recognised in the balance sheet include cash at bank and cash on hand and short-term deposits with maturity period of 3 months or less.

Cash and cash equivalents presented in the consolidated cash flow statement comprise cash on hand and bank deposits which have the maturity period of 3 months or less, reduced by unpaid balances of overdraft facilities.

5.20 Financial instruments

Financial instruments are divided into the following categories:

– Financial assets (investments) held-to-maturity;
– Financial instruments (asset or liability) at fair value through profit or loss;
– Loans and receivables; and

– Financial assets available for sale.

Financial assets held-to-maturity are investments with fixed or determinable payments and fixed maturity date that the Group has the positive intention and ability to hold to maturity Financial assets held-to-maturity are stated at amortised cost using the effective interest rate method.

Financial instruments at fair value through profit or loss are instruments acquired for the purpose of generating profits, due to short-term price fluctuations. Financial instruments at fair value through profit or loss are valued at fair value without deducting transaction costs, taking into account their market value as at the balance sheet date. Any changes in the financial instruments at fair value through profit or loss are recognised under finance income or finance costs.

Loans and receivables, including purchased receivables, are initially recognised at the fair value of the payments made. After initial recognition, loans and receivables, including purchased receivables, are recognised at amortised cost using the effective interest rate.

Impairment losses related to credit risk are determined as the difference between the carrying amount of the receivable and the present value of the anticipated future cash flows.

The methodology and assumptions used in assessing future cash flows are regularly verified by the Group in order to minimize differences between the estimated and the actual losses.

All other financial assets are classified as financial assets available-for-sale. Financial assets available-for-sale are recognised at fair value, without deducting transaction costs and taking into account their market value as at the balance sheet date. The fair value of financial instruments traded on an active market is determined with reference to prices quoted on this market as at the balance sheet date. Where no quoted market price from an active market is available and the fair value cannot be estimated using the alternative methods, the available-for-sale financial assets are recognised at acquisition cost less impairment losses.

Positive or negative difference between the fair value and acquisition cost, after deferred tax, of the available-for-sale financial assets (if there is a market price determined on an active regulated market or if their fair value can otherwise be reliably determined) is recorded under revaluation reserve. A decrease in the value of the available-for-sale financial assets caused by an impairment loss is taken to the income statement as finance cost.

Financial assets held-to-maturity are classified as long-term assets, if their maturity exceeds 12 months from the balance sheet date.

Financial assets at fair value through profit or loss are classified as current assets, if the Management Board intention is to realise them within 12 months from the balance sheet date.

The acquisition or sale of the financial assets is recognised at the transaction date. Upon initial recognition, financial assets are valued at acquisition cost, i.e. at the fair value, including transaction costs.

Financial liabilities which are not financial instruments at fair value through profit or loss are valued at amortised cost using the effective interest rate method.

Financial instrument is de-recognised, if the Group loses control over its contractual rights to the instrument, which usually takes place when the instrument is sold or if all contractual rights to receive the cash flows from the financial asset are transferred to a third party.

5.21 Derivatives

The Group carries out transactions with the use of derivative financial instruments i.e. currency swap (FX Swap). Such transactions are purchases of currency with delivery on the fixed date and the simultaneous sales of the same amount of currency with delivery on a different business day. Currencies purchased and sold as part of such transactions are translated using the sell and buy rate, as appropriate, quoted by the National Bank of Poland as at the balance sheet date and are recognised in off-balance sheet items.

Since the instruments used do not meet the criteria of hedge accounting, any gains or losses arising from changes in the fair value of the hedged item and the hedging instrument are posted directly to the income statement for a given financial period.

FX Swap transactions are valued at fair value calculated using the appropriate valuation model.

Embedded derivatives are bifurcated from the host contracts and treated as derivative financial instruments, if all of the following conditions are met:

- the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract,
- a separate instrument with the same terms as embedded derivative would meet the definition of a derivative,
- the hybrid (combined) instrument is not recorded at fair value with gains and losses taken to the net profit or loss.

The method of recognition of embedded derivatives is similar to that applied to other derivative instruments, which have not been designated as hedging instruments.

The scope, in which – in accordance with IAS 39 – the economic characteristics and risks of foreign currency embedded derivatives are closely related to those of the host contracts also covers circumstances, in which the currency of a foreign currency derivative is the common currency of purchase or sale of non-financial “products” on the given item market.

5.22 Hedging instruments

The Group does not apply hedging accounting.

Derivative financial instruments used by the Group to hedge against the risk of changes in interest and FX rates, include primarily currency forward contracts (“currency forwards”) and interest rate swaps. They are stated at fair value.

The fair value of currency forwards is determined with reference to forward rates for contracts with similar maturity periods. The fair value of interest rate swaps is set with reference to the market value of similar instruments.

5.23 Contingent liabilities and commitments

The Group executes transactions which are not recognised in the balance sheet as assets or liabilities at the transaction time, but result in contingent liabilities or commitments. The contingent liability is:

- a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group (e.g. litigation);
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability; this includes mainly unused credit facilities, guarantees, letters of credit and suretyships given.

5.24 Prepayments and deferred costs

Group entities recognise deferred costs and prepayments if the costs relate to future reporting periods.

5.25 Recoverable amount of long-term assets

An assessment is made at each balance sheet date to determine whether there is any objective evidence that a long-term asset may be impaired. If such evidence exists, the estimated recoverable amount of the asset or cash generating unit is determined. If the carrying amount of the asset or cash generating unit exceeds its recoverable amount, an impairment loss is recognised and the asset is re-measured to its recoverable amount. The recoverable amount is the higher of the fair value less cost to sale or the value in use of a given asset or a cash-generating unit.

5.26 Shareholders' equity of the Capital Group

Shareholders' equity includes equity and funds created in accordance with binding legal regulations i.e. relevant laws, and the Company's Articles of Association.

The issued share capital of the Group is recorded at the amount stated in the Company's Articles of Association and registered in the court register.

Any differences between the fair value of the consideration obtained and the nominal value of shares are recorded under share premium.

Other reserve funds include revaluation reserve and capital from deductions from net profit during the year.

Revaluation reserve includes the effects of valuation of financial assets available-for-sale and deferred tax for items representing timing differences posted to revaluation reserve.

Element of equity section – Cumulative translation adjustment from translation of subordinated foreign entities, includes foreign exchange differences arising from translation of the result of foreign entities consolidated using the full method.

Accumulated profits/(losses) from prior years and net result for the current year include retained earnings and uncovered losses from previous years of entities consolidated using the full method and profit/ loss as per the income statement for the period for which the financial statements are being prepared. The net profit is the profit after income tax.

5.27 Minority shareholders' equity

The minority shareholders' equity is the share in the equity of a subsidiary consolidated using the full method and belonging to the entity other than any of the entities of the Capital Group.

5.28 Provisions

Provisions are recognised when the Group company has a present obligation (legal or constructive) as a result of a past event, such that an outflow of resources embodying economic benefits is certain or highly probable to be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the balance of the provision is determined by discounting projected future cash flows to their present value using the gross discount rate, which reflects current market assessment of the time value of money and of the probable risk related to the liability. If the discounting method was used, the increase in the provision resulting from passage of time is recognised under finance costs.

5.29 Loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the funds received less the acquisition costs associated with the borrowing/loan.

After initial recognition, all interest-bearing loans and borrowings are measured at amortised cost, using the effective interest rate method.

The amortised cost is determined taking into account the costs related to obtaining the loan and the discount or premiums allowed upon liability settlement.

Any gain/loss is included in the net profit/ loss for the period i.e. when the liability is de-recognised or as a result of impairment write-down calculation.

5.30 Accrued expenses

Accruals are recognised at the amount of probable liabilities relating to the current reporting period.

5.31 Retirement benefits

According to the Company's payroll regulations, employees of Getin Bank S.A. are entitled to retirement benefits. These are one-off payments made upon retirement. The amount of the retirement benefit depends on the period of service and average remuneration of the employee. The Company creates a provision for future liabilities related to retirement benefits in order to allocate the costs to the periods to which they relate. According to IAS 19, retirement benefits are post-employment defined benefits programs. The present value of those liabilities is calculated and updated by an independent actuary at the end of each financial year.

Employees of other Group companies are entitled to retirement benefits under binding labor laws of the country, in which the given company operates.

5.32 Revenue recognition, costs and financial profit/loss

Revenue is recognised to the extent that it is probable that the Group company will obtain economic benefits that can be reliably measured.

Interest revenue is recognised as the interest accrues, unless collectibility is in doubt.

Costs are recognised in accordance with the accruals concept i.e. in the periods, to which they relate, irrespective of the payment date.

Interest revenues and interest expense concerning financial instruments valued at amortised cost (using the effective interest rate method) as well as financial assets available-for-sale, are recognised in the income statement.

The effective interest rate is the rate that exactly discounts the expected stream of future cash payments through maturity, and in justified cases, to the next-market-based re-pricing date, to the current net carrying amount of the financial asset or financial liability. The computation of the effective interest rate includes all commissions and interest paid and received by the parties to the contract, transaction costs and any other bonuses and discounts.

Interest income comprises interest received or receivable in connection with credits, inter-bank deposits and securities held-to-maturity or available-for-sale, included in the calculation of the effective interest rate.

At the time of recognition of the impairment of a financial instrument valued at amortised cost (except for credit and loan receivables and lease receivables) and financial assets available-for-sale, interest income is continued to be recognised in the income statement, but is calculated on the value of the financial instrument carried at amortised cost (i.e. on the new lower value of the instrument, i.e. the value decreased by impairment write-down). The calculation of interest income on the value carried at amortised cost is performed using the interest rate applied to discount future cash flow for the purpose of impairment loss assessment.

The costs of the reporting period concerning interest payable on client accounts and liabilities from the issuance of treasury securities are taken to the income statement, also using the effective interest rate method.

Restricted interest is not recognised in the income statement.

Fee and commission income and fee and commission expense relating to transactions on bank accounts, transactions of servicing payment cards, and brokerage, factoring and sales agency activities are included in the financial result at the time the service is performed.

Other commission and charges are subject to accrual.

The Group distinguishes two basic types of commission related to lending activities:

- preparation fees and commission;
- commitment fees.

Preparation fees and commission are adjusting items for the effective interest rate and constitute part of interest income.

Commitment fees are recognised on a straight-line basis over the period of funds availability and are included in commission income.

For borrowings with unspecified installment payment dates and unspecified changes in interest rates i.e. overdrafts and credit card loans, commissions are accrued over the period of credit card validity or overdraft limit availability using the straight line method and recognised as commission income.

Sale of goods for resale and finished goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenues may be reliably measured.

5.33 Dividend

Dividends are recognised at the time of establishment of the shareholders' rights to the dividend.

Dividends are paid on the basis of the net profit (or other equity items determined according to the Polish Accounting Standards).

5.34 Current tax expense and deferred tax

Current tax expense is calculated in accordance with Polish tax regulations.

For the purpose of financial reporting, deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill or asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- for all taxable temporary differences arising from investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax losses can be utilized:

- unless the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (tax loss).
- for deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax laws that have been enacted at the balance sheet date.

Income tax concerning items recognised directly in equity is recorded in equity and not in the income statement.

5.35 Net earnings per share

The net earnings per share for each period is calculated by dividing the net profit for the given period by the weighted average number of shares in that given reporting period.

5.36 Social assets Social Fund liabilities

The Act on Social Fund, dated 4 March 1994 (with subsequent amendments), requires enterprises that have at least 20 employees (counted on a full time basis) to establish and run a Social Fund. The Group companies operate such a Fund and make periodic contributions to it based on the minimum required amount. Additionally, the Fund's income includes the income proceeds received from the use of the social assets. The Funds' purpose is to subsidize the maintenance of the Company's social assets and to finance social activity. The Social Fund liability is made up of accumulated income of the Social Fund less non-refundable expenditure by the Fund.

The social assets are not controlled by the Group. The Group is restricted in its use of the cash and other assets of the Social Fund and can not use them to generate revenues.

In the balance sheet, the balance of the Social Fund liability is presented net after compensation with the Fund's assets.

5.37 Share-based payment transactions

Employees (including Management Board Members) of the Group receive bonuses in the form of convertible bonds with a pre-emptive right to take up treasury shares; therefore they provide services in exchange for shares or rights to shares ("equity-settled share-based payment transactions").

Equity-settled share-based payment transactions

The cost of transactions settled with employees in equity instruments is valued by reference to the fair value as at the date the rights are granted. The fair value is determined on the basis of the Black-Scholes model which is further presented in note 49 of the additional notes to the consolidated financial statements. The valuation of transactions settled in equity instruments does not take into account any conditions concerning the effectiveness / results, except for those which are related to the price of the share in the controlling company (the "market conditions").

The cost of transactions settled in equity instruments is disclosed together with the underlying increase in the value of the equity in the period, in which the conditions set forth in the Incentive Program have been fulfilled, and which ends on the day on which the given employees acquire full rights to the benefits (the "grant date"). The accumulated cost of transactions settled in equity instruments as at each balance sheet date until the date the rights vest, reflects the passage of the vesting period as well as the number of bonuses, to which the rights, in the opinion of the Management Board based on the best possible estimates of the number of equity instruments, will vest.

No costs are recorded for bonuses, to which the rights will not ultimately vest, except for those for which vesting rights depend on the market conditions; the rights to such bonuses are treated as vested irrespective of whether market conditions have been met or not, provided that all other effectiveness conditions have been met.

If the terms and conditions for granting equity-settled awards were modified, as part of the fulfillments of the minimum requirement, costs are recognised as if the vesting conditions had not changed. Furthermore, costs are recognised for each increase in the value of the transaction resulting from conditions modification, valued as at the modification date.

The diluting effect of the options issued is taken into account when determining the earnings per share as an additional dilution of shares (note 24 of the additional information).

5.38 Jointly-controlled entities

Jointly controlled entities are those which are under ultimate control of the same party or parties before and after a given transaction, and the control is not temporary. In the 1st half of 2006, the Issuer made transactions which were classified as a merger of entities remaining under common control. Mergers of jointly controlled entities are currently outside the scope of IFRS 3 or of other IFRS provisions. On the basis of generally accepted financial reporting standards, in order to account for entities under the Issuer's common control, the Issuer applied purchase method described in IFRS 3.

6 Effects of new standards application

In the 1st half of 2006, the Group did not implement any new accounting standards. The last change in this respect took place in the year ended 31 December 2005, being the requirement to prepare the consolidated financial statements in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations published in the form of Regulations of the European Commission. The effect of application of new accounting standards in 2005 has been described in the financial statements for this year.

7 Effects of changes in accounting policies

In the 1st half of 2006, the Group did not make any changes in its accounting policies.

8 Financial risk management objectives and policies

Objectives and policies of financial risk management at Getin Bank
In its operations, the Bank is exposed to the following risks:
- credit;
- liquidity;
- market (including interest rate risk, currency risk, securities price risk); and
- operating risk.

As at 30 June 2006, the credit risk of balance sheet and off-balance sheet financial instruments measured by the risk-weighted amount of off-balance sheet assets and liabilities is PLN 4.665.632 thousand, while that measured by the equity requirement is PLN 373.251 thousand.
The equity requirement in respect of the exposure of the trading portfolio (currency risk, debt instrument specific risk, general interest rate risk, transaction settlement risk and business partner risk) as at 30 June 2006 was PLN 17 thousand.

Methods and objectives of financial risk management
The objective of the asset and liability management policy (the “ALM policy”) is to optimize the balance sheet structure and off-balance sheet items in order to maintain the adopted income to risk ratio. From the strategic point of view, it is the Bank’s Management Board that is responsible for risk management; to this end, the Management Board appointed three committees: Loan Committee, Asset and Liability Management Committee (“ALCO”) and Operating Risk Committee. These committees are responsible for managing certain assigned risks at the operational level, as well as for monitoring the risk level and establishing the day-to-day policy in line with the strategy adopted by the Bank’s Management Board and the internal limits and supervisory regulations. All current Bank regulations on market risk management take into account the requirements of the Recommendations of the General Inspector for Banking Supervision.

In its operations, the Bank is exposed to credit risk, liquidity, market and operating risk. According to the resolution of the Commission for Banking Supervision, the Bank is obliged to calculate capital adequacy requirements against the individual types of risk, and hence to ensure that the Bank’s own funds match the exposure level. The Resolution of the Committee for Banking Supervision defines the calculation method of capital adequacy ratio, whereby, apart from credit risk, certain capital requirements in respect of other risk types (e.g. currency risk, interest rate risk) are included in the calculation of the capital adequacy ratio. The capital adequacy ratio defined by the Banking Law at the minimum 8%, was 11.9% as at 30 June 2006.

Credit risk
Credit risk management in GETIN Bank SA is to ensure safety of lending activities conducted by the Bank while maintaining a rational approach to risk. In conducting lending activities, GETIN Bank SA follows the following principles:
1) It acquires and keeps in its portfolio, loan exposures which ensure safety of deposits and Bank’s capital by earning stable income.
2) In taking loan-granting decisions, GETIN Bank SA examines the risks arising from a given transaction in the context of the general credit risk of the given client and industry as well as a number of other events that may have an impact on the client’s ability to pay its debts.
3) A loan or other exposures are granted when the client meets the conditions determined in the Bank’s internal regulations.
The Bank carries out its business activities in the following four areas:
- financing purchases of cars,
- mortgage banking,
- consumer loans (cash loans, installment loans, credit cards),
- servicing SMEs and state budget entities (mainly through factoring, leasing, short-term working capital loans).

The Bank has procedures in place for the individual loan products and has drawn up a document – Lending Policy, which sets the principles of lending policy and credit risk management in trading areas. This document has been approved by the Bank's Management Board on 29 June 2006 and has been adopted by the Bank's Supervisory Board on 12 July 2006.
In order to ensure objective assessment of credit risk at GETIN Bank, within the structure of the trading areas, the sales process (acquiring clients) has been separated from the process of credit risk assessment and acceptance. Each area has a separate acceptance centre which is responsible for the assessment and acceptance of the particular loan applications, and units responsible for credit risk management and maintenance of an appropriate level of risk in respect of particular products. There is a rule that credit risk analysis shall be separated from credit risk control.
The procedure applied to taking loan-granting decisions is approved by the Bank's Management Board. Such powers are granted to the Bank's employees on an individual basis, depending on their skills, experience and functions performed. Each acceptance centre has a Loan Committee which takes loan-granting decisions that go beyond the powers granted to the employees and director of the centre. Furthermore, within the Bank's Headquarters, the Bank has a Loan Committee which takes decisions which exceed the powers granted to the particular acceptance centres. Decisions exceeding the powers of the Bank's Loan Committee are taken by the Management Board of the Bank. Any changes to the existing decision taking procedure must be accepted by the Management Board.
GETIN Bank follows internal regulations which make it possible to determine the level of the credit risk associated with the given Client as well as the acceptability of that risk. Both in the phase of granting a loan, and subsequent monitoring of the loan, client's creditworthiness is evaluated as follows:
- for private individuals, based on detailed procedural regulations relating to the level of the required credit capability; the Bank applies scoring for cash loans,
- for SMEs, credit analysis includes scoring.

Criteria for the assessment of credit capability are determined based on scoring obtained from the assessment of financial condition and quality, and based on an appropriate definition of credit capability. This system also enables the Bank to assess the client's creditworthiness based on information about the timeliness of payment of amounts due to the Bank, and allows for scoring and determining the value of the collateral used.
The Bank's Headquarters include an independent Credit Risk Department which is responsible for the management and monitoring of the whole loan portfolio of the Bank, as well as for the quality of the procedures applied and for ensuring that appropriate standards in the loan-granting process are observed. Other tasks of that Department include monitoring and analysis of specific provisions for credit risk.
The Bank has a risk monitoring system which includes the monitoring of the individual risk (associated with a given client) as well as an overall monitoring of the Bank's loan portfolio. As part of the overall monitoring of the individual risk, the Bank performs, on a regular basis, an assessment of the economic and financial condition of the borrower, the timeliness of repayment of liabilities to the Bank and the balance and value of accepted collateral. Both the scope and the frequency of the reviews complies with external regulations and depends in particular on the type of the borrower, amount of the loan exposure and the form of accepted collateral. As part of an overall monitoring of the loan portfolio, Credit Risk Department performs, among others, the following activities:

- performs an analysis of non-performing loans and specific provisions within the whole Bank and the particular trading areas,
- performs an assessment of the quality of the Bank's loan portfolio by type of product and type of entity,
- performs an ongoing assessment of industry risk, determines the maximum limits for exposure to particular industries,
- performs an assessment of the financial condition of the banks with which it makes transactions, sets maximum limits for exposure to specific banks,
- monitors large loan exposures on an ongoing basis,
- reviews the accuracy and adequacy of the specific provisions created by the Bank.

Management information in the form of periodic (biweekly and monthly) reports is provided to the Management Board and Supervisory Board of the Bank.

<u>Market risk</u>
Market risk is defined as uncertainty that the interest rates, currency exchange rates or prices of securities and other financial instruments held by the Bank will have a value different from that originally assumed, thus resulting in unexpected gains or losses arising from the positions maintained.

a) currency risk

The primary objective of currency risk management is to shape the structure of currency assets and liabilities and off-balance sheet items in line with the applicable prudence norms set forth by the banking law and the adopted internal limits.

The responsibility for the management of currency risk lies with the Treasury Department, while the oversight role over limits and prudence norms is exercised by ALCO.
The calculation of the Bank's exposure to currency risk and calculation of the capital adequacy ratio required to cover that risk is made on a daily basis and reported to the Bank's Management Board and Bank's Management as part of management information system.
The Bank adopted the so-called basic method of calculating capital adequacy ratio against the currency risk exposure. In the 1st half of 2006, the capital adequacy ratio against currency risk was calculated as the product of 8% and the absolute value of the total currency position.

b) interest rate risk
The objective of the interest rate risk management policy at GETIN Bank SA in Katowice is to mitigate the risk of decrease in projected interest income as a result of a change in market interest rates. The ALCO is responsible for the management of this risk.
The interest rate risk management consists in minimising the risk of negative impact of changes in market interest rates on the Bank's financial situation by:
- setting and observing limits on the admissible level of interest rate risk;
- preparing periodical analyses of the interest rate risk level and sensitivity of the profit and loss account to interest rate changes;
- monitoring and projecting impact of interest rate changes on the bank's profitability; with the proviso that in its interest rate management activities, the Bank follows the rule of maximisation of interest margin within the accepted level of interest rate risk.

Monitoring of the interest rate risk is performed by:
- analysing the specification of assets and liabilities sensitive to interest rate changes, by currency and according to interest revaluation dates;
- analysing the value at risk (VaR) of the portfolio of the Bank's assets and liabilities related to market valuation;
- analysing the basis risk;
- stress testing, presenting the Bank's susceptibility to losses as a result of unfavorable changes in market conditions and failure of the Bank's key assumptions;
- analysing the level of Bank's margin and interest rate spread and their impact on the Bank's result.

<u>Liquidity risk</u>
The main objective of liquidity management is to minimise the risk of loss of the Bank's current, medium- and long-term liquidity by ensuring the Bank's ability to discharge its current and future liabilities in the most optimal manner.
Liquidity management, as an element of the ALM policy, is the responsibility of the ALCO, while management of current liquidity is the responsibility of the Treasury Department.
The Asset and Liability Management Committee monitors, on a monthly basis, the liquidity risk level. The assessment of the liquidity risk is made using the following analyses:
- gap analysis, i.e. mismatch of maturity of assets and liabilities, which takes into account all balance sheet items by maturity;
- liquidity ratios in specified time horizons according to maturity;
- selected balance sheet ratios.

In order to ensure the required liquidity level, the Bank shapes the structure of assets and liabilities in line with the adopted internal limits and in line with the NBP recommendations. In order to ensure the optimum liquidity level, the Bank:
- maintains liquidity reserves in secure marketable assets of the financial market;
- has the possibility to use additional sources of financing in the form of the NBP lombard loan (short-term (overnight) liquidity loan granted by Central Bank against Treasury securities) or technical loan (short-term loan granted by Central Bank and repayable within a single business day).

In the event of a material increase in liquidity risk, the Bank has a procedure in place, the so-called "Emergency plan for maintaining liquidity in GETIN Bank SA in crisis".

Operating risk
The operating risk is a risk of occurrence of a loss as a result of inadequacy or failure of internal processes, people and systems, or as a result of external circumstances.
As part of operating risk management:
- the definition of operating risk was adopted, categories were defined (external risk, internal risk, employment and workplace safety risk, client relations and product risk, risk of damage to physical assets, risk of business disruption and system failure, process management, delivery and execution risk) as well as the impact on banking activity;
- a risk map was created in the form of an operating risk management matrix consisting of major business operations of the bank and the above risk categories;
- a table was prepared illustrating the strategy for operating risk management control, consisting in defining the components (what, where, when, who) of each strategy process (identifying, estimating, securing, inspecting, reporting).

On the basis of guidelines contained in the draft New Basel Accord of the Basel Committee on Banking Supervision and Recommendation "M" of the General Inspector for Banking Supervision, an operating risk management model was developed and implemented. It was described in the "Principles of operating risk management at GETIN Bank S.A." (the "Principles"). It includes identifying, estimating, securing and monitoring operating risk. The principles also lay down the organisation of operating risk management which includes specification of powers and roles of individual organisational units of the Bank.
A document was prepared and implemented under the title "Guidelines for identifying and monitoring operating risk in GETIN Bank S.A.", which is the follow-up procedure for all Bank employees if an operating risk is identified. As part of this instruction, in combination with the business lines, a detailed list was prepared of operating events which may result in an operating loss.

Objectives and policies of financial risk management in Noble Bank

Methods and objectives of financial risk management
The objective of the asset and liability management policy is to optimise the structure of the balance sheet and off-balance sheet items in order to maintain the adopted income to risk ratio.
From the strategic point of view, it is the Bank's Management Board that is responsible for risk management; to this end, the Management Board appointed two committees: the Loan Committee and the Assets and Liabilities Committee. These Committees are responsible for managing certain assigned risks at the operational level, as well as for monitoring the risk level and designating the current policy in line with the strategy adopted by the Bank's Management Board and the internal limits and supervisory regulations. All current Bank regulations on market risk management take into account the requirements of the Recommendations of the General Inspector for Banking Supervision.
In its operations, the Bank is exposed to credit risk, liquidity, market and operating risk. According to the resolution of the Commission for Banking Supervision, the Bank is obliged to calculate capital adequacy requirements against the individual types of risk, and hence to ensure that the Bank's own funds match the exposure level. The Resolution of the Committee for Banking Supervision defines the calculation method of capital adequacy ratio , whereby, apart from credit risk, certain capital requirements in respect of other risk types (e.g. currency risk, interest rate risk) are included in the calculation of capital adequacy ratio.

Credit risk
The Bank controls credit risk by introducing and observing internal procedures for monitoring loans extended and by regularly analysing the financial condition of the borrowers and repayments of the loans granted.

In the 1st half of 2006, the Bank continued to review the value of loan collaterals and the timeliness of repayment of loans. Its activities were mainly concentrated on intensifying the debt collection processes with reference to the "old" housing portfolio; therefore, issues related to the management of irregular loans, their restructuring and collection were treated as a priority. In addition, the Bank started granting new loans, focusing on the segment of mortgage loans and loans secured by financial assets. As at 30 June 2006, the balance of loans granted by the then Wschodni Bank

Cukrownictwa S.A. (now Noble Bank), prior to subjecting it to Receivership administration, amounted to PLN 134.373 thousands whereas the balance of loans granted by the Bank after the completion of the restoration proceedings amounted to PLN 22.815 thousand.
As at 30 June 2006, provisions created for total loan receivables amounted to PLN 126.526 thousand, representing 80.49% of the loan portfolio. Provisions created for total non-performing loans amounted to PLN 126.314 thousand and represented 99.83% of total provisions for receivables. The basis for recognizing provisions for "old" housing loans was reduced by the minimum values of the accepted collaterals.

Market risk

Market risk is defined as uncertainty that the interest rates, currency exchange rates or prices of securities and other financial instruments held by the Bank will have a value different to that originally assumed, resulting in unexpected gains or losses arising from the positions maintained.

a) currency risk

Noble Bank S.A. performs currency transactions to a limited extent on the basis of the decision of the NBP President no. DZ4-5531/62/MV/99 dated 15 June 1999. Due to the fact that the authorisation held does not entitle the Bank to act as an agent in making and accepting payments and making domestic and foreign transfers of funds in FX transactions, the Bank performs client instructions through Raiffeisen Bank Polska S.A.

Currency position of the Bank as at 30 June 2006 was as follows:

	Balances of currency accounts						Open positions	
	Currency (thousand)			PLN equivalent (thousand)			Long	Short
Symbol of currency	Assets	Liabilities and Equity	Off-balance sheet amounts to be issued	Assets	Liabilities and Equity	Off-balance sheet amounts to be issued		
USD	1 550.98	1 523.10		4 935	4 846		89	
GBP	3.41	0.00		20	0		20	
CHF	1 641.40	0.00	1 650.00	4 235	0	4 257		22
EUR	80.73	43.38		326	175		151	
Total	**********	**********	**********	9 516	5 021	4 257	260	22

b) interest rate risk

The interest rate risk management system in place at Noble Bank S.A. allows to determine if and to what extent the Bank is exposed to the risk of changes in interest rates. Two effects are primarily examined. The first one relates to the effect of interest rate changes on the economic value of fixed interest rate items, and therefore on the economic value of capital engaged in operating activities. The second one concerns the effect of changes in interest rates on margins generated by variable interest rate items.

In examining Noble Bank's interest rate risk, the following are applied:

- the method of examining the mismatch of maturities (maturity gap);
- the duration method (duration gap) with the use of the convexity ratio;
- mismatch gap method (fund gap, re-pricing model);
- sensitivity analysis performed on the basis of formulas for the calculation of the value of items;
- the analysis of margin sensitivity for variable interest items.

The main sources of information are:

- a specification of carrying amounts and recoverable amounts of assets and liabilities with a fixed and variable interest rate;
- a specification of recoverable amounts of fixed interest items and analysis of sensitivity of fixed interest items to changes in interest rates by –200, -100, +100, +200 base points;
- a specification of projected interest for assets and liabilities with fixed and variable interest rates and analyses of sensitivity of margins for fixed and variable interest rate items to changes in interest rates by –200, -100, +100, +200 base points;
- timing pattern of changes in the value of fixed interest rate items due to a change in interest rate on the basis of the sensitivity analysis;

- timing pattern of changes in the Bank's margin for variable interest rate items due to changes in interest rate on the basis of the sensitivity analysis.

<u>Liquidity risk</u>

The liquidity risk management system established and in effect at Noble Bank S.A. enables the Bank to regularly examine the level of liquid assets and ensure the liquidity level required to meet its obligations. In practice, it plays the role of "an early warning system" which permits to foresee a crisis.

The main sources of information on the liquidity risk level are: monthly specifications of mismatch of assets and liabilities including off-balance sheet items according to actual and probable maturity and the liquidity ratios calculated on their basis.

In order to best manage its liquidity, Noble Bank S.A. has liquid assets in its portfolio, including:
a) cash on the account kept at the DSP department of NBP;
b) interbank placements (overnight, tomnext);
c) liquid securities.

Throughout the period from 1 January to 30 June 2006, the Bank had a positive cash position and each day made placements with banks having transaction limits on the interbank monetary market. Limits observation is controlled and any departures require the consent of the Bank's Management Board.

<u>Operating risk</u>

The mitigation of operating risk in Noble Bank S.A. consists in:
- systematic internal control;
- IT systems security;
- mitigation of risks related to data processing.

The Bank operates an internal control system, which covers two independent areas:
- institutional control - exercised by the internal control unit,
- functional control - exercised in each organisational unit of the Bank by management personnel or other designated staff.

As part of institutional control, personnel of the internal control unit assess the operating risk by examining:
- whether the employees have correctly performed the activities arising from the Bank's procedures with respect to customer service and other activities related to the functioning of the organisational unit, observance of generally accepted regulations by the employees;
- the security of cash, documents, stamps, seals and other assets of the Bank.

After each inspection is completed, a report is prepared on the inspection performed which sets out proposed recommendations for elimination of any detected irregularities or improvements to the existing procedures applied by the organisational unit. Such recommendations, once accepted by the President of the Management Board, are sent to the director of the organisational unit in which the inspection was completed.

Functional control is performed in the organisational units by employees in managerial positions.
The tasks covered by functional control include, among others, examination of the following:
- observance of procedures set out in the Bank,
- compliance of documents with the entries in the IT systems,
- security of the Bank's assets used by the unit.

IT systems' security

The Comnet-BANK system used by the Bank has its own embedded security procedures, such as:
1) user authentication;
2) assigning individual user authorizations to perform program options;
3) entering in system logs the user's ID and the time of performing accounting operations, activating specialist options and defining the system's operating parameters – these are files that are subject to being archived;
4) user authentication in the intranet and Internet environment.

The server rooms are protected against unauthorised access by combination locks in the doors. The decoding and coding of the room is recorded at an oversight place. These rooms are additionally equipped with anti-theft blinds in the windows and additional sensors such as: movement, fire protection, temperature and flood sensors. In the event of a lack of supply voltage, servers are supported by emergency power supply devices.

Mitigation of data processing risks

Operating risk, which has numerous aspects, arises, among other things, from deliberate (criminal) or accidental human actions, inadequate security and control mechanisms, incorrect functioning of data transmission networks and systems. Other aspects of operating risk are connected with external factors such as fortuitous events and catastrophes.

In order to maintain operating risk at an acceptable level, the Bank identifies such risks and assesses them by analysing data related to the so-called incidents and performing comprehensive inspections, including primarily:
1. IT systems security,
2. protection of data of key importance for the Bank, including personal data,
3. protection against criminal acts (physical and technological protection).

Objectives and policies of financial risk management at Carcade OOO

The Company's Management Board believes that risk management is a key issue for the proper development and growth of a lease company. The following objectives and methods are introduced in the company for each risk category.

Market risk
Currency risk is minimized by the process of a continuous matching of the assets' currency structure to the loan schedules. Asset/liability currency matching is monitored three times a month and reported to the Management Board during weekly meetings.

The interest rate risk is subject to analogical matching processes. The risk is eliminated by taking out bank loans with the same interest rate features. Since lease assets are based on a fixed interest rate, they are financed with liabilities also with a fixed interest rate. Interest rates of lease products are decreased proportionally to the decrease in interest rates of liabilities. Currently, 70% of the loan portfolio is short-term, therefore current loans may be easily replaced with new loans with lower interest rates.

Credit risk
Credit risk is minimized in the following way:
- Client's contribution is set at the average level of 35%,
- Client's credit capability is examined before the agreement is signed;
- Payment discipline is monitored by a separate Security Department.

Maximum credit exposure
On the basis of historical results, Carcade OOO evaluates the maximum credit exposure at the level of 1% of the net investments in the lease resulting from active lease contracts.
Credit risk is very dispersed and divided into approximately 5.800 agreements with an average value of USD 20.000.

Liquidity risk
This is the key risk factor for the Company. The risk is estimated at the credit committee meetings held three times a month, during which the long- and short-term risk is considered. This is a preliminary procedure with a view to taking steps in case the projected scenarios indicate a possible lack of short-term liquidity. Additionally, the structure of cash flow from lease contracts is matched to the structure of cash flow from loans. There is also a buffer in the form of debit limits. Currently, 85% of the lease portfolio and 70% of the loans are short-term.

Operating risk
Operating risk is eliminated mainly by introduction of the "four eyes rule" policy for all processes that require funds' transfer. The key business processes are described in relevant documents – Policies and Procedures issued by the Company's General Director. Additionally, one person is designated to continuously monitor the correctness of business operations. This person reports directly to the Management Board.

Concentration of credit risk

(in thousand PLN)

Getin Bank

According to the Banking Law, the sum of the Bank's receivables and off-balance sheet liabilities incurred by the Bank with respect to a single entity or a group of entities related by capital or organisational structure cannot exceed 20% of the current value of the Bank's own funds, if any of the entities is a parent company of the Bank or a subsidiary of the parent company, and 25% of the bank's own funds, if those entities are not related by capital or organisational structure. The Bank has not exceeded the exposure concentration ratio set by the Banking Law.

Structure of the Bank's exposure to individual entities, industry sectors, capital groups, together with risk exposure valuation

Receivables' concentration limits
25% of Bank's own funds (Banking Law article 71 section 1 point 2) - PLN 143 844 thousand
20% of Bank's own funds (Banking Law article 71 section 1 point 1) - PLN 115 075 thousand
10% of Bank's own funds (Banking Law article 71 section 2) - PLN 57 537 thousand

Major balance sheet and off-balance sheet exposures to individual entities and capital groups as at 30 June 2006

	as at 30 June 2006 - unaudited
Exposure to 10 largest Bank customers	**% share in the loan portfolio**
Customer 1	11.8
Customer 2	1.6
Customer 3	0.7
Customer 4	0.3
Customer 5	0.3
Customer 6	0.3
Customer 7	0.3
Customer 8	0.3
Customer 9	0.3
Customer 10	0.2
Total	16.1

Industry product exposure concentration of Getin Bank

Industry as per PKD	**30.06.2006 unaudited** %	**31.12.2005** %
A - Agriculture and hunting	**0.3**	**0.6**
C - Mining	**0**	**0.1**
D - Production activity	**2.8**	**4.3**
E - Delivery of electric energy and gas	**0**	**0.1**
F - Construction industry	**1.6**	**1.9**
G - Wholesale and retail trade	**5.1**	**8.1**
I - Transport, warehouse management and communication	**3.2**	**3.1**
J - Finance agency	**1.5**	**3.1**

(in thousand PLN)

K - Real estate service	**0.9**	**1.8**
L - Public administration	**1.1**	**2.1**
Other sections	**6.8**	**2.2**
Private persons	**76.7**	**72.6**
Total	**100**	**100**

Structure of the loan portfolio of Getin Bank, by private persons and business entities

Structure of credit portfolio	**30.06.2006 unaudited** %	**31.12.2005** %
Borrowings to private persons	**77**	**73**
including:		
-cars loans	23	33
-instalment loans	2	3
-other loans	52	37
Corporate loans	**23**	**27**
Total	**100.0**	**100**

Structure of the loan portfolio of Getin Bank, by geographical market segments

Administrative regions of Poland (voivodships)	**30.06.2006 unaudited** %	**31.12.2005** %
Dolnośląskie	10	4.3
Kujawsko-Pomorskie	3.9	1.4
Lubelskie	3	1.1
Łódzkie	6.5	11.6
Lubuskie	2.2	
Małopolskie	6.5	10.8
Mazowieckie	19.8	9.7
Opolskie	2.3	
Pomorskie	7.0	2.4
Warminsko-Mazurskie	2.8	
Wielkopolskie	7.4	
Zachodniopomorskie	3.9	
Ślaskie	24.7	58.7
Total	**100.0**	**100.0**

In 2005, the structure of the loan portfolio of Getin Bank by geographical segments was based on the location of the branch, while in 2006 it is based on the location of the client.

Noble Bank S.A.

Structure of the Bank's exposure to individual entities, industry sectors, capital groups, together with an assessment of the related risk

Receivables' concentration limits
25% of Bank's own funds (Banking Law article 71 section 1 point 2) - PLN 28 993 thousand

(in thousand PLN)

20% of Bank's own funds (Banking Law article 71 section 1 point 1) - PLN 23 194 thousand
10% of Bank's own funds (Banking Law article 71 section 2) - PLN 11 597 thousand

The largest balance sheet and off-balance sheet exposure to individual entities and capital groups as at 30 June 2006

	as at 30 June 2006 unaudited
Exposure to 10 largest Bank customers	**% share in loan portfolio**
Customer 1	8.0
Customer 2	6.1
Customer 3	3.0
Customer 4	1.7
Customer 5	1.6
Customer 6	0.8
Customer 7	0.8
Customer 8	0.8
Customer 9	0.6
Customer 10	0.6
Total	24.2

Industry product exposure concentration of Noble Bank

Industry as per PKD	**30.06.2006 unaudited** %	**31.12.2005** %
A - Agriculture and hunting	**6.3**	**7.3**
C - Mining	**0.1**	**0.1**
D - Production activity	**8.4**	**9.8**
E - Delivery of electric energy and gas	**0**	
F - Construction industry	**1.3**	**1.4**
G - Wholesale and retail trade	**8.4**	**9.8**
I - Transport, warehouse management and communication	**0.2**	**0.3**
J - Finance agency	**19.8**	**9.5**
K - Real estate service	**0.2**	**0.2**
L - Public administration	**0**	**0.0**
Other sections	**1.3**	**1.6**
Private persons	**54**	**60**
Total	**100**	**100**

Structure of the loan portfolio of Noble Bank, by private persons and business entities

Structure of loan portfolio	**30.06.2006 unaudited** %	**31.12.2005** %
Loans to private persons	**54.10**	**60.00**

(in thousand PLN)

including:		
-cars loans	6.58	7.5
- instalment loans	41.73	49.2
-other	5.79	3.3
Corporate loans	**45.90**	**40**
Total	**100.0**	**100.0**

Structure of the loan portfolio of Noble Bank, by geographical market segments

As at 31 December 2005, WBC operated in the lubelskie voivodship, while nowadays it mainly operates in the mazowieckie voivodship.

Carcade OOO

Carcade as a separate legal entity does not report a significant credit concentration. On the basis of the historical data, the current maximum credit risk exposure was estimated for Carcade OOO at 1% of the value of net investments in the lease on effective agreements.

Structure of lease portfolio	**30.06.2006 unaudited** %	**31.12.2005** %
Private persons	8	20
Business entities	92	80
Total	**100**	**100**

Getin Holding

Getin Holding as a separate legal entity does not report a significant credit exposure to non-Group entities.

Open Finance, Fiolet, Getin Raty

These companies, which are financial intermediaries cooperating with financial institutions with defined and verified credit ratings, are not exposed to significant risks in their business. As the loans extended are to the account of those financial institutions only, any repayment issues are therefore the responsibility of those institutions only.

Interest rate risk

Presented below is a break-down of financial assets and financial liabilities according to their exposure to interest rate risk. The carrying amounts of the fixed interest rate financial instruments are presented by groups of instruments held to maturity. The carrying amounts of variable interest rate financial instruments are presented by instrument groups according to contractual revaluation dates.

The table below shows assets and liabilities and off-balance sheet liabilities of the Group classified as at 30 June 2006 by the interest rate exposure (in thousand PLN), unaudited

Balance sheets items	Up to 1 month inclusive	Over 1 month up to 3 months inclusive	Over 3 months up to 1 year inclusive	Over 1 year up to 5 years inclusive	Over 5 years	Non-interest bearing assets/ liabilities	Total
Assets:	**5 486 791**	**1 086 470**	**1 054 465**	**481 945**	**32 427**	**932 143**	**9 074 241**
Cash and balances with the Central Bank	227 024	0	0	0	0	38	227 062
Bills of exchange eligible for rediscounting with the Central Bank	841	0	0	0	0	0	841
Amounts due from banks	953 603	575 000	0	0	0	6 381	1 534 984
Amounts due from customers	4 005 923	283 138	71 109	15 047	0	45 858	4 421 075
Finance lease receivables	12 957	8 306	64 774	16 628	0	4 096	106 761
Investment securities	283 849	219 781	918 221	450 270	32 427	6 745	1 911 293
Other	2 594	245	361	0	0	869 025	872 225
Liabilities:	**3 962 770**	**2 246 363**	**1 197 863**	**65 624**	**0**	**1 601 621**	**9 074 241**
Amounts due to Central Bank	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	515 130	532 135	47 898	29 162	0	1 653	1 125 978
Amounts due to customers	2 842 897	1 671 126	773 250	36 462	0	34 668	5 358 403
Debt securities	602 877	43 000	376 176	0	0	9 786	1 031 839
Other	1 866	102	539	0	0	1 555 514	1 558 021
Gap	**1 524 021**	**-1 159 893**	**-143 398**	**416 321**	**32 427**	**-669 478**	**0**
Off - balance sheet items							
Interest rate transactions:							
Assets	681 872	931 463	0	0	0	0	1 613 335
Liabilities	700 882	939 123	0	0	0	0	1 640 005
Gap	**-19 010**	**-7 660**	**0**	**0**	**0**	**0**	**-26 670**
Total gap	**1 505 011**	**-1 167 553**	**-143 398**	**416 321**	**32 427**	**-669 478**	**-26 670**

Details of fixed interest rate financial liabilities incurred by the Group are presented in Note 50.

The table below shows assets and liabilities and off-balance sheet liabilities of the Group classified as at 31 December 2005 by the interest rate exposure (in thousand PLN)

Balance sheets items	**Up to 1 month inclusive**	**Over 1 month up to 3 months inclusive**	**Over 3 months up to 1 year inclusive**	**Over 1 year up to 5 years inclusive**	**Over 5 years**	**Non-interest bearing assets/ liabilities**	**Total**
Assets:	**4 685 805**	**614 477**	**998 665**	**591 918**	**34 126**	**793 013**	**7 718 004**
Cash and balances with the Central Bank	163 774	0	0	0	0	18 749	182 523
Bills of exchange eligible for rediscounting with the Central Bank	2 063	0	0	0	0	0	2 063
Amounts due from banks	1 619 554	261 422	4	0	0	7 598	1 888 578
Amounts due from customers	2 881 623	194 719	108 469	61 766	840	43 019	3 290 435
Finance lease receivables	13 585	14 734	39 818	11 781	0	3 160	83 078
Investment securities	5 206	143 603	850 374	518 371	33 286	754	1 551 594
Other	0	0	0	0	0	719 733	719 733
Liabilities:	**3 426 391**	**1 857 364**	**948 576**	**92 781**	**0**	**1 392 893**	**7 718 004**
Amounts due to Central Bank	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	840 163	487 542	57 829	27 435	0	1 959	1 414 928
Amounts due to customers	2 586 228	1 369 822	636 648	64 803	0	34 926	4 692 426
Debt securities	0	0	253 900	0	0	2 172	256 072
Other	0	0	199	543	0	1 353 836	1 354 578
Gap	**1 259 414**	**-1 242 886**	**50 089**	**499 137**	**34 126**	**-599 880**	**0**
Off - balance sheet items							
Interest rate transactions:							
Assets							
Liabilities							
Gap	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total gap	**1 259 414**	**-1 242 886**	**50 089**	**499 137**	**34 126**	**-599 880**	**0**

(in thousand PLN)

The table below presents the effective interest rates for each class of foreign currency financial assets and off-balance sheet liabilities, if applicable, by main foreign currencies.

as at 30 June 2006 - unaudited

	PLN	*EUR*	*CHF*	*RUB*	*USD*
	%	*%*	*%*	*%*	*%*
Assets:					
Cash and balances with the Central Bank	3,8	0,0	0,0	0,0	0,0
Bills of exchange eligible for rediscounting with the central bank	10,4	0,0	0,0	0,0	0,0
Amounts due from banks	0.5-4.2	2,8	1,3	0,0	5,3
Amounts due from customers	5.5-17.9	11,5	4.4-9.3	0,0	11,2
Finance lease receivables	3.8-14.5	7.2-12.4	0,0	44,0	40,0
Investment securities	3.9-5.4	0,0	0,0	0,0	0,0
Liabilities:					
Amounts due to other banks and finance institutions	0,5	0,0	1,9	14,2	14,0
Amounts due to customers	3.6-4.0	2,0	0,5	3,3	0,0
Debt securities	5.5-6.4	0,0	0,0	0,0	0,0

as at 31 December 2005

	PLN	*EUR*	*CHF*	*RUB*	*USD*
	%	*%*	*%*	*%*	*%*
Assets:					
Cash and balances with the Central Bank	4,28	0,0	0,0	0,0	0,0
Bills of exchange eligible for rediscounting with the Central Bank	4,8	0,0	0,0	0,0	0,0
Amounts due from banks	3.9-4.5	2,4	0,5	0,0	0,0
Amounts due from customers	13,70	12,3	7,6	0,0	12,2
Finance lease receivables	0,00	0,0	0,0	50,0	37,0
Investment securities	4,70	0,0	0,0	0,0	0,0
Liabilities:					
Amounts due to banks	4,5	0	1,4	14,5	13
Amounts due to customers	4,1	1,7	0,15	0	0
Debt securities in issue	5.8-6.8	0	0	0	0

Currency risk

The tables below present currency exposures by individual types of assets, liabilities and off-balance sheet liabilities.

as at 30 June 2006 – unaudited

	Currency (in thousand PLN)							
	PLN	***EUR***	***CHF***	***RUB***	***USD***	***GBP***	***Other***	***Total***
ASSETS:								
Cash and balances with the Central Bank	213 299	7 524	0	8	6 204	23	4	227 062
Bills of exchange eligible for rediscounting with the Central Bank	841	0	0	0	0	0	0	841
Amounts due from banks	1 091 401	397 454	29 280	2 119	14 323	37	370	1 534 984
Amounts due from customers	1 769 573	67 600	2 425 280	0	158 622	0	0	4 421 075
Finance lease receivables	121	122	0	43 898	62 620	0	0	106 761
Investment securities	1 911 293	0	0	0	0	0	0	1 911 293
Investment in subsidiaries	-8 020	0	0	10 756	0	0	0	2 736
Other	816 018	2 829	73	49 046	1 523	0	0	869 489
TOTAL ASSETS	**5 794 527**	**475 529**	**2 454 632**	**105 827**	**243 292**	**60**	**374**	**9 074 241**
LIABILITIES								
Amounts due to other banks and finance institutions	350 515	0	672 079	79 190	24 194	0	0	1 125 978
Amounts due to customers	4 849 312	232 113	2 135	0	274 843	0	0	5 358 403
Debt securities in issue	422 531	609 308	0	0	0	0	0	1 031 839
Provisions	35 185	0	0	0	0	0	0	35 185
Other	1 496 670	4 996	3 047	0	18 117	0	6	1 522 836
TOTAL LIABILITIES	**7 154 212**	**846 417**	**677 261**	**79 190**	**317 155**	**0**	**6**	**9 074 241**
NET ENGAGEMENT	**-1 359 685**	**-370 889**	**1 777 371**	**26 637**	**-73 862**	**60**	**368**	**0**
OFF-BALANCE SHEET LIABILITIES								

as at 31 December 2005

	Currency (in thousand PLN)							
	PLN	***EUR***	***CHF***	***RUB***	***USD***	***GBP***	***Other***	***Total***
ASSETS:								
Cash and balances with the Central Bank	172 217	4 823	92	7	5 323	51	10	182 523
Bills of exchange eligible for rediscounting with the Central Bank	2 063	0	0	0	0	0	0	2 063
Amounts due from banks	1 759 305	88 414	27 411	2 893	9 922	19	614	1 888 578
Amounts due from customers	1 560 181	74 491	1 438 249	0	217 514	0	0	3 290 435
Finance lease receivables	509	0	0	19 045	63 524	0	0	83 078
Investment securities	1 551 594	0	0	0	0	0	0	1 551 594
Investment in subsidiaries	2 736	0	0	0	0	0	0	2 736
Other	677 082	1 260	40	36 878	1 737	0	0	716 997
TOTAL ASSETS	**5 725 687**	**168 988**	**1 465 792**	**58 823**	**298 020**	**70**	**624**	**7 718 004**
LIABILITIES								
Amounts due to other banks and finance institutions	722 633	0	621 580	33 434	37 281	0	0	1 414 928
Amounts due to customers	4 219 442	223 698	0	0	249 268	18	0	4 692 426
Debt securities	256 072	0	0	0	0	0	0	256 072
Provisions	53 106	0	0	0	0	0	0	53 106
Other	1 289 716	144	0	11 583	29	0	0	1 301 472
TOTAL LIABILITIES	**6 540 969**	**223 842**	**621 580**	**45 017**	**286 578**	**18**	**0**	**7 718 004**
NET ENGAGEMENT	**-815 282**	**-54 854**	**844 212**	**13 806**	**11 442**	**52**	**624**	**0**
OFF-BALANCE SHEET LIABILITIES								

Liquidity risk

The table below presents assets and liabilities of the Group as at 30 June 2006, by maturity dates (in thousand PLN), unaudited:

Balance sheets items	**Up to 1 month inclusive**	**Over 1 month up to 3 months inclusive**	**Over 3 months up to 1 year inclusive**	**Over 1 year up to 5 years inclusive**	**Over 5 years**	**With undefined maturity**	**Non-financial assets/ liabilities**	**Total**
Assets:								
Cash and balances with the Central Bank	227 062	0	0	0	0	0	0	227 062
Bills of exchange eligible for rediscounting with the Central Bank	214	334	293	0	0	0	0	841
Amounts due from banks	746 674	788 306	4	0	0	0	0	1 534 984
Amounts due from customers	533 479	132 684	508 793	1 408 219	1 837 900	0	0	4 421 075
Finance lease receivables	17 053	8 306	64 774	16 628	0	0	0	106 761
Investment securities	284 531	182 476	896 339	514 764	27 199	5 984	0	1 911 293
Other	168 684	106 022	429	8 400	0	555 985	32 705	872 225
Total assets	**1 977 697**	**1 218 128**	**1 470 632**	**1 948 011**	**1 865 099**	**561 969**	**32 705**	**9 074 241**
Liabilities								
Amounts due to Central Bank	0	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	21 901	16 075	47 898	1 040 104	0		0	1 125 978
Amounts due to customers	2 563 010	1 791 823	935 143	50 727	17 700	0	0	5 358 403
Debt securities	0	5 921	35 041	990 877	0	0	0	1 031 839
Other	337 046	71 262	2 356	1 265	632 537	513 556	0	1 558 021
Total liabilities	**2 921 957**	**1 885 081**	**1 020 438**	**2 082 973**	**650 237**	**513 556**	**0**	**9 074 241**
Liquidity gap	**-944 260**	**-666 953**	**450 194**	**-134 962**	**1 214 862**	**48 413**	**32 705**	**0**

The table below presents assets and liabilities of the Group as at 31 December 2005, by maturity dates (in thousand PLN):

Balance sheets items	**Up to 1 month inclusive**	**Over 1 month up to 3 months inclusive**	**Over 3 months up to 1 year inclusive**	**Over 1 year up to 5 years inclusive**	**Over 5 years**	**With undefined maturity**	**Non-financial assets/ liabilities**	**Total**
Assets:								
Cash and balances with the Central Bank	182 523	0	0	0	0	0	0	182 523
Bills of exchange eligible for rediscounting with the Central Bank	1 585	378	100	0	0	0	0	2 063
Amounts due from banks	1 626 573	262 000	4	0	0	1	0	1 888 578
Amounts due from customers	483 560	138 896	414 397	1 128 017	1 125 565	0	0	3 290 435
Finance lease receivables	16 288	14 843	40 040	11 907	0	0	0	83 078
Investment securities	0	121 718	826 389	541 236	61 497	754	0	1 551 594
Other	50 368	0	68	19 813	0	6 191	643 293	719 733
Total assets	**2 360 897**	**537 835**	**1 280 998**	**1 700 973**	**1 187 062**	**6 946**	**643 293**	**7 718 004**
Liabilities								
Amounts due to Central Bank	0	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	396 284	9 674	43 578	635 107	330 285		0	1 414 928
Amounts due to customers	2 247 260	1 496 153	859 077	71 059	18 084	793	0	4 692 426
Debt securities	0	0	42 395	213 677	0	0	0	256 072
Other	284 026	43 626	12 320	742	506 271	507 593	0	1 354 578
Total liabilities	**2 927 570**	**1 549 453**	**957 370**	**920 585**	**854 640**	**508 386**	**0**	**7 718 004**
Liquidity gap	**-566 673**	**-1 011 618**	**323 628**	**780 388**	**332 422**	**-501 440**	**643 293**	**0**

Credit and market risk exposure

Credit and market risk as at 30 June 2006 (unaudited)

<u>Getin Bank S.A.</u>

Balance Sheet instruments

Type of instrument	**carrying amount thousand PLN**	**Risk-weighted value thousand PLN**
Cash	56 046	
Amounts due from Central Bank	168 531	
Receivables	5 924 165	4 448 357
Debt securities	1 840 349	5 567
Other securities, shares	3 110	3 110
Non-current assets	173 235	103 157
Other	210 953	50 449
Total banking portfolio	**8 376 389**	**4 610 640**
Debt securities		
Receivables from purchased securities with a repurchase (repo) clause	20	20
Trade portfolio in total	**20**	**20**

(in thousand PLN)

Total Balance Sheet instruments	**8 376 409**	**4 610 660**

Off - Balance Sheet instruments

Type of instrument	Replacement costs thousand PLN	Balance Sheet equivalent thousand PLN	Risk-weighted value thousand PLN
Currency instruments:		145 200	29 040
Swap			
CIRS		145 200	29 040
Other instruments:	187		187
Other	187		187
Total derivatives	**187**	**145 200**	**29 227**
of which: banking portfolio		145 200	29 040
trade portfolio	187		187

Other off - balance sheet instruments - banking portfolio

Type of instrument	off - balance sheet value thousand PLN	credit equivalent thousand PLN	risk-weighted value thousand PLN
Credit facilities	566 549	4	4
Guarantees issued	8 985	4 493	2 333
Letters of credit	579	290	290
Other	261 825	261 825	52 365
Total banking portfolio	**837 938**	**266 612**	**54 992**

* PLN 261.825 thousand - other financial liabilities incurred by the Bank under an agreement with the client (deposits with later currency dates).

	carrying amount and off - balance sheet value	risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**9 214 327**	**4 665 632**	**373 251**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Capital requirements
Market risk	**3 178**	**17**
of which:		
Currency risk	3 158	0
Debt instruments specific risk	20	2
Risk of settlement - delivery and customer	0	15

(in thousand PLN)

Total capital requirements	**373 268**

Noble Bank S.A.

Credit and market risk as at 30 June 2006 (unaudited)

Balance Sheet instruments

Type of instrument	**carrying amount thousand PLN**	**Risk-weighted value thousand PLN**
Cash	2 442	0
Receivables	91 592	43 678
Debt securities	64 122	0
Other securities, shares	8 262	8 262
Non-current assets	3 554	3 554
Other	90 296	518
Total banking portfolio	**260 268**	**56 012**
Total Balance Sheet instruments	**260 268**	**56 012**

Other off - balance sheet instruments - banking portfolio

Type of instrument	**off - balance sheet value thousand PLN**	**credit equivalent thousand PLN**	**Risk-weighted value thousand PLN**
Credit facilities	253	217	109
Guarantees issued	3	3	2
Letters of credit			
Other			
Total banking portfolio	**256**	**220**	**111**

	carrying amount and off - balance sheet value	**Risk-weighted value**	**Capital requirements**
Total banking portfolio (credit risk)	**260 524**	**56 123**	**4 490**

Total capital requirements	**4 490**

(in thousand PLN)

Fair value of financial assets and liabilities

as at 30 June 2006 - unaudited

	Carrying amount thousand PLN	Fair value thousand PLN	Surplus/deficit of fair value over carrying amount thousand PLN
Assets:			
Cash and balances with the Central Bank	227 062	227 062	0
Bills of exchange eligible for rediscounting with the Central Bank	841	841	0
Amounts due from banks	1 534 984	*	
Amounts due from customers	4 421 075	*	
Finance lease receivables	106 761	*	
Investment securities and financial assets held for trading	1 911 293	1 911 293	0
Other	872 225	872 225	0
Liabilities:			
Amounts due to Central Bank	0	0	0
Amounts due to other banks and finance institutions	1 125 978	*	
Amounts due to customers	5 358 403	*	
Debt securities in issue	1 031 839	*	
Other	1 558 021	1 558 021	0

as at 31 December 2005

	Carrying amount thousand PLN	Fair value thousand PLN	Surplus/deficit of fair value over carrying amount thousand PLN
Assets:			
Cash and balances with the Central Bank	182 523	182 523	0
Bills of exchange eligible for rediscounting with the Central Bank	2 063	2 063	0
Amounts due from banks	1 888 578	*	
Amounts due from customers	3 290 435	*	
Finance lease receivables	83 078	*	
Investment securities and financial assets held for trading	1 551 594	1 551 594	0
Other	719 733	719 733	0
Liabilities:			
Amounts due to Central Bank	0	0	0
Amounts due to other banks and finance institutions	1 414 928	*	
Amounts due to customers	4 692 426	*	
Debt securities in issue	256 072	*	

(in thousand PLN)

Other	1 354 578	1 354 578	0

* Due to the implementation of an integrated computer system at Getin Bank and data migration, for technical reasons, the calculation of the fair value of financial assets and liabilities as at 30 June 2006 and 31 December 2005 was difficult. The consolidated financial statements of the Getin Holding Group as at 30 June 2004 and 31 December 2004 prepared in accordance with PAS contain information on the valuation of financial assets and financial liabilities of Getin Bank as at the date of acquisition. The acquisition of WBC was provisionally accounted for as at 31 December 2005 and, consequently, the acquired financial assets and liabilities of WBC were recognised at their fair values as at that day. Additionally, for the main class of assets, which are variable interest rate bank loan receivables, fair value of the assets does not differ significantly from their book value.

Trust activity
The Group does not conduct any trust activity.

9 Information on operating segments

The primary segment reporting format of the Group is business segments.

Industry segments
The Group's operating activity has been divided into three main segments: Banking Services, Lease, and Financial Agency.

The Banking Services Segment covers services in the field of loans and credits, guarantees, and acceptance of deposits.
The Lease Services Segment comprises services in the field of temporary transfer of leased assets by one entity to another entity, in exchange for periodical payments.
The Financial Agency Segment deals with sale of products and services of banks, insurance companies and investment funds.

Prices in transactions between the particular segments approximate market prices.

Geographical segments
The Group carries out its activity primarily in southern Poland (banking services, financial agency) and the Russian Federation (lease services), and the geographical segments overlap the business segments.
The activities of the Group companies in Poland do not differ from region to region with respect to risk or level of return on capital expenditures incurred.

(in thousand PLN)

Revenues and results of individual operating segments for the 6 month period ended 30 June 2006 – unaudited

Year ended 30 June 2006	**Bank services**	**Lease services**	**Financial agency services**	**Total segments**	**Eliminations**	**Total Capital Group**
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Revenues						
Sale to external customers	334 061	23 259	36 868	394 188		394 188
Inter-segments sale	6 175		17 232	23 407	-23 407	
Total segment revenue	340 236	23 259	54 100	417 595	-23 407	394 188
Segment result						
Segment result	94 644	1 707	13 881	110 232	-14 241	95 991
Unallocated costs/revenues						1 045
Profit from continued activity before tax						94 946
Share in the profits of associates						
Profit/loss from investment disposal						-123
Profit before tax and minority interests						94 823
Corporate income tax (tax expense)						-13 230
Net profit for the year						81 593
Assets and liabilities and equity						
Segment assets	8 425 996	129 077	96 719	8 651 792	-70 642	8 581 150
Investment in associates						2 736
Assets not assigned						490 355
Total assets						**9 074 241**
Segment liabilities	7 613 794	153 085	17 749	7 784 628	-59 277	7 725 351
Equity						1 204 319
Liabilities not assigned						144 571
Total liabilities and equity						**9 074 241**
Other information related to the segment						
Investment expenditure:						
Tangible and intangible fixed assets	25 472	604	2 310	28 386		28 386
Non-segment assigned tangible and intangible fixed assets						12
Total investment expenditure						**28 398**
Depreciation of tangible and intangible fixed assets	11 312	420	1 163	12 895		12 895
Depreciation of non- segment assigned tangible and intangible fixed assets						158
Total depreciation						**13 053**
Impairment write-losses	**578 509**	**5 539**	**2 753**	**586 801**		**586 801**
Other impairment write-downs						1 102
Creation of write-downs during the period in the income statement	131 076	408	29	131 513		131 513
Other write-downs during the period in the income statement						
Reversal of write-downs during the period disclosed in the income statement	75 678		92	75 770		75 770
Reversal of write-downs during the period disclosed in capital						
Write-downs against investment properties						
Other reversal of write-downs during the period disclosed in the income statement						11

(in thousand PLN)

Revenues and results of individual operating segments for the 6 month period ended 30 June 2005 – unaudited

Period of 6 months ended 30 June 2005	Bank services thousand PLN	Lease services thousand PLN	Total segments thousand PLN	Eliminations thousand PLN	Total capital Group thousand PLN
Revenues					
Sale to external customers	233 196	13 717	246 913		246 913
Inter-segments sale	2 168		2 168	-2 168	
Total segment revenue	235 364	13 717	249 081	-2 168	246 913
Segment result					
Segment result	41 279	1 265	42 544	-37	42 507
Unallocated costs					2 027
Profit from continued activity before tax					40 480
Share in the profits of associates					-426
Profit before tax and minority interests					40 054
Corporate income tax (tax expense)					-8 280
Net profit for the year					31 774
Assets and liabilities and equity					
Segment assets	5 515 438	89 475	5 604 913	-22 813	5 582 100
Investment in associates					2 736
Assets not assigned					381 475
Total assets					**5 966 311**
Segment liabilities	4 993 645	100 310	5 093 955	-22 813	5 071 142
Equity					823 386
Liabilities not assigned					71 783
Total liabilities and equity					**5 966 311**
Other information related to the segment					
Investment expenditure:					
Tangible and intangible fixed assets	18 878	53	18 931		18 931
Non- segment assigned tangible and intangible fixed assets					484
Total investment expenditure					
Depreciation of tangible and intangible fixed assets	8 976	343	9 319		9 319
Depreciation of non- segment assigned tangible and intangible fixed assets					821
Total depreciation					**10 140**
Impairment losses	**387 865**	**5 030**	**392 895**		**392 895**
Other write-downs					**1 838**
Creation of write-downs during the period in the income statement	72 912	412	73 324		73 324
Other write-o during the period in the income statement					38
Reversal of write-downs during the period disclosed in the income statement	49 569	640	50 209		50 209
Other reversal of write-downs during the period disclosed in the income statement					21

(in thousand PLN)

10 Interest income and interest expense

Interest revenues	**01.01-30.06.2006 unaudited thousand PLN**	**01.01-30.06.2005 unaudited thousand PLN**
Income from placements in other banks	31 214	28 310
Income from customer loans and credits	210 378	132 779
Income from investment (deposit) securities	43 786	47 052
Interests - finance lease	19 921	11 903
Interests of obligatory reserve	1 151	1 426
Other interests	3	0
Total	**306 453**	**221 470**

Interest income for the 6 month period ended 30 June 2006 includes revenues related to financial assets for which an impairment loss has been recognised, in the amount of PLN 17.804 thousand.

Total interest income calculated using the effective interest rate method in respect of financial assets which are not carried at fair value through profit and loss amounted to PLN 240.754 thousand in the 1st half of 2006.

Interest expenses	**01.01-30.06.2006 unaudited thousand PLN**	**01.01-30.06.2005 unaudited thousand PLN**
Costs of placement with other banks	6 978	6 732
Costs arising from liabilities towards customers	93 585	81 350
Costs related to issuance of own debt securities	16 940	881
Interest - finance lease	8 567	5 190
Interest - loans/ credits taken out	8 347	7 139
Total	**134 417**	**101 292**

Interest expense calculated using the effective interest rate method in respect of financial assets which are not carried at fair value through profit and loss amounted to PLN 128.059 thousand in the 1st half of 2006.

(in thousand PLN)

11 Fee and commission income and fee and commission expense

Fee and commission income	**01.01-30.06.2006 unaudited** **thousand PLN**	**comparative data 01.01-30.06.2005 unaudited** **thousand PLN**
Related to loans and credits granted	19 430	5 969
Related to guarantees, letters of credit and similar operations	157	225
Transactions with securities	0	0
Related to servicing bank accounts	8 665	5 450
Related to payment cards	2 874	1 600
Related to settlement operations	3 271	1 110
Related to insurance	28 236	8 874
Related to agency services	22 484	898
Related to finance leases	1 906	916
Other	712	401
Total	**87 735**	**25 443**

Fee and commission expense	**01.01-30.06.2006 unaudited** **thousand PLN**	**comparative data 01.01-30.06.2005 unaudited** **thousand PLN**
Related to payment cards	2 215	416
Related to credits and loans	3 359	827
Related to finance leases	297	184
Related to agency service	3 529	0
Related to settlement operations	1 588	2 202
Other	517	721
Total	**11 505**	**4 350**

(in thousand PLN)

12 Dividends received

	01.01-30.06.2006 unaudited thousand PLN	comparative data 01.01-30.06.2005 unaudited thousand PLN
Revenues related to dividends from issuers:		
Securities classified as held for trading	0	0
Securities at fair value through profit or loss	0	0
Securities available for sale	0	10
Total	**0**	**10**

13 Result on financial instruments re-measured to fair value

Result from financial assets and liabilities held for trading	01.01-30.06.2006 unaudited thousand PLN	comparative data 01.01-30.06.2005 unaudited thousand PLN
Derivatives	16 137	262
Equity instruments	0	0
Debt instruments	0	0
Loans and receivables	0	0
Total	**16 137**	**262**

14 Result on investment securities

The table below presents the result realised on financial assets and financial liabilities other than those carried at fair value through profit or loss.

	01.01-30.06.2006 unaudited thousand PLN	comparative data 01.01-30.06.2005 Unaudited thousand PLN
Realised gains		
Financial assets available for sale	272	557
Loans and receivables (including finance lease receivables)	0	0
Investments held to maturity	0	0
Financial liabilities (except for held for trading)	0	0
Other	0	0
Total	**272**	**557**

(in thousand PLN)

15 Changes in fair value under hedge accounting

In the 1st half of 2006 and 2005, the Group did not apply hedge accounting.

16 Foreign exchange result

Foreign exchange result	**01.01-30.06.2006 unaudited thousand PLN**	**comparative data 01.01-30.06.2005 unaudited thousand PLN**
Foreign exchange differences resulting from financial instruments at fair value through profit or loss	-3 864	416
Valuation of deposits and placements	-84 971	-27 939
Valuation of loans and credits	131 441	47 494
Other foreign exchange differences	183	2 529
Total	**42 789**	**22 500**

17 Other operating income and other operating expenses

Other operating income	**01.01-30.06.2006 unaudited thousand PLN**	**comparative data 01.01-30.06.2005 unaudited thousand PLN**
-		
Rental income	848	856
Penalties, compensations and fines received	2 039	2027
Sales of products and services	3 053	8629
Other auxiliary income	125	37
Recovered costs of debt collection	1 410	316
Reversal of write-downs against other assets	250	156
Related to sale or disposal of non-financial long-term assets	542	801
Settlement of difference from re-measurement to fair value of deposits and credits taken over	0	0
Release of provisions	16 408	4 115
Other revenue	630	1 339
Revenue related to recovered bad debts	238	46
Sales of goods and materials	0	641
Total	**25 543**	**18 963**

(in thousand PLN)

01.01-30.06.2006 – unaudited	
Provisions release:	**thousand PLN**
due to cessation of origination of retail loans	2 448
costs of collection	3 866
general banking risk provision	3 908
provision for own property disposal	1 123
other receivables (section 5)	72
unused holidays	255
consulting services	200
mailing with customers	274
storage of documents	145
rental contracts cessation	331
court proceedings	2 454
future liabilities	704
unpaid invoices	139
personnel insurance	131
others	358
Total	**16 408**

Other operating expenses	**01.01-30.06.2006 unaudited thousand PLN**	**comparative data 01.01-30.06.2005 unaudited thousand PLN**
Rental costs	0	78
Penalties, compensations and fines paid	32	30
Cost of products, goods for resale and raw materials sold	1 201	26
Legal and administration proceedings	714	215
Loan collection expenses	2 018	694
Debt collection	1 721	366
Post-accident repairs	668	994
Auxiliary costs	13	423
Write-downs against receivables	140	0
Loss on the sale of non-financial long-term assets	312	355
Provisions for future liabilities	1 316	124
Related to operating lease	11	0
Other assets impairment losses	426	175
Other	735	2 334
Total	**9 307**	**5 814**

(in thousand PLN)

18 Administrative expenses

Administrative expenses	01.01-30.06.2006 unaudited	comparative data 01.01-30.06.2005 unaudited
	thousand PLN	thousand PLN
Employee benefits	78 219	52 331
Other administrative expenses	78 039	50 222
Tax and charges	3 482	1 129
Premiums and fees for Bank Guarantee Fund	467	256
Depreciation and amortisation	13053	10 140
Total	**173 260**	**114 078**

19 Payroll and employee benefits

Payroll and employee benefits	01.01-30.06.2006 unaudited	comparative data 01.01-30.06.2005 unaudited
	thousand PLN	thousand PLN
Salaries and wages	63 954	42 564
Insurance and other employees benefits	13 255	9 767
Retirement program costs	0	0
Costs of share-based payment programme	1 010	0
Total	**78 219**	**52 331**

(in thousand PLN)

20 Impairment

6 months period ended 30 June 2006 (unaudited)	Impairment losses at the beginning of the period	Increases			Decreases				Impairment losses at the end of the period	Net recognition of impairment losses - impact on income statement for the year 2005
		Impairment losses recognised during the period	Foreign exchange differences	Other	Decrease in impairment losses due to writing off assets from the balance sheet	Reversal of impairment losses during the period	Foreign exchange differences	Other		
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Impairment of financial assets not valued at fair value through profit or loss										
Financial instruments at cost (not quoted equity instruments and related derivatives)										
Financial assets available for sale	15 117	67		202			0	0	15 386	-67
Credits and loans extended to customers and receivables from banks	514 912	130 741		625	10 086	75 486		463	560 246	-55 255
Finance lease receivables	3 869	250	164			0		0	4 283	-250
Investments held to maturity										
Impairment of:										
Property, plant and equipment	404	0		15	43	17	0	0	359	17
Investment properties										
Intangible assets	659								659	
Goodwill										
Other intangibles	659								659	
Impairment of investment in associates and in jointly controlled entities valued using equity method										
Other assets	6 588	455	47		0	278			6 970	-177
Total	**541 549**	**131 513**	**211**	**842**	**10 129**	**75 781**	**0**	**463**	**587 903**	**-55 732**

In the income statement for the 1st half of 2006, the following items were included in item XIV 'Net impairment losses on credits, loans, lease receivables'. Net impairment losses on credits, loans, lease receivables:

- recognition of impairment losses on loans and credits extended to clients in the amount of PLN -55.255 thousand;
- recognition of impairment losses on lease receivables in the amount of PLN -250 thousand;

- reversal of provision for liabilities and guarantees given in the amount of PLN +11 thousand.

(in thousand PLN)

6 month period ended 30 June 2005 (unaudited)	Impairment losses at the beginning of the period	Increases			Decreases				Impairment losses at the end of the period	Net recognition of impairment losses - impact on income statement for the year 2004
		Impairment losses recognised during the period	Foreign exchange differences	Other	Decrease in impairment losses due to writing off assets from the balance sheet	Reversal of impairment losses during the period	Foreign exchange differences	Other		
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Impairment of financial assets not valued at fair value through profit or loss										
Financial instruments at cost (not quoted capital instruments and related derivatives)										
Financial assets available for sale	16 892	5	0	0	0	0	0	748	16 149	-5
Credits and loans extended to customers and receivables from banks	363 090	72 608	0	0	927	49 434	0	19 432	365 905	-23 174
Finance lease receivables	4 714	412	276	0	0	640	0	527	4 235	228
Investments held to maturity	0	0	0	0	0	0	0	0	0	
Impairment of:	0	0	0	0	0	0	0	0	0	
Property, plant and equipment	393	0	0	0	0	0	0	0	393	
Investment properties	0	0	0	0	0	0	0	0	0	
Intangible assets	659	0	0	0	0	0	0	0	659	
Goodwill	0	0	0	0	0	0	0	0	0	
Other intangibles	659	0	0	0	0	0	0	0	659	
Impairment of investment in associates and jointly controlled entities valued using equity method	0	0	0	0	0	0	0	0	0	
Other assets	7 197	337	48	0	34	156	0	0	7 392	-181
Total	**392 945**	**73 362**	**324**	**0**	**961**	**50 230**	**0**	**20 707**	**394 733**	**-23 132**

In the income statement for the 1st half of 2005, the following items were included in item XIV 'Net impairment losses on credits, loans, lease receivables'. Net impairment losses on credits, loans, lease receivables:

- recognition of impairment losses on loans and credits extended to clients in the amount of PLN -23.174 thousand;

- recognition of impairment losses on lease receivables in the amount of PLN +228 thousand;
- reversal of provision for liabilities and guarantees given in the amount of PLN -245 thousand

(in thousand PLN)

21 Discontinued activities

No activities were discontinued

22 Share in net profit (loss) of associates accounted for using the equity method

	Share in profits (losses) of associates and joint venture valued using the equity method	01.01-30.06.2006 (unaudited)	comparative data 01.01-30.06.2005 (unaudited)
		thousand PLN	thousand PLN
	Name of the entity		
	iCentrum S.A.	0	-71
	Getin Leasing	0	-355
	Total	**0**	**-426**

23 Income tax

Main components of tax charge	01.01-30.06.2006 (unaudited)	comparative data 01.01-30.06.2005 (unaudited)
	thousand PLN	thousand PLN
Consolidated income statement		
Current income tax	32 576	23 044
Current tax charge	32 576	23 044
Adjustments related to current tax from previous years		
Benefits arising from unrecognised tax loss, tax credit or temporary difference from previous years, resulting in reduction of current tax charge		
Amount of charge/income related to changes in accounting policies and errors included in net profit for the period, in accordance to IAS 8		
Deferred income tax	-19 346	-14 764
Arising from origination and reversal of temporary differences	-19 346	-14 764
Arising from changes in tax rate or new tax imposed	0	0
Benefits arising from unrecognised tax loss, tax credit or temporary difference from previous years, resulting in reduction of current tax charge	0	0
Charged resulting from partial or full reversal of previous valuation allowances for deferred tax assets due to probability of realisation of taxable profits	0	0
Tax loss from previous years	0	0
Tax charge disclosed in consolidated income statements	**13 230**	**8 280**
Deferred income tax		
Arising from origination and reversal of temporary differences	2 306	3 454
Arising from changes in tax rates or new tax imposed		
Charge resulting from partial or full reversal of previous valuation allowances for deferred tax assets due to probability of realisation of taxable profits		
Tax charge disclosed in consolidated equity	**2 306**	**3 454**
Total main components of tax charge	**15 536**	**11 734**

(in thousand PLN)

The reconciliation of income tax on profit before tax at the statutory tax rate for the 6 month periods ended 30 June 2006 and 30 June 2005 is as follows:

	01.01-30.06.2006 (unaudited)	**comparative data 01.01-30.06.2005 (unaudited)**
	thousand PLN	**thousand PLN**
1. Profit (loss) before tax	94 823	40 054
2. Consolidation adjustments	62 542	906
3. Differences between profit (loss) before tax and taxable profit	7 999	70 778
3.1 Permanent:	-92 493	886
3.2 Temporary, of which	100 492	69 892
- 19% tax rate	94 649	40 200
- 24% tax rate	5 843	29 692
4. Taxable profit, of which:	165 364	111 738
- taxable profit - 19%	170 848	81 947
- taxable profit - 24%	8 511	33 032
- tax loss	-13 995	-3 241
5a. Income tax - 19% tax rate	32 461	15 570
5b. Income tax - 24% tax rate	2 042	7 928
6. Increases, exemptions, deductions and decreases in income tax	-1 927	-454
7. Current income tax included in income statement	32 576	23 044
8. Deferred tax, of which:	-19 346	-14 764
- for temporary differences - 19% tax rate	-24 004	-7 638
- for temporary differences- 24% tax rate	-1 402	-7 126
- tax loss from previous years	6 060	
9. Total income tax in income statement	**13 230**	**8 280**

Regulations regarding VAT, corporate profits tax, personal income tax and social security contributions are subject to frequent changes. These changes result in there being little point of reference and few established precedents that may be followed. The binding regulations also contain uncertainties, resulting in differences in opinion regarding the legal interpretation of tax regulations both between government bodies, and between government bodies and companies. Tax and other settlements (e.g. customs or foreign currency settlements) may be subject to inspection by administrative bodies authorised to impose high penalties and fines, and any additional taxation liabilities calculated as a result must be paid together with high interest. The above circumstances mean that the tax exposure may be significantly greater in Poland than in countries that have a more established taxation system. Tax settlements may become subject to inspection by tax authorities within a period of five years. Accordingly, the amounts shown in the financial statements may change at a later date as a result of the final decision of the tax authorities.
The CIT rate in Russia is 24%. Tax losses may be utilized over a period of 10 years. The amount of deduction cannot exceed 30% of taxable profit in a given tax year.

(in thousand PLN)

Deferred tax asset/liability

	Consolidated balance sheet		Consolidated income statement	
	30.06.2006 unaudited	31.12.2005	01.01-30.06.2006 unaudited	comparative data 01.01-30.06.2005 unaudited
	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Deferred tax liabilities				
A) Posted to P&L	**79 770**	**52 450**	**27 320**	**585**
Revenue receivable from securities	38 816	10 778	28 038	1 589
Revenue receivable from credits and deposits	4 643	3 888	755	85
Depreciation (fixed assets financed by investment credit)	1 053	1 111	-58	-69
Costs of commissions paid in advance	200	19	181	43
Other costs paid in advance	334	0	334	
Surplus of tax depreciation	676	284	392	
Discounted interests from BFG loan	20 310	22 176	-1 866	-1 251
Correction of opening balance - purchase of Open Finance	9 614	9 614	0	0
Other	4 124	4 580	-456	188
B) Posted to revaluation reserve	**4 292**	**4 332**		
Valuation of securities available for sale	4 292	4 332		
C) Posted to goodwill	**1 038**	**1 038**		
Merger with Bank Przemysłowy	1 038	1 038		
Gross deferred tax liabilities	**85 100**	**57 820**	**27 320**	**585**
Deferred tax assets				
A) Posted to P&L	**126 320**	**78 615**	**46 792**	**15 349**
Interest on deposits	45 774	12 723	33 051	2 411
Revenue taxed in advance	6 688	7 346	-658	1 409
Provisions for expected liabilities and costs	1 002	1 220	-218	-172
Provisions for impairment	39 707	23 222	16 485	4 549
Tax loss from previous years	4 659	3 604	1 055	0
Foreign exchange differences from valuation of foreign entities			-913	-715
Adjustment to opening balance of deferred tax asset in accordance with IAS 39				
Adjustment to opening balance of deferred tax asset in respect of GBG Serwis				
Other	28 490	30 500	-2 010	7 867
B) Posted to revaluation reserve	**2 295**	**29**	**0**	**0**
Valuation of securities available for sale	2 295	29	0	0
C) Posted to goodwill	**10 835**	**10 835**		
Merger with Bank Przemysłowy	10 835	10 835		
Purchase of WBC	0	0		
Gross deferred tax assets	**139 450**	**89 479**	**46 792**	**15 349**
Deferred tax liabilities disclosed in liabilities directly related to assets classified as held for sale		**6**	**-6**	
Deferred tax assets disclosed in non-current assets classified as held for sale		**132**	**-132**	
Deferred income tax charge	**X**	**X**	**-19 346**	**-14 764**

Net deferred tax assets	**54 350**	**31 785**	**X**	**X**
Net deferred tax liability			**X**	**X**

Differences and losses for which no deferred tax asset has been recognised	Amount	Date of settlement
Getin Holding – 50% of tax loss for the year 2002	2 166	31.12.2007
Getin Holding – 50% of tax loss for the year 2003	3 240	31.12.2008
Getin Holding – 50% of tax loss for the year 2004	33	31.12.2009
Getin Holding – 50% of tax loss for the year 2005	944	31.12.2010
Total	**6 383**	

The Group has not recognised a deferred tax asset on the above tax losses of the parent entity due to the lack of long-term finance plans allowing for a conclusion, that in the forseeable future the company will achieve taxable profits allowing for the utilisation of tax losses.

24 Earnings per share

Basic earnings per share
Basic earnings per share is calculated on the basis of net profit or loss attributable to ordinary shareholders of the parent company, by dividing the net profit or loss attributable to such shareholders by the weighted average number of ordinary shares outstanding in a given period.

Earning per share	**01.01-30.06.2006 unaudited**	**comparative data 01.01-30.06.2005 unaudited**
Net profit allocated to ordinary shareholders (thousand PLN)	79 528	21 945
Weighted average number of ordinary shares in the period (thousand PLN)	535 109	319 422
Earnings per share (in PLN per share)	0.15	0.07

Diluted earnings per share
Diluted earnings per share is calculated on the basis of net profit or loss attributable to ordinary shareholders of the parent company, by dividing the net profit or loss attributable to such shareholders by the weighted average number of ordinary shares outstanding during the given period, adjusted for the effect of all dilutive potential ordinary shares.
The Group has dilutive instruments in the form of share options. Details of the Management Options Plan are disclosed in Note 49.

Diluted earning per share	**01.01-30.06.2006 unaudited**	**comparative data 01.01-30.06.2005 unaudited**
Net profit attributable to ordinary shareholders (thousand PLN)	79 528	21 945
Adjustment of net profit for calculation of diluted profit		
Net profit for calculation of diluted EPS	**79 528**	**21 945**
Weighted average number of ordinary shares in the period (thousand PLN)	535 109	319 422
Adjustment of the number of shares for calculation of diluted EPS	1 570	0
Weighted average number of ordinary shares for calculation of diluted EPS	536 679	319 422

Diluted earnings per share (in PLN per share)	0,15	0,07

25 Dividends paid and proposed

In the 1st half of 2006 and in 2005, the Group did not pay or declare any payment of dividend.

26 Cash and balances with the Central Bank

Cash and balances with Central Bank	**30.06.2006 unaudited**	**31.12.2005**
	PLN thousands	**PLN thousands**
Cash	55 894	50 262
Current account in Central Bank	170 973	132 058
Other	195	203
Total	**227 062**	**182 523**

During the day, the Bank may use funds on the accounts of the obligatory reserve for current monetary settlements on the basis of instructions placed at the National Bank of Poland; however, it must ensure that the average monthly balance is maintained on the account in an amount arising from the obligatory reserve return. Funds on the obligatory reserve account bear interest of 0.9 of the promissory note rediscount rate; as at 30 June 2006 this interest was 3.825%.

27 Amounts due from banks

Amounts due from banks	**30.06.2006 unaudited**	**31.12.2005**
	PLN thousands	**PLN thousands**
Current accounts	7 772	11 323
Deposits in other banks	1 522 977	1 873 817
Loans and credits granted	0	0
Repo transactions	0	152
Cash in transit	5	0
Other deposits on the money market	0	0
Interest	4 253	3 286
Total	**1 535 007**	**1 888 578**
Provision for impairment	23	
Total, net	**1 534 984**	**1 888 578**

As at 30 June 2006, amounts due from banks with variable interest rates stood at PLN 4.782 thousand (as at 31 December 2005: PLN 6.487 thousand), and with fixed interest rates, PLN 1.525.934 thousand (2005: PLN 1.878.805 thousand). As at 30 June 2006, there were also no-interest bearing amounts due from banks which stood at PLN 38 thousand.

Amounts due from banks by maturity (from balance sheet date to date of repayment)	**30.06.2006 unaudited**	**31.12.2005**
	PLN thousands	**PLN thousands**
Current accounts	291 407	575 151
Term deposits with a maturity period:	1 243 595	1 313 427
Up to 1 month	455 185	1 051 423
from 1 to 3 months	788 406	262 000
from 3 months to 1 year	4	4
from 1 year to 5 years	0	0
over 5 years	0	0
Cash in transit	5	0
Other deposits on the money market	0	0
Total	**1 535 007**	**1 888 578**
Provision for impairment	23	
Total, net	**1 534 984**	**1 888 578**

28 Financial assets held for trading

Financial assets held for trading	**30.06.2006 unaudited**	**31.12.2005**
	PLN thousands	**PLN thousands**
Debt securities	77	80
- issued by central banks		
- issued by other banks		
- issued by other financial institutions		
- issued by non-financial institutions		
- issued by State Treasury	77	80
- issued by local authorities		
Shares in other entities		
- listed		
- not listed		
Loans and credits		
Financial assets held for trading, total	**77**	**80**

In its portfolio, the Group has State Treasury bonds with a nominal value of PLN 76 thousand and redemption dates in the years 2007-2013. As at 30 June 2006, the average yield on those securities was 5%.

Financial assets held for trading, by maturity as at 30 June 2006 (book values in PLN thousands), unaudited	**- up to 1 month**		**- from 1 month to 3 months**		**- from 3 months to 1 year**		**- from 1 year to 5 years**		**- more than 5 years**		**Due date not determined**	**Total**	
	Book value	**Average yield**	**Book value**	**Average yield**	**Book value**	**Average yield**	**Book value**	**Average yield**	**Book value**	**Average yield**	**Book value**	**Book value**	**Average yield**
Debt securities	**0**		**0**		**0**		**75**		**2**		**0**	**77**	
- issued by central banks												0	
- issued by other banks												0	
- issued by other financial institutions												0	
- issued by non-financial institutions												0	
- issued by State Treasury							75	4.94%	2	5.39%		77	
- issued by local authorities												0	
Shares in other entities	**0**		**0**		**0**		**0**		**0**		**0**	**0**	
- listed												0	
- not listed												0	
Bank loans and credits												**0**	
Financial assets held for trading, total as at 30 June 2006	**0**		**0**		**0**		**75**		**2**		**0**	**77**	

Financial assets held for trading, by maturity as at 31 December 2005 (book values in PLN thousands)	- until 1 month		- from 1 month to 3 months		- from 3 months to 1 year		- from 1 year to 5 years		- more than 5 years		Due date not determined	Total	
	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Debt securities	**0**		**0**		**0**		**78**		**2**		**0**	**80**	
- issued by central banks												0	
- issued by other banks												0	
- issued by other financial institutions												0	
- issued by non financial institutions												0	
- issued by State Treasury			0		0		78	4.66%	2	4.99%		80	
- issued by local authorities												0	
Shares and participations in other entities	**0**		**0**		**0**		**0**		**0**		**0**	**0**	
- listed												0	
- not listed												0	
Bank loans and credits												**0**	
Financial assets held for trading, total as at 31 December 2005	**0**		**0**		**0**		**78**		**2**		**0**	**80**	

29 Derivatives

As part of its business, the Group performs derivative transactions such as FX Swaps and CIRS (Cross Currency Swap). FX Swap is the purchase of a currency with delivery on a fixed currency date and a parallel sale of the same amount of currency with delivery on a different business day. A CIRS transaction is the exchange of the principal amounts of the interest payment transaction in various currencies in a fixed period. Currencies to be delivered and received as a result of the currency transactions are translated at the exchange rate quoted by NBP as at the balance sheet date and are presented in off-balance sheet items.
FX Swap and CIRS transactions are stated at fair value.

Risk related to financial derivatives
The basic risks related to derivatives are market risk and credit risk.
At the time of initial recognition, derivatives usually do not have any or have insignificant market value. This results from the fact that derivatives do not require any net initial investments or require only an insignificant initial net investment as compared to other types of contracts which similarly react to changes in market conditions.
Derivatives assume a positive or negative value along with a change in the given interest rate, price of security, price of goods, foreign currency exchange rate, price index, loan classification or loan index or other market parameter. As a result of those changes, the derivatives held become more or less advantageous than instruments of the same residual maturity period available on the market at the given time.
Credit risk related to derivatives constitutes a potential cost of execution of a new contract on the original terms and conditions if the other party participating in the original contract does not perform its obligation. In order to evaluate the potential replacement cost, the Group applies the same methods as in evaluating the market risk. In order to control the credit risk level, the Group evaluates the other participants in the contracts applying the same methods as in loan decisions.

The Group executes derivative transactions with domestic and foreign banks. Transactions are executed as part of credit limits awarded to individual institutions.
The Group sets on the basis of the adopted procedure for evaluating the financial situation of banks, the limits of maximum exposure for banks. As part of those limits, percentage exposure limits are set for particular types of transactions.

Exposure of derivatives to credit risk is presented in Note 8.

The tables below present the nominal amounts of derivative financial instruments and the fair values of the instruments. Nominal amounts of derivatives are posted in off-balance sheet items. Nominal amounts of certain types of financial instruments constitute the basis for comparison with instruments disclosed in the balance sheet but do not necessarily indicate the amounts of future cash flow or the current fair value of those instruments, therefore, they do not determine the Group's exposure to credit or price risk.
Derivatives become advantageous (become assets) or disadvantageous (liabilities) as a result of fluctuations of market interest rates, indices or foreign exchange rates as compared to their conditions.

Derivatives as at 30 June 2006
Nominal values of host instruments and fair value of derivatives according to original maturity (in thousand PLN), unaudited:

	Up to 1 month	1 to 3 months	3 months to 1 year	1 - 5 years	more than 5 years	Total	Fair value (negative)	Fair value (positive)
Currency transactions								
- over the counter market								
Currency swap	**223 531**	**0**				**223 531**	**-482**	**16**
Purchase of currency	111 557	0				111 557		
Sale of currency	111 974	0				111 974		
CIRS				**3 253 340**		**3 253 340**	**-36 620**	**10 401**
Purchase of currency				1 640 005		1 640 005		
Sale of currency				1 613 335		1 613 335		
Non Delivery Forward	**34 415**					**34 415**		
Purchase of currency	4 580					4 580	0	
Sale of currency	29 835					29 835	0	

Options	**0**					**0**		
Purchase								
Sale	0					0		0
Derivative instruments, total	**257 946**	**0**		**3 253 340**		**3 511 286**	**-37 102**	**10 589**

Derivatives as at 31 December 2005
Nominal values of host instruments and fair value of derivatives according to original maturity (in thousand PLN):

	Up to 1 month	1 to 3 months	3 months to 1 year	1 - 5 years	more than 5 years	Total	Fair value (negative)	Fair value (positive)
Currency transactions								
- over the counter market								
Currency swap	**77 151**	**38 569**				**115 720**	**-56**	**128**
Purchase of currency	38 598	19 299				57 897		
Sale of currency	38 553	19 270				57 823		
CIRS				**1 527 417**		**1 527 417**	**-1 346**	**17 419**
Purchase of currency				756 034		756 034		
Sale of currency				771 383		771 383		
Non Delivery Forward	**38 931**					**38 931**		
Purchase of currency	7 467					7 467	-4	
Sale of currency	31 464					31 464	-15	
Options	**7 863**					**7 863**		
Purchase								
Sale	7 863					7 863		38
Derivative instruments, total	**123 945**	**38569**		**1527417**		**1 689 931**	**-1 421**	**17 585**

30 Other financial instruments at fair value through profit or loss

No such items.

31 Bank loans and credits due from customers

Amounts due from customers	**30.06.2006 unaudited**	**31.12.2005**
	PLN thousands	**PLN thousands**
Bank loans and credits	4 604 024	3 537 896
Purchased receivables	358 089	251 023
Receivables due under credit cards	0	0
Realised guarantees	505	506
Non-listed securities	0	0
Repo transactions	0	0
Receivables in transit	135	68
Interest	18 568	15 854
Total	**4 981 321**	**3 805 347**
Impairment write downs (-)	-560 246	-514 912
Total, net	**4 421 075**	**3 290 435**

As at 30 June 2006 unaudited	**Gross value of bank loans and credits before impairment**	**Gross value of bank loans and credits after impairment**	**Specific write downs**	**Collective write downs (*)**	**Total, net**	**Fair value**
	PLN thousands	**PLN thousands**	**PLN thousands**	**PLN thousands**	**PLN thousands**	**PLN thousands**
Bank loans and credits granted to:						
- corporate loans	251 979	321 452	209 342	66 498	297 590	*
- car loans	1 280 856	148 536	0	118 156	1 311 236	*
- mortgage loans	2 135 103	109 738	16 687	72 597	2 155 557	*
- purchased lease receivables	255 211	4 956	6 178	3 397	250 592	*
- cash and instalment loans	295 211	90 090	0	60 693	324 608	*
- other retail loans	58 859	10 860	0	6 698	63 020	*
Interest	18 472	0	0	0	18 472	*
Total	**4 295 691**	**685 631**	**232 208**	**328 039**	**4 421 075**	*****

As at 31 December 2005 unaudited	**Gross value of bank loans and credits before impairment**	**Gross value of bank loans and credits after impairment**	**Specific write downs**	**Collective write downs (*)**	**Total, net**	**Fair value**
	PLN thousands	**PLN thousands**	**PLN thousands**	**PLN thousands**	**PLN thousands**	**PLN thousands**
Bank loans and credits granted to:						
- corporate loans	262 335	373 998	224 481	70 449	341 403	*
- car loans	1 113 356	120 208	0	97 357	1 136 207	*
- mortgage loans	1 285 369	83 158	8 365	56 138	1 304 024	*
- purchased lease receivables	168 258	8 572	6 230	2 584	168 017	*
- cash and instalment loans	237 769	65 595	0	41 430	261 934	*
- other retail loans	60 120	11 140	0	7 878	63 382	*
Interest	15 468	0	0	0	15 468	*
Total	**3 142 675**	**662 672**	**239 076**	**275 836**	**3 290 435**	*****

* Due to the implementation of an integrated computer system at Getin Bank and data migration, for technical reasons, the calculation of the fair value of financial assets and liabilities as at 30 June 2006 and 31 December 2005 was difficult. The consolidated financial statements of the Getin Holding Group as at 30 June 2004 and 31 December 2004 prepared in accordance with PAS contain information on the valuation of financial assets and financial liabilities of Getin Bank as at the date of acquisition. The acquisition of WBC was provisionally accounted for as at 31 December 2005 and, consequently, the acquired financial assets and liabilities of WBC were recognised at their fair values as at that day. Additionally, for the main class of assets, which are variable interest rate bank loan receivables, fair value of the assets does not differ significantly from their book value.

(in thousand PLN)

Accounting for the effects of fair value valuation of loans and deposits of GETIN Bank as at the date of acquisition

The valuation of loans and deposits at fair value (present discounted value) as at the date of acquisition of shares in GETIN Bank S.A. by Getin Holding gave rise to a value amortised in future periods in accordance with the loan and deposit principal settlement schedule. At GETIN Bank S.A., just like in most banking institutions, there is a problem with a different timing (mis-match) of recognition of differences between the fair values and carrying amounts of deposits and loans.

As at the date of acquisition:

- the estimated schedule for recognition of differences between the fair value and carrying amount of deposits is as follows:
  - 67% in 2004
  - 4% in 2005
  - 3% in 2006
  - 6% in 2007
  - 6% in 2008
  - 14% in 2009
- the estimated schedule for recognition of differences between the fair value and carrying amount of loans is as follows:
  - 5.5% in 2004
  - 19.5% in 2005
  - 22% in 2006
  - 19% in 2007
  - 14% in 2008
  - 19% in 2009

Estimation of impact on basic items of the consolidated financial statements of a one-off amortisation of differences from revaluation to fair value of the acquired deposits and loans of Getin Bank S.A.

Amortisation of difference between carrying amount and fair value	**Revaluation difference as at 25.05.04**	**2004**	**1-6.2005**	**7-12.2005**	**1-6.2006**	**7-12.2006**	**2007**	**2008**	**2009 and following years**
Amortisation – loans	38 306	2 194	3 371	4 099	4 227	4 283	7 516	5 159	7 457
Amortisation – deposits	-39 491	-26 308	-1 558	-126	-126	-1 135	-2 269	-2 269	-5 700
Total loans and deposits	**-1 185**	**-24 114**	**1 813**	**3 973**	**4 101**	**3 148**	**5 247**	**2 890**	**1 757**
Impact on net result of Getin Bank S.A. for the period		22 929	-1 813	-3 973	-4 101	-3 148	-5 247	-2 890	-1 757
Impact on net assets of Getin Bank S.A. as at the balance sheet date		22 929	21 116	17 143	13 042	9 894	4 647	1 757	0
Share of GH in Getin Bank S.A. – for the period		71,21%	71,21%	98,20%	99,25%	99,25%	99,25%	99,25%	99,25%
Share of GH in Getin Bank S.A. - as at the balance sheet date		71,21%	98,20%	99,25%	99,29%	99,25%	99,25%	99,25%	99,25%
Impact on the consolidated net result for the period		**16 328**	**-1 291**	**-3 901**	**-4 070**	**-3 124**	**-5 208**	**-2 868**	**-1 744**
Net assets acquired from minority shareholders in the period			**5 699**	**180**	**5**				
Impact on consolidated net assets as at the balance sheet date		**16 328**	**20 736**	**17 014**	**12 949**	**9 820**	**4 612**	**1 744**	**0**

Due to the variable and significant impact on GETIN Bank S.A.'s result in individual periods, the Group decided to apply a one-off amortisation of the difference arising at the acquisition date on revaluation to fair value of deposits and loans, in the amount of PLN 1.185 thousand, to other operating income in the consolidated financial statements for the year ended 31 December 2004. Minority interest in the amount amortised on a one-off basis was PLN 341 thousand.

Bank loans and credits granted to customers by maturity	**30.06.2006 unaudited**		**31.12.2005**	
	Carrying amount PLN thousands	**Average effective interest rate**	**Carrying amount PLN thousands**	**Average effective interest rate**
Bank loans and credits granted to:				
- local authorities	51 875	6,80%	72 174	7,20%
Up to 1 month	2 060		18 506	
from 1 month to 3 months	3 463		5 334	
from 3 months to 1 year	17 645		18 711	
from 1 year to 5 years	27 214		28 794	
more than 5 years	1 493		829	
- financial institutions other than banks	56 716	12,28%	65 884	12,16%
Up to 1 month	12 509		14 930	
from 1 month to 3 months	5 278		9 272	
from 3 months to 1 year	21 452		24 314	
from 1 year to 5 years	17 399		17 327	
more than 5 years	78		41	
- non financial institutions	753 255	12,78%	611 882	13,60%
Up to 1 month	207 761		206 925	
from 1 month to 3 months	36 010		24 630	
from 3 months to 1 year	103 268		62 715	
from 1 year to 5 years	175 089		172 974	
more than 5 years	231 127		144 638	
- public	3 540 647	21,70%	2 524 641	21,74%
Up to 1 month	277 000		229 559	
from 1 month to 3 months	95 332		93 095	
from 3 months to 1 year	389 540		286 407	
from 1 year to 5 years	1 164 292		917 362	
more than 5 years	1 614 483		998 218	
-Interest	18 581		15 854	
Total	**4 421 075**		**3 290 435**	

Fixed interest credits and loans extended to clients as at 30 June 2006 represented 6% of the entire credit and loan portfolio, i.e. PLN 267 million. They included such bank products as buy out of lease receivables, buy out of factoring receivables, part of automobile loans, installment loans, and business currency loans.

In order to secure credits and loans extended to clients the Group signed agreements on collateral transfer of ownership with its clients. The subject of those agreements may be sold or encumbered with another right even if the borrower made the payments. This concerns primarily instalment loans. The fair value of objects whose ownership has been transferred as collateral to the Group was PLN 4.764 thousand as at 30 June 2006 (as at 31 December 2005 it was PLN 5.709 thousand).

Changes in the level of impairment losses in the half-year period ended 30 June 2006 and in 2005 are presented in Note 20.

32 Finance lease receivables

Finance lease receivables as at 30.06.2006 (PLN thousands), unaudited	**Gross investment in finance leases**	**Current value of minimum lease payments**
Up to 1 year	107 566	94 338
From 1 year to 5 years	20 343	16 705
More than 5 years		
Total	**127 909**	**111 043**
Unearned interest	16 865	0
Net investment in finance leases	**111 044**	
Unguaranteed residuals		
Current value of minimum lease payments	**111 044**	
Provisions	4 283	
Carrying amount	**106 761**	

Finance lease receivables as at 31 December 2005 (PLN thousands)	**Gross investment in finance leases**	**Current value of minimum lease payments**
Up to 1 year	92453	75041
From 1 year to 5 years	14393	11906
More than 5 years		
Total	**106 846**	**86 947**
Unearned interest	19899	0
Net investment in finance leases	**86 947**	
Unguaranteed residuals		
Current value of minimum lease payments	**86 947**	
Provisions	3869	
Carrying amount	**83 078**	

The Group conducts lease activity through its subsidiary Carcade OOO. The Group executes, as the lessor, finance lease transactions regarding vehicles, plant and machinery.

In the said periods, no conditional lease payments were recognised in the income statement.

Lease transactions executed by the Group expose the Group first of all to currency risk, credit risk and cash flow risk related to interest rate. The principles of management of risk related to financial instruments are described in Note 8.

33 Investment securities

Investment securities	30.06.2006 unaudited PLN thousands	31.12.2005 PLN thousands
Securities available for sale	1 893 643	1 531 715
- issued by central banks	197 643	61 486
- issued by other banks	3 462	3 462
- issued by other financial institutions	2 874	0
- issued by non-financial institutions	15 795	15 790
- issued by State Treasury	1 673 869	1 450 977
- issued by local authorities	0	0
Securities held to maturity	32 959	34 917
- issued by central banks	0	0
- issued by other banks	25 237	25 256
- issued by other financial institutions	0	0
- issued by non-financial institutions	0	0
- issued by State Treasury	5 123	5 370
- issued by local authorities	2 599	4 291
Investment securities, total	**1 926 602**	**1 566 632**
Impairment of investment securities	15 386	15 118
Investment securities, net total	**1 911 216**	**1 551 514**

Changes of investment securities	First half-year 2006 unaudited PLN thousands	2005 PLN thousands
Securities available for sale		
Net balance at the beginning of period	1 516 597	1 066 891
Foreign exchange differences	0	0
Additions	6 034 319	10 778 989
Disposals (sale and repurchase)	5 672 487	10 333 617
Impairment write-downs	172	-4 334
Change in fair value	0	0
Net balance at the end of period	**1 878 257**	**1 516 597**
Securities held to maturity		
Net balance at the beginning of period	34 917	36 936
Foreign exchange differences	0	0
Additions	834	2 384
Disposals (sale and repurchase)	2 792	4 341
Impairment write-downs	0	0
Change in fair value	0	-62
Net balance at the end of period	**32 959**	**34 917**

Debt securities issued by central banks include NBP bills of a total value of PLN 170,115 thousand and NBP bonds of a total value of PLN 26,822 thousand. The maturity dates of those securities are from 7 days to 5 years from the balance sheet date. As at 30 June 2006, the average yield to maturity of those securities was about 4%.

Debt securities issued by the Ministry of Finance include treasury bills of a total value of PLN 1,135,150 thousand and treasury bonds of a total value of PLN 523,000 thousand. The maturity dates of those securities are from 5 days to 4 years. As at 30 June 2006, the average yield to maturity of those securities was from 3.78% to 6.39%.

Securities available for sale, by maturity as at 30 June 2006 (in PLN thousands) unaudited	- up to 1 month		- from 1 month to 3 months		- from 3 months to 1 year		- from 1 year to 5 years		- more than 5 years		Due date not determined	Total	
	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Securities available for sale													
- issued by central banks	138 361	4,00%							59 282	4,54%		197 643	4,54%
- issued by other banks											3 461	3 461	
- issued by other financial institutions											2 874	2 874	
- issued by non-financial institutions											15 796	15 796	
- issued by State Treasury	145 411	4,52%	181 851	4,15%	865 005	4,20%	481 602	7,45%				1 673 869	5,26%
- issued by local authorities													
Securities available for sale, as at 30 June 2006	**283 772**		**181 851**		**865 005**		**481 602**		**59 282**		**22 131**	**1 893 643**	

Securities available for sale, by maturity as at 31 December 2005 (in PLN thousands)	- up to 1 month		- from 1 month to 3 months		- from 3 months to 1 year		- from 1 year to 5 years		- more than 5 years		Due date not determined	Total	
	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Securities available for sale													
- issued by central banks									61 486	6,18%		61 486	6,18%
- issued by other banks											3 462	3 462	
- issued by other financial institutions													
- issued by non-financial institutions											15 790	15 790	
- issued by State Treasury			120 982	5,18%	824 757	4,66%	505 238	6,39%				1 450 977	5,41%
- issued by local authorities													
Securities available for sale, as at 31 December 2004	**0**		**120 982**		**824 757**		**505 238**		**61 486**		**19 252**	**1 531 715**	

Securities held to maturity, by maturity as at 30 June 2006 (in PLN thousands), unaudited	- up to 1 month		- from 1 month to 3 months		- from 3 months to 1 year		- from 1 year to 5 years		- more than 5 years		Due date not determined	Total	
	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Securities held to maturity													
- issued by central banks													
- issued by other banks							25 237	4,66%				25 237	4,66%
- issued by other financial institutions													
- issued by non-financial institutions													
- issued by State Treasury							5 123	5,46%				5 123	5,46%
- issued by local authorities			625	5,36%			1 974	5,38%				2 599	5,37%
Securities available for sale, as at 30 June 2006	**0**		**625**		**0**		**32 334**		**0**		**0**	**32 959**	

Securities held to maturity, by maturity as at 31 December 2005 (in PLN thousands)	- up to 1 month		- from 1 month to 3 months		- from 3 months to 1 year		- from 1 year to 5 years		- more than 5 years		Due date not determined	Total	
	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Securities held to maturity													
- issued by central banks													
- issued by other banks					25 256	5,06%						25 256	5,06%
- issued by other financial institutions													
- issued by non-financial institutions													
- issued by State Treasury					5 370	7,73%						5 370	7,73%
- issued by local authorities	736	6,63%	1 632	5,01%	1 923	5,38%						4 291	5,67%
Securities available for sale, as at 31 December 2004	**736**		**1 632**		**32 549**		**0**		**0**		**0**	**34 917**	

34 Investments in associates and jointly controlled entities

Company	Acquisition date	Acquired share in net assets	Share in net assets after acquisition	Acquisition price in PLN thousand	Of which paid with cash	Value of net assets acquired	Goodwill on acquisition
Associates	01.2005	20.8%	20.8%	2,860	2,860	355	2,505
Getin Leasing	07.2005	-0.10%	20.7%	200	200	200	0
Getin Leasing	09.2005	0.00%	20.7%	200	200	200	0
Getin Leasing	04.2006	0.00%	12.24%	0	0	0	0
PDK	01.2005	21.0%	21.0%	231	231	0	231

In April 2006, the share capital of Getin Leasing was increased by PLN 10.000.000; Getin Holding did not participate in the subscription of the new issue. The share held by Getin Holding after the share capital increase has decreased to 12.24%.
The Group accounts for Getin Leasing as an associate due to the fact of having a representative in Getin Leasing's Supervisory Board, and the fact that most of the company's financing is supplied by Getin Bank, and additionally Getin Holding has right to acquire majority shares of Getin Leasing in 2007.

Changes in investments in associates	**30.06.2006 PLN thousand unaudited**	**31.12.2005 PLN thousand**
Value of associates at the beginning of the period	**0**	**152**
Acquisition	0	755
Share of profits/(losses)	0	-826
Disposal	0	-81
Value of associates at the end of the period	**0**	**0**
Goodwill at the beginning of the period	**2 736**	**231**
Acquisition	0	2 736
Disposal	0	-231
Goodwill at the end of the period	**2 736**	**2 736**
Value of investment in associates (including goodwill) at the end of the period	**2 736**	**2 736**

Brief information about associates accounted for using equity method (in thousand PLN):

Entity	**Value of assets**	**Value of liabilities**	**Revenues**	**Net profit/(loss)**	**% shares**
half-year 2006, unaudited					
Getin Leasing S.A.	354 962	354 097	23 978	-5 163	12,2%
PDK S.A.	24 397	40 744	22 382	-44	21,0%
Total	**379 359**	**394 841**	**46 360**	**-5 207**	**---**
2005					
Getin Leasing S.A.	245 931	249 956	31 951	-7 730	20,7%
PDK S.A.	24 044	39 704	41 465	-4 496	21,0%
Total	**269 975**	**289 660**	**73 416**	**-12 226**	**---**

Unrecognised share in the losses of associates for which the Group ceased to recognize its share was as follows (in thousand PLN):

Entity, unaudited	**Share of losses - current year**	**Cumulative share of losses**
half-year 2006		
Getin Leasing S.A.	-632	-1485
PDK S.A.	-151	-1095
Total	**-783**	**-2580**

Losses have not been recognised due to negative equity of the above associates. The Issuer is not obliged to cover losses of associates.

35 Financial instruments available for sale

Financial instruments available for sale include, among others, the following subordinated entities which are not covered by consolidation or valuation using the equity method:
- BTG sp. z o.o.
- BP Real Nieruchomości S.A.
- BP Telervis S.A.
- KONWIN-Kruszwica sp. z o.o.

The above entities were excluded from consolidation or valuation using the equity method on the basis of IAS 27 point 21 (these entities are in liquidation or bankruptcy and the Group does not exercise control over them).

Furthermore, financial instruments available for sale include Noble Towarzystwo Funduszy Inwestycyjnych S.A., which also was not covered by consolidation or valuation using the equity method. In this case, the basis for the exclusion was the lack of material impact on the consolidated financial statements and the fact that Noble TFI did not conduct any business in the 1st half of 2006.

36 Intangible assets

Changes of intangibles for 6 months period ended 30 June 2006 **unaudited**	**Development costs PLN thousand**	**Patents and licences PLN thousand**	**Goodwill PLN thousand**	**Other PLN thousand**	**Advances for intangibles PLN thousand**	**Total PLN thousand**
Cost as at 1 January 2006 net of accumulated amortisation and impairment write downs	0	276	373 201	63 619	808	437 904
Acquisition of subsidiaries	0	0	4 354	0	0	4 354
Gross book value	*0*	*0*	*4 354*	*0*	*0*	*4 354*
Accumulated amortisation	*0*	*0*	*0*	*0*	*0*	*0*
Additions due to internal development work	0	0	0	0	0	0
Purchases	0	370	0	5 626	1 698	7 694
Transfer from investments	0	0	0	212	0	212
Translation adjustment from translation of subordinated entities	0	3	0	0	0	3
Amortisation (-)	0	-112	0	-2 152	0	-2 264
Other additions	0	429	0	0	0	429
Other disposals (-)	0	0	0	-214	0	-214
Transfers to assets held for sale	0	0	-506	0	0	-506
Net carrying amount as at 30 June 2006	**0**	**966**	**377 049**	**67 091**	**2 506**	**447 612**
As at 1 January 2006						
cost (gross book value)	3 082	2 860	373 201	81 825	808	461 776
Accumulated amortisation	2 423	2 584	0	18 206	0	23 213
Impairment write down	659					659
Net carrying amount as at 1 January 2006	**0**	**276**	**373 201**	**63 619**	**808**	**437 904**
As at 30 June 2006						
Cost (gross book value)	3 082	3 662	377 049	87 449	2 506	473 748
Accumulated amortisation	2 423	2 696	0	20 358	0	25 477
Impairment write down	659	0	0	0	0	659
Net carrying amount as at 30 June 2006	**0**	**966**	**377 049**	**67 091**	**2 506**	**447 612**

Changes of intangibles for the six month period ended 30 June 2005	**Development costs PLN thousand**	**Patents and licences PLN thousand**	**Goodwill PLN thousand**	**Other PLN thousand**	**Advances for intangibles PLN thousand**	**Total PLN thousand**
Cost as at 1 January 2005 net of accumulated amortisation and impairment write downs	77	133	148 916	4 091	4 741	157 958
Additions due to internal development work	0	0	0	0	0	0
Acquisition of subsidiary	0	0	211 915	0	0	211 915
Gross book value	0	0	211 915	0	0	*211 915*
Accumulated depreciation	0	0	0	0	0	*0*
Purchases	0	4	0	464	4 304	4 772
Transfer from investments	0	0	0	3 194	0	3 194
Disposals (-)	0	-2	0	0	0	-2
Additions due to mergers of businesses	0	0	0	0	0	0
Gross book value	0	0	0	0	0	0
Accumulated amortisation	0	0	0	0	0	0
Amortisation (-)	-39	-70	0	-1 263	0	-1 372
Other additions	0	0	0	0	0	0
Net carrying amount as at 30 June 2005	**38**	**65**	**360 831**	**6 486**	**5 843**	**585 178**
As at 1 January 2005						
Cost (gross book value)	3 082	568	148 916	19 085	4 741	176 392
Accumulated amortisation	2 346	435	0	14 994	0	17 775
Impairment write down	659	0	0	0	0	659
Net carrying amount as at 1 January 2005	**77**	**133**	**148 916**	**4 091**	**4 741**	**157 958**
As at 30 June 2005						
Cost (gross book value)	3 082	570	360 831	22 743	5 843	393 069
Accumulated amortisation	2 385	505	0	16 257	0	19 147
Impairment write down	659	0	0	0	0	659
Net carrying amount as at 30 June 2005	**38**	**65**	**360 831**	**6 486**	**5 843**	**373 263**

As at the balance sheet date, there were no intangible assets whose legal title would be limited or intangible assets pledged as security for claims.
The Group does not have any contractual liabilities taken in connection with acquisition of intangible assets.

Assets material for the Group:
- centralized transaction IT system DEF 3000. The carrying amount of the system as at 30 June 2006 was PLN 8.593 thousand, and the remaining amortisation period is until January 2011,
- Open Finance trademark. The carrying amount of the trademark as at 30 June 2006 was PLN 50.600 thousand and it has an indefinite useful life.

Since 1 January 2004 goodwill has not been amortised and it has been annually tested for impairment. The tests did not reveal any impairment of goodwill. The test results as at 31 December 2005 are presented below, and further tests are scheduled for 31 December 2006. As at 30 June 2006, there were no indicators of impairment of goodwill.

Information concerning determination of goodwill on the acquisition of subsidiaries is presented in Note 56.

Test for impairment of goodwill arising on acquisition of Getin Bank

The most recent test for the impairment of goodwill arising on acquisition of Getin Bank was carried out as at 31 December 2005. Goodwill on acquisition of Getin Bank was assigned to the entire entity as a cash generating unit.

The recoverable amount of the entity was determined on the basis of the value in use. In order to carry out the test, cash flow projections for the entity were prepared for a period of 5 years. The valuation took into account the residual value of the entity arising from cash flow subsequent to the 5-year projection period.
Cash flow projections for 2006 were prepared on the basis of the Bank's budget for 2006 approved by the Management Board. The Bank's operating result for the following years was extrapolated using the following growth rates: 2007 – 20%, 2008 – 15%, 2009-2010 – 10%. Based on the prudence principle, the Group did not provide for an increase in results in the model after the 5-year projection period. In order to calculate free pre-tax operating cash flow, the Bank's operating result in the individual years covered by the projection was adjusted for material non-monetary items and planned capital expenditures.
A discount rate of 9.2% was applied to discounting cash flow (the weighted average cost of capital of the Bank was assumed as the discount rate).
The valuation did not reveal any impairment of goodwill arising on acquisition of the Bank.

Impairment of goodwill arising on acquisition of Carcade OOO

The most recent test for the impairment of goodwill arising on acquisition of Getin Bank was carried out as at 31 December 2005. The goodwill on acquisition of Carcade OOO was assigned to the entire entity as a cash generating unit.

The recoverable amount of the entity was set on the basis of the value in use. In order to carry out the test, cash flow projections of the entity were made for a period of 5 years. The valuation also included the residual value of the entity arising from cash flow subsequent to the 5-year projection period.
Cash flow projections for 2006 were prepared on the basis of the Company's budget for 2006 approved by the Management Board. The Company's operating result for the following years was extrapolated using the following growth rates: 2007 – 18%, 2008 – 15%, 2009-2010 – 14%. Based on the prudence principle, the Group did not provide for an increase in results in the model after the 5-year projection period. In order to calculate free pre-tax operating cash flow, the Company's operating result in individual years covered by the projections was adjusted for material non-monetary items and planned capital expenditures.
A 15.5% discount rate was applied to discount cash flow (the discount rate is the weighted average cost of capital of the Company).
The valuation did not reveal any impairment of goodwill arising on acquisition of Carcade OOO.

Due to the initial accounting determined provisionally in the case of acquisition of Fiolet S.A. and Wschodni Bank Cukrownictwa S.A., as at 31 December 2005, it was not possible to assign the goodwill arising on the acquisition of those companies to cash generating units. Therefore, the Group did not carry out any tests for the impairment of goodwill arising on acquisition of those companies as at 31 December 2005. It will carry out those tests as at 31 December 2006.

In addition, as at 31 December 2006, the Group will carry out a test for the impairment of goodwill on the acquisition of a 30% minority interest in Open Finance, which took place in 2006.

(in thousand PLN)

37 Property, plant and equipment

Property, plant and equipment	**30.06.2006** unaudited thousand PLN	**31.12.2005** thousand PLN
Land and buildings	54 694	60 570
Plant and machinery	16 298	18 517
Motor vehicles	12 373	10 431
Other assets including equipment	6 543	5 368
Construction in progress	2 529	1 439
Property, plant and equipment, total	**92 437**	**96 325**

(in thousand PLN)

Changes in property, plant and equipment for 6 months ended 30 June 2006 unaudited	**Land and buildings thousand PLN**	**Plant and machinery thousand PLN**	**Motor vehicles thousand PLN**	**Other assets including equipment thousand PLN**	**Total thousand PLN**
Initial cost					
Opening balance as at 1 January 2006	**96 701**	**72 296**	**16 190**	**26 529**	**211 716**
Increases, of which:	**9 315**	**3 736**	**4 735**	**2 354**	**20 140**
Purchases of subsidiaries	0	0	0	0	0
Purchases	6 661	1 152	4 037	2 283	14 133
Transfers from construction in progress	2 654	2 522	0	57	5 233
Acquisition due to business combination	0	0	0	0	0
Foreign exchange differences	0	62	40	14	116
Other	0	0	658	0	658
Decreases, of which:	**23 865**	**8 899**	**1 794**	**6 097**	**40 655**
Classification as asset held sale	0	0	0	0	0
Liquidation and sale, donation	16 349	8 899	685	6 097	32 030
Disposals due to business combination	0	0	0	0	0
Other	0	0	1 109	0	1 109
Transfer to other assets	7 516	0	0	0	7 516
Reclassification to investment real estate	0	0	0	0	0
Closing balance	**82 151**	**67 133**	**19 131**	**22 786**	**191 201**
Accumulated depreciation					
Opening balance	**35 878**	**53 717**	**5 756**	**21 075**	**116 426**
Increases, of which:	**2 326**	**5 507**	**1 792**	**979**	**10 604**
Purchases of subsidiaries	0	0	0	0	0
Depreciation for the period	2 326	5 472	1 757	973	10 528
Acquisition due to business combination	0	0	0	0	0
Foreign exchange differences	0	35	11	6	52
Other increases	0	0	24	0	24
Transfers	0	0	0	0	0
Decreases, of which:	**11 000**	**8 449**	**793**	**5 897**	**26 139**
Liquidation and sale	11 000	8 449	793	5 897	26 139
Release of restructuring provision	0	0	0	0	0
Classification as asset held for sale	0	0	0	0	0
Other	0	0	0	0	0
Closing balance	**27 204**	**50 775**	**6 755**	**16 157**	**100 891**
Impairment write-downs					
Opening balance	**253**	**62**	**3**	**86**	404
Increases	0	0	0	0	0
Decreases	0	2	0	0	2
Classification as asset held for sale	0	0	0	0	0
Closing balance	**253**	**60**	**3**	**86**	**402**
Net book value					
Opening balance	**60 570**	**18 517**	**10 431**	**5 368**	**94 886**
Closing balance	**54 694**	**16 298**	**12 373**	**6 543**	**89 908**

(in thousand PLN)

Changes in property, plant and equipment for the 6 months ended 30 June 2005 - comparative data	Land and buildings thousand PLN	Plant and machinery thousand PLN	Motor vehicles thousand PLN	Other assets including equipment thousand PLN	Total thousand PLN
Initial cost					
Opening balance as at 1 January 2005	**69 918**	**49 237**	**15 353**	**19 857**	**154 365**
Increases, of which:	**11 565**	**8 256**	**2 622**	**1 464**	**23 907**
Purchases	4 151	870	2 454	1 137	8 612
Transfers from construction in progress	2 407	5 042	0	51	7 500
Acquisition due to business combination	4 348	2 240	0	248	6 836
Purchases of subsidiaries	0	0	0	0	0
Foreign exchange differences	0	104	52	28	184
Other	659	0	116	0	775
Decreases, of which:	**6 642**	**668**	**938**	**352**	**8 600**
Classification as assets held for sale	2 026	0	0	0	2 026
Liquidation and sale, donation	3 717	668	938	352	5 675
Disposal due to business combination	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Decreases - presentation adjustment	739	0	0	0	739
Other	160	0	0	0	160
Closing balance	**74 841**	**56 825**	**17 037**	**20 969**	**169 672**
Accumulated depreciation					
Opening balance	**19 785**	**36 244**	**5 142**	**14 974**	**76 145**
Increases, of which:	**1 664**	**3 993**	**1 554**	**1 239**	**8 450**
Depreciation of period	1 664	3 957	1 542	1 233	8 396
Acquisition due to business combination	0	0	0	0	0
Purchases of subsidiaries	0	0	0	0	0
Transfers	0	0	0	0	0
Foreign exchange differences	0	36	12	6	54
Decreases, of which:	**595**	**560**	**680**	**279**	**2 114**
Liquidation and sale	342	503	631	279	1 755
Foreign exchange differences	0	0	0	0	0
Other	253	57	49	0	359
Closing balance	**20 854**	**39 677**	**6 016**	**15 934**	**82 481**
Impairment write-downs					
Opening balance	**253**	**64**	**47**	**29**	393
Increases	0	0	0	0	0
Decreases	0	2	0	0	2
Closing balance	**253**	**62**	**47**	**29**	**391**
Net book value					
Opening balance	**49 880**	**12 929**	**10 164**	**4 854**	**77 827**
Closing balance	**53 734**	**17 086**	**10 974**	**5 006**	**86 800**

The carrying amount of the vehicles used under finance lease agreements and hire purchase agreements as at 30 June 2006 was PLN 674 thousand.

The compensation received from third parties due to impairment or loss of an item of property, plant and equipment recognised in the income statement amounted to:
- PLN 80 thousand in the 1st half of 2006;
- PLN 5 thousand in the 1st half of 2005.

(in thousand PLN)

The expenditures included in the balance of construction in progress as at 30 June 2006 amounted to PLN 2.602 thousand.
As at the balance sheet date, the Group did not have any contractual obligations to purchase items of property, plant and equipment.

38 Investment property

The Group applies the cost model to measure its investment property.

There are no constraints on the rights to dispose of investment properties or to transfer the related revenues and profits.

The fair value of investment property as at 30 June 2006 was PLN 18.186 thousand (as at 30 June 2005 PLN 15.114 thousand) and was higher than their book value. The fair value was determined on the basis of valuations performed by property appraisers.

Changes in the value of the investment property	**30.06.2006 unaudited thousand PLN**	**30.06.2005 unaudited thousand PLN**
Gross book value		
Opening balance as at 1 January	**18 125**	**14 822**
Increases	**0**	**0**
Purchases of real estate		
Capitalisation of subsequent expenditures		
Acquisition due to business combination		
Transfer from inventory		
Transfer from own real estate	0	
Other		
Decreases	**0**	**0**
Sale of real estate		
of which: sale of assets classified as held for sale according to IFRS 5		
Transfer to inventory		
Transfer to own real estate		
Other		
Closing balance	**18 125**	**14 822**
Accumulated depreciation		
Opening balance as at 1 January	**523**	
Increases	**261**	**372**
Depreciation	**261**	**372**
Decreases		
Closing balance	**784**	**372**
Impairment write-downs		
Opening balance as at 1 January	**0**	
Increases	0	0
Decreases	0	0
Closing balance	**0**	**0**
Net book value		
Opening balance as at 1 January	**17 602**	**14 822**
Closing balance	**17 341**	**14 450**

(in thousand PLN)

The following revenues and costs related to investment property were recognised in the income statement:

	01.01-30.06.2006 unaudited thousand PLN	**01.01-30.06.2005 unaudited thousand PLN**
Income from rental/lease of investment property	728	535
Direct operating expenses related to investment property (of which: repairs and maintenance), which generated rental income in the period	582	652
Direct operating expenses related to investment property (of which: repairs and maintenance), which did not generate any rental income in the period	166	115

39 Other assets

Other assets	**30.06.2006 unaudited**	**31.12.2005**
	thousand PLN	**thousand PLN**
Deferred costs	11 279	1 812
Perpetual usufruct right	526	697
Other assets held for resale	635	0
Interbank and inter branch accounts	58 248	0
Receivables from sundry debtors	37 879	29 217
Trade receivables	5 378	3 773
Receivables from other taxation, subsidies and social security	1 465	3 611
Advances	1 793	7 031
Other receivables	31 965	508
Impairment write-downs	0	0
Compensation receivables under lease agreements	3 458	3 528
Other	911	1 352
	0	
Total other assets	**153 537**	**51 529**

40 Non-current assets held for sale

This item consists of 4 properties of Getin Bank offered for sale in a tender, with the net book value of PLN 3.458 thousand as at 30 June 2006.
Location of the properties:

1. Łódź, ul.Tymienieckiego 7,
2. Łódź, ul.Piotrkowska 9,
3. Zduńska Wola, ul.Królewska 1,

These properties were acquired during the process of acquisition of Bank Przemysłowy in Łódź.

4. Zamość, ul.Piłsudskiego 24 (purchased from Wschodni Bank Cukrownictwa).

(in thousand PLN)

The decision on the sale of those properties is taken by the Bank's Management Board.
The fair value of those properties is not lower than their carrying amount.

41 Assets providing security for liabilities

The table below presents the carrying amount of assets constituting security as at 30 June 2006 (unaudited):

Types of assets providing security for liabilities	Types of liabilities	Value of the secured liabilities	Carrying amount of assets providing security for liabilities
treasury bills	loan BFG	10 188	12 807
treasury bills	technical loan	70 400	86 961
treasury bonds	lombard loan	69 600	84 319
treasury bonds	BFG loan	447 681	450 270
NBP bonds	BFG loan		16 043
treasury bills	investment in PKO BP	129 181	139 526
treasury bills	loan in RCB	258 550	301 218
treasury bills	loan in RABO	258 556	272 615
vehicles	loans	88 167	28 713
Total		**1 332 323**	**1 392 472**

The following table presents the carrying amount of assets constituting security as at 31 December 2005:

Types of assets providing security for liabilities	Types of liabilities	Value of the secured liabilities	Carrying amount of assets providing security for liabilities
vehicles and machinery	loans	49 686	18 552
treasury bills	BFG loan	8 167	9 676
treasury bills	technical loan	76 800	93 812
treasury bonds	lombard loan	71 200	88 488
treasury bonds	BFG loan	447 419	472 217
NBP bonds	BFG loan		9 278
treasury bills	investment in PKO BP	124 067	135 929
treasury bills	loan in RCB	248 267	305 113
treasury bills	loan in RABO	248 264	263 597
Total		**1 273 870**	**1 396 662**

42 Amounts due to Central Bank

No such items.

(in thousand PLN)

43 Amounts due to other banks and financial institutions

Amounts due to other banks and financial institutions	**30.06.2006 unaudited**	**31.12.2005**
	thousand PLN	**thousand PLN**
Overdrafts	2 880	638
Deposits accepted form other banks	138 371	513 843
Loans and credits received	980 624	897 681
Cash in transit	0	0
Other deposits from the money market	0	0
Interest	1 568	1 447
Other amounts due to other banks	2 535	1 319
Amounts due to other banks, total	**1 125 978**	**1 414 928**

Amounts due to other banks and financial institutions with a variable interest rate stood at PLN 1.021.213 thousand (2005: PLN 952.215 thousand), and those with a fixed interest rate stood at PLN 103.197 thousand (2005: PLN 461.266 thousand).

Amounts due to other banks and financial institutions by maturity	**30.06.2006 unaudited**	**31.12.2005**
based on the remaining period from the balance sheet date to date of repayment	**thousand PLN**	**thousand PLN**
Overdrafts	2 880	638
Liabilities payable within:	1 123 098	1 414 290
up to 1 month	21 232	396 643
from 1 to 3 months	22 816	7 313
from 3 months to 1 year	67 983	31 702
from 1 to 5 years	1 011 067	648 347
more than 5 year	0	330 285
Cash in transit		
Other deposits from the money market		
Total	**1 125 978**	**1 414 928**

44 Other financial liabilities carried at fair value through profit and loss

No such items.

(in thousand PLN)

45 Amounts due to customers

Amounts due to customers	**30.06.2006 unaudited**	**31.12.2005**
	thousand PLN	**thousand PLN**
Amounts due to corporate entities	**856 130**	**810 214**
Overdrafts and overnights	225 396	361 937
Term deposits	625 335	443 780
Advanced received	0	0
Interests	5 341	4 391
Other	58	106
Amounts due to state budget entities	**834 028**	**642 662**
Overdrafts and overnights	554 985	599 440
Term deposits	277 966	43 053
Interests	1 077	169
Other	0	0
Amounts due to individuals	**3 668 245**	**3 239 550**
Overdrafts and overnights	317 107	267 610
Term deposits	3 321 657	2 943 797
Interests	28 251	27 263
Other	1 230	880
Total of liabilities	**5 358 403**	**4 692 426**

Amounts due to customers with a variable interest rate stand at PLN 1.405.114 thousand (2005: PLN 1.611.384 thousand), and those with a fixed interest rate at PLN 3.917.479 thousand (2005: PLN 3.049.219 thousand). Other liabilities are non-interest bearing and stand at PLN 35.810 thousand as at 30 June 2006 (2005: PLN 31.823 thousand).

Amounts due to customers by maturity **based on the remaining period at the balance sheet date to date of repayment**	**30.06.2006 unaudited** **thousand PLN**	**31.12.2005** **thousand PLN**
Overdrafts and overnights	1 097 488	1 228 988
Term liabilities by maturity:	4 224 958	3 430 629
up to 1 month	1 427 295	986 190
from 1 to 3 months	1 791 857	1 496 224
from 3 months to 1 year	935 185	859 088
from 1 to 5 years	52 921	71 043
more than 5 years	17 700	18 084
Interest	34 669	31 823
Other	1 288	986
Total	**5 358 403**	**4 692 426**

(in thousand PLN)

46 Liabilities from issue of debt securities

Liabilities from issue of debt securities	**30.06.2006 unaudited** thousand PLN	**31.12.2005** thousand PLN
Liabilities from issue of	1 022 053	253 900
bonds	244 886	80 163
certificates	173 780	173 737
other	603 387	0
Interests	9 786	2 172
Liabilities from issue of debt securities, total	**1 031 839**	**256 072**

	31.12.2005		**31.12.2004**	
	thousand PLN	**Average effective rate**	**thousand PLN**	**Average effective rate**
	Carrying amount		**Carrying amount**	
Liabilities from issue of debt securities, payable in:	1 022 053		253 900	
up to 1 month				
from 1 to 3 months				
from 3 months to 1 year	31 176	6%	40 223	7%
from 1 to 5 years	990 877	5%	213 677	6%
more than 5 years	0		0	
Interest	9 786		2 172	
Total	**1 031 839**		**256 072**	

Liabilities from the issue of Getin Bank's debt securities include liabilities from the issue of bonds and deposit certificates which are not admitted to public trading.
Furthermore, liabilities from the issue of debt securities include liabilities related to zero-coupon bonds of Getin Holding – series M, N, which were issued on 30 June 2006 for a period until 31 January 2007.
The there were no instances in the Group of delays in the payment of the principal or interest, or in redemption of own debt securities.

(in thousand PLN)

47 Other liabilities

Other liabilities	**30.06.2006 unaudited**	**31.12.2005**
	thousand PLN	**thousand PLN**
Deferred income	12 330	9 419
Provision for annual leave	2 719	3 512
Provision for other liabilities to employees	1 648	1 300
Other costs to be paid in future	7 053	10 847
Sundry creditors	56 814	33 405
Interbank settlements	86 289	33 216
Trade liabilities	5 877	6 021
Taxation, customs duty, social security liabilities (excluding CIT)	8 426	7 634
Lease liabilities	327	743
Payroll liabilities	3 697	1 759
Provision for contingent liabilities	303	161
Compensation and damages	0	0
Advances received	9 027	6 467
Other liabilities	1 562	675
Other liabilities, total	**196 072**	**115 159**

48 Provisions

6 months' period ended 30 June 2006 unaudited	**Restructuring provision**	**Provision for litigation**	**Retirement provision**	**Provision for granted liabilities and guarantees**	**Other provisions**	**Total**
	thousand PLN	**thousand PLN**	**thousand PLN**	**thousand PLN**	**thousand PLN**	**thousand PLN**
As at 1 January 2006	38 321	3 664	612	204	10 305	53 106
Purchase of subsidiary	0	0	0	0	0	0
Recognition/revaluation of provision	0	3	223	861	1 157	2 244
Utilisation	6 125	145	257	0	934	7 461
Reversal	5 128	2 482	119	872	4 103	12 704
Changes relating to the increase of discounted value as a result of passage of time and variations in discount rate	0	0	0	0	0	0
Acquisition/disposal due to business combination	0	0	0	0	0	0
Exchange rate differences	0	0	0	0	0	0
Other changes	0	0	0	0	0	0
Provisions as at 30 June 2006	**27 068**	**1 040**	**459**	**193**	**6 425**	**35 185**

(in thousand PLN)

6 month' period ended 30 June 2005 unaudited	Restructuring provision	Provision for litigation	Retirement provision	Provision for granted liabilities and guarantees	Other provisions	Total
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
As at 1 January 2005	720	6 121	4 771	693	605	12 910
Purchase of subsidiary						0
Recognition/revaluation of provision	0	63	124	871	388	1 446
Utilisation	150	617	152	626	53	1 598
Reversal	0	112	3 855	0	0	3 967
Changes relating to the increase of discounted value as a result of passage of time and variations in discount rate	0	0	0	0	0	0
Acquisition/disposal due to business combination	0	0	0	0	0	0
Exchange rate differences	0	0	0	0	0	0
Other changes						0
Provisions as at 30 June 2005	**570**	**5 455**	**888**	**938**	**940**	**8 791**

Provision for retirement benefits and similar obligations	**30.06.2006 unaudited**	**30.06.2005 unaudited**
retirement provisions	273	677
provision for employees complaints	0	211
provisions for severance pays	186	
Total	**459**	**888**

An increase in the level of provisions as at 31.12.2005 results from the take-over of WBC S.A., which from 2002 implemented a Restoration Proceedings Programme assuming a gradual restriction in activity. The starting point of the programme was to identify the risks underlying the Programme and to create provisions for future costs related to restriction of activity and the estimated impairment. They included, among other things, provisions for risk related to costs of discontinuing business with financial agents, closing the lending business, severance pays to employees being released, and identified risks related to the existing business of WBC. In 2005, the Restoration Proceedings Programme was completed as a result of achievement of the level of net assets assumed in the Programme and the sale of WBC was carried out. The formal completion of the implementation of the Restoration Proceedings Programme does not mean the end of all restructuring activities.

As at 30 June 2006, the balance of provisions for restructuring of WBC is as follows:

restructuring provision - PLN 27.068 thousand:

of which:
- provision for retail sales liquidation costs - PLN 17.549 thousand,
- provision for costs of storing documents - PLN 2.997 thousand,
- provision for costs of claiming receivables - PLN 5.714 thousand,
- provision for other costs - PLN 808 thousand,

(in thousand PLN)

As at 30 June 2006, the balance of other provisions is as follows:

Other provisions - PLN 6.425 thousand,

of which:

- general risk provision - PLN 5.092 thousand,
- other - PLN 1.333 thousand.

49 Employment benefits

Management Options Program of Getin Holding Group
On 2 March 2005, the General Meeting of Getin Holding S.A. adopted resolutions on setting up an incentive program for the Group's management staff, which plays a key role in implementing the Group's strategy.
Under the program, the Parent Company's share capital was conditionally increased through the issue of up to 3.000.000 series J shares.
The series J shares will be offered to Eligible Persons holding bonds with a Priority Right to acquire shares from the Trustee on terms and conditions set forth in the Management Option Plan.
The Company undertook to issue in aggregate no more than 3 million Bonds with the Priority Right. The bonds were issued and were taken up by the Trustee. Next, the Trustee was obliged to sell the bonds to the Eligible Persons.
Each bond carried the right to place 1 subscription for Series J Share.
The fair value of the priority rights to take up shares in the Company granted in the period until 30 June 2006 stood at PLN 3.884 thousand as at 30 June 2006. It is amortised over the estimated period of acquisition of rights to take up shares in the Company by the plan participants.
The payroll costs were increased accordingly in the 1st half of 2006 by PLN 1.011 thousand (in 2005: by PLN 1.955 thousand).
The option exercise price for share options is PLN 2.40 for one option:
The fair value of the right of priority to take up shares in the Company is estimated at each date of granting options (priority rights to take up shares in the Company) on the basis of the Black – Scholes model.
The cost of the employee share plan as at each balance sheet date is adjusted if Management Board expectations concerning the number of rights to be exercised have changed.

The following table presents the figures assumed in determining the fair value of the priority rights to take up shares in the Company:

	Plan for years 2005-2007
Dividend rate (%)	not projected
Projected volatilities ratio (%)	30%
Historical volatilities ratio (%)	30%
Risk free interest rate (%)	4.50%
Projected validation period of option (in years)	0-2
Weighted average price of share (in PLN)	3.69

The anticipated validity term of the priority rights to take up shares in the Company is set on the basis of historical data and need not explicitly determine the possible implementation scenarios.
The projected volatilities ratio reflects the assumption that the historical volatilities ratio expresses the future tendencies which in practice may turn out to be completely different.

(in thousand PLN)

50 Contingent liabilities

Investment commitments

As at 30 June 2006, the Group executed agreements with business partners for implementation of planned capital expenditures (for IT systems development) in 2006 amounting to PLN 3.440 thousand.

Contingent liabilities

Contingent liabilities	**30.06.2006 unaudited**	**31.12.2005**
	thousand PLN	**thousand PLN**
Contingent liabilities:	**762 427**	**244 038**
- guarantees given	48 991	19 141
- financing	713 436	224 897
Contingent liabilities, total	**762 427**	**244 038**

In the 1st half year of 2006, Getin Bank issued a guarantee to its subsidiary, GETIN Finance PLC, in connection with the issue of the first tranche of euro-bonds, for the amount of PLN 150,000 thousand (equivalent of PLN 606,510 thousand).
Warranty liabilities are recognised at fair value and then revalued to a higher value of (a) unsettled balance of commissions received and deferred or (b) an amount of expenditures needed to settle the liability.

Call option for shares in Fiolet S.A.
Apart from the above contingent liabilities, the Issuer informed in the current report no. 122/2005 of 25 November 2005 that it has received from the Fiolet shareholders confirmation of acceptance of the Issuer's declaration on joining the Fiolet shareholders' agreement executed among the existing shareholders. The declaration was submitted by the Issuer on the basis of a share purchase agreement executed on 18 August 2005, under which the Issuer acquired from LC CORP B.V., with its registered office in Amsterdam, 600 ordinary registered shares in Fiolet S.A., representing 60% of the share capital of Fiolet and giving the right to 60% of votes at the General Shareholders' Meeting of Fiolet. As a result of acceptance of this declaration, the minority shareholders of Fiolet are entitled to call upon the Issuer to buy out all Fiolet's shares which they hold. The Issuer is bound by an offer to purchase shares for a price equal to 10 times the minority interest share in Fiolet's net financial result for 2006. The purchase offer binds the Issuer until 31 December 2007.

Additionally, if Fiolet's minority shareholders do not take advantage of the right to call to buy out all their shares by 31 December 2007, the Issuer will have the right to call upon the minority shareholders to sell their shares. The sale offer binds the minority shareholders until 31 December 2008. The sale price is 10 times the minority share in Fiolet's net financial result for 2007.

Due to a significant uncertainty of the variables contained in the above acquisition price formulas (i.e. Fiolet S.A.'s result for 2006 or 2007), the Group decided that, as at the date of these financial statements, it was not possible to estimate the amount for which the Issuer is to potentially acquire Fiolet shares from the minority shareholders.

Call option for shares in PDK
Additionally, on 15 February 2006, the Issuer executed with the remaining shareholders of Powszechny Dom Kredytowy we Wrocławiu S.A., with its registered office in Wrocław, an agreement under which the Issuer has the right to acquire and the shareholders have the right to sell until 31 December 2009 in aggregate 4,000 ordinary registered shares in PDK, representing 40% of PDK's share capital and giving the right to 4,000 (40%) votes at PDK's general meeting. If this right is exercised, the purchase price of the shares will be 40% of PDK's

value, calculated as 10% of the value of loans (i.e. the sum of principals) extended by GETIN Bank via PDK, in PDK's financial year preceding the year in which the right arising from the agreement should be exercised. On 10 March 2006, the Issuer executed with the shareholders an annex to this agreement. According to the amended agreement and in accordance with the agreement which the Issuer executed with a shareholder joining PDK, the Issuer has the right to acquire and the shareholders have the right to sell in aggregate 4,300 ordinary registered shares in PDK, representing 43% of PDK's share capital and giving the right to 4,300 (43%) votes at PDK's General Meeting, until 31 December 2009. If this right is exercised, the purchase price of 43% of the shares will be 43% of PDK's value, calculated as 10% of the value of loans (i.e. the sum of principals) extended by GETIN Bank via PDK, in PDK financial year preceding the year of excercising the rights derived from the agreement.

Due to a significant uncertainty of the variables contained in the above acquisition price formulae (i.e. sum of loan principals in the year preceding the share purchase year), the Group decided that, as at the date of these financial statements, it was not possible to estimate the amount for which the Issuer is to potentially acquire PDK shares from the minority shareholders.

Management option for shares in Noble Bank

On 25 January 2005, Getin Holding S.A. and ASK Investments, located in Luxembourg ('ASK') and Mr Jarosław Augustyniak, Mr Maurycy Kuhn, Mr Krzysztof Spyra (who were the only shareholders of ASK) concluded an investment agreement. On the basis of the agreement, ASK has right to acquire ('Call Option') shares of WBC, representing not more than 7.5% of share capital, for 15,750 thousand zlotys from the Company. Subject of investment agreement was creation of, on the basis of Open Finance S.A., located in Warsaw, and Wschodni Bank Cukrownictwa, located in Lublin ('WBC', currently Noble Bank), an open platform that offer products of various financial institutions for high income customers. The agreement provided for the co-operation of the parties in the restructuring of WBC, as well as in introducing of new banking products. WBC will conduct banking activities on the basis of the Business Plan ('Business Plan WBC') submitted to Commission of Banking Oversight by Getting Holding as part of proceedings for permit to acquire shares of WBC.

On the basis of the agreement, ASK has right to acquire ('Call Option') shares of WBC, representing not more than 7.5% of share capital, for 15,750 thousand zlotys from the Company.
The option can be exercised not earlier than 3 months after date of issuance to WBC of the auditors' opinion and report on the consolidated financial statements of WBC for the year ended 31 December 2006.

The option and the number of shares than can be purchased by ASK will depend on the level of WBC gross profit in 2006 and 2007 as determined in the Business Plan of WBC.

If WBC gross profit reported in the audited consolidated financial statements of WBC for 2006 is at least equal to the level included in the Business Plan ('Critical Result for 2006 Option'), then the option will be exercisable in full within 3 months from the date of issuance to WBC of the auditors' opinion and report on the consolidated financial statements of WBC for the year ended 31 December 2006 ('Exercise Period of 2006 Option').

If WBC consolidated gross profit for 2006 is lower than the Critical Result for 2006 Option, but is not less than 50% of Critical Result for 2006 Option, then ASK will be entitled to exercise part of the option equal to the realised proportion of Critical Result for 2006 Option

In such a case, ASK will be entitled to exercise not the exercised part of the option provided that cumulative consolidated gross profit of WBC for 2006 and 2007 amounts at least 95% of cumulative consolidated gross profit for 2006 and 2007 determined in the Business Plan.
Exercise of the remaining part of the option will be possible within 3 months after the date of issuance to WBC of the auditors' opinion and report on the consolidated financial statements of WBC for the year ended 31 December 2007.
Exercise price in respect of the remaining part of the option will be increased by interest computed at WIBOR 6M+1.2% compared to the original exercise price. Interest will be charged from the first day of the Exercise Period of the 2006 Option until the complete exercise of the option.

(in thousand PLN)

As a result of the investment agreement, ASK shareholders, Mr Jarosław Augustyniak, Mr Maurycy Kuhn, Mr Krzysztof Spyra were appointed and continue to be members of the management board of WBC. Consequently, the above option meets criteria applicable in IFRS 2 'Share based payments', and is required in the consolidated financial statements.

Due to the fact that shares of WBC, currently Noble Bank, are not listed on the regulated public market, the Group estimated approximate fair value of the option. Effect of the option as at 30 June 2006 would not have a significant effect on the consolidated financial statements. Therefore, the Group has not recognised this expense.

Financial liabilities

	As at 30 June 2006 unaudited thousand PLN	As at 31 December 2005 thousand PLN
Financial liabilities, total:	713 436	224 897
- for financial entities	262 353	5 563
- for non-financial entities	447 446	218 299
- for budget entities	3 637	1 035
of which: irrecovable liabilities		67 576

The Group gave financial liabilities with a fixed interest rate (thus exposing the Group to interest rate risk) in a nominal amount shown in the table below; these liabilities represent amounts of unused debit balances on overdraft accounts.

	As at 30.06.2006 unaudited	As at 31.12.2005
	thousand PLN	thousand PLN
Financial liabilities given with a fixed interest rate, total:	253	4
- with maturity within the 1 year from the balance sheet date	253	4
- with maturity within more than 1 year from the balance sheet date	0	0
of which: irrevocable liabailities	0	0

Guarantee liabilities given

	As at 30.06.2006 unaudited thousand PLN	As at 31.12.2005 thousand PLN
1) Liabilities granted to financial entities:	43459	0
- guarantees	51	0
- civil law guarantees	43408	0
2) Liabilities granted to non-financial entities:	5463	19138
- guarantees	5463	16352
- civil law guarantees	0	2786
3) Liabilities granted to the state budget:	69	3
- guarantees	69	3

Total liabilities given	**48991**	**19141**

Details of contingent liabilities given to affiliated entities are presented in Note 55.

51 Share capital

as at 30 June 2006, unaudited

SHARE CAPITAL (STRUCTURE)								
Series / issue	Type of shares	Type of privilege	Type of restriction of rights to share	Number of shares	Value of series / issue at nominal value	Method of capital coverage	Registration date	Right to dividend (from date)
A	bearer	-	-	100 000	100	cash	23.02.1996	23.02.1996
B	bearer	-	-	5 900 000	5 900	cash	16.03.2000	01.01.2000
C	bearer	-	-	4 000 000	4 000	cash	19.10.2000	01.01.2000
D	bearer	-	-	700 000	700	cash	19.05.2001	01.01.2000
E	bearer	-	-	5 300 000	5 300	cash	19.05.2001	01.01.2000
F	bearer	-	-	54 000 000	54 000	cash	01.08.2003	01.01.2003
G	bearer	-	-	245 000 000	245 000	cash	11.05.2004	01.01.2004
H	bearer	-	-	105 000 000	105 000	cash	19.07.2005	01.01.2005
I	bearer	-	-	114 335 000	114 335	non monetary contribution	19.07.2005	01.01.2005
J	bearer			993 000	993	cash	09.01.2006	01.01.2006
Total number of shares				**535 328 000**				
Total share capital in thousand PLN					**535 328**			
Nominal value of 1 share = 1 PLN								

01.01 - 30.06.2006 in thousand unaudited	**Shares issued and fully paid**	**Shares issued and not fully paid**	**Own shares of entity in its possession or in possession of subsidiaries and associates**	**Total**
At the beginning of the period	534 335			534 335
Issue of shares of series J	993			993
At the end of the period	**535 328**	**0**	**0**	**535 328**

Share capital was increased in the first half of 2006 by 993,000 shares issued as an exercise of the management options program. Nominal amount of one share was 1 PLN.

(in thousand PLN)

52 Other reserves and retained earnings

	30.06.2006 unaudited thousand PLN	31.12.2005 thousand PLN
Reserve capital	470 635	492 061
From sale of shares above their nominal value	470 635	469 352
Other	0	22 709
Revaluation reserve	1 781	12 128
General Bank Risk Fund	0	0
Other reserved capitals	103 959	0
Foreign exchange differences	307	214
Bonds convertible to shares – equity component	2 965	1 955
Retained earnings	-14 530	-11 952
Net profit (loss)	79 528	78 439
At the end of the period	**644 645**	**572 845**

53 Insurance contracts

The table below presents information concerning insurance contracts for the 1st half of the year ended 30 June 2006 and as at 30 June 2006.

	30.06.2006 unaudited thousand PLN	31.12.2005 thousand PLN
Off-balance sheet liabilities in respect of insurance contracts:	6 159	15 925
Guarantees	5 580	15 362
Letters of credit	579	563
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability)	52	52

Warranty liabilities are recognised at fair value and then revalued to the higher value of (a) unsettled balance of commissions received and deferred or (b) an amount of expenditures needed to settle the liability.

	01.01-30.06.2006 unaudited thousand PLN	01.01-30.06.2005 unaudited thousand PLN
Revenue from insurance contracts	113	464
Expenses from insurance contracts		26

The table below presents reconciliation of insurance liabilities as at 1 January 2006 and 30 June 2006.

	01.01-30.06.2006 unaudited thousand PLN	01.01-30.06.2005 unaudited thousand PLN
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the beginning of period	52	27
Recognition of provisions for guarantees and letters of credit	0	26
Reversal of provisions for guarantees and letters of credit	0	1
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the end of the period	52	52

(in thousand PLN)

54 Additional information to cash flow statements

Cash and cash equivalents:

Balance Sheet items	**01.01-30.06.2006 unaudited** **thousand PLN**	**01.01-30.06.2005 unaudited** **thousand PLN**
Cash and balances with Central Bank	227 062	145 412
Current amounts due from banks	12 312	14 441
Overnight deposits	273 445	349 616
Cash and cash equivalents disclosed in the Cash Flow Statement	**512 819**	**509 469**

Explanation of differences between balance sheet changes in assets and liabilities and changes disclosed in the cash flow statement for 2006.

	Balance Sheet	**Cash Flow Statement**	**Difference**	
Change in receivables from banks	354 816	57 738	297 078	(1)
Change in financial assets held for trading and other financial instruments at fair value	3	3	0	
Change in derivatives (assets)	6 996	6 996	0	
Change in loans and credits allowed to customers	-1 130 640	-1 130 640	0	
Change in finance lease receivables	-23 683	-19 726	-3 957	(2)
Change in securities available for sale	-361 660	-371 491	9 831	(3)
Change in deferred tax assets	-49 971	-49 021	-950	(4)
Change in other assets	-102 008	-85 215	-16 793	(5)
Change in liabilities due to banks	-288 950	-294 171	5 221	(6)
Change in derivatives (liability) and other financial assets valued at fair value	35 681	35 681	0	
Change in liabilities due to customers	665 977	665 977	0	
Change in liabilities arising from issue of debt securities	775 767	8 577	767 190	(7)
Change in provisions	9 359	9 359	0	
Change in other liabilities	79 685	63 466	16 219	(8)

(1) A difference between balance sheet change in receivables from banks and change in the receivables from banks in cash flow statement results from change of current accounts and overnight accounts amounting -297,078 thousand PLN, which is included in change of cash and cash equivalents.

(2) A difference between balance sheet change in finance lease receivables and change in the finance lease receivables in cash flow statement results from foreign exchange differences from foreign entity (Carcade OOO) accounts translation.

(in thousand PLN)

(3) A difference between balance sheet change in investment securities available for sale and change in AFS securities in cash flow results from elimination of AFS securities valuation included in revaluation reserve from cash flow statement, which amounted to 9,831 thousand PLN.

(4) A difference between balance sheet change in deferred tax assets and change in the deferred tax assets in cash flow statement results from foreign exchange differences from foreign entity (Carcade OOO) accounts translation.

(5) A difference between balance sheet change in other assets and change in the other assets in cash flow statements results from:
- foreign exchange differences from foreign entity (Carcade OOO) accounts translation, amounting to -667 thousand PLN
- elimination of changes in investment receivables amounting to -15,725 thousand PLN
- elimination of excess payment of income tax -401 thousand PLN

(6) A difference between balance sheet change in amounts due to banks and change in the amounts due to banks in cash flow statements results from foreign exchange differences from foreign entity (Carcade OOO) accounts translation of 5,521 thousand PLN.

(7) A difference between balance sheet change in debt securities in issue and change in the debt securities in issue in cash flow statements results from including cash inflows and outflows from issued debt securities in cash flows from financing activities.

(8) A difference between balance sheet change in other liabilities and change in the other liabilities in cash flow statements results from:
- elimination of investment purchases liabilities amounting to 15,750 thousand PLN
- foreign exchange differences from foreign entity (Carcade OOO) accounts translation, amounting to 469 thousand PLN

(9) "Other adjustments" include:
- change in fixed assets classified as held for sale amounting to -515 thousand PLN
- non-monetary adjustments to non-current assets amounting to 4,465 thousand PLN
- adjustment relating to management options valuation amounting to 1,010 thousand PLN
- other adjustments amounting to -948 thousand PLN

55 Transactions with affiliated entities

The entire Getin Holding Group is controlled by Leszek Czarnecki.

The consolidated financial statements include the financial statements of Getin Holding S.A. and financial statements of the subsidiaries listed in the following table:

Name of the entity	**Country of registration 2006**	**Share in equity**	
		30.06.2006 unaudited	**31.12.2005**
Getin Bank S.A.	Poland	99.29%	99.25%
Carcade OOO	Russia	60.00%	60.00%
GBG Serwis Sp. z o.o.	Poland	n/d	100.00%
Getin Raty S.A.	Poland	100.00%	100.00%
Górnoślązak Sp. z o.o.	Poland	49.00%	98.00%
Fiolet S.A.	Poland	60.00%	60.00%

Open Finance S.A.	Poland	100.00%	70.00%
Noble Bank S.A. (dawniej WBC S.A.)	Poland	92.41%	99.90%
Getin Finance PLC	Great Britain	100%	n/d

Associates accounted for using the equity method:
- Getin Leasing S.A.,
- PDK we Wrocławiu S.A.

Moreover, there were the following subordinated entities which are not consolidated or accounted for using the equity method:
* entities affiliated via Getin Bank:
- BTG sp. z o.o.,
- BP Real Nieruchomości S.A.,
- BP Telervis S.A.,
- KONWIN-Kruszwica sp. z o.o.
* entity affiliated via Getin Leasing:
- Akcept S.A.
* entities affiliated via PDK we Wrocławiu S.A.:
- WTF Sp. z o.o., Credit Car Sp. z o.o. and Profit Sp. z o.o.

Furthermore, an entity controlled by Getin Holding, Noble Towarzystwo Funduszy Inwestycyjnych S.A., which has not been consolidated or accounted for using the equity method. The basis for exclusion in this case is the lack of material impact on the consolidated financial statements and the fact that Noble TFI did not conduct any business in the 1st half of 2006.

Entities affiliated with the Issuer via the controlling person - Leszek Czarnecki:
- RB Investcom Sp. z o.o.,
- Łódź Nieruchomości Sp. z o.o.,
- Wrocław Nieruchomości Sp. z o.o.,
- RB Expert S.A.,
- Pośrednik Finansowy Sp. z o.o.,
- RB Computer Sp. z o.o.,
- iCentrum S.A.

Furthermore, in the period covered by the financial statements, the Issuer's affiliated entities included:
- LC Corp BV, which is a significant investor of the Company;
- Towarzystwo Ubezpieczeń "Europa" S.A., which is a subsidiary of LC Corp BV,
- Towarzystwo Ubezpieczeń na Życie "Europa" S.A., which is a subsidiary of Towarzystwo Ubezpieczeń "Europa" S.A.,
- Arkady Wrocławskie S.A. (former LC Corp SA), which is a subsidiary of LC Corp BV.

Transactions executed by entities of the Group are performed at an arm's length.
As part of its lending activity with affiliated entities, the Group applies standard lending conditions:
- transactions are executed based on principles and conditions approved by the Bank;
- the evaluation of the subsidiary's creditworthiness is based on principles which apply in evaluating the creditworthiness of the Bank's clients;
- the financial conditions are set taking into account interest rate fluctuations based on WIBOR 3M for corporate loans;
- the principles of securing transaction financing are in line with the instructions concerning legal security in effect at the Bank;
- the Bank also applies general principles of monitoring payments and principles of terminating agreements and collecting debts.

Transactions of Getin Holding S.A. with affiliated entities

01.01.2006 - 30.06.2006 unaudited	Loans and credits receivable PLN thousands	Other receivables PLN thousands	Liabilities in respect of bank loans and credits PLN thousands	Liabilities due to deposits taken PLN thousands	Other liabilities PLN thousands	Interest income PLN thousands	Interest expense PLN thousands	Commission income PLN thousands	Commission expense PLN thousands	Sales* PLN thousands	Purchases** PLN thousands	Impairment write-down of irregular receivables PLN thousands	Expense related to impairment write-down of irregular receivables PLN thousands	Granted financial liabilities and guarantees PLN thousands
Transactions with consolidated entities														
Getin Bank S.A., located in Katowice		10 158			20	262				338	5 100			
Carcade OOO, located in Kaliningrad, Russia		71												28 634
Getin Raty S.A.										5				
Noble Bank (prev. WBC S.A.)										85 000				
Getin Leasing S.A., located in Wrocław						3					52			
Transactions with other related parties														
Leszek Czarnecki											60			
LC Corp BV, located in Amsterdam, Netherlands					10 040									
TU Europa S.A., located in Wrocław					11 431		511							
TU Europa na Życie S.A., located in Wrocław					19 745		639							
RB INVESTCOM SP. Z O.O		1			1 430					32				
RB COMPUTER SP. Z O.O.										3	10			
Arkady Wrocławskie S.A. (prev. LC Corp SA)											48			
Mercurius DM Sp. z o.o.											161			

Transactions of Getin Bank S.A. with affiliated entities

01.01.2006 - 30.06.2006 unaudited	Loans and credits receivable PLN thousands	Other receivables PLN thousands	Liabilities in respect of bank loans and credits PLN thousands	Liabilities due to deposits taken PLN thousands	Other liabilities PLN thousands	Interest income PLN thousands	Interest expense PLN thousands	Commission income PLN thousands	Commission expense PLN thousands	Sales* PLN thousands	Purchases** PLN thousands	Impairment write-down of irregular receivables PLN thousands	Expense related to impairment write-down of irregular receivables PLN thousands	Granted financial liabilities and guarantees PLN thousands
Transactions with consolidated entities														
Getin Holding S.A. located in Wrocław		20		10 154			262			5 100	407			
Carcade OOO located in Kaliningrad, Russia	36 377					2 808		23						
Fiolet S.A.		1			52	9	8		1	23	22	3		51
GBG Serwis Sp. z o.o.				301			2	1		4	325			
Getin Raty S.A.		13		3 117	702		48	36	80	140				
Open Finance S.A.		25				1					21			
Noble Bank (prev. WBC S.A.)		79		8	43				1	13	7 957			
Getin Finance PLC				603 053			6 439							606 510
Getin Leasing S.A. located in Wrocław		1		8 070		8	79	2		25	143			
Powszechny Dom Kredytowy S.A. located in Wrocław		8249				495			1	27	36	122		
Transactions with other related parties														
Leszek Czarnecki				584			33							
LC Corp BV, located in Amsterdam, Netherlands				11 143			299	2						
TU Europa S.A., located in Wrocław		3		42 612	6		1 064	2	184					
TU Europa na Życie S.A., located in Wrocław				85 592			2 050		6	3				
iCentrum S.A. located in Wrocław		37				2								

01.01.2006 - 30.06.2006 unaudited	**Loans and credits receivable** **PLN thousands**	**Other receivables** **PLN thousands**	**Liabilities in respect of bank loans and credits** **PLN thousands**	**Liabilities due to deposits taken** **PLN thousands**	**Other liabilities** **PLN thousands**	**Interest income** **PLN thousands**	**Interest expense** **PLN thousands**	**Commission income** **PLN thousands**	**Commission expense** **PLN thousands**	**Sales*** **PLN thousands**	**Purchases**** **PLN thousands**	**Impairment write-down of irregular receivables** **PLN thousands**	**Expense related to impairment write-down of irregular receivables** **PLN thousands**	**Granted financial liabilities and guarantees** **PLN thousands**
RB INVESTCOM SP. Z O.O.				1 468		1	9							
POŚREDNIK FINANSOWY SP. Z O.O.		35				2								
CREDIT CAR Sp. z o.o.		190				11								
Ludwik Czarnecki				48			1							
BTG Sp. z o.o. w likwidacji	348	3 416			348		1	1		1		3 416		
BP REAL Nieruchomości Sp. z o.o.	5 954	10 089			878							13 229		
BP Telervis S.A. w likwidacji	4 119	2 278					1	3				5 859		
Arkady Wrocławskie S.A. (prev. LC Corp SA)	8 090	4		7		85	16	1			89			73 991
Łódź Nieruchomości														
Wrocław Nieruchomości		1 426					24	1 416			26			
WTF Sp. z o.o.		48				2						1		
LC Corp S.A.				57					72					

In addition, in January 2006, Getin Bank SA signed a compensation agreement with Wschodni Bank Cukrownictwa under which WBC agreed to refund the costs of employment and network restructuring in the amount of PLN 12.665 thousand.

Transactions of Carcade OOO with affiliated entities

01.01.2006 - 30.06.2006 unaudited	Loans and credits receivable PLN thousands	Other receivables PLN thousands	Liabilities in respect of bank loans and credits PLN thousands	Liabilities due to deposits taken PLN thousands	Other liabilities PLN thousands	Interest income PLN thousands	Interest expense PLN thousands	Commission income PLN thousands	Commission expense PLN thousands	Sales* PLN thousands	Purchases** PLN thousands	Impairment write-down of irregular receivables PLN thousands	Expense related to impairment write-down of irregular receivables PLN thousands	Granted financial liabilities and guarantees PLN thousands
Transactions with consolidated entities														
Getin Holding S.A.					71 380									
Getin Bank S.A			36 553 188				2 428 188		22 896		71 328			
Noble Bank (prev. WBC S.A.)			4 797 027				35 558							
Transactions with other related parties														
TU Europa S.A., located in Wrocław			6 589 115				14 257				151 236			

Transactions of Fiolet S.A. with affiliated entities

01.01.2006 - 30.06.2006 unaudited	Loans and credits receivable PLN thousands	Other receivables PLN thousands	Liabilities in respect of bank loans and credits PLN thousands	Liabilities due to deposits taken PLN thousands	Other liabilities PLN thousands	Interest income PLN thousands	Interest expense PLN thousands	Commission income PLN thousands	Commission expense PLN thousands	Sales* PLN thousands	Purchases** PLN thousands	Impairment write-down of irregular receivables PLN thousands	Expense related to impairment write-down of irregular receivables PLN thousands	Granted financial liabilities and guarantees PLN thousands
Transactions with consolidated entities														
Getin Bank S.A located in Katowice		3 268			1	8			1	14 189	28			
Getin Leasing S.A located in Wrocław					247		9				54			
Transactions with other related parties														
TU Europa S.A., located in Wrocław		16			351					52				
TU Europa na Życie S.A., located in Wrocław		299								998				
POŚREDNIK FINANSOWY SP. Z O.O.										39				

Transactions of Noble Bank S.A. with affiliated entities

01.01.2006 - 30.06.2006 unaudited	Loans and credits receivable PLN thousands	Other receivables PLN thousands	Liabilities in respect of bank loans and credits PLN thousands	Liabilities due to deposits taken PLN thousands	Other liabilities PLN thousands	Interest income PLN thousands	Interest expense PLN thousands	Commission income PLN thousands	Commission expense PLN thousands	Sales* PLN thousands	Purchases** PLN thousands	Impairment write-down of irregular receivables PLN thousands	Expense related to impairment write-down of irregular receivables PLN thousands	Granted financial liabilities and guarantees PLN thousands
Transactions with consolidated entities														
Getin Holding S.A. located in Wrocław											85 000			
Getin Bank S.A located in Katowice		153				3 044				7 070	15 465			
Carcade OOO, located in Kaliningrad, Russia	4 774					38								
Getin Raty S.A.		3								16				
Open Finance S.A.	12 559					217				1	90	-187		
Getin Leasing S.A located in Wrocław											61			

Transactions of Open Finance with affiliated entities

01.01.2006 - 30.06.2006 unaudited	Loans and credits receivable PLN thousands	Other receivables PLN thousands	Liabilities in respect of bank loans and credits PLN thousands	Liabilities due to deposits taken PLN thousands	Other liabilities PLN thousands	Interest income PLN thousands	Interest expense PLN thousands	Commission income PLN thousands	Commission expense PLN thousands	Sales* PLN thousands	Purchases** PLN thousands	Impairment write-down of irregular receivables PLN thousands	Expense related to impairment write-down of irregular receivables PLN thousands	Granted financial liabilities and guarantees PLN thousands
Transactions with consolidated entities														
Getin Bank S.A located in Katowice		950								2 095				
Noble Bank S.A. (prev. WBC S.A.)		2	12 559				217		13	79	1			
Getin Leasing S.A located in Wrocław					10									

Transactions of Getin Raty with affiliated entities

01.01.2006 - 30.06.2006 unaudited	Loans and credits receivable	Other receivables	Liabilities in respect of bank loans and credits	Liabilities due to deposits taken	Other liabilities	Interest income	Interest expense	Commission income	Commission expense	Sales*	Purchases**	Impairment write-down of irregular receivables	Expense related to impairment write-down of irregular receivables	Granted financial liabilities and guarantees
	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands	PLN thousands
Transactions with consolidated entities														
Getin Holding S.A. located in Wrocław											6			
Getin Bank S.A located in Katowice						50				4 750	186			
GBG Serwis Sp. z o.o.											23			
Noble Bank S.A. (prev. WBC S.A.)											19			
Getin Leasing S.A located in Wrocław											1			
Transactions with other related parties														
RB COMPUTER SP. Z O.O.											152			

* Sales include revenues from sale of products, materials, goods for resale, services, and other revenues eg. from sales of property, plant and equipment

** Purchases include purchases of materials, products, goods for resale, services, property, plant and equipment, intangibles and other purchases

Benefits for Management Board members

Benefits for members of Management Board of Getin Holding S.A.	**Value**	
	01.01-30.06.2006 unaudited PLN thousands	**01.01-30.06.2005 unaudited PLN thousands**
Short-term employee benefits	530	771
Post-employment benefits		
Other long-term benefits		
Severance payments		
Equity-settled payments	143	
Total	**673**	**771**

Benefits for members of Management Boards and Supervisory Boards of subsidiaries

	Value	
	01.01-30.06.2006 unaudited thousand PLN	**01.01-30.06.2005 unaudited thousand PLN**
Management Board		
Short-term employee benefits	3 618	1 724
Post-employment benefits	52	0
Other long-term benefits	574	0
Severance payments	128	0
Equity-settled payments	753	0
Total	**5 125**	**1 724**
Supervisory Board		
Short-term employee benefits	85	9
Post-employment benefits	0	0
Other long-term benefits	0	0
Severance payments	0	0
Equity-settled payments	18	0
Total	**103**	9
Aggregated value of benefits	**5 228**	**1 733**

56 Business combinations

Company	Acquisition date	Share acquired in net assets	Share in net assets after acquisition	Consideration paid in PLN thousand	Of which: paid in cash	Value of net assets acquired	Goodwill on acquisition
Subsidiaries							
Carcade (I)	09.2003	49.00%	49.0%	5 058	5 058	-2 119	7 177
Carcade (II)	01.2004	11.00%	60.0%	4 554	4 554	4 037	515
GETIN Bank	05.2004	71.20%	71.2%	257 177	257 177	167 261	89 916
GETIN Bank	01.2005	0.40%	71.6%	118 195	118 195	116 939	1 256
GETIN Bank	06.2005	26.60%	98.2%	348 721	0	138 062	210 659
GETIN Bank	08.2005	0.96%	99.16%	7 848	7 848	5 094	2 754
GETIN Bank	09.2005	0.04%	99.20%	54 895	54 895	54 722	173
GETIN Bank	12.2005	0.05%	99.25%	441	441	266	175
GETIN Bank	02.2006	0.03%	99.28%	54.870	54.870	54.740	130
GETIN Bank	06.2006	0.01%	99.29%	89	89	70	19
Bank Przemysłowy	12.2004	100%	100.0%	0	0	-51 307	51 307
Fiolet	08.2005	60.00%	60.00%	3 597	3 597	1 253	2 344
Open Finance	10.2005	70.00%	70.00%	6 586	6 586	50.600	0
Open Finance	01.2006	30.00%	100.00%	15.924	15.924	11.720	4.204
WBC	12.2005	99.91%	99.91%	210 594	210 594	203 669	6 925
WBC	06.2006	-7.50%	92.41%	15.795	15.795	15.289	-506

Fiolet

On 18 August 2005, Getin Holding acquired from LC CORP B.V. 600 ordinary registered shares in Fiolet S.A., representing 60% of the share capital of Fiolet and giving the right to 60% of votes at the General Meeting of Fiolet. The sale price for the shares was PLN 3,540,000.00.
In the consolidated financial statements for the year 2005, the acquisition was initially accounted for on a provisional basis.
The initial accounting for the acquisition of Fiolet by Getin Holding was completed in August 2006, and the calculation of the fair value of Fiolet's assets, liabilities and contingent liabilities as at the acquisition date reconciled with the estimates adopted in the provisional accounting for the acquisition in 2005.

I Goodwill as at the date of acquisition	PLN thousand
1 Total assets	4.744
2 Liabilities	2.655
3 Net assets according to balance sheet	2.089
4 Adjustment of net assets to fair value	2.089
5 Net assets adjusted to fair value	2.089
6 Net assets adjusted to the 60% share held	1.253
7 Consideration paid	3.540
8 Costs incurred in connection with acquisition	57
9 Goodwill as at the date of acquiring control	2.344

Open Finance

On 4 October 2005, Getin Holding acquired from LC CORP B.V. 350,000 ordinary registered shares in Open Finance S.A. representing 70% of the share capital of Open Finance and giving the right to 70% of votes at the General Meeting of Open Finance.
Due to the fact that the fair value of the assets, liabilities and contingent liabilities of Open Finance as at the acquisition date could not be reliably determined by the date of the consolidated financial statements for the year 2005, the Group made an initial accounting for the acquisition on a provisional basis. The difference between the

fair value of net assets and their carrying amount was recognised as the value of the Open Finance trademark. In the first quarter of 2006, the Issuer determined the fair value of the acquired intangible assets of Open Finance.

I Goodwill as at the date of acquisition	**PLN thousand**
1 Total assets	7.601
2 Liabilities	11.754
3 Net assets according to balance sheet	-4.153
4 Adjustment of net assets acquired to fair value	40.986
5 Net assets adjusted to fair value	36.833
6 Net assets adjusted to 70% share held	25.783
7 Consideration paid	6.500
8 Costs incurred in connection with acquisition	86
9 Goodwill as at the date of acquiring control	19.197

The impact of the valuation of intangible assets acquired on the consolidated financial statements is presented in the table below.

	Intangible assets	Liabilities – deferred tax asset	Share capital attributable to equity holders of the Company	Minority interest
Impact of the adjustments on financial data of 2006 opening balance				
Adjustment of aquired net assets fair value at the moment of aquisition	37 038	9 614	19 197	8 227

Accounting for the acquisition of WBC S.A.
On 12 December 2005, Getin Holding acquired 200,000,000 shares in WBC representing 99.91% of the share capital of this company.

In the consolidated financial statements for the year ended 31 December 2005, the initial accounting for the acquisition of WBC was determined provisionally, due to the date of acquiring control.
The initial accounting for the acquisition of WBC by Getin Holding was completed in April 2006, and the final calculation of the fair value of WBC's assets, liabilities and contingent liabilities acquired as at the acquisition date reconciled with the estimates adopted in the provisional accounting for the acquisition in December 2005.

I Goodwill as at the date of acquisition	**thousand**
1 Total assets	633 661
2 Liabilities	456 886
3 Net assets according to balance sheet of WBC S.A.	176 775
4 Adjustment of net assets acquired to fair value	27 078
5 Net assets adjusted to fair value	203 853
6 Net assets adjusted to 99.91% shares held	203 669
7 Consideration paid	210 000
8 Costs incurred in connection with acquisition	594
9 Goodwill as at the date of acquiring control	6 925

Description of factors which gave rise to goodwill on acquisition of WBC in 2006

The purpose of the acquisition of WBC by Getin Holding is to create, on the basis of the existing entity, a bank addressed to wealthier clients, i.e. private banking. As part of the new strategy of the acquired bank, it was assumed that part of the WBC assets, including the branch network, would be transferred to Getin Bank S.A. On the basis of the remaining part of the bank and Open Finance, a bank would be created with a new operating strategy. The main business aim is to create a Polish banking institution addressing its product offer to affluent clients. The bank will rely on the Anglo-Saxon and Swiss banking model where focus is placed on addressing financial solutions to individual cases, partnership-based relations with clients and careful selection of product assortment.

"Brand"
In connection with a change in the bank's business strategy, the name of the bank taken over has also been changed. Getin Holding did not perform a valuation of the WBC trademark as it was difficult to reliably determine its value.

Core deposits of acquired banks
Intangible assets related to core deposits are recognised in the case of acquisition of banks on well-developed financial markets (US, Western Europe). In the case of banks acquired by GETIN Bank, there is no relevant data, including historical data, to perform such valuations, which translates into numerous and uncertain assumptions (e.g. behavior of bank's depositaries after take-over by Getin Holding). This results in a lack of the possibility to reliably determine the value of the intangible assets.

Branch network
In the case of acquisition of banks, an issue arises with the valuation of the network of branches taken over and its separation form the goodwill determined as at the date of acquisition of control, and the amortisation of the intangibles of the network branches throughout their economic life. In the case of WBC, no separate valuation was made for the branch network, as it was not possible to reliable determine the value of the branch network. The basic difficulty in reliably determining the goodwill of the branch network is to make appropriate assumptions regarding future cash flows which, as at the date on which the Getin Holding Group acquired control, were negative due to the profile of the sales points.
In practice, thus, the value of the branches arises from the value of real estate and fixed assets, people employed in the branches, their know-how, client relations and client data bases. As for client data bases, due to the bank secret regulations, they do not fulfill the separation criteria (IFRS 3, illustrating examples B.1). In the case of the other elements, there is no relevant data to perform their valuation, which results in a great number and uncertainty of assumptions which should be made when performing such valuation. On this basis, the Company's Management Board stated that it was not possible to reliably determine the value of the branch network in the case of acquisition of WBC.

Disclosures required by IFRS 3 par. 67 i) and par. 70. In the period covered by the current financial statements, there were no mergers or acquisitions of business entities that were not included in the consolidated financial statements of Getin Holding in prior periods.

GBG Serwis Sp. z o.o. was disposed on 19.01.2006. The book value of the company amounted PLN 2,667,461 and disposal price amounted PLN 3 mln. Profit from the sale amounted PLN 332,539.

57 Post-balance sheet events

Events which occurred after the date as at which the annual financial statements were prepared:

In connection with the process of selling by Getin Holding to ASK Investments S.A., with its registered office in Luxembourg, of 15,000,000 registered preference series "G" shares in Noble Bank S.A., with its registered office in Lublin, former name Wschodni Bank Cukrownictwa S.A. (hereinafter the "Noble Bank"), of a nominal value of PLN 1 each, representing 7.49% of the share capital of Noble Bank and giving the right to 7.5% votes at the General Meeting of Noble Bank, on 6 July 2006, the ownership of those shares was transferred together with all rights and obligations related thereto. Consequently, as at 6 July 2006, the Issuer held 185,000,000 registered preference series "G" shares in Noble Bank representing 92.41% of the share capital of Noble Bank and giving the right to 370,000,000 votes (92,45%) at the General Meeting of Noble Bank.

Pursuant to resolution no. 272/06 of the Management Board of KDPW S.A. of 9 June 2006 and at the request of Getin Holding, on 10 July 2006 the National Depositary registered 22,483,776 rights to ordinary bearer series K shares in Getin Holding S.A., of a nominal value of PLN 1.00 each and marked with the code PLGSPR000170 (individual name: GETIN - PDA). The registration of the above rights to shares on the accounts of the NDS participants was in line with the balances of the accounts of the new issue rights (NIR) marked with code PLGSPR000162.
On 11 July 2006, Getin Holding S.A. received a resolution no. 228/2006 of the Management Board of Giełda Papierów Wartościowych w Warszawie S.A. dated 11 July 2006 on introduction, using the standard procedure, of 22,483,776 rights to ordinary bearer series K shares to trading on the core stock exchange market as of 12 July 2006. The shares had a nominal value of PLN 1 per share and were marked by Krajowy Depozyt Papierów Wartościowych S.A. with a code "PLGSPR000170". The rights to the series K shares were first listed during the stock exchange session on 12 July 2006. The rights to the ordinary bearer series K shares were quoted in the single pricing system under the abbreviated name "GETIN-PDA" and marked as "GTNA".

On 6 July 2006, the series K shares offered by the Issuer under a closed subscription carried out from 12 June 2006 to 27 June 2006 were allocated in accordance with the terms and conditions presented in the prospectus made available on 1 June 2006 and approved by the Securities and Exchange Commission in Warsaw on 25 May 2006. The subscription for the shares took place pursuant to resolution no. 3 of the Extraordinary General Meeting of 7 April 2006 on the increase of the Company's share capital by an amount not less than PLN 1.00 and not more than PLN 22,483,776 through the issue of not less than 1.00 share and not more than 22,483,776 ordinary bearer series K shares, of a nominal value of PLN 1.00 each, with the right of subscription by the existing shareholders. The existing shareholders were offered from 1 to 22,483,776 ordinary bearer series K shares of a nominal value of PLN 1.00 each and an issue price of PLN 1.00 each. The subscription started on 12 June 2006. Subscriptions for series K shares were accepted from 12 June 2006 to 16 June 2006. The subscription was completed on 27 June 2006. The number of securities covered by the subscription was from 1 to 22,483,776. The price for which the securities were taken up was PLN 1.00. As many as 5.214 subscriptions were placed for 22,258,559 shares under the individual preemptive rights, and additional 594 subscriptions were placed for 233,439,644 shares. The reduction rate for allocation of series K shares to the shareholders who subscribed for the additional shares was 99,90%. In total 5.808 subscriptions were placed for as many as 255.698.203 shares. The number of persons who were awarded the 22,483,776 series K shares was 5.230. The Issuer did not execute an underwriting agreement. The value of the subscription, understood as the as the number of securities covered by the offer multiplied by the issue price, was PLN 22,483,776.

Getin Holding S.A. subscribed for series W shares of GETIN Bank S.A., a subsidiary of the Issuer. GETIN Bank is in the process of increasing its share capital through the issue of 2,000,000 ordinary registered shares. The issue price per share was PLN 5.00. The subscription was placed by Getin Holding as part of the preemptive right. The Issuer subscribed for all the shares which it was entitled to under the preemptive right on the first date, i.e., 1,986,053 shares and paid the full amount for the shares on 17 July 2006.

Getin Holding S.A. convened an Extraordinary General Meeting for 7 September 2006 with an agenda which included, among other things, the adoption of a resolution on repealing of resolution no. 4 of the General Meeting dated 7 April 2006 on increase of the share capital through the issue of series L shares and adoption of resolutions on the conditional increase of the Company's share capital and issue of subscription warrants with the present shareholders' preemptive right excluded (the detailed agenda of the EGM was given in the current report no. 79/2006).
According to a resolution adopted by the General Meeting in April 2006 concerning the issue of series L shares, the issue was to be covered by the majority shareholders of the Company, LC Corp B.V., with its registered office in Amsterdam and Leszek Czarnecki, in whole by an in-kind contribution in the form of shares in TU Europa S.A., with its registered office in Wrocław. In June 2006, the Commission for Supervision of Insurance and Pension Funds (hereinafter the "KNUiFE") objected to the Company's intent to acquire shares in TU Europa through an in-kind contribution. Therefore, the Management Board decided to implement the planned acquisition of TU Europa shares through a cash issue and the acquisition of the TU Europa shares for the cash obtained from this issue, while maintaining the existing financial transaction parameters approved by the General Meeting on 7 April 2006 and consequently the same economic effect.

The transaction will be carried out in a few stages. In the first stage, the Company intends to issue up to 70,000,000 series L shares. The purpose of the issue will be to collect the funds for the acquisition from LC Corp B.V. and Leszek Czarnecki of 7,832,800 shares in TU Europa representing 99,46% of the company's share capital. The new issue will be addressed to investors qualified on the Polish market and on foreign markets.
After the issue of the series L shares is completed, the acquisition by the Company of 7,832,800 (seven million eight hundred and thirty-two thousand eight hundred) shares in TU Europa will take place for a price of PLN 71,6625 per share, i.e. for a price arising from the average share exchange ratio arising from a resolution of the General Meeting dated 7 April 2006, and will be carried out in two stages:

- Immediately after the share issue, the Company will acquire 1,574,212 shares representing 19,99% of the total number of shares in TU Europa,
- After a clearance is obtained from KNUiFE, the Company will acquire the remaining part of the shares in TU Europa owned by LC Corp B.V. and Leszek Czarnecki, i.e. 6,258,588 shares representing 79,4% of the total number of shares in TU Europa. If KNUiFE objects to the Company acquiring the remaining shares in TU Europa, the funds from the issue of series L shares will be allocated by the Company for the development of its business on foreign markets and the continuation of dynamic growth of the group companies.

In the case of acquisition of the remaining part of shares in TU Europa, the Company will carry out another issue of series M shares addressed to Leszek Czarnecki and LC Corp B.V., under which it will issue 80,188,224 shares in the Company for a price of PLN 7 (i.e. the same number of shares for the same price as the number of shares and the price set in the resolution of the General Meeting of 7 April 2006). The total value of the issue will be PLN 561,317,568 and will be equal to the amount obtained by Leszek Czarnecki and LC Corp B.V. from the sale of shares in TU Europa.
The Management Board anticipates that the acquisition of shares in TU Europa from LC Corp B.V. and Leszek Czarnecki will be conditional on their commitment to the Company to take up series M shares. Funds obtained from the issue of series M shares will be used for further development of the Company's business.
As a result of the issue of series L and M shares, the Company will issue in addition to the original plans expressed in Resolution no. 4 of the General Meeting of 7 April 2006 up to 70,000,000 shares, as a result of which it plans to obtain new financing which will be allocated for the development of its business on foreign markets and for the continuation of the dynamic growth of the group companies. The planned issue of series L and M shares will be carried out by way of a conditional increase in the share capital through the issue of subscription warrants entitling investors to take up shares.
The Company expects that the issue of series L shares will be carried out in the fourth quarter of 2006, and the above process of acquisition of TU Europa shares and the issue of series M shares will be completed by the end of April 2007.

On 3 August 2006, the District Court for Wrocław-Fabryczna, 6th Economic Department of the Polish Court Register registered the increase in the Issuer's share capital, resolved in resolution no. 3 of the Extraordinary General Meeting held on 7 April 2006.

Getin Holding S.A. received the resolution no. 307/2006 of the Management Board of Giełda Papierów Wartościowych w Warszawie S.A. dated 21 August 2006 on appointment of the last date of quotation of 22.483.776 rights to ordinary bearer series K shares of Getin Holding S.A., of a nominal value of PLN 1 each, designated by Krajowy Depozyt Papierów Wartościowych S.A. with code PLGSPR000170, for 24 August 2006; and resolution no. 308/2006 of 21 August 2006 on introduction, using the standard procedure, of 22,483,776 ordinary bearer series K shares of Getin Holding S.A. with a nominal value of PLN 1 each to trading on the core stock exchange market as of 25 August 2006, provided that Krajowy Depozyt Papierów Wartościowych S.A. registers those shares on 25 August 2006 and marks them with code PLGSPR000014.
On 24 August 2006, a notice was received from the Operating Department of Krajowy Depozyt Papierów Wartościowych S.A. dated 23 August 2006 that, according to resolution no. 272/06 of the Management Board of KDPW S.A. dated 9 June 2006 and at the Issuer's request of 25 August 2006, the National Depositary will register 22,483,776 ordinary bearer series K shares of Getin Holding S.A., of a nominal value of PLN 1.00 each, marked with code PLGSPR000014 (individual name: GTN).
The registration of the above shares on the accounts of KDPW participants took place in accordance with the balances of the accounts of the rights to shares (PDA) marked with code PLGSPR000170.
As a result, on 25 August 2006, there were 557,811,776 ordinary bearer shares registered under code PLGSPR000014.

58 Contingent assets

	30.06.2006 unaudited	**31.12.2005**
	PLN thousands	**PLN thousands**
Contingent assets, in respect of:	**312 423**	**242 738**
- civil law guarantees and other guarantees received	122 421	82 338
- in respect of financing	190 002	160 400
Contingent assets, total	**312 423**	**242 738**

Contingent assets arising from civil law guarantees and other guarantees received include:

- civil law guarantees and other guarantees for repayment of loans (security for repayment of loans). As at 30 June 2006, contingent assets arising from such items amounted to PLN 122,421 thousand.

Contingent assets concerning financing include the following items as at 30 June 2006:
- commitments received from NBP - NBP loan facilities in the amount of PLN 140,000 thousand,
- other financial commitments which the bank received under an agreement with a business entity in the amount of PLN 50,002 thousand.