THE GETIN HOLDING CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR THE 6 MONTH PERIOD ENDED 30 June 2007

GETIN HOLDING S.A.

Consolidated financial statements for the 6 month period ended 30 June 2007

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 is pleased to present this consolidated semi-annual report of the Getin Holding Capital Group (the „Capital Group").

The consolidated financial statements for the six-month period ended 30 June 2007 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 six-month period ended 30 June 2007.

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

The consolidated balance sheet, consolidated income statement, statement of changes in consolidated Shareholder's Equity, consolidated 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 as adopted by the EU 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 for the 6 month period.

Hereby consolidated financial statement consists of 127 one by one numerated pages.

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Piotr Stepniak, President of the Management Board

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Artur Wiza, Member of the Management Board

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Radosław Stefurak, Financial Director

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Wrocław, 5 September 2007

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The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

CONSOLIDATED INCOME STATEMENT

For the 6 month periods ended 30 June 2007 and the 30 June 2006

	Notes	01.01.2007-30.06.2007 unaudited thousand PLN	01.01.2006-30.06.2006 unaudited thousand PLN
Interest income	9	481 858	306 453
Interest expense	9	-235 319	-134 417
Net interest income		**246 539**	**172 036**
Fee and commission income	10	174 554	87 735
Fee and commission expense	10	-52 474	-11 505
Net fee and commission income		**122 080**	**76 230**
Insurance premiums	11	62 658	0
Dividend received	12	546	0
Result on financial instruments measured at fair value	13	38 808	16 137
Result on investment securities	14	2 695	272
Foreign exchange result	16	77 323	42 789
Claims and benefits paid	17	1 413	0
Change of the value of provision in life insurance policies		-5 879	0
Other operating income	18	265 535	25 543
Other operating expenses	18	-19 032	-9 430
Net operating income		**424 067**	**75 311**
Provisions for impairment losses	21	-29 189	-55 494
Administrative expenses	19	-269 655	-173 260
Operating profit		**493 842**	**94 823**
Share in net profit (loss) of associates	23	3 026	0
Profit / loss on sale of investments		0	0
Profit / (loss) before income tax		**496 868**	**94 823**
Corporate income tax	24	-77 553	-13 230
Net profit /(loss) for the period		**419 315**	**81 593**
Attributable to equity holders of the parent		405 230	79 528
Attributable to minority interest		14 085	2 065
Earnings per share			
– basic for the period	25	0.61	0.15
– diluted for the period	25	0.58	0.15

There were no discontinued activities.

Notes to the consolidated financial statements presented on pages 9-127 are an integral part of this consolidated income statement

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

CONSOLIDATED BALANCE SHEET
As at 30 June 2007 and 30 June 2006

	Notes	30.06.2007 unaudited thousand PLN	31.12.2006 thousand PLN
ASSETS			
Cash and balances with the Central Bank	27	353 153	294 546
Bills of exchange eligible for rediscounting with the Central Bank		478	360
Amounts due from banks	28	3 546 818	2 939 875
Financial assets held for trading	29	27 316	80
Derivative financial instruments	30	101 574	48 136
Other financial instruments at fair value through profit or loss	31	121 352	0
Loans and advances to customers	32	8 421 458	6 078 719
Finance lease receivables	33	209 796	155 403
Financial instruments	34	2 320 819	1 620 597
1. Available for sale	34	2 270 796	1 588 161
2. Held to maturity	34	50 023	32 436
Investments in associates	35	231	113 088
Intangible assets	37	895 608	454 639
Property, plant and equipment	38	131 635	90 877
Investment properties	39	14 378	12 492
Share of the reinsurer in insurance provisions	40	1 748	0
Non current assets classified as held for sale	42	25 695	25 564
Tax assets	24	147 249	127 825
1. Current tax assets		225	6 458
2. Deferred tax assets		147 024	121 367
Other assets	41	291 300	82 939
TOTAL ASSETS		**16 610 608**	**12 045 140**
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to Central Bank	44	0	0
Amounts due to other banks and finance institutions	45	1 482 672	1 656 755
Other finance liabilities at fair value through profit or loss	46	0	0
Derivative financial instruments	30	35 540	22 382
Financial liabilities at fair value through profit or loss	46	739	0
Deposits from customers	47	8 345 456	6 567 175
Issued debt securities	48	2 972 960	1 436 164
Corporate income tax payable		33 252	571
Other liabilities	49	313 700	146 229
Technical and insurance provisions		226 002	0
Deferred tax liabilities	24	111 886	78 346
Provisions	50	40 409	31 316
Liabilities directly associated with non-current assets classified as available for sale	40	0	0
TOTAL LIABILITIES		**13 562 616**	**9 938 938**
Equity attributable to equity holders of the parent company		**2 903 992**	**2 056 188**
Share capital	54	708 996	644 923
Retained earnings	55	-62 405	-14 234
Net (loss) profit		405 230	160 226
Other reserves	55	1 852 171	1 265 273
Minority interest		**144 000**	**50 014**
Total equity		**3 047 992**	**2 106 202**
TOTAL EQUITY AND LIABILITIES		**16 610 608**	**12 045 140**

Notes to the consolidated financial statements presented on pages 9-127 are an integral part of this consolidated income statement

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY

For the 6 month period ended 30 June 2007 – unaudited

	Attributable to equity holders of the parent company										
			Other capital								
	Share capital	Retained earnings	Reserve capital	Revaluation reserve	General Risk Fund	Exchange differences	Convertible bonds	Net (loss) profit	Total	Minority interest	Total equity
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
At 1 January 2007 (as per IFRS)	**644 923**	**-14 234**	**1 251 179**	**9 632**	**0**	**-206**	**4 668**	**160 226**	**2 056 188**	**50 014**	**2 106 202**
Net change of available for sale investments				-7 253					-7 253	-88	-7 341
Cumulative translation adjustment [from translation of subordinated entities]						-3 039			-3 039	-145	-3 184
Net profit (loss) disclosed in capital	**0**	**0**	**0**	**-7 253**	**0**	**-3 039**	**0**	**0**	**-10 292**	**-233**	**-10 525**
Net profit or (loss) for the period			0					405 230	405 230	14 085	419 315
Total incomes and expenses disclosed in capital	**0**	**0**	**0**	**-7 253**	**0**	**-3 039**	**0**	**405 230**	**394 938**	**13 852**	**408 790**
Equity issued	64 073		384 433						448 506		448 506
Costs of equity isssue			-526						-526		-526
Transfer of profit for previous year to retained earnings		160 226	0					-160 226	0		0
Appropriation of profit of Getin Holding S.A.		-22 914	22 914						0		0
Appropriation of profit of Getin Bank S.A.		-142 099	142 099						0		0
Appropriation of profit of Fiolet SA		-2 576	2 576						0		0
Appropriation of profit of Carcade OOO			0						0		0
Appropriation of profit of Noble Bank S.A.		-30 457	30 457						0		0
Appropriation of profit of Open Finance S.A.		-10 351	10 351						0		0
Managerial options							4 886		4 886		4 886
Disposal of Noble Bank shares									0	21 794	21 794
Acquisition of Noble Bank shares									0		0
Acquisition of Getin Bank shares									0	-139	-139
Consolidation acquisition/ Getin Bank shares Y series									0	333	333
Acquisition of Carcade shares									0	-4 258	-4 258
Acquisition of TU Europa S.A.									0	1 071	1 071
Acquisition of Prikarpattya Bank S.A.									0	2 147	2 147
Deemed sale of Noble Bank S.A. shares									0	57 267	57 267
Disposal of Noble Funds TFI S.A. shares									0	1 919	1 919
Na 30 czerwca 2007 roku wg MSSF	**708 996**	**-62 405**	**1 843 483**	**2 379**	**0**	**-3 245**	**9 554**	**405 230**	**2 903 992**	**144 000**	**3 047 992**

Notes to the consolidated financial statements presented on pages 9-127 are an integral part of this consolidated income statement

for the 6 month period ended 30 June 2007 (in thousand PLN)

STATEMENT OF CHANGES IN THE 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	Exchange differences	Convertible bonds	Net (loss) profit	Total	Minority interest	Total equity
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
At 1 January 2006 (as per IFRS)	**534 335**	**-11 952**	**492 061**	**12 128**	**0**	**214**	**1 955**	**78 439**	**1 107 180**	**18 638**	**1 125 818**
Net change of investment securities available for sale less deferred tax				-10 347					-10 347	-118	-10 465
Cumulative translation adjustment [from translation of subordinated entities]						93			93	67	160
Net profit (loss) disclosed in capital	**0**	**0**	**0**	**-10 347**	**0**	**93**	**0**	**0**	**-10 254**	**-51**	**-10 305**
Net profit or (loss) for the period								79 528	79 528	2 065	81 593
Total incomes and expenses disclosed in capital	**0**	**0**	**0**	**-10 347**	**0**	**93**	**0**	**79 528**	**69 274**	**2 014**	**71 288**
Issue of shares	993		1 390						2 383		2 383
Costs of equity isssue			-107						-107		-107
Transfer of profit for previous year to retained earnings		78 439						-78 439	0		0
Appropriation of profit of Getin Bank S.A.		-80 555	80 555						0		0
Appropriation of profit of Fiolet S.A.		-695	695						0		0
Managerial options							1 010		1 010		1 010
Acquisition of Open Finance									0	-11 719	-11 719
Disposal of Noble Bank shares									0	15 290	15 290
Acquisition of Getin Bank shares									0	-70	-70
Consolidation purchase - GB issue of series U shares									0	193	193
Other		233							233		233
At 30 June 2006 (as per IFRS)	**535 328**	**-14 530**	**574 594**	**1 781**	**0**	**307**	**2 965**	**79 528**	**1 179 973**	**24 346**	**1 204 319**

for the 6 month period ended 30 June 2007 (in thousand PLN)

CONSOLIDATED CASH FLOW STATEMENT

For the 6 month periods ended 30 June 2007 and 30 June 2006

	Notes	01.01.2007-30.06.2007 unaudited thousand PLN	01.01.2006-30.06.2006 unaudited thousand PLN
Cash flows from operating activities			
Net profit (loss)		419 315	81 593
Total adjustments:		-2 698 105	-1 087 566
Depreciation		17 468	13 053
Share in net profits (losses) of associates		-3 026	0
Foreign exchange (profits)/losses		2	190
(Profit) loss on investing activities		-227 593	-862
Interest and dividend		19 934	0
Change in receivables from banks		-697 181	57 738
Change in financial assets held for trading and other financial instruments at fair value through profit or loss		3 557	3
Change in derivative financial instruments (assets)		-53 196	6 996
Change in loans and advances to customers		-2 252 270	-1 130 640
Change in finance lease receivables		-56 931	-19 726
Change in investment securities available for sale		-691 526	-371 491
Change in deferred tax assets		-26 229	-49 021
Change in share of reinsurer in technical provisions		-22	0
Change in other assets		-135 627	-85 215
Change in amounts due to banks		-191 789	-294 171
Change in derivative financial instruments (liability) and other financial liabilities at fair value through profit or loss		13 897	35 681
Change in amounts due to customers		1 334 339	665 977
Change in liabilities from the issue of debt securities		-28 831	8 577
Change in provisions		10 910	9 359
Change in technical provisions		56 519	0
Change in other liabilities		150 971	63 466
Other adjustments		24 762	4 012
Income tax paid		-50 209	-34 069
Current tax expense (income statement)		83 966	32 577
Net cash from operating activities		**-2 278 790**	**-1 005 973**
Cash flows from investing activities			
Inflows		**314 559**	**6 644**
Sale of shares in subsidiaries, net of cash disposed	57	157 324	0
Sale of shares in associates		0	0
Sale of investment securities		2 541	1 958
Proceeds from sale of intangible assets and tangible fixed assets		755	4 686
Other investing inflows	57	153 939	0
Outflows		**-561 315**	**-22 761**
Purchase of subsidiaries, net of cash acquired	57	-532 897	0
Purchase of associates		0	0
Purchase of investment securities		0	0
Purchase of intangible assets and tangible fixed assets		-28 418	-22 347
Other investing outflows		0	-414
Net cash used in investing activities		**-246 756**	**-16 117**
Cash flows from financing activities			
Issue of shares		447 980	2 383
Issue of debt securities		1 598 030	777 387
Redemption of debt securities issued		-32 327	-10 197
Dividends paid to equity holders of the parent company		0	0
Dividends paid to minority interest		0	0
Other net financing inflows / expenditure		-14 618	-113
Net cash from (used in) financing activities		**1 999 065**	**769 460**
Net change in cash and cash equivalents		-526 481	-252 630
Net foreign exchange differences		-358	91
Cash and cash equivalents at the beginning of the period		1 305 697	765 358
Cash and cash equivalents at the end of the period		**778 858**	**512 819**
of which is restricted use			

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" or the “Company”), and its subsidiaries.

The consolidated financial statements of the Group cover the 6 month period ended 30 June 2007 and contain the comparative data for the 6 month period ended 30 June 2006 for the income statement, statement of changes in consolidated Shareholders’ equity, cash flow statement as well as the balance sheet data as at 31 December 2006.

The registered office of Getin Holding S.A. is located in Wrocław, Poland, at pl. Powstańców Śląskich 2-4. 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. The Company’s core business has been “capital investments on Polish and foreign markets” (PKD 6523Z).

The Company 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 are conducted in five basic operating segments:

- banking services;
- lease services;
- financial agency;
- investment funds;
- insurance services.

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 Group does not include any internal self-reporting organizational units, the presented consolidated financial statements and other financial data do not contain aggregate data.

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

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

2 Composition of the Group

As at 30 June 2007 the Group consists of Getin Holding S.A. and the following companies:

Subsidiaries

Company name	Registered office	Type of activity	% in share capital 30.06.2007	% in share capital 31.12.2006
Getin Bank S.A.	Ul. Pszczyńska 10, Katowice	Banking	99.46%	99.39%
Getin Finance PLC	Londyn, Wielka Brytania	Financial services	99.46%[1)]	99.39%[1)]
Carcade OOO	Ul. Prospekt Mira 81 Kaliningrad, Federacja Rosyjska	Lease	100.00%	60.00%
Getin International S.a.r.l.	Luksemburg, Wielkie Księstwo Luksemburga	Holding activitiy for consumer finance in Russia and Ukraine	100.00%	100.00%
Getin International Polska Sp. z o.o.	Ul. Powstańców Śl. 2-4, Wrocław	Auxiliary services for Getin International S.a.r.l.	100.00%[2)]	N/D
Noble Bank S.A.	Ul. Domaniewska 39B, Warszawa	Banking	72.12%	85.00%
Open Finance S.A.	Ul. Wołoska 18, Warszawa	Financial consulting	72.12%[3)]	85.00%
Noble Funds TFI S.A.	Ul. Domaniewska 39B, Warszawa	Financial and investment consulting	54.96%[3)]	85.00%
Getin Raty S.A.	Ul. Sączewskiego 17, Będzin	Lease and financial agency services	N/D	100%
Fiolet S.A.	Ul. Tylna 12, Łódź	Financial consulting	60.00%	60.00%
Prikarpattya Bank S.A.	Iwano-Frankowsk, Ukraina	Banking	92.70%	N/D
Towarzystwo Ubezpieczeń Europa S.A.	Ul. Powstańców Śl. 2-4, Wrocław	Insurance services	99.46%	19.99%
Towarzystwo Ubezpieczeń na Życie Europa S.A. [4)]	Ul. Powstańców Śl. 2-4, Wrocław	Insurance services	99.46%[4)]	19.99%

1) Getin Bank S.A owns 99.998% shares and Getin Holding S.A. owns 0.002% shares
2) Getin International S.a.r.l owns 99.90% shares and Getin Holding S.A. owns 0.10% shares
3) Noble Bank S.A. owns 100% shares in Open Finance S.A. and 76.2% shares in Noble Funds TFI S.A.
4) TU Europa S.A. owns 100% shares in TUnŻ Europa S.A

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

Associates:

Company name	Registered office	Type of activity	% in share capital 30.06.2007	31.12.2006
Powszechny Dom Kredytowy S.A.	Ul. Powstańców Śl. 2- 4, Wrocław	Financial consulting	21.00%	21.00%

During the period from 01.01.2007 until 30.06.2007 there have been following changes in the composition of the Capital Group:

- On 04.01.2007, Getin International S.a.r.l subsidiary took over 100% shares in Getin International Polska Sp. z o.o. with its registered office in Wroclaw. Getin International Polska Sp. z o.o. was registered with the National Court Register maintained by the District Court for Wrocław Fabryczna, VI Economic Department of the National Court Register on 22.02.2007 to register of entrepreneurs, Entry no. KRS 0000274670.
- On 25.01.2007, Getin Holding sold 100% shares of Getin Raty S.A. to RB Investcome Sp. z o.o. Sale price amounted to PLN 5,100 thousand.
- On 14.03.2007, Federal Antimonopoly Service of the Russian Federation made a decision allowing for the purchase of 40% shares of Carcade OOO by Getin Holding.
- On 23 April 2007, the package transactions made on the regulated market were settled: it concerned the purchase of 6,258,588 shares of Towarzystwo Ubezpieczen Europa S.A. with registered office in Wroclaw by Getin Holding. The shares were purchased in a number of 1,979,447 from Mr. Leszek Czarnecki and 4,279,141 shares from LC Corp B.V. Company with registered office in Amsterdam.
- On 08.05.2007, Getin Holding S.A. purchased 18,015,349 shares of Prikarpattya Bank S.A. with registered office in Ivano-Frankovsk, the total face value of which was UAH 18,015 thousand, for an amount which on the day when the agreement was signed equaled PLN 10,343 thousand. On 22.06.2007, the issuer purchased a further 2,378,550 shares of Prikarpattya Bank S.A., the face value of which was 2,378 thousand UHA, for an amount which on the day when the agreement was signed equaled PLN 1,388 thousand.
- Increase in Getin Holding S.A. share in the share capital of Getin Bank. As a result of the increase in the Bank's capital and the purchase of the shares by Getin Holding S.A. from Bank's shareholders, on the day of 30.06.2007 Getin Holding S.A. owned 219,152,611, which constituted 99.46% of Getin Bank's share capital, and which entitled to 219,152,611 (99.46%) of the votes at the Getin Bank's Shareholders General Meeting.
- On 24.05.2007, Noble Bank singled out the shares offered in a public offer; the offer included 30,000,000 shares. The issue price for one share was PLN 10.50. Getin Holding S.A. sold 15,000,000 shares in Noble Bank S.A. for an issue value of 10.50 PLN per share.
- In June 2007, Noble Bank S.A. sold 23.8% shares of Noble Funds TFI to the persons in charge of the Noble Funds TIF S.A.; therefore, the Noble Bank's share in Noble Funds TFI share capital decreased to 76.2%.

Employment in Getin Holding Capital Group		
	30.06.2007	31.12.2006
Getin Holding S.A.	15	13
Getin Bank S.A.	2 295	2 146
Noble Bank S.A.	192	131
Open Finance S.A.	336	273
Noble Funds TFI S.A.	11	10
Carcade OOO	326	299
Grupa Getin International	8	0
Fiolet S.A.	73	57
Prikarpattya Bank S.A.	334	n/d
TU Europa S.A.	136	n/d
Total	3 726	2 929

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 of the Management Board,
- Artur Wiza – Member of the Management Board.

In the period covered by these consolidated financial statement no changes took place in the composition of the Company's Management Board.

4 Approval of the financial statements

These consolidated financial statements were approved for publication by the Management Board on 5 September 2007.

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 financial instruments that are available for sale, held for trading, valued at fair value through profit and loss, and other assets that are intended for sale at a fair value.
The consolidated financial statements are presented in PLN thousand, 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. 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, 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 presented in the financial statements and those in the explanatory notes to the consolidated financial statements.

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 5.17
- 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 not-quoted 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 makes 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, reduced by 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.

- Technical and insurance provisions
  Property and personal insurance

  The provisions for the capitalized value of allowance are set using the 1% technical base. The provision is set as the discounted value of the future payments, assuming that the payment period is equal to the payment period of the terminated allowance and to an average life of the life allowance-earning person. The application of a deterministic period for the life allowance payment, which is equal to payment period, leads to the increase in the provisions by an additional safety margin.

  The premium provision is calculated by the individual method on the pro rata temporis base (1/365) with the exception of the insurance cases such as: accidents, credits, various finance risks, in which the provision is divided in the proportion to the estimated risk and the division in these groups differs from the homogeneous division in the policy's validity.

  Every year, on the basis of data from the previous calendar year and previous years, a zero hypothesis is tested (in every insurance group with the application of the statistic concluding rules), with the even division of risk in time against the hypothesis of uneven division of risk during policy's validity.

  If the test reveals legitimacy to reject the zero hypothesis:
  a) the general functions presenting the division of risk in policy's validity for the insurance groups are set or
  b) the detailed functions are set that present the division of risk in policy's validity for the separate products in which the division of risk in policy's validity is uneven and which are responsible for the rejection of the zero hypothesis of the even division of risk in the specific insurance group.

  If the type of a specific good allows for estimation, without statistical analysis, of the nonlinear division of risk in policy's validity, then it is acceptable to set a function presenting the division of risk, also in case there is not enough statistical information that might enable the determination of the form of risk division pursuant to statistical methods. The new function for such a good can be set and implemented at any time.
  In Actuary Department an analysis of the parameters that have been used so far in creating premium provision has been performed. The analysis showed that the parameters which have been used so far are not accepted by the tests of compliance. As a result, a research has been conducted which gave new parameters accepted by the tests of compliance.
  For all groups, with the exception of groups 1, 14 and 16, a method of creating premium provision will be implemented in proportion to the period during which a premium is due, whereas, for groups 1,14 and 16 the premium risk division method which results from risk division will be implemented.
  For group 1, the method of premium risk division with regard to a risk (due to a higher loss ratio during the first three months) has been implemented.
  In the group 14, with the exception of the products with code 140702 and 140801, the method of premium risk division resulting from a risk division (with the reduced loss ratio during the first three months) has been implemented.
  In group 16, the method of premium risk division resulting from a risk division (with the reduced loss ratio during the first three months and increased loss ratio during the next three months) has been implemented.
  For the product "Pawnshop Credit Insurance", the nonlinear premium risk division has been applied; other than for the remaining products from group 14, which results from the peculiarity of the procedures and the damage history of this product.

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For the product "Insurance against the Impairment of Property Value", the nonlinear premium risk division has been implemented, other than for the remaining products from group 14. As a result of the fact that responsibility of an insurance company begins with the entry of a mortgage linked to a specific credit, there has been implemented risk division with the assumption of the probability division of the mortgage entry that was estimated on the basis of the times of entries registered by an insurance company linked to the mortgages during a bridge period. The obtained parameters are adapted to the present portfolio, which is confirmed by results of c2 tests of compliance.

In the range of property and personal insurance, the Group estimates both the forecasted costs of reported damage on the balance day and incurred damage occurrences (i.e. IBNR), which are, however, not reported on the balance day. The final decision concerning the amount of the compensation is possible only after a significant period of time has elapsed, and for some types of insurance policies the IBNR provision is the greater part of the provisions balance. The rate of reported and not reported damage occurrences is mostly estimated on the basis of the future trends. On each balance day, the estimates concerning damage for the previous financial year are verified whether they are adequate and, if it is necessary, the provision is properly corrected.

Ratios presenting the share of damage value reported until the end of a specific period in the amount of all damage incurred in the previous periods p(k), the forecast ULR (ultimate loss ratio), and the factors that adapt plans to real compensation are modified every year after the end of a financial year, and implemented to set the provisions at the end of every month of the following year, including December. If there are significant changes during the financial year and also in the case of important changes in the composition or characteristics of the insurance portfolio, they can be (upon a motion of an actuary in the form of the Boards resolution) modified in the period of time shorter than one year.

For the purpose of the ultimate loss ratio and p(k), the range of insurance has been defined in the table below.

Range of insurance:	1	2	3	4	5	6	
Estimated ultimate loss ratio (ULR) for previous years t				48.61%			*(n-last previous year)* year
				22.11%			previous period *(n-3)* year
			6.52%	33.21%	24.04%		*(n-2)* year
		2.04%	9.69%	33.91%	11.60%	1.58%	*(n-1)* year
	16.53%	1.69%	4.74%	0.05%	21.26%	1.37%	*(n)* year

Where the scopes of insurance were defined in the following manner:

Range of insurance	Risk
1	Accident insurance, including industrial injure and occupational disease, sickness insurance, goods-in-transit insurance covering damage to goods in transit, irrespective of the form of transport used, general third part liability insurance
2	„Casco" insurance of land vehicles, except for than railway rolling stock, insurance against damages caused by natural forces
3	Insurance against other damage to property
4	Third part insurance of any type ensuing from the possession and use of self-propelled land vehicles, including insurance of carrier's liability, insurance of assistance to persons encountering difficulties while traveling or when away from their place of residence
5	Credit insurance, insurance guarantee
6	Insurance of various financial risks

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Life insurance

Technical rates used in life insurance range between 2-3% (however, in the instance of products of the longest time horizon a technical rate of 2% is applied).

The life insurance provisions are made by means of the actuarial methods with the preservation of the safety rule. The life insurance preservation includes costs of agreement services and costs connected with the payment of damages and benefits. The provisions can be determined generally for specific insurance products, under the condition that they give approximately the same result as the individual method.

The life insurance provision is made individually for each policy by means of the actuarial methods, pursuant to guidelines on making life provisions. One of the most important parameters is a function (usually increasing within the first 36 months of insurance), describing the relative mortality, very often marked in the guidelines with the letter g:
g(m) = min{b; a + (b-a)*(m/36)^2}, where m=0,1,2,… - current month of insurance.

In each following insurance month the value qx is decreased by the multiplied ratio g(m), where m means the number of months that has passed since the agreement has been signed

The function parameters are included in the guidelines on making provisions, the adequacy of these parameters is verified periodically (parameter a is tested, parameter b is maintained on safe level of 0.64-0.9, most often 0.7, due to not sufficient yet term of historical agreements and lack of statistical strength for large values m). The table below includes: in the second and third column the current values of the parameters a, b for specific groups of products, in the first column - the best estimate parameter a according to the research conducted in June 2006.

	a (best estimate)	**a (reserves)**	**b (common)**
Leasing	0.09	from 0.4	from 0.64
Credit installment insurance	0.27	from 0.37	0.7
Endowment insurance	0.21	0.7	0.7
Credit cards insurance	0.19	from 0.45	0.74
Car credit insurance PDK	0.27	0.28	0.7
Car credit insurance Getin	0.17	0.28	0.7

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, with the following exceptions:
The measurement currency of Carcade OOO is the Russian rouble, RUB.
The measurement currency of Getin International S.a.r.l. and Getin Finance PLC is euro, EUR.
The measurement currency of Prikarpattya Bank is Ukrainian hryvna, UHA.

5.5 Changes in accounting policies

New or changed regulations of International Financial Reporting Standards as well as new interpretation of International Financial Reporting Interpretations Committee's (IFRIC) which have been implemented by the Group in the current year are presented below. The implemented changes, apart from a few additional disclosures, did not have any effect on the financial statement.

International Accounting Standards 1. Presentation of financial statements – disclosures about capital
The Group implemented the changed regulations of International Accounting Standards 1. The new disclosures have been presented in note 7 “Management of the capital”.
International Financial Reporting Standards 7. Financial Instruments: Recognition and Assessment.
The Group implemented International Financial Reporting Standards 7. The most important changes were introduced to note 32 “Credits and Loans Granted to Customers” and to note 7 “Objectives and rules of managing the financial risk”.
International Financial Reporting Interpretations Committee’s (IFRIC)7 Applying the Restatement Approach under International Accounting Standards 29 “Reporting in Hyperinflationary Economies”, IFRIC 8 Scope of IFRS 2, IFRIC 9 Reassessment of Embedded Derivative Instruments, IFRIC 10 Interim Reporting and Impairment.
The implementation of the above interpretations/standards has no effect on the Group’s financial statement.

In the first mid-year of 2007, the Group did not introduce any amendments of the accounting standards or significant changes in presenting financial data.

5.6 New standards and interpretations, published but not effective yet

The following standards and interpretations have been issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC) but they are not effective yet:

- IFRS 8 Operational Segment, applicable to yearly periods beginning as at 1 January 2009, until the day this financial statement shall be approved; not approved by the EU.
- International Financial Reporting Standards 23 Costs of external financing (changed in March 2007), applicable to yearly periods beginning as at 1 January 2009 until the day this financial statement shall be approved; not approved by the EU.
- Interpretations IFRIC 11 Group and Treasury Share Transactions; applicable to yearly periods beginning as at 1 March 2007 until the day this financial statement shall be approved; not approved by the EU.
- Interpretation IFRIC 12 Service Concession Arrangements; applicable to yearly periods beginning as at 1 January 2008 until the day this financial statement shall be approved; not approved by the EU.
- Interpretation IFRIC 13 Loyalty Programs; applicable to yearly periods beginning as at 1 July 2008 until the day this financial statement shall be approved; not approved by the EU.
- Interpretation IFRIC 14 International Accounting Standards 19; Assets resulting from programs of specific benefits, and requirements of minimal financing; applicable to yearly periods beginning as at 1 January 2008 until the day this financial statement shall be approved; not approved by the EU.

The Management does not expect that the implementation of these standards and interpretations will have any significant influence on the accounting policy applied by the Group; however, they may require implementation of the additional or amended disclosures in the consolidated financial statement.

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 2007. The consolidation packages 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. Corrections have been made in order to eliminate any discrepancies in the accounting policies applied.

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All significant inter-company balances and transactions, including unrealized profits arising from intragroup transactions, have been eliminated in full. Unrealized 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 recognized 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.

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.

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 recognized at historical cost denominated in a foreign currency are disclosed at historical cost prevailing on the transaction date. Non-monetary assets and liabilities recognized 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:

	30.06.2007		31.12.2006	
	Balance sheet	**Income statement**	**Balance sheet**	**Income statement**
USD	2.7989	2.8903	2.9105	3.0898
EURO	3.7658	3.8486	3.8312	3.8991
RUB	0.1084	0.1110	0.1105	0.1141
UAH	0.5562	0.5738	0.5760	0.6129

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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 recognized directly in equity as a separate item.

The functional currency of Carcade OOO is the Russian rouble (RUB).
The functional currency of Getin International S.a.r.l and Getin Finance PLC is euro (EUR).
The functional currency of Prikarpattya Bank S.A. is the Ukrainian hryvna (UAH)
The functional currency of remaining associates is the Polish zloty (PLN).

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:

Group of fixed assets	Depreciation rate
Buildings	2.5 -5.0 %
Leasehold improvements (buildings)	10.0%-30%
Plant and machinery (except from 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-recognized) 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 recognized 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, corrected at the end of each financial year.

The external financial costs are capitalized as a part of production costs. The external financial costs include interest and profits or losses on account of foreign exchange differences to the amount corresponding to the adjustment of interest costs.

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 sold or 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 recognized. 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 5.10.

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 reduced by the accumulated amortization and impairment losses.
In the case of a subsidiary included in consolidation, the acquisition cost of the acquisition cost of an intangible asset is its fair value estimated as at the acquisition date.

The Group applies the following amortization 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 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 amortized over their useful lives and tested for impairment each time impairment indicators have been identified. The amortization period and amortization 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 recognized through the change in the amortization period or amortization method, as appropriate amortization 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 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 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 amortized.
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 recognized. 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.

5.14 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-recognized (finance lease), and a corresponding lease liability is recognized, 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 recognized 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 recognized in the balance sheet under non-current assets and are depreciated/amortized in accordance with the policies referred to in point 5.10 of the additional notes.

5.15 Cash and cash equivalents

Cash and short-term deposits recognized in the balance sheet include positions with maturity period of 3 months or less, including cash and central bank deposits, treasury bills and other qualified bills, credits and loans granted to other banks, receivables from other banks and short-term State Treasury securities.
Bills entitled for discounting in central bank are PLN bills with maturity period of 3 months or less.

5.16 Financial assets

Financial assets are divided into the following categories:
- Financial assets held-to-maturity;
- Financial assets 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 a fixed maturity date, which the Group is going and able to hold by that time. Held-to-maturity financial assets are measured at amortized cost using the effective interest rate method. Financial assets that are held to maturity are classified as long-term assets, if their maturity date falls more than 12 months after the balance sheet date.

Financial assets at fair value through profit or loss consist of two categories: financial assets classified as held for trading and upon initial recognition designated as at fair value through profit or loss. They are initially recognized according to fair value and in subsequent periods evaluated to fair value. The revaluation to fair value and the realized profit/losses are included in the profit and loss statement (result on financial instruments valued at fair value). Fair values of assets and financial liabilities quoted on an active market are based on market sale price of the last session of the balance day, provided it is easily accessible from the stock market from a dealer or a broker, or by referring to the current market prices of similar financial instruments. If the sale rate is not easily accessible, then the fair value of financial instruments is set by internal evaluation techniques.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market, other than derivative instruments. Loans and receivables include the receivables from banks, credits and loans granted to other customers and receivables from financial lease.

All other financial assets are financial assets available for sale. Available-for-sale financial assets are held at their fair value, without deducting transaction costs, and considering their market value as at the balance sheet date. If there are no quotations on an active market and when it is not possible to reliably determine assets' fair value using alternative methods, available-for-sale-financial assets are valued at their acquisition price adjusted by impairment losses.

A positive and negative difference between the fair value and acquisition price of assets available for sale, less deferred taxes, are both recognised under revaluation reserve (provided that there is a market price established on a regulated active market or for assets whose fair value can be determined in any other reliable way). Depletion of assets available for sale resulting from impairment is recognised in the profit and loss account under financial costs.

An individual financial asset is derecognized from the balance sheet, when the Group loses control over contractual rights which make up a given financial instrument; it is usually the case when the instrument is sold or when all cash flows attributable to the instrument are transferred to an independent third party.

Purchase and sale of financial assets are recognized as at the transaction date. At their initial recognition, these assets are held at their acquisition price i.e. at their fair value including transaction costs.

5.17 Allowance for impairment losses on loans, borrowins and receivables.

The value of loans, borrowings and receivables, including purchased receivables, is subject to periodical evaluation in order to specify whether impairment has occurred, and if it has, in order to evaluate the impairment. Loans, credits and receivables which are considered to be individually significant, including those the capital of which exceeds 1 million PLN, are subject to individual evaluation for impairment. The impairment of an individual loan, credit or receivables is recognized and as a consequence a write-off due to the impairment is recognized in the situation where there are objective evidence of the impairment due to one or more events which shall influence future estimated cash flows on such loans, credits or receivables. Such events include the following:

- Lack or delays in payments of interests or the capital of loan/credit;
- Negative changes in the solvency of a borrower;
- Significant financial difficulties of a borrower;
- Receivables on credit/loan are subject of a dispute;
- There exist reliable data indicating measurable decrease in the estimated future sources of financing the payments of credit/loans borrowed by a borrower.

Allowance for impairment losses on the case of loan that is subject of individual evaluation is set as a difference between the balance value of this credit and the current value of the estimated future cash flows discounted on the basis of the original effective credit interest rate. In the case of credits for which collateral has been established the current value of estimated future cash flows includes cash flows that can be obtained by execution of collateral subject if the execution is probable. The credit balance value is decreased by the amount of the corresponding impairment write-off.

Homogenous credit groups that are not significant individually i.e. credits the main amount of which does not exceed 1 million PLN, and significant individual credits with reference to which the individual evaluation shows no objective assumptions for the occurrence of an impairment, are subject to collective evaluation for impairment. The estimated write-offs due to the impairment of credits that are subject to collective verification are set on the basis of the following assumptions:

- the structure and risk features of our credit portfolio (indicating borrower's solvency to repay the whole of the credits borrowed) and expected impairment of individual components of the credits portfolio based mostly on our historical ratios and recovery rate;
- the period between the loss occurrence and the loss identification, and its recognition by making the up-dating write-off due to the impairment of a given credit.

The homogenous credits portfolios are subject to collective evaluation by means of the method of historical loss ratios. The period of past due credit payment (over 90 days) is the main assumption identifying objective evidence of the impairment occurrence.

5.18 Derivatives

The Group carries out transactions with the use of derivative financial instruments i.e. currency swap (FX Swap), CIRS ("cross currency interest rate swap") or other contract of the currency rate's change. 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 recognized in off-balance sheet items.

Derivatives transactions are valued at the fair value calculated with the use of the appropriate valuation model. 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.

In case the Group does not apply security accounting principles, profits and losses which have arisen due to changes of the position secured and the security instrument fair value are recognized directly in the profit and loss statement for a given financial year.

Derivatives that the Group uses in order to secure against risk of interest rate and foreign currency exchange rates (without security accounting usage) are mostly currency contracts and contracts for interest rates change (interest rate swaps).

5.19 Hedging instruments

Profits and losses on the fair value change of derivatives that do not comply with the principles of hedging accounting are directly related to a net financial result of the financial year.

The fair value of currency forward contracts is set by reference to the current forward rates occurring in contracts of similar maturity. The fair value of interest rate contracts is set by reference to the market value of similar instruments.

The Group classifies the concluded hedging transactions as a fair value hedge, which secures against the changes of the fair value of an asset or liability.

At the time when the collateral is established, the Group formally appoints and documents the hedging relationship as well as the risk management objective and strategy for undertaking the hedge. The documentation includes the identification of a hedge instrument, a hedged transaction or an item, the character of the hedged risk and also the manner of the evaluation of the effectiveness of the hedging instrument in its use as the compensation mechanism against the threat of the changes of the fair value of the hedged item. Hedging is expected to be highly effective in the compensation of changes in the fair value. The hedging effectiveness is evaluated on a regular basis in order to check whether it is highly effective in all reporting periods for which it has been established.

The fair value hedge is a hedge of the exposure to a change in fair value of a recognized asset, or liability, or of an unrecognized probable future liability or a separated part of such asset, liability or probable future liability which can be attributed to a given type of risk and which can affect a profit and loss account. In the case of the fair value hedge, the carrying amount of a hedged item is adjusted by profits and/or losses on fair value changes resulting from the hedged risk, while the hedging instrument is carried at fair value, and profits and losses on the hedge instrument and on the hedged item are related to the profit and loss account.

In the case of the fair value hedge of items recognized according to an adjusted purchase price, the adjustment to the carrying amount is recognized in the profit and loss account throughout the remaining period until the expiration of the maturity date of an instrument.

The Group ceases to use the hedge accounting principles if a hedging instrument expires, is sold, dissolved or executed, if the hedging fails to fulfill the hedge accounting criteria, or when the Group cancels the hedging relationship. Each adjustment of the carrying amount of the hedged financial instrument to which the effective interest rate method is applied is subject to amortization, and the write-offs are recognized in the profit and loss account. The amortization can start at the moment of the adjustment, however no later than at the moment of the ceasing of the adjustment of the hedged item with the changes of the fair value resulting from the hedged risk.

5.20 Reassurance assets

The Group transfers the insurance risks to reassurers in the course of the usual operating activity. The reassurance assets include mostly reassurers' share in technical-insurance provisions. Settlements amounts with reassurers are estimated in accordance with appropriate reassured policies and reassurance contracts.

The value impairment tests of the reassurance assets are performed when there are assumptions indicating the value impairment. A write-off on the impairment of reassurance assets is created when there are objective prerequisites indicating that the Group will not obtain all amounts due under a contract and when the value of such a write-off can be reliably defined.

5.21 Contingent liabilities or commitments

Within the scope of operational activity the Group companies execute transactions which are not recognized 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
- 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;

Provisions are created, according to IAS 37, for granted off-balance sheet liabilities that bear a risk of the breach of contract conditions by the orderer.
Guarantees are included and recognized according to IAS 39. Insurance contracts are included and recognized according to IFRS 4.

5.22 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 ofAssociation and registered in the court register.
Any differences between the fair value of the consideration obtained and the nominal value of sharesare recorded under share premium.
Other reserve funds include revaluation reserve and capital from deductions from net profit.
Revaluation reserve includes the effects of valuation of financial assets available-for-sale and deferredtax 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.
Element of equity section – convertible bonds – includes the costs of transactions settled in the equity instruments under the payments in the form of own shares.
Accumulated profits/(losses) from prior years and 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 account for the period for which the financial accounts are being prepared. The net profit is the profit after income tax.

5. 23 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.

5.24 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.

5.25 Technical-insurance provisions

Compensation provisions

The value of technical-insurance provisions in property and personal insurances is based on the estimated final cost of all compensations that have not been settled as at the balance sheet date, regardless whether reported or not, and increased by the liquidation costs.

The provision for the direct costs of liquidation of damage is created on the basis of the ratios calculated for particular insurance groups.

The provision for the indirect costs of liquidation are set as a multiple of the average liquidation time of a damage, denoted in months, and the average monthly direct liquidation costs for the period of the last 3 months. The provisions for the indirect costs of liquidation are related proportionally to the provisions for compensations reported and not paid, IBNR provisions with regard to the division into insurance groups and pension provisions.

Premium provisions

A part of a premium due falling on subsequent reporting periods is deferred as a premium provision. The change of the premium provision value is recognized in the profit and loss account in order to relocate incomes for the whole period of the risk insured.

A premium provision is created as a premium due falling on future reporting periods, proportionally to the period for which the premium is due or with reference to the rate of risk predicted in subsequent reporting periods. The premium provision is set by an individual method, with relation to each contract separately.

Life insurance provisions

The value of a life insurance provision in life insurances is created using prospective actuarial method, individually for each insurance contract.

The value of the life insurance provision if the risk of a deposit is borne by an insurer in life insurances is set at the amount of a deposit amount according to the provisions of the concluded life insurance contract.

Technical-insurance provisions adequacy test

The Group performs the technical-insurance provisions adequacy test on each balance sheet day, which is aimed at ensuring that the technical-insurance provisions decreased by the deferred costs of the acquisition for covering possible commitments of the existing insurance contracts are sufficient. For the purpose of the test, the Company uses the best current estimates of cash flows resulting from insurance contracts, costs of damage liquidation, and costs of policy service. If the valuation shows the insufficiency of technical-insurance provisions with relation to the estimated future cash flows, then the whole difference is immediately recognized in the profit and loss account by the impairment of the deferred acquisition costs and/or by the creation of a provision for covering an unexpired risk.

5.26 Financial liabilities valuated on the basis of depreciated cost

Financial liabilities valuated on the basis of depreciated cost cover liabilities against banks, customers and issued debt securities. During setting depreciated cost costs connected with liability obtaining and discounts and bonuses obtained at liability settlement are taken into consideration. Profits and losses are recognized in profit and loss account at the moment of liability removal off balance and as a result of write-down calculation.

At the initial recognition, all liabilities are recognized according to purchase price corresponding with fair value of cash received, less their acquisition costs.

5.27 Retirement benefits

According to the Company's payroll regulations, employees of Polish Group companies 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 Group 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 foreign Group companies are entitled to retirement benefits under binding labor laws of the country, in which the given company operates.

5.28 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.
Costs are recognised in accordance with the accruals concept i.e. in the periods, to which they relate, irrespective of the payment date.

Group companies disclose in profit and loss account all incomes and interest costs referring to financial instruments valuated according to amortized cost while adopting method of effective interest rate and financial assets available for sale.
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 (exceptfor credit and loan receivables and lease receivables) and financial assets available-for-sale, interest income is continued to be recognised in the income account, but is calculated on the value of thefinancial 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 account, also using the effective interest ratemethod.

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.

In the case of policies in property and personal insurances, incomes of the premiums due are recognized at the time of the issuance of the policy and calculated proportionally to the lapse of the period of the insurance cover.

Estimates on the premium due that the Company has not received on the balance sheet date, and that refer to a current period, are executed on the basis of historical data and recognized in the calculated premium due.

In the item" Compensations and paid-out benefits", there are recognized all payments and financial liabilities executed in the reporting period and referring to the compensations and benefits for the damage and accidents that occurred in the reporting period and in the past periods (including pension benefits and redemptions in life insurances), including the costs of damage liquidation and the collection of regressions, decreased by received returns, regressions and all recoveries (including recoveries from the sales of the damage remains). The costs of damage liquidation and the collection of regressions include also litigation costs. The item includes also compensations and co-insurance benefits, in a part relating to a share of an insurance company, and compensations and benefits settled by assignors assigned to an insurance company due to an active reassurance.

5.29 Dividends

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

5.30 Current tax expense and deferred tax

Liabilities and receivables on current tax for current period and previous periods are valuated at the amount of foreseen payment for the benefit of tax bodies (subject to return from tax bodies) with application of tax rates which legally or factually have been binding on balance sheet day.

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 value of a deferred income tax asset is verified as at each balance sheet date and is decreased in proportion to the improbability that a taxable income will be enough to realise the deferred tax asset fully or in part. An unrecognised deferred tax asset is re-assessed as at each balance sheet date, and recognised up to the amount which reflects the probability to derive in future such taxable income that will allow recovering the asset in question.
Deferred income tax assets and deferred tax liabilities are valued using the tax rates which are expected to be applicable as at the date of realisation of an asset or reversal of a reserve, based on the tax rates (and tax regulations) as at the balance sheet date or rates/regulations whose future application is certain as at the balance sheet date.
Income tax applicable to assets which are recognised directly under equity is recognised under equity rather than in the profit and loss account.
The Group offsets deferred income tax assets against deferred income tax liabilities only andexclusively when it holds an enforceable title to offset receivables against current income tax liabilities, and when the deferred income tax is related to the same taxpayer and the same tax authority.

5.31 Social assets and Social Fund liabilities

In Poland, The Act on Social Fund 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 withthe Fund’s assets.

5.32 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 52 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 25 of the additional information).

Transactions settled in monetary assets

Transactions settled in monetary assets are initially settled at the fair value set as for a day of granting with the application of a proper model after taking into consideration of principles and conditions of granting of an option. The fair value set in accordance with the above method is written off into costs throughout the whole period until the acquisition of rights, on the second side with the recognition of an appropriate liability. The value of the liability is revalued for each balance sheet day until and including the settlement day, whereas any changes in the fair value are recognized in the profit and loss account.

5.33 Acquisition of minority interests

The acquisition of minority interests by the Group is accounted for using the parent entity extension method.
The application of that method means that the full difference between the acquisition cost of an additional share in the net assets of a subsidiary and the value of the acquired minority interest in those net assets is treated as goodwill (or as a surplus of the acquired share in the net assets over the acquisition cost in accordance with art. 56 of IFRS 3, so called „parent extension method”).

6 Effects of changes in accounting policies

The Group did not make any significant changes in its accounting policy. The changes of the International Financial Reporting Standards in 2007 did not have any significant impact on the consolidated financial statements.

7 Financial risk management objectives and policies

Getin Holding S.A., as a parent company of the Group, is a typical holding company which implements appropriate investment strategy and performs supervisory functions over the companies belonging to the Group, but it does not manage directly the companies of the Group. For this reason and due to substantial differences in the activities of the most significant companies of the Group, the risk management policy is carried out on the level of these companies. Therefore, the description of objectives and policies of financial risk management shown below was presented separately for significant companies of the Group.

Objectives and policies of financial risk management in Getin Bank

In its operations, the Bank is exposed to the risks. The main risk categories are as follows:
- credit,
- liquidity,
- market (including interest rate risk, currency risk, securities price risk), and
- operating risk.

As at 30 June 2007, the credit risk of balance sheet and off-balance sheet financial instruments related to bank portfolio, measured by the risk-weighted amount of off-balance sheet assets and liabilities is PLN 8,692,139 thousand, while that measured by the equity requirement is PLN 695,375 thousand. (31 December 2006: PLN 6,431,468 thousand, PLN 514,522 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 2007 was PLN 4 thousand. (31 December 2006: PLN 5 thousand).

<u>Methods and objectives of financial risk management</u>
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, which appointed three committees for the purposes of operating management: 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. 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 in commercial book) are included in the calculation of the capital adequacy ratio. The capital adequacy ratio defined by the Banking Law at the minimum 8%, was 12.05% as at 30 June 2007.

<u>Credit risk</u>
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, instalment 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 on the basis of the scoring obtained from the assessment of financial condition and quality, and on the basis of 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. 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 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 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.

<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 or technical loan.

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 technical systems, or as a result of external circumstances.

The Bank implemented "Operating Risk Management Policy" which accounts for the guidelines specified in Recommendation M of the Commission for Banking Supervision. The Policy of Operating Risk Management contains principles of operating risk management, covering identifying, estimating, securing and monitoring operating risk. These principles also lay down the organisation of operating risk management which includes specification of powers and roles of individual organisational units of the Bank.

The implemented "Guidelines for management of operating risk in GETIN Bank SA", is the follow-up procedure for all Bank employees if an operating risk identified. As a part of these Guidelines, in combination with the business lines, there was prepared a detailed list of operating events which may result in an operating loss.

Getin Bank has a database which registers operating events, submitted as reports by particular organisational units of the Bank. The information gathered in the database constitutes the basis for estimation of the operating risk. A risk map prepared quarterly in order to identify the areas of the highest operating risk, reflects interconnections between the operating risk factors and particular business lines.

Overall reports are prepared quarterly in the Safety and Operating Risk Department based on the registered operating events and then they are handed over to the organisational units. Whereas, information presented to the Supervisory Board of the Bank, once it is accepted by the Management Board, is prepared semi-annually.

Objectives and policies of financial risk management in Noble Bank

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, which set up two committees for the purposes of operating management: Loan Committee and Asset and Liability Management Committee ("ALCO"). These committees are responsible for managing certain assigned risks at the operational level, as well as for monitoring the risk level and establishing the current policy in line with the strategy adopted by the Bank's Management Board and the internal limits and supervisory regulations.

The 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.

<u>Credit risk</u>
Credit risk management in Noble Bank SA is to ensure safety of lending activities conducted by the Bank while maintaining a rational approach to 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 2007, the Bank runs intensive debt collecting activities. 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.

The credit process in Noble Bank is divided into five following stages: registering credit application, preparing credit agreement, payment of funds and monitoring. The Bank has internal regulations describing in detail the participants of the loan-granting process and the functions ascribed to them. The decision making process during all stages is of multistage nature. The Bank carries out a two-stage valuation of the properties constituting security of extended credits, employing for this purpose its own services and an external company.

The Bank has detailed procedures concerning monitoring of extended credits. Three stages of Bank's activities can be distinguished in these procedures, should any disturbances in repayment of the loans appear, i.e., monitoring, collecting and execution. Each activity ascribed to these stage is described in detail (including persons responsible for carrying them out) in internal regulations of the Bank.
Regulations binding in the Bank in connection with the agreements covered by reconstruction or collecting activities are as follows:
1. regulation on monitoring retail receivables of the Bank,
2. regulation on monitoring clients running business activity.

The process of concentration risk management and monitoring in Noble Bank S.A. is carried out pursuant to provisions of Resolution no. 1/2007 of the Committee for Banking Supervision. The Bank monitors the concentration risk and should it appear, the Bank establishes the equity requirement of the value pursuant to the provisions of Attachment 12 to the said Resolution. As at 30 June 2007, there were no indications of concentration risk, therefore Noble Bank S.A. did not establish the equity requirement in connection with this risk.

<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) interest rate risk
The aim of measurement and management of risk that appears due to maintaining by the Bank the open positions resulting from mismatch of assets/liabilities as to the dates of binding by the interest rate, is minimising the risk resulting from maintaining these open positions. Changes in the interest rates on the market, in the case of maintaining the open positions, result in appearing the risk of loss or of gaining profit. The open positions sensitive to interest rate changes appear because the situation where matching the interest income assets to interest expense assets simultaneously as to the sums and interest revaluation dates is in practice unprecedented. The main sources of interest rate risk are operations carried out in the Bank branches and transactions conducted on money market by the Office of Money Management. The main source of income for the Bank is the margin, therefore the limit adopted by the Bank restricting the interest rate risk may be considered prudence limit. Pursuant to the guidelines "The policies and methods of interest risk management in Noble Bank S.A." the

ALCO Committee approves the structure of the internal limit for accepted exposition of the Bank to the interest rate risk and approves the value of this limit. The limit structure is based on two components:

- the accumulated change of margins with reference to the market changes in the interest rates by 1 percentage point; these changes are agreed based on the Repricing Model. This Model consists in grouping assets and liabilities sensitive to interest rate changes into appropriate time periods corresponding to revaluation dates of particular items and then in setting margins, as well as their changes in situation of interest rate changes by 1 pp (the calculations are also made for change by 2 pp),
- the value of Bank's own funds in the reporting period: the limit is the share of the margin changes presented in percentage (under interest rate changes by 1 pp) in the Bank's own funds.

b) currency risk

Within its operating activities, Noble Bank S.A. strives for minimisation of currency risk, by maintaining the value of total currency position on the level lower than the limit accepted in the Guidelines "Currency risk management in Noble Bank S.A.". The value of the total currency position may not exceed 2% of the Banks own funds. The assumed limit is in force on each working day. The value of currency positions denominated in PLN is translated at the average exchange rate of the National Bank of Poland in force as at the reporting day. The Risk and Controlling Department monitors performance of the limit set forth by the Management Board.

The currency risk is generated as a result of transactions with clients. This risk is managed by making contra transactions on interbank market. As a general rule, the Bank does not carry out currency transactions of „profiteering" nature on the interbank market. The amount of the limit and the assumed Bank policy brings about the possibility of loss due to unfavourable changes on the currency market with relation to minimum values.

The reports on the currency risk are monitored on the current basis by the Bank's Management Board. Decisions on the value of currency positions are made in the Office of Money Management considering the limit on the currency positions.

Calculations of Bank's exposition to the currency risk and calculating the equity requirement necessary to cover the risk are made on daily basis. The Bank adopted the so-called basic method of calculating capital adequacy ratio against the currency risk exposure. The capital adequacy ratio against currency risk was calculated as the product of 8% and the absolute value of the total currency position.

Liquidity risk

Managing liquidity in Noble Bank S.A. aims at guaranteeing the ability of timely and satisfying performance of any contractual financial liabilities. Management of liquidity risk consists in shaping the balance sheet structure and off-balance sheet items in such a way, so as to reach the strategic goals, including maximization of market value of equity by reaching the assumed profit or loss with simultaneous maintaining the financial risk exposition on the level accepted by the Management Board.

Managing liquidity is based on specification of the Bank's assets and liabilities in accordance with probable maturity (gap method). This allows for analysis and control of liquidity items within the whole Bank in short-, medium- and long-term perspective. The gap method's task is to warn in advance on mismatch between assets and liabilities dangerous for the Bank. The warning function allows for reacting in advance or planning the use of appropriate financial instrument to cover the negative gap. Based on the assets and liabilities specification and off-balance sheet items specification, ALCO sets liquidity limits that are monitored on current basis which aim at reducing the risk of losing liquidity by the Bank.

Monitoring and measuring the liquidity loss risk of PLN payment consists in the analysis of:

1) the current money position of the Bank,
2) not working assets, mainly cash status in the current account of the Bank,
3) the amount of liquidity assets and their share in the structure of all Bank's assets,
4) the changes trend in particular balance sheet items within the periods of maturity,

5) the amount of operations carried out with intermediation of bank module SORBNET,
6) credit disbursement and repayment,
7) the level of deposits.

The source of data for current monitoring of PLN payment liquidity is:
1) the access to the current account of the Bank at DSP NBP in Warsaw the on current basis via the SORBNET system,
2) current data from the ELIXIR system,
3) daily information on the planned value of credit disbursement,
4) daily information on the operations carried out by the Office of Money Management,
5) weekly information on selected components of Bank's assets and liabilities,
6) monthly Bank's reporting.

The main sources of information on the level of liquidity risk in the Bank are: monthly specifications of mismatch between assets and liabilities together with the off-balance sheet items and probable maturity, as well as liquidity ratios calculated on the basis of them.

In order to best manage its liquidity, Noble Bank S.A. has liquid assets in its portfolio, including: cash on the account kept at the DSP department of NBP, interbank placements (overnight, tomnext), liquid securities.
For the whole period between 1 January 2007 and 30 June 2007, the Bank maintained positive money position, granting placements to the banks that have transaction limits in the interbank money market. The observance of the limits is controlled and any departures require obtaining the Management Board's consent.

The basic measures to estimate the payment liquidity of the Bank are as follows:
1) mismatch between assets and liabilities ratios after taking into consideration adjustments to their current value,
2) structural liquidity ratio,
3) liquidity surplus (deficit) ratio,
4) current satisfying of deposit payments ratio,
5) liquid satisfying of deposit payments ratio,
6) credit total/deposit total ratio,
7) total demand accounts/deposits ratios,
8) total liquid assets/net assets ratio.

The mismatch of assets and liabilities with the off-balance sheet items ratios are calculated after taking into consideration the adjustments to their current value for the PLN part and currency part of the balance sheet and in total, in the following time bands:
- demand accounts – 1 month,
- demand accounts – 3 months,
- demand accounts – 1 year,

Forecasting the real cash flows consists in estimating the periods remaining to maturity of assets and maturity of liabilities, by specification of those assets and liabilities in particular time periods, counting from the date of such specification.

Apart from the balance sheet items, such a specification also covers selected off-balance sheet items that might possibly cause inflow or outflow of funds (sureties and guarantees, as well as undrawn credit limits).

The bank adjusts the dates of maturity for assets and liabilities to their real time in the following manner:
1) cash and transactions with the Central Bank:
   The legal reserve should be maintained on the level declared by the Bank.
   Only the surplus over the legal reserve is included in the demand band, whereas the remaining funds are divided to remaining time bands proportionally to liabilities to the non-financial sector;
2) securities:
   The trade securities in the Bank's portfolio are indicated as having maturity up to 1 month,
3) liabilities to non-financial sector and budget:
   It is assumed that 60% of demand accounts volume and 70% of time deposits are foreign stable funds and they are transferred to liabilities with maturity over 1 year,

4) off-balance sheet liabilities granted:
The off-balance sheet liabilities granted and included in non-performing loans are indicated as with maturity up to 1 month.

The Bank has established procedures of emergency activities both in the case of increase in the liquidity risk level and considerable deterioration of the financial liquidity status of the Bank.

Operating risk.

The operating risk means the possibility of losses as result of unfavourable influence over the Bank of the following factors (stimulating the existence of operating risk): personnel, IT technology, relations with clients and third parties, fixed assets and project management. In order to categorize appropriately the events connected with the operating risk, the types of operating risk events were approved, specified by the Basle Committee and Banking industry as of potential influence on the actual losses in the Bank, meaning:

- Internal fraud,
- External fraud,
- Personnel and health and safety policy,
- Clients, products and business practice,
- Physical damage of assets,
- Stoppages in business activity and system failures,
- Carrying out transactions, delivery and process management.

For the purposes of efficient operating risk management, a five-stage management process was introduced:

- Identification and estimation of the operating risk in all products, banking activities, processes and systems. Making sure, that before these products, processes and systems are presented or implemented into the Bank's structures, the risk resulting from them is appropriately estimated.
- Estimation via implementation ultimately the "self-estimation" system and on current basis, via risk ratio system indicating and estimating the influence of the operating risk on the Bank's losses based on historical data on such losses (tracking and registering significant information on single events that bring about a loss). The historical data covers period from effective date of internal regulations on operating risk. The estimation process has an auxiliary function in:
  - granting priority to hazards,
  - specifying the appropriate access levels,
  - estimating gaps in securities.
- Creating a Database of losses based on the registered single events bringing about losses. Each event introduced to the database is described on the appropriate gravity level.
- Monitoring via receiving regular reports from appropriate units, functional groups, departments and internal audit carrying out periodical audits on operating risk (including among others: specifying identification criteria for particular types of events, and also incidents, providing access to knowledge and training for personnel).
- Reports on the extent of Bank's exposure to loss under the operating risk and events taking place. The reports are prepared quarterly and then sent to the Supervisory Board, Bank's Management Board and Internal Audit.

In the matters of operating risk management, Noble Bank S.A. follows regulations of Recommendation M relating to operating risk management in banks.

Objectives and policies of financial risk management in the insurance part of the Group (i.e. the Capital Group TU Europa S.A.)

Insurance risk

The basic insurance risk is the risk of divergences between the actual indemnities and their planning, the estimated actuarial (statistical) methods, at the moment of product creation (calculating the premiums) or product plans for subsequent settlement periods (preparing loss ratio plans, mortality or incidence rate plans). Due to the fact that the loss ratio plans very often refer to the history and as a result forecast the product development resulting from previous experiences, they are sensitive to factors changing in time, such as:

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a) changes of the demographic structure of the insured in the group life and health insurance agreements (especially in the case of group insurance agreements with premium independent from the age and sex),
b) changes of mortality or incidence ratios in the groups of insured with long time horizon, during the term of these agreements,
c) the structure and number of terminating the insurance contracts by the insured (lapses) or insurers (applies especially to group agreements),
d) legal changes regulating the insurance market,
e) legal changes regulating areas other than the insurance market, influencing however the insurance products.

Both practice and theory indicate that in large insurance portfolios the statistical laws allow for estimation of future claim phenomena with much lesser (relative) error than in small portfolios. Therefore, one of the methods limiting the loss risk is construction of products of large number of insured risks, provided that underwriting eliminates the risk of insurance accumulation in one insured entity or on small territory, which constitute a potential reason for increase in the implemented loss ratio of the portfolio (due to, among others, financial difficulties risk or bankruptcy of the insured entities or the disaster loss taking place).

Erroneous or incorrect assumption for the products, especially relating to the future indemnities, may lead in the future to maladjustment between the assets to cover the liabilities.
The phenomenon of insurance crime is, to greater or lesser extent, present in majority of insurance products and consists in obtaining indemnification or benefits under false pretences, which are in fact undue, as an offence (e.g., based on false documents). The methods preventing the effects of this phenomenon are, among others, preventive activities undertaken by the insurance environment (registers etc.) and procedures preventing anti selection of portfolio and internal audit.

Concentration of insurance risk

Reserves for outstanding claims	**30.06.2007**	
Life insurance	3 265	24.59%
Accident and sickness insurance	497	3.74%
Accident insurance	60	0.45%
Sickness insurance	109	0.82%
Goods-in-transit insurance	1	0.01%
Insurance against damages caused by natural forces	61	0.46%
Insurance against other damage to property	184	1.39%
Third part liability ensuing from the possesion and use of self-propelled land vehicles risk	1 946	14.66%
General third part liability risk	0	0.00%
Credit insurance	6 491	48.89%
Insurance guarantee	3	0.02%
Insurance of various financial risks	221	1.66%
Insurance of assistance	439	3.31%
TOTAL	**13 277**	**100.00%**

Personal and non-life insurance

Sensitivity analysis of the equalisation reserve:
The table below presents changes in IBNR provision with decreasing/increasing final parameters of forecasted loss ratio, ULR (data presented in PLN thousand):

Modification of ULR structure:	The value of modified IBNR divided by non-modified IBNR reserve :	IBNR reserve value:	Influence on gross financial result:	Influence on net assets:
20% decrease	90.62%	3 091	(320)	(259)
10% decrease	95.31%	3 251	(160)	(130)
no modification	100.00%	3 411	-	-
10% increase	104.69%	3 571	160	130
20% increase	109.38%	3 731	320	259

The table below presents changes to IBNR provision with shortening/extending parameters describing the time to report a pk claim (different for each group, data presented in PLN thousand):

Modification of pk structure:	The value of modified IBNR reserve divided by non-modified IBNR reserve :	IBNR reserve value:	Influence on gross financial result:	Influence on net assets:
25% shortening	71.56%	2 441	(970)	(786)
no modification	100.00%	3 411	-	-
25% extending	170.55%	5 818	2 407	1 950

Life insurance

Sensitivity analysis
The life insurance provision is made individually for each policy by means of actuarial methods, pursuant to guidelines on making life provisions. One of the most important parameters is a function (usually increasing within the first 36 months of insurance), describing the relative mortality, very often marked in the guidelines with the letter g:
$g(m) = \min\{b; a + (b-a)*(m/36)^2\}$, where m=0,1,2,… - current month of insurance.

The function parameters are included in the guidelines on making provisions, the adequacy of these parameters is verified periodically (parameter a is tested, parameter b is maintained on safe level of 0.64-0.9, the most often 0.7, due to not sufficient yet term of historical agreements and lack of statistical strength for large values m). The best estimate of parameters on the main groups of products for the death risk according to research carried out in June 2006 is presented below:

	a (best estimate)	a (reserves)	b (common)
Leasing	0.09	from 0.4	from 0.64
Credit installment insurance	0.27	from 0.37	0.7
Endowment insurance	0.21	0.7	0.7
Credit cards insurance	0.19	from 0.45	0.74
Car credit insurance PDK	0.27	0.28	0.7
Car credit insurance Getin	0.17	0.28	0.7

Conclusions drawn from the table: the life provision is made on the safe level, in each business line the assumed function of relative mortality is higher than the actual implementation (best estimate).

Test of liabilities' sufficiency
Due to individual manner of calculating the provision for each policy, as a sum of discounted, by means of technical rate (usually 2% or 3%, so much lower than the rate of return on assets constituting the provision), flows from future payment of indemnities, accounting for the agreement servicing costs and costs related to indemnity and benefit payment, the provision is established on a safe level.

Interest rate risk
The main device assumed to evaluate the interest rate risk is the duration of treasury securities portfolio. The value of duration is calculated and analysed on a monthly basis. Maintaining the low value of duration is one of the assumptions accepted in investment policy of the company. Additionally, stress-tests are carried out monthly, indicating the change of value of the treasury securities portfolio intended for sale for changes in interest rates forecasted by the Monetary Policy Council. In the case of products of insurance and investment nature with single premium, a method of exact adjustment of maturity of liabilities under the granted insurance protection and maturity of placements constituting security for payment of the said liabilities is applied. In the situation where the interest rate of placements (fixed during the whole period) guarantees funds sufficient to satisfy future insurance liabilities, the company has guaranteed full coverage of technical and insurance provisions by assets, as well as expected earning potential of the product.

Currency risk
Within the currency risk, the aim is to eliminate products from the insurance portfolio which contain the element of currency risk. At present, the Group TU Europa has no offer of insurance products with premium denominated in foreign currencies but it offers products, for which the premium is collected in PLN and the potential value of loss and the number of losses depends on the exchange rate fluctuations. The value and number of indemnities paid may increase or decrease depending on the position of the Polish currency. The Group minimizes the said risk by shortening the insurance period and collecting the premium from the insurance sum, each time denominated to Polish zloty.

Within the investment activity, the possible currency risk (loans in foreign currencies) is minimized through conclusion of forward currency sale transactions. In the case of substantial change of currency position, such information should be presented to Analyses and Planning Department which possibly makes a decision on securing by taking appropriate position in derivatives.

Additionally, the currency exposures by individual types of assets, liabilities and off-balance sheet liabilities, are monitored quarterly in the process of risk management.

Credit risk
The credit risk in the insurance activities of the Group is highly minimised. The Company runs the policy of safe placement of all its assets. This means that the funds are mainly invested into term deposits in banks, Treasury debt securities and municipal bonds. The possessed commercial debt securities are issued by the Group's associates. The Company also granted loans to the equity related companies (these funds, to limited extend, are the coverage of technical and insurance provisions pursuant to limits specified in the Act on Insurance Activity).

In other areas of the insurance activity, the credit risk appears mainly while collecting the retrospective debts from the perpetrators of damage (mainly in financial insurances). The risk of lack of the possibility to carry out efficient debt collection is taken into account and accounted for while calculating the insurance premium.

Objectives and policies of financial risk management at Carcade OOO

The following objectives and methods are introduced in the company for each risk category.

Market risk

The currency risk is minimised through the process of constant adjustment of the currency structure of assets with the loans schedule. Asset/liability currency matching is monitored three times a month and reported to the Management Board.

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.

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 1.52% of the net investments in the lease resulting from active lease contracts. Credit risk is very dispersed and divided into approximately 9 120 agreements with an average value of USD 24 407.

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.

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.

Objectives and policies of financial risk management in Prikarpattya Bank

Prikarpattya Bank S.A. manages risk applying the following methods:

- limits' system;
- gap analysis;
- adequacy of cash at hand, funds in the National Bank of Ukraine (NBU) and other banks.

The following committees were appointed in the Bank for the purposes of risk management:

- Credit Committee – managing the credit risk;
- ALCO – currency risk, interest rate risk, market and liquidity risk.

Credit risk

Managing the credit risk is divided into 2 stages. At the stages of granting the loan, the Bank analyses the financial situation of the borrowers. The earning potential of the subject of the loan and the borrower is calculated in total, the loan security is chosen and its actual market value is estimated. The collected data is presented to the Bank's Loan Committee. In the case of standard products, the Loan Committee prepares loan granting procedures, describing the proceeding scheme in the case of granting loans.

During the monitoring stage of the granted loans, the Bank analyses the financial situation of the borrowers and timely loan repayment.

Simultaneously, within financial risk management, the provisions for credit risks are made. As part of this risk's monitoring, 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. Provisions are made every month.

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Liquidity risk
The Bank's liquidity is regulated every day by control over the sufficiency of cash at hand and funds at correspondence accounts of the Bank, pursuant to the established limits and through current analysis of liquidity according to maturity dates. The gap in the Bank's assets and liabilities is calculated at least once a month.

Interest rate risk
Depending on the market situation, the ALCO Committee, based on the internal and external analytical data, presented by the structural branches, runs current analysis of interest rates accounting for the terms and conditions of funding on interbank and non-bank markets, settlement of conditional profit earning of credit and deposit operations and establishing the minimum level of efficient rates, which accounts for the internal costs and requirements of NBU on compulsory provisions and funds.

Currency risk
The management of currency risk consists in current regulation of currency position of the Bank with relation to prudence norms specified by NBU and analysing the dynamics of exchange rates changes on the market.

Concentration of credit risk in the companies of the Capital Group

Getin Bank
As at 30 June 2007 and 31 December 2006 the Bank did not exceed the engagement concentration ratio specified by the Bank Law.

	Receivables' concentration limits: Banking Law article 71 section 1	30.06.2007 thousand PLN	31.12.2006 thousand PLN
1	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 25% of the current value of the Bank's own funds	261 360	196 753
2	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	209 088	157 403
3	Total bank's commitments exposure equal or greater than 10% of the current value of the Bank's own funds incurred by the Bank with respect to a single entity or a group of entities related by capital or organisational structure cannot exceed 800% of those funds	104 544	78 701

Ref. Limit 1
The greatest engagement with relation to one client as at 30 June 2007, was 7.3% of own funds (31.12.2006: 9.9%). The engagement with relation to 10 biggest clients as at 30 June 2007, was 17.4% of own funds (31.12.2006: 19%).
The greatest engagement with relation to one capital group as at 30 June 2007, was 0.5% of own funds (31.12.2006: 0.9%). The engagement with relation to 5 biggest capital groups as at 30 June 2007 was 1.8% of own funds (31.12.2006: 2.2%).

Ref. Limit 2

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The engagement with relation to associates of the bank as at 30.06.2007, was 15.9% of own funds (31.12.2006: 15.2%).

Ref. Limit 3
As at 30 June 2007 and 31 December 2006, no single engagements exceeding 10% of own funds took place in the Bank.

Industry product exposure concentration of Getin Bank:

Industry as per PKD	30.06.2007 %	31.12.2006 %
A - Agriculture and hunting	0.2	0.2
C - Mining	0.2	0.1
D - Production activity	3.5	3.6
E - Delivery of electric energy and gas	0.0	0.1
F - Construction industry	2.7	1.4
G - Wholesale and retail trade	4.8	5.8
I - Transport, warehouse management and communication	3.9	3.4
J - Finance agency	1.1	1.0
K - Real estate service	1.8	1.8
L - Public administration	0.3	0.7
Other sections	1.8	1.6
Private persons	79.7	80.3
Total	**100.0**	**100.0**

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

Structure of credit portfolio	30.06.2007 %	31.12.2006 %
Borrowings to private persons	**79.7**	**80.3**
including:		
-cars loans	16.0	18.4
-instalment loans	0.9	1.3
-real estate	50.5	48.8
-other	12.3	11.8
Corporate loans	**20.3**	**19.7**
Total	**100.0**	**100.0**

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

Administrative regions of Poland (voivodships)	30.06.2007 %	31.12.2006 %
Dolnośląskie	11.0	11.5
Kujawsko-Pomorskie	3.7	3.1
Lubelskie	3.0	3.2
Lubuskie	2.4	1.9
Łódzkie	6.6	6.5
Małopolskie	6.3	6.0
Mazowieckie	21.8	22.0
Opolskie	1.9	1.9
Podkarpackie	2.2	1.7
Podlaskie	1.0	0.7
Pomorskie	6.6	6.2
Śląskie	15.2	20.4
Świętokrzyskie	1.1	0.8
Warmińsko-Mazurskie	2.7	2.2
Wielkopolskie	7.7	6.9
Zachodniopomorskie	5.2	3.8
Headquaters beyond Poland's territory	1.6	1.2
Total	**100.0**	**100.0**

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: Banking Law article 71 section 1	30.06.2007 thousand PLN	31.12.2006 thousand PLN
1	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 25% of the current value of the Bank's own funds	97 127	35 925
2	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	77 702	28 236
3	Total bank's commitments exposure equal or greater than 10% of the current value of the Bank's own funds incurred by the Bank with respect to a single entity or a group of entities related by capital or organisational structure cannot exceed 800% of those funds	38 851	14 118

Ref. Limit 1
The greatest engagement with relation to one client as at 30 June 2007, was 5.50% of own funds, i.e., 4.19% of credit portfolio (31.12.2006: 9.56%; 4.14%). The engagement with relation to 10 biggest clients as at 30 June 2007 covered in total 18.05% of credit portfolio balance, i.e., 23.71% of own funds (31.12.2006: 20.08%; 46.36%).

Ref. Limit 2
The engagement with relation to group of associates of the bank as at 30.06.2007 was 2.36% of Bank's own funds (31.12.2006: 17.70%).

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

Ref. Limit 3
As at 30 June 2007 and 31 December 2006, no single engagements exceeding 10% of own funds took place in the Bank.

Industry product exposure concentration of Noble Bank:

Industry as per PKD	30.06.2007 %	31.12.2006 %
A - Agriculture and hunting	1.3	3.6
C - Mining	0.0	0.1
D - Production activity	2.0	4.9
E - Delivery of electric energy and gas	0.0	0.0
F - Construction industry	2.9	0.8
G - Wholesale and retail trade	2.1	5.2
I - Transport, warehouse management and communicat	0.1	0.1
J - Finance agency	2.7	13.0
K - Real estate service	1.2	0.1
L - Public administration	0.0	0.0
Other sections	0.5	0.7
Private persons	87.2	71.5
Total	**100.0**	**100.0**

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

Structure of credit portfolio	30.06.2007 %	31.12.2006 %
Borrowings to private persons	**87.0**	**72.0**
including:		
-cars loans	0.0	0.0
-instalment loans	0.0	7.0
-real estate	66.0	41.0
-other	21.0	24.0
Corporate loans	**13.0**	**28.0**
Total	**100.0**	**100.0**

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

Administrative regions of Poland (voivodships)	30.06.2007 %	31.12.2006 %
Dolnośląskie	8.0	4.0
Kujawsko-Pomorskie	2.0	3.0
Lubelskie	4.0	8.0
Lubuskie	1.0	1.0
Łódzkie	1.0	1.0
Małopolskie	3.0	5.0
Mazowieckie	42.0	31.0
Opolskie	1.0	1.0
Podkarpackie	5.0	11.0
Podlaskie	1.0	1.0
Pomorskie	3.0	4.0
Śląskie	10.0	7.0
Świętokrzyskie	1.0	5.0
Warmińsko-Mazurskie	2.0	3.0
Wielkopolskie	5.0	3.0
Zachodniopomorskie	1.0	2.0
Other countries	10.0	10.0
Total	**100.0**	**100.0**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

Prikarpattya Bank S.A.

The greatest balance sheet and off-balance sheet engagements into particular entities and capital groups as at 30 June 2007.

The greatest engagement with relation to one client is 14.13% of own funds, i.e., 7.34% of credit portfolio. The engagement with relation to 10 biggest clients covers in total 30.94% of credit portfolio balance, i.e., 59.57% of own funds.

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

Structure of credit portfolio	30.06.2007 %
Borrowings to private persons	**53.0**
including:	
-cars loans	3.2
-instalment loans	11.5
-real estate	19.7
-other	18.6
Corporate loans	**47.0**
Total	**100.0**

Carcade OOO

Carcade as a separate legal entity does not report a significant credit concentration.

Structure of lease portfolio	30.06.2007 %	31.12.2006 %
Private persons	5.5	5.7
Business entities	94.5	94.3
Total	**100.0**	**100.0**

Getin Holding

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

Open Finance, Fiolet

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. The extended loans are the products of those financial institutions and they are extended on their account.

Getin International S.a.r.l., Noble Funds TFI, Getin Finance PLC

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

Capital Group

Credit risk

Gross maximum exposure to credit risk	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Cash and balances with the Central Bank	258 972	224 724
Bills of exchange eligible for rediscounting with the Central Bank	478	360
Amounts due from banks	3 546 818	2 939 875
Cash collateral on securities borrowed and reverse repurchase agreements	0	0
Derivative financial instruments	101 574	48 136
Financial assets held for trading	27 316	80
Other financial instruments at fair value through profit or loss	121 352	0
Loans and advances to customers	8 421 458	6 078 719
Investment securities	2 320 819	1 620 597
Available for sale	2 270 796	1 588 161
Held to maturity	50 023	32 436
Total exposure to credit risk	**14 798 787**	**10 912 491**
Off - balance sheet guarantee liabilities	17 819	9 447
Off - balance sheet financial liabilities	1 269 237	1 324 928
Total off - balance sheet liabilities	**1 287 056**	**1 334 375**
Total exposure to credit risk	**16 085 843**	**12 246 866**

The tables below present the division of financial assets with regard to the degree of past-due. High quality means financial assets overdue up to 30 days, standard quality financial assets overdue between 31 to 60 days and lower quality financial assets overdue between 61 and 90 days.

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

as at 30 June 2007

	Not overdue	Overdue, not impaired			Overdue or impaired	Interest	Provisions (in this IBNR)	Total
		High grade	Standard grade	Sub-standard garde				
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Amounts due from banks	3 546 710	0	0	0	0	108	0	3 546 818
Financial assets held for trading	27 316	0	0	0	0	0	0	27 316
Other financial instruments at fair value through profit or loss	121 352	0	0	0	0	0	0	121 352
Loans and advances to customers	**5 759 077**	**2 251 814**	**240 375**	**60 197**	**638 571**	**37 261**	**565 837**	**8 421 458**
Corporation credits	622 448	275 168	66 604	3 822	193 774	1 447	180 702	982 561
Car credits	1 494 416	141 654	60 600	21 135	134 915	11 318	131 834	1 732 204
Mortgages	2 718 150	1 761 859	76 815	18 344	113 856	11 040	82 822	4 617 242
Consumer credits	924 063	73 133	36 356	16 896	196 026	13 456	170 479	1 089 451
Investment securities	**2 290 855**	**0**	**29 989**	**7**	**12 518**	**0**	**12 550**	**2 320 819**
Available for sale	**2 268 061**	**0**	**2 760**	**7**	**12 518**	**0**	**12 550**	**2 270 796**
- issued by central banks	876 543	0	0	0	0	0	0	876 543
- issued by other banks	0	0	0	0	0	0	0	0
- issued by other financial institutions	2 512	0	7	0	29	0	29	2 519
- issued by non-financial institutions	0	0	2 753	7	12 489	0	12 496	2 753
- issued by State Treasury	1 389 006	0	0	0	0	0	25	1 388 981
- issued by local authorities	0	0	0	0	0	0	0	0
Held to maturity	**22 794**	**0**	**27 229**	**0**	**0**	**0**	**0**	**50 023**
- issued by central banks	0	0	0	0	0	0	0	0
- issued by other banks	0	0	25 252	0	0	0	0	25 252
- issued by other financial institutions	0	0	0	0	0	0	0	0
- issued by non-financial institutions	0	0	0	0	0	0	0	0
- issued by State Treasury	22 794	0	0	0	0	0	0	22 794
- issued by local authorities	0	0	1 977	0	0	0	0	1 977
								0
Total	**11 745 310**	**2 251 814**	**270 364**	**60 204**	**651 089**	**37 369**	**578 387**	**14 437 763**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

as at 30 December 2006

	Not overdue	Overdue, not impaired			Overdue or impaired	Interest	Provisions (in this IBNR)	Total
		High grade	Standard grade	Sub-standard garde				
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Amounts due from banks	2 939 338	0	0	0	0	537	0	2 939 875
Financial assets held for trading	80	0	0	0	0	0	0	80
Other financial instruments at fair value through profit or loss	0	0	0	0	0	0	0	0
Loans and advances to customers	**4 098 157**	**1 596 138**	**226 764**	**59 127**	**633 952**	**22 831**	**558 250**	**6 078 719**
Corporation credits	418 625	171 248	43 955	2 593	222 017	490	198 868	660 060
Car credits	1 215 928	113 900	63 747	21 460	130 650	9 704	128 515	1 426 874
Mortgages	1 788 537	1 279 206	96 993	26 307	113 544	7 177	84 333	3 227 431
Consumer credits	675 067	31 784	22 069	8 767	167 741	5 460	146 534	764 354
Investment securities	**1 588 639**	**0**	**33 935**	**4 178**	**12 507**	**0**	**18 662**	**1 620 597**
Available for sale	**1 583 378**	**0**	**6 760**	**4 178**	**12 507**	**0**	**18 662**	**1 588 161**
- issued by central banks	27 768	0	0	0	0	0	0	27 768
- issued by other banks	0	0	0	0	0	0	0	0
- issued by other financial institutions	2 505	0	4 007	3 444	18	0	3 424	6 550
- issued by non-financial institutions	0	0	2 753	734	12 489	0	12 496	3 480
- issued by State Treasury	1 553 105	0	0	0	0	0	2 742	1 550 363
- issued by local authorities	0	0	0	0	0	0	0	0
Held to maturity	**5 261**	**0**	**27 175**	**0**	**0**	**0**	**0**	**32 436**
- issued by central banks	0	0	0	0	0	0	0	0
- issued by other banks	0	0	25 252	0	0	0	0	25 252
- issued by other financial institutions	0	0	0	0	0	0	0	0
- issued by non-financial institutions	0	0	0	0	0	0	0	0
- issued by State Treasury	5 261	0	0	0	0	0	0	5 261
- issued by local authorities	0	0	1 923	0	0	0	0	1 923
								0
Total	**8 626 214**	**1 596 138**	**260 699**	**63 305**	**646 459**	**23 368**	**576 912**	**10 639 271**

Interest rate risk

A break-down of financial assets and financial liabilities according to their exposure to interest rate risk presented below is. 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 other assets and liabilities were presented in the item of assets/liabilities with no interest rates.

The table below shows assets and liabilities and off-balance sheet liabilities of the Group classified as at 30 June 2007 and as at 31 December 2006 by the interest rate exposure (in PLN thousand) :

as at 30 June 2007

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
Asstets:	**11 205 639**	**1 187 286**	**1 169 754**	**714 863**	**430 358**	**1 902 708**	**16 610 608**
Cash and balances with the Central Bank	338 759	0	0	0	0	14 394	353 153
Bills of exchange eligible for rediscounting with the Central Bank	478	0	0	0	0	0	478
Amounts due from banks	2 380 975	722 216	192 591	40 294	0	210 742	3 546 818
Amounts due from customers	7 571 653	284 702	28 109	78 500	399 449	59 045	8 421 458
Finance lease receivables	22 151	39 741	95 956	43 731	0	8 217	209 796
Investment securities	891 208	140 375	853 080	551 508	0	33 316	2 469 487
Other	415	252	18	830	30 909	1 576 994	1 609 418
Liabilities:	**4 970 460**	**4 693 303**	**2 412 594**	**622 719**	**7 889**	**855 651**	**13 562 616**
Amounts due to Central Bank	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	715 579	494 041	149 548	120 413	0	3 091	1 482 672
Amounts due to customers	3 692 246	2 723 037	1 637 926	203 469	2 064	86 714	8 345 456
Debt securities	562 096	1 476 218	624 990	278 770	0	30 886	2 972 960
Other	539	7	130	20 067	5 825	734 960	761 528
Total equity						3 047 992	3 047 992
TOTAL EQUITY AND LIABILITIES	**4 970 460**	**4 693 303**	**2 412 594**	**622 719**	**7 889**	**3 903 643**	**16 610 608**
Gap	**6 235 179**	**-3 506 017**	**-1 242 840**	**92 144**	**422 469**	**-2 000 935**	**0**
Off - balance sheet items							
Interest rate transactions:							
Assets	1 523 365	2 550 522	0	279 890	0	0	4 353 777
Liabilities	1 491 162	2 807 518	1 618	30	0	0	4 300 328
Gap	**32 203**	**-256 996**	**-1 618**	**279 860**	**0**	**0**	**53 449**
Total gap	**6 267 382**	**-3 763 013**	**-1 244 458**	**372 004**	**422 469**	**-2 000 935**	**53 449**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

as at 30 December 2006

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
Asstets:	**8 921 078**	**637 177**	**846 403**	**520 898**	**95 350**	**1 024 234**	**12 045 140**
Cash and balances with the Central Bank	292 764	0	0	0	0	1 782	294 546
Bills of exchange eligible for rediscounting with the Central Bank	360	0	0	0	0	0	360
Amounts due from banks	2 733 455	178 108	2 613	4 436	0	21 263	2 939 875
Amounts due from customers	5 764 046	143 337	29 596	15 708	95 350	30 682	6 078 719
Finance lease receivables	18 533	31 520	71 521	28 449	0	5 380	155 403
Investment securities	110 184	283 893	742 210	472 305	0	12 085	1 620 677
Other	1 736	319	463	0	0	953 042	955 560
Liabilities:	**5 228 891**	**2 346 301**	**1 545 189**	**419 414**	**0**	**399 143**	**9 938 938**
Amounts due to Central Bank	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	964 126	536 578	83 391	35 237	0	37 423	1 656 755
Amounts due to customers	3 686 305	1 649 179	1 067 894	94 292	0	69 505	6 567 175
Debt securities	576 088	160 393	393 532	289 885	0	16 266	1 436 164
Other	2 372	151	372	0	0	275 949	278 844
Total equity						2 106 202	2 106 202
TOTAL EQUITY AND LIABILITIES	**5 228 891**	**2 346 301**	**1 545 189**	**419 414**	**0**	**2 505 345**	**12 045 140**
Gap	**3 692 187**	**-1 709 124**	**-698 786**	**101 484**	**95 350**	**-1 481 111**	**0**
Off - balance sheet items							
Interest rate transactions:							
Assets	1 124 161	1 472 107	0	291 050	0	0	2 887 318
Liabilities	1 106 176	1 758 536	0	0	0	0	2 864 712
Gap	**17 985**	**-286 429**	**0**	**291 050**	**0**	**0**	**22 606**
Total gap	**3 710 172**	**-1 995 553**	**-698 786**	**392 534**	**95 350**	**-1 481 111**	**22 606**

Details of fixed interest rate financial liabilities incurred by the Group are presented in Note 47.

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, in which financial assets and liabilities are denominated:

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (in thousand PLN)

as at 30 June 2007

	PLN	EUR	CHF	RUB	USD	UAH	Other
	%	%	%	%	%	%	%
Asstets:							
Cash and balances with the Central Bank	4,05-4,28						
Bills of exchange eligible for rediscounting with the central bank	15.90						
Amounts due from banks	4,17-4,50	4,06-6,00	2,15-2,50		5,28-6,00	6.00	5,54-5,75
Amounts due from customers	8,21-14,85	7,39-13,00	6,20-6,57		12,35-18,00	39.00	
Finance lease receivables				40.50	34.60		
Investment securities	4,25-5,18						
Liabilities:							
Amounts due to Central Bank							
Amounts due to other banks and finance institutions	4,00-4,96	3.97	2,95-3,26	13.90	5,31-12,6	4.00	
Amounts due to customers	4,76-5,02	2,83-9,00	0,42-2,42		4,33-10,00	11.96	3,92-5,74
Debt securities	6.14			15.40			

as at 30 December 2006

	PLN	EUR	CHF	RUB	USD	UAH	Other
	%	%	%	%	%	%	%
Asstets:							
Cash and balances with the Central Bank	3.83						
Bills of exchange eligible for rediscounting with the central bank							
Amounts due from banks	3,70-4,10	3.64	1.98				
Amounts due from customers	7,35-15,06	6,98-12,08	5,22-6,53		12.73		
Finance lease receivables				42.00	37.00		
Investment securities	4,06-8,47						
Liabilities:							
Amounts due to Central Bank							
Amounts due to other banks and finance institutions	4.13	3.49	2,28-2,44	14.00	5,31-12,50		
Amounts due to customers	4,14-4,26	2,61-3,65	0,42-1,95		4,18-4,51		3.02
Debt securities	5.86			15.56			

Currency risk

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

as at 30 June 2007

	Currency (in thousand PLN)								Total
	PLN	EUR	CHF	RUB	USD	GBP	UAH	Inne	
ASSETS									
Cash and balances with the Central Bank	327 501	9 876	2	25	7 055	1 101	7 557	36	353 153
Bills of exchange eligible for rediscounting with the Central Bank	478	0	0	0	0	0	0	0	478
Amounts due from banks	2 268 844	676 478	393 775	1 776	152 614	14 925	37 844	562	3 546 818
Amounts due from customers	3 238 976	118 578	4 927 508	0	109 805	0	26 591	0	8 421 458
Finance lease receivables	1 849	0	0	118 851	89 096	0	0	0	209 796
Investment securities	2 469 480	0	0	0	0	0	7	0	2 469 487
Investment in subsidiaries	231	0	0	0	0	0	0	0	231
Other	1 489 986	8 286	0	66 981	11 271	218	32 445	0	1 609 187
TOTAL ASSETS	**9 797 345**	**813 218**	**5 321 285**	**187 633**	**369 841**	**16 244**	**104 444**	**598**	**16 610 608**
LIABILITIES									
Amounts due to Central Bank	0	0	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	644 314	1 896	675 427	120 790	27 483	0	12 762	0	1 482 672
Amounts due to customers	7 464 533	367 577	6 664	32	430 238	16 398	60 013	1	8 345 456
Debt securities in issue	788 350	1 894 753	0	8 460	281 397	0	0	0	2 972 960
Provisions	39 901	25	0	0	0	0	483	0	40 409
Other	645 810	23 264	14 606	28 388	3 672	0	5 379	0	721 119
TOTAL LIABILITIES	**9 582 908**	**2 287 515**	**696 697**	**157 670**	**742 790**	**16 398**	**78 637**	**1**	**13 562 616**
Total equity	3 047 992								**3 047 992**
TOTAL EQUITY AND LIABILITIES	**12 630 900**	**2 287 515**	**696 697**	**157 670**	**742 790**	**16 398**	**78 637**	**1**	**16 610 608**
NET ENGAGEMENT	**-2 833 555**	**-1 474 297**	**4 624 588**	**29 963**	**-372 949**	**-154**	**25 807**	**597**	**0**
Off - balance sheet items									
Assets	3 564 109	1 478 024	0	187 507	493 633	0	0	131	**5 723 404**
Liabilities	839 658	833	4 676 527	196 881	80 352	255	0	144	**5 794 650**
GAP	**-109 104**	**2 894**	**-51 939**	**20 589**	**40 332**	**-409**	**25 807**	**584**	**-71 246**

as at 30 December 2006

	Currency (in thousand PLN)								Total
	PLN	EUR	CHF	RUB	USD	GBP	UAH	Inne	
ASSETS									
Cash and balances with the Central Bank	277 799	10 333	0	11	6 375	24	0	4	294 546
Bills of exchange eligible for rediscounting with the Central Bank	360	0	0	0	0	0	0	0	360
Amounts due from banks	2 624 653	135 637	97 303	1 576	79 547	391	0	768	2 939 875
Amounts due from customers	2 370 242	89 018	3 498 896	0	120 563	0	0	0	6 078 719
Finance lease receivables	69	58	0	81 950	73 326	0	0	0	155 403
Investment securities	1 620 677	0	0	0	0	0	0	0	1 620 677
Investment in subsidiaries	113 088	0	0	0	0	0	0	0	113 088
Other	777 398	7 204	0	50 907	6 963	0	0	0	842 472
TOTAL ASSETS	**7 784 286**	**242 250**	**3 596 199**	**134 444**	**286 774**	**415**	**0**	**772**	**12 045 140**
LIABILITIES									
Amounts due to Central Bank	0	0	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	834 656	1 930	690 736	82 741	46 692	0	0	0	1 656 755
Amounts due to customers	5 919 459	292 763	4 996	0	349 957	0	0	0	6 567 175
Debt securities in issue	1 116 110	0	0	27 252	292 802	0	0	0	1 436 164
Provisions	31 316	0	0	0	0	0	0	0	31 316
Other	218 910	1 173	8 659	17 881	443	462	0	0	247 528
TOTAL LIABILITIES	**8 120 451**	**295 866**	**704 391**	**127 874**	**689 894**	**462**	**0**	**0**	**9 938 938**
Total equity	2 106 202								**2 106 202**
TOTAL EQUITY AND LIABILITIES	**10 226 653**	**295 866**	**704 391**	**127 874**	**689 894**	**462**	**0**	**0**	**12 045 140**
NET ENGAGEMENT	**-2 442 367**	**-53 616**	**2 891 808**	**6 570**	**-403 120**	**-47**	**0**	**772**	**0**
Off - balance sheet items									
Assets	1 883 575	643 584	0	134 444	481 677	0	0	278	3 143 558
Liabilities	14 461	10 682	2 909 245	136 914	70 918	117	0	487	3 142 824
GAP	**-573 253**	**579 286**	**-17 437**	**4 100**	**7 639**	**-164**	**0**	**563**	**734**

Liquidity risk

The table below presents assets and liabilities of the Group as at 30 June 2007, by maturity dates (in PLN thousand):

Balance sheets items	Up to 1 month inclusive	Over 1 month up to 3 months inclusive	Over 3 months up to 1 year inclusive	Total below 12 months	Over 1 year up to 5 years inclusive	Over 5 years	Total over 12 months	With undefined maturity	Total
Assets									
Cash and balances with the Central Bank	342 945	0	0	342 945	0	0	0	10 208	353 153
Bills of exchange eligible for rediscounting with the Central Bank	478	0	0	478	0	0	0	0	478
Amounts due from banks	2 570 816	722 166	192 235	3 485 217	44 174	18	44 192	17 409	3 546 818
Financial assets held for trading	0	0	0	0	0	0	0	27 316	27 316
Derivative financial instruments	25	6 605	9 442	16 072	85 502	0	85 502	0	101 574
Other financial instruments at fair value through profit or loss	26 905	60	10 873	37 838	82 779	0	82 779	735	121 352
Loans and advances to customers	669 731	308 105	524 575	1 502 411	2 753 042	4 166 005	6 919 047	0	8 421 458
Finance lease receivables	30 369	39 741	95 955	166 065	43 731	0	43 731	0	209 796
Investment securities	865 346	135 817	793 182	1 794 345	521 262	0	521 262	5 212	2 320 819
1. Available for sale	864 303	134 883	787 801	1 786 987	478 597	0	478 597	5 212	2 270 796
2. Held to maturity	1 043	934	5 381	7 358	42 665	0	42 665	0	50 023
Investments in associates	0	0	0	0	0	0	0	231	231
Intangible assets	0	0	0	0	168	0	168	895 440	895 608
Property, plant and equipment	0	0	0	0	662	30 776	31 438	100 197	131 635
Investment properties	0	0	0	0	0	0	0	14 378	14 378
Non current assets classified as held for sale	2 948	0	22 615	25 563	0	132	132	0	25 695
Tax assets	4 149	120 976	5 587	130 712	3 720	0	3 720	12 817	147 249
1. Current tax assets	0	225	0	225	0	0	0	0	225
2. Deferred tax assets	4 149	120 751	5 587	130 487	3 720	0	3 720	12 817	147 024
Share of reinsurer in technical provisions	274	278	415	967	319	462	781	0	1 748
Other assets	187 449	10 692	4 775	202 916	4 387	703	5 090	83 294	291 300
Total assets	**4 701 435**	**1 344 440**	**1 659 654**	**7 705 529**	**3 539 746**	**4 198 096**	**7 737 842**	**1 167 237**	**16 610 608**
Liabilities									
Amounts due to Central Bank	0	0	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	220 779	39 766	400 979	661 524	813 274	0	813 274	7 874	1 482 672
Other finance liabilities at fair value through profit or loss	0	0	0	0	0	0	0	0	0
Derivative financial instruments	0	790	2 342	3 132	32 408	0	32 408	0	35 540
Financial liabilities at fair value through profit or loss	205	0	1	206	4	529	533	0	739
Deposits from customers	3 887 778	2 405 843	2 004 438	8 298 059	17 616	2 067	19 683	27 714	8 345 456
Issued debt securities	0	8 460	569 954	578 414	2 394 546	0	2 394 546	0	2 972 960
Corporate income tax payable	5 502	23 670	4 080	33 252	0	0	0	0	33 252
Other liabilities	286 415	1 811	2 581	290 807	19	0	19	22 874	313 700
Deferred tax liabilities	0	78 477	0	78 477	0	5 296	5 296	28 113	111 886
Provisions	9 254	0	30 087	39 341	1 068	0	1 068	0	40 409
Technical provisions	12 762	19 228	61 148	93 138	125 998	6 866	132 864	0	226 002
Liabilities directly associated with non-current assets classified as available for sale	0	0	0	0	0	0	0	0	0
Total liabilities	**4 422 695**	**2 578 045**	**3 075 610**	**10 076 350**	**3 384 933**	**14 758**	**3 399 691**	**86 575**	**13 562 616**
Total equity								**3 047 992**	**3 047 992**
TOTAL EQUITY AND LIABILITIES	**4 422 695**	**2 578 045**	**3 075 610**	**10 076 350**	**3 384 933**	**14 758**	**3 399 691**	**3 134 567**	**16 610 608**
Liquidity gap	**278 740**	**-1 233 605**	**-1 415 956**	**-2 370 821**	**154 813**	**4 183 338**	**4 338 151**	**-1 967 330**	**0**

The table below presents assets and liabilities of the Group as at 31 December 2006, by maturity dates (in PLN thousand):

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007 (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	Total below 12 months	Over 1 year up to 5 years inclusive	Over 5 years	Total over 12 months	With undefined maturity	Total
Assets									
Cash and balances with the Central Bank	294 544	0	0	294 544	0	0	0	2	294 546
Bills of exchange eligible for rediscounting with the Central Bank	130	230	0	360	0	0	0	0	360
Amounts due from banks	2 610 302	306 052	112	2 916 466	403	0	403	23 006	2 939 875
Financial assets held for trading	0	0	0	0	78	2	80	0	80
Derivative financial instruments	34	0	0	34	48 102	0	48 102	0	48 136
Other financial instruments at fair value through profit or loss	0	0	0	0	0	0	0	0	0
Loans and advances to customers	761 749	159 134	572 709	1 493 592	1 781 569	2 803 558	4 585 127	0	6 078 719
Finance lease receivables	23 913	31 520	71 522	126 955	28 448	0	28 448	0	155 403
Investment securities	109 661	221 096	754 042	1 084 799	502 818	27 768	530 586	5 212	1 620 597
1. Available for sale	109 661	221 096	752 119	1 082 876	472 305	27 768	500 073	5 212	1 588 161
2. Held to maturity	0	0	1 923	1 923	30 513	0	30 513	0	32 436
Investments in associates	0	0	0	0	0	0	0	113 088	113 088
Intangible assets	0	0	0	0	0	0	0	454 639	454 639
Property, plant and equipment	0	0	0	0	0	0	0	90 877	90 877
Investment properties	0	0	0	0	0	0	0	12 492	12 492
Non current assets classified as held for sale	1	0	22 615	22 616	0	0	0	2 948	25 564
Tax assets	13 930	95 274	5 616	114 820	3 723	0	3 723	9 282	127 825
1. Current tax assets	284	1 114	0	1 398	0	0	0	5 060	6 458
2. Deferred tax assets	13 646	94 160	5 616	113 422	3 723	0	3 723	4 222	121 367
Share of reinsurer in technical provisions	0	0	0	0	0	0	0	0	0
Other assets	65 088	2 201	2 491	69 780	0	0	0	13 159	82 939
Total assets	**3 879 352**	**815 507**	**1 429 107**	**6 123 966**	**2 365 141**	**2 831 328**	**5 196 469**	**724 705**	**12 045 140**
Liabilities									
Amounts due to Central Bank	0	0	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	497 579	59 738	212 702	770 019	886 736	0	886 736	0	1 656 755
Other finance liabilities at fair value through profit or loss	0	0	0	0	0	0	0	0	0
Derivative financial instruments	0	0	0	0	22 382	0	22 382	0	22 382
Financial liabilities at fair value through profit or loss	0	0	0	0	0	0	0	0	0
Deposits from customers	3 508 728	1 747 607	1 201 324	6 457 659	108 331	1 185	109 516	0	6 567 175
Issued debt securities	5 488	5 393	48 531	59 412	1 376 752	0	1 376 752	0	1 436 164
Corporate income tax payable	0	571	0	571	0	0	0	0	571
Other liabilities	131 573	151	6 436	138 160	702	0	702	7 367	146 229
Deferred tax liabilities	16 371	61 931	0	78 302	0	0	0	44	78 346
Provisions	30 693	0	0	30 693	0	0	0	623	31 316
Technical provisions	0	0	0	0	0	0	0	0	0
Liabilities directly associated with non-current assets classified as available for sale	0	0	0	0	0	0	0	0	0
Total liabilities	**4 190 432**	**1 875 391**	**1 468 993**	**7 534 816**	**2 394 903**	**1 185**	**2 396 088**	**8 034**	**9 938 938**
Total equity								**2 106 202**	**2 106 202**
TOTAL EQUITY AND LIABILITIES	**4 190 432**	**1 875 391**	**1 468 993**	**7 534 816**	**2 394 903**	**1 185**	**2 396 088**	**2 114 236**	**12 045 140**
Liquidity gap	**-311 080**	**-1 059 884**	**-39 886**	**-1 410 850**	**-29 762**	**2 830 143**	**2 800 381**	**-1 389 531**	**0**

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 Entities apply the same methods as in evaluating the market risk. In order to control the credit risk level, the Group Entities evaluate the other participants in the contracts applying the same methods as in loan decisions.

The Group Entities execute derivative transactions with domestic and foreign banks. Transactions are executed as part of credit limits awarded to individual institutions.

The Group Entities set 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.

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.

for the 6 month period ended 30 June 2007(in PLN thousand)

Credit and market risk exposure

Credit and market risk as at 30 June 2007.

Getin Bank S.A.

Type of instrument	Carrying amount thousand PLN	Risk-weighted value thousand PLN
Cash	78 416	0
Amounts due from Central Bank	258 805	0
Bills of exchange eligible for rediscounting with the Central Bank	478	0
Receivables	10 779 942	8 366 707
Debt securities	2 297 282	5 446
Other securities, shares	2 707	2 707
Non-current assets	174 312	99 252
Other	325 765	119 128
Total banking portfolio	**13 917 707**	**8 593 240**
Debt securities	0	0
Receivables from purchased securities with a repurchase (repo) clause	10	10
Trade portfolio in total	**10**	**10**
Total balance sheet instruments	**13 917 717**	**8 593 250**

Type of instrument	Replacement costs thousand PLN	Balance Sheet equivalent thousand PLN	Risk-weighted value thousand PLN
Currency instruments:	0	332 966	53 346
Swap	0	0	0
CIRS	0	332 966	53 346
Other instruments:	40	0	40
Other	40	0	40
Total derivatives	**40**	**332 966**	**53 386**
of which: banking portfolio	0	332 966	53 346
trade portfolio	40	0	40

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	825 153	0	0
Guarantees issued	2 170 253	1 085 127	6 787
Letters of credit	9 083	4 542	0
Other	372 061	372 061	74 412
Total banking portfolio	**3 376 550**	**1 461 730**	**81 199**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**17 626 745**	**8 727 785**	**698 223**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Capital requirements
Market risk	**5 083**	**4**
of which:		
Currency risk	5 073	0
Debt instruments specific risk	10	1
Risk of settlement - delivery and customer	0	3
Total capital requirements		**698 227**

Noble Bank S.A.

Credit and market risk as at 30 June 2007.

Type of instrument	Carrying amount thousand PLN	Risk-weighted value thousand PLN
Cash	0	0
Amounts due from Central Bank	7 449	0
Receivables	828 798	570 374
Debt securities	589	0
Other securities, shares	53	53
Non-current assets	16 566	16 566
Other	109 627	7 989
Total banking portfolio	**963 082**	**594 982**
Total balance sheet instruments	**963 082**	**594 982**

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	62 537	0	31 165
Guarantees issued	0	0	0
Letters of credit	0	0	0
Other	0	0	0
Total banking portfolio	**62 537**	**0**	**31 165**

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**1 025 619**	**626 147**	**50 092**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Capital requirements
Market risk	**6335**	**507**
of which:		
Currency risk	6 335	507
Total capital requirements		**50 599**

Description of loan securities

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

The Banks in the Group as a principle require one or more types of security for extended loans. The table below presents typical securities required by the Banks of the Group:

Mortgages:
- mortgage established on the property with priority of satisfaction;
- assignment of rights from the insurance policy in the case of fire or other fortuitous events;
- property value decrease insurance policy, loss of job insurance policy and company bankruptcy insurance policy;
- insurance policy of low own contribution.

Car credits:
- registered pledge on the vehicle, partial or total assignment of vehicle property right;
- assignment of rights from the insurance policy or indicating the bank as the beneficiary of the policy;
- blank promissory note;
- death insurance policy or total disability of the borrower insurance policy.

Consumer credits:
- death insurance policy or total disability of the borrower insurance policy.

Corporation credits:
- mortgage established on the property with priority of satisfaction;
- registered pledge on the property of the enterprise or total assignment of the enterprise property right of the borrower;
- registered pledge on the personal property of the borrower or the company's management;
- money deposit or pledge on funds at trust account;
- assignment of claims, blank promissory note or civil surety ship.

As at 30 June 2007 the fair value of securities assumed while calculating the write-offs for individual, significant credits was PLN 16 million.

Sensitivity analysis

Getin Bank
Once a month Getin Bank prepares sensitivity analysis (the so-called VaR, „value at risk") for the interest rate risk and currency risk. The table below presents calculation results as at 30 June 2007:

thousand PLN	30.06.2007		31.12.2006	
	BPV	VaR (1D, 99%)	BPV	VaR (1D, 99%)
interest rate	75	339	44	230
currency risk	n/d	49	n/d	56

BPV means the change of value of the whole Bank portfolio (sensitivity of financial profit or loss) in the case of change of interest rates by 1 basis point.

VaR is subject to examination, with 99% probability, the value of the maximum loss the bank may incur on average each day under valuation of the portfolio, assuming normal market conditions.

Noble Bank S.A.

The sensitivity analysis to the changes in the market interest rates in the Bank is carried out on the basis of the method of managing the funds gap. The assets and liabilities are grouped into sensitive and insensitive to the possibility of contractual interest rates changes in specific future period. The change of margins for items generating interest rates under the contractual interest rates changes is as follows:

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Margin change:	30.06.2007 thousand PLN	31.12.2006 thousand PLN
interest rate decrease by 1 % point	-2 010	-118
interest rate increase by 1 % point	2 010	118

Capital management

The main aim of capital management is maintaining safe capital ratios in the companies belonging to the Group which would support their operating activities and increase the value of the companies and the whole Group for the shareholders. Capital management is carried out on the level of companies' belonging to the Group and the management control is done by positions held within the Supervisory Boards of the companies.

The banks belonging to the Capital Group are obliged to maintain their own funds adequate to the level of risk taken, pursuant to the regulations binding in the countries where they run their activities, i.e., Poland in the case of Getting Bank and Noble Bank and Ukraine in the case of Prikarpattya Bank.

The measurement of the capital adequacy is the solvency ratio of own funds (once they undergo obligatory reductions) to the sum of assets and off-balance sheet items weighted by risk. The solvency ratio ascribes to the assets and off-balance sheet items percentage weights, according to, among others, the level of credit risk, market risk, currency risk or interest rate risk.

The minimum level of the solvency ratio is specified by:
- the Polish bank regulations and is 8%
- the Ukrainian bank regulations and is 10%.

The table below presents calculations of up-to-date solvency ratios in the banks belonging to the Group:

Solvency	30.06.2007	
	Getin Bank S.A.	Noble Bank S.A.
Equity capital		
Share capital	295 856	215 178
Reserved capital	768 546	172 396
General fund for bank risk	32 500	0
Revaluation capital	12 397	935
Adjustment of shares in financial institutions	-1 626	-89 899
Intangible assets adjustment	-62 233	-2 500
Total equity capital	**1 045 440**	**296 110**
Risk weighted assets		
Risk exposure at the level of 20%	2 901 111	318 343
Risk exposure at the level of 50%	141 160	23 479
Risk exposure at the level of 100%	7 883 466	519 573
Total risk weighted assets	**8 534 268**	**594 981**
Risk weighted off balance liabilities		
Risk exposure at the level of 1%	1 471 849	0
Risk exposure at the level of 1,8%	2 881 928	0
Risk exposure at the level of 10%	22	0
Risk exposure at the level of 20%	372 061	0
Risk exposure at the level of 50%	13 569	62 329
Total risk weighted off balance liabilities	**147 792**	**31 165**
Total risk weighted assets and off - balance liabilities	**8 682 060**	**626 146**

Market risks	1	507
Other risks	3	0
Solvency ratio	**12.0%**	**47.3%**

As at 31 December the solvency ratio for Getin Bank S.A. and Noble Bank S.A. was appropriately 12.2% and 51%.
The solvency ratio in Prikarpattya Bank S.A was 20.24% as at 30 June 2007.

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

The process of capital management in the insurance Group, constituting a part of Getin Holding Group is connected with constant monitoring of main parameters of insurers' solvency, i.e., the value of own funds and the degree of solvency margin they cover and the guarantee capital, which are presented in the table below:

30.06.2007	TU Europa S.A.	TU na Życie Europa S.A.
Value of own funds	**123 056**	**46 416**
Solvency margin	**27 753**	**38 854**
Minimal amount of guarantee fund	12 249	12 249
1/3 of amount of solvency magin	9 251	12 951
Surplus (deficit) of own funds for the coverage of the solvency margin	**95 303**	**7 562**
Guarantee fund	12 249	12 951
Surplus (deficit) of own funds for the coverage of the guarantee fund	**110 807**	**33 465**

Fair value of financial assets and liabilities

The fair value of the financial instruments of the Group does not differ significantly form their balance value because majority of financial instruments has floating interest rates and the dates of revaluation of the instruments with fixed interest rate are mainly up to 3 months. Moreover, due to implementation of integrated computer system in particular banks belonging to the Group, due to technical reasons, the calculation of fair value of credits and loans, as well as liabilities to the clients as at 30 June 2007 and 31 December 2006 was not possible without incurring disproportionate costs with relation to the benefits from revealing the exact calculations of fair value. Therefore, in the case of financial instruments which are not valuated in the balance according to the fair value, the Group described below why it was assumed that the balance value does not differ significantly from the fair value:

a) as at 30 June 2007 and 31 December 2006 ca. 95% of credit balance has revaluation date up to a month;

b) the average profit earning of securities held to their maturity does not differ significantly form current market interest rates;

c) appropriately ca. 80% and 84% of liabilities balance to the clients has revaluation date up to 3 months as at 30 June 2007 and 31 December 2006 99.5%.

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

as at 30 June 2007

	Carrying amount thousand PLN	Fair value thousand PLN
Assets:		
Cash and balances with the Central Bank	353 153	353 153
Bills of exchange eligible for rediscounting with the Central Bank	478	478
Amounts due from banks	3 546 818	3 546 818
Financial assets held for trading	27 316	27 316
Derivative financial instruments	101 574	101 574
Other financial instruments at fair value through profit or loss	121 352	121 352
Loans and advances to customers	8 421 458	a)
Finance lease receivables	209 796	a)
Investment securities available for sale	2 270 796	2 270 796
Investment securities held to maturity	50 023	b)
Liabilities:		
Amounts due to Central Bank	0	0
Amounts due to other banks and finance institutions	1 482 672	1 482 672
Other finance liabilities at fair value through profit or loss	0	0
Derivative financial instruments	35 540	35 540
Financial liabilities at fair value through profit or loss	739	739
Deposits from customers	8 345 456	c)
Issued debt securities	2 972 960	2 969 715

as at 30 December 2006

	Carrying amount thousand PLN	Fair value thousand PLN
Assets:		
Cash and balances with the Central Bank	294 546	294 546
Bills of exchange eligible for rediscounting with the Central Bank	360	360
Amounts due from banks	2 939 875	2 939 875
Financial assets held for trading	80	80
Derivative financial instruments	48 136	48 136
Other financial instruments at fair value through profit or loss	0	0
Loans and advances to customers	6 078 719	a)
Finance lease receivables	155 403	a)
Investment securities available for sale	1 588 161	1 588 161
Investment securities held to maturity	32 436	b)
Liabilities:		
Amounts due to Central Bank	0	0
Amounts due to other banks and finance institutions	1 656 755	1 656 755
Other finance liabilities at fair value through profit or loss	0	0
Derivative financial instruments	22 382	22 382
Financial liabilities at fair value through profit or loss	0	0
Deposits from customers	6 567 175	c)
Issued debt securities	1 436 164	1 434 597

Renegotiated agreements

The banks belonging to the Group do not have databases with the data on renegotiated agreements. To the best knowledge of the banks' management, the renegotiated credit contracts constitute an insignificant percentage of the loans' and credits' balance sheet.

8 Information on operating segments

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

Due to the changes in its strategy, in H1 2007, operational activities of the Capital Group were divided into five segments: Retail Banking Services, Affluent Banking Services, Leasing Services, Financial Agency Services and Insurance Services.

Industry segments

The Group's operating activity has been divided into four main segments:
Retail Banking Services Segment covers services in the field of loans and credits, guarantees, and acceptance of deposits rendered by Getin Bank S.A. and Prikarpattya Bank S.A.

Affluent Banking Services Segment includes services provided by the Noble Bank Capital Group in the field of financial planning and consultancy, investment products and loan solutions customised for affluent customers, as well as the result on the other transactions started by Noble Bank (former Wschodni Bank Cukrownictwa S.A.) prior to the change in the business strategy.

The Lease Services Segment comprises services rendered by Carcade OOO 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.

The Insurance Segment covers financial insurance, automobile insurance and other life and non-life insurance offered by TU Europa S.A. as well as life insurance contracts and investment contracts offered by TUnŻ Europa S.A.

Income and expenses of this segment include income and expenses from sales to external customers or transactions with other segments in the Group. Assets and liabilities of the segment are operating assets and liabilities used by the segment in its operating activity. It is possible to assign them to a given segment in a direct way or based on rational premises. Profit and assets in a segment were determined before inter-segment and consolidation exclusions. Internal prices in inter-segment transactions do not differ materially from market prices.

Geographical segments

The Group carries out its activity primarily in Poland (retail banking services segment and affluent banking services segment, insurance segment and financial agency segment), the Russian Federation (lease services segment); the geographical segments overlap the business segments, except for Prikarpattya Bank S.A. carrying out its activity in Ukraine (Ivano-Frankovsk Oblast) in retail banking industry. Due to slight impact of activities carried out by Prikarparttya Bank S.A. on this consolidated financial statements, the activity in Ukraine has not been separated.
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.

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Consolidated profit and loss account for the 6 month period ended 30 June 2007 in segment division

	Banking services	Private banking	Financial agency services	Lease Services	Insurance services	Getin Holding and consolidation adjustments	Getin Holding Capital Group
	Poland, Ukraine	*Poland*	*Poland*	*Russia*	*Poland*	*Poland, Luxemburg*	
Interest income	**423 589**	**19 624**	**179**	**35 879**	**6 804**	**(4 217)**	**481 858**
External	*423 969*	*19 039*	*1 690*	*35 879*	*1 333*	*(52)*	*481 858*
Internal	*(380)*	*585*	*(1 511)*	*0*	*5 471*	*(4 165)*	*0*
Interest expense	**225 610**	**6 564**	**9**	**12 780**	**6 404**	**(16 048)**	**235 319**
External	*213 672*	*4 992*	*9*	*10 249*	*6 404*	*(7)*	*235 319*
Internal	*11 938*	*1 572*	*0*	*2 531*	*0*	*(16 041)*	*0*
Net interest income	**197 979**	**13 060**	**170**	**23 099**	**400**	**11 831**	**246 539**
External	*210 297*	*14 047*	*1 681*	*25 630*	*(5 071)*	*(45)*	*246 539*
Internal	*(12 318)*	*(987)*	*(1 511)*	*(2 531)*	*5 471*	*11 876*	*0*
Fee and commission income	**96 028**	**77 395**	**31 432**	**7 820**	**191**	**(38 312)**	**174 554**
External	*75 998*	*76 354*	*14 853*	*7 820*	*38*	*(509)*	*174 554*
Internal	*20 030*	*1 041*	*16 579*	*0*	*153*	*(37 803)*	*0*
Fee and commission expense	**12 618**	**8 714**	**17 102**	**624**	**38 559**	**(25 143)**	**52 474**
External	*12 618*	*8 504*	*7 714*	*190*	*23 462*	*(14)*	*52 474*
Internal	*0*	*210*	*9 388*	*434*	*15 097*	*(25 129)*	*0*
Net fee and commission income	**83 410**	**68 681**	**14 330**	**7 196**	**(38 368)**	**(13 169)**	**122 080**
External	*63 380*	*67 850*	*7 139*	*7 630*	*(23 424)*	*(495)*	*122 080*
Internal	*20 030*	*831*	*7 191*	*(434)*	*(14 944)*	*(12 674)*	*0*
Net operating income	**93 045**	**37 077**	**(464)**	**1 001**	**73 500**	**225 787**	**429 946**
External	*92 948*	*36 539*	*(464)*	*1 001*	*73 127*	*226 795*	*429 946*
Internal	*97*	*538*	*0*	*0*	*373*	*(1 008)*	*0*
Provisions for impairment losses	**(37 728)**	**9 571**	**0**	**(1 032)**	**0**	**0**	**(29 189)**
External	*(37 728)*	*9 571*	*0*	*(1 032)*	*0*	*0*	*(29 189)*
Internal	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Administrative expenses	**167 811**	**58 416**	**6 919**	**20 772**	**6 610**	**9 127**	**269 655**
External	*167 466*	*57 781*	*6 919*	*20 772*	*6 610*	*10 107*	*269 655*
Internal	*345*	*635*	*0*	*0*	*0*	*(980)*	*0*
Operating profit	**168 895**	**69 973**	**7 117**	**9 492**	**23 043**	**215 322**	**493 842**
External	*161 431*	*70 226*	*1 437*	*12 457*	*32 143*	*216 148*	*493 842*
Internal	*7 464*	*(253)*	*5 680*	*(2 965)*	*(9 100)*	*(826)*	*0*
Profit / loss before income tax	**168 895**	**69 464**	**7 117**	**9 492**	**23 043**	**218 857**	**496 868**
External	*161 431*	*70 226*	*1 437*	*12 457*	*32 143*	*219 174*	*496 868*
Internal	*7 464*	*(762)*	*5 680*	*(2 965)*	*(9 100)*	*(317)*	*0*
Net profit /loss for the period	**138 174**	**56 129**	**5 511**	**6 763**	**19 258**	**193 480**	**419 315**
External	*131 592*	*56 891*	*(169)*	*9 728*	*29 294*	*191 979*	*419 315*
Internal	*6 582*	*(762)*	*5 680*	*(2 965)*	*(10 036)*	*1 501*	*0*

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Consolidated profit and loss account for the 6 month period ended 30 June 2006 in segment division

	Banking services	Private banking	Financial agency services	Lease Services	Getin Holding and consolidation adjustments	Getin Holding Capital Group
	Poland, Ukraine	*Poland*	*Poland*	*Russia*	*Poland, Luxemburg*	
Interest income	**278 245**	**13 688**	**411**	**19 608**	**(5 499)**	**306 453**
External	*275 818*	*10 606*	*353*	*19 608*	*68*	*306 453*
Internal	*2 427*	*3 082*	*58*	*0*	*(5 567)*	*0*
Interest expense	**128 059**	**2 491**	**60**	**8 481**	**(4 674)**	**134 417**
External	*124 694*	*2 491*	*60*	*6 015*	*1 157*	*134 417*
Internal	*3 365*	*0*	*0*	*2 466*	*(5 831)*	*0*
Net interest income	**150 186**	**11 197**	**351**	**11 127**	**(825)**	**172 036**
External	*151 124*	*8 115*	*293*	*13 593*	*(1 089)*	*172 036*
Internal	*(938)*	*3 082*	*58*	*(2 466)*	*264*	*0*
Fee and commission income	**47 403**	**31 101**	**23 158**	**3 651**	**(17 578)**	**87 735**
External	*46 999*	*28 608*	*5 670*	*3 651*	*0*	*84 928*
Internal	*404*	*2 493*	*17 488*	*0*	*(17 578)*	*2 807*
Fee and commission expense	**7 172**	**485**	**11 638**	**319**	**(8 109)**	**11 505**
External	*(576)*	*481*	*11 638*	*(38)*	*0*	*11 505*
Internal	*7 748*	*4*	*0*	*357*	*(8 109)*	*0*
Net fee and commission income	**40 231**	**30 616**	**11 520**	**3 332**	**(9 469)**	**76 230**
External	*47 575*	*28 127*	*(5 968)*	*3 689*	*0*	*73 423*
Internal	*(7 344)*	*2 489*	*17 488*	*(357)*	*(9 469)*	*2 807*
Net operating income	**60 765**	**14 109**	**2 144**	**680**	**(2 387)**	**75 311**
External	*59 343*	*14 109*	*2 144*	*680*	*247*	*76 523*
Internal	*1 422*	*0*	*0*	*0*	*(2 634)*	*(1 212)*
Provisions for impairment losses	**(58 180)**	**2 936**	**0**	**(250)**	**0**	**(55 494)**
External	*(58 180)*	*2 936*	*0*	*(250)*	*0*	*(55 494)*
Internal	*0*	*0*	*0*	*0*	*0*	*0*
Administrative expenses	**116 218**	**26 674**	**11 786**	**13 182**	**5 400**	**173 260**
External	*115 936*	*26 653*	*11 579*	*13 182*	*4 315*	*171 665*
Internal	*282*	*21*	*207*	*0*	*1 085*	*1 595*
Operating profit	**76 784**	**32 184**	**2 229**	**1 707**	**(18 081)**	**94 823**
External	*83 926*	*26 634*	*(15 110)*	*4 530*	*(5 157)*	*94 823*
Internal	*(7 142)*	*5 550*	*17 339*	*(2 823)*	*(12 924)*	*0*
Profit / loss before income tax	**76 784**	**32 184**	**2 229**	**1 707**	**(18 081)**	**94 823**
External	*83 926*	*26 634*	*(15 110)*	*4 530*	*(5 157)*	*94 823*
Internal	*(7 142)*	*5 550*	*17 339*	*(2 823)*	*(12 924)*	*0*
Net profit /loss for the period	**76 562**	**24 839**	**1 597**	**1 067**	**(22 472)**	**81 593**
External	*83 704*	*19 289*	*(15 742)*	*3 890*	*(9 548)*	*81 593*
Internal	*(7 142)*	*5 550*	*17 339*	*(2 823)*	*(12 924)*	*0*

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Other information related to the segments as at 30.06.2007	Banking services	Private banking	Financial agency services	Lease Services	Insurance services	Getin Holding and consolidation adjustments	Getin Holding Capital Group
Segment assets	13 949 767	958 316	22 239	251 309	1 038 302	(856 580)	15 363 353
Investment in associates							231
Assets not assigned							1 247 024
Total assets	**13 949 767**	**958 316**	**22 239**	**251 309**	**1 038 302**		**16 610 608**
Segment liabilities	12 650 093	533 072	9 025	236 850	808 053	(821 829)	13 415 264
Liabilities not assigned							3 047 992
Equity							147 352
Total liabilities and equity	**12 650 093**	**533 072**	**9 025**	**236 850**	**808 053**		**16 610 608**
Investment expenditure	7 270	3 957	316	1 486	1 268		14 998
Investment expenditure not assigned							27 750
Total investment expenditure	**7 270**	**3 957**	**316**	**1 486**	**1 268**		**42 748**
Depreciation of tangible and intangible fixed assets	13 400	2 771	266	505	325		17 267
Depreciation of non- segment assigned tangible and intangible fixed assets							201
Total depreciation	**13 400**	**2 771**	**266**	**505**	**325**		**17 468**

Other information related to the segments as at 31.12.2006	Banking services	Private banking	Financial agency services	Lease Services	Getin Holding and consolidation adjustments	Getin Holding Capital Group
Segment assets	10 890 348	443 583	21 891	182 163	(607 177)	10 930 808
Investment in associates						115 593
Assets not assigned						998 739
Total assets	**10 860 538**	**472 098**	**14 037**	**182 163**		**12 045 140**
Segment liabilities	9 966 394	230 272	11 521	198 738	(583 849)	9 823 076
Liabilities not assigned						115 862
Equity						2 106 202
Total liabilities and equity	**9 386 769**	**230 272**	**4 298**	**165 856**		**12 045 140**
Investment expenditure	27 981	11 383	2 214	1 106		42 684
Investment expenditure not assigned						64
Total investment expenditure	**27 981**	**11 383**	**2 214**	**1 106**		**42 748**
Depreciation of tangible and intangible fixed assets	24 497	2 798	1 081	819		29 195
Depreciation of non- segment assigned tangible and intangible fixed assets						315
Total depreciation	**24 497**	**2 798**	**1 081**	**819**		**29 510**

9 Interest income and interest expense

for the 6 month period ended 30 June 2007(in PLN thousand)

Interest income	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Income from placements in other banks	48 259	31 214
Income on other placements on money market	595	0
Income from customer loans and credits	347 209	210 378
Income from investment (deposit) securities	42 398	43 786
Interests - finance lease	35 932	19 921
Interests of obligatory reserve	4 742	1 151
Other interests	1 355	3
Total	**480 490**	**306 453**
Financial assets designated at fair value through profit or loss	1 368	0
Total	**481 858**	**306 453**

Interest income for the 6 month period ended 30 June 2007, includes revenues related to financial assets for which an impairment loss has been recognised, in the amount of PLN 16,121 thousand. Whereas, for the 6 month period ended 30 June 2006, 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 in H1 2007, amounted to PLN 431,995 thousand (in H1 2006, it amounted to PLN 261,513 thousand).

Interest expense	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Expense on other bank's deposits	14 413	6 978
Expense on amounts due to customers	139 286	93 585
Expense on debt securities in issue	60 311	16 940
Expense on financial lease interest	54	86
Expense on amounts due to banks	21 127	16 828
Other	128	0
Total	**235 319**	**134 417**
Expense on financial liabilities at fair value through profit or loss	0	0
Ogółem	**235 319**	**134 417**

Interest expense, calculated using the effective interest rate method in respect of financial liabilities which are not carried at fair value through profit and loss in H1 2007, amounted to PLN 235,319 thousand (in H1 2006, it amounted to PLN 134,417 thousand).

10 Fee and commission income and fee and commission expense

Fee and commission income	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
From the credits and loans granted	14 987	19 430
From the guarantees and similar operations	120	157
From the securities operations	100	0
From the accounts maintenance	12 129	8 665
From the payment cards	5 209	2 874
From the clearing operations	2 013	12 052
Insurance commission	46 231	29 981
Due to agents	79 567	6 066
Lease commission	3 398	1 906
From participation units of investment funds sale	6 808	5 892
Assets and portfolio management fees, in this:	3 011	0
fiduciary activity	0	0
Other	981	712
Total	**174 554**	**87 735**

Fee and commission expense	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Due to the payment cards	3 593	2 022
Due to loans and credits	2 628	2 864
Due to agents	21 123	4 609
Due to lease	624	297
Due to clearing operations	524	508
Due to insurance	23 823	688
Other	159	517
Total	**52 474**	**11 505**

11 Insurance premiums

Insurance premiums in thousand PLN	24.05.2007-30.06.2007*		
	life	property	Total
Gross insurance premiums	41 977	39 695	81 672
Share of reinsurer in insurance premiums	100	447	548
Change in provision in insurance premiums	1 969	16 537	18 506
Share of reinsurer in provision change in insurance premiums	0	39	40
Total	**39 908**	**22 750**	**62 658**

* Date of taking control in TU Europa S.A.

for the 6 month period ended 30 June 2007(in PLN thousand)

12 Dividends received

	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Revenues related to dividends from issuers:		
Securities classified as held for trading	546	0
Total	**546**	**0**

13 Result on financial instruments measured at fair value

Result from financial assets and liabilities held for trading	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Derivatives	34 256	16 137
Equity instruments	2 607	0
Debt instruments	1 945	0
Total	**38 808**	**16 137**

Result on financial instruments and liabilities at fair value through profit and loss - of the period 01.01.2007-30.06.2007	Profit thousand PLN	Loss thousand PLN	Net result thousand PLN
Financial instruments at fair value through profit or loss	137 503	686	136 817
Financial liabilities at fair value through profit or loss	0	98 009	-98 009
Total	**137 503**	**98 695**	**38 808**

Result on financial instruments and liabilities at fair value through profit and loss - of the period 01.01.2006-30.06.2006	Profit thousand PLN	Loss thousand PLN	Net result thousand PLN
Financial instruments at fair value through profit or loss	75 648	1	75 647
Financial liabilities at fair value through profit or loss	0	59 510	-59 510
Total	**75 648**	**59 511**	**16 137**

14 Result on financial instruments

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

	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Realised profit		
Financial instruments available for sale	2 687	272
Loans and receivables (including finance lease receivables)	0	0
Financial instruments held to maturity	8	0
Total	**2 695**	**272**
Realised loss		
Total	**0**	**0**
Realised gains	**2 695**	**272**

15 Hedging of fair value

The subsidiary TU na Życie Europa S.A. creates innovative types of financial insurance (structured products), where the insurance sum is guaranteed if the insured is living on the policy's maturity date and they offer the possibility to obtain an additional bonus. The characteristic feature of this type of insurance is the fact that it has exposure to chosen financial instruments (share, share basket or stock exchange indexes). While offering such products, a subsidiary takes on liability to the customer which depends on the changes in the basic financial instrument. The risk management aims at hedging the subsidiary against changes in the fair value (liabilities to the customers).
In order to secure itself against the risk of changes in the reference indexes, the subsidiary purchases financial instruments projecting the indemnification profile resulting from the insurance characteristics. The put option is the most often used for hedging. The transactions are carried out with foreign financial institutions. The purchased instruments shall secure fully the fair value of this part of the financial liability connected with additional bonus.

The nominal values of host instruments and fair value of derivatives (in PLN thousand) according to original maturity as at 30.06.2007.

	from 3 months to 1 year	1 - 5 years	Total	Fair value (negative)	Fair value (positive)
Options	**-**	**94 580**	**94 580**	**-**	**19 962**
Purchase	-	94 580	94 580	-	19 962
Sale	-	-	0	-	-
Total derivative	**-**	**94 580**	**94 580**	**-**	**19 962**

There were no hedging instruments as at 31.12.2006.

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Hedging of fair value

As at 30 June 2007, TU na Życie Europa S.A. had the following hedging contracts:

	Deadline	Rate
Purchase	–	
option CE4 FX – binary option on currency basket	2010-01-06	N/d
option CE4 FX – binary option on currency basket	2010-02-05	N/d
option BRIC40 Asian Call – Asian option on S&P BRIC40 index	2010-03-29	N/d
option BRIC40 Asian Call – Asian option on S&P BRIC40 index	2010-04-26	N/d
option BRIC40 Asian Call – Asian option on S&P BRIC40 index	2010-06-07	N/d
option CEE – option plain vanilla on basket of companies	2010-04-26	N/d
option CEE – option plain vanilla on basket of companies	2010-04-26	N/d
option Permal – option on Permal Fund	2012-05-31	N/d
3 Year Outperformance Option – option on index differentials	2010-06-30	N/d
4-year asian call option “Luxury Goods”- Asian option basket of companies	2011-06-29	N/d

N/A – not applicable

The fair value of the above specified contracts was as follows:

	2007
Options	
Fair value	**19 962**
option CE4 FX	561
option CE4 FX	272
option BRIC40 Asian Call	8 652
option BRIC40 Asian Call	1 650
option BRIC40 Asian Call	1 160
option CEE	1 800
option CEE	998
option Permal	1 926
3 Year Outperformance Option	520
4-year asian call option	2 423

The table below presents profit or loss on the hedging instrument and on the hedged item connected with the hedged risk:

	Collateral instrument	Hedged item connected with the hedged risk
Profit	3 182	-
Loss	-	(3 182)
Total	**3 182**	**(3 182)**

for the 6 month period ended 30 June 2007(in PLN thousand)

16 Foreign exchange result

Foreign exchange result	**01.01.2007-30.06.2007 thousand PLN**	**01.01.2006-30.06.2006 thousand PLN**
Foreign exchange differences resulting from financial instruments at fair value through profit or loss	1 088	-226
Valuation of credits, deposits and placements	76 504	46 554
Other foreign exchange differences	1 130	99
Valuation of lease receivables	-1 399	-3 638
Total	**77 323**	**42 789**

17 Compensations and benefits paid

Compensations and benefits paid	**01.01.2007-30.06.2007 thousand PLN**	**01.01.2006-30.06.2006 thousand PLN**
Gross compensations and benefits paid	3 156	-
Share of reinsurers in compensations and benefits paid	-91	-
Change in provisions for unpaid gross compensations and benefits	-4 453	-
Share of reinsurers in the change of the value of provisions for unpaid compensations and benefits	-25	-
Total	**-1 413**	**-**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Gross compensations and benefits paid	**01.01.2007-30.06.2007 thousand PLN**	**01.01.2006-30.06.2006 thousand PLN**
GROSS COMPENSATIONS AND BENEFITS PAID WITHIN THE SCOPE OF PROPERTY AND PERSONAL INSURANCE	0	-
from direct insurance, in this:	3 156	-
loss adjustment costs	469	-
From indirect insurance, in this:	0	-
loss adjustment costs	0	-
Total gross compensations and benefits paid	**3 156**	**-**
GROSS COMPENSATIONS AND BENEFITS PAID WITHIN THE SCOPE OF DIRECT PROPERTY AND PERSONAL INSURANCE (ACCORDING TO ACCOUNTING CLASSES)	0	-
Consequences of accidents and illness (group 1 and 2)	70	-
Car insurance – third party liability (group 10)	53	-
Other acr insurance (group 3)	-1	-
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	0	-
Fire insurance and insurance against other property damage (groups 8 and 9)	33	-
Third party liability insurance (groups 11,12,13)	1	-
Credit and guarantees (groups 14,15)	2 231	-
Legal protection (group 17)	0	-
Assistance (group 18)	84	-
Other (group 16)	74	-
Total gross compensations and benefits paid in direct insurance (according to accounting classes)	**2 545**	**-**
LOSS ADJUSTMENT COSTS IN PROPERTY AND PERSONAL INSURANCE (ACCORDING TO ACCOUNTING CLASSES)	0	-
Consequences of accidents and illness (group 1 and 2)	9	-
Car insurance – third party liability insurance (group 10)	9	-
Other car insurance (group 3)	0	-
Marine, aviation and transport insurance (groups 4, 5, 6, 7)	0	-
Fire insurance and insurance against other property damage (groups 8 and 9)	20	-
Third party liability insurance (groups 11,12,13)	1	-
Credit and guarantees (groups 14,15)	153	-
Legal protection (group 17)	0	-
Assistance (group 18)	67	-
Other (group 16)	29	-
Total loss adjustment in direct insurance (according to accounting classes)	**288**	**-**
TOTAL GROSS COMPENSATIONS AND BENEFITS PAID (ACCORDING TO ACCOUNTING GROUPS) IN LIFE INSURANCE	0	-
Life insurance	611	-
Endowment and endowment for child insurance	0	-
Life insurance, if it is related to the investment fund	0	-
Total gross compensations and benefits paid (according to accounting groups)	**611**	**-**
LOSS ADJUSTMENTS (ACCORDING TO ACCOUNTING CATEGORIES) IN LIFE INSURANCE	0	-
Life insurance	181	-
Endowment and endowment for child insurance	0	-
Life insurance, if it is related to the investment fund	0	-
Total gross compensations and benefits paid (by to accounting groups)	**181**	**-**
TOTAL GROSS COMPENSATIONS AND BENEFITS PAID	**3 156**	**-**

for the 6 month period ended 30 June 2007(in PLN thousand)

18 Other income and operating expense

Other operating income	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Investment property	5	0
Rental income	1 638	848
Penalties, compensations and fines received	1 882	2 039
Sales of products and services	2 236	3 053
Other auxiliary income	540	125
Recovered costs of debt collection	2 452	1 410
Reversal of write-downs against other assets	3 198	250
Related to sale or disposal of non-financial long-term assets	1 472	542
Recovered costs of property insurance	201	0
Release of provisions	13 267	16 408
Revenue related to recovered bad debts	989	238
Gain on disposal of investments*	233 344	0
Income form restructuring fee settlement	2 111	0
Operating lease	40	0
Recovered court costs	65	0
Other revenue	2 095	630
Total	**265 535**	**25 543**

*inclusive of PLN 11,802 thousand for releasing the restructuring provisions of Noble Bank S. A.
**inclusive of the profit from the sale and the issuance of the shares of the Noble Bank S.A., as described in note 59

Other operating expense	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Investment property	0	0
Rental costs	220	181
Direct operating expenses (including repairs and maintanance) arising form investment property that generated rental income during the period	39	0
Direct operating expenses (including repairs and maintanance) arising form investment property that did not generate rental income during the period	0	0
Penalties, compensations and fines paid	240	32
Cost of products, goods for resale and raw materials sold	1 927	1 020
Legal and administration proceedings	934	714
Loan collection expenses	4 058	3 739
Tax on source of income	2 283	0
Post-accident repairs	3	668
Auxiliary costs	503	13
Write-downs against receivables	888	140
Loss on the sale of non-financial long-term assets	499	312
Provisions for future liabilities	2 542	1 316
Loss on disposal of investments	632	123
Donations	17	0
Legal fees	97	0
Costs of amounts rounding	51	0
Cost of property insurance	320	0
Related to operating lease	0	11
Other assets impairment losses	342	426
Insurance of loans	49	0
Banking services	279	0
Other	3 109	735
Total	**19 032**	**9 430**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

19 Administrative expenses

Overhead costs	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Payroll/Employee benefits	129 703	78 219
Materials and energy comsumption	9 616	8 246
Third party services, including	101 307	66 725
- marketing, representation	36 482	16 977
- IT	4 146	3 304
- rent	22 527	16 670
- security	3 118	3 081
- maintenance and repairs	2 544	1 970
- telcommunication and post	14 107	11 600
- legal services	1 383	868
- advisory services	4 273	1 575
- insurance	712	1 294
- other	12 015	9 386
Other real cost	4 615	2 664
Taxes and charges	4 093	3 482
Annual Bank Guarantee Fund fee	875	467
Cost of insurance activity payments	144	0
Depreciation	17 468	13 053
Other	1 834	404
Total	**269 655**	**173 260**

20 Payroll and employee benefits

Payroll and employee benefits	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Salaries and wages	104 724	63 954
Insurance and other employees benefits	20 078	13 255
Costs of share-based payment programme	4 886	1 010
Other retirement benefits costs	15	0
Total	**129 703**	**78 219**

for the 6 month period ended 30 June 2007(in PLN thousand)

21 Impairment and provisions for off-balance sheet

	Kredyty i pożyczki udzielone klientom				Suma	Należności od banków	Należności z tytułu leasingu finansowego	Zobowiazania pozabilansowe	Razem
	korporacyjne	samochodowe	mieszkaniowe	konsumpcyjne					
Wartość odpisów aktualizujących/rezerw na początek okresu - 01.01.2007	**197 800**	**128 515**	**83 684**	**147 087**	**557 086**	**8**	**3 750**	**1 934**	**562 778**
Utworzenie	1 805	8 322	419	41 063	51 609	0	1 032	3 751	56 392
Rozwiązanie	12 610	0	6	12 278	24 894	8	0	2 301	27 203
Zmiana stanu rezerw netto ujęta w rzis	**-10 805**	**8 322**	**413**	**28 785**	**26 715**	**-8**	**1 032**	**1 450**	**29 189**
Wykorzystanie - spisane	**6 693**	**5 003**	**1 275**	**6 945**	**19 916**	**0**	**0**	**0**	**19 916**
Inne zwiększenia - pozabilans	694	0	0	1 258	1 952	0	0	18	1 970
Inne zmniejszenia - pozabilans	0	0	0	0	0	0	0	0	0
Inne zwiększenia/zmniejszenia netto	**694**	**0**	**0**	**1 258**	**1 952**	**0**	**0**	**18**	**1 970**
Wartość odpisów aktualizujących/rezerw na koniec okresu - 30.06.2007	**180 996**	**131 834**	**82 822**	**170 185**	**565 837**	**0**	**4 782**	**3 402**	**574 021**

	Kredyty i pożyczki udzielone klientom				Suma	Należności od banków	Należności z tytułu leasingu finansowego	Zobowiazania pozabilansowe	Razem
	korporacyjne	samochodowe	mieszkaniowe	konsumpcyjne					
Wartość odpisów aktualizujących/rezerw na początek okresu - 01.01.2006	**239 906**	**97 357**	**60 396**	**117 049**	**514 708**	**0**	**3 869**	**204**	**518 781**
Utworzenie	408	21 660	20 846	18 330	61 244	0	250	861	62 355
Rozwiązanie	4 447	0	0	1 541	5 988	0	0	873	6 861
Zmiana stanu rezerw netto ujęta w rzis	**-4 039**	**21 660**	**20 846**	**16 789**	**55 256**	**0**	**250**	**-12**	**55 494**
Rezerwy spisane z bilansu	**8 349**	**861**	**80**	**2 511**	**11 801**	**0**	**0**	**0**	**11 801**
Inne zwiększenia	0	0	0	1 897	1 897	0	164	0	2 061
Inne zmniejszenia	-6	0	0	0	-6	0	0	0	-6
Inne zwiększenia/zmniejszenia netto	**-6**	**0**	**0**	**1 897**	**1 891**	**0**	**164**	**0**	**2 055**
Wartość odpisów aktualizujących/rezerw na koniec okresu - 30.06.2006	**227 512**	**118 156**	**81 162**	**133 224**	**560 054**	**0**	**4 283**	**192**	**564 529**

for the 6 month period ended 30 June 2007(in PLN thousand)

22 Discontinued activities

No activities were discontinued.

23 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	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Share in net profit of TU Europa to the date of take over (24.04.2007)	3 026	-
Total	**3 026**	**-**

24 Income tax

Main components of tax charge	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Consolidated income statement		
Current income tax	81 476	32 576
Current tax charge	83 522	32 576
Adjustments related to current tax from previous years	-2 046	0
Benefits arising from unrecognised tax loss, tax credit or temporary difference from previous years, resulting in reduction of current tax charge	0	0
Amount of charge/income related to changes in accounting policies and errors included in net profit for the period, in accordance to IAS 8	0	0
Deferred income tax	-3 923	-19 346
Arising from origination and reversal of temporary differences	-5 116	-19 346
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	1 193	0
Tax charge disclosed in consolidated income statements	**77 553**	**13 230**
Deferred income tax	0	0
Arising from origination and reversal of temporary differences	3 209	-2 306
Arising from changes in tax rates or new tax imposed	0	0
Charge 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 charge disclosed in consolidated equity	**3 209**	**-2 306**
Total main components of tax charge	**80 762**	**10 924**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

The reconciliation of income tax on profit before tax at the statutory tax rate for the 6 month periods ended 30 June 2007 and 30 June 2006 is as follows:

	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
1. Profit (loss) before tax	496 868	94 823
2. Consolidation adjustments	-88 466	62 542
3. Differences between profit (loss) before tax and taxable profit	36 061	7 999
3.1 Permanent:	8 366	-92 493
3.2 Temporary, of which	27 695	100 492
- 19% tax rate	25 765	94 649
- 20% tax rate	0	0
- 24% tax rate	1 930	5 843
- 25% tax rate	0	0
4. Taxable profit, of which:	444 463	165 364
- taxable profit - 19%	432 690	170 848
- taxable profit - 20%	0	0
- taxable profit - 24%	13 302	8 511
- taxable profit - 25%	360	0
- tax loss	-1 889	-13 995
5a. Income tax - 19% tax rate	82 211	32 461
5b. Income tax - 20% tax rate	0	0
5c. Income tax - 24% tax rate	3 192	2 042
5d. Income tax - 25% tax rate	90	0
6. Increases, exemptions, deductions and decreases in income tax	-4 017	-1 927
7. Current income tax included in income statement	81 476	32 576
8. Deferred tax, of which:	-3 923	-19 346
- for temporary differences - 19% tax rate	-4 895	-24 004
- for temporary differences - 20% tax rate	0	0
- for temporary differences - 24% tax rate	-463	-1 402
- for temporary differences - 25% tax rate	0	0
- tax loss from previous years	1 193	6 060
- not created dut to lack of possibility of temporary differences reversal	242	0
9. Total income tax in income statement	**77 553**	**13 230**

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 19% and in Ukraine 25%. 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.

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Deferred tax asset/liability

	Consolidated balance sheet		Consolidated income statement	
	30.06.2007 thousand PLN	31.12.2006 thousand PLN	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Deferred tax liabilities				
A) Posted to P&L	**92 670**	**63 270**	**21 788**	**27 320**
Revenue receivable from securities	31 263	20 343	10 920	28 038
Revenue receivable from credits and deposits	10 098	7 113	2 985	755
Depreciation (fixed assets financed by investment credit)	1 449	1 008	441	-58
Costs of commissions paid in advance	20 301	11 649	8 652	181
Costs paid in advance	0	0	0	334
Surplus of tax depreciation	1 460	1 054	406	392
Discounted interests from BFG loan	16 354	18 346	-1 992	-1 866
Acquisition of TU Europa	0	0	-7 612	0
Other	11 745	3 757	7 988	-456
B) Posted to revaluation reserve	**9 602**	**5 462**	**-1 156**	**0**
Valuation of securities available for sale	4 306	5 462	-1 156	0
Fixed assets valuation	5 296	0	0	0
C) Posted to goodwill	**9 614**	**9 614**	**0**	**0**
Correction of opening balance - purchase of Open Finance	9 614	9 614	0	0
Gross deferred tax liabilities	**111 886**	**78 346**	**20 632**	**27 320**
Deferred tax assets				
A) Posted to P&L	**144 503**	**120 945**	**25 711**	**46 792**
Interest on deposits	44 461	26 484	17 977	33 051
Income taxable in advance	7 833	5 946	1 887	-658
Provisions for expected liabilities and costs	11 573	5 865	5 708	-218
Provisions for impairment	47 989	49 579	-1 590	16 485
Tax loss from previous years	797	4 042	-3 245	1 055
Foreign exchange differences from valuation of foreign entities	0	0	2 153	-913
Other	31 850	29 029	2 821	-2 010
B) Posted to equity	**0**	**0**	**248**	**0**
Adjustment to opening balance of deferred tax asset	0	0	248	0
C) Posted to revaluation reserve	**2 521**	**422**	**2 099**	**0**
Valuation of securities available for sale	2 521	422	2 099	0
Gross deferred tax assets	**147 024**	**121 367**	**28 058**	**46 792**
Deferred tax liabilities disclosed in liabilities directly related to assets classified as held for sale	**0**	**0**	**0**	**-6**
Deferred tax assets disclosed in non-current assets classified as held for sale	**0**	**0**	**0**	**-132**
Deferred income tax charge	**X**	**X**	**-3 923**	**-19 346**
Net deferred tax assets	**35 138**	**43 021**	**X**	**X**
Net deferred tax liability	**0**	**0**	**X**	**X**

25 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.

Earnings per share	01.01.2007-30.06.2007	01.01.2006-30.06.2006
Net profit allocated to ordinary shareholders (thousand PLN)	405 230	79 528
Weighted average number of ordinary shares in the period (thousand PLN)	666 870 656	535 108 552
Earnings per share (in PLN per share)	0.61	0.15

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 in a given period, adjusted for the effect of all dilutive potential ordinary shares.
The Group has dilutive instruments in the form of share options and warrants. Details of the Management Options Plan are disclosed in Note 52.

Diluted earnings per share	01.01.2007-30.06.2007	01.01.2006-30.06.2006
Net profit attributable to ordinary shareholders (thousand PLN)	405 230	79 528
Adjustment of net profit for calculation of diluted profit	0	0
Net profit for calculation of diluted EPS	**405 230**	**79 528**
Weighted average number of ordinary shares in the period (thousand PLN)	666 870 656	535 108 552
Adjustment of the number of shares for calculation of diluted EPS	27 453 885	1 569 853
Weighted average number of ordinary shares for calculation of diluted EPS	694 324 541	536 678 405
Diluted earnings per share (in PLN per share)	0.58	0.15

26 Dividends paid and proposed

The companies belonging to the Capital Group did not pay out and did not declare that they would pay out dividends from the profit for H1 2007 and for 2006. The profits generated by the companies belonging to the Group will be available in Getin Holding a year after a potential payment of a dividend by those companies.

27 Cash and balances with the Central Bank

Cash and balances with the Central Bank	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Cash	83 926	68 061
Current account in Central Bank	266 960	226 316
Other	2 267	169
Total	**353 153**	**294 546**

During the day, the Banks 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, they must ensure that the average monthly balance is maintained on the account in an amount arising from the obligatory reserve return.

for the 6 month period ended 30 June 2007(in PLN thousand)

Funds on the obligatory reserve account bear interest of 0.9 of the promissory note rediscount rate; as at 30 June 2007 this interest was 4.275% and as at 31 December 2006 - 3.825%.

28 Amounts from the banks

Amounts due from banks	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Current accounts	201 460	27 040
Deposits in other banks	3 273 443	2 888 835
Loans and credits granted	30 613	0
Bought up receivables	8 265	9 734
Repo transactions	0	0
Cash in transfer	815	0
Other deposits on financial market	0	0
Interest	25	16
Trade receivables	32 197	14 258
Total	**3 546 818**	**2 939 883**
Provision for imapairment	0	8
Total, net	**3 546 818**	**2 939 875**

As at 30 June 2007, amounts due from banks with variable interest rates stood at PLN 352,348 thousand (as at 31 December 2006: PLN 8,738 thousand), and with fixed interest rates, PLN 3,176,992 thousand (31.12. 2006: PLN 2,911,458 thousand). As at 30 June 2007, there were also no-interest bearing amounts due from banks which stood at PLN 17,478 thousand (31.12.2006: PLN 19,679 thousand).

Amounts due from banks by maturity (from balance sheet date to date of repayment)	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Current accounts	511 377	1 019 621
Term deposits with a maturity period:	3 034 626	1 920 262
Up to 1 month	2 076 088	1 613 211
from 1 to 3 months	722 166	306 528
from 3 months to 1 year	192 180	112
from 1 year to 5 years	44 174	411
over 5 years	18	0
Cash in transit	815	0
Total	**3 546 818**	**2 939 883**
Provision for imapairment	0	8
Total, net	**3 546 818**	**2 939 875**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

29 Financial assets held for trading

Financial assets held for trading	**30.06.2007 thousand PLN**	**31.12.2006 thousand PLN**
Debt securities	0	80
- issued by State Treasury	0	80
Shares in other entities	27 185	0
- listed	27 185	0
Participation units in funds	131	0
Financial assets held for trading, total	**27 316**	**80**

As at 31 December 2006 the Group had in its portfolio State Treasury bonds with a nominal value of PLN 76 thousand and redemption dates in the years 2007-2013 and as at 31 December 2006 average yield was 4.5%.

Financial assets held for trading, by maturity as at 30 June 2007 (book values 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 yaers		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**		**0**		**0**		**0**	**0**	
Shares in other entities	**0**		**0**		**0**		**0**		**0**		**27 185**	**27 185**	
- listed	0		0		0		0		0		27 185	27 185	
Participation units in funds	**0**		**0**		**0**		**0**		**0**		**131**	**131**	
Financial assets held for trading, total as at 30 June 2007	**0**		**0**		**0**		**0**		**0**		**27 316**	**27 316**	

Financial assets held for trading, by maturity as at 31 December 2006 (book values 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 yaers		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**	**0**
- issued by State Treasury							78	4.33%	2	5.02%	0	80	4.35%
Financial assets held for trading, total as at 31 December 2006	**0**		**0**		**0**		**78**		**2**		**0**	**80**	**0**

30 Derivatives

As part of its business, the Group performs derivative transactions such as FX Swaps, CIRS (Cross Currency Swap) and options. 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.

Derivatives as at 30 June 2007. Nominal values of host instruments and fair value of derivatives (in PLN thousand) according to original maturity:

	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	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Purchase of currency	0	0	0	0	0	0	0	0
Sale of currency	0	0	0	0	0	0	0	0
CIRS	**0**	**5 378**	**0**	**8 651 927**	**0**	**8 657 305**	**14 790**	**80 360**
Purchase of currency	0	0	0	4 298 151	0	4 298 151	0	0
Sale of currency	0	5 378	0	4 353 776	0	4 359 154	0	5 378
Non Delivery Forward	**54 575**	**0**	**5 771**	**0**	**0**	**60 346**	**0**	**462**
Purchase of currency	6 200	0	0	0	0	6 200	0	0
Sale of currency	48 375	0	5 771	0	0	54 146	0	437
Options	**0**	**59**	**59**	**96 160**	**0**	**96 278**	**20 750**	**20 752**
Purchase	0	0	59	95 370	0	95 429	20 750	19 962
Sale	0	59	0	790	0	849	0	790
Derivative instruments, total	**54 575**	**5 437**	**5 830**	**8 748 087**	**0**	**8 813 929**	**35 540**	**101 574**

Derivatives as at 31 December 2006. Nominal values of host instruments and fair value of derivatives (in PLN thousand) according to original maturity:

	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	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Purchase of currency	0	0	0	0	0	0	0	0
Sale of currency	0	0	0	0	0	0	0	0
CIRS	**0**	**0**	**0**	**5 752 030**	**0**	**5 752 030**	**22 382**	**48 102**
Purchase of currency	0	0	0	2 864 712	0	2 864 712	0	0
Sale of currency	0	0	0	2 887 318	0	2 887 318	0	0
Non Delivery Forward	**48 417**	**0**	**0**	**0**	**0**	**48 417**	**0**	**34**
Purchase of currency	12 262	0	0	0	0	12 262	0	0
Sale of currency	36 155	0	0	0	0	36 155	0	0
Options	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Purchase	0	0	0	0	0	0	0	0
Sale	0	0	0	0	0	0	0	0
Derivative instruments, total	**48 417**	**0**	**0**	**5 752 030**	**0**	**5 800 447**	**22 382**	**48 136**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

31 Financial instruments (asset or liability) at fair value through profit or loss

	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Debt securities	120 617	-
- issued by central banks	0	-
- issued by other banks	44 878	-
- issued by other financial institutions	0	-
- issued by non-financial institutions	26 905	-
- issued by State Treasury	32 284	-
- issued by local authorities	16 550	-
Shares in other entities	0	-
Loans and credits	0	-
Participate units of investment funds	735	-
Other financial instruments at fair value through profit or loss, total	**121 352**	**-**

Debt securities issued by other banks cover deposit certificates and bonds of a total value: PLN 44,965 thousand. The maturity dates of those securities are from 5 April 2007 to 13 June 2012, while coupons from 0% to 14%. As at 30 June 2007, the average yield to maturity of those securities was from 4.49% to 7.73%.

Debt securities issued by non-financial institutions cover the bonds of the company LC Corp S.A. The maturity date of those securities is 6 July 2007. As at 30 June 2007, the average yield to maturity of those securities was 7.73%.

Financial instruments (asset or liability) at fair value through profit or loss according to maturity dates as at 30 June 2007 (in PLN thousand)

	- 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 yaers		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	**26 905**		**4 971**		**4 819**		**83 922**		**0**		**0**	**120 617**	
- issued by central banks	0		0		0		0		0		0	0	
- issued by other banks	0		0		0		44 878	4.16%	0		0	44 878	4.16%
- issued by other financial institutions	0		0		0		0		0		0	0	
- issued by non-financial institutions	26 905	7.73%	0		0		0		0		0	26 905	7.73%
- issued by State Treasury	0		4 971	5.45%	4 819	4.87%	22 494	4.79%	0		0	32 284	4.90%
- issued by local authorities	0		0		0		16 550	4.96%	0		0	16 550	4.96%
Shares in other entities	**0**		**0**		**0**		**0**		**0**		**0**	**0**	
- listed	0		0		0		0		0		0	0	
- not listed	0		0		0		0		0		0	0	
Loans and credits	**0**		**0**		**0**		**0**		**0**		**0**	**0**	
Participation units in funds	0		0		0		0		0		735	735	
Other financial instruments at fair value through profit or loss, total as at 30 June 2007	**26 905**		**4 971**		**4 819**		**83 922**		**0**		**735**	**121 352**	

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

32 Bank loans and credits due from customers

Bank loans and credits due from customers	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Bank loans and credits	8 393 373	6 159 233
Purchased receivables	593 418	476 068
Receivables due under credit cards	0	0
Realised guarantees	504	504
Total	**8 987 295**	**6 635 805**
Impairment write downs (-)	-565 837	-557 086
Total, net	**8 421 458**	**6 078 719**

As at 30 June 2007	Gross value of bank loans and credits before impairment thousand PLN	Gross value of bank loans and credits after impairment thousand PLN	Specific write downs thousand PLN	Collective write downs thousand PLN	Total, net thousand PLN
- corporate loans	969 489	193 774	6 233	174 469	982 561
- car loans	1 729 123	134 915	29 131	102 703	1 732 204
- mortgage loans	4 586 208	113 856	28 435	54 387	4 617 242
- consumer credits	1 060 567	199 363	30 491	139 988	1 089 451
Total	**8 345 387**	**641 908**	**94 290**	**471 547**	**8 421 458**

As at 30 December 2006	Gross value of bank loans and credits before impairment thousand PLN	Gross value of bank loans and credits after impairment thousand PLN	Specific write downs thousand PLN	Collective write downs thousand PLN	Total, net thousand PLN
- corporate loans	635 747	222 017	5 433	192 271	660 060
- car loans	1 424 739	130 650	31 115	97 400	1 426 874
- mortgage loans	3 197 866	113 898	34 509	49 824	3 227 431
- consumer credits	743 147	167 741	17 230	129 304	764 354
Total	**6 001 499**	**634 306**	**88 287**	**468 799**	**6 078 719**

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Bank loans and credits granted to customers by maturity	30.06.2007		31.12.2006	
	Carrying amount thousand PLN	Average effective interest rate	Carrying amount thousand PLN	Average effective interest rate
Bank loans and credits granted to:				
- local authorities	**27 988**	**5.82%**	**41 010**	**6.13%**
Up to 1 month	1 466		2 873	
from 1 month to 3 months	2 279		4 440	
from 3 months to 1 year	9 457		13 324	
from 1 year to 5 years	13 822		19 214	
more than 5 years	964		1 159	
- financial institutions other than banks	**10 614**	**12.76%**	**10 549**	**17.74%**
Up to 1 month	6 655		5 674	
from 1 month to 3 months	108		71	
from 3 months to 1 year	1 216		392	
from 1 year to 5 years	840		4 343	
more than 5 years	1 795		69	
- non financial institutions	**1 427 659**	**9.80%**	**974 427**	**12.56%**
Up to 1 month	391 581		324 055	
from 1 month to 3 months	78 806		71 034	
from 3 months to 1 year	44 740		191 288	
from 1 year to 5 years	768 289		341 826	
more than 5 years	144 243		46 224	
- public	**6 955 197**	**9.86%**	**5 052 733**	**20.52%**
Up to 1 month	189 674		462 983	
from 1 month to 3 months	226 984		83 589	
from 3 months to 1 year	469 382		357 705	
from 1 year to 5 years	1 962 918		1 401 909	
more than 5 years	4 106 239		2 746 547	
Total	**8 421 458**		**6 078 719**	

Fixed interest credits and loans extended to clients as at 30 June 2007 represented 3.9% of the entire credit and loan portfolio, i.e., PLN 326 million (31.12.2006 appropriately: 3% and PLN 184 million). They included such bank products as buy out of lease receivables, buy out of factoring receivables, part of automobile loans, instalment 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 did not occur as at 30 June 2007 and 31 December 2006.

Changes in the level of impairment losses in the half year ended 30 June 2007 and 30 June 2006 are presented in Note 21.

33 Finance lease receivables

Finance lease receivables as at 30 June 2007 (PLN thousands)	**Gross investment in finance leases**	**Current value of minimum lease payments**
Up to 1 year	211 784	170 752
From 1 year to 5 years	53 533	43 730
More than 5 years	0	0
Total	**265 317**	**214 482**
Unearned interest	50 835	0
Net investment in finance leases	**214 482**	**214 482**
Unguaranteed residuals	0	0
Current value of minimum lease payments	**214 482**	**214 482**
Provisions	4 686	0
Carrying amount	**209 796**	**214 482**

Finance lease receivables as at 31 December 2006 (PLN thousands)	**Gross investment in finance leases**	**Current value of minimum lease payments**
Up to 1 year	161 891	130 686
From 1 year to 5 years	34 726	28 466
More than 5 years	0	0
Total	**196 617**	**159 152**
Unearned interest	37 465	0
Net investment in finance leases	**159 152**	**159 152**
Unguaranteed residuals	0	0
Current value of minimum lease payments	**159 152**	**159 152**
Provisions	3 749	0
Carrying amount	**155 403**	**159 152**

The average term of lease agreements concluded as at 30 June 2007 is 1.9 of the year (31.12.2006: 1.8 of the year).
The fair value of finance lease receivables as at 30 June 2007 is PLN 207,947 thousand (31.12.2006: PLN 155,276 thousand).
The value of impairment provisions under minimum lease payments as at 30 June 2007 is PLN 4,686 thousand (31.12.2006: PLN 3,749 thousand).

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

No conditional lease payments were recognized in the income statement in the said periods.

Lease transactions executed by the Group expose the Group first of all to credit risk, currency risk and cash flow risk related to interest rate. The principles of management of risk related to financial instruments are described in Note 7.

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

34 Financial instruments

Financial instruments	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Securities available for sale	**2 283 296**	**1 600 650**
- issued by central banks	876 543	27 768
- issued by other banks	0	0
- issued by other financial institutions	2 530	6 550
- issued by non-financial institutions	15 242	15 969
- issued by State Treasury	1 388 981	1 550 363
- issued by local authorities	0	0
Securities held to maturity	**50 023**	**32 436**
- issued by central banks	0	0
- issued by other banks	25 252	25 252
- issued by other financial institutions	0	0
- issued by non-financial institutions	0	0
- issued by State Treasury	22 794	5 261
- issued by local authorities	1 977	1 923
Investment securities, total	**2 333 319**	**1 633 086**
Impairment of investment securities	**12 500**	**12 489**
Securities available for sale	12 500	12 489
- issued by other financial institutions	11	0
- issued by non-financial institutions	12 489	12 489
Investment securities, net total	**2 320 819**	**1 620 597**

Changes of financial instruments	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Securities available for sale		
Net balance at the beginning of period	**1 588 161**	**1 516 597**
Foreign exchange differences	0	0
Additions	4 882 774	6 034 319
Disposals (sale and repurchase)	4 202 741	5 672 487
Impairment write-downs	-2 706	172
Change in fair value	-104	0
Net balance at the end of period	**2 270 796**	**1 878 257**
Securities held to maturity		
Net balance at the beginning of period	**32 436**	**34 917**
Foreign exchange differences	0	0
Additions	18 896	834
Disposals (sale and repurchase)	1 309	2 792
Impairment write-downs	0	0
Change in fair value	0	0
Net balance at the end of period	**50 023**	**32 959**

Securities available for sale

Debt securities issued by central banks as at 30 June 2007, cover NBP bonds of a total value: PLN 26,822 thousand. The maturity date of those securities is 1 March 2012. As at 30 June 2007, the average yield to maturity of those securities was 4.19% (31.12.2006 appropriately: PLN 26,822 thousand, 1.03.2012: 4.21%). Additionally, debt securities issued by central banks as at 30 June 2007 cover money bills of a total value: PLN 850,000 thousand. The maturity date of those securities is 6 July 2007. As at 30 June 2007, the average yield to maturity of those securities was 4.50%.

Debt securities issued by the Ministry of Finance include treasury bills of a total value PLN 880,600 thousand and treasury bonds of a total value PLN 542,414 thousand. The maturity dates of those securities are from 3 days to 5 years, while coupons from 5.00% to 5.75%. As at 30 June 2007, the average yield to maturity of those securities was from 3.81% to 6.39% (31.12.2006 appropriately: PLN 985,342 thousand; PLN 557,063 thousand; 3 days to 5 years; 5.46% to 5.75%; 3.78% to 6.39%).

Securities held to maturity

Debt securities issued by local authorities cover municipal bonds of a total value PLN 1,900 thousand. The maturity dates of those securities are from 27 September 2007 to 30 October 2007, while coupons from 5.55 to 5.65. As at 30 June 2007, the average yield to maturity of those securities was from 5.55 to 5.65. Debt securities issued by other banks cover mortgage bonds of a total value PLN 25,000 thousand. The maturity dates of those securities are from 19 May 2008 to 10 October 2008, while coupons from 4.93 to 4.96. As at 30 June 2007, the average yield to maturity of those securities was from 4.93 to 4.96.
Debt securities issued by the Ministry of Finance cover treasury bonds of a total value PLN 5,000 thousand. The maturity date of those securities is 18 January 2009, while coupons from 5.31. As at 30 June 2007, the average yield to maturity of those securities was 5.31.

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

Securities available for sale, by maturity as at 30 June 2007 (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	
	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Gross book value	Average yield
Securities available for sale													
- issued by central banks	849 349	4.50%					27 194	4.19%				876 543	4.49%
- issued by other banks													
- issued by other financial institutions									18	0.00%	2 512	2 530	
- issued by other non-financial institutions											15 242	15 242	
- issued by State Treasury	14 954	4.40%	134 241	4.37%	788 390	4.61%	451 396	5.32%				1 388 981	4.82%
- issued by local authorities													
Gross securities available for sale, total as at 30 June 2007	**864 303**		**134 241**		**788 390**		**478 590**		**18**		**17 754**	**2 283 296**	
Impairment of investment securities (-)												12 500	
Securities available for sale, total net as at 30 June 2007	**864 303**		**134 241**		**788 390**		**478 590**		**18**		**17 754**	**2 270 796**	

Securities available for sale, by maturity as at 31 December 2006 (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	
	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Gross book value	Average yield
Securities available for sale													
- issued by central banks									27 768	4.21%		27 768	4.21%
- issued by other banks											729	729	
- issued by other financial institutions											6 550	6 550	
- issued by other non-financial institutions											15 241	15 241	
- issued by State Treasury	104 843	3.95%	319 988	3.91%	621 164	8.43%	504 367	14.89%		0.00%	0	1 550 362	7.80%
- issued by local authorities													
Gross securities available for sale, total as at 30 June 2007	**104 843**		**319 988**		**621 164**		**504 367**		**27 768**		**22 520**	**1 600 650**	
Impairment of investment securities (-)												12 489	
Securities available for sale, total net as at 31 December 2006	**104 843**		**319 988**		**621 164**		**504 367**		**27 768**		**22 520**	**1 588 161**	

Securities held to maturity, by maturity as at 30 June 2007 (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	
	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Gross book value	Average yield
Securities available for sale													
- issued by central banks													
- issued by other banks					5 031	5.31%	20 221	4.96%				25 252	5.03%
- issued by other financial institutions													
- issued by other non-financial institutions													
- issued by State Treasury					350	5.35%	22 444	5.12%				22 794	5.12%
- issued by local authorities	1 043	5.65%	934	5.55%								1 977	5.60%
Securities held to maturity, total as at 30 June 2007	**1 043**		**934**		**5 381**		**42 665**		**0**		**0**	**50 023**	

Securities held to maturity, by maturity as at 31 December 2006 (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	
	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Gross book value	Average yield
Securities available for sale													
- issued by central banks													
- issued by other banks							25 252	4.88%				25 252	4.88%
- issued by State Treasury							5 261	5.46%				5 261	5.46%
- issued by local authorities					1 923	5.60%						1 923	5.60%
Securities held to maturity, total as at 31 December 2006	**0**		**0**		**1 923**		**30 513**		**0**		**0**	**32 436**	

35 Investments in associates and jointly controlled entities

Associates as at 30 June 2007:
- Powszechny Dom Kredytowy S.A.

Associates as at 31 December 2006:
- Powszechny Dom Kredytowy S.A.
- Towarzystwo Ubezpieczeń Europa S.A.
- Towarzystwo Ubezpieczeń na Życie Europa S.A.

As described in more detail in Note 2, on 23 April 2007, Getin Holding purchased additional 79.47% of the shares of TU Europa S.A. and as a result acquired this company and its subsidiary TU na Życie Europa S.A.

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
PDK	01.2005	21.00%	21.00%	231	231	0	231
Grupa Kapitałowa TU Europa	11.2006	19.99%	19.99%	112 857	112 857	35 218	77 639

Changes in investments in associates

Changes in investments in associates	30.06.2007 thousand PLN	31.12.2006 thousand PLN	30.06.2006 thousand PLN
Value of associates at the beginning of the period	**35 218**	**0**	**0**
Acquisition		35 218	
Disposal	-35 218		
Value of associates at the end of the period	**0**	**35 218**	**0**
Goodwill at the beginning of the period	**77 870**	**2 736**	**2 736**
Acquisition		77 639	
Disposal	-77 639	-2 505	
Goodwill at the end of the period	**231**	**77 870**	**2 736**
Value of investment in associates (including goodwill) at the end of the period	**231**	**113 088**	**2 736**

* in 2006 Getin Leasing ceased to be an associate and was reclassified to securities available for sale; in April 2007 a control stake in TU Europa was aquired and as a consequence TU Europa became a subsidiary.

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

Entity	Value of assets	Value of liabilities	Revenues	Net profit/(loss)	% shares
Half year 2007					
PDK S.A.	19 581	34 172	33 177	-342	21.0%
TU Europa Capital Group - consolidated data	748 849	570 342	228 372	45 433	19.99%
Total	**768 430**	**604 514**	**261 549**	**45 091**	---
2006					
PDK S.A.	20 379	34 572	46 903	-1 674	21.0%
TU Europa Capital Group - consolidated data	748 849	570 342	228 372	45 433	19.99%
Total	**769 228**	**604 914**	**275 275**	**43 759**	---

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

Entity	Share of losses - current year	Cumulative share of losses
Half year 2007		
PDK S.A.	72	1 367
Total	**72**	**1 367**

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Losses have not been recognised due to negative equity of PDK S.A. The Group is not obliged to cover losses of associates.

36 Equity 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 Telervis S.A.
- KONWIN-Kruszwica sp. z o.o.

Moreover, financial instruments available for sale include Getin Leasing which is not associate entity as at 31 December 2006.

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).

37 Intangible assets

Intangible assets	**30.06.2007 thousand PLN**	**31.12.2006 thousand PLN**
Patents and licences	8 139	3 982
Goodwill	808 356	376 733
Trademark	50 600	50 600
Other	23 530	20 514
Advances for intangibles	4 983	2 810
Total	**895 608**	**454 639**

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Changes of intangibles for the year ended 30 June 2007	Development costs	Patents and licences	Trademark	Goodwill	Other	Advances for intangibles	Total
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Initial value							
Openning balance as at 1 January 2007	**3 082**	**5 855**	**50 600**	**376 733**	**43 437**	**2 810**	**482 517**
Increases, of which:	**0**	**8 393**	**0**	**431 623**	**5 801**	**4 117**	**449 934**
Acquisition of subsidiaries	0	6 164	0	431 623	4 181	305	442 273
Purchases	0	1 266	0	0	499	3 812	5 577
Transfer from investments	0	854	0	0	1 107	0	1 961
Other	0	109	0	0	14	0	123
Decreases, of which:	**0**	**2**	**0**	**0**	**104**	**1 944**	**2 050**
Liquidation and sale, donation	0	2	0	0	0	0	2
Disposals due to business combination	0	0	0	0	104	0	104
Other	0	0	0	0	0	1 944	1 944
Closing balance as at 30 June 2007	**3 082**	**14 246**	**50 600**	**808 356**	**49 134**	**4 983**	**930 401**
Accumulated depreciation							
Openning balance as at 1 January 2007	**2 423**	**1 873**	**0**	**0**	**22 923**	**0**	**27 219**
Increases, of which:	**0**	**4 234**	**0**	**0**	**2 772**	**0**	**7 006**
Acquisition of subsidiaries	0	2 721	0	0	76	0	2 797
Depeciation in period	0	1 513	0	0	2 694	0	4 207
Other additions	0	0	0	0	2	0	2
Decreases, of which:	**0**	**0**	**0**	**0**	**91**	**0**	**91**
Disposals of subsidiaries	0	0	0	0	91	0	91
Closing balance as at 30 June 2007	**2 423**	**6 107**	**0**	**0**	**25 604**	**0**	**34 134**
Impairment write-downs							
Openning balance as at 1 January 2007	**659**	**0**	**0**	**0**	**0**	**0**	**659**
Closing balance as at 30 June 2007	**659**	**0**	**0**	**0**	**0**	**0**	**659**
Net book value							
Openning balance as at 1 January 2007	**0**	**3 982**	**50 600**	**376 733**	**20 514**	**2 810**	**454 639**
Closing balance as at 30 June 2007	**0**	**8 139**	**50 600**	**808 356**	**23 530**	**4 983**	**895 608**

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Changes of intangibles for the year ended 30 June 2006	Development costs thousand PLN	Patents and licences thousand PLN	Trademark thousand PLN	Goodwill thousand PLN	Other thousand PLN	Advances for intangibles thousand PLN	Total thousand PLN
Initial value							
Openning balance as at 1 January 2006	**3 082**	**2 860**	**0**	**373 201**	**81 825**	**808**	**461 776**
Increases, of which:	**0**	**802**	**0**	**4 354**	**5 838**	**1 698**	**12 692**
Acquisition of subsidiaries				4 354			4 354
Purchases		370			5 626	1 698	7 694
Transfer from investments					212		212
FX differences		3					3
Other		429					429
Decreases, of which:	**0**	**0**	**0**	**506**	**214**	**0**	**720**
Disposals due to business combination				506			506
Inne					214		214
Closing balance as at 30 June 2006	**3 082**	**3 662**	**0**	**377 049**	**87 449**	**2 506**	**473 748**
Accumulated depreciation							
Openning balance as at 1 January 2006	**2 423**	**2 680**	**0**	**0**	**20 347**	**0**	**25 450**
Increases, of which:	**0**	**16**	**0**	**0**	**11**	**0**	**27**
Depeciation in period		16			11		27
Decreases, of which:	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Closing balance as at 30 June 2006	**2 423**	**2 696**	**0**	**0**	**20 358**	**0**	**25 477**
Impairment write-downs							
Openning balance as at 1 January 2006	**659**	**0**	**0**	**0**	**0**	**0**	**659**
Closing balance as at 30 June 2006	**659**	**0**	**0**	**0**	**0**	**0**	**659**
Net book value							
Openning balance as at 1 January 2006	**0**	**180**	**0**	**373 201**	**61 478**	**808**	**435 667**
Closing balance as at 30 June 2006	**0**	**966**	**0**	**377 049**	**67 091**	**2 506**	**447 612**

Amortization is presented in position “Administrative expenses” in the Income Statement.

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.
As at 31 December 2006, the Group had contractual liabilities taken in connection with acquisition of intangible assets of PLN 271 thousand (as at 30 June 2007 there were no such items).

Assets material for the Group:
- centralized transaction IT system DEF 3000. The carrying amount of the system as at 30 June 2007, is PLN 10,833 thousand (31 December 2006: PLN 12,332 thousand), and the remaining amortisation period is until January 2011,
- Open Finance trademark. The carrying amount of the trademark as at 30 June 2007 and 31 December 2006, was PLN 50,600 thousand. 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 2006 were presented in consolidated financial statements for 2006 in Note 35. The test update is scheduled for 31 December 2007. As at 30 June 2007 there were no indications of any impairment of goodwill.

Information concerning determination of goodwill on the acquisition of subsidiaries is presented in Note 59.

The trademark was valued at its fair value of PLN 50,600 thousand. Valuation of the trademark was based on an independent third-party report.
In line with IAS 38, an entity determines, as at the balance sheet date, whether the useful life of an intangible asset is definite or indefinite. Following the review of all material factors, the Management Board of the Parent Company decided that there was no foreseeable time limit when it could be expected that an asset would stop bringing net cash receipts. The Management Board of the Parent Company is of the opinion that non-defining of the trademark useful life, with all consequences of this decision (including at least annual trademark impairment testing to determine its impairment), will improve understanding of the consolidated financial statement by its audience and will provide for more accurate reflection of the Group’s financial standing.
The above decision was made on consideration of the following factors:

- There are no legal limitations that would influence the trademark useful life,

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- There are no regulatory or economic limits or other foreseeable activities of competitors or potential competitors which could reduce the trademark useful life,
- The trademark useful life is not susceptible to technological, technical or commercial expiry,
- The trademark useful life is independent of useful lives of other assets.
- As at each balance sheet date, the Management Board of the Parent Company will decide if the above factors are still valid, and consequently, whether to abide by its decision or not.

38 Property, plant and equipment

Property, plant and equipment	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Land and buildings	82 342	51 459
Plant and machinery	21 474	17 380
Motor vehicles	16 484	14 106
Other assets including equipment	8 118	6 337
Construction in progress	3 217	1 595
Property, plant and equipment, total	**131 635**	**90 877**

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Changes in property, plant and equipment for year ended 30 June 2007	Land and buildings thousand PLN	Plant and machinery thousand PLN	Motor vehicles thousand PLN	Other assets including equipment thousand PLN	Total thousand PLN
Initial value					
Openning balance as at 1 January 2007	**86 889**	**72 847**	**21 696**	**23 511**	**204 943**
Increases, of which:	**35 661**	**11 630**	**8 291**	**4 019**	**59 601**
Purchases of subsidiaries	29 043	3 436	3 084	1 904	37 467
Purchases	431	2 300	5 006	1 683	9 420
Transfers from construction in progress	5 463	5 894	120	313	11 790
Other	724	0	81	119	924
Decreases, of which:	**210**	**3 706**	**2 879**	**4 134**	**10 929**
Liquidation and sale, donation	177	3 098	1 088	4 124	8 487
Disposals due to business combination	33	596	1 773	7	2 409
Other	0	12	18	3	33
Closing balance as at 30 June 2007	**122 340**	**80 771**	**27 108**	**23 396**	**253 615**
Accumulated depreciation					
Openning balance as at 1 January 2007	**31 863**	**55 405**	**7 587**	**17 088**	**111 943**
Increases, of which:	**4 657**	**6 868**	**3 547**	**2 201**	**17 273**
Purchases of subsidiaries	0	1 994	1 035	941	3 970
Depreciation for the period	4 616	4 875	2 509	1 261	13 261
Foreign exchange differences	-6	-1	0	-1	-8
Other increases	47	0	3	0	50
Decreases, of which:	**89**	**3 038**	**513**	**4 097**	**7 737**
Liquidation and sale	89	2 995	480	4 093	7 657
Other	0	43	33	4	80
Closing balance as at 30 June 2007	**36 431**	**59 235**	**10 621**	**15 192**	**121 479**
Accumulated depreciation					
Openning balance as at 1 January 2007	**3 567**	**62**	**3**	**86**	**3 718**
Increases	0	0	0	0	0
Decreases	0	0	0	0	0
Closing balance as at 30 June 2007	**3 567**	**62**	**3**	**86**	**3 718**
Net book value					
Openning balance as at 1 January 2007	**51 459**	**17 380**	**14 106**	**6 337**	**89 282**
Closing balance as at 30 June 2007	**82 342**	**21 474**	**16 484**	**8 118**	**128 418**

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Changes in property, plant and equipment for year ended 30 June 2006	Land and buildings thousand PLN	Plant and machinery thousand PLN	Motor vehicles thousand PLN	Other assets including equipment thousand PLN	Total thousand PLN
Initial value					
Openning 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
Purchases	6 661	1 152	4 037	2 283	14 133
Transfers from construction in progress	2 654	2 522		57	5 233
Foreign exchange differences		62	40	14	116
Other			658		658
Decreases, of which:	**23 865**	**8 638**	**1 794**	**6 097**	**40 394**
Liquidation and sale, donation	16 349	8 638	685	6 097	31 769
Other			1 109		1 109
Transfer to other assets	7 516				7 516
Closing balance as at 30 June 2006	**82 151**	**67 394**	**19 131**	**22 786**	**191 462**
Accumulated depreciation					
Openning balance as at 1 January 2006	**35 878**	**53 717**	**5 756**	**21 075**	**116 426**
Increases, of which:	**2 326**	**5 768**	**1 792**	**979**	**10 865**
Depreciation for the period	2 326	5 733	1 757	973	10 789
Foreign exchange differences		35	11	6	52
Other increases			24		24
Decreases, of which:	**11 000**	**8 449**	**793**	**5 897**	**26 139**
Liquidation and sale	11 000	8 449	793	5 897	26 139
Closing balance as at 30 June 2006	**27 204**	**51 036**	**6 755**	**16 157**	**101 152**
Accumulated depreciation					
Openning balance as at 1 January 2006	**253**	**62**	**3**	**86**	404
Decreases		2			2
Closing balance as at 30 June 2006	**253**	**60**	**3**	**86**	**402**
Net book value					
Openning balance as at 1 January 2006	**60 570**	**18 517**	**10 431**	**5 368**	**94 886**
Closing balance as at 30 June 2006	**54 694**	**16 298**	**12 373**	**6 543**	**89 908**

The carrying amount of the vehicles used under finance lease agreements and hire purchase agreements as at 30 June 2007 was PLN 2,016 thousand. (31 December 2006: PLN 960 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 for H1 2007 amounted to PLN 102 thousand (H1 2006: PLN 80 thousand).
The expenditures included in the balance of construction in progress as at 30 June 2007, amounted to PLN 948 thousand. (31 December 2006: PLN 1,595 thousand).
As at the balance sheet date, the Group did not have any contractual obligations to purchase items of property, plant and equipment.

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39 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 2007 was PLN 20,690 thousand (as at 31 December 2006: PLN 18,186 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	30.06.2007 thousand PLN	30.06.2006 thousand PLN
Gross book value		
Opening balance as at 1 January 2007	**23 614**	**31 372**
Increases	**2 934**	**0**
Purchases of real estate	735	0
Increases due to acquisition of subsidiaries	2 199	0
Decreases	**116**	**0**
Sale of real estate	116	0
Transfer to own real estate	0	0
Closing balance as at 30 June 2007	**26 432**	**31 372**
Accumulated depreciation		
Opening balance as at 1 January 2007	**1 028**	**523**
Increases	**260**	**261**
Depreciation	222	261
Increases due to acquisition of subsidiaries	38	0
Decreases	**8**	**0**
Sale of real estate	8	0
Transfer from own real estate	0	0
Closing balance as at 30 June 2007	**1 280**	**784**
Impairment write-downs		
Opening balance as at 1 January 2007	**10 094**	**13 247**
Increases	**680**	**0**
Decreases	**0**	**0**
Transfer from own real estate	0	0
Closing balance	**10 774**	**13 247**
Net book value		
Opening balance as at 1 January 2007	**12 492**	**17 602**
Closing balance as at 30 June 2007	**14 378**	**17 341**

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

	01.01.2007-30.06.2007 thousand PLN	**01.01.2006-30.06.2006 tys. PLN**
Income on rental of investment property	534	728
Direct operational expenses (including repair and maintenence) related to investment property bringing rental income	195	582
Direct operational expenses (including repair and maintenence) related to investment property not bringing rental income	222	166

40 Reinsurer's share in the technical and insurance provisions

Share of the reinsurer in technical provisions	**30.06.2007 thousand PLN**
Share of reinsurers in premiums provision and in the provision for the coverage of the unexpired risk	507
Share of reinsurers in the provison for unpaid compensations and benefits	1 241
Share of reinsurer in technical provisions (negative value)	**1 748**

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41 Other assets

Other assets	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Deferred costs	81 530	6 412
Perpetual usufruct right	409	412
Other assets held for resale	8	64
Receivables from sundry debtors	22 486	21 080
Trade receivables	12 742	7 932
Receivables from other taxation, subsidies and social security	10 903	6 738
Lease receivables	2 644	2 792
Debit cards settlements	4 066	3 616
Income to receive	2 598	2 015
Inventory	677	223
Advances	27 840	16 326
Other receivables	9 390	25 933
Interbank and inter branch accounts	81 889	76
Compensation receivables under lease agreements	0	2 625
Direct insurance receivables	39 085	0
Reinsurance receivables	321	0
Regress and deposits	10 567	0
Other	409	1 373
Total other assets	**307 564**	**97 617**
Impairment write-downs	-16 264	-14 678
Total other assets, net	**291 300**	**82 939**

The increase in deferred costs results from the purchase of the Group TU Europa S.A. and from accounting for the deferred acquisition costs connected with the sales of insurance and the increase in the costs of credit sales.
The item of direct insurance receivables contains receivables due from clients under insurance policies.
The increase in the interbank and inter branch accounts results from the operation settlement scheme by Krajowa Izba Rozliczeniowa [National Chamber of Settlements], which at the end of the year during one day creates a second transaction session that enables the settlement of the accounts balance.

42 Non-current assets held for sale

This item consists of properties of Getin Bank and Noble Bank offered for sale, with the net book value of PLN 25,695 thousand as at 30 June 2007 (31.12.2006: PLN 25,564 thousand).
Location of the properties: Chełm, Hrubieszów, Krasnystaw, Krosno, Lublin, Ostrowiec Świętokrzyski, Ropczyce, Rzeszów, Tomaszów Lubelski, Warszawa and Zamość.

The decision on the sale of those properties is taken by the Management Board of appropriately Noble Bank and Getin Bank. The fair value of those properties is not lower than their carrying amount.

In December 2006, under an arrangement with BP Real Nieruchomosci in liquidation, the Bank's receivables from the company were converted into a new issue of shares. Capital commitments in the company increased up to PLN 20.8 million, while the Bank's share in the company capital increased up to 89.67%. The Bank has its representatives sitting on the Supervisory and Management Board of BP Real Nieruchomosci. Shares in the Company are held for sale within one year of the acquisition date.

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43 Assets providing security for liabilities

The table below presents the carrying amount of assets constituting security as at 30 June 2007:

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	BFG	17 733	18 796
treasury bills	technical loan	84 800	104 724
treasury bonds	lombard loan	52 000	62 928
treasury bonds	loan BFG	447 396	451 396
NBP bonds	loan BFG	0	20 097
treasury bills	investment in PKO BP	113 873	123 295
treasury bills	loan in RCB	228 011	288 456
treasury bills	loan in RABO	228 046	254 921
options	amounts due to customers	19 960	19 962
Total:		**1 191 819**	**1 344 575**

The table below presents the carrying amount of assets constituting security as at 31 December 2006:

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	BFG	10 188	14 666
treasury bills	technical loan	86 400	106 134
treasury bonds	lombard loan	68 000	84 365
treasury bonds	loan BFG	447 375	472 305
NBP bonds	loan BFG	0	20 521
treasury bills	investment in PKO BP	119 408	133 063
treasury bills	loan in RCB	239 049	304 340
treasury bills	loan in RABO	239 076	250 718
cars and equipment	loans	114 539	31 395
Total:		**1 324 035**	**1 417 507**

44 Amounts due to Central Bank

No such items.

45 Amounts due to other banks and financial institutions

Amounts due to other banks and financial institutions	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Overdrafts	88	0
Deposits accepted form other banks	387 049	645 119
Loans and credits received	1 093 615	1 009 482
Cash in transit	714	0
Other deposits from the money market	0	8
Other amounts due to other banks	1 206	2 146
Amounts due to other banks, total	**1 482 672**	**1 656 755**

Amounts due to other banks and financial institutions with a variable interest rate stood at PLN 946,327 thousand (2006: PLN 889,407 thousand), and those with a fixed interest rate stood at PLN 532,783 thousand (2005: PLN 765,266 thousand).

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Amounts due to other banks and financial institutions by maturity based on the remaining period from the balance sheet date to date of repayment	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Overdrafts	88	0
Liabilities payable within:	1 481 870	1 656 755
up to 1 month	218 414	495 271
from 1 to 3 months	39 767	61 594
from 3 months to 1 year	401 277	231 891
from 1 to 5 years	822 412	867 999
more than 5 year	0	0
Cash in transit	714	0
Total	**1 482 672**	**1 656 755**

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

Financial liabilities at fair value through profit or loss	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Financial liabilities - capital funds	739	0
Razem	**739**	**0**

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47 Amounts due to customers

Amounts due to customers	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Amounts due to corporate entities	**1 574 488**	**1 810 557**
Overdrafts and overnights	865 123	547 698
Term deposits	709 080	1 262 859
Other	285	0
Amounts due to state budget entities	**852 960**	**551 263**
Overdrafts and overnights	627 039	528 817
Term deposits	225 921	22 446
Amounts due to individuals	**5 918 008**	**4 205 355**
Overdrafts and overnights	492 967	420 016
Term deposits	5 424 032	3 785 339
Other	1 009	0
Total of liabilities	**8 345 456**	**6 567 175**

Amounts due to customers with a variable interest rate as at 30 June 2007 stand at PLN 2,638,536 thousand (2006: PLN 1,684,152 thousand), and those with a fixed interest rate at PLN 5,640,650 thousand (2006: PLN 4,842,390 thousand)., Other liabilities are non-interest bearing and stand at PLN 66,270 thousand as at 30 June 2007 (2006: PLN 40,633 thousand). .

Amounts due to customers by maturity based on the remaining period at the balance sheet date to date of repayment	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Overdrafts and overnights	1 985 129	1 496 531
Term liabilities by maturity:	6 359 318	5 070 644
up to 1 month	1 930 697	2 013 450
from 1 to 3 months	2 405 843	1 747 556
from 3 months to 1 year	2 003 839	1 201 324
from 1 to 5 years	16 872	108 311
more than 5 years	2 067	3
Other	1 009	0
Total	**8 345 456**	**6 567 175**

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48 Liabilities from the issue of debt securities

Liabilities from issue of debt securities	**30.06.2007 thousand PLN**	**31.12.2006 thousand PLN**
Liabilities from issue of	2 942 074	1 419 889
bonds	2 646 739	1 218 816
certificates	286 875	173 821
other	8 460	27 252
Interests	30 886	16 275
Liabilities from issue of debt securities, total	**2 972 960**	**1 436 164**

	30.06.2007		**31.12.2006**	
	Carrying amount thousand PLN	**Average effective rate**	**Carrying amount thousand PLN**	**Average effective rate**
Liabilities from issue of debt securities, payable in:	2 942 074		1 419 889	
up to 1 month	0		37 639	
from 1 to 3 months	8 460	15.40%	5 393	15.33%
from 3 months to 1 year	563 499	6.80%	16 371	
from 1 to 5 years	2 370 115	6.55%	1 360 486	5.86%
more than 5 years	0		0	
Interests	30 886		16 275	
Total	**2 972 960**		**1 436 164**	

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 and bonds issued by Getin Finance Plc. admitted to public trading in Great Britain. 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.

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49 Other liabilities

Other liabilities and interperiod settlements	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Deferred income	5 296	10 351
Provision for annual leave	4 279	3 454
Provision for other liabilities to employees	1 887	2 585
Provision for fixed cost	7 368	5 005
Other costs to be paid in future	24 602	15 867
Sundry creditors	17 276	12 463
Interbank settlements	124 429	38 489
Trade liabilities	15 991	10 020
Taxation, customs duty, social security liabilities (excluding CIT)	13 126	10 733
Lease liabilities	3 106	1 340
Payroll liabilities	11 180	4 048
Provision for contingent liabilities	35 277	1 470
Liabilities form debit cards	803	785
Advances received	31 604	14 974
Special funds	415	53
Contractual fines	740	773
Direct insurance liabilities	3 783	0
Reinsurance liabilities	148	0
Other liabilities	12 390	13 819
Other liabilities, total	**313 700**	**146 229**

Provisions for contractual liabilities connected with acquisition of insurance.

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50 Provisions

6 months ended 30 June 2007	Restructuring provision	Provision for litigation	Provision for retirement benefits and similar obligations	Provision for granted liabilities and guarantes	Charged insurance premiums and fees	Other provisions	Total
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
As at 1 January 2007	22 948	5 214	604	1 934	0	616	31 316
Purchase of subsidiary	0	0	0	0	0	0	0
Recognition/revaluation of provision	0	3	488	3 751	10 533	4 357	19 132
Utilisation	1 865	99	514	2 300	10 313	0	15 091
Reversal	12 608	61	663	0	0	4 001	17 333
Acquisition/disposal due to business combination	90	0	487	8	19 409	-400	19 594
Other changes	2 772	0	0	0	0	19	2 791
Provisions as at 30 June 2007	**11 337**	**5 057**	**402**	**3 393**	**19 629**	**591**	**40 409**

6 months ended 30 June 2006	Restructuring provision	Provision for litigation	Provision for retirement benefits and similar obligations	Provision for granted liabilities and guarantes	Charged insurance premiums and fees	Other provisions	Total
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
As at 1 January 2006	38 321	3 664	612	204	0	10 305	53 106
Purchase of subsidiary							0
Recognition/revaluation of provision		3	223	861		1 157	2 244
Utilisation	6 125	145	257			934	7 461
Reversal	5 128	2 482	119	872		4 103	12 704
Other changes							0
Provisions as at 31 December 2006	**27 068**	**1 040**	**459**	**193**	**0**	**6 425**	**35 185**

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Provision for retirement benefits and similar obligations	30.06.2007	31.12.2006
retirement provisions	284	351
provisions for severance pays	0	276
interperiod settlements due to unused holidays	118	0
Total	**402**	**627**

51 Technical and insurance provisions

Technical provisions	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Unearned premium reserve and provision for the coverage of the unexpired risk	185 396	-
Provision for life insurance	27 329	-
Provision for unpaid indemnities and benefits	13 277	-
Technical provisions, in this:	**226 002**	**-**
- short-term	93 138	-
- long-term	132 864	-

	30.06.2007 thousand PLN		
	Gross	Share of the reinsurers	Net
Unearned premium reserve and provision for the coverage of the unexpired risk	185 396	507	184 889
Provision for life insurance	27 329	-	27 329
Provision for unpaid indemnities and benefits	11 971	634	11 337
Reserve for the capitalized value of annuities	1 306	963	343
Loss of value of share of the reinsurers in technical provisions	-	-356	356
Technical provisions, total	**226 002**	**1 748**	**224 254**

The table below presents the change in provisions for unpaid compensations and the value of capitalised rent.

	1.01.2007-30.06.2007 thousand PLN		
	Gross	Share of the reinsurers	Net
Value at the beginning of the period	**0**	**0**	**0**
Increase due to acquisition of subsidiaries	19 286	1 291	17 995
-for compensations reported	13 339	1 063	12 276
-for incurred but not reported losses (IBNR)	5 294	161	5 133
-for loss adjustment costs	653	290	363
-write-offs on account of loss of value	-	-223	223
Paid compensations concerning the losses incurred in the previous years, in this:	-5 375	-133	-5 242
-paid compensations	-5 193	-97	-5 096
-loss adjustment costs	-182	-36	-146
Paid compensations concerning the losses incurred in this year, in this:	-6 473	-142	-6 331
-paid compensations	-5 725	-97	-5 628
-loss adjustment costs	-748	-45	-703
Increase (decrease) provisions, in this:	5 839	358	5 481
-concerning the losses incurred in this year	4 353	332	4 021
-concerning the losses incurred in the previous years	1 486	26	1 460
Other changes	-	-133	133
Value at the end of the period	**13 277**	**1 241**	**12 036**

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The table below presents change in provisions for life insurance.

	30.06.2007 thousand PLN
Value at the beginning of the period	**0**
Increase due to acquisition of subsidiaries	14 069
Increases/creation on account of the concluded agreements in the previous reporting periods	-3 161
Increases/creation on account of the concluded agreements in this reporting period	17 104
Increases/decreases on account of assumptions	-
Utilization within the reporting period	-683
Value at the end of the period	**27 329**

52 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 (Getin Bank). 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 2007 stood at PLN 9,990 thousand. 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 H1 2007 by PLN 4,886 thousand (in H1 2006: by PLN 1,011 thousand).

The option exercise price for share options is PLN 2.40 per 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:

	Program for years 2005-2007
Dividend rate (%)	Dividend not expected
Foreseen variability rate (%)	30 %
Historical variability rate (%)	30 %
Risk-free interest rate (%)	4.50 %
Estimated option maturity (in no of years)	0 -2
Weighted average of stock price in PLN on 11.2005	3.69
Weighted average of stock price in PLN on 11.2006	9.17
Stock price in PLN on 19.06.2007	16.13

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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.

Getin International
On September 22, 2006, the Company entered into an agreement with Mr. Bernard Afeltowicz, specifying the terms and conditions of cooperation and employment of Mr. Afeltowicz with Getin International. Under the agreement, Mr. Afeltowicz was granted an option to purchase 25% of shares in Getin International. The option may be exercised, at Mr.Afeltowicz's choice, either through a distribution of shares or through its redemption at the agreed option price ("The Option Exercise Price").

The strike price equals 25% of the value of the assets contributed by Getin Holding or parties related to Getin Holding to Getin International, decreased by the amount of all distributions made by Getin International to Getin Holding or its affiliates. The Option Exercise Price equals USD 500,000 during the first 24 months following the execution of the agreement and, thereafter, 25% of the value of shares of Getin International (such value to be established on the basis of a valuation to be made pursuant to the agreement or on the basis of the price at which Getin Holding dispose of its shares in Getin International), decreased by the Strike Price and certain bonus payments made to the managers of Getin International's subsidiaries.

The option may be exercised throughout the term of the agreement. The exercise of the option will be accelerated in the event that the Company ceases to hold more than 50% of shares in Getin International or in the event the agreement is terminated. The agreement is for an unlimited time period and may be terminated by either party upon three months' notice.

As at December 31, 2006 and June 30, 2007, Getin Holding recognised our liabilities towards Mr. Afeltowicz under this agreement in the amount equal PLN 1,455 thousand.

53 Contingent liabilities

Investment commitments

As at 30 June 2007, the Group did not execute agreements with business partners for implementation of planned capital expenditures (for the IT systems development), (planned capital expenditures for the year 2006 amounted to PLN 8,399 thousand).

Contingent liabilities and off-balance sheet items

	30.06.2007	31.12.2006
1. Contingent liabilities given	**1 287 056**	**1 334 375**
- financing	1 269 237	1 324 928
- gurantees given	17 819	9 447
2. Liabilities realted with purchase/sale transactions	**8 706 740**	**5 800 447**
3. Other off-balance sheet items	**1 324 648**	**1 386 112**

The financial guarantee contracts which are not recognised as insurance contracts, are initially recognised at the fair value and next valued at the higher of the two values: the amount determined in accordance with IAS 37 Provisions, contingent liabilities and contingent assets, reduced if necessary by the value of the reduction recognised in accordance with IAS 18 Revenues.

Fiolet S.A.
In connection with Getin Holding acquisition of 60% of Fiolet's share capital in 2005, on November 24, 2005, the Company acceded to an agreement among Fiolet's existing shareholders. Subject to certain conditions, an existing Fiolet shareholder has a put option to sell, either to Getin Holding or another Fiolet shareholder, 26.7% of his shares in Fiolet for the total price equal to: 0.66 x 10 x 40% x of Fiolet's net profits generated by Fiolet for fiscal year 2007. The Company and the other shareholder are bound by this option to sell until 30 September 2008.

In addition, subject to certain conditions, the Company has a call option to purchase from the shareholder holding the above-described shares all of his shares in Fiolet. The price will be ten times the shareholder's share in the net profits generated by Fiolet for the fiscal year 2007. The shareholder is bound by this call option until December 31, 2008.

Among other things, due to considerable uncertainty of the variables in the above-presented purchase price formulas (i.e. the result of Fiolet S.A. for 2007), the construction of the option agreement and difficulties resulting from it, together with reliable estimation of the Company's option, the Company has neither estimated this valuation, nor included it in these financial statements. Within the put option basing on, among others, the current knowledge and the difficulties in preparing appropriate estimation described hereinabove; the Company did not acknowledge the liabilities connected with potential purchase of Fiolet's shares in its financial statements. Any possible acknowledgement of these liabilities would not influence significantly the performance of the Group.

PDK S.A.
The Company entered into agreements with PDK's shareholders (Powszechny Dom Kredytowy S.A.), RB Investcom Sp. z o.o. and LC Corp B.V. (companies affiliated with Mr. Czarnecki), under which the Company has the right to purchase PDK shares representing 30% of PDK's share capital. The Company may exercise this option on 3 December 2007. The purchase price will be calculated on the basis of the profits generated by PDK for the financial year 2007.

The Company entered into agreements with shareholders of PDK, other than those specified above, under which the Company made an offer to purchase from these shareholders 30% of PDK's share capital by 31 December 2009. The purchase price for the shares will equal 30% of the value of PDK, calculated as 10% of the total loans extended by Getin Bank through PDK in the financial year preceding the year in which the right under the agreements is exercised. Subject to certain conditions, the option may cover an additional 3% of PDK's share capital. The condition that determines whether the option is exercised is the net profit generated by PDK in the year preceding exercising option and timely PDK's debt service coverage, specified in the agreement. The offer is valid within 60 days from handing over the opinion on the audit of the financial statements of PDK for 2007 and 2008.

The company entered into an agreement with the shareholder of PDK, the company Finans System Sp. z o.o, under which the Company made an offer to purchase from Finans System Sp. z o.o., 6% of PDK's share capital, by 31 December 2009. The purchase price for the shares will equal 6% of the value of PDK, calculated as 10% of the total loans extended by Getin Bank through PDK in the financial year preceding the year in which the right under the agreements is exercised. The condition determining exercising the option is the net profit generated by PDK in the year preceding exercising the option and timely PDK's debt service coverage, specified in the agreement. The offer is valid within 60 days from handing over the opinion on the audit of the financial statements of PDK for 2007 and 2008.

Among other things, due to considerable uncertainty of the variables in the above-presented purchase price formulas (i.e. the result of PDK for 2007 or 2008 and the total of the credit capital in the year preceding exercising of the option), the construction of the option agreement and difficulties resulting from it together with reliable estimation of the Company option, the Company has neither estimated this valuation, nor included it in these financial statements. Within the put option basing on, among others, the current knowledge and the difficulties in preparing appropriate estimation described hereinabove, the Company did not acknowledge the liabilities connected with potential purchase of PDK's shares in its financial statements. Any possible acknowledgement of these liabilities would not influence significantly the performance of the Group.

Financial liabilities

	thousand PLN	thousand PLN
Financial liabilities, total:	1 269 237	1 324 928
- for financial entities	372 759	681 457
- for non-financial entities	883 686	637 293
- for budget entities	12 792	6 178

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.

Financial liabilities given

	30.06.2007 thousand PLN	31.12.2006 thousand PLN
1) Liabilities granted to financial entities:	68	51
- guarantees	68	51
- civil law guarantees	0	0
- accepted export letter of credit	0	0
2) Liabilities granted to non-financial entities:	17 729	9 375
- guarantees	17 729	9 375
- civil law guarantees	0	0
- accepted export letter of credit	0	0
3) Liabilities granted to the state budget:	22	21
- guarantees	22	18
- civil law guarantees	0	3
- collaterals acceptance	0	0
Total liabilities given	**17 819**	**9 447**

Details of contingent liabilities given to affiliated entities are presented in Note 54.

54 Share capital

in thousand	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
As at 01.01.2006	534 335	0	0	534 335
Shares issue J series	993	0	0	993
As at 30.06.2006	**535 328**	**0**	**0**	**535 328**
Shares issue J series	995			995
Shares issue K series	22 484			22 484
Shares issue L series	16 116			16 116
Shares issue M series	70 000			70 000
As at 31.12.2006	**644 923**	**0**	**0**	**644 923**
Shares issue L series	64 073			64 073
As at 30.06.2007	**708 996**	**0**	**0**	**708 996**

The issue price of L shares was PLN 64,072,242 thousand.

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55 Other reserves

	30.06.2007 thousand PLN	31.12.2006 thousand PLN
Reserve capital	1 531 127	1 147 220
From sale of shares above their nominal value	1 531 127	1 147 220
Other	0	0
Revaluation reserve	2 379	9 632
Financial assets avaliable for sale valuation	4 163	13 504
Deffered tax	-1 784	-3 872
General Bank Risk Fund	0	0
Other reserved capitals	312 356	103 959
Foreign exchange differences	-3 245	-206
Bonds convertible to shares – equity component	9 554	4 668
At the end of the period, total	**1 852 171**	**1 265 273**

56 Insurance contracts which are off-balance sheet liabilities

The table below presents information on the insurance contracts of the Group banks for H1 ended 30 June 2007 and year ended 31 December 2006.

	30.06.2007 thousand PLN	30.12.2006 thousand PLN
Off-balance sheet liabilities in respect of insurance contracts:	0	9 174
Guarantees	7 644	8 454
Letters of credit	9 083	720
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability)	181	181
Insurance contracts revenue	142	281
Insurance contracts expenses	3	0

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.

The table below presents reconciliation of insurance liabilities for 6 month periods ended appropriately 30 June 2007 and 30 June 2006.

	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the beginning of period	181	52
Recognition of provisions for guarantees and letters of credit	0	0
Reversal of provisions for guarantees and letters of credit	0	0
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the end of the period	181	52

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57 Additional information to cash flow statements

Cash and cash equivalents:

Balance Sheet items	**01.01.2007-30.06.2007 thousand PLN**	**01.01.2006-30.06.2006 thousand PLN**
Cash and balances with Central Bank	353 153	227 062
Current amounts due from banks	80 985	12 312
Overnight deposits	344 720	273 445
Cash and cash equivalents disclosed in the Cash Flow Statement	**778 858**	**512 819**

Explanation of significant items in consolidated cash flow statement:

- sale of shares in subsidiaries, net of cash disposed in the amount of PLN 157,324 thousand, relates to inflow of funds from selling 7.5% of shares of Noble Bank S.A. and shares of the company Getin Raty S.A.
- other investing inflows in the amount of PLN 153,939 thousand, relates to inflow of funds from the issue of shares of Noble Bank S.A., described in greater detail in Note 59.
- purchase of subsidiaries, net of cash acquired in the amount of PLN 532 897 thousand, relates to outflow of funds in connection with purchasing TU Europa S.A. and Prikarpattya Bank S.A.

Explanation of differences between balance sheet changes in assets and liabilities and changes disclosed in the cash flow statement for H1 2007:

	Balance sheet	**Cash Flow Statement**	**Difference**	
Change in receivables from banks	-607 061	-697 181	90 120	1)
Change in financial assets held for trading and other financial instruments at fair value	-148 588	3 557	-152 145	2)
Change in derivatives (assets)	-53 438	-53 196	-242	3)
Change in loans and credits allowed to customers	-2 342 739	-2 252 270	-90 469	4)
Change in finance lease receivables	-54 393	-56 931	2 538	5)
Change in securities available for sale	-682 635	-691 526	8 891	6)
Change in deferred tax assets	-25 657	-26 229	572	7)
Change in share reinsurer in technical provisions	-1 748	-22	-1 726	8)
Change in other assets	-208 361	-135 627	-72 734	9)
Change in liabilities due to banks	-174 083	-191 789	17 706	10)
Change in derivatives (liability) and other financial assets valued at fair value	13 897	13 897	0	
Change in liabilities due to customers	1 778 281	1 334 339	443 942	11)
Change in liabilities arising from issue of debt securities	1 536 796	-28 831	1 565 627	12)
Change in provisions Lilibities	42 633	10 910	31 723	13)
Change in technical provisions	226 002	56 519	169 483	14)
Change in other liabilities	167 471	150 971	16 500	15)

(1) A difference between balance sheet change in the receivables from banks and change in the receivables from banks in cash flow statement results from:
   - a change of current accounts and overnight accounts in other banks amounting to PLN 532,278 thousand,
   - a change of current accounts and exercised interest rates, the amount of PLN 5,301 thousand; from the issue of shares in cash flow statements from financing activities, the amount of PLN 148,342 thousand,
   - acquisition of Prikarpattya Bank S.A., the amount of PLN 23,590 thousand,
   - acquisition of TU Europa S.A., the amount of PLN 483,871 thousand,
   - disposal of subsidiary (Getin Raty S.A.), the amount of PLN 2,916 thousand,
   - a change of consolidation adjustments in connection with acquisition of new entities, the amount of PLN 216,088 thousand.
   - foreign exchange differences from foreign entity (Carcade OOO), the amount of PLN 58 thousand.

(2) A difference between balance sheet change in financial assets held for trading and other financial instruments at fair value and change in financial assets held for trading and other financial

instruments at fair value in cash flow statement results from acquiring TU Europa S.A., the amount of PLN 152,145 thousand,

(3) A difference between balance sheet change in derivative financial instruments and change in derivative financial instruments in cash flow statement results from acquiring TU Europa S.A., the amount of PLN 242 thousand,

(4) A difference between balance sheet change in loans and credits allowed to customers and change in loans and credits allowed to customers in cash flow statement results from acquisition of Prikarpattya Bank S.A., the amount of PLN 90,469 thousand,

(5) A difference between balance sheet change in finance lease receivables and change in finance lease receivables in cash flow statement results from:
- foreign exchange differences from foreign entity (Carcade OOO), the amount of PLN 4,293 thousand.
- acquisition of TU Europa S.A., the amount of PLN 1,882 thousand and disposal of a subsidiary (Getin Raty SA), the amount of PLN 127 thousand.

(6) A difference between balance sheet change in securities available for sale and change in securities available for sale in cash flow statement results from:
- valuation of securities posted to revaluation reserve in the amount of PLN 8,898 thousand,
- foreign exchange differences from foreign entity (Prikarpattya Bank S.A.), the amount of PLN 7 thousand,

(7) A difference between balance sheet change in deferred tax assets and change in deferred tax assets in cash flow statement results from:
- foreign exchange differences from foreign entity (Carcade OOO), the amount of PLN 491 thousand.
- disposal of subsidiary (Getin Raty S.A.), the amount of PLN 81 thousand,

(8) A difference between balance sheet change in reinsurer's participation in technical provisions and change in reinsurer's participation in technical provisions in cash flow statement results from acquiring TU Europa S.A., the amount of PLN 1,726 thousand,

(9) A difference between balance sheet change in other assets and change in other assets in cash flow statement results from:
- acquisition of TU Europa S.A. - PLN 79,522 thousand, disposal of subsidiary (Getin Raty S.A.), the amount of PLN 7,129 thousand,
- foreign exchange differences from foreign entity (Carcade OOO and Prikarpattya Bank S.A.) - the amount of PLN 341 thousand,

(10)A difference between balance sheet change in liabilities due to banks and other financial institutions and change in liabilities due to banks and other financial institutions in cash flow statement results from:
- foreign exchange differences from foreign entity (Carcade OOO), the amount of PLN 4,120 thousand.
- acquisition of Prikarpattya Bank S.A., the amount of PLN 21,826 thousand,

(11) A difference between balance sheet change in liabilities due to customers and change in liabilities due to customers in cash flow statement results from:
- acquisition of TU Europa S.A., the amount of PLN 345,369 thousand,
- acquisition of Prikarpattya Bank S.A., the amount of PLN 98,573 thousand,

(12) A difference between balance sheet change in liabilities and change in liabilities in cash flow statement results from:
- inflows from issue of debt securities in flows from financial activities, the amount of PLN 1,565,703 thousand,
- foreign exchange differences from foreign entity (Carcade OOO), the amount of PLN 76 thousand.

(13) A difference between balance sheet change in provisions and change in provisions in cash flow statement results from:
- acquisition of TU Europa S.A., the amount of PLN 26,574 thousand,
- acquisition and foreign exchange differences from foreign entity (Prikarpattya Bank S.A.), the amount of PLN 5,772 thousand,
- disposal of subsidiary (Getin Raty S.A.), the amount of PLN 623 thousand,

(14)A difference between balance sheet change in technical and insurance provisions and change in technical and insurance provisions in cash flow statement results from acquiring TU Europa S.A.

(15)A difference between balance sheet change in other liabilities and change in other liabilities in cash flow statement results from:
- acquisition of TU Europa S.A., the amount of PLN 23,691 thousand,
- disposal of subsidiary (Getin Raty S.A.), the amount of PLN 6,600 thousand,
- foreign exchange differences from foreign entity (Carcade OOO), the amount of PLN 591 thousand.

58 Transactions with related parties

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 note 2.
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., in liquidation
- BP Real Nieruchomości S.A.,
- BP Telervis S.A., in liquidation,
- KONWIN-Kruszwica sp. z o.o., in bankruptcy,
- Agencja Rozwoju Lokalnego S.A.,
- Biuro Informacji Kredytowej S.A.,
- Prefstal Sp. z o.o.

Entities affiliated via PDK S.A.:
- PDK Biznes Sp. z o.o.

Entities affiliated with Getin Holding S.A. via Mr Leszek Czarnecki:

- LC Corp BV
- LC Corp S.A.
- Arkady Wrocławskie S.A.
- Warszawa Nieruchomości Sp. z o.o.
- Łódź Residence Sp. z o.o.,
- Vratislavia Residence Sp. z o.o.,
- Wrocław Nieruchomości Sp. z o.o.
- Europlan projekt Gocław Sp. z o.o.
- Europlan projekt II Sp. z o.o.
- Europlan projekt III Sp. z o.o.
- Europlan projekt IV Sp. z o.o.
- Mercurius DM Sp. z o.o.
- RB Investcom Sp. z o.o.,
- RB Expert S.A.,
- RB Computer Sp. z o.o.,
- Pośrednik Finansowy Sp. z o.o.,
- Getin Raty S.A.
- Górnoślązak Sp. z o.o.
- Getin Leasing S.A.
- Akcept S.A.

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 on the basis of principles and conditions approved by the banks belonging to the Group;
- the evaluation of the subsidiary's creditworthiness is based on principles which apply in evaluating the creditworthiness of the clients of the banks belonging to the Group,
- 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 banks belonging to the Group;
- the banks belonging to the Group also apply general principles of monitoring payments and principles of terminating agreements and collecting debts.

for the 6 month period ended 30 June 2007(in PLN thousand)

Transactions of Getin Holding S.A. with related parties

	Balance Sheet 30.06.2007			Income statement 01.01.2007-30.06.2007				Off-balance sheet 30.06.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Other units; in that:		**3**						
RB Computer sp. z o.o.		3						

	Balance Sheet 31.12.2006			Income statement 01.01.2006-30.06.2006				Off-balance sheet 31.12.2006
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Related parties - non consolidated; in that:		**32 327**			**1 150**			
TU Europa S.A.		11 853			511			
TU na Życie Europa S.A.		20 474			639			
Other units; in that:		**15 793**						
LC Corp SA		43						
H.P. Holding 3 B.V.		5 250						
A.Nagelkerken Holding 3 B.V.		5 250						
International Consultancy Strategy Implementation B.V.		5 250						

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Transactions of Getin Bank S.A. with related parties

	Balance Sheet 30.06.2007			Income statement 01.01.2007-30.06.2007				Off-balance sheet 30.06.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Related parties - non consolidated; in that:	**8 595**	**3 922**	**8 595**		**75**	**3**		
BP Telervis S.A. w likwidacji S.A.	5 527	169	5 527		1	1		
Members of Management Boards and Supervisory Boards of dominant entity		1 672		38	17	1		90
Other units; in that:	**180 912**	**761 064**		**1 982**	**4 757**	**71**	**988**	**97**
Arkady Wrocławskie S.A. (dawniej LC Corp SA)	75 907	10 483		1 810	122	28		
Europlan Projekt IV Sp. z o.o. z siedzibą w Warszawie	99 991			141				
LC Corp BV		721 489			3 636	3		
Getin Leasing S.A.	8	7 005			129	4		
Getin Raty S.A.	23	8 452			82	7	988	
Other related parties	4 983	13 635		31	788	29		97

	Balance Sheet 31.12.2006			Income statement 01.01.2006-30.06.2006				Off-balance sheet 31.12.2006
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Related parties - non consolidated; in that:	**9 717**	**3 975**	**8 805**		**2**	**4**		
BTG Sp. z o.o. w likwidacji	3 441	31	3 093		1	1		
BP REAL Nieruchomości Sp. z o.o.	185	3 721	185					
BP Telervis S.A. w likwidacji	6 091	223	5 527		1	3		
Members of Management Boards and Supervisory Boards of c	1	7 317			34			69
Other units; in that:	**44 322**	**467 114**	**1**	**103**	**348**	**1 419**	**72**	**33 204**
TU Europa S.A.	2 910	57 664			1 064	2	184	
TU Europa na Życie S.A.		132 408			2 050		6	
LC Corp BV		407 987			299	2		
LC Corp S.A.		38 157					72	
Arkady Wrocławskie S.A. (dawniej LC Corp SA)	44 245	4 076		85	16	1		33 204
Wrocław Nieruchomości Sp. z o.o.		10 587			24	1 416		
iCentrum	22			2				
RB INVESTCOM Sp. z o.o.		4 726		1	9			
Posrednik Finansowy Sp. zo.o.	26			2				
Credit Car Sp. z o.o.				11				
Wrocław Nieruchomości Sp. z o.o. w organizacji		1 581						
WTF Sp. z o.o.	29		1	2				

for the 6 month period ended 30 June 2007(in PLN thousand)

Transactions of Carcade OOO with related parties

In H1 2007, there were no transactions with related parties.

	Balance Sheet 31.12.2006			Income statement 01.01.2006-30.06.2006				Off-balance sheet 31.12.2006
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Other units; in that:		**6 004**						
TU Europa S.A.		6 004			3 440			

Transactions of Fiolet S.A. with related parties

In H1 2007, there were no transactions with related parties.

	Balance Sheet 31.12.2006			Income statement 01.01.2006-30.06.2006				Off-balance sheet 31.12.2006
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Other units; in that:	**52**	**25**						
TU Europa S.A.	44	4						
TU na Życie Europa S.A.	8	21						

The Getin Holding Capital Group, consolidated financial statements for the 6 month period ended 30 June 2007(in PLN thousand)

Transactions of Open Finance S.A. with related parties

	Balance Sheet 30.06.2007			Income statement 01.01.2007-30.06.2007				Off-balance sheet 30.06.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Other units; in that:	**80**	**756**						
JML S.A.	28							
Getin Leasing S.A.	52	756						

In H1 2006, there were no inflow and outflow transactions and outstanding receivables and liabilities as at 31 December 2006 with related parties.

Transactions of Noble Bank S.A. with related parties

In H1 2007, there were no transactions with related parties.

	Balance Sheet 31.12.2006			Income statement 01.01.2006-30.06.2006				Off-balance sheet 31.12.2006
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Other units; in that:		**50 000**						
TU Europa S.A. z siedzibą we Wrocławiu		50 000						

for the 6 month period ended 30 June 2007(in PLN thousand)

Transactions of Noble Funds TFI S.A. with related parties

	Balance Sheet 30.06.2007			Income statement 01.01.2007-30.06.2007				Off-balance sheet 30.06.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Other units; in that:	**356**	**446**						
LC Corp BV	339							
Getin Leasing S.A.	17	446						

Transactions of TU Europa S.A. with related parties

	Balance Sheet 30.06.2007			Income statement 01.01.2007-30.06.2007				Off-balance sheet 30.06.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Dominant entity				60				
Other units; in that:	**29 580**	**19**	**2 675**	**999**			**94**	
LC Corp S.A.	26 905			975				

Transactions of TU na Życie Europa S.A. with related parties

	Balance Sheet 30.06.2007			Income statement 01.01.2007-30.06.2007				Off-balance sheet 30.06.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interests income	Interests expense	Commission income	Commission expense	Financial obligations and guarantees granted
Dominant entity				103				

for the 6 month period ended 30 June 2007(in PLN thousand)

Benefits for members of Management Board

Benefits for members of Management Board of Getin Holding S.A.	Value of benefits	
	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Short-term employee benefits	465	530
Equity-settled payments	393	143
Total	**858**	**673**

Benefits for members of Supervisory Board of Getin Holding S.A.	Value of benefits	
	01.01.2007-30.06.2007	01.01.2006-30.06.2006
Short-term employee benefits	42	23
Equity-settled payments	275	0
Total	**317**	**23**

Benefits for members of Management Boards and Supervisory Boards of subsidiaries	Value of benefits	
	01.01.2007-30.06.2007 thousand PLN	01.01.2006-30.06.2006 thousand PLN
Management Board		
Short-term employee benefits	6 436	3 618
Post-employment benefits	67	52
Other long-term benefits	0	574
Severance payments	0	128
Equity-settled payments	3 624	753
Total	**10 127**	**5 125**
Supervisory Board		
Short-term employee benefits	111	85
Post-employment benefits	0	0
Other long-term benefits	0	0
Severance payments	0	0
Equity-settled payments	2	18
Total	**113**	**103**
Aggregated value of benefits	**10 240**	**5 228**

59 Business combinations

Company	Acquisition date	Shares acquired/disposed in net assets	Shares acquired/disposed in net assets after acquisition	Consideration paid in PLN thousand	Of which paid with cash	Value of net assets acquired/disposed	Goodwill on acquisition	Badwill on acquisition
Carcade OOO	09.2003	49.00%	49.0%	5 058	5 058	-2 119	7 177	
Carcade OOO	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	6 586	0	
Open Finance**	10.2005	70.00%	70.00%	6 586	6 586	25 783	0	-19 197
Noble Bank*	12.2005	99.91%	99.91%	210 594	210 594	203 669	6 925	
Open Finance	01.2006	30.00%	100.00%	15 924	15 924	11 720	4 204	
Noble Bank*	01.2006	-7.49%	92.42%	15 795	15 795	15 289	-506	
Getin Bank	6-12.2006	0,1%	99,39%	184 907	184 907	184 703	204	
Getin International S.a.r.l	12.2006	100%	100%	3 812	3 812	3 812	0	
Noble Bank*	12.2006	-7.49%	84,93%	15 750	15 750	18 295	-519	
Carcade OOO	03.2007	40%	100%	29 590	29 590	4 258	25 332	
TU Europa S.A.	04.2007	79,47%	99,46%	564 661	564 661	197 208	367 453	
Prikarpattya Bank S.A.	05.2007	92,7%	92,7%	67 523	67 523	27 256	40 267	
Noble Bank S.A.	05.2007	-12,88%	72,12%	157 500	157 500	-73 490	-1 581	
Getin Bank S.A.	01-06.2007	0,07%	99,46%	123	123	139	-16	

* earlier Wschodni Bank Cukrownictwa S.A.
** retrospective adjustment of the acquisition that was settled provisionally in 2005; the negative value of the company was entered retrospectively to the remaining operational incomes of the year 2005;

<u>Provisional acquisition settlement of companies from H1 2007</u>

In H1 2007, Getin Holding took over TU Europa S.A. and Prikarpattya Bank S.A. as a result of share purchase transaction. Due to the fact, that reliable valuation of the fair value of acquired assets, liabilities and contingent liabilities, as well as separation and valuation of possible intangible assets (e.g., trademark) as at the acquisition dates of these companies had not been possible before the date when this consolidated financial statement was prepared, the Group performed initial recognition of purchase of these companies determined provisionally. As a result of initial recognition, the company's goodwill has been recognised as specified in the table above.

<u>Sales of entities in H1 2007</u>

In January 2007, Getin Holding disposed of 100% of shares of Getin Raty S.A. The book value of the company was PLN 3.1 million, and disposal price amounted to PLN 5.1 million. Profit from the sale amounted to PLN 2 million.

In May 2007, Getin Holding disposed of 15 million of shares of Noble Bank S.A. which constituted 7.49% of Noble Bank capital. Moreover, as a result of public offer of 15 million of Noble Bank's new shares, in May 2007, the share of Getin Holding in Noble Bank decreased by further 5.4%. The performance of Getin Holding Group in sales and new issue of Noble Bank's shares are as follows:

	In thousand PLN				
Result on cash sale					
Net income on sale (after commission and tax)	129 335				
Net assets of Noble Bank Group			290 973		
Value of 7.49% stake sold by GH	21 794				
Write off of respective amount of goodwill	-891				
Net gain on cash sale	**106 650**	**A**			
Result on decrease of share after Noble Bank IPO			GH Share		
Net assets of Noble Bank Group pre-IPO	290 973		225 562		77.52%
IPO proceeds	153 929				
Net assets of Noble Bank Group post-IPO	**444 902**		320 846		72.12%
Change in GH share in net assets			95 284		
Write off of respective amount of goodwill			-690		
Net result on IPO			**94 593**	**B**	
Total impact on consolidated result	**201 244**	**A+B**			

Disclosure related to entities acquired in the current financial period, pursuant to IFRS 3 par. 67 (i) and par. 70:

Half year 2007	Income	Net profit/loss for the period	Net profit/loss of acquired company form the date of acquistion not taken into account in net profit/loss of Group*	Income of acquired company form the date of acquistion not taken into account in net profit/loss of Group*	Net profit/loss of acquired company form the date of acquistion taken into account in net profit/loss of Group*	Income of acquired company form the date of acquistion taken into account in net profit/loss of Group*	Share in capital as at 30.06.2007
Grupa TU Europa**	178 237	39 727	n/d	n/d	39 727	178 237	99.46%
Pricarpattya Bank	-162	9 714	-432	6 277	270	3 437	92.70%

* before shares of Getin Holding Group taken into account
** till 23.04.07 equity method (share 19,99%); from 24.04.07 full method consolidation

In 2006, there were no mergers or acquisitions of entities that were not included in consolidated financial statements in earlier periods.

60 Post-balance sheet events

On 24 August 2007, Getin Holding paid EUR 500 thousand to increase the share capital in its subsidiary Getin International S.a.r.l.

Wrocław, September 5, 2007