THE GETIN HOLDING CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
FOR THE YEAR ENDED 31 DECEMBER 2006
TOGETHER WITH INDEPENDENT AUDITORS' REPORT

GETIN HOLDING S.A.

Consolidated financial statements for the year ended 31 December 2006

To the Shareholders of Getin Holding S.A.

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

The consolidated financial statements for the year ended 31 December 2006 included in this Report have been prepared on the assumption that the Group will continue as a going concern without any significant limitation in the scope of its activities. These consolidated financial statements present truly and fairly all information material for the assessment of the results of the Group operations for the year ended 31 December 2006.

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

The consolidated balance sheet, income statement, cash flow statement and additional notes to the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards 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.

Piotr Stępniak, President of the Management Board

Artur Wiza, Member of the Management Board

Radosław Stefurak, Financial Director

Wrocław, 22 March 2007

Table of contents

CONSOLIDATED INCOME STATEMENT

For the 12 month periods ended 31 December 2006 and 31 December 2005

		Notes	31 December 2006 in thousand PLN	31 December 2005 in thousand PLN
I.	Interest income	9	667 435	482 088
II.	Interest expense	9	303 338	211 039
III.	**Net interest income**		**364 097**	**271 049**
IV.	Fee and commission income	10	204 022	72 116
V.	Fee and commission expense	10	29 707	10 759
VI.	**Net fee and commission income**		**174 315**	**61 357**
VII.	Dividend received	11	1 178	128
VIII.	Result on financial instruments re-measured to fair value	12	42 435	4 360
IX.	Result on investment securities	13	-7 406	561
X.	Foreign exchange result	15	94 841	53 994
XI.	Other operating income	16	40 555	65 356
XII.	Other operating expenses	16	23 906	20 706
XIII.	**Net operating income**		**147 697**	**103 693**
XIV.	Provisions for impairment losses	19	-88 608	-74 859
XV.	Administrative expenses	17	392 308	254 318
XVI.	**Operating profit**		**205 193**	**106 922**
XVII.	Share in net profit (loss) of associates	21	-38	-841
XVIII.	**Profit / loss before income tax**		**205 155**	**106 081**
XIX.	Corporate income tax	22	35 204	14 275
XX.	**Net profit /loss for the period**		**169 951**	**91 806**
1.	Attributable to equity holders of the Company		160 226	78 439
2.	Attributable to minority interest		9 725	13 367
	Earnings per share			
	- basic for the period	23	0,29	0,19
	- diluted for the period	23	0,28	0,18

There were no discontinued activities.

CONSOLIDATED BALANCE SHEET

As at 31 December 2006 and 31 December 2005

		Notes	31 December 2006 in thousand PLN	31 December 2005 in thousand PLN
	ASSETS			
I.	Cash and balances with the Central Bank	25	294 546	182 523
II.	Bills of exchange eligible for rediscounting with the Central Bank		360	2 063
III.	Amounts due from banks	26	2 939 875	1 888 578
IV.	Financial assets held for trading	27	80	80
V.	Derivative financial instruments	28	48 136	17 585
VI.	Other financial instruments at fair value through profit or loss	29		
VII.	Loans and advances to customers	30	6 078 719	3 290 435
VIII.	Finance lease receivables	31	155 403	83 078
IX.	Investment securities	32	1 620 597	1 551 514
	1. Available for sale	32	1 588 161	1 516 597
	2. Held to maturity	32	32 436	34 917
X.	Investments in associates	33	113 088	2 736
XI.	Intangible assets	35	454 639	437 904
XII.	Property, plant and equipment	36	90 877	96 325
XIII.	Investment properties	37	12 492	17 602
XIV.	Non current assets classified as held for sale	39	25 564	2 943
XV.	Tax assets	22	127 825	93 109
	1. Current tax assets		6 458	3 630
	2. Deferred tax assets		121 367	89 479
XVI.	Other assets	38	82 939	51 529
	TOTAL ASSETS		**12 045 140**	**7 718 004**
	LIABILITIES AND EQUITY			
	Liabilities			
I.	Amounts due to Central Bank	41		
II.	Amounts due to other banks and finance institutions	42	1 656 755	1 414 928
III.	Derivative financial instruments	28	22 382	1 421
IV.	Other finance liabilities at fair value through profit or loss	43		
V.	Deposits from customers	44	6 567 175	4 692 426
VI.	Issued debt	45	1 436 164	256 072
VII.	Income tax payable		571	26
VIII.	Other liabilities	46	146 229	115 159
IX.	Deferred tax liabilities	22	78 346	57 820
X.	Provisions	47	31 316	53 106
XI.	Liabilities directly associated with non-current assets classified as available for sale	39	0	1 228
	TOTAL LIABILITIES		**9 938 938**	**6 592 186**
	Equity attributable to equity holders of the parent company		**2 056 188**	**1 107 180**
XII.	Share capital	50	644 923	534 335
XIII.	Retained earnings	51	-14 234	-11 952
XIV.	Net (loss) profit		160 226	78 439
XV.	Other reserves	51	1 265 273	506 358
	Minority interest		**50 014**	**18 638**
	Total equity		**2 106 202**	**1 125 818**
	TOTAL EQUITY AND LIABILITIES		**12 045 140**	**7 718 004**

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY

For the year ended 31 December 2006

	Attributable to equity holders of the parent company											
			Other capital							Total	Minority interest	Total equity
	Share capital	Retained earnings	Reserve capital	Revaluation reserve	General Risk Fund	Other reserves	Cumulative translation adjustment [from translation of subordinated entities]	Convertible bonds	Net (loss) profit			
	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN
At 1 January 2006 (as per IFRS)	**534 335**	**-11 952**	**469 352**	**12 128**	**0**	**22 709**	**214**	**1 955**	**78 439**	**1 107 180**	**18 638**	**1 125 818**
Equity issued	110 588		695 475							806 063	0	806 063
Costs of equity isssue			-17 607							-17 607	0	-17 607
Net profit or (loss) for the period									160 226	160 226	9 725	169 951
Transfer of profit for previous year to retained earnings		78 439							-78 439	0	0	0
Appropriation of profit of Getin Bank S.A.		-80 554				80 554				0	0	0
Appropriation of profit of Fiolet SA		-695				695				0	0	0
Net change of available for sale investments				-2 496						-2 496	-68	-2 564
Managerial options								2 713		2 713	0	2 713
Acquisition of Open Finance										0	-11 719	-11 719
Disposal of Noble Bank shares										0	33 570	33 570
Acquisition of Noble Bank shares										0	-192	-192
Acquisition of Getin Bank shares										0	170	170
Cumulative translation adjustment [from translation of subordinated entities]							-420			-420	-110	-530
Other		529								529	0	529
At 31 December 2006 (as per IFRS)	**644 923**	**-14 234**	**1 147 220**	**9 632**	**0**	**103 959**	**-206**	**4 668**	**160 226**	**2 056 188**	**50 014**	**2 106 202**

Notes to the consolidated financial statements presented on pages 9-106 are an integral part of this consolidated income statement

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY

Comparative data for the year ended 31 December 2005

	Attributable to equity holders of the parent company											
			Other capital							Total	Minority interest	Total equity
	Share capital	Retained earnings	Reserve capital	Revaluation reserve	General Risk Fund	Other reserves	Cumulative translation adjustment [from translation of subordinated entities]	Convertible bonds	Net (loss) profit			
	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN	in thousand PLN
At 31 December 2004	**315 000**	**-25 708**	**95 678**	**2 380**			**-112**		**22 074**	**409 312**	**121 938**	**531 250**
Impact of IAS 39 application in relation to provisions for impairment losses on loans		10 882								10 882	4 402	15 284
At 1 January 2005 (as per IFRS)	**315 000**	**-14 826**	**95 678**	**2 380**	**0**	**0**	**-112**	**0**	**22 074**	**420 194**	**126 340**	**546 534**
Issue of shares	219 335		377 282							596 617		596 617
Net profit or (loss) for the period									78 439	78 439	13 367	91 806
Transfer of profit for previous year to retained earnings		22 074							-22 074	0		0
Appropriation of profit of Getin Bank S.A.		-22 709				22 709				0		0
Coverage of loss of Getin Holding S.A.		3 608	-3 608							0		0
Net change of investment securities available for sale less deferred tax				9 748						9 748	8 040	17 788
Managerial options								1 955		1 955		1 955
Consolidation purchase – Fiolet SA										0	836	836
Acquisition of Open Finance										0	2 823	2 823
Acquisition of WBC S.A.										0	8 299	8 299
Consolidation purchases / GB issue of shares of series S										0	2 089	2 089
Consolidation purchases – GB contributing issue of series I shares										0	-138 062	-138 062
Consolidation purchase / GB issue of series T shares										0	195	195
Purchasing of GB shares										0	-5 359	-5 359
Cumulative translation adjustment [from translation of subordinated entities]							326			326	70	396
Other		-99								-99		-99
At 31 December 2005 (as per IFRS)	**534 335**	**-11 952**	**469 352**	**12 128**	**0**	**22 709**	**214**	**1 955**	**78 439**	**1 107 180**	**18 638**	**1 125 818**

CONSOLIDATED CASH FLOW STATEMENT

For the 12 month periods ended 31 December 2006 and 31 December 2005

	Notes	31 December 2006 in thousand PLN	31 December 2005 in thousand PLN
Cash flows from operating activities			
Net profit (loss)		169 951	91 806
Adjustments:		-1 385 051	17 333
Depreciation		29 511	20 915
Share in net profit of associates		38	841
Foreign exchange differences		-47	-12
(Profit) loss on investing activities		16 464	-1 760
Interest and dividend		-619	-107
Change in receivables from banks		-596 982	39 692
Change in financial assets held for trading and other financial instruments at fair value through profit or loss		0	766
Change in derivative financial instruments (assets)		-30 551	-14 025
Change in loans and advances to customers		-2 788 284	-1 496 709
Change in finance lease receivables		-76 964	-32 627
Change in investment securities available for sale		-73 402	-363 926
Change in deferred tax assets		-32 596	-37 100
Change in other assets		-16 392	121 971
Change in amounts due to banks		246 254	972 483
Change in derivative financial instruments and other financial liabilities at fair value through profit or loss		20 961	1 387
Change in amounts due to customers		1 874 749	815 187
Change in liabilities from the issue of debt securities		43 907	3 068
Change in provisions		-1 264	1 449
Change in other liabilities		18 916	12 330
Other adjustments		-20 551	-18 894
Income tax paid		-46 210	-58 003
Current tax expense		48 011	50 407
Net cash from operating activities		**-1 215 100**	**109 139**
Cash flows from investing activities			
Inflows		**28 174**	**14 131**
Sale of shares in subsidiaries, net of cash disposed		15 750	0
Sale of shares in associates		0	400
Sale of investment securities		2 481	2 074
Proceeds from sale of intangible assets and tangible fixed assets		8 646	11 529
Other investing inflows		1 297	128
Outflows		**-194 232**	**-234 781**
Purchase of subsidiaries, net of cash acquired	53	-30 297	-193 870
Purchase of associates		-114 325	-2 175
Purchase of investment securities		0	0
Purchase of intangible assets and tangible fixed assets		-49 357	-38 736
Other investing outflows		-253	0
Net cash used in investing activities		**-166 058**	**-220 650**
Cash flows from financing activities			
Issue of shares		806 064	247 895
Issue of debt securities		1 178 472	257 924
Redemption of debt securities issued		-41 383	-25 204
Dividends paid to equity holders of the parent company		0	0
Dividends paid to minority interest		0	0
Issue of shares costs		-17 607	0
Other financing inflows/outflows		-4 012	850
Net cash from financing activities		**1 921 534**	**481 465**
D. Net change in cash and cash equivalents		540 376	369 954
Net foreign exchange differences		-37	20
E. Cash and cash equivalents at the beginning of the period		765 358	395 384
F. Cash and cash equivalents at the end of the period (F+/- D)	53	**1 305 697**	**765 358**
of which is restricted use			1

ADDITIONAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 General information

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

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

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

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

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

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

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

(in thousand PLN)

2 Composition of the Group

As at 31 December 2006 the Group consists of Getin Holding S.A. and the following companies:

Subsidiaries:

Company name	Registered office	Type of activity	% in share capital 31.12.2006	31.12.2005	Consolidation method
Getin Bank S.A.	ul. Pszczyńska 10, Katowice	Banking	99,39%	99,25%	full
GBG Serwis Sp.z o.o.	ul. 1 Maja 87, Katowice	Protection of persons and property; provision of services	0%[1)]	100%[1)]	full
Getin Finance PLC	London, Great Britain	Financial services	100%[2)]	0%	full
Carcade OOO	ul. Prospekt Mira 81 Kaliningrad, Russian Federation	Lease	60%	60%	full
Getin International S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	Holding activitiy for consumer finance in Russia and Ukraine	100%	0%	full
Noble Bank S.A.	ul. Domaniewska 39B, Warsaw	Banking	85%	99,91%	full
Open Finance S.A.	ul. Wołoska 18, Warsaw	Financial consulting	85%[3)]	70%	full
Noble Funds TFI S.A.	ul. Domaniewska 39B, Warsaw	Financial and investment consulting	85%[3)]	0%	full
Fiolet S.A.	ul. Tylna 12 Łódź	Financial and insurance agency services	60%	60%	full
Getin Raty S.A.	ul. Sączewskiego 17 Będzin	Lease and financial agency services	100%	100%	full

[1)] GBG Serwis Sp. z o.o. was the subsidiary until 22 January 2006, when it was sold by Getin Bank S.A., which held 100% of shares in GBG Serwis Sp. z o.o.
[2)] The company established in 2006; 99.998% shares are held by Getin Bank S.A., and 0.002% by Getin Holding S.A.
[3)] As at 31 December 2006 Noble Bank S.A. owns 100% shares in Open Finance S.A. and Noble Funds TFI S.A.

(in thousand PLN)

Associates:

Company name	Registered office	Type of activity	% in share capital 31.12.2006	31.12.2005	Valuation method
Powszechny Dom Kredytowy SA	ul.Sukiennice 6, Wrocław	Financial agency	21,00%	21,00%	Equity method
Górnoślązak Sp. z o.o. [1)]	ul. 1 Maja 87, Katowice	Debt collection	49,00%	49,00%	Equity method
Towarzystwo Ubezpieczeń Europa S.A.	Pl. Orląt Lwowskich 1, Wrocław	Insurance services	19,99%	0%	Equity method
Towarzystwo Ubezpieczeń na Życie Europa S.A. [2)]	Pl. Orląt Lwowskich 1, Wrocław	Insurance services	19,99%	0%	Equity method
Getin Leasing SA [3)]	ul. Powstańców Śląskich Wrocław	Lease	12,24%	20,70%	N/D

[1)] Górnoślązak Sp. z o.o. was the subsdidary until 22 January 2006, when the disposal was effected of GBG Serwis Sp. z o.o., which held 49% of shares in Górnoślązak Spółka z o.o. As at 30 June 2006, GETIN Raty S.A. holds 49% shares in Górnoślązak Sp. z o.o.
2) Towarzystwo Ubezpieczeń Europa S.A. owns 100% of shares of Towarzystwo Ubezpieczeń na Życie Europa S.A. Getin Holding has considerable influence over the entity, as two members of the entity's Supervisory Board are employees of Getin Holding Group, while subsidiaries of Getin Holding generate a considerable part of TU Europa S.A. business.
3) Getin Leasing SA had been an associate by April 2006.

During the period from 1 January 2006 to 31 December 2006, the following changes took place in the composition of the Capital Group:

- Disposal as at 19 January 2006 by Getin Bank all of possessed shares of GBG Serwis Sp. z o.o. located in Sosnowiec on behalf of EKOTRADE Sp. z o.o. located in Warszawa. The disposed shares represented 100% of the share capital of GBG Serwis. Additionally GBG Serwis Sp. z o.o. possessed 49% of the shares of Górnoślązak Sp. z o.o., consequently by the disposal of GBG Serwis Sp. z o.o., Getin Holding Capital Group reduced its shares of Górnoślązak Sp. z o.o. from 98% to 49%.
- Acquisition, in accordance with the agreement dated 25 January 2006, by Getin Holding from ASK Investments of 150.000 ordinary bearer shares of Open Finance, which represent 30% of the share capital of Open Finance and give 150,000 (30%) votes at the General Shareholders' Meeting of Open Finance,
- Disposal by Getin Holding to ASK Investments of 15,000,000 registered, preference shares, class „G" of WBC (Wschodni Bank Cukrownictwa), which represent 7.49% of the share capital of WBC and give right to 7.5% of shares at the General Shareholders' Meeting of WBC (agreement dated 25 January 2006),
- Taking up by Getin Bank as of 31 March 2006, 49,998 ordinary bearer shares of Getin Finance Public Limited Company with its registered office in London, Great Britain, representing 99,998% of the share capital of Getin Finance and giving the same number of votes at the shareholders' meeting of Getin Finance. Getin Holding owns directly one share of Getin Finance, which represents 0.002 % of the share capital of Getin Finance.
- On 20 November 2006, taking up of 100% of share capital in Getin International S.a.r.l with its registered office in the Grand Duchy of Luxembourg, ("Getin International").
- On 22 December 2006, sale of 7.49% shares of Noble Bank to companies being subsidiaries of the following persons: Mr Jarosław Augustyniak (Vice-President of the Noble Bank Management Board), Mr Maurycy Khun (Member of the Noble Bank Management Board) and Krzysztof Spyra (Member of the Noble Bank Management Board).

- Increase of Getin Holding's share in the share capital of Getin Bank up to 178,052,024 shares, accounting for 99.39% of Getin Bank share capital.
- On 9 May 2006, Noble Funds TFI S.A. was registered by the District Court for the Capital City of Warsaw in Warsaw, XIII Economic Division of the National Court Register; by way of a decision of 16 October 2006, the Polish Financial Supervision Authority (KNF) granted to Noble Funds TFI S.A. a permit to pursue a business activity consisting in creation of investment funds and management of third parties' portfolios of securities.

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
- Artur Wiza – Member of the Management Board

In the period covered by these consolidated financial statements i.e. from 1 January 2006 to 31 December 2006, the following changes took place in the composition of the Company's Management Board:

- Mr Tadeusz Pietka resigned as Vice-President of the Management Board of Getin Holding S.A. as of 1 February 2006.
- As of 20 September 2006, the Company's Supervisory Board appointed Mr Artur Wiza as a Member of the Management Board.

4 Approval of the financial statements

These consolidated financial statements were approved for publication on 22 March 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 available-for-sale financial assets that have been measured at fair value.

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

The consolidated financial statements have been prepared on the assumption that the group companies will continue as going concerns in the foreseeable future i.e. for a period of at least 12 months from 31 December 2006. As at the date of approval of these consolidated financial statements, there were no circumstances that would indicate a threat to the continued activity of the Group companies.

5.2 Statements of compliance

The attached consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards („IFRS"), including International Accounting Standard No. 34 and IFRS adopted by the European Union. On the date of the approval of the Consolidated Financial Statements approval, given the current process of implementation of IFRS in the European

Union and the scope of the Group's activities, to the extent of accounting policies adopted by the Group there is no difference between IFRS and IFRS adopted by European Union.

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

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

5.3 Estimates

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

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

- Impairment of financial assets

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

- Impairment of investments in associates

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

- Impairment of other non-current assets

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

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

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

- Calculation of provision for retirement benefits

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

- Impairment of goodwill

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

5.4 Measurement and reporting currency

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

The measurement currency of Carcade OOO is the Russian rouble.

The measurement currency of Getin International S.a.r.l. and Getin Finance PLC is euro.

5.5 Changes in accounting policies

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

- Amendment to IAS 19 *Employee benefits* – this amendment opens the possibility to apply an alternative method of accounting for actuarial gains and losses in equity. It also specifies additional requirements for certain multi-employer plans. Additionally, this amendment introduces new information requirements. Since the Group does not intend to change its accounting policies concerning the method of disclosure of actuarial gains and losses and does not participate in any multi-employer program, the application of amended IAS 19 affected only the scope of the information disclosed.
- Amendment to IAS 39 *Fair value option* – this amendment limits the application of the option of re-measurement of financial instruments to fair value through profit or loss. Due to the fact that the Group included in the category of financial instruments at fair value through profit and loss only the financial instruments held-for-trading, this amendment to IAS 39 did not have any effect on the assets or liabilities disclosed, or their values.
- IAS 39 Financial instruments: recognition and measurement

  The change related to financial guarantee contracts (issued in August 2005) modified the scope of IAS 39 in such a way that this standard in the current form requires that the financial guarantee contracts, which are not recognised as insurance contracts, to be initially recognised at the fair value, and next valued at the highest 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 reduction recognised in accordance with IAS 18 Revenues. That change did not effect the financial statement.

  The change related to the hedging of forecast intragroup transactions (issued in April 2005) modified IAS 39 in such a way that this standard in the current form allows the determination of the currency risk involved in an intragroup transaction forecast as highly probable relating to a hedging position in the hedging of cash flows on condition that the transaction is denominated in a currency other than the operational currency of each party to the transaction and on condition that the currency risk will affect the consolidated income statement. As the Group has no such transactions at the moment, the correction did not have any effect on the financial statement.
- The change related to fair value option measurement (issued in June 2005) modified the IAS 39 in such a way that in the current form it restricts the application of the fair value option measurement of a component of financial assets or financial liability. As the Group has not utilised that option so far, the implemented change will have no effect on the financial statement.
- IFRS 6 *Exploration and Evaluation of Mineral Resources* – this standard applies to the companies operating in the excavation industry and does not affect the Group.
- Interpretation IFRIC 4 *Determining Whether an Arrangement Contains a Lease* – this interpretation requires to review the agreements which legal form is not a lease agreement, but which may still result in the right to have the asset at ones' disposal. As a result of the review of such agreements, the Management Board concluded that this Standard is not applicable to the Group.
- Interpretation IFRIC 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds* – this interpretation does not relate either to the business activities or transactions made by the Group.

- Interpretation IFRIC 6 *Obligations arising from participating in the electric and electronic market* – this interpretation does not relate either to the business activities or transactions made by the Group.

Additionally, in the year 2006, the Group did not make any changes in the accounting policies.

Earlier application:
Due to the introduction of IFRS 7 and amendments to IAS 1, the Group will be obliged to make additional disclosures concerning owned financial instruments and the capital as for the year beginning on 1 January 2007. The Group is currently reviewing such requirements so as to make appropriate disclosures in its financial statement for the year beginning 1 January 2007.

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:

- Amendment to IAS 1 Presentation of Financial Statements, Disclosures about Capital (applicable to yearly periods beginning as of 1 January 2007)
- IFRS 7 Financial Instruments: Disclosures of Information (applicable to yearly periods beginning as of 1 January 2007)
- IFRS 8 Operating Segments (applicable to yearly periods beginning as of 1 January 2009)
- Interpretation IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (applicable to yearly periods beginning as of 1 March 2006)
- Interpretation IFRIC 8 Scope of IFRS 2 (applicable to yearly periods beginning as of 1 May 2006)
- Interpretation IFRIC 9 Reassessment of Embedded Derivatives (applicable to yearly periods beginning as of 1 June 2006)
- Interpretation IFRIC 10 Interim Financial Reporting and Impairment (applicable to yearly periods beginning as of 1 November 2006)
- Interpretation IFRIC 11 Group and Treasury Share Transactions (applicable to yearly periods beginning as of 1 March 2007)
- Interpretation IFRIC 12 Service Concession Arrangements (applicable to yearly periods beginning as of 1 January 2008)

Due to the introduction of IFRS 7 and amendments to IAS 1, the Group will be obliged to make additional disclosures concerning owned financial instruments and the capital as for the year beginning on 1 January 2007. The Group is currently reviewing such requirements so as to make appropriate disclosures in its financial statement for the year beginning 1 January 2007.

5.7 Retrospective adjustment of comparable data

In its financial statement for the year ended on 31 December 2005, the Group made initial accounting determined provisionally for acquisition of 70% shares of Open Finance in October 2005, when control over Open Finance was obtained . Reliable valuation of the fair value of acquired assets, liabilities and contingent liabilities of Open Finance as at the acquisition date had not been possible before the date when the 2005 consolidated financial statement was prepared. The difference between the purchase price and the Group's share in net assets as at book value was recognised as the Open Finance trademark amounting to 13.6 million PLN.
In Q1 2006, the Group measured fair values of acquired intangible assets of Open Finance and recognised the trademark at 50.6 million PLN.

(in thousand PLN)

The table below presents a completed initial accounting for acquisition of Open Finance as compared to initial accounting determined provisionally in 2005:

	Completed initial accounting	Accounting determined provisionally	Retrospective adjustment of the 2005 financials
	a	*b*	*a - b*
Fair value of assets	58 201	21 163	37 038
in which trademark	50 600	13 562	
Fair value of liabilities	21 368	11 754	9 614
In which deferred tax recognized on trademark	9 614		
Fair value of net assets	36 833	9 409	27 424
70% GH share in net assets at fair value	25 783	6 586	19 197
Acquisition price (in which 86 thousand PLN of acquisition costs)	6 586	6 586	
Badwill	-19 197	0	-19 197
30% minority share in net assets at fair value	11 050	2 823	8 227

As a result of the completed initial accounting of Open Finance acquisition, a negative goodwill of 19,197 thousand PLN was established; in line with IAS 3.56(b), it was retrospectively charged to other operating income of 2005. An impact of the retrospective adjustment resulting from the completed initial accounting of Open Finance acquisition on the consolidated financial statement for 2005 is presented below:

	Publicated historical data	Adjusted financial data	Retrospective adjustment
Consolidated balance sheet as at 31.12.2005			
Intangible assets	400 866	437 904	37 038
Provision for deferred tax	48 206	57 820	9 614
Net profit attributable to equity holders of the company	59 242	78 439	19 197
Minority interest	10 411	18 638	8 227
Consolidated profit and loss account 2005			
Other operating income	46 159	65 356	19 197
Net profit attributable to equity holders of the company	59 242	78 439	19 197

5.8 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 12 month period ended 31 December 2006. 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. Adjustments have been made in order to eliminate any discrepancies in the accounting policies applied.

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

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

(in thousand PLN)

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

5.9 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.

5.10 Foreign currency transactions

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

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

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

	31 December 2006	31 December 2005
USD	2,9105	3,2613
EURO	3,8312	3,8598
RUB	0,1105	0,1135

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

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

The functional currency of Carcade OOO is the Russian rouble (RUB). The functional currency of Getin International S.a.r.l and Getin Finance PLC is euro (EUR).

(in thousand PLN)

5.11 Tangible fixed assets

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

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

Prepayments for construction in progress are stated at nominal value.

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

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

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

Buildings	2,5 -5,0 %
Leasehold improvements (buildings)	10,0%-30%
Plant and machinery (except from komputer hardware)	20,0%
Own komputer hardware	20,0% - 30,0%
Own motor vehicles	14,0% - 20,0%
Other	10,0% - 20,0%

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

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

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

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

5.12 Investment property

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

5.13 Intangible assets

Intangible assets are assets which meet the following criteria:

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

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

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

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

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

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

5.14 Research and development costs

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

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

5.15 Goodwill

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

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

5.16 Borrowing costs

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

5.17 Inventories

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

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

5.18 Lease receivables

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

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

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

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

5.19 Cash and cash equivalents

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

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

5.20 Financial instruments

Financial instruments are divided into the following categories:
- Financial assets (investments) held-to-maturity;
- Financial instruments (asset or liability) at fair value through profit or loss;
- Loans and receivables; and
- Financial assets available for sale.

Financial assets held to maturity are investments with fixed or determinable payments and a fixed maturity date, which the Group is going and able to hold by that time. Held-to-maturity financial assets are measured at amortised 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 acquired with a view to bringing profit due to short-term price fluctuations are classified as financial assets held at their fair value through profit or loss. Financial assets held at their fair value through profit or loss, are held at their fair value, considering their market value as at the balance sheet date. Increases or decreases in such financial instruments are recognised in financial income or expense. Financial assets held at fair value through profit or loss, are recognised among current assets.
Loans and receivables are financial assets with fixed or determinable payments that are not quoted on an active market, other than derivative instruments. They are considered to be current assets, if their maturity date falls earlier than 12 months after the balance sheet date. Loans and receivables with a maturity date longer than 12 months as of the balance sheet date are recognised among fixed assets.
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 derecognised 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 recognised 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.

5.21 Derivatives

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

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

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

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

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

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

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

5.22 Hedging instruments

The Group does not apply hedging accounting.

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

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

5.23 Contingent liabilities and commitments

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

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

5.24 Prepayments and deferred costs

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

5.25 Recoverable amount of long-term assets

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

5.26 Shareholders' equity of the Capital Group

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

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

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

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

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

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

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

5.27 Minority shareholders' equity

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

5.28 Provisions

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

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

5.29 Liabilities including loans and borrowings

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

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

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

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

5.30 Accrued expenses

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

5.31 Retirement benefits

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

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

5.32 Revenue recognition, costs and financial profit/loss

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

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

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

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

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

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

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

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

Restricted interest is not recognised in the income statement.

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

Other commission and charges are subject to accrual.

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

- preparation fees and commission;
- commitment fees.

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

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

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

Sale of goods for resale and finished goods

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

5.33 Dividends

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

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

5.34 Current tax expense and deferred tax

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

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

Deferred tax liabilities are recognised for all taxable temporary differences:

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

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

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

The carrying 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 and exclusively 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.

5.35 Net earnings per share

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

5.36 Social assets Social Fund liabilities

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

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

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

5.37 Share-based payment transactions

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

<u>Equity-settled share-based payment transactions</u>

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

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

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

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

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

5.38 Jointly-controlled entities

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

5.39 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).

6 Effects of changes in accounting policies

In the year 2006, the Group did not make any changes in its accounting policies.

7 Financial risk management objectives and policies

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

As at 31 December 2006, the credit risk of balance sheet and off-balance sheet financial instruments measured by the risk-weighted amount of off-balance sheet assets and liabilities is PLN 6 431 468 thousand, while that measured by the equity requirement is 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 31 December 2006 was PLN 5 thousand.

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

In its operations, the Bank is exposed to credit risk, liquidity, market and operating risk. According to the resolution of the Commission for Banking Supervision, the Bank is obliged to calculate capital adequacy requirements against the individual types of risk, and hence to ensure that the Bank's own funds match the exposure level. The Resolution of the Committee for Banking Supervision defines the calculation method of capital adequacy ratio, whereby, apart from credit risk, certain capital requirements in respect of other risk types (e.g. currency risk, interest rate risk) are included in the calculation of the capital adequacy ratio. The capital adequacy ratio defined by the Banking Law at the minimum 8%, was 12,2% as at 31 December 2006.

Credit risk
Credit risk management in Getin Bank SA is to ensure safety of lending activities conducted by the Bank while maintaining a rational approach to risk. In conducting lending activities, Getin Bank SA follows the following principles:

1) It acquires and keeps in its portfolio, loan exposures which ensure safety of deposits and Bank's capital by earning stable income.
2) In taking loan-granting decisions, Getin Bank SA examines the risks arising from a given transaction in the context of the general credit risk of the given client and industry as well as a number of other events that may have an impact on the client's ability to pay its debts.
3) A loan or other exposures are granted when the client meets the conditions determined in the Bank's internal regulations.
The Bank carries out its business activities in the following four areas:
- financing purchases of cars,
- mortgage banking,
- consumer loans (cash loans, installment loans, credit cards),
- servicing SMEs and state budget entities (mainly through factoring, leasing, short-term working capital loans).
The Bank has procedures in place for the individual loan products and has drawn up a document – Lending Policy, which sets the principles of lending policy and credit risk management in trading areas. This document has been approved by the Bank's Management Board on 29 June 2006 and has been adopted by the Bank's Supervisory Board on 12 July 2006.
In order to ensure objective assessment of credit risk at Getin Bank, within the structure of the trading areas, the sales process (acquiring clients) has been separated from the process of credit risk assessment and acceptance. Each area has a separate acceptance centre which is responsible for the assessment and acceptance of the particular loan applications, and units responsible for credit risk management and maintenance of an appropriate level of risk in respect of particular products. There is a rule that credit risk analysis shall be separated from credit risk control.
The procedure applied to taking loan-granting decisions is approved by the Bank's Management Board. Such powers are granted to the Bank's employees on an individual basis, depending on their skills, experience and functions performed. Each acceptance centre has a Loan Committee which takes loan-granting decisions that go beyond the powers granted to the employees and director of the centre. Furthermore, within the Bank's Headquarters, the Bank has a Loan Committee which takes decisions which exceed the powers granted to the particular acceptance centres. Decisions exceeding the powers of the Bank's Loan Committee are taken by the Management Board of the Bank. Any changes to the existing decision taking procedure must be accepted by the Management Board.
Getin Bank follows internal regulations which make it possible to determine the level of the credit risk associated with the given Client as well as the acceptability of that risk. Both in the phase of granting a loan, and subsequent monitoring of the loan, client's creditworthiness is evaluated as follows:
- for private individuals, based on detailed procedural regulations relating to the level of the required credit capability; the Bank applies scoring for cash loans,
- for SMEs, credit analysis includes scoring.
Criteria for the assessment of credit capability are determined based on scoring obtained from the assessment of financial condition and quality, and based on an appropriate definition of credit capability. This system also enables the Bank to assess the client's creditworthiness based on information about the timeliness of payment of amounts due to the Bank, and allows for scoring and determining the value of the collateral used.
The Bank's Headquarters include an independent Credit Risk Department which is responsible for the management and monitoring of the whole loan portfolio of the Bank, as well as for the quality of the procedures applied and for ensuring that appropriate standards in the loan-granting process are observed. Other tasks of that Department include monitoring and analysis of specific provisions for credit risk.
The Bank has a risk monitoring system which includes the monitoring of the individual risk (associated with a given client) as well as an overall monitoring of the Bank's loan portfolio. As part of the overall monitoring of the individual risk, the Bank performs, on a regular basis, an assessment of the economic and financial condition of the borrower, the timeliness of repayment of liabilities to the Bank and the balance and value of accepted collateral. Both the scope and the frequency of the reviews complies with external regulations and depends in particular on the type of the borrower, amount of the loan exposure and the form of accepted collateral. As part of an overall monitoring of the loan portfolio, Credit Risk Department performs, among others, the following activities:

- performs an analysis of non-performing loans and specific provisions within the whole Bank and the particular trading areas,
- performs an assessment of the quality of the Bank's loan portfolio by type of product and type of entity,

- performs an ongoing assessment of industry risk, determines the maximum limits for exposure to particular industries,
- performs an assessment of the financial condition of the banks with which it makes transactions, sets maximum limits for exposure to specific banks,
- monitors large loan exposures on an ongoing basis,
- reviews the accuracy and adequacy of the specific provisions created by the Bank.

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

Market risk

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

a) currency risk

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

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

b) interest rate risk

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

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

Liquidity risk

The main objective of liquidity management is to minimise the risk of loss of the Bank's current, medium- and long-term liquidity by ensuring the Bank's ability to discharge its current and future liabilities in the most optimal manner.
Liquidity management, as an element of the ALM policy, is the responsibility of the ALCO, while management of current liquidity is the responsibility of the Treasury Department.
The Asset and Liability Management Committee monitors, on a monthly basis, the liquidity risk level. The assessment of the liquidity risk is made using the following analyses:

- gap analysis, i.e. mismatch of maturity of assets and liabilities, which takes into account all balance sheet items by maturity;
- liquidity ratios in specified time horizons according to maturity;
- selected balance sheet ratios.

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

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

Operating risk

The operating risk is a risk of occurrence of a loss as a result of inadequacy or failure of internal processes, people and systems, or as a result of external circumstances.

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

On the basis of guidelines contained in the draft New Basel Accord of the Basel Committee on Banking Supervision and Recommendation “M” of the General Inspector for Banking Supervision, an operating risk management model was developed and implemented. It was described in the “Principles of operating risk management at Getin Bank S.A.” (the “Principles”). It includes identifying, estimating, securing and monitoring operating risk. The principles also lay down the organisation of operating risk management which includes specification of powers and roles of individual organisational units of the Bank.

A document was prepared and implemented under the title “Guidelines for identifying and monitoring operating risk in Getin Bank S.A.”, which is the follow-up procedure for all Bank employees if an operating risk is identified. As part of this instruction, in combination with the business lines, a detailed list was prepared of operating events which may result in an operating loss.

Objectives and policies of financial risk management in Noble Bank

Methods and objectives of financial risk management

The objective of the asset and liability management policy is to optimise the structure of the balance sheet and off-balance sheet items in order to maintain the adopted income to risk ratio.

From the strategic point of view, it is the Bank’s Management Board that is responsible for risk management; to this end, the Management Board appointed two committees: the Loan Committee and the Assets and Liabilities Committee. These Committees are responsible for managing certain assigned risks at the operational level, as well as for monitoring the risk level and designating the current policy in line with the strategy adopted by the Bank’s Management Board and the internal limits and supervisory regulations. All current Bank regulations on market risk management take into account the requirements of the Recommendations of the General Inspector for Banking Supervision.

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

Credit risk

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

In the year of 2006, the Bank continued to review the value of loan collaterals and the timeliness of repayment of loans. Its activities were mainly concentrated on intensifying the debt collection processes with reference to the “old” housing portfolio; therefore, issues related to the management of irregular loans, their restructuring and collection were treated as a priority. In addition, the Bank started granting new loans, focusing on the segment of mortgage loans and loans secured by financial assets. As at 31 December 2006, provisions created for total loan receivables amounted to PLN 121 950 thousand, representing 50% of the loan portfolio. Provisions created for total non-performing loans amounted to PLN 121 112 thousand and represented 49% of total provisions for receivables. The basis for recognizing provisions for “old” housing loans was reduced by the minimum values of the accepted collaterals.

Market risk

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

a) currency risk

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

Currency position of the Bank as at 31 December 2006 was as follows:

	Balances of currency accounts						Open positions	
	Currency (thousand)			PLN equivalent (thousand)				
Symbol of currency	Assets	Liabilities and Equity	Off-balance sheet amounts to be issued	Assets	Liabilities and Equity	Off-balance sheet amounts to be issued	Long	Short
USD	3 969	3 572		11 552	10 396		1 156	
GBP	8	0		46	0		46	
CHF	34 321	29 178	3 800	81 828	69 566	9 060	3 202	
EUR	719	639		2 755	2 448		307	
Total	**********	**********	**********	96 181	82 410	9 060	4 711	

b) interest rate risk

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

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

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

The main sources of information are:

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

<u>Liquidity risk</u>

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

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

In order to best manage its liquidity, Noble Bank S.A. has liquid assets in its portfolio, including:

a) cash on the account kept at the DSP department of NBP;
b) interbank placements (overnight, tomnext);
c) liquid securities.

<u>Operating risk</u>

The mitigation of operating risk in Noble Bank S.A. consists in:

- systematic internal control;
- IT systems security;
- mitigation of risks related to data processing.

The Bank operates an internal control system, which covers two independent areas:

- institutional control - exercised by the internal control unit,
- functional control - exercised in each organisational unit of the Bank by management personnel or other designated staff.

As part of institutional control, personnel of the internal control unit assess the operating risk by examining:

- whether the employees have correctly performed the activities arising from the Bank's procedures with respect to customer service and other activities related to the functioning of the organisational unit, observance of generally accepted regulations by the employees;
- the security of cash, documents, stamps, seals and other assets of the Bank.

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

Functional control is performed in the organisational units by employees in managerial positions.
The tasks covered by functional control include, among others, examination of the following:

- observance of procedures set out in the Bank,
- compliance of documents with the entries in the IT systems,
- security of the Bank's assets used by the unit.

IT systems' security

The Comnet-BANK system used by the Bank has its own embedded security procedures, such as:

1) user authentication;
2) assigning individual user authorizations to perform program options;

3) entering in system logs the user's ID and the time of performing accounting operations, activating specialist options and defining the system's operating parameters – these are files that are subject to being archived;
4) user authentication in the intranet and Internet environment.

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

Mitigation of data processing risks

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

In order to maintain operating risk at an acceptable level, the Bank identifies such risks and assesses them by analysing data related to the so-called incidents and performing comprehensive inspections, including primarily:

1. IT systems security,
2. protection of data of key importance for the Bank, including personal data,
3. protection against criminal acts (physical and technological protection).

Objectives and policies of financial risk management at Carcade OOO

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

Market risk

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

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

Credit risk

Credit risk is minimized in the following way:

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

Maximum credit exposure

On the basis of historical results, Carcade OOO evaluates the maximum credit exposure at the level of 1% of the net investments in the lease resulting from active lease contracts.

Credit risk is very dispersed and divided into approximately 7 590 agreements with an average value of USD 21 970.

Liquidity risk

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

(in thousand PLN)

Operating risk

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

Concentration of credit risk

Getin Bank

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

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

Receivables' concentration limits

25% of Bank's own funds (Banking Law article 71 section 1 point 2)	- PLN 196 753 thousand
20% of Bank's own funds (Banking Law article 71 section 1 point 1)	- PLN 157 403 thousand
10% of Bank's own funds (Banking Law article 71 section 2)	- PLN 78 701 thousand

Major balance sheet and off-balance sheet exposures to individual entities and capital groups as at 31 December 2006

Exposure to 10 largest Bank customers	as at 31 December 2006 % share in the loan portfolio
Client 1	1,00
Client 2	0,27
Client 3	0,18
Client 4	0,14
Client 5	0,13
Client 6	0,13
Client 7	0,12
Client 8	0,11
Client 9	0,1
Client 10	0,1
Total	2,28

(in thousand PLN)

Industry product exposure concentration of Getin Bank:

Industry as per PKD	31.12.2006 %	31.12.2005 %
A - Agriculture and hunting	**0,2**	**0,6**
C - Mining	**0,1**	**0,1**
D - Production activity	**3,6**	**4,3**
E - Delivery of electric energy and gas	**0,1**	**0,1**
F - Construction industry	**1,4**	**1,9**
G - Wholesale and retail trade	**5,8**	**8,1**
I - Transport, warehouse management and communication	**3,4**	**3,1**
J - Finance agency	**1**	**3,1**
K - Real estate service	**1,8**	**1,8**
L - Public administration	**0,7**	**2,1**
Other sections	**1,6**	**2,2**
Private persons	**80,3**	**72,6**
Total	**100**	**100**

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

Structure of credit portfolio	31.12.2006 %	31.12.2005 %
Borrowings to private persons	**80**	**73**
including:		
-cars loans	18	33
-instalment loans	1	3
-real estate	49	29
-other	12	8
Corporate loans	**20**	**27**
Total	**100**	**100**

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

Administrative regions of Poland (voivodships)	31.12.2006 %	31.12.2005 %
Dolnośląskie	11,5	4,3
Kujawsko-Pomorskie	3,1	1,4
Lubelskie	3,2	1,1
Lubuskie	1,9	
Łódzkie	6,5	11,6
Małopolskie	6	10,8
Mazowieckie	23,2	9,7
Opolskie	1,9	
Podkarpackie	1,7	
Podlaskie	0,7	
Pomorskie	6,2	2,4
Śląskie	20,4	58,7
Świętokrzyskie	0,8	
Warmińsko-Mazurskie	2,2	
Wielkopolskie	6,9	
Zachodniopomorskie	3,8	
Razem	**100,0**	**100,0**

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

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

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

Receivables' concentration limits

25% of Bank's own funds (Banking Law article 71 section 1 point 2)	- PLN 35 925 thousand
20% of Bank's own funds (Banking Law article 71 section 1 point 1)	- PLN 28 236 thousand
10% of Bank's own funds (Banking Law article 71 section 2)	- PLN 14 118 thousand

(in thousand PLN)

The largest balance sheet and off-balance sheet exposure to individual entities and capital groups as at 31 December 2006

Exposure to 10 largest Bank customers	as at 31 December 2006 % share in the loan portfolio
Client 1	4,1
Client 2	3,9
Client 3	3,3
Client 4	2,5
Client 5	1,4
Client 6	1,2
Client 7	1,2
Client 8	1,0
Client 9	0,9
Client 10	0,5
Total	20

Industry product exposure concentration of Noble Bank:

Industry as per PKD	31.12.2006 %	31.12.2005 %
A - Agriculture and hunting	**3,6**	**7,3**
C - Mining	**0,1**	**0,1**
D - Production activity	**4,9**	**9,8**
E - Delivery of electric energy and gas	**0,0**	
F - Construction industry	**0,8**	**1,4**
G - Wholesale and retail trade	**5,2**	**9,8**
I - Transport, warehouse management and communication	**0,1**	**0,3**
J - Finance agency	**13,0**	**9,5**
K - Real estate service	**0,1**	**0,2**
L - Public administration	**0,0**	**0,0**
Other sections	**0,7**	**1,6**
Private persons	**71,5**	**60,0**
Total	**100,0**	**100,0**

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

Structure of credit portfolio	31.12.2006 %	31.12.2005 %
Borrowings to private persons	**72**	**60**
including:	0	
-cars loans	0	8
-instalment loans	7	49
-real estate	41	
-other	24	3
Corporate loans	**28**	**40**
Total	**100**	**100**

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

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

Carcade OOO

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

Structure of lease portfolio	31.12.2006 %	31.12.2005 %
Private persons	6	20
Business entities	94	80
Total	**100**	**100**

Getin Holding

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

Open Finance, Fiolet, Getin Raty

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

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

The above companies started their operations at the end of 2006 and do not show any material exposure towards entities outside the Group.

Getin Finance PLC

The company does not show any material exposure towards entities outside the Group.

Interest rate risk

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

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

Balance sheets items	Up to 1 month inclusive	Over 1 month up to 3 months inclusive	Over 3 months up to 1 year inclusive	Over 1 year up to 5 years inclusive	Over 5 years	Non-interest bearing assets/ liabilities	Total
Asstets:	**8 921 078**	**637 177**	**846 413**	**520 898**	**95 350**	**1 024 224**	**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	360	0	0	0	0	0	360
with the Central Bank	2 733 455	178 108	2 613	4 436	0	21 263	2 939 875
Amounts due from banks	5 764 046	143 337	29 596	15 708	95 350	30 682	6 078 719
Amounts due from customers	18 533	31 520	71 521	28 449	0	5 380	155 403
Finance lease receivables	110 184	283 893	742 210	472 305	0	9 580	1 618 172
Investment securities	1 736	319	473	0	0	955 537	958 065
Liabilities:	**5 228 891**	**2 346 301**	**1 545 189**	**419 414**	**0**	**2 505 345**	**12 045 140**
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	2 382 151	2 385 046
Gap	**3 692 187**	**-1 709 124**	**-698 776**	**101 484**	**95 350**	**-1 481 121**	**0**

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

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

(in thousand PLN)

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

as at 31 December 2006

	PLN	EUR	CHF	RUB	USD
	%	%	%	%	%
ASSETS					
Cash and balances with the Central Bank	4,0				
Bills of exchange eligible for rediscounting with the central bank	10,7				
Amounts due from banks	0,5-4,1	3,6	1,9		
Amounts due from customers	7,4-22,2	7,0-14,6	5,2-8,5		
Finance lease receivables	3,8-14,5	7,2-12,4		42,0	37,0
Investment securities	4,1-8,5				
LIABILITIES					
Amounts due to other banks and finance institutions	2,3	3,5	2,3-2,4	14,0	5,3-12,5
Amounts due to customers	4,1-4,3	2,3-3,7	1,6-1,9		
Debt securities	5,9			15,6	

as at 31 December 2005

	PLN	EUR	CHF	RUB	USD
	%	%	%	%	%
ASSETS					
Cash and balances with the Central Bank	4,3				
Bills of exchange eligible for rediscounting with the central bank	4,8				
Amounts due from banks	3,9-4,5	2,4	0,5		
Amounts due from customers	13,7	12,3	7,6		12,2
Finance lease receivables				50,0	37,0
Investment securities	4,7				
LIABILITIES					
Amounts due to other banks and finance institutions	4,5		1,4	14,5	13,0
Amounts due to customers	4,1	1,7	0,15		
Debt securities	5,8-6,8				

Currency risk

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

as at 31 December 2006

	Currency (in thousand PLN)							Total
	PLN	EUR	CHF	RUB	USD	GBP	Inne	
ASSETS								
Cash and balances with the Central Bank	277 799	10 333	0	11	6 375	24	4	294 546
Bills of exchange eligible for rediscounting with the Central Bank	360	0	0	0	0	0	0	360
Amounts due from banks	2 624 653	135 637	97 303	1 576	79 547	391	768	2 939 875
Amounts due from customers	2 370 242	89 018	3 498 896	0	120 563	0	0	6 078 719
Finance lease receivables	69	58	0	81 951	73 326	0	0	155 403
Investment securities	1 618 172	0	0	0	0	0	0	1 618 172
Investment in subsidiaries	115 593	0	0	0	0	0	0	115 593
Other	777 398	7 204	0	50 907	6 963	0	0	842 472
	0	0	0	0	0	0	0	0
TOTAL ASSETS	**7 784 286**	**242 250**	**3 596 199**	**134 444**	**286 774**	**415**	**772**	**12 045 140**
LIABILITIES	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	1 656 755
Amounts due to customers	5 919 459	292 763	4 996	0	349 957	0	0	6 567 175
Debt securities in issue	1 116 120	0	0	27 252	292 802	0	0	1 436 174
Provisions	31 316	0	0	0	0	0	0	31 316
Other	2 316 062	1 173	8 659	26 920	443	462	0	2 353 719
	0	0	0	0	0	0	0	0
TOTAL LIABILITIES	**10 217 613**	**295 866**	**704 391**	**136 914**	**689 894**	**462**	**0**	**12 045 140**
NET ENGAGEMENT	**-2 433 327**	**-53 616**	**2 891 808**	**-2 470**	**-403 120**	**-47**	**772**	**0**
OFF-BALANCE SHEET LIABILITIES	**942 691**	**42 319**	**306 683**	**0**	**988**	**0**	**0**	**1 283 621**

as at 31 December 2005

	Currency (in thousand PLN)							Total
	PLN	EUR	CHF	RUB	USD	GBP	Inne	
ASSETS								
Cash and balances with the Central Bank	172 217	4 823	92	7	5 323	51	10	182 523
Bills of exchange eligible for rediscounting with the Central Bank	2 063	0	0	0	0	0	0	2 063
Amounts due from banks	1 759 305	88 414	27 411	2 893	9 922	19	614	1 888 578
Amounts due from customers	1 560 181	74 491	1 438 249	0	217 514	0	0	3 290 435
Finance lease receivables	509	0	0	19 045	63 524	0	0	83 078
Investment securities	1 551 594	0	0	0	0	0	0	1 551 594
Investment in subsidiaries	2 736	0	0	0	0	0	0	2 736
Other	677 082	1 260	40	36 878	1 737	0	0	716 997
TOTAL ASSETS	**5 725 687**	**168 988**	**1 465 792**	**58 823**	**298 020**	**70**	**624**	**7 718 004**
LIABILITIES								
Amounts due to other banks and finance institutions	722 633	0	621 580	33 434	37 281	0	0	1 414 928
Amounts due to customers	4 219 442	223 698	0	0	249 268	18	0	4 692 426
Debt securities in issue	256 072	0	0	0	0	0	0	256 072
Provisions	52 726	0	0	0	0	0	0	52 726
Other	1 290 096	144	0	11 583	29	0	0	1 301 852
TOTAL LIABILITIES	**6 540 969**	**223 842**	**621 580**	**45 017**	**286 578**	**18**	**0**	**7 718 004**
NET ENGAGEMENT	**-815 282**	**-54 854**	**844 212**	**13 806**	**11 442**	**52**	**624**	**0**
OFF-BALANCE SHEET LIABILITIES								

Liquidity risk

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

Balance sheets items	Up to 1 month inclusive	Over 1 month up to 3 months inclusive	Over 3 months up to 1 year inclusive	Over 1 year up to 5 years inclusive	Over 5 years	With undefined maturity	Non-financial assets/ liabilities	Total
Assets								
Cash and balances with the Central Bank	294 544	0	0	0	0	2	0	294 546
Bills of exchange eligible for rediscounting with the Central Bank	130	230	0	0	0	0	0	360
Amounts due from banks	2 610 302	306 052	112	403	0	23 006	0	2 939 875
Amounts due from customers	761 749	159 134	572 709	1 781 569	2 803 558	0	0	6 078 719
Finance lease receivables	23 913	31 520	71 522	28 449	0	0	0	155 403
Investment securities	109 661	221 096	754 042	502 896	27 770	2 707	0	1 618 172
Other	74 470	97 487	30 671	57 940	0	690 781	6 716	958 065
Total assets	**3 874 768**	**815 519**	**1 429 056**	**2 371 256**	**2 831 328**	**716 496**	**6 716**	**12 045 140**
Liabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Amounts due to Central Bank	0	0	0	0	0	0	0	0
Amounts due to other banks and finance institutions	497 579	59 738	238 307	886 736	-25 605	0	0	1 656 755
Amounts due to customers	3 508 728	1 747 607	1 201 324	108 331	1 185	0	0	6 567 175
Debt securities	5 488	5 393	48 531	1 376 761	0	-9	0	1 436 164
Other	374 486	62 653	6 436	25 945	966 180	945 019	4 328	2 385 046
Total liabilities	**4 386 280**	**1 875 392**	**1 494 598**	**2 397 773**	**941 760**	**945 010**	**4 328**	**12 045 140**
Liquidity gap	**-511 512**	**-1 059 872**	**-65 542**	**-26 516**	**1 889 568**	**-228 514**	**2 388**	**0**

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

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

(in thousand PLN)

Credit and market risk exposure

Credit and market risk as at 31 December 2006.

Getin Bank S.A.

Balance Sheet instruments

Type of instrument	Carrying amount thousand PLN	Risk-weighted value thousand PLN
Cash	68 209	0
Amounts due from Central Bank	224 552	0
Receivables	8 742 060	6 108 090
Debt securities	1 578 312	5 435
Other securities, shares	2 707	2 707
Non-current assets	191 474	117 849
Other	166 458	16 000
Total banking portfolio	**10 973 772**	**6 250 081**
Debt securities		
Receivables from purchased securities with a repurchase (repo) clause	10	10
Trade portfolio in total	**10**	**10**
Total balance sheet instruments	**10 973 782**	**6 250 091**

Off-Balance Sheet instruments

Type of instrument	Replacement costs thousand PLN	Balance Sheet equivalent thousand PLN	Risk-weighted value thousand PLN
Currency instruments:	0	243 785	48 757
Swap	0	0	0
CIRS	0	243 785	48 757
Other instruments:	46	0	46
Other	46	0	46
Total derivatives	**46**	**243 785**	**48 803**
of which: banking portfolio	0	243 785	48 757
trade portfolio	46	0	46

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	620 177	0	0
Guarantees issued	8 256	4 128	2 003
Letters of credit	738	369	44
Other	652 916	652 916	130 583
Total banking portfolio	**1 282 087**	**657 413**	**132 630**

* PLN 652 916 thousand - other financial liabilities incurred by the Bank under an agreement with the client (deposits with later currency dates).

(in thousand PLN)

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**12 499 644**	**6 431 468**	**514 517**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Capital requirements
Market risk	**9 835**	**5**
of which:		
Currency risk	9 825	0
Debt instruments specific risk	10	1
Risk of settlement - delivery and customer	0	4

Total capital requirements	**514 522**

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

Credit and market risk as at 31 December 2006.

Balance Sheet instruments

Type of instrument	Carrying amount thousand PLN	Risk-weighted value thousand PLN
Cash	0	0
Amounts due from Central Bank	1 764	0
Receivables	297 405	151 121
Debt securities	32 255	0
Other securities, shares	15 690	15 690
Non-current assets	4 908	4 908
Other	97 847	2 341
Total banking portfolio	**449 869**	**174 060**
Total balance sheet instruments	**449 869**	**174 060**

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	21 902	10 951	10 951
Guarantees issued	3	2	2
Letters of credit	0	0	0
Other	0	0	0
Total banking portfolio	**21 905**	**10 953**	**10 953**

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**471 774**	**185 013**	**14 804**

Total capital requirements	**14 804**

(in thousand PLN)

Fair value of financial assets and liabilities

as at 31 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
Amounts due from customers	6 078 719	*
Finance lease receivables	155 403	*
Investment securities and financial assets held for trading	1 588 161	*
Investment securities held to maturity	32 436	*
Other	48 216	48 216
Liabilities:		
Amounts due to Central Bank	0	0
Amounts due to other banks and finance institutions	1 656 755	*
Amounts due to customers	6 567 175	*
Debt securities in issue	1 436 164	*
Other	22 382	22 382

as at 31 December 2005

	Carrying amount thousand PLN	Fair value thousand PLN
Assets:		
Cash and balances with the Central Bank	182 523	182 523
Bills of exchange eligible for rediscounting with the Central Bank	2 063	2 063
Amounts due from banks	1 888 578	1 888 578
Amounts due from customers	3 290 435	*
Finance lease receivables	83 078	*
Investment securities and financial assets held for trading	1 516 597	*
Investment securities held to maturity	34 917	*
Other	17 665	17 665
Liabilities:		
Amounts due to Central Bank	0	0
Amounts due to other banks and finance institutions	1 414 928	*
Amounts due to customers	4 692 426	*
Debt securities in issue	256 072	*
Other	1 421	1 421

* Due to the implementation of an integrated computer system at Getin Bank and data migration, for technical reasons, the calculation of the fair value of financial assets and liabilities as at 31 December 2006 and 31 December 2005 was difficult. The consolidated financial statements of the Getin Holding Group as at 30 June 2004 and 31 December 2004 prepared in accordance with

PAS contain information on the valuation of financial assets and financial liabilities of Getin Bank as at the date of acquisition. The acquisition of WBC was provisionally accounted for as at 31 December 2005 and, consequently, the acquired financial assets and liabilities of WBC were recognised at their fair values as at that day. Additionally, for the main class of assets, which are variable interest rate bank loan receivables, fair value of the assets does not differ significantly from their book value.

Trust activity
The Group does not conduct any trust activity.

8 Information on operating segments

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

Due to the changes in its strategy, in Q3 2006, operational activities of the Capital Group were divided into four segments: Retail Banking Services, Affluent Banking Services, Leasing Services and Financial Agency 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.
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.
The Lease Services Segment comprises services in the field of temporary transfer of leased assets by one entity to another entity, in exchange for periodical payments.
The Financial Agency Segment deals with sale of products and services of banks, insurance companies and investment funds.

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

(in thousand PLN)

Revenues and results of individual operating segments for the 12 month period ended 31 December 2006

2006	Retail banking services	Affluent banking services	Financial agency services	Lease Services	Getin Holding and consolidation adjustments	Getin Holding Capital Group
Interest income	**600 980**	**25 457**	**766**	**47 678**	**(7 446)**	**667 435**
External	*596 876*	*21 922*	*652*	*47 678*	*307*	*667 435*
Internal	*4 104*	*3 535*	*114*	*0*	*(7 753)*	*0*
Interest expense	**288 379**	**4 457**	**130**	**19 676**	**(9 304)**	**303 338**
External	*281 526*	*4 457*	*130*	*15 059*	*2 166*	*303 338*
Internal	*6 853*	*0*	*0*	*4 617*	*(11 470)*	*0*
Net interest income	**312 601**	**21 000**	**636**	**28 002**	**1 858**	**364 097**
External	*315 350*	*17 465*	*522*	*32 619*	*(1 859)*	*364 097*
Internal	*(2 749)*	*3 535*	*114*	*(4 617)*	*3 717*	*0*
Fee and commission income	**109 146**	**73 173**	**48 165**	**10 671**	**(37 133)**	**204 022**
External	*108 623*	*68 667*	*13 254*	*10 671*	*0*	*201 215*
Internal	*523*	*4 506*	*34 911*	*0*	*(37 133)*	*2 807*
Fee and commission expense	**18 918**	**2 415**	**25 913**	**978**	**(18 517)**	**29 707**
External	*18 905*	*2 415*	*25 913*	*327*	*0*	*47 560*
Internal	*13*	*0*	*0*	*651*	*(18 517)*	*(17 853)*
Net fee and commission income	**90 228**	**70 758**	**22 252**	**9 693**	**(18 616)**	**174 315**
External	*89 718*	*66 252*	*(12 659)*	*10 344*	*0*	*153 655*
Internal	*510*	*4 506*	*34 911*	*(651)*	*(18 616)*	*20 660*
Net operating income	**144 460**	**16 740**	**5 461**	**461**	**(19 425)**	**147 697**
External	*144 631*	*16 710*	*5 485*	*461*	*(3 774)*	*163 513*
Internal	*(171)*	*30*	*(24)*	*0*	*(15 651)*	*(15 816)*
Provisions for impairment losses	**(108 935)**	**19 443**	**0**	**(280)**	**1 164**	**(88 608)**
External	*(108 935)*	*20 607*	*0*	*(280)*	*0*	*(88 608)*
Internal	*0*	*(1 164)*	*0*	*0*	*1 164*	*0*
Administrative expenses	**257 420**	**68 398**	**23 863**	**29 103**	**13 524**	**392 308**
External	*257 420*	*68 300*	*23 459*	*29 103*	*9 406*	*387 688*
Internal	*0*	*98*	*404*	*0*	*4 118*	*4 620*
Operating profit	**180 934**	**59 543**	**4 486**	**8 773**	**(48 543)**	**205 193**
External	*183 344*	*52 734*	*(30 111)*	*14 041*	*(15 039)*	*204 969*
Internal	*(2 410)*	*6 809*	*34 597*	*(5 268)*	*(33 504)*	*224*
Profit / loss before income tax	**180 934**	**59 543**	**4 486**	**8 773**	**(48 581)**	**205 155**
External	*183 344*	*52 734*	*(30 111)*	*14 041*	*(15 039)*	*204 969*
Internal	*(2 410)*	*6 809*	*34 597*	*(5 268)*	*(33 542)*	*186*
Net profit /loss for the period	**160 028**	**53 250**	**3 460**	**5 941**	**(52 728)**	**169 951**
External	*167 486*	*46 441*	*(31 137)*	*11 209*	*(24 234)*	*169 765*
Internal	*(7 458)*	*6 809*	*34 597*	*(5 268)*	*(28 494)*	*186*

(in thousand PLN)

Other information related to the segments as at 31.12.2006	Retail banking services	Affluent banking services	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**

(in thousand PLN)

Revenues and results of individual operating segments for the 12 month period ended 31 December 2005

2005	Retail banking services	Affluent banking services	Financial agency services	Lease Services	Getin Holding and consolidation adjustments	Getin Holding Capital Group
Interest income	**456 590**	**27**	**19**	**28 858**	**(3 406)**	**482 088**
External	*452 023*	*27*	*13*	*28 858*	*1 229*	*482 150*
Internal	*4 567*	*0*	*6*	*0*	*(4 635)*	*(62)*
Interest expense	**206 102**	**174**	**9**	**12 453**	**(7 699)**	**211 039**
External	*202 644*	*174*	*9*	*6 972*	*1 240*	*211 039*
Internal	*3 458*	*0*	*0*	*5 481*	*(8 939)*	*0*
Net interest income	**250 488**	**(147)**	**10**	**16 405**	**4 293**	**271 049**
External	*249 379*	*(147)*	*4*	*21 886*	*(11)*	*271 111*
Internal	*1 109*	*0*	*6*	*(5 481)*	*4 304*	*(62)*
Fee and commission income	**58 783**	**9 272**	**10 300**	**4 806**	**(11 045)**	**72 116**
External	*58 269*	*8 786*	*255*	*4 806*	*0*	*72 116*
Internal	*514*	*486*	*10 045*	*0*	*(11 045)*	*0*
Fee and commission expense	**10 708**	**17**	**5 454**	**498**	**(5 918)**	**10 759**
External	*10 708*	*17*	*5 454*	*498*	*0*	*16 677*
Internal	*0*	*0*	*0*	*0*	*(5 918)*	*(5 918)*
Net fee and commission income	**48 075**	**9 255**	**4 846**	**4 308**	**(5 127)**	**61 357**
External	*47 561*	*8 769*	*(5 199)*	*4 308*	*0*	*55 439*
Internal	*514*	*486*	*10 045*	*0*	*(5 127)*	*5 918*
Net operating income	**85 025**	**(1)**	**(247)**	**(247)**	**19 163**	**103 693**
External	*86 036*	*(1)*	*(247)*	*(247)*	*1 368*	*86 909*
Internal	*(1 011)*	*0*	*0*	*0*	*17 795*	*16 784*
Provisions for impairment losses	**(75 971)**	**0**	**0**	**1 112**	**0**	**(74 859)**
External	*(75 971)*	*0*	*0*	*1 112*	*0*	*(74 859)*
Internal	*0*	*0*	*0*	*0*	*0*	*0*
Administrative expenses	**216 829**	**9 904**	**3 334**	**16 805**	**7 447**	**254 319**
External	*216 543*	*9 904*	*3 279*	*16 733*	*7 550*	*254 009*
Internal	*286*	*0*	*55*	*72*	*(103)*	*310*
Operating profit	**90 788**	**(797)**	**1 275**	**4 773**	**10 882**	**106 921**
External	*90 462*	*(1 283)*	*(8 721)*	*10 326*	*(6 193)*	*84 591*
Internal	*326*	*486*	*9 996*	*(5 553)*	*17 075*	*22 330*
Profit / loss before income tax	**90 788**	**(797)**	**1 275**	**4 773**	**10 041**	**106 081**
External	*90 462*	*(1 283)*	*(8 721)*	*10 326*	*(6 199)*	*84 585*
Internal	*326*	*486*	*9 996*	*(5 553)*	*16 240*	*21 495*
Net profit /loss for the period	**74 918**	**901**	**1 159**	**3 297**	**11 530**	**91 806**
External	*74 592*	*415*	*(8 837)*	*8 850*	*(4 710)*	*70 310*
Internal	*326*	*486*	*9 996*	*(5 553)*	*16 240*	*21 495*

(in thousand PLN)

Other information related to the segments as at 31.12.2005	Retail banking services	Affluent banking services	Financial agency services	Lease Services	Getin Holding and consolidation adjustments	Getin Holding Capital Group
Segment assets	6 914 225	653 335	6 064	98 769	-383 185	7 289 208
Investment in associates						2 736
Assets not assigned						426 060
Total assets	**6 864 993**	**282 768**	**6 064**	**98 769**		**7 718 004**
Segment liabilities	6 326 233	457 702	3 063	118 988	-423 948	6 482 038
Liabilities not assigned						110 148
Equity						1 125 818
Total liabilities and equity	**5 955 666**	**457 702**	**3 063**	**68 811**		**7 718 004**
Investment expenditure	17 808	1 118	74	374		19 374
Investment expenditure not assigned						610
Total investment expenditure	**17 808**	**1 118**	**74**	**374**		**19 984**
Depreciation of tangible and intangible fixed assets	19 274	254	141	503		20 172
Depreciation of non- segment assigned tangible and intangible fixed assets						743
Total depreciation	**19 274**	**254**	**141**	**503**		**20 915**

9 Interest income and interest expense

Interest income	2006 thousand PLN	2005 thousand PLN
Income from placements in other banks	64 988	51 944
Income from customer loans and credits	464 842	301 756
Income from investment (deposit) securities	85 857	94 987
Interests - finance lease	48 227	29 089
Interests of obligatory reserve	3 403	2 736
Other interests	118	1 576
Total	**667 435**	**482 088**

Interest income for the year ended 31 December 2006 includes revenues related to financial assets for which an impairment loss has been recognised, in the amount of PLN 34 626 thousand. For the year ended 31 December 2005, in the amount of PLN 16 437 thousand.

Total interest income calculated using the effective interest rate method in respect of financial assets which are not carried at fair value through profit and loss amounted to PLN 519 718 thousand in the year 2006.

(in thousand PLN)

Interest expense	2006 thousand PLN	2005 thousand PLN
Costs of placement with other banks	15 104	14 021
Costs arising from liabilities towards customers	199 634	183 967
Costs related to issuance of own debt securities	52 402	3 490
Interest - finance lease	130	2 114
Interest - loans/ credits taken out	35 882	6 972
Other interest expenses	186	475
Total	**303 338**	**211 039**

Interest expense calculated using the effective interest rate method in respect of financial assets which are not carried at fair value through profit and loss amounted to PLN 288 379 thousand in the year 2006.

10 Fee and commission income and fee and commission expense

Fee and commission income	2006 thousand PLN	2005 thousand PLN
Related to loans and credits granted	18 286	7 660
Related to guarantees, letters of credit and similar operations	250	417
Transactions with securities	0	30
Related to servicing bank accounts	16 455	11 154
Related to payment cards	6 487	5 676
Related to settlement operations	4 460	11 879
Related to insurance	67 019	22 072
Related to agency services	83 404	9 377
Related to finance leases	5 006	2 362
Other	2 655	1 489
Total	**204 022**	**72 116**

Fee and commission expense	2006 thousand PLN	2005 thousand PLN
Related to payment cards	7 300	4 130
Related to credits and loans	5 712	4 430
Related to finance leases	12 883	0
Related to agency service	956	498
Related to settlement operations	1 027	1 205
Other	1 829	496
Total	**29 707**	**10 759**

11 Dividends received

	2006 thousand PLN	2005 thousand PLN
Revenues related to dividends from issuers:		
Securities classified as held for trading		
Securities at fair value through profit or loss		
Securities available for sale	1 178	128
Total	**1 178**	**128**

(in thousand PLN)

12 Result on financial instruments re-measured to fair value

Result from financial assets and liabilities held for trading	2006 thousand PLN	2005 thousand PLN
Derivatives	42 525	4 360
Equity instruments	0	
Debt instruments	-90	
Loans and receivables	0	
Total	**42 435**	**4 360**

13 Result on investment securities

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

	2006 thousand PLN	2005 thousand PLN
Realised profit		
Financial assets available for sale	370	561
Loans and receivables (including finance lease receivables)	0	
Investments held to maturity	0	
Financial liabilities (except for held for trading)	0	
Other	0	
Total	**370**	**561**
Realised loss		
Financial assets available for sale	7 776	
Loans and receivables (including finance lease receivables)	0	
Investments held to maturity	0	
Financial liabilities (except for held for trading)	0	
Other	0	
Total	**7 776**	**0**
Realised gains	**-7 406**	**561**

14 Changes in fair value under hedge accounting

In the year 2006 and 2005, the Group did not apply hedge accounting.

(in thousand PLN)

15 Foreign exchange result

Foreign exchange result	2006 thousand PLN	2005 thousand PLN
Foreign exchange differences resulting from financial instruments at fair value through profit or loss	-4 229	4 065
FX differences on loans, deposits and placements	96 279	49 909
Other foreign exchange differences	2 791	20
Total	**94 841**	**53 994**

16 Other operating income and other operating expenses

Other operating income	2006 thousand PLN	2005 thousand PLN
Rental income	1 527	1 798
Penalties, compensations and fines received	2 439	4 495
Sales of products and services	6 769	22 665
Other auxiliary income	101	750
Recovered costs of debt collection	5 405	925
Reversal of write-downs against other assets	1 526	442
Related to sale or disposal of non-financial long-term assets	4 771	6 705
Release of provisions	10 722	5 112
Revenue related to recovered bad debts	715	82
Sales of goods and materials	0	24
Adjustment of BP fair value	3 089	0
Recovered court costs	57	0
Acquisition of Open Finance adjustment	0	19 197
Other revenue	3 434	3 161
Total	**40 555**	**65 356**

(in thousand PLN)

Other operating expense	2006 thousand PLN	2005 thousand PLN
Rental costs	0	137
Penalties, compensations and fines paid	97	542
Cost of products, goods for resale and raw materials sold	2 545	424
Legal and administration proceedings	816	826
Loan collection expenses	4 336	3 045
Debt collection	4 189	1 147
Post-accident repairs	1 064	1 684
Auxiliary costs	0	1 113
Write-downs against receivables	297	0
Loss on the sale of non-financial long-term assets	1 125	5 016
Provisions for future liabilities	5 299	2 916
Related to operating lease	0	126
Nakłady na prace badawcze i rozwojowe	0	0
Other assets impairment losses	1 888	1 127
Other	2 250	2 603
Total	**23 906**	**20 706**

17 Administrative expenses

Administrative expenses	2006 thousand PLN	2005 thousand PLN
Employee benefits	172 856	112 575
Restructuring costs	0	0
Other administrative expenses	181 779	117 262
Tax and charges	7 230	3 055
Premiums and fees for Bank Guarantee Fund	932	511
Depreciation and amortisation	29 511	20 915
Total	**392 308**	**254 318**

18 Payroll and employee benefits

Payroll and employee benefits	2006 thousand PLN	2005 thousand PLN
Salaries and wages	143 685	93 052
Insurance and other employees benefits	26 164	17 569
Retirement program costs	0	0
Costs of share-based payment programme	3 007	1 954
Other retirement benefits costs	0	0
Total	**172 856**	**112 575**

(in thousand PLN)

19 Impairment and provisions for off-balance sheet

2006	Credits and loans extended to customers and receivables from banks	Finance lease receivables	Off balance sheet commitments	Total
Provision for losses at the beginning of the period - 01.01.2006	**514 911**	**3 869**	**204**	**518 984**
Increases	285 004	381	4 545	289 930
Decreases	197 710	101	3 511	201 322
Net provisions in P&L	**87 294**	**280**	**1 034**	**88 608**
Write-offs	**44 415**	**0**	**0**	**44 415**
Other increases	0	0	696	696
Other decreases	-696	-399	0	-1 095
Net other increases/decreases	**-696**	**-399**	**696**	**-399**
Provision for odpisów aktualizujących/rezerw na koniec okresu - 31.12.2006	**557 094**	**3 750**	**1 934**	**562 778**

2005	Credits and loans extended to customers and receivables from banks	Finance lease receivables	Off balance sheet commitments	Total
Provision for losses at the beginning of the period - 01.01.2005	**363 089**	**4 714**	**693**	**368 496**
Increases	191 933	491	1 992	194 416
Decreases	115 473	1 603	2 481	119 557
Net provisions in P&L	**76 460**	**-1 112**	**-489**	**74 859**
Write-offs	**23 145**	**0**	**0**	**23 145**
Other increases	127 642	267	0	127 909
Other decreases	-29 135	0	0	-29 135
Net other increases/decreases	**98 507**	**267**	**0**	**98 774**
Provision for odpisów aktualizujących/rezerw na koniec okresu - 31.12.2005	**514 911**	**3 869**	**204**	**518 984**

20 Discontinued activities

No activities were discontinued

21 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	2006 thousand PLN	2005 thousand PLN
iCentrum S.A.		-86
Getin Leasing		-755
TU Europa S.A.		
PDK S.A.	-38	
Total	**-38**	**-841**

(in thousand PLN)

22 Income tax

Main components of tax charge	2006 thousand PLN	2005 thousand PLN
Consolidated income statement		
Current income tax	47 927	50 407
Current tax charge	47 908	50 407
Adjustments related to current tax from previous years	19	
Benefits arising from unrecognised tax loss, tax credit or temporary difference from previous years, resulting in reduction of current tax charge	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	
Deferred income tax	-12 723	-36 132
Arising from origination and reversal of temporary differences	-12 699	-32 506
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	-24	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	-22
Tax loss from previous years	0	-3 604
Tax charge disclosed in consolidated income statements	**35 204**	**14 275**
Deferred income tax		
Arising from origination and reversal of temporary differences	431	4 173
Arising from changes in tax rates or new tax imposed	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	
Tax charge disclosed in consolidated equity	**431**	**4 173**
Total main components of tax charge	**35 635**	**18 448**

(in thousand PLN)

The reconciliation of income tax on profit before tax at the statutory tax rate for the 12 month periods ended 31 December 2006 and 31 December 2005 is as follows:

	2006 thousand PLN	2005 thousand PLN
1. Profit (loss) before tax	205 155	106 081
2. Consolidation adjustments	102 793	-10 386
3. Differences between profit (loss) before tax and taxable profit	-85 193	149 250
3.1 Permanent:	-148 157	-4 934
3.2 Temporary, of which	62 964	154 184
- 19% tax rate	47 709	89 516
- 24% tax rate	15 255	64 668
4. Taxable profit, of which:	222 755	244 945
- taxable profit - 19%	214 901	175 848
- taxable profit - 20%	857	0
- taxable profit - 24%	27 054	70 817
- tax loss	-20 057	-1 720
5a. Income tax - 19% tax rate	40 832	33 411
5b. Income tax - 20% tax rate	583	0
5c. Income tax - 24% tax rate	6 493	16 996
6. Increases, exemptions, deductions and decreases in income tax	574	0
7. Current income tax included in income statement	47 927	50 407
8. Deferred tax, of which:	-12 723	-36 132
- for temporary differences - 19% tax rate	-9 062	-17 008
- for temporary differences- 24% tax rate	-3 661	-15 520
- tax loss from previous years	0	-3 604
9. Total income tax in income statement	**35 204**	**14 275**

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

(in thousand PLN)

Deferred tax asset/liability

	Consolidated balance sheet		Consolidated income statement	
	31.12.2006 thousand PLN	31.12.2005 thousand PLN	2006 thousand PLN	2005 thousand PLN
Deferred tax liabilities				
A) Posted to P&L	**63 270**	**43 874**	**19 396**	**4 902**
Revenue receivable from securities	20 343	10 778	9 565	6 152
Revenue receivable from credits and deposits	7 113	3 888	3 225	1 275
Depreciation (fixed assets financed by investment credit)	1 008	1 111	-103	-156
Costs of commissions paid in advance	11 649	19	11 630	14
Surplus of tax depreciation	1 054	284	770	284
Discounted interests from BFG loan	18 346	22 176	-3 830	-3 135
Merger with Bank Przemysłowy	0	1 038	-1 038	0
Other	3 757	4 580	-823	468
B) Posted to revaluation reserve	**5 462**	**4 332**	**1 130**	**3 845**
Valuation of securities available for sale	5 462	4 332	1 130	3 845
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	**78 346**	**57 820**	**20 526**	**8 747**
Deferred tax assets				
A) Posted to P&L	**120 945**	**89 450**	**32 245**	**40 908**
Interest on deposits	26 484	12 723	13 761	10 154
Revenue taxed in advance	5 946	7 346	-1 400	965
Provisions for expected liabilities and costs	5 865	1 220	4 645	-648
Provisions for impairment	49 579	23 222	26 357	7 574
Tax loss from previous years	4 042	3 604	438	3 604
Foreign exchange differences from valuation of foreign entities	0	0	750	-316
Adjustment to opening balance of deferred tax asset in accordance with IAS 39	0	0	0	3 585
Adjustment to opening balance of deferred tax asset in respect of GBG Serwis	0	0	0	22
Merger with Bank Przemysłowy	0	10 835	-10 835	0
Other	29 029	30 500	-1 471	15 968
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	**422**	**29**	**393**	**-328**
Valuation of securities available for sale	422	29	393	-328
C) Posted to goodwill	**0**	**0**	**0**	**0**
Gross deferred tax assets	**121 367**	**89 479**	**32 886**	**40 580**
Deferred tax liabilities disclosed in liabilities directly related to assets classified as held for sale	**0**	**6**	**-6**	**6**
Deferred tax assets disclosed in non-current assets classified as held for sale	**0**	**132**	**-132**	**132**
Deferred income tax charge	**X**	**X**	**-12 723**	**-36 132**
Net deferred tax assets	**43 021**	**31 785**	**X**	**X**
Net deferred tax liability			**X**	**X**

23 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	2006	2005
Net profit allocated to ordinary shareholders (thousand PLN)	160 226	78 439
Weighted average number of ordinary shares in the period (thousand PLN)	556 586 544	422 583 521
Earnings per share (in PLN per share)	0,29	0,19

Diluted earnings per share

Diluted earnings per share is calculated on the basis of net profit or loss attributable to ordinary shareholders of the parent company, by dividing the net profit or loss attributable to such shareholders by the weighted average number of ordinary shares outstanding during the given period, adjusted for the effect of all dilutive potential ordinary shares.

The Group has dilutive instruments in the form of share options. Details of the Management Options Plan are disclosed in Note 49.

Diluted earnings per share	2006	2005
Net profit attributable to ordinary shareholders (thousand PLN)	160 226	78 439
Adjustment of net profit for calculation of diluted profit		
Net profit for calculation of diluted EPS	**160 226**	**78 439**
Weighted average number of ordinary shares in the period (thousand PLN)	556 586 544	422 583 521
Adjustment of the number of shares for calculation of diluted EPS	7 369 999	603 516
Weighted average number of ordinary shares for calculation of diluted EPS	563 956 542	423 187 037
Diluted earnings per share (in PLN per share)	0,28	0,19

24 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 2005-2006. 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.

(in thousand PLN)

25 Cash and balances with the Central Bank

Cash and balances with the Central Bank	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Cash	68 061	50 262
Current account in Central Bank	226 316	132 058
Other	169	203
Total	**294 546**	**182 523**

During the day, the Bank may use funds on the accounts of the obligatory reserve for current monetary settlements on the basis of instructions placed at the National Bank of Poland; however, it must ensure that the average monthly balance is maintained on the account in an amount arising from the obligatory reserve return.
Funds on the obligatory reserve account bear interest of 0.9 of the promissory note rediscount rate; as at 31 December 2006 this interest was 3.825% and as at 31 December 2005 - 4.28%.

26 Amounts due from banks

Amounts due from banks	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Current accounts	27 041	11 323
Deposits in other banks	2 883 429	1 873 817
Loans and credits granted	9 734	0
Repo transactions	0	152
Interest	5 421	3 286
Trade receivables	14 258	0
Total	**2 939 883**	**1 888 578**
Provision for imapairment	8	0
Total, net	**2 939 875**	**1 888 578**

As at 31 December 2006, amounts due from banks with variable interest rates stood at PLN 8 738 thousand (as at 31 December 2005: PLN 6.487 thousand), and with fixed interest rates, PLN 2 911 458 thousand (2005: PLN 1.878.805 thousand). As at 31 December 2006, there were also no-interest bearing amounts due from banks which stood at PLN 19 679 thousand.

(in thousand PLN)

Amounts due from banks by maturity (from balance sheet date to date of repayment)	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Current accounts	1 019 288	575 151
Term deposits with a maturity period:	1 920 595	1 313 427
Up to 1 month	1 614 020	1 051 423
from 1 to 3 months	306 052	262 000
from 3 months to 1 year	112	4
from 1 year to 5 years	411	0
over 5 years	0	0
Cash in transit	0	0
Other deposits on the money market	0	0
Total	**2 939 883**	**1 888 578**
Provision for imapairment	8	0
Total, net	**2 939 875**	**1 888 578**

27 Financial assets held for trading

Financial assets held for trading	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Debt securities	80	80
- issued by central banks	0	
- issued by other banks	0	
- issued by other financial institutions	0	
- issued by non-financial institutions	0	
- issued by State Treasury	80	80
- issued by local authorities	0	
Shares in other entities	0	
- listed	0	
- not listed	0	
Loans and credits	0	
Financial assets held for trading, total	**80**	**80**

In its portfolio, the Group has State Treasury bonds with a nominal value of PLN 76 thousand and redemption dates in the years 2007-2013. As at 31 December 2006, the average yield on those securities was 4,5% and as at 31 December 2005 average yield was close to 5%.

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**	
- issued by central banks													
- issued by other banks													
- issued by other financial institutions													
- issued by non-financial institutions													
- issued by State Treasury							78	4,33%	2	5,02%		80	
- issued by local authorities													
Shares in other entities	**0**		**0**		**0**		**0**		**0**		**0**	**0**	
- listed													
- not listed													
Bank loans and credits												**0**	
Financial assets held for trading, total as at 31 December 2006	**0**		**0**		**0**		**78**		**2**		**0**	**80**	

Financial assets held for trading, by maturity as at 31 December 2005 (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**	
- issued by central banks												0	
- issued by other banks												0	
- issued by other financial institutions												0	
- issued by non-financial institutions												0	
- issued by State Treasury							78	4,66%	2	4,99%		80	
- issued by local authorities												0	
Shares in other entities	**0**		**0**		**0**		**0**		**0**		**0**	**0**	
- listed												0	
- not listed												0	
Bank loans and credits												**0**	
Financial assets held for trading, total as at 31 December 2005	**0**		**0**		**0**		**78**		**2**		**0**	**80**	

28 Derivatives

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

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

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

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

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

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

	Up to 1 month	1 to 3 months	3 months to 1 year	1 - 5 years	more than 5 years	Total	Fair value (negative)	Fair value (positive)
Currency transactions								
- over the counter market								
Currency swap								
Purchase of currency								
Sale of currency								
CIRS				**5 752 030**		**5 752 030**	**-22 382**	**48 102**
Purchase of currency				2 864 712		2 864 712		
Sale of currency				2 887 318		2 887 318		
Non Delivery Forward	**48 417**					**48 417**		**34**
Purchase of currency	12 262					12 262		
Sale of currency	36 155					36 155		
Options								
Purchase								
Sale								
Derivative instruments, total	**48 417**	**0**		**5 752 030**		**5 800 447**	**-22 382**	**48 136**

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

	Up to 1 month	1 to 3 months	3 months to 1 year	1 - 5 years	more than 5 years	Total	Fair value (negative)	Fair value (positive)
Currency transactions								
- over the counter market								
Currency swap	**77 151**	**38 569**				**115 720**	**-56**	**128**
Purchase of currency	38 598	19 299				57 897		
Sale of currency	38 553	19 270				57 823		
CIRS				**1 527 417**		**1 527 417**	**-1 346**	**17 419**
Purchase of currency				756 034		756 034		
Sale of currency				771 383		771 383		
Non Delivery Forward	**38 931**					**38 931**	**-19**	
Purchase of currency	7 467					7 467	-4	
Sale of currency	31 464					31 464	-15	
Options	**7 863**					**7 863**		**38**
Purchase								
Sale	7 863					7 863		38
Derivative instruments, total	**123 945**	**38 569**	**0**	**1 527 417**	**0**	**1 689 931**	**-1 421**	**17 585**

29 Other financial instruments at fair value through profit or loss

No such items.

(in thousand PLN)

30 Bank loans and credits due from customers

Amounts due from customers	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Bank loans and credits	6 136 489	3 537 895
Purchased receivables	475 981	251 023
Receivables due under credit cards	0	0
Realised guarantees	504	506
Non-listed securities	0	0
Repo transactions	0	0
Receivables in transit	0	68
Interest	22 831	15 854
Total	**6 635 805**	**3 805 346**
Impairment write downs (-)	-557 086	-514 911
Total, net	**6 078 719**	**3 290 435**

As at 31 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	Fair value thousand PLN
Bank loans and credits granted to:						
- corporate loans	271 537	159 808	-5 334	-139 083	286 928	*
- car loans	1 415 035	130 650	-31 115	-97 400	1 417 170	*
- mortgage loans	3 182 956	113 544	-34 509	-49 824	3 212 167	*
- purchased lease receivables	357 492	11 974	-99	-9 417	359 950	*
- cash and instalment loans	385 694	92 144	-14 899	-65 418	397 521	*
- other retail loans	348 839	143 478	-2 331	-107 657	382 329	*
Interest	22 654	0	0	0	22 654	*
Total	**5 984 207**	**651 598**	**-88 287**	**-468 799**	**6 078 719**	

As at 31 December 2005	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	Fair value thousand PLN
Bank loans and credits granted to:						
- corporate loans	262 335	373 999	-224 481	-70 449	341 404	*
- car loans	1 113 355	120 208	0	-97 356	1 136 207	*
- mortgage loans	1 285 369	83 158	-8 365	-56 138	1 304 024	*
- purchased lease receivables	168 258	8 572	-6 230	-2 584	168 016	*
- cash and instalment loans	237 769	65 595	0	-41 430	261 934	*
- other retail loans	60 120	11 140	0	-7 878	63 382	*
Interest	15 468	0	0	0	15 468	*
Total	**3 142 674**	**662 672**	**-239 076**	**-275 835**	**3 290 435**	

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

(in thousand PLN)

Bank loans and credits granted to customers by maturity	31.12.2006		31.12.2005	
	Carrying amount thousand PLN	Average effective interest rate	Carrying amount thousand PLN	Average effective interest rate
Bank loans and credits granted to:				
- local authorities	40 925	6,13%	72 174	7,20%
Up to 1 month	2 788	0	18 506	
from 1 month to 3 months	4 440	0	5 334	
from 3 months to 1 year	13 324	0	18 711	
from 1 year to 5 years	19 214	0	28 794	
more than 5 years	1 159	0	829	
- financial institutions other than banks	10 546	17,74%	65 884	12,16%
Up to 1 month	5 671	0	14 930	
from 1 month to 3 months	71	0	9 272	
from 3 months to 1 year	392	0	24 314	
from 1 year to 5 years	4 343	0	17 327	
more than 5 years	69	0	41	
- non financial institutions	972 517	12,56%	611 882	13,60%
Up to 1 month	322 145	0	206 925	
from 1 month to 3 months	71 034	0	24 630	
from 3 months to 1 year	191 288	0	62 715	
from 1 year to 5 years	341 826	0	172 974	
more than 5 years	46 224	0	144 638	
- public	5 032 077	20,52%	2 524 641	21,74%
Up to 1 month	442 504	0	229 559	
from 1 month to 3 months	83 589	0	93 095	
from 3 months to 1 year	357 705	0	286 407	
from 1 year to 5 years	1 401 909	0	917 362	
more than 5 years	2 746 370	0	998 218	
-Interest	22 654	0	15 854	
Total	**6 078 719**		**3 290 435**	

Fixed interest credits and loans extended to clients as at 31 December 2006 represented 3% of the entire credit and loan portfolio, i.e. PLN 184 million. They included such bank products as buy out of lease receivables, buy out of factoring receivables, part of automobile loans, installment loans, and business currency loans.

In order to secure credits and loans extended to clients the Group signed agreements on collateral transfer of ownership with its clients. The subject of those agreements may be sold or encumbered with another right even if the borrower made the payments. This concerns primarily instalment loans. The fair value of objects whose ownership has been transferred as collateral to the Group didn't occur (as at 31 December 2005 it was PLN 5.709 thousand).

Changes in the level of impairment losses in the year ended 31 December 2006 and 2005 are presented in Note 19.

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

The valuation of loans and deposits at fair value (present discounted value) as at the date of acquisition of shares in Getin Bank S.A. by Getin Holding gave rise to a value amortised in future periods in accordance with the loan and deposit principal settlement schedule. At Getin Bank S.A., just

(in thousand PLN)

like in most banking institutions, there is a problem with a different timing (mis-match) of recognition of differences between the fair values and carrying amounts of deposits and loans.
As at the date of acquisition:

- the estimated schedule for recognition of differences between the fair value and carrying amount of deposits is as follows:
    - 67% in 2004
    - 4% in 2005
    - 3% in 2006
    - 6% in 2007
    - 6% in 2008
    - 14% in 2009
- the estimated schedule for recognition of differences between the fair value and carrying amount of loans is as follows:
    - 5,5% in 2004
    - 19,5% in 2005
    - 22% in 2006
    - 19% in 2007
    - 14% in 2008
    - 19% in 2009

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

Amortisation of difference between carrying amount and fair value	Revaluation difference as at 25.05.04	2004	1-6.2005	7-12.2005	1-6.2006	7-12.2006	2007	2008	2009 and following years
Amortisation - loans	38 306	2 194	3 371	4 099	4 227	4 283	7 516	5 159	7 457
Amortisation - deposits	-39 491	-26 308	-1 558	-126	-126	-1 135	-2 269	-2 269	-5 700
Total loans and deposits	**-1 185**	**-24 114**	**1 813**	**3 973**	**4 101**	**3 148**	**5 247**	**2 890**	**1 757**
Impact on result of Getin Bank S.A. for the period		22 929	-1 813	-3 973	-4 101	-3 148	-5 247	-2 890	-1 757
Impact on net assets of Getin Bank S.A. as at the balance sheet date		22 929	21 116	17 143	13 042	9 894	4 647	1 757	0
Share of GH in Getin Bank S.A. - for the period		71,21 %	71,21%	98,20%	99,25%	99,29%	99,38 %	99,38 %	99,38%
Share of GH in Getin Bank S.A. - as at the balance sheet date		71,21 %	98,20%	99,25%	99,29%	99,38%	99,38 %	99,38 %	99,38%
Impact on the consolidated net result for the period		**16 328**	**-1 291**	**-3 901**	**-4 070**	**-3 126**	**-5 215**	**-2 872**	**-1 746**
Net assets acquired from minority shareholders in the period			**5 699**	**180**	**5**	**9**			
Impact on consolidated net assets as at the balance sheet date		**16 328**	**20 736**	**17 014**	**12 949**	**9 833**	**4 618**	**1 746**	**0**

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

31 Finance lease receivables

Finance lease receivables as at 31.12.2006 (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		
Total	**196 617**	**159 152**
Unearned interest	37 465	0
Net investment in finance leases	**159 152**	
Unguaranteed residuals		
Current value of minimum lease payments	**159 152**	
Provisions	3 749	0
Carrying amount	**155 403**	

Finance lease receivables as at 31.12.2005 (PLN thousands)	Gross investment in finance leases	Current value of minimum lease payments
Up to 1 year	92 453	75 041
From 1 year to 5 years	14 393	11 906
More than 5 years		
Total	**106 846**	**86 947**
Unearned interest	19 899	0
Net investment in finance leases	**86 947**	
Unguaranteed residuals		
Current value of minimum lease payments	**86 947**	
Provisions	3 869	
Carrying amount	**83 078**	

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

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

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

(in thousand PLN)

32 Investment securities

Investment securities	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Securities available for sale	1 600 650	1 531 715
- issued by central banks	27 768	61 486
- issued by other banks	0	3 462
- issued by other financial institutions	2 512	0
- issued by non-financial institutions	15 189	15 790
- issued by State Treasury	1 555 181	1 450 977
- issued by local authorities	0	0
Securities held to maturity	32 436	34 917
- issued by central banks	0	0
- issued by other banks	25 252	25 256
- issued by other financial institutions	0	0
- issued by non-financial institutions	0	0
- issued by State Treasury	5 261	5 370
- issued by local authorities	1 923	4 291
Investment securities, total	**1 633 086**	**1 566 632**
Impairment of investment securities	12 489	15 118
Investment securities, net total	**1 620 597**	**1 551 514**

Changes of investment securities	2006 thousand PLN	2005 thousand PLN
Securities available for sale		
Net balance at the beginning of period	1 516 597	1 066 891
Foreign exchange differences	0	0
Additions	11 925 364	10 778 989
Disposals (sale and repurchase)	11 855 243	10 333 617
Impairment write-downs	1 081	-4 334
Change in fair value	19	0
Net balance at the end of period	**1 585 656**	**1 516 597**
Securities held to maturity		
Net balance at the beginning of period	34 917	36 936
Foreign exchange differences	0	0
Additions	1 629	2 384
Disposals (sale and repurchase)	4 110	4 341
Impairment write-downs	0	0
Change in fair value	0	-62
Net balance at the end of period	**32 436**	**34 917**

Debt securities issued by central banks include NBP bonds of a total value of PLN 26 822 thousand. The maturity dates of those securities is 1st March 2012. As at 31 December 2006, the average yield to maturity of those securities was about 4,21%.

Debt securities issued by the Ministry of Finance include treasury bills of a total value of PLN 985 342 thousand and treasury bonds of a total value of PLN 557 063 thousand. The maturity dates of those securities are from 3 days to 5 years, while coupons from 5.46% to 5.75%. As at 31 December 2006, the average yield to maturity of those securities was from 3.78% to 6.39%.

In 2005, debt securities issued by central banks included NBP bonds with the total nominal value of 58,468,000.00 PLN. The maturity dates of those securities expire in 2012. As of 31 December 2005, the average profitability of the redemption of those securities amounted to 5-6%.

In 2005, debt securities issued by the State Treasury included treasury bills with the total nominal value of 860,750,000.00 PLN and treasury bonds with the total nominal value of 576,000,000.00 PLN (or other currencies). The maturity dates of those securities expire in the period 2006-2010. As of 31 December 2005, the average profitability of the redemption of those securities amounted to 4-7%.

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	
	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Securities available for sale													
- issued by central banks									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													
Securities available for sale, total as at 31 December 2006	**104 843**		**319 988**		**621 164**		**504 367**		**27 768**		**22 520**	**1 600 650**	

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

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	
	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Securities available for sale													
- issued by central banks													
- issued by other banks							25 252	4,88%				25 252	4,88%
- issued by other financial institutions													
- issued by other non-financial institutions													
- 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**	

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

33 Investments in associates and jointly controlled entities

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

Associaties as at 31 December 2005:
- Powszechny Dom Kredytowy S.A.
- Getin Leasing S.A.

In April 2006, the share capital of Getin Leasing was increased by PLN 10 000 000; Getin Holding did not participate in the subscription of the new issue. The share held by Getin Holding after the share capital increase has decreased to 12.24%, and Getin Leasing stopped to be associated entity.

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

* TU Europa Capital Group includes Towarzystwo Ubezpieczeń Europa S.A. and a wholly-owned subsidiary: Towarzystwo Ubezpieczeń na Życie Europa S.A. Getin Holding acquired 19.99% shares of Towarzystwo Ubezpieczeń Europa S.A., purchasing indirectly 19.99% shares of Towarzystwo Ubezpieczeń na Życie Europa S.A.

Towarzystwo Ubezpieczeń Europa S.A. and its subsidiary, Towarzystwo Ubezpieczeń na Życie Europa S.A. are classified as associates because they fulfil two conditions specified in IAS 27.7 for the company to materially influence other entities: 2 members of the Supervisory Board of both entities are from Getin Holding Group, and there are significant transactions with Getin Holding Group.

Changes in investments in associates	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Value of associates at the beginning of the period	**0**	**152**
Acquisition	35 218	755
Share of profits/(losses)		-826
Disposal		-81
Value of associates at the end of the period	**35 218**	**0**
Goodwill at the beginning of the period	**2 736**	**231**
Acquisition	77 639	2 736
Disposal	-2 505	-231
Goodwill at the end of the period	**77 870**	**2 736**
Value of investment in associates (including goodwill) at the end of the period	**113 088**	**2 736**

* in 2006 Getin Leasing stopped to be associated company and was reclassified to investment securities available for sale

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

Entity	Value of assets	Value of liabilities	Revenues	Net profit/(loss)	% shares
2006					
PDK S.A.	19 807	37 691	48 898	-29 192	21,0%
Grupa Kapitałowa TU Europa - dane skonsolidowane	748 849	570 342	228 372	45 433	19,99%
Total	**768 656**	**608 033**	**277 270**	**16 241**	**---**
2005					
Getin Leasing S.A.	245 931	249 956	31 951	-7 730	20,7%
PDK S.A.	24 044	39 704	41 465	-4 496	21,0%
Total	**269 975**	**289 660**	**73 416**	**-12 226**	**---**

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

Entity	Share of losses - current year	Cumulative share of losses
2006		
PDK S.A.	467	1411
Razem	**467**	**1411**

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

34 Financial instruments available for sale

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

Moreover financial instruments available for sale include Getin Leasing SA 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).

35 Intangible assets

Intangible assets	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Development costs	0	0
Patents and licences	3 982	276
Goodwill	376 733	373 201
Trademark	50 600	50 600
Other	20 514	13 019
Advances for intangibles	2 810	808
Total	**454 639**	**437 904**

(in thousand PLN)

Changes of intangibles for the year ended 31 December 2006	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 2006	**3 082**	**2 860**	**50 600**	**373 201**	**31 225**	**808**	**461 776**
Increases, of which:	**0**	**4 179**	**0**	**4 571**	**12 363**	**7 459**	**28 572**
Acquisition of subsidiaries	0	0	0	4 571	0	0	4 571
Additions due to internal development work	0	0	0	0	0	0	0
Purchases	0	4 179	0	0	6 909	7 459	18 547
Acquisition due to business combination	0	0	0	0	0	0	0
Transfer from investments	0	0	0	0	0	0	0
FX differences	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Decreases, of which:	**0**	**1 184**	**0**	**1 039**	**151**	**5 457**	**7 831**
	0	**0**	**0**	**0**	**0**	**0**	**0**
Assets classified as held for sale	0	0	0	0	0	0	0
Liquidation and sale, donation	0	1 184	0	0	-30	0	1 154
Disposals due to business combination	0	0	0	0	0	0	0
Disposal of subsidiaries	0	0	0	1 039	0	0	1 039
Other	0	0	0	0	181	5 457	5 638
Closing balance as at 31 December 2006	**3 082**	**5 855**	**50 600**	**376 733**	**43 437**	**2 810**	**482 517**
Accumulated depreciation							
Openning balance as at 1 January 2006	**2 423**	**2 584**	**0**	**0**	**18 206**	**0**	**23 213**
	0	0	0	0	0	0	0
Increases, of which:	**0**	**473**	**0**	**0**	**4 780**	**0**	**5 253**
Acquisition of subsidiaries	0	0	0	0	0	0	0
Depeciation in period	0	473	0	0	4 780	0	5 253
Acquisition due to business combination	0	0	0	0	0	0	0
FX differences	0	0	0	0	0	0	0
Other additions	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
Decreases, of which:	**0**	**1 184**	**0**	**0**	**63**	**0**	**1 247**
Liquidation and sale, donation	0	1 184	0	0	0	0	1 184
Classification as assets held for sale	0	0	0	0	0	0	0
Other	0	0	0	0	63	0	63
Closing balance as at 31 December 2006	**2 423**	**1 873**	**0**	**0**	**22 923**	**0**	**27 219**
Impairment write-downs							
Openning balance as at 1 January 2006	**659**	**0**	**0**	**0**	**0**	**0**	659
Increases, of which:	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Decreases, of which:	0	0	0	0	0	0	0
Classification as assets held for sale	0	0	0	0	0	0	0
Closing balance as at 31 December 2006	**659**	**0**	**0**	**0**	**0**	**0**	**659**
Net book value							
Openning balance as at 1 January 2006	**0**	**276**	**50 600**	**373 201**	**13 019**	**808**	**437 904**
Closing balance as at 31 December 2006	**0**	**3 982**	**50 600**	**376 733**	**20 514**	**2 810**	**454 639**

(in thousand PLN)

Changes of intangibles for the year ended 31 December 2005	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 2005	**3 082**	**568**	**0**	**148 916**	**19 085**	**4 741**	**176 392**
Increases, of which:	**0**	**2 294**	**50 600**	**224 285**	**12 143**	**5 722**	**295 044**
Acquisition of subsidiaries	0	2 221	50 600	224 285	559	0	277 665
Additions due to internal development work							0
Purchases	0	73	0	0	1 929	5 722	7 724
Acquisition due to business combination							0
Transfer from investments	0	0	0	0	9 655	0	9 655
FX differences							0
Other							0
Decreases, of which:	**0**	**2**	**0**	**0**	**3**	**9 655**	**9 660**
Classification as assets held for sale					3		3
Liquidation and sale, donation	0	2	0	0	0	0	2
Disposals due to business combination							0
Other						9 655	9 655
Closing balance as at 31 December 2005	**3 082**	**2 860**	**50 600**	**373 201**	**31 225**	**808**	**461 776**
Accumulated depreciation							
Openning balance as at 1 January 2005	**2 346**	**435**	**0**	**0**	**14 994**	**0**	**17 775**
Increases, of which:	**77**	**2 149**		**0**	**3 212**	**0**	**5 438**
Acquisition of subsidiaries	0	2 037	0	0	227	0	2 264
Depeciation in period	77	112	0	0	2 985	0	3 174
Acquisition due to business combination							0
FX differences							0
Other additions							0
Transfers							0
Decreases, of which:	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Liquidation and sale, donation							0
Classification as assets held for sale							0
Other							0
Closing balance as at 31 December 2005	**2 423**	**2 584**	**0**	**0**	**18 206**	**0**	**23 213**
Impairment write-downs							
Openning balance as at 1 January 2005	**659**	**0**	**0**	**0**	**0**	**0**	659
Increases, of which:							0
Decreases, of which:							0
Classification as assets held for sale							0
Closing balance as at 31 December 2005	**659**	**0**	**0**	**0**	**0**	**0**	**659**
Net book value							
Openning balance as at 1 January 2005	**77**	**133**		**148 916**	**4 091**	**4 741**	**157 958**
Closing balance as at 31 December 2005	**0**	**276**	**50 600**	**373 201**	**13 019**	**808**	**437 904**

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.
The Group does not have any contractual liabilities taken in connection with acquisition of intangible assets.

Assets material for the Group:
- centralized transaction IT system DEF 3000. The carrying amount of the system as at 31 December 2006 was PLN 12 332 thousand, and the remaining amortisation period is until January 2011,
- Open Finance trademark. The carrying amount of the trademark as at 31 December 2006 was PLN 50 600 thousand and it has an indefinite useful life.

Since 1 January 2004 goodwill has not been amortised and it has been annually tested for impairment. The tests did not reveal any impairment of goodwill. The test results as at 31 December 2006 are presented below, and further tests are scheduled for 31 December 2007. As at 31 December 2006, there were no indicators of impairment of goodwill.

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

(in thousand PLN)

Test for impairment of goodwill arising on acquisition of Getin Bank

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

The recoverable amount of the entity was determined on the basis of the value in use. In order to carry out the test, cash flow projections for the entity were prepared for a period of 5 years. The valuation took into account the residual value of the entity arising from cash flow subsequent to the 5-year projection period.
In order to calculate free pre-tax operating cash flow, the Bank's operating result in the individual years covered by the projection was adjusted for material non-monetary items and planned capital expenditures.

Name of the tested company	Test date	Cash flows forecast			Discount rate	Test results
		According to financial budget for the years	Extrapolation for the years	Rate of growth in extrapolation		
Getin Bank S.A.	31.12.2006	2007 - 2009	2010-2011	10%	8,34%	brak utraty wartości
Carcade OOO		2007 - 2008	2009-2011	15%	15,04%	
Noble Bank S.A.		2007 - 2009	2010-2011	10%	8,34%	
Open Finance S.A.		2007 - 2009	2010-2011	10%	8,34%	
Fiolet S.A.		2007	2008-2011	10%	8,34%	

The trademark was valued at its fair value of 50,600,000 PLN. 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 Noble Bank Management Board 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 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.
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 Bank Management Board will decide if the above factors are still valid, and consequently, whether to abide by its decision or not.

36 Property, plant and equipment

Property, plant and equipment	**31.12.2006 thousand PLN**	**31.12.2005 thousand PLN**
Land and buildings	51 459	60 570
Plant and machinery	17 380	18 517
Motor vehicles	14 106	10 431
Other assets including equipment	6 337	5 368
Construction in progress	1 595	1 439
Property, plant and equipment, total	**90 877**	**96 325**

(in thousand PLN)

Changes in property, plant and equipment for year ended 31 December 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:	**22 420**	**9 655**	**8 791**	**4 832**	**45 698**
Purchases of subsidiaries	0	0	0	0	0
Purchases	7 237	3 582	8 734	4 647	24 200
Transfers from construction in progress	7 425	6 073	0	185	13 683
Transfer from investment property on own real estate	7 758	0	0	0	7 758
Acquisition due to business combination	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Other	0	0	57	0	57
Decreases, of which:	**32 232**	**9 104**	**3 285**	**7 850**	**52 471**
Classification as asset held sale	14 783	0	0	0	14 783
Liquidation and sale, donation	17 449	9 102	2 372	6 489	35 412
Disposals due to business combination	0	0	0	0	0
Other	0	2	913	6	921
Transfer to other assets	0	0	0	0	0
Reclassification to investment real estate	0	0	0	1 355	1 355
Closing balance	**86 889**	**72 847**	**21 696**	**23 511**	**204 943**
Accumulated depreciation					
Openning balance as at 1 January 2006	**35 878**	**53 717**	**5 756**	**21 075**	**116 426**
Increases, of which:	**6 845**	**10 333**	**3 817**	**2 008**	**23 003**
Purchases of subsidiaries	0	0	0	0	0
Depreciation for the period	6 845	10 333	3 793	2 008	22 979
Acquisition due to business combination	0	0	0	0	0
Foreign exchange differences	0	0	0	0	0
Other increases	0	0	24	0	24
Transfers	0	0	0	0	0
Decreases, of which:	**10 860**	**8 645**	**1 986**	**5 995**	**27 486**
Liquidation and sale	10 860	8 645	1 788	5 995	27 288
Release of restructuring provision	0	0	0	0	0
Classification as asset held for sale	0	0	0	0	0
Other	0	0	198	0	198
Closing balance	**31 863**	**55 405**	**7 587**	**17 088**	**111 943**
Impairment write-downs					
Openning balance as at 1 January 2006	**253**	**62**	**3**	**86**	404
Increases	3 314	0	0	0	3 314
Closing balance as at 31 December 2006	**3 567**	**62**	**3**	**86**	**3 718**
Net book value					
Openning balance as at 1 January 2006	**60 570**	**18 517**	**10 431**	**5 368**	**94 886**
Closing balance as at 31 December 2006	**51 459**	**17 380**	**14 106**	**6 337**	**89 282**

(in thousand PLN)

Changes in property, plant and equipment for year ended 31 December 205	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 2005	**69 918**	**49 237**	**15 353**	**19 857**	**154 365**
Increases, of which:	**38 671**	**26 424**	**6 657**	**7 732**	**79 484**
Purchases of subsidiaries	22 249	12 827	1 777	5 362	42 215
Purchases	4 414	2 728	4 608	510	12 260
Transfers from construction in progress	11 349	10 803	0	1 842	23 994
Acquisition due to business combination	0	0	0	0	0
Foreign exchange differences	0	66	32	18	116
Other	659	0	240	0	899
Decreases, of which:	**11 888**	**3 365**	**5 820**	**1 060**	**22 133**
Classification as asset held sale	18	693	3 917	315	4 943
Liquidation and sale, donation	7 668	2 672	1 903	745	12 988
Disposals due to business combination	0	0	0	0	0
Other	739	0	0	0	739
Transfer to other assets	160	0	0	0	160
Reclassification to investment real estate	3 303	0	0	0	3 303
Closing balance as at 31 December 2005	**96 701**	**72 296**	**16 190**	**26 529**	**211 716**
Accumulated depreciation					
Openning balance as at 1 January 2005	**19 785**	**36 244**	**5 142**	**14 974**	**76 145**
Increases, of which:	**16 893**	**20 301**	**3 969**	**6 917**	**48 080**
Purchases of subsidiaries	13 643	11 563	657	4 896	30 759
Depreciation for the period	3 250	8 721	3 229	2 018	17 218
Acquisition due to business combination	0	0	0	0	0
Foreign exchange differences	0	17	5	3	25
Other increases	0	0	78	0	78
Transfers	0	0	0	0	0
Decreases, of which:	**800**	**2 828**	**3 355**	**816**	**7 799**
Liquidation and sale	720	2 435	1 319	541	5 015
Release of restructuring provision	0	0	0	0	0
Classification as asset held for sale	0	393	2 036	275	2 704
Other	80	0	0	0	80
Closing balance as at 31 December 2005	**35 878**	**53 717**	**5 756**	**21 075**	**116 426**
Impairment write-downs					
Openning balance as at 1 January 2005	**253**	**64**	**47**	**29**	393
Increases	0	0	75	57	132
Decreases	0	2	44	0	46
Classification as asset held for sale	0	0	75	0	75
Closing balance as at 31 December 2005	**253**	**62**	**3**	**86**	**404**
Net book value					
Openning balance as at 1 January 2005	**49 880**	**12 929**	**10 164**	**4 854**	**77 827**
Closing balance as at 31 December 2005	**60 570**	**18 517**	**10 431**	**5 368**	**94 886**

The carrying amount of the vehicles used under finance lease agreements and hire purchase agreements as at 31 December 2006 was 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 amounted to:
- PLN 177 thousand in the year 2006;
- PLN 53 thousand in the year 2005.

The expenditures included in the balance of construction in progress as at 31 December 2006 amounted to 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.

(in thousand PLN)

37 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 31 December 2006 was PLN 18.186 thousand (as at 31 December 2005 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	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Gross book value		
Opening balance as at 1 January	**18 125**	**14 822**
Increases	**0**	**3 303**
Purchases of real estate	0	
Capitalisation of subsequent expenditures	0	
Acquisition due to business combination	0	
Transfer from inventory	0	
Transfer from own real estate	0	3 303
Other	0	
Decreases	**7 758**	**0**
Sale of real estate	0	
of which: sale of assets classified as held for sale according to IFRS 5	0	
Transfer to inventory	0	
Transfer to own real estate	7 758	
Other	0	
Closing balance	**10 367**	**18 125**
Accumulated depreciation		
Opening balance as at 1 January	**523**	
Increases	**545**	**523**
Depreciation	**545**	**523**
Decreases	**40**	
Closing balance	**1 028**	**523**
Impairment write-downs		
Opening balance as at 1 January	**0**	**0**
Increases	0	0
Decreases	3 153	0
Transfer to own real estate	3 153	0
Realized	0	0
Closing balance	**-3 153**	**0**
Net book value		
Opening balance as at 1 January	**17 602**	**14 822**
Closing balance as at 31 December	**12 492**	**17 602**

(in thousand PLN)

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

	2006 thousand PLN	2005 thousand PLN
Income from rental/lease of investment property	1 227	1 070
Direct operating expenses related to investment property (of which: repairs and maintenance), which generated rental income in the period	774	1 305
Direct operating expenses related to investment property (of which: repairs and maintenance), which did not generate any rental income in the period	671	230

38 Other assets

Other assets	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Deferred costs	9 196	1 812
Perpetual usufruct right	412	697
Other assets held for resale	34	0
Receivables from sundry debtors	22 784	29 217
Trade receivables	3 813	3 773
Receivables from other taxation, subsidies and social security	6 736	3 611
Debit cards settlements	3 616	0
Advances	16 326	7 031
Other receivables	22 651	508
Interbank and inter branch accounts	76	0
Compensation receivables under lease agreements	2 625	3 528
Other	325	1 352
Total other assets	**88 594**	**51 529**
Impairment write-downs	-5 655	0
Total other assets, net	**82 939**	**51 529**

39 Non-current assets held for sale

This item consists of 5 properties of Getin Bank and Noble Bank offered for sale in a tender, with the net book value of PLN 25 564 thousand as at 31 December 2006.
Location of the properties:

1.Łódż ul.Tymienieckiego 7,
2.Łódż ul.Piotrkowska 9,
3.Zduńska Wola ul.Królewska 1
4. Lublin ul. Okopowa
5.Zamość ul.Piłsudskiego 24 (acquired by purchase from Wschodni Bank Cukrownictwa).

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

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

(in thousand PLN)

In December 2006, under an arrangement with BP Real Nieruchomości in liquidation, the Bank's receivables from the company were converted into a new issue of shares. Following the conversion, capital commitments in the company increased up to 20.92 million PLN, while the Bank’s share in the company capital increased up to 89.67%. Measurement of shares to their fair value resulted in an increase of their carrying value as at 31.12.2006 up to 16.37 million PLN. The Bank has its representatives sitting on the Supervisory and Management Board of BP Real Nieruchomości. Shares in the Company are held for sale within one year of the acquisition date.

40 Assets providing security for liabilities

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
vehicles	loans	114 539	31 395
treasury bills	loan BFG	10 188	14 666
treasury bonds	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		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
Total:		**1 324 035**	**1 417 507**

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

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

41 Amounts due to Central Bank

No such items.

(in thousand PLN)

42 Amounts due to other banks and financial institutions

Amounts due to other banks and financial institutions	**31.12.2006 thousand PLN**	**31.12.2005 thousand PLN**
Overdrafts	0	638
Deposits accepted form other banks	644 728	513 843
Loans and credits received	1 007 799	897 681
Cash in transit	0	0
Other deposits from the money market	8	0
Interest	2 074	1 447
Other amounts due to other banks	2 146	1 319
Amounts due to other banks, total	**1 656 755**	**1 414 928**

Amounts due to other banks and financial institutions with a variable interest rate stood at PLN 889 407 thousand (2005: PLN 952.215 thousand), and those with a fixed interest rate stood at PLN 765 266 thousand (2005: PLN 461.266 thousand).

Amounts due to other banks and financial institutions by maturity based on the remaining period from the balance sheet date to date of repayment	**31.12.2006 thousand PLN**	**31.12.2005 thousand PLN**
Overdrafts	238	638
Liabilities payable within:	1 656 517	1 414 290
up to 1 month	497 089	396 643
from 1 to 3 months	59 833	7 313
from 3 months to 1 year	231 597	31 702
from 1 to 5 years	867 998	648 347
more than 5 year	0	330 285
Cash in transit		
Other deposits from the money market		
Total	**1 656 755**	**1 414 928**

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

No such items.

(in thousand PLN)

44 Amounts due to customers

Amounts due to customers	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Amounts due to corporate entities	**1 810 076**	**810 214**
Overdrafts and overnights	547 698	361 937
Term deposits	1 257 245	443 780
Advanced received	0	0
Interests	5 133	4 391
Other	0	106
Amounts due to state budget entities	**551 263**	**642 662**
Overdrafts and overnights	528 817	599 440
Term deposits	22 358	43 053
Interests	88	169
Other	0	0
Amounts due to individuals	**4 205 836**	**3 239 550**
Overdrafts and overnights	420 016	267 610
Term deposits	3 750 408	2 943 797
Interests	35 412	27 263
Other	0	880
Total of liabilities	**6 567 175**	**4 692 426**

Amounts due to customers with a variable interest rate stand at PLN 1 684 152 thousand (2005: PLN 1.611.384 thousand), and those with a fixed interest rate at PLN 4 842 390 thousand (2005: PLN 3.049.219 thousand). Other liabilities are non-interest bearing and stand at PLN 40 633 thousand as at 31 December 2006 (2005: PLN 31.823 thousand).

Amounts due to customers by maturity based on the remaining period at the balance sheet date to date of repayment	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Overdrafts and overnights	1 468 736	1 228 988
Term liabilities by maturity:	5 056 604	3 430 629
up to 1 month	1 999 410	986 190
from 1 to 3 months	1 747 556	1 496 224
from 3 months to 1 year	1 201 324	859 088
from 1 to 5 years	108 311	71 043
more than 5 years	3	18 084
Interest	40 633	31 823
Other	1 202	986
Total	**6 567 175**	**4 692 426**

(in thousand PLN)

45 Liabilities from issue of debt securities

Liabilities from issue of debt securities	**31.12.2006 thousand PLN**	**31.12.2005 thousand PLN**
Liabilities from issue of	1 419 889	253 900
bonds	357 448	80 163
certificates	173 821	173 737
other	888 620	0
Interests	16 275	2 172
Liabilities from issue of debt securities, total	**1 436 164**	**256 072**

	31.12.2006		**31.12.2005**	
	Carrying amount thousand PLN	**Average effective rate**	**Carrying amount thousand PLN**	**Average effective rate**
Liabilities from issue of debt securities, payable in:	1 419 889		253 900	
up to 1 month	37 639	2%		
from 1 to 3 months	5 393	16%		
from 3 months to 1 year	16 371	16%	40 223	7%
from 1 to 5 years	1 360 486	6%	213 677	6%
more than 5 years	0		0	
Interest	16 275		2 172	
Total	**1 436 164**		**256 072**	

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

(in thousand PLN)

46 Other liabilities

Other liabilities and interperiod settlements	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Deferred income	13 273	9 419
Provision for annual leave	3 272	3 512
Provision for other liabilities to employees	4 514	1 300
Provision for fixed cost	5 198	0
Other costs to be paid in future	15 867	10 847
Sundry creditors	12 463	33 405
Interbank settlements	38 489	33 216
Trade liabilities	9 882	6 021
Taxation, customs duty, social security liabilities (excluding CIT)	10 734	7 634
Lease liabilities	769	743
Payroll liabilities	2 130	1 759
Provision for contingent liabilities	1 455	161
Compensation and damages	0	0
Advances received	14 974	6 467
Foreign settlements	9 932	0
Other liabilities	3 277	675
Other liabilities, total	**146 229**	**115 159**

47 Provisions

Year ended 31 December 2006	Restructuring provision thousand PLN	Provision for litigation thousand PLN	Retirement provision thousand PLN	Provision for granted liabilities and guarantes thousand PLN	Other provisions thousand PLN	Total thousand PLN
As at 1 January 2006	38 321	3 664	612	204	10 305	53 106
Purchase of subsidiary	0	0	0	0	0	0
Recognition/revaluation of provision	0	4 843	481	4 545	3 410	13 279
Utilisation	3 830	291	248	0	5 697	10 066
Reversal	15 413	3 002	218	3 511	3 555	25 699
Changes relating to the increase of discounted value as a result of passage of time and variations in discount rate	0	0	0	0	0	0
Acquisition/disposal due to business combination	0	0	0	0	0	0
Exchange rate differences	0	0	0	0	0	0
Other changes	0	0	0	696	0	696
Provisions as at 31 December 2006	**19 078**	**5 214**	**627**	**1 934**	**4 463**	**31 316**

Year ended 31 December 2005	Restructuring provision thousand PLN	Provision for litigation thousand PLN	Retirement provision thousand PLN	Provision for granted liabilities and guarantes thousand PLN	Other provisions thousand PLN	Total thousand PLN
As at 1 January 2005	720	6 121	4 771	693	605	12 910
Purchase of subsidiary	38 073	0	0	0	9 391	47 464
Recognition/revaluation of provision	0	249	161	1 992	600	3 002
Utilisation	472	1 276	234	0	95	2 077
Reversal	0	1 295	4 086	2 481	196	8 058
Changes relating to the increase of discounted value as a result of passage of time and variations in discount rate	0	0	0	0	0	0
Acquisition/disposal due to business combination	0	0	0	0	0	0
Exchange rate differences	0	0	0	0	0	0
Other changes	0	-135	0	0	0	-135
Provisions as at 31 December 2005	**38 321**	**3 664**	**612**	**204**	**10 305**	**53 106**

(in thousand PLN)

Provision for retirement benefits and similar obligations	31.12.2006	31.12.2005
retirement provisions	351	266
provision for employees complaints	0	346
provisions for severance pays	276	0
Total	**627**	**612**

An increase in the level of provisions as at 31 December 2005 results from the take-over of WBC S.A., which from 2002 implemented a Restoration Proceedings Programme assuming a gradual restriction in activity. The starting point of the programme was to identify the risks underlying the Programme and to create provisions for future costs related to restriction of activity and the estimated impairment. They included, among other things, provisions for risk related to costs of discontinuing business with financial agents, closing the lending business, severance pays to employees being released, and identified risks related to the existing business of WBC. In 2005, the Restoration Proceedings Programme was completed as a result of achievement of the level of net assets assumed in the Programme and the sale of WBC was carried out. The formal completion of the implementation of the Restoration Proceedings Programme does not mean the end of all restructuring activities.

As at 31 December 2006, the balance of provisions for restructuring of WBC is as follows:

restructuring provision	- PLN 19 078 thousand:
of which:	
- provision for retail sales liquidation costs	- PLN 16 284 thousand,
- provision for costs of storing documents	- PLN 2 794 thousand,

As at 31 December 2005, the balance of provisions for restructuring of WBC is as follows:

restructuring provision	- PLN 38 073 thousand:
of which:	
- provision for retail sales liquidation costs	- PLN 20 900 thousand,
- provision for costs of storing documents	- PLN 3 440 thousand,
- provision for costs of claims vindication	- PLN 10 754 thousand,
- other	- PLN 2 979 thousand,

48 Employment benefits

Management Options Program of Getin Holding Group

On 2 March 2005, the General Meeting of Getin Holding S.A. adopted resolutions on setting up an incentive program for the Group's management staff, which plays a key role in implementing the Group's strategy.

Under the program, the Parent Company's share capital was conditionally increased through the issue of up to 3.000.000 series J shares.

The series J shares will be offered to Eligible Persons holding bonds with a Priority Right to acquire shares from the Trustee on terms and conditions set forth in the Management Option Plan.

The Company undertook to issue in aggregate no more than 3 million Bonds with the Priority Right. The bonds were issued and were taken up by the Trustee. Next, the Trustee was obliged to sell the bonds to the Eligible Persons.

Each bond carried the right to place 1 subscription for Series J Share.

The fair value of the priority rights to take up shares in the Company granted in the period until 31 December 2006 stood at PLN 5 104 thousand as at 31 December 2006. It is amortised over the estimated period of acquisition of rights to take up shares in the Company by the plan participants.

The payroll costs were increased accordingly in the year 2006 by PLN 2 714 thousand (in 2005: by PLN 1.955 thousand).

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

(in thousand PLN)

The fair value of the right of priority to take up shares in the Company is estimated at each date of granting options (priority rights to take up shares in the Company) on the basis of the Black – Scholes model.
The cost of the employee share plan as at each balance sheet date is adjusted if Management Board expectations concerning the number of rights to be exercised have changed.

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

	Plan for years 2005-2007
Dividend rate (%)	Not projected
Projected volatilities ratio (%)	30 %
Historical volatilities ratio (%)	30 %
Risk free interest rate (%)	4,50 %
Projected validation period of option (in years)	0 -2
Weighted average price of share (in PLN) as at 11.2005	3,69
Średnia ważona cena akcji (w PLN) as at 11.2006	9,17

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, Company entered into an agreement with Mr. Bernard Afeltowicz, governing 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 election, 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 we cease 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 a may be terminated by either party upon three months' notice.

As at December 31, 2006, Getin Holding recognised our liabilities towards Mr. Afeltowicz under this agreement in the amount equal PLN 1,455,000, corresponding to USD 500,000.00.

(in thousand PLN)

~~50~~49 Contingent liabilities

Sformatowane: Punktory i numeracja

Investment commitments

As at 31 December 2006, the Group executed agreements with business partners for implementation of planned capital expenditures (for IT systems development) in 2007 amounting to PLN 3 440 thousand (planned capital expenditures for the year 2006 amounted to PLN 8 399 thousand).

Contingent liabilities

	31.12.2006	31.12.2005
1. Contingent liabilities given	**1 334 375**	**244 038**
a) financing	1 324 928	224 897
b) guarantees given	9 447	19 141
2. Liabilities concerned with realisation of buy/sell transactions	**5 800 447**	**1 689 931**
3. Other off-balance sheet items	**1 386 112**	**1 391 310**

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

<u>Fiolet S.A.</u>
In connection with Getin Holding acquisition of 60% of Fiolet's share capital, on November 24, 2005, 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, 13.3% of his shares in Fiolet for the total price equal to: 0.33*10*40%*of Fiolet's net profits generated by Fiolet for fiscal year 2006. Getin Holding and the other shareholder are bound by this put option until December 31, 2007. In addition, the same shareholder has a call option to purchase from Getin Holding or another Fiolet shareholder 26.7% of their shares in Fiolet. The price will equal 0.66*10*40%*of Fiolet's net profits generated by Fiolet for fiscal year 2007. Getin Holding and the other shareholder are bound by this call option until September 30, 2008.

In addition, subject to certain conditions, we have 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.

Due to the considerable uncertainty of the variables in the above-presented price formulas (i.e. the result of Fiolet S.A. for 2006 and 2007), the Company decided that, as at the date hereof, it was not possible to give an estimation of the amount required to exercise its potential right to exercise the call option with the minority shareholders of Fiolet S.A.

<u>PDK S.A.</u>
On January 20, 2005, Company entered into an agreement with PDK's shareholder (Powszechny Dom Kredytowy we Wrocławiu S.A.), RB Investcom Sp. z o.o. (a company affiliated with Mr. Czarnecki), under which we have the right to purchase PDK shares representing 30% of PDK's share capital. We may exercise the call option in July 2007. The purchase price will be calculated based on the profits generated by PDK for fiscal year 2006.

On February 15, 2006 and March 10, 2006, Company entered into agreement with shareholders of PDK other than RB Investcom Sp. z o.o., under which we have the right to purchase from these shareholders 40% of PDK's share capital, by December 31, 2009. The purchase price for the shares will equal 40% 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.

(in thousand PLN)

Due to the considerable uncertainty of the variables in the above-presented price formulas (i.e. profits of Fiolet S.A. for financial year 2006 and the total loan extended in the year preceding the year of realising the call option), the Company decided that, as at the date hereof, it was not possible to give an estimation of the amount required to exercise its potential right to exercise the call option with the minority shareholders of PDK.

TU Europa

On September 7, 2006, Company executed an agreement with Mr. Czarnecki, pursuant to which Mr. Czarnecki has agreed to sell to the Company shares in TU Europa representing 99.46% of TU Europa's share capital and reinvest the proceeds of such sale in the Company. Under the agreement, Mr. Czarnecki agreed to sell to Getin Holding all of TU Europa's shares held by him (representing 25.14% of TU Europa's share capital) and to cause the sale to Getin Holding of all of TU Europa's share capital held by LC Corp. B.V. (representing 74.33% of TU Europa's share capital). The shares will be sold in two tranches: the first tranche will cover shares representing 19.99% of TU Europa's share capital (transaction concluded in November 2006) and the second tranche will cover shares representing the remaining 79.47% of TU Europa's share capital. The company agreed to purchase such shares at a price of PLN 71.6625 per share, amounting to a total purchase price for the stake of PLN 561,318 thousand. As at December 31, 2006, the Company is obliged to acquire 79.47% of TU Europa's share capital for a total amount of PLN 448,506 thousand.

Mr. Czarnecki further agreed to use all proceeds from the sale of TU Europa's shares (including those obtained by LC Corp. B.V.) to subscribe to Series L Shares of the company.

The agreement was executed subject to the following conditions precedent: (i) the Polish Financial Supervisory Commission consents to our purchase of the second tranche of TU Europa's shares and (ii) the President of the Competition and Consumer Protection Office issues clearance for the acquisition if such clearance is required under applicable law. These conditions precedent must be satisfied not later than on December 20, 2007.

Financial liabilities

	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Financial liabilities, total:	1 324 928	224 897
- for financial entities	681 457	5 563
- for non-financial entities	637 293	218 299
- for budget entities	6 178	1 035
of which: irrecovable liabilities	0	67 576

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

	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Financial liabilities given with a fixed interest rate, total:	0	3 704
- with maturity within the 1 year from the balance sheet date	0	3 704
- with maturity within more than 1 year from the balance sheet date	0	0
of which: irrevocable liabailities	0	0

Guarantee liabilities given

	31.12.2006 thousand PLN	31.12.2005 thousand PLN
1) Liabilities granted to financial entities:	51	0
- guarantees	51	0
- civil law guarantees	0	0
- accepted export letter of credit	0	0
2) Liabilities granted to non-financial entities:	9 375	19 138
- guarantees	9 375	16 352
- civil law guarantees	0	2 786
3) Liabilities granted to the state budget:	21	3
- guarantees	18	3
- civil law guarantees	3	0
- collaterals acceptance	0	0
Total liabilities given	**9 447**	**19 141**

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

50 Share capital

2006 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
At the beginning of the period	534 335	0	0	534 335
Issue of shares of series J	1 988			1 988
Issue of shares of series K	22 484			22 484
Issue of shares of series L	16 116			16 116
Issue of shares of series M	70 000			70 000
At the end of the period	**644 923**	**0**	**0**	**644 923**

Share capital was increased in the year 2006 by 110 588 258 shares issued as an series J, K, L, M. Nominal amount of one share was 1 PLN.

(in thousand PLN)

~~52~~51 Other reserves and retained earnings

Sformatowane: Punktory i numeracja

	31.12.2006 thousand PLN	31.12.2005 thousand PLN
Reserve capital	1 147 220	469 352
From sale of shares above their nominal value	1 147 220	469 352
Other	0	0
Revaluation reserve	9 632	12 128
Financial assets avaliable for sale valuation	13 504	11 572
Deffered tax	-3 872	556
General Bank Risk Fund	0	0
Other reserved capitals	103 959	22 709
Foreign exchange differences	-206	214
Bonds convertible to shares – equity component	4 668	1 955
Retained earnings	-14 234	-11 952
Net profit (loss)	160 226	78 439
At the end of the period, total	**1 411 265**	**572 845**

52 Insurance contracts

The table below presents information concerning insurance contracts for the year ended 31 December 2006 and as at 31 December 2006.

	2006 thousand PLN	2005 thousand PLN
Off-balance sheet liabilities in respect of insurance contracts:	9 174	15 925
Guarantees	8 454	15 362
Letters of credit	720	563
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability)	181	52
Insurance contracts revenue	281	438
Insurance contracts expenses	0	26

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 as at 31 December 2006 and 31 December 2006.

	2006 thousand PLN	2005 thousand PLN
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the beginning of period	52	27
Recognition of provisions for guarantees and letters of credit	181	26
Reversal of provisions for guarantees and letters of credit	52	1
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the end of the period	181	52

(in thousand PLN)

53 Additional information to cash flow statements

Cash and cash equivalents:

Balance Sheet items	2006 thousand PLN	2005 thousand PLN
Cash and balances with Central Bank	294 546	182 523
Current amounts due from banks	17 111	19 007
Overnight deposits	994 040	563 828
Cash and cash equivalents disclosed in the Cash Flow Statement	**1 305 697**	**765 358**

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

	Balance sheet	Cash Flow Statement	Difference	
Change in receivables from banks	-1 049 594	-596 982	-452 612	(1)
Change in financial assets held for trading and other financial instruments at fair value	0	0	0	
Change in derivatives (assets)	-30 551	-30 551	0	
Change in loans and credits allowed to customers	-2 788 284	-2 788 284	0	
Change in finance lease receivables	-72 325	-76 964	4 639	(2)
Change in securities available for sale	-71 564	-73 402	1 838	(3)
Change in deferred tax assets	-31 888	-32 596	708	(4)
Change in other assets	-31 410	-16 392	-15 018	(5)
Change in liabilities due to banks	241 827	246 254	-4 427	(6)
Change in derivatives (liability) and other financial assets valued at fair value	20 961	20 961	0	
Change in liabilities due to customers	1 874 749	1 874 749	0	
Change in liabilities arising from issue of debt securities	1 180 092	43 907	1 136 185	(7)
Change in provisions	-1 264	-1 264	0	
Change in other liabilities	29 842	18 916	10 926	(8)

(1) A difference between balance sheet change in receivables from banks and change in the receivables from banks in cash flow statement results from change of current accounts and overnight accounts amounting -452 612 thousand PLN, which is included in change of cash and cash equivalents.

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

(3) A difference between balance sheet change in investment securities available for sale and change in AFS securities in cash flow results from elimination of AFS securities valuation included in revaluation reserve from cash flow statement, which amounted to 1 838 thousand PLN.

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

(5) A difference between balance sheet change in other assets and change in the other assets in cash flow statements results from:
- foreign exchange differences from foreign entity (Carcade OOO) accounts translation, amounting to 707 thousand PLN
- elimination of changes in investment receivables amounting to -15 725 thousand PLN

~~(8)~~(6) A difference between balance sheet change in amounts due to banks and change in the amounts due to banks in cash flow statements results from foreign exchange differences from foreign entity (Carcade OOO)

Sformatowane: Punktory i numeracja

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

(8) A difference between balance sheet change in other liabilities and change in the other liabilities in cash flow statements results from:
- elimination of investment purchases liabilities amounting to 11 470 thousand PLN
- foreign exchange differences from foreign entity (Carcade OOO) accounts translation, amounting to -544 thousand PLN

~~55~~54 Transactions with other related parties

Sformatowane: Punktory i numeracja

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.,
- BP Real Nieruchomości S.A.,
- BP Telervis S.A.,
- KONWIN-Kruszwica sp. z o.o.
* entities affiliated via PDK S.A.:
- WTF Sp. z o.o., Credit Car Sp. z o.o., Profit Sp. z o.o.

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

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

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

(in thousand PLN)

Transactions of Getin Holding S.A. with other related parties

2006	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
Leszek Czarnecki											60			
LC Corp BV located in Amsterdam, Netherlands											112 857			
TU Europa S.A. located in Wrocław					11 853									
TU Europa na Życie S.A. located in Wrocław					20 474									
RB INVESTCOM SP. Z O.O.										45				
RB COMPUTER SP. Z O.O.										6	75			
LC Corp S.A.					43						429			
H.P. Holding 3 B.V.		5 250												
A.Nagelkerken Holding 3 B.V.		5 250												
International Consultancy Strategy Implementation B.V.		5 250												

2005	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
Leszek Czarnecki											120			
Tadeusz Pietka										3				
LC Corp BV located in Amsterdam, Netherlands					10 040						10 040			
TU Europa S.A. located in Wrocław					21 117		240			9	13			
iCentrum S.A. z siedzibą we Wrocławiu														
POŚREDNIK FINANSOWY SP. Z O.O.														
Profit Sp. z o.o.														
LC Corp S.A.					23					24	45			
H.P. Holding 3 B.V.														
A.Nagelkerken Holding 3 B.V.														
International Consultancy Strategy Implementation B.V.														

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

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

(in thousand PLN)

Transactions of Getin Bank S.A. with other related parties

2006	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
Leszek Czarnecki				7 272		1	47				9			50
LC Corp BV located in Amsterdam, Netherlands				407 987			3 378	4						
TU Europa S.A. located in Wrocław		2 910		55 198	2 466	-10	1 711	18 102	485	18 179	1 131			
TU Europa na Życie S.A. located in Wrocław				131 404	1 004	-14	4 354	30 051	15	30 054	15			
iCentrum S.A. located in Wrocław		22				3					1 512			
RB INVESTCOM SP. Z O.O.				4 726		1	11							
POŚREDNIK FINANSOWY SP. Z O.O.		26				3					10			
RB COMPUTER SP. Z O.O.											4 832			
RB Expert S.A. located in Wrocław														
CREDIT CAR Sp. z o.o.														
Piotr Stępniak	1													19
Tadeusz Pietka														
Ludwik Czarnecki				45			2							
KONWIN – Kruszwica Sp. z o.o. w upadłości														
BTG Sp. z o.o. w likwidacji	348	3 093		31				1		1	249	3 093		
BP REAL Nieruchomości Sp. z o.o.		185		3 721		2 236	42	1				185		
BP Telervis S.A. w likwidacji	3 738	2 353		223		43	2	4		1		5 527		
Arkady Wrocławskie S.A.	44 245			4 076		493	32	4			151			33 204
Łódź Nieruchomości sp. z o.o.														
Wrocław Nieruchomości Sp. z o.o.				10 587			196	1 416		1 415	79			
Warszawa Nieruchomości Sp. z o.o. w organizacji				1 581			7							
WTF Sp. z o.o.		29				4						1		
LC Corp S.A.				38 157			78	73						

(in thousand PLN)

2005	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
Leszek Czarnecki				7 032			864	1						20
LC Corp BV located in Amsterdam, Netherlands				45 997		88	623	1						
TU Europa S.A. located in Wrocław		29		36 295	204		795	2 925	163	50	858			
TU Europa na Życie S.A. located in Wrocław				87 945	5		3 687	8 079	5	30	393			
iCentrum S.A. located in Wrocław	46				48	3					1 248			
RB INVESTCOM SP. Z O.O.				1 182			6			11				
POŚREDNIK FINANSOWY SP. Z O.O.	38				3	2					10	1		
RB COMPUTER SP. Z O.O.					76						2 438			
RB Expert S.A. located in Wrocław		36								56				
CREDIT CAR Sp. z o.o.	229					31								
Fiolet S.A.						9		2	158	43				
Open Finance S.A.						4					22			
Piotr Stępniak	8													12
Wrocław Nieruchomości Sp. z o.o.				90 997			6							
Łódź Nieruchomości Sp. z o.o.				5										
Mercurius DM sp. z o.o.														
Akcept S.A.														
WTF Sp. z o.o.														
Profit Sp. z o.o.														
LC Corp S.A.				1 072			302	260			7			10 000

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

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

Transactions of Carcade OOO with other related parties

2006	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
TU Europa S.A. located in Wrocław			6 004				794							

2005	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
LC Corp BV located in Amsterdam, Netherlands							2 127							
TU Europa S.A.located in Wrocław			6 731				690		67					

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

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

(in thousand PLN)

Transactions of Fiolet S.A. with other related parties

2006	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
TU Europa S.A. located in Wrocław		44			4					125				
TU Europa na Życie S.A. located in Wrocław		8			21					2 605				

2005	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
TU Europa S.A. located in Wrocław					180						81			
TU Europa na Życie S.A. located in Wrocław					88						170			
Pośrednik Finansowy Sp. z o.o.		22								3				

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

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

Transactions of Open Finance with other related parties

2006	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
TU Europa S.A. located in Wrocław											28			
TU Europa na Życie S.A. located in Wrocław											7			

2005	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
TU Europa S.A. located in Wrocław											19			
TU Europa na Życie S.A. located in Wrocław										1				
RB INVESTCOM Sp. z o.o.			11 052				167							

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

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

Transactions of Noble Bank S.A. with other related parties

2006	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
TU Europa S.A. located in Wrocław				50 000			399				62			

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

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

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

No such items.

Transactions of Getin Raty with other related parties

2006	Credits and loans given /receivables/	Other receivables	Credits and loans received /liabilities/, incl interests	Amounts due to customers - deposits	Other liabilities	Interests income	Interests expense	Fee and commission income	Fee and commission expence	Sales *	Purchases **	Impairment allowances on irregular receivables	Impairment allowances charges on irregular receivables	Financial obligations and guarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Transactions with other related parties														
RB Computer Sp. z o.o.											152			
Wrocław Nieruchomości Sp. z o.o.					1						60			

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

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

(in thousand PLN)

Benefits for Management Board members

Benefits for members of Management Board of Getin Holding S.A.	Value of benefits	
	01.01.2006-31.12.2006 thousand PLN	01.01.2005-31.12.2005 thousand PLN
Piotr Stępniak		
Short-term employee benefits	111	267
Post-employment benefits	0	0
Other long-term benefits	0	0
Severance payments	0	0
Equity-settled payments	244	693
Total	**355**	**960**
Artur Wiza		
Short-term employee benefits	108	0
Post-employment benefits	0	0
Other long-term benefits	0	0
Severance payments	0	0
Equity-settled payments	0	0
Total	**108**	**0**
Tadeusz Pietka		
Short-term employee benefits	483	675
Post-employment benefits	0	0
Other long-term benefits	0	0
Severance payments	0	0
Equity-settled payments	0	8
Total	**483**	**683**
Paweł Ciesielski		
Short-term employee benefits	0	197
Post-employment benefits	0	18
Other long-term benefits	0	0
Severance payments	0	0
Equity-settled payments	0	0
Total	**0**	**215**

(in thousand PLN)

Benefits for members of Management Boards and Supervisory Boards of subsidiaries	Value of benefits	
	2006 thousand PLN	2005 thousand PLN
Management Board		
Short-term employee benefits	5 735	4 694
Post-employment benefits	52	0
Other long-term benefits	749	0
Severance payments	8	309
Equity-settled payments	1 068	160
Total	**7 612**	**5 163**
Supervisory Board		
Short-term employee benefits	196	17
Post-employment benefits	0	0
Other long-term benefits	0	0
Severance payments	0	0
Equity-settled payments	0	0
Total	**196**	**17**
Aggregated value of benefits	**7 808**	**5 180**

Sformatowane: Punktory i numeracja

~~56~~55 Business combinations

Company	Acquisition date	Share acquired in net assets	Share acquired in net assets after acquisition	Consideration paid in PLN thousand	Of which paid in cash	Value of net assets acquired	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	

* formerly Wschodni Bank Cukrownictwa S.A.
** retrospective adjustment of provisional acquisition settlement made in 2005; the negative goodwill of the company was retrospectively charged to other operating income of 2005.

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

I Goodwill as at the date of acquisition	Thousand PLN
1 Total assets	4.744
2 Liabilities	2.655
3 Net assets according to balance sheet	2.089
4 Adjustment of net assets acquired to fair value	0
5 Net assets adjusted to fair value	2.089
6 Net assets adjusted to 60% share held	1.253
7 Consideration paid	3.540
8 Costs incurred in connection with acquisition	57
9 Goodwill as at the date of acquiring control	2.344

Open Finance
An adjustment resulting from the final settlement of Open Finance acquisition is presented in Note 5.6.

Noble Bank S.A. (formerly Wschodni Bank Cukrownictwa S.A.)
The financial statement for the year which ended on 31.12.2005 features a provisional settlement of Noble Bank acquisition, taking into account the acquisition date. The final settlement with regard to acquisition of Noble Bank by Getin Holding took place in April 2006.

(in thousand PLN)

The final settlement of the fair value of acquired assets, liabilities and contingent liabilities of Noble Bank as at the acquisition date followed estimates which had been adapted for the provisional acquisition settlement in December 2005.

I Goodwill as at the date of acquisition	Thousand PLN
1 Total assets	633 661
2 Liabilities	456 886
3 Net assets according to balance sheet	176 775
4 Adjustment of net assets acquired to fair value	27 078
5 Net assets adjusted to fair value	203 853
6 Net assets adjusted to 60% share held	203 669
7 Consideration paid	210 000
8 Costs incurred in connection with acquisition	594
9 Goodwill as at the date of acquiring control	6 925

Description of factors which gave rise to goodwill on acquisition of Noble Bank (WBC)

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

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

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

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

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

(in thousand PLN)

The data concerning the companies acquired in 2005 is presented below:

	Income of the company for the year 2005	Net income of the company for the year 2005	Net profit/loss of acquired company from the date of acquisition, not taken into account in het profit/loss of Group for the year 2005	Income of acquired company from the date of acquisition, not taken into account in het profit/loss of Group for the year 2005	Net profit/loss of acquired company from the date of acquisition, taken into account in het profit/loss of Group for the year 2005	Income of acquired company from the date of acquisition, taken into account in het profit/loss of Group for the year 2005	Share in capital as at 31.12.2005
Fiolet S.A.	27 626	2 248	1 089	17 307	1 159	10 319	60%
Open Finance S.A.	19 618	-2 459	-3 451	10 319	902	9 299	70%
WBC S.A.	71 881	17 416	17 416	71 881	n/d	n/d	99,91%

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

56 Post-balance sheet events

On 4 January 2007, a subsidiary of Getin International S.a.r.l. acquired 999 shares in Getin International Polska sp. z o.o. with its registered office in Wrocław. The share capital of Getin International Polska amounts to 1,000,000 PLN and comprises 1,000 shares with the par value of 1,000 PLN each. Getin Holding acquired 1 share in the capital of Getin International Polska.

On 25 January 2007, Getin Holding sold all of owned shares in Getin Raty, i.e. 160,487 shares with the par value of 25 PLN each. The shares were sold to RB Investcom sp. z o.o. with its registered office in Wrocław. The sale price was 5,100,000 PLN.

The decision to sell Getin Raty was made in January 2007 and that is why the shares were not disclosed among assets-for-sale.

On 14 March 2007, Getin Holding was informed of the issue by the Federal Antitrust Office of the Russian Federation on 14 March 2007 of the permit for the acquisition of 40% of shares in Carcade OOO with its registered office in Kaliningrad by Getin Holding. The issue of the permit constitutes the fulfillment of the suspensive condition of the Carcade shares purchase agreement, concluded on 22 December 2006 by and between Getin Holding and K.D. East Leasing Company Ltd. with its registered office in Nicosia, Cyprus. Ipso facto, the Group became the owner of shares in Carcade constituting 100% of the share capital of Carcade and entitling it to 100% of votes at the Meeting of Shareholders.

Furthermore, in 2007 Getin Holding continued activities aimed at the completion of the purchase agreement regarding the purchase of 81.88% of registered shares in Prikarpattya Bank S.A., with its registered office in Iwano-Frankowsk, Ukraine concluded on 14 December 2006, subject to the acquisition of permits from the appropriate supervision authorities.

Piotr Stępniak, President of the Management Board

Artur Wiza, Member of the Management Board

Radosław Stefurak, Financial Director