



CAPITAL GROUP
GETIN HOLDING S.A.
REPORT ON OPERATIONS OF THE CAPITAL GROUP AND ISSUER
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2016

Wrocław, dated August 10, 2016

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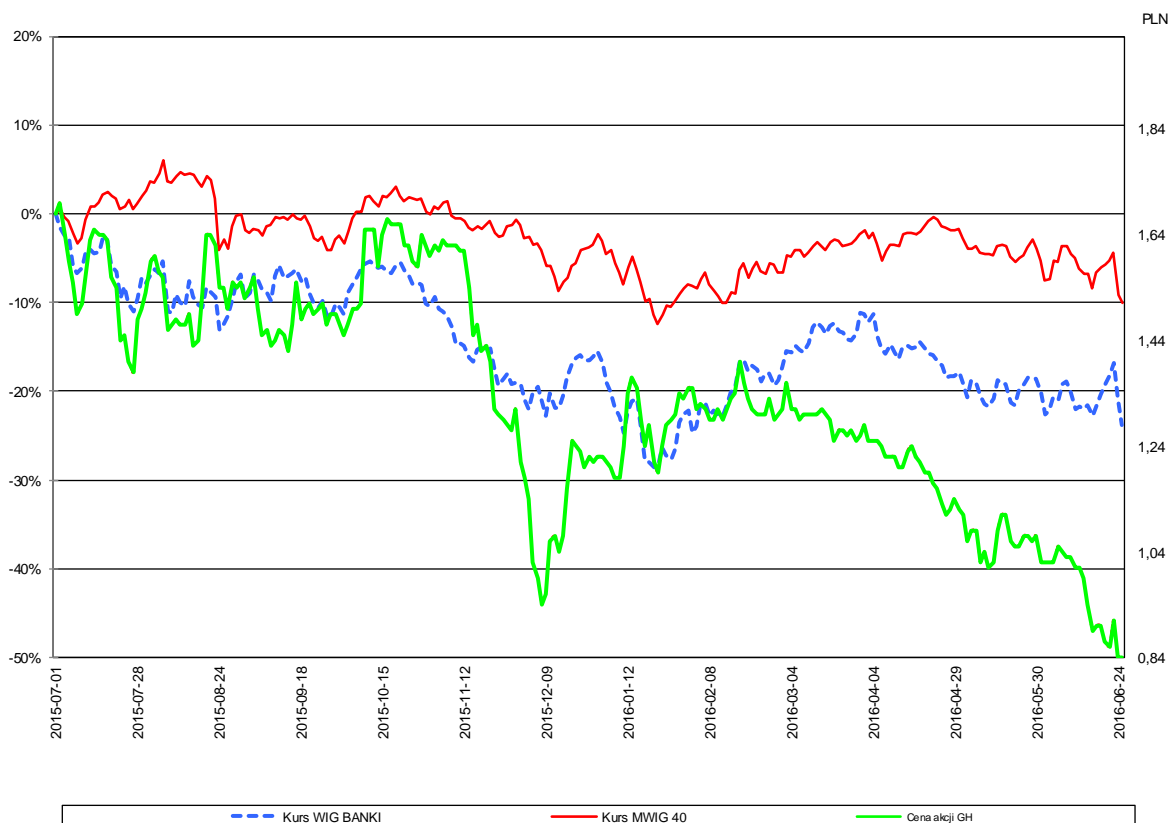
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Report on operations of the Capital Group and Issuer

1. The main successes and failures of Getin Holding Capital Group in H1 2016

Getin Holding

- Getin Holding share price:



The major events that occurred in H1 2016 include the termination of a conditional agreement to sell shares in Carcade (Russia) and the sale of Issuer's share in Getin Leasing S.A.

On 17.02.2016, Getin Holding received from Siderock Trading and Investments Limited based in Nicosia a notice terminating the conditional agreement to sell a 100% stake in the share capital of Carcade that had been concluded on 16.02.2015. The aforementioned notice terminated the conditional sale agreement on the date of the Company's receipt thereof.

On 02.03.2016, Getin Holding concluded an agreement to sell 2,957 shares in Getin Leasing S.A. and a conditional agreement to sell 755 shares in Getin Leasing S.A. to LC Corp BV. The transaction had a positive effect on Getin Holding's cash flow statement and financial result. Detailed description of the transaction is reported in 5 hereof.

The General Meeting of Shareholders of Getin Holding held on 25.04.2016 resolved to cover the loss of PLN 44 million for 2015 from future periods gains.

On 17.06.2016, Getin Holding sold 21,917,808 own shares to LC Corp BV based in Amsterdam. Detailed description of the transaction is reported in 5 hereof.

On 30.06.2016, Mr. František Babický, Member of the Management Board, handed his resignation from holding the position, effective as of 31.07.2016.

I. Segment of banking services in Poland

Idea Bank Group (Poland) comprises among others Idea Bank S.A. that offers a wide range of loan, savings and deposit products to small and medium-sized companies, Idea Leasing S.A. (leasing of vehicles and machinery), Idea Fleet S.A. (car fleet management), Idea Expert S.A. (financial consultancy and financial agency), Tax Care S.A., a company specialized in accounting and financial consultancy to small companies, Idea Money S.A. (factoring and debt collection), and till 15.06.2016 – GetBack S.A. (comprehensive debt collection).

The net profit generated by Idea Bank Group for 6 months ended on 30.06.2016 totalled PLN 337.8 million, i.e. it was PLN 175.2 million higher than in the corresponding period in 2015.

The total result comprises the following items:

	kPLN
Net interest income	270 354
<i>Interest income</i>	461 667
<i>Interest expenses</i>	-191 313
Net fee and commission income	159 442
<i>Fee and commission income</i>	228 025
<i>Fee and commission expenses</i>	-68 583
Other net operating income and expenses	236 532
Costs of provisions	- 86 320
Operating expenses	-271 833
Share in net profit (loss) of associates	-16 041
Income tax	1 984
Net profit on continued activity	294 118
Net profit on discontinued activity	43 681
Net profit on continued and discontinued activity	337 799

As of the end of H1 2016, the assets held by Idea Bank Group (Poland) totalled PLN 19.5 billion, which means a 21.8% growth compared to the end of H1 2015 (PLN 16.0 billion).

The balance of deposits as of the balance sheet period amounted to PLN 13.7 billion, compared to PLN 10.9 billion in the corresponding period in 2015, which means a 25.7% growth.

The balance of loans at the end of H1 2016 totalled PLN 10.2 billion, which means a 27.6% growth compared to PLN 8 billion in H1 2015.

The main factor that contributed to the increase of the net profit by 108% was disclosing in H1 2016 the sale of GetBack. The net interest income in H1 2016 increased by 77% compared to H1 2015, whereas the net fee and commission income decreased by 9%, and the net result on banking operations (calculated as the sum of the net interest income, net fees and commission income, result on sale of the subsidiary, result on financial instruments measured at their fair value and the foreign exchange result) increased by 94%.

Implementing its strategy, in H1 2016 Idea Bank Group (Poland) aimed at enhancing its market position, addressing its financial services mainly to micro, small and medium-sized enterprises, and in particular to entrepreneurs.

On 15.06.2016, Idea Bank (Poland) sold, through Getin International S.á r.l., its subsidiary, 100% shares in GetBack S.A. to Ernest Investments S.A., for the price of PLN 825 million. Below there is presented the calculation of the Group's result:

Settlement of the sale of GetBack S.A. (PLN thous.)	
Selling price	825 000
The Company's consolidated net assets as at the transaction date	482 994
Transaction-related costs and adjustments*	92 776
Gross profit on sale	249 230

**Costs and adjustments are related to the second instalment, costs related to the transaction and deferred income, according to relevant contractual provisions.*

The sale agreement provides for specific obligations of the selling party for the period of two years starting on 15.06.2016 that may affect the final settlement and calculation of the result on the transaction, which is included in the result on the transaction reported on 30.06.2016. Performance of contractual provisions shall be verified from time to time in subsequent periods. Other terms and conditions of the transaction are reported in 5 hereof.

II. Segment of banking services in Ukraine

Idea Bank Group (Ukraine) comprises among others Idea Bank (Ukraine) that addresses its products, such as car loans, cash loans, deposits, current accounts, payment cards (debit cards), mainly to individual clients. The bank offers also loans for businesses, deposits for legal persons, money transfers and payments, lease of vehicles.

In H1 2016, Idea Bank Group (Ukraine) considerably improved its performance, generating the net profit of PLN 1.0 million (UAH 6.7 million), and thus achieving its break-even point. In the corresponding period in 2015, the bank incurred the loss of PLN -14.7 million (UAH -84.8 million).

The total result of Idea Bank Group (Ukraine) comprises the following items:

	kPLN	kUAH
Net interest income	18 836	122 737
<i>Interest income</i>	53 787	350 480
<i>Interest expenses</i>	-34 951	-227 743
Net fee and commission income	16 215	105 658
<i>Fee and commission income</i>	17 138	111 672
<i>Fee and commission expenses</i>	-923	-6 014
Other net operating income and expenses	1 111	7 239
Costs of provisions	-15 956	-103 970
Operating expenses	-18 921	-123 291
Income tax	-258	- 1 681
Net profit	1 027	6 692

The assets held by Idea Bank Group (Ukraine) as at the end of H1 2016 totalled PLN 482.4 million (UAH 3.0 billion), which means an increase by 3.8% compared to the end of H1 2015 (PLN 464.7 million – UAH 2.6 billion, which means a 15.3% increase in UAH).

The balance of deposits as of the balance sheet period amounted to PLN 379.1 million (UAH 2.37 billion), which means a 0.2 % growth compared to H1 2015. (PLN 378.6 million – UAH 2.13 billion, which means an 11.2% growth in UAH).

The balance of loans at the end of H1 2016 amounted to PLN 360.1 million (UAH 2.2 billion), which means a 0.04% decrease compared to H1 2015 (PLN 361.5 million – UAH 2 billion, which means a 10.6% growth in UAH).

The following events materially affected the bank's net financial result in the reported period:

- The increase of sales volume of high margin cash loans by 62%, which contributed to a 45% increase in the fees and commission income, compared to H1 2015;
- The increased share of the aforementioned loans in the average loans portfolio from 23% to 52%, which translated to the increase of interest assets from 22.7% to 26.5%;
- The cost of financing in UAH was reduced from 24.3% to 19.8%;
- The bank's NIM increased to 9.3%;
- Maintaining all indicators at levels required by the National Bank of Ukraine, in spite of difficult financial and economic situation in Ukraine;
- Maintaining the bank's liquidity ratios at the appropriate level;
- Reduction of new sales risk, and keeping the COR rate for the bank's loans portfolio at 9%;
- Strict cost discipline that allowed for reduction of the CIR rate from 97% to 52%.

In April, the National Bank of Ukraine reduced the refinancing from 22% to 19%, which will have a positive impact on consumption and loans demand.

III. Segment of banking services in Belarus

In the reporting period, Idea Bank (Belarus) comprised Idea Bank (Belarus), Idea Broker and Idea Finance that offer financial services to retail clients and comprehensive financial services to companies, specializing in sale of loans and cash loans.

Idea Bank (Belarus) is a universal financial institution that focuses its operations on the retail banking sector, i.e. sale of loans to individuals and raising deposits through a network of its own branches, as well as selling non-cash loans. It also provides cash and settlement services in branches and currency exchange in bureaux de change. Simultaneously, aiming at risk diversification the bank is also expanding its product range offering loans to the SMEs sector.

The net result generated by Idea Bank Group (Belarus) in H1 2016 totalled PLN 11.1 million (BYR 57.2 billion), which means a rise by 30.5% compared to the corresponding period in 2015 expressed in PLN (PLN 8.5 million, BYR 34.3 billion, which means a growth by 66.9% in BYR). The total result comprises the following items:

	kPLN	mBYR
Net interest income	31 531	162 391
<i>Interest income</i>	<i>71 132</i>	<i>366 345</i>
<i>Interest expenses</i>	<i>-39 601</i>	<i>-203 954</i>
Net fee and commission income	1 895	9 760
<i>Fee and commission income</i>	<i>5 524</i>	<i>28 450</i>
<i>Fee and commission expenses</i>	<i>-3 629</i>	<i>-18 690</i>
Other net operating income and expenses	14 915	76 815
Costs of provisions	1 303	6 711
Operating expenses	-33 832	-174 242
Income tax	-4 703	-24 221
Net profit	11 109	57 214

The assets held by Idea Bank Group (Belarus) as at the end of H1 2016 totalled PLN 676.1 million (BYR 3.38 billion), which means a fall by 16.1% compared to the end of H1 2015 expressed in PLN (PLN 806 million – BYR 3.34 billion, which means a 1.1% rise in BYR).

The balance of deposits as at the end of the balance sheet period totalled PLN 464.1 million (BYR 2.32 billion), which means a fall by 18.2% compared to H1 2015 expressed in PLN (PLN 567.2 million – BYR 2.35 billion, which means a fall by 1.4% in BYR).

The balance of loans as at end of H1 2016 totalled PLN 333.6 million (BYR 1.67 billion), which means a fall by 27.5% compared to the end of H1 2015 expressed in PLN (PLN 460 million – BYR 1.91 billion, which means a fall by 12.6% in BYR).

The bank disclosed a 33.7% increase in sales of loans denominated in Belarusian rubble, however the negative impact of f/x rates translated to a 3.7% decrease in the sale of loans converted into PLN, where the sales of loans to retail clients decreased by 15% (in BYR it increased by 18.7%), while the sales to the SMEs increased by 18.6%.

The bank reported a substantial Q2/Q1 improvement of the overall sales volume by 18.7%. The overall sales totalled PLN 102.8 million.

In H1 2016, Idea Bank (Belarus) complied with all requirements of the National Bank of Belarus, including share capital requirements, and capital adequacy requirements, in spite of the fact that those requirements had been considerably increased by the regulator.

Idea Bank (Belarus) launched the Internet banking programme for industry and mobile banking for individuals.

Since the profitability of non-cash loans had decreased, in February 2016, the bank withdrew them from its offer leaving the consumer finance sector. Improvement of the cash loans portfolio and better debt collection allowed for resolving bad debt provisions of PLN 1.3 million (BYR 6.7 billion).

Furthermore, in H1 2016 Idea Bank (Belarus) repaid PLN 58 million loans to Getin International S.A.

In Q2 2016, Idea Bank (Belarus) received USD 2.2 million as the second tranche of the loan from the European Bank of Reconstruction and Development. The loan was granted in order to allow Idea Bank (Belarus) to provide loans to Belarusian small and medium-sized businesses.

IV. Segment of lease services in Russia

Carcade Group (Russia) comprises Carcade, one of the major Russia based lease companies specializing in leasing of passenger cars and light commercial vehicles to small and medium-sized companies, Centr Karawto that is engaged in increasing efficiency of sales of post-lease vehicles, and Carcade Service.

The net result generated by Carcade (Russia) in H1 2016 totalled PLN 1.1 million (RUB 18.8 million), which means a growth by 231.1% compared to the corresponding period in 2015 expressed in PLN (PLN 0.3 million – RUB 5 million, which means a growth by 275% in RUB). The total result comprises the following items:

	kPLN	kRUB
Net interest income	21 804	380 856
<i>Interest income</i>	<i>78 991</i>	<i>1 379 755</i>
<i>Interest expenses</i>	<i>-57 187</i>	<i>-998 900</i>
Net fee and commission income	9 275	162 009
<i>Fee and commission income</i>	<i>9 275</i>	<i>162 009</i>
<i>Fee and commission expenses</i>	<i>0</i>	<i>0</i>
Other net operating income and expenses	35 030	611 878
Costs of provisions	-19 472	-340 122
Operating expenses	-44 577	-778 638
Income tax	-984	-17 188
Net profit	1 076	18 795

The assets held by Carcade Group as at the end of H1 2016 totalled PLN 1.01 billion (RUB 16.3 billion), which means a fall by 25.7 % compared to the end of H1 2015 expressed in PLN (PLN 1.36 billion – RUB 20.1 billion, which means a 19% fall in RUB).

Lease receivables as at the end of H1 2016 totalled PLN 789.7 million (RUB 12.7 billion), which means a fall by 31.1 % compared to H1 2015 expressed in PLN (RUB 1.15 billion – RUB 16.9 billion, which means a fall by 24.9% in RUB).

The issue of bonds worth RUB 2.5 billion occurred an unquestionable success of Carcade Group in H1 2016. The bonds were issued after the change of the company's management and had positive impact on the company's liquidity, in spite of lowering its rating by Fitch from BB- to B+.

In H1 2016, a new general director of Carcade was appointed.

V. Segment of banking services in Romania

Idea Bank (Romania)

Romanian International Bank Group (Romania) comprises Idea Bank (Romania) (former Romanian International Bank), which is a universal bank, Idea Leasing Romania that specializes in financial lease, and Idea Broker Asigurare (the insurance broker).

In H1 2016, the Group reported substantial improvement of profitability. The net result generated by Idea Bank Group (Romania) in the reported period totalled PLN 7.0 million (RON 7.1 million), compared to the loss of PLN -9.0 million (RON -9.6 million) incurred in the corresponding period in 2015.

The total result comprises the following items:

	kPLN	kRON
Net interest income	18 365	18 853
<i>Interest income</i>	31 723	32 566
<i>Interest expenses</i>	-13 358	-13 713
Net fee and commission income	11 823	12 137
<i>Fee and commission income</i>	13 423	13 780
<i>Fee and commission expenses</i>	-1 600	-1 643
Other net operating income and expenses	16 036	16 462
Costs of provisions	-388	-398
Operating expenses	-39 350	-40 396
Income tax	476	489
Net profit	6 962	7 147

The assets held by Idea Bank Group Romania as at the end of H1 2016 totalled PLN 1.5 billion (RON 1.5 billion), which means a rise by 28.5% compared to the end of H1 2015 expressed in PLN (PLN 1.1 billion – RON 1.2 billion, which means a growth by 22.6% in RON).

The balance of deposits as at the end of the balance sheet period totalled PLN 961.9 million (RON 982 million), which means a rise by 12.6% compared to H1 2015 expressed in PLN (PLN 854.4 million – RON 913.9 million, which means a growth by 7.5% in RON).

The balance of loans at the end of H1 2016 totalled PLN 423.5 million (RON 432.3 million), which means a growth by 121.1% compared to the end of H1 2015 expressed in PLN (PLN 191.5 million – RON 204.9 million, which means a fall by 111% in RON)

In H1 2016, Idea Bank (Romania) considerably increased its consumer loans portfolio. The most popular among clients was the "Selfie" loan. The bank also reported considerable increases in the portfolio of loans addressed to companies.

The major successes of Idea Bank Group (Romania) in H1 2016 include the following:

- Doubling volume of loans sold to individual clients, from RON 18 million to RON 35 million, while keeping the operating cost unchanged (at the end of H1 the overall volume of issued loans totalled RON 174 million);
- Launching Idea:Selfie+, a new product for individual clients, with Idea::Safe+, an obligatory life insurance, and also launching new loan applications;
- Record sale of loan products worth RON 40 million (PLN 39 million) in June 2016, increased insurance commissions income;
- Increased volume of loans sold by Idea Bank (Romania) translated to the bank's bigger share in the Romanian banking market;
- The Group has been successfully implementing the well-proven leasing model, which increases the share of sold lease products. The overall sales volume in H1 totalled PLN 187.9 million, at 13.8% dynamics.
- The Group was distinguished with another award for the best financial institution in 2015. Similarly, the products offered by the Group enjoy well-deserved high positions in rankings. Idea:Selfie+ won several awards in the banking sector.

As in October 2015 the ROBOR3M dropped from 1.2% to 0.8%, the bank failed to achieve the budgeted targets in April. Another factor that affected the bank's financial performance was fees and commissions income that was lower than expected.

VI. Segment of financial services in Poland

M.W. Trade

After H1 2016, M.W. Trade reported PLN 7.5 million worth net result, i.e. over 13% lower compared to the corresponding period in 2015.

The main factors that had adverse impact the Company's result include limited financing for new sales and uncertainty of further financing of the public healthcare system in the light of planned statutory changes in the area.

The total result generated by M.W. Trade comprises the following items:

	kPLN
Net interest income	13 702
<i>Interest income</i>	31 751
<i>Interest expenses</i>	-18 049
Net fee and commission income	-899
<i>Fee and commission income</i>	8
<i>Fee and commission expenses</i>	-907
Other net operating income and expenses	150
Costs of provisions	0
Operating expenses	-3 658
Income tax	-1 764
Net profit	7 531

The balance sheet total as at the end of H1 2016 amounted to PLN 733.3 million, which means a fall by 9.7% (PLN 78.9 million).

Sales volume for H1 2016 totalled PLN 31.7 million, i.e. PLN 5.0 million less than in H1 2015, which means a fall by 8.4%. As a result of the nominal reduction of the cost of financing, the interest income on the balance sheet portfolio is 3.2% lower than in the corresponding period in the previous year.

Compared to the preceding reporting periods the income sources structure did not change. The company generates income from sale of portfolio products offered to medical entities and to local government units that constitute the lion share of all income. The share of the latter in the reported period amounted to 18.9% of the overall sales volume (compared to 14.9% at the end of H1 2015).

The aggregated expense incurred by the Company in H1 2016 totalled PLN 22.7 million, falling by 13.4% year over year, due to the reduction in administration expenses and costs of financing.

At the end of H1 2016, the volume the balance sheet contracting totalled PLN 156.3 million, which means a 55% decrease compared to H1 2015 (PLN 345.2 million). Pursuing its strategy, the Company chose to focus mainly on more profitable and less risky projects. In H1 2016, as compared to the corresponding period in 2015, the company did not offer any agency services at contracting agreements.

The value of the company's receivables portfolio that includes both short- and long-term receivables and loans issued on the last day of H1 2016 totalled PLN 717.9 million, which means a fall by 9% compared to the corresponding period in 2015. M.W. Trade continued the process of diversification of its sources of financing for the assets portfolio. In the reported period, the existing loan agreements were extended gaining at the end of the period available facilities worth PLN 182.9 million. As at 30.06.2016, the Company used PLN 159.9 million of the available credit facilities.

2. Material unusual events or factors that considerably affected Getin Holding Group's financial results

Not applicable to Getin Holding Capital Group.

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

Idea Bank (Poland) operates in Poland, therefore its operating profit, its financial standing, and growth prospects to a great extent depend on the economic, political, and legislative environment in Poland. Possible slump in the European economy may have material negative impact on the condition of entrepreneurs, who are the bank's main clients, who operate either in the Polish or the European

market. For the operating activities, and also debt collecting related to them, creditworthiness of the bank's clients and their willingness to invest are of the utmost importance.

The risk factors that affect the operations of Idea Bank (Ukraine) include first of all the risk of escalation of the situation in the east Ukraine, which may in turn destabilise the entire financial system in Ukraine and result in further growth of credit risk in those regions and spreading military operations into new territories. Further escalation of the conflict may increase liquidity risk and further outflow of funds deposited in the bank.

The decreased growth rate of the main business partners of Ukraine (such as China, Russia) may have material adverse impact on Ukraine's balance of payments and its major macroeconomic indicators.

Factors that affect operations of Carcade include sanctions imposed by the USA and EU that translate into the liquidity of the financial sector, as new financing becomes less available and the issued financing becomes less stable. Another not least important consequence is the depreciation of the local currency that diminishes the purchasing power of consumers and impairs their ability to pay their debts.

For Idea Bank (Belarus) the local currency devaluation and potentially high inflation rate are factors that may have adverse impact on liquidity risk and volume of deposits in the future.

M.W. Trade provides financial services in a specific market niche, which results in market concentration and the company's dependency on the situation and changes in the healthcare sector. Therefore changes that the sector is undergoing may materially affect operations of MW Trade.

Facing the situation in the banking sector, where banks focus mainly on adapting to mandatory capital requirements and on tax optimisation, and striving to secure its own financial stability with a view to falling aggregated maturity dates for bonds issued in 2013, M.W. Trade followed cautious strategy.

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

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

4. Seasonality of the Group's operations in H1 2016 (2013?)

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

5. The consequences of the changes to the Capital Group structure

Getin Holding

(a) On 02.03.2016, Getin Holding executed with LC Corp B.V., with participation and through Noble Securities S.A.,

- an agreement to sell 2,957 shares in Getin Leasing S.A. accounting for 39.26 % of the share capital of Getin Leasing S.A. for PLN 101.5 million. The shares were transferred through Noble Securities S.A. on the agreement date.

- a conditional agreement to sell 755 shares in Getin Leasing S.A. accounting for 10.02 % of the share capital of Getin Leasing for PLN 25.9 million. The shares will be transferred and the price will be paid upon the satisfaction of conditions precedent set forth in the agreement, however not later than on 31.01.2017.

Furthermore, on 02.03.2016, Getin Holding concluded with Getin Noble Bank S.A., with participation and through Noble Securities S.A., an annex to the agreement to sell 3,712 shares in Getin Leasing S.A. dated 30.01.2015, whereby the parties agreed that the Company shall pay the purchase price to the bank by the non-extensible date 31.01.2017. On 02.03.2016, Getin Holding S.A. paid Getin Noble Bank S.A. the purchase price of PLN 101.5 million.

Getin Holding reported detailed terms and conditions of the aforementioned agreement in Current Report No. 05/2016 dated 02.03.2016.

- (b) On 06.04.2016, Getin Holding concluded with Idea Bank (Poland) with Talanx International AG and Meiji Yasuda Life Insurance and Getin Noble Bank S.A. a transaction agreement concerning the planned purchase by Idea Bank (Poland) from Getin Holding of 657,829 shares in T.U. Europa S.A., accounting for 6.96% of the share capital. Furthermore, on the same day, Idea Bank (Poland) concluded a strategic partnership agreement with T.U. Europa S.A. and T.U. na Życie Europa S.A. which regulates rules for insurance distribution to Idea Bank's clients from 01.01.2017 to 31.12.2021.

Getin Holding reported detailed terms and conditions of the aforementioned agreement in Current Reports No. 08/2016 and 09/2016 dated 06.04.2016.

- (c) On 17.06.2016, Getin Holding sold LC Corp BV based in Amsterdam 21,917,808 own shares for PLN 1.16 per one share. The face value of the sold shares totalled PLN 21,917,808.00 and they account for 3.00% of the share capital and confer the right to 21,917,808 votes at the Issuer's General Meetings, which accounts for 3.00% of all votes at the Issuer's General Meetings.

Getin Holding reported detailed terms and conditions of the aforementioned agreement in Current Report No. 12/2016 dated 17.06.2016.

Idea Bank Group (Poland)

- (a) On 18.02.2016, Bakura sp. z o. o. SKA took up 281,200 investment certificates of Open Finance Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych. It currently holds 96% of investment certificates. GetBack Capital Group still holds 100% investment certificates in Open Finance Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych.
- (b) On 14.03.2016, Idea Expert and Getin International S.a.r.l., subsidiaries of Idea Bank (Poland), concluded agreements whereby Idea Expert contributed to Getin International S.a.r.l. as an in-kind contribution 20 million ordinary bearer shares in GetBack S.A. with the face value of PLN 0.20 each, i.e. with the total face value of PLN 4 million, accounting for 100% share capital of GetBack S.A. and carrying 100% votes at General Meetings of GetBack S.A., in return for 18 772 161 580 newly issued shares in Getin International S.a.r.l. with the face value of EUR 0.01 each, i.e. with the total face value of EUR 187 722 thousand, equal to the in-kind contribution.
- (c) On 15.03.2016, Getin International S.a.r.l. concluded with Ernest Investments sp. z o.o. a conditional agreement to sell 100% ordinary bearer shares in GetBack S.A. for the price of PLN 825 million. The

payment for the shares was divided into two instalments, i.e. PLN 515 million was paid on 15 June 2016, the remaining amount shall be paid within 18 months.

The agreement provides for the following conditions precedent: obtaining clearances from relevant authorities, changing the shares in GetBack S.A. to registered shares, issuing statements or conclusion of agreements between GetBack S.A. and investments funds or funds that cooperate with GetBack S.A. on no grounds for termination of service agreement and legal services agreements as well as data protection agreements, effecting by 25.03.2016 the registration of a company operating under the name DNLD L.P. under the laws of the Jersey Island upon obtaining a relevant clearance from Jersey Financial Services Commission (Idea Bank reported that the condition had been waived in Current Report No. 13/2016 dated 26.03.2016).

On the same date, Idea Bank (Poland) concluded with Emest Investments sp. z o. o. a guarantee agreement, whereby Idea Bank (Poland) guarantees performance of present and future obligations of Getin International S.a.r.l. resulting from the aforementioned agreement by the maximum amount equal to the value of shares of GetBack S.A., in case when the price is paid on a one-off basis, or up to the amount of the first instalment, in case when the price is paid in two instalments. The bank's liability due to the guarantee will increase to 100% of the purchase price for GetBack S.A. shares after the payment of the second instalment. To secure the payment of the dues a charge was established on shares accounting on 62% of the share capital of GetBack S.A.

The title in the GetBack S.A. shares was transferred on 15.06.2016, after the contractual conditions precedent had been satisfied. Idea Bank reported the aforementioned transaction in Current Report No. 33/2016 dated 15.06.2016.)

- (d) On 01.04.2016, Idea Bank S.A. and Tax Care S.A. concluded an agreement whereby the bank purchased the organised part of the enterprise in the form of regular sales network of Tax Care S.A., for the price not higher than PLN 55 million. The final purchase price shall be calculated based on the net balance sheet value of assets and liabilities of the transferred organised part of the enterprise that shall be set forth in detail in the executive agreement to the sale agreement. Based on the agreement, the bank acquired tangible and non-tangible assets necessary to run financial agency in regular branches owned previously by Tax Care S.A., in particular they included rights and obligations resulting from employment contracts with employees of the organised part of the enterprise and rights and obligations resulting from all contracts with all partners cooperating with Tax Care.
- (e) On 13 and 24.05.2016, Getin Noble Bank S.A. purchased 865,570 and 2,523,027 shares in Idea Bank (Poland) from RB Investcom and LC Corp B, respectively.
- (f) On 13.04.2016, Idea Bank SA concluded with LC Corp B.V. an agreement to sell 3,765 shares in Getin Leasing S.A. with the face value of PLN 4,500 each, accounting for 49.99% of the share capital of Getin Leasing S.A., for the price of PLN 184.5 million that shall be increased by 49.99% of the consolidated net profit generated by Getin Leasing in 2016. The title in shares shall be transferred on 15.03.2017 at the earliest.

On the date of the sale agreement, Idea Bank (Poland) paid, through an investment company, PLN 20 million as the down payment. The agreement gives Idea Bank (Poland) the pre-emption right to purchase from LC Corp B.V. the remaining shares in GL, i.e. 3,767 shares accounting for 50.01 % of GL's share capital ("Call Option"). The Call Option may be executed provided that the bank purchases the shares between 31.03.2017 and 31.03.2018. The purchase price for the option

shares in the Call Option was specified separately, however it may not be lower than PLN 190 million plus 4% p.a. Furthermore, the abovementioned agreement gives LC Corp B.V. the right to demand that Idea Bank (Poland) purchase the option shares ("Put Option"). The demand may be satisfied after 31.03.2017, provided that the bank purchases the shares and manages to keep the bank capital ratios at the level required by law regulations and regulatory recommendations, if any, after purchasing the option shares.

- (g) On 01.06.2016, Idea Leasing spółka z o. o. sp. k. was transformed into IL1 Leasing sp. z o. o., and on 02.06.2016, Idea Leasing SKA was transformed into IL2 Leasing spółka z o. o.

Idea Bank (Ukraine)

On 04.05.2016, Getin Holding concluded with Idea Bank (Ukraine) and agreement to purchase 41,132,246 new shares issued in Idea Bank (Ukraine) within the increase of the bank's share capital, with the value of UAH 1.00 each, for the price of UAH 1.97 [PLN 0.3] for one share, i.e. for UAH 81 million [PLN 12.3 million] in total.

On 30.06.2016, there was registered the decrease in the share capital of Gwarant Plus from UAH 58 million (PLN 9.3 million) to UAH 21 million (PLN 3,4 million)

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

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

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

Structure of ownership of significant blocks of shares as of the date of publication of H1 2016 report to the Issuer's knowledge:

SHAREHOLDERS ENTITLED DIRECTLY OR INDIRECTLY TO AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE COMPANY'S GENERAL MEETING OF SHAREHOLDERS AS OF THE DATE OF PUBLICATION OF THE REPORT FOR Q1 2016

No.	Shareholder	Number of shares held	Number of votes arising from the shares held	Share in the share capital (%)	Share of votes at GM (%)
1	Leszek Czarnecki directly and indirectly* including: LC Corp B.V. based in Amsterdam	417 675 237 313 729 781	417 675 237 313 729 781	57.11% 42.90%	57.11% 42.90%
2	Nationale Nederlanden Otwarty Fundusz Emerytalny (previously ING OFE)	38 200 052	38 200 052	5.22%	5.22%
3	Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	37 840 831	37 840 831	5.17%	5.17%

*PhD Leszek Czarnecki holds directly 81,872,327 shares accounting for 11.20% of the share capital and conferring the right to 11.20% votes at GM and indirectly through his subsidiaries 335,802,910 shares accounting for 45.92% of the share capital and conferring the right to 45.92% votes at GM. Companies directly and indirectly controlled by PhD Leszek Czarnecki: LC Corp B.V., based in Amsterdam, which holds 313,729,781 shares accounting for 42.90% of the share capital and conferring the right to 42.90% votes at GM, RB Investcom Sp. z o.o., based in Wrocław, which holds 32,922 shares accounting for 0.0045% of the share capital and conferring the right to 0.0045% votes at GM, Idea Expert S.A., the company based in Wrocław, which holds 2,521 shares accounting for 0.0003% of the share capital and conferring the right to 0.0003% votes at GM, and the Jolanta and Leszek Czarnecki Foundation which holds 119,878 shares accounting for 0.0163% of the share capital and conferring the right to 0.0163% votes at GM. Furthermore, PhD Leszek Czarnecki controls the company also indirectly through Getin Holding that holds 21,917,808 own shares. The shares account for 3.0% of the share capital of Getin Holding, but they do not carry voting rights at general meetings.

SHAREHOLDERS ENTITLED DIRECTLY OR INDIRECTLY TO AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE COMPANY'S GENERAL MEETING OF SHAREHOLDERS AS OF THE DATE OF PUBLICATION OF THE REPORT FOR H1 2016

No.	Shareholder	Number of shares held	Number of votes arising from the shares held	Share in the share capital (%)	Share of votes at GM (%)
1	Leszek Czarnecki directly and indirectly* including: LC Corp B.V. based in Amsterdam	417 675 237 335 647 589781	417 675 237 335 647 589	57.11% 45.90%	57.11% 42.50%
2	ING Otwarty Fundusz Emerytalny Aviva	38 200 052	38 200 052	5.22%	5.22%
3	Otwarty Fundusz Emerytalny Aviva BZ WBK	37 840 831	37 840 831	5.17%	5.17%

*PhD Leszek Czarnecki holds directly 81,872,327 shares accounting for 11.20% of the share capital and conferring the right to 11.20% votes at GM and indirectly through his subsidiaries 335,802,910 shares accounting for 45.92% of the share capital and conferring the right to 45.92% votes at GM. Companies directly and indirectly controlled by PhD Leszek Czarnecki: LC Corp B.V., based in Amsterdam, which holds 313,729,781 shares accounting for 42.90% of the share capital and conferring the right to 42.90% votes at GM, RB Investcom Sp. z o.o., based in Wrocław, which holds 32,922 shares accounting for 0.0045% of the share capital and conferring the right to 0.0045% votes at GM, Idea Expert S.A., the company based in Wrocław, which holds 2,521 shares accounting for 0.0003% of the share capital and conferring the right to 0.0003% votes at GM, and the Jolanta and Leszek Czarnecki Foundation which holds 119,878 shares accounting for 0.0163% of the share capital and conferring the right to 0.0163% votes at GM.

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

Person	Position	Number of shares held			As of the date of publication of H1 2016 report
		As of the date of publication of Q1 2016 report	Increases	Decreases	
Management Board members					
Piotr Kaczmarek	President of Management Board	24 000	-	-	24 000
Izabela Lubczyńska	Member of Management Board	4 518	-	-	4 518
František Babický	Member of Management Board	0	-	-	0
Supervisory Board members					
Leszek Czarnecki	Chairman of the Supervisory Board	81 872 327 ¹⁾	-	-	81 872 327 ¹⁾
		335 802 910 ²⁾	-	-	335 802 910 ²⁾
Remigiusz Baliński	Vice-Chairman of the Supervisory Board	197 637	-	-	197 637
Marek Grzegorzewicz	Member of the Supervisory Board	101 963	-	-	101 963
Andrzej Błażejowski	Member of the Supervisory Board	61 041	-	-	61 041
Adam Maciejewski	Member of the Supervisory Board	NA	-	-	

1) Shares directly held by Mr. Leszek Czarnecki.

2) Shares indirectly held by Mr. Leszek Czarnecki.

9. List of pending court proceedings

In H1 2016, there was no single proceeding concerning the Issuer's or its subsidiaries' liabilities or claims of value at least equal to 10% of the Issuer's equity. There were no pending proceedings concerning the Issuer's or its subsidiaries' liabilities or claims of total value of at least 10% of the Issuer's equity.

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

In H1 2016, neither the Issuer nor its subsidiaries concluded any substantial transactions with a related entity on terms other than the arm's length principle.

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

On 18.02.2016, Getin Holding, as a guarantor, concluded with Idea Bank (Poland), its subsidiary, an annex to the guarantee agreement dated 21.10.2015 that secures Idea Bank's dues to Idea Leasing IFN (Romania), increasing the cap guarantee sum to PLN 240 million. The Issuer reported the conclusion of the conditional agreement in Current Report No. 04/2016 dated 18.02.2016.

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

Getin Holding Group

In the context of potential ownership changes, the Management Board notes that the present level of foreign exchange differences due to conversion of net assets and the company's goodwill in certain circumstances may become an item in the P&L account.

Idea Bank Group (Ukraine)

As regards the Ukrainian market, material factors that may affect the Group's performance in the future include the political situation in the east of Ukraine and the overall macroeconomic situation that comprises foreign exchange rates to the hryvnia, balance of payments, and loan of the International Monetary Fund.

Other factors that may affect performance of Idea Bank Group (Ukraine) include interest rates for loans and deposits in the interbank market and the overall level of liquidity of the Ukrainian banking system. The market is also expecting results of stress tests performed by the National Bank of Ukraine, which may induce introduction of additional capital requirements.

Idea Bank Group (Belarus)

Conducting business in Belarus is fraught with substantial f/x risk. The devaluation of the Belarusian rouble is one of the major factors that have adverse effect on the Group's business and performance.

On 01.07.2016, i.e. after the balance sheet date, the Belarusian currency was denominated at the rate of BYR 10,000 = BYN 1.

Due to the requirements of the National Bank of Belarus, banks were prohibited to charge any *up-front* fees and are required to reduce the maximum interest on loans for legal persons that are new clients from 30% to 27%. Those circumstances materially affect the bank's financial result.

On 01.04.2016, the refinancing rate of the National Bank of Belarus was lowered from 25% to 24%, which may result in lowering interest income.

Imposing still new capital requirements of banks and considerable insecurity as regards future moods of the business environment and the economy condition makes the bank to keep over-liquidity awaiting "stress".

The planned reduction of the refinancing rate of the National Bank of Belarus may result in reduction of interest income earned by Idea Bank (Belarus). The bank's performance may also be affected by planned reduction of the maximum acceptable interest rates for BYR and foreign currency deposits for individuals.

Idea Bank Group (Romania)

The Romanian GDP for H1 2016 was one of the highest among the EU member states. Since the beginning of 2016, Romania had introduced new, reduced VAT and dividend tax rates. A material factor that may affect the Romanian banking sector in the nearest future is the unpredictable scope of changes in law regulations concerning banking and financial sectors, as well as the overall economic situation in the EU, including the impact of the situation in the Greek banking sector on Romanian banks and the potential impact of the Brexit on the Romanian financial sector.

Another factor that may affect operations of Idea Bank (Romania) is the current situation in the deposits market, where investments in real property and securities listed on the stock exchange are increasing at the expense of bank deposits, and the value of unsecured loans is decreasing.

Carcade (Russia)

The downward trend in sales of Carcade's products related to the present economic situation in the Russian Federation and sanctions imposed by the USA, EU and other countries is lasting. The risk of imposing further sanctions may have adverse effect on the liquidity and opportunities for raising further financing.

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

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

Piotr Kaczmarek

President of Management Board

Izabela Lubczyńska

Member of Management Board

Krzysztof Florczak

Member of Management Board