THE GETIN HOLDING CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
FOR THE 6 MONTH PERIOD ENDED 30 June 2008
WITH THE REVIEW REPORT BY INDEPENDENT AUDITOR

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GETIN HOLDING S.A.

Consolidated financial statements for the 6 month period ended 30 June 2008

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 (Journal of Laws, No. 05.209.1744), the Management Board is pleased to present this consolidated semi-annual report of the Getin Holding Capital Group (the „Capital Group").

The consolidated financial statements for the six-month period ended 30 June 2008 included in this consolidated semi-annual Report have been prepared on the assumption that the Group will continue as a going concern without any significant limitation in the scope of its activities. These consolidated financial statements present truly and fairly all information material for the assessment of the results of the Group operations for the six-month period ended 30 June 2007.

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

The consolidated balance sheet, consolidated income statement, statement of changes in consolidated Shareholder's Equity, consolidated cash flow statement and additional notes to the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as adopted by the EU: They have been presented in this Report in the following order:

The Directors' Report on the activities of the Capital Group has been appended to these consolidated financial statements for the 6 month period.

Hereby consolidated financial statement consists of 123 one by one numerated pages.

Krzysztof Rosiński
President of the Management Board

Artur Wiza
Member of the Management Board

Radosław Stefurak
Member of the Management Board, Financial Director

Wrocław, 29 August 2008

(data given in PLN thousand)

CONSOLIDATED INCOME STATEMENT

For the 6 month period ended 30 June 2008 and 30 June 2007

Continued activity	Notes	01.01.2008 - 30.06.2008 unaudited thousand PLN	Unaudited comparable data 01.01.2007 - 30.06.2007 thousand PLN
Interest income	9	811 936	481 858
Interest expense	9	(447 203)	(235 319)
Net interest income		**364 733**	**246 539**
Fee and commission income	10	150 312	174 554
Fee and commission expense	10	(32 478)	(29 548)
Net fee and commission income		**117 834**	**145 006**
Insurance premiums	11	331 951	62 658
Dividend received	12	-	546
Result on financial instruments measured at fair value	13	57 301	38 808
Result on investment securities	14	18 339	2 695
Foreign exchange result	16	138 735	77 323
Claims and benefits paid	17	(6 280)	1 413
Change of the value of insurance provisions		(70 382)	(5 879)
Other operating income	18	35 954	265 535
Other operating expenses	18	(136 779)	(41 958)
Net operating income		**368 839**	**401 141**
Result on provision for NIL and other accounts receivable	21	(122 221)	(29 189)
Administrative expenses	19	(355 303)	(269 655)
Operating profit		**373 882**	**493 842**
Share in net profit (loss) of associates	23	1 472	3 026
Profit / (loss) before income tax		**375 354**	**496 359**
Corporate income tax	24	(71 360)	(77 553)
Net profit /(loss) for the period		**303 994**	**418 806**
Discontinued activity			
Result on discontinued activity		375	-
Net profit /(loss) for the period from continued and discontinued activity		**304 369**	**419 315**
1. Attributable to equity holders of the parent		278 138	405 230
2. Attributable to minority interest		26 231	14 085
Profit per share			
- basic profit per share (in PLN)		0,39	0,61
- diluted profit per share (in PLN)		0,39	0,58

Additional notes to the consolidated financial statements presented on pages 9 to 123 are their integral part

(data given in PLN thousand)

CONSOLIDATED BALANCE SHEET
As at 30 June 2008 and 31 December 2007

	Notes	30.06.2008 unaudited thousand PLN	Comparable data 31.12.2007 thousand PLN
ASSETS			
Cash and balances with the Central Bank	27	593 865	263 357
Bills of exchange eligible for rediscounting with the Central Bank		165	14
Amounts due from banks	28	3 250 990	3 689 711
Financial assets held for trading	29	141	21 954
Derivative financial instruments	30	201 921	152 712
Other financial instruments at fair value through profit or loss	31	122 490	123 549
Loans and advances to customers	32	14 286 035	11 143 564
Finance lease receivables	33	338 576	300 487
Financial instruments	34	2 871 590	1 733 825
Available for sale	34	2 835 938	1 685 649
Held to maturity	34	35 652	48 176
Share of the reinsurer in insurance provisions	40	22 541	10 869
Investments in associates	35	14 329	12 956
Intangible assets	37	1 034 209	974 742
Property, plant and equipment	38	169 547	145 732
Investment properties	39	9 363	14 205
Non current assets classified as held for sale	42	4 037	22 467
Tax assets		230 121	180 389
Current tax assets		7 134	2 720
Deferred tax assets	24	222 987	177 669
Other assets	41	314 837	214 828
TOTAL ASSETS		**23 464 757**	**19 005 361**
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to Central Bank	44	-	-
Amounts due to other banks and finance institutions	45	1 379 290	1 197 864
Other finance liabilities at fair value through profit or loss	46	-	-
Derivative financial instruments	30	86 889	77 080
Financial liabilities at fair value through profit or loss	46	146 761	75 794
Deposits from customers	47	14 573 719	10 406 102
Issued debt securities	48	2 686 896	3 195 872
Corporate income tax payable		68 495	56 256
Other liabilities	49	331 748	237 902
Technical and insurance provisions	51	424 420	297 852
Deferred tax liabilities	24	166 270	145 585
Provisions	50	36 250	45 573
Liabilities directly associated with non-current assets classified as available for sale	40	-	-
TOTAL LIABILITIES		**19 900 738**	**15 735 880**
Equity attributable to equity holders of the parent company		**3 366 461**	**3 104 932**
Share capital	54	709 787	709 787
Net (loss) profit		278 138	626 364
Other reserves	55	2 378 536	1 768 781
Minority interest		**197 558**	**164 549**
Total equity		**3 564 019**	**3 269 481**
TOTAL EQUITY AND LIABILITIES		**23 464 757**	**19 005 361**

Additional notes to the consolidated financial statements presented on pages 9 to 123 are their integral part

(data given in PLN thousand)

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY

For the 6 month period ended 30 June 2008

Unaudited data	Attributable to equity holders of the parent company								
	Share capital	Reserve capital and retained earnings	Revaluation reserve	Exchange differences	Convertible bonds	Net (loss) profit	Total	Minority interest	Total equity
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
At 1 January 2008	**709 787**	**1 782 293**	**(6 059)**	**(17 007)**	**9 554**	**626 364**	**3 104 932**	**164 532**	**3 269 464**
Opening balance adjustment								17	17
At 1 January 2008 after adjustment	**709 787**	**1 782 293**	**(6 059)**	**(17 007)**	**9 554**	**626 364**	**3 104 932**	**164 549**	**3 269 481**
Valuation of available for sale investments less deferred tax			(6 880)				(6 880)	(364)	(7 244)
Cumulative translation adjustment [from translation of subordinated entities]				(9 304)			(9 304)	(1 217)	(10 521)
Net profit (loss) included directly in capital	**-**	**-**	**(6 880)**	**(9 304)**	**-**	**-**	**(16 184)**	**(1 581)**	**(17 765)**
Net profit (loss) for the period						278 138	278 138	26 231	304 369
Net profit (loss) for the period, total	**-**	**-**	**(6 880)**	**(9 304)**	**-**	**278 138**	**261 954**	**24 650**	**286 604**
Transfer of profit for previous year to retained earnings		626 364				(626 364)	-		-
Acquisition of DM Polonia Net S.A. shares							-	1 316	1 316
Acquisition of Getin Bank S.A. shares and increasing of share capital							-	(630)	(630)
Acquisition of Noble Bank S.A. shares							-	(2 078)	(2 078)
Acquisition of TU Europa S.A. shares							-	(162)	(162)
Share decrease as a result of Getin International S.a.r.l. equity issue							-	14 306	14 306
Acquisitiona of Sombelbank S.A.							-	17 877	17 877
Acquisitiona of S.C. Perfect Finanse S.r.l.		(245)					(245)	-	(245)
Acquisitiona of Akkord-Plus sp. z o.o.							-	215	215
Dividends collectible for minority shareholders							-	(1 359)	(1 359)
Recognition of option for purchase of Getin International S.a.r.l. shares							-	(21 125)	(21 125)
Absorption of organisation fund of TU na Życie Europa S.A.		(398)					(398)	(1)	(399)
Other		218					218	-	218
At 30 June 2008	**709 787**	**2 408 232**	**(12 939)**	**(26 311)**	**9 554**	**278 138**	**3 366 461**	**197 558**	**3 564 019**

(data given in PLN thousand)

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY

For the 6 month period ended 30 June 2007

	Attributable to equity holders of the parent company								
Unaudited data	**Share capital**	**Reserve capital and retained earnings**	**Revaluation reserve**	**Exchange differences**	**Convertible bonds**	**Net (loss) profit**	**Total**	**Minority interest**	**Total equity**
	thousand PLN	**thousand PLN**	**thousand PLN**	**thousand PLN**	**thousand PLN**	**thousand PLN**	**thousand PLN**	**thousand PLN**	**thousand PLN**
At 1 January 2007	**644 923**	**1 236 945**	**9 632**	**(206)**	**4 668**	**160 226**	**2 056 188**	**50 014**	**2 106 202**
Valuation of available for sale investments less deferred tax			(7 253)				(7 253)	(88)	(7 341)
Cumulative translation adjustment [from translation of subordinated entities]				(3 039)			(3 039)	(145)	(3 184)
Net profit (loss) included directly in capital	**-**	**-**	**(7 253)**	**(3 039)**	**-**	**-**	**(10 292)**	**(233)**	**(10 525)**
Net profit (loss) for the period						405 230	405 230	14 085	419 315
Net profit (loss) for the period, total	**-**	**-**	**(7 253)**	**(3 039)**	**-**	**405 230**	**394 938**	**13 852**	**408 790**
Equity issued	64 073	384 433					448 506		448 506
Costs of equity isssue		(526)					(526)		(526)
Transfer of profit for previous year to retained earnings		160 226				(160 226)	-		-
Managerial options					4 886		4 886		4 886
Disposal of Noble Bank S.A. shares							-	21 794	21 794
Acquisition of Getin Bank S.A. shares							-	(139)	(139)
Consolidated acquisition of Getin Bank S.A. shares Y series							-	333	333
Acquisition of Carcade OOO							-	(4 258)	(4 258)
Acquisition of TU Europa S.A.							-	1 071	1 071
Acquisition of PlusBank S.A.							-	2 147	2 147
Deemed sale of Noble Bank S.A. shares							-	57 267	57 267
Disposal of Noble Funds TFI shares							-	1 919	1 919
At 30 June 2007	**708 996**	**1 781 078**	**2 379**	**(3 245)**	**9 554**	**405 230**	**2 903 992**	**144 000**	**3 047 992**

(data given in PLN thousand)

CONSOLIDATED CASH FLOW STATEMENT
For the 6 month periods ended 30 June 2008 and 30 June 2007

	Notes	01.01.2008 - 30.06.2008 unaudited thousand PLN	Unaudited comparable data 01.01.2007 - 30.06.2007 thousand PLN
Cash flows from operating activities			
Net profit (loss)		304 369	419 315
Total adjustments:		1 044 791	(2 698 105)
Depreciation		21 746	17 468
Share in net profits (losses) of associates		(1 472)	(3 026)
Foreign exchange (profits)/losses		(55)	2
(Profit) loss on investing activities		(13 503)	(227 593)
Interest and dividend		99 793	19 934
Change in receivables from banks and bills of exchange eligible for rediscounting with the Central Bank	57	953 943	(697 181)
Change in financial assets held for trading and other financial instruments at fair value through profit or loss	57	22 869	3 557
Change in derivative financial instruments (assets)	57	(49 211)	(53 196)
Change in loans and advances to customers	57	(3 109 056)	(2 252 270)
Change in finance lease receivables	57	(67 332)	(56 931)
Change in investment securities available for sale	57	(1 156 356)	(691 526)
Change in deferred tax assets	57	(47 256)	(26 229)
Change in share of reinsurer in technical provisions	57	(11 672)	(22)
Change in other assets	57	(98 229)	(135 627)
Change in amounts due to banks	57	196 110	(191 789)
Change in derivative financial instruments (liability) and other financial liabilities at fair value through profit or loss	57	80 776	13 897
Change in amounts due to customers	57	4 150 396	1 334 339
Change in liabilities from the issue of debt securities	57	(137 526)	(28 831)
Change in provisions	57	11 459	10 910
Change in technical provisions	57	126 568	56 519
Change in other liabilities	57	48 695	150 971
Other adjustments		16 279	24 762
Income tax paid		(88 342)	(47 719)
Current tax expense (income statement)	24	96 167	81 476
Net cash from operating activities		**1 349 160**	**(2 278 790)**
Cash flows from investing activities			
Inflows		**93 363**	**314 559**
Sale of shares in subsidiaries, net of cash disposed		-	157 324
Sale of investment securities		59 925	2 541
Proceeds from sale of intangible assets and tangible fixed assets		13 393	755
Other investing inflows		20 045	153 939
Outflows		**(131 754)**	**(561 315)**
Purchase of subsidiaries, net of cash acquired	57	(34 983)	(532 897)
Purchase of investment securities		(47 424)	-
Purchase of intangible assets and tangible fixed assets		(49 230)	(28 418)
Other investing outflows		(117)	-
Net cash used in investing activities		**(38 391)**	**(246 756)**
Cash flows from financing activities			
Issue of shares		-	447 980
Issue of debt securities		141 160	1 598 030
Redemption of debt securities issued		(512 730)	(32 327)
Dividends paid to minority interest		(1 200)	-
Other net financing inflows / expenditure		(96 671)	(14 618)
Net cash from (used in) financing activities		**(469 441)**	**1 999 065**
Net change in cash and cash equivalents		841 328	(526 481)
Net foreign exchange differences		(3 069)	(358)
Cash and cash equivalents at the beginning of the period		870 110	1 305 697
Cash and cash equivalents at the end of the period	57	**1 708 369**	**778 858**
of which is restricted use		-	-

Additional notes to the consolidated financial statements presented on pages 9 to 123 are their integral part

ADDITIONAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 General information

The Getin Holding Capital Group (hereinafter referred to as “Capital Group” or “Group”) consists of the parent company Getin Holding S.A. (hereinafter referred to as "Getin Holding" or “Company” or "parent entity"), and its subsidiaries.

The consolidated financial statements of the Group cover the 6 month period ended 30 June 2008 and contain the comparative data for the 6 month period ended 30 June 2007 for the income statement, the statement of changes in consolidated Shareholders’ equity, the cash flow statement as well as the balance sheet data as at 31 December 2007.

The registered office of Getin Holding S.A. is located in Wrocław, Poland, at pl. Powstańców Śląskich 2-4. The Company was originally registered under the name “Centaur S.A.” on 23 February 1996. Furthermore, on 28 February 2000 the business name of the Company was changed to Getin Service Provider S.A. On the 23 March 2001 Getin Service Provider S.A. was incorporated to the National Court Register kept by the District Court for Wrocław-Fabryczna, 6th Commercial Division of the National Court Register under the number KRS 0000004335. Since 24 July 2003 the Company has been acting under the business name Getin Holding S.A. The Company obtained the statistical number REGON 932117232. The prevailing scope of activity of this Company is “Realisation of the capital investments on domestic and foreign markets” (PKD 6523Z).

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

The Company operates as the holding company of the Capital Group and apart from this it does not carry out any other operating activity. The companies of the Capital Group run their activity within the scope of:

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

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

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

The entire Getin Holding Group is controlled by Leszek Czarnecki.

(data given in PLN thousand)

2 Composition of the Capital Group

As at 30 June 2008 the Group consists of Getin Holding S.A. and the following companies:

Subsidiaries consolidated with the full method:

Company name	Reistered office	Type of activity	% in share capital 30.06.2008	31.12.2007
Getin Bank S.A.	Katowice	Banking	99,54%	99,47%
Getin Finance PLC	London, Great Britain	Banking	99,54%[1)]	99,47%
Carcade OOO	Kaliningrad, Russian Federation	Lease	100,00%	100,00%
Getin International S.A. [2)]	Wrocław		100,00%	100,00%
Getin International S.a.r.l.	Luxembourg, Grand Duchy of Luxembourg	Holding activitiy for retail banking and consumer finance in Russia and Ukraine	75,00%	100,00%
Getin International Polska Sp. z o.o.	Wrocław	Auxiliary services for Getin International S.a.r.l.	75,00%[3)]	100,00%
Sombelbank S.A.	Minsk, Belorussia	Banking	56,29%[4)]	Na
Akkord-Plus sp. z o.o.	Kiev, Ukraine	Distribution network and financial agency for the bank	79,57%[5)]	29,82%[5)]
Spółka Finansowa Gwarant Plus sp. z o.o.	Kiev, Ukraine	Activity guaranting, factoring, credits and financial lease giving, cash transfer and financial assets managing	100,00%[6)]	Na
Carcade Plus sp. z o.o.	Kiev, Ukraine	Lease	99,99%[7)]	Na
S.C. Perfect Finance S.r.l.	Bukarest, Romania	Financial and investment services	69,97%[8)]	Na
Noble Bank S.A.	Warszawa	Banking	72,47%	72,12%
Open Finance S.A.	Warszawa	Financial consulting	72,47%[9)]	72,12%
Open Finance MIL	Dublin, Ireland Republic	Customers acquiring and marketing activity on behalf parent company	72,47%[10)]	72,12%
Open Dystrybucja sp. z o.o.	Warszawa	Prestige concierge services for parent company clients	72,47%[9)]	72,12%
Noble Funds TFI S.A.	Warszawa	Financial and investment consulting	50,73%[11)]	50,48%

(data given in PLN thousand)

Company name	Reistered office	Type of activity	% in share capital 30.06.2008	31.12.2007
PlusBank S.A.	Iwano-Frankowsk, Ukraine	Banking	99,06%	99,06%
TU Europa S.A.	Wrocław	Insurance services – property and life insurance	99,74%	99,69%
TU na Życie Europa S.A.	Wrocław	Insurance services – life insurance	99,74%[12)]	99,69%
Panorama Finansów S.A.	Warszawa	Financial consulting	100,00%	Na
Dom Maklerski Polonia Net S.A.	Kraków	Brokerage	74,11%	Na

[1)] Getin Bank S.A owns 99.998% shares and Getin Holding S.A. owns 0.002% shares
[2)] on 14 May 2008 the name of Akcept S.A. was changed to Getin International S.A.
[3)] Getin International S.a.r.l owns 99.9% shares and Getin Holding S.A. owns 0.1% shares
[4)] the Company depends on Getin International S.a.r.l. in 75.049%
[5)] the Company depends on Getin International S.a.r.l. in 81% and on PlusBank S.A. in 19%; up to 11 February 2008 the company was an associate, whereas since 12 February 2008 the company is a subsidiary and is consolidated by means of the full method
[6)] the Company depends on Getin International S.A. in 99.9 % and on PlusBank S.A. in 0.1%
[7)] the Company depends on Getin International S.A. in 99% and on PlusBank S.A. in 1%
[8)] the Company depends on Getin International S.A. in 69.97%
[9)] Noble Bank S.A. owns 100% shares in Open Finance S.A. and Open Dystrybucja sp. z o.o.
[10)] Open Finance S.A. owns 100% shares in the company
[11)] the Company depends on Noble Bank S.A. in 70%
[12)] TU Europa S.A. owns 100% shares in TUnŻ Europa S.A

Associates valued by means of the equity method:

Company name	Reistered office	Type of activity	% in share capital 30.06.2008	31.12.2007
Powszechny Dom Kredytowy S.A.	Wrocław	Financial agency	21,00%	21,00%
PDK Biznes Sp. z o.o.	Wrocław	Financial agency	21,00%[1)]	21,00%
Fiolet S.A.	Wrocław	Financial and insurance agency	39,47%	39,47%

[1)] the Company depends on PDK S.A in 100%.

(data given in PLN thousand)

During the period from 1 January 2008 until 30 June 2008 there have been following changes in the composition of the Capital Group:

- The newly-issued shares of the Getin International S.a.r.l. increased initial capital has been taken over by an entity from outside of the Group and as a result of it the Company's share in the Getin International S.a.r.l. initial capital has been decreased down to 75%.
- Getin International S.a.r.l. has increased its share in the initial capital of Akkord-Plus up to 81%.
- Getin International S.A. took over 233 shares in S.C. PERFECT FINANCE that is 69.97% of the initial capital and entitles to 233 (69.97%) votes at the general meeting of the Company.
- The Carcade Plus, a leasing company in Ukraine, has been founded, in which Getin International S.A. has taken a share of 99% of the initial capital, whereas PlusBank has taken a share of 1% of the initial capital.
- In the 1st quarter of 2008 Getin International S.a.r.l. purchased 75.04% of shares of Sombelbank in Belarus. Following that, the Sombelbank's initial capital was increased. In the increased initial capital Getin International S.a.r.l. possesses currently 75.049% of all Sombelbank's shares.
- In June 2008 Getin Holding purchased 74.11% of the shares of Dom Maklerski Polonia Net.
- Getin Holding founded Panorama Finansów, a company in which it obtained 500 shares, which constitutes 100% of the initial capital.
- Getin International S.A. founded Gwarant Plus Financial Company in Ukraine, taking possession of the 99.9% of the shares of its initial capital. The remaining 0.1% share of the initial capital was allotted to PlusBank.
- Due to the acquisition of the shares of Noble Bank, Getin Holding has increased its share in the Noble Bank up to 72.47%.
- Due to the acquisition and the registration of the increase in the capital of Getin Bank, the share of Getin Holding in the Getin Bank was increased up to 99.54%.
- Due to the acquisition of the shares of TU Europa, Getin Holding has increased its share in TU Europa up to 99.74%

Employment in Group companies	**30.06.2008**	**31.12.2007**
Getin Holding S.A.	17	17
Getin Bank S.A.	2 659	2 440
Noble Bank Group	716	725
Grupa TU Europa	155	132
Carcade OOO	563	437
Carcade Plus sp. z o.o.	9	Na
PlusBank S.A.	585	499
Getin International*	17	31
Sombelbank S.A.	169	Na
Akkord-Plus S.A.	341	Na
S.C. Perfect Finance S.r.l.	34	Na
Panorama Finansów S.A.	37	Na
Dom Maklerski Polonia Net S.A.	23	Na
Razem	**5 325**	**4 281**

* Getin International S.A., Getin International S.a.r.l. and Getin International Polska sp. z o.o.

3 Management Board of the parent company

As at 30 June 2008 and as at the date of the preparation of these consolidated financial statements, the Management Board of Getin Holding S.A. was composed of:

- Krzysztof Rosiński – President of the Management Board
- Artur Wiza – Member of the Management Board
- Radosław Stefurak – Member of the Management Board, Financial Director

In the period covered by the financial statement, Mr Piotr Stępniak who had acted up to 11 January 2008 as the President of the Management Board submitted his resignation and his post was taken up by Mr Krzysztof Rosiński who had acted up to then as the 1st Vice President of the Management Board.

4 Approval of the financial statements

These consolidated financial statements were approved for publication by the Management Board on 29 August 2008.

5 Significant accounting policies

5.1 Basis for preparing consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments and financial instruments that are available for sale, held for trading, valued at fair value through profit and loss, and other assets that are intended for sale at a fair value.

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

The consolidated financial statements have been prepared on the assumption that the group companies will continue as going concerns in the foreseeable future. As at the date of approval of these consolidated financial statements, there were no circumstances that would indicate a threat to the continued activity of the Group companies.

5.2 Statements of compliance

The attached consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards („IFRS") 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 entities of the Group keep their accounting books in accordance with accounting policies specified in the Accounting Act dated 29 September 1994 ("the Accounting Act") as amended and with the regulations issued on the basis of this Act („Polish Accounting Standards"). The foreign entities of the Group maintain their books in accordance to relevant domestic regulations. The consolidated financial statements include a number of adjustments not included in the books of account of those Group companies, which were made to reconcile the financial statements of those companies to be in conformity with IFRS.

5.3 Estimates

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

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

- Impairment of financial assets

  The assumptions made with respect to the estimation of the impairment of loans and credits have been described in point 5.17

- Impairment of investments in associates

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

- Valuation of not-quoted debt securities available-for-sale

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

- Calculation of provision for retirement benefits

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

- Impairment of goodwill

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

- Technical and insurance provisions

  Personal and non-life insurance

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

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

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

If the test reveals legitimacy to reject the zero hypothesis:

a) the general functions presenting the division of risk in policy's validity for the insurance groups are set, or

b) the detailed functions are set that present the division of risk in policy's validity for the separate products in which the division of risk in policy's validity is uneven and which are responsible for the rejection of the zero hypothesis of the even division of risk in the specific insurance group.

If the type of a specific good allows for estimation, without statistical analysis, of the nonlinear division of risk in policy's validity, then it is acceptable to set a function presenting the division of risk, also in case there is not enough statistical information that might enable the determination of the form of risk division pursuant to statistical methods. The new function for such a good can be set and implemented at any time.

For all groups except for 1, 14 and 16 the method of making the premium provision proportionate to the period in which the written premium is due shall apply. Whereas, for groups 1, 14, and 16 the method of premium provision distribution resulting from risk distribution shall apply.

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

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

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

Life insurance

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

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

The life insurance provision is made individually for each policy by means of the actuarial methods, pursuant to guidelines on making life provisions.

(data given in PLN thousand)

- Activated insurance acquisition costs

  The acquisition costs of the insurance products in the part that falls on the next statement periods are due for settlement within the time that is proportional to the duration of the insurance contracts to which they refer. The activated acquisition costs in life insurance policies are settled in time according to the method that is analogical to the one that is used in calculating the provisions of premiums or life insurance.

5.4 Measurement and reporting currency

The measurement currency of the parent company' and the reporting currency of these consolidated financial statements as well as the measurement currency of the Group companies is Polish zloty, PLN, with the following exceptions:

- for Carcade OOO is the Russian rouble;
- for Getin International S.a.r.l. and Getin Finance PLC is euro;
- for PlusBank, Akkord-Plus, Carcade Plus, and Spółka Finansowa Gwarant Plus is the Ukrainian hryvnia;
- for Sombelbank is the Belarusian rouble;
- for S.C. Perfect Finance is the Romanian leu.

5.5 Changes of applied accounting policies

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

IFRIC 11 IFRS 2 - Group and Treasury Share Transactions

IFRIC 11 contains tips whether the transactions within which an entity issues capital instruments as a form of payment for the goods or services received or when the entity receives payment done in the form of the capital instruments that have been issued within the same capital group are to be regarded as settled by means of capital instruments or by means of monetary assets. The interpretation also advises on the procedure in situations when an entity makes use of its treasury shares for the purpose of making settlements in the form of payment transaction, using its treasury shares.

In the current period the Group did not introduces any changes to the accounting standards.

The Group made the following adjustments of the comparative data as at 31 December 2007 and for the period from 1 January 2007 to 30 June 2007:

CONSOLIDATED BALANCE SHEET	Historical data as at 31.12.2007 thousand PLN	Final settlement of the purchase of TU Europa thousand PLN	Comparable data as at 31.12.2007 disclosed in this consolidated financial statement thousand PLN
ASSETS			
Intangible assets	912 600	62 142	974 742
Other assets	275 596	(60 768)	214 828
Other	17 815 791	-	17 815 791
SUM OF ASSETS	**19 003 987**	**1 374**	**19 005 361**
LIABILITIES			
Deferred tax liabilities	144 228	1 357	145 585
Other liabilities	15 590 295	-	15 590 295
SUM OF LIABILITIES	**15 734 523**	**1 357**	**15 735 880**
Equity (attributable to equity holders of the parent)	**3 104 932**	**-**	**3 104 932**
Minority interest	**164 532**	**17**	**164 549**
Equity	**3 269 464**	**17**	**3 269 481**
SUM OF EQUITY AND LIABILITIES	**19 003 987**	**1 374**	**19 005 361**

(data given in PLN thousand)

CONSOLIDATED INCOME STATEMENT	Historical data for the period of 01.01.2007-30.06.2007 thousand PLN	Presentation correction of insurance acquisition costs thousand PLN	Comparable data for the period of 01.01.2007-30.06.2007 disclosed in this consolidated financial statement thousand PLN
Fee and commission expense	(52 474)	22 926	(29 548)
Net fee and commission income	**122 080**	**22 926**	**145 006**
Other operating expenses	(19 032)	(22 926)	(41 958)
Other operating incomes and expenses net	**424 067**	**(22 926)**	**401 141**
Net profit/loss	**419 315**	**-**	**419 315**
1. Attributable to equity holders of the parent	405 230	-	405 230
2. Attributable to minority interest	14 085	-	14 085

5.6 New standards and interpretations, published but not effective yet

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

IFRS 8 Operational Segment, applicable to yearly periods beginning as at 1 January 2009,

IAS 1 Presentation of Financial Statements (amended in September 2007), applicable to yearly periods beginning as at 1 January 2009; until the day of the approval of this financial statement not yet approved by the EU,

IAS 23 Costs of External Financing (amended in March 2007), applicable to yearly periods beginning as at 1 January 2009; until the day of the approval of this financial statement not approved by the EU,

IFRS 3 Joining the commercial entities (amended in January 2008), applicable to yearly periods beginning as at 1 July 2009 or later; until the day of the approval of this financial statement not approved by the EU,

IAS 27 Consolidated and Separate Financial Statements (amended in January 2008), applicable to yearly periods beginning as at 1 July 2009 or later; until the day of the approval of this financial statement not approved by the EU,

IFRS 2 Share-based payment transactions Terms for Purchasing and Annulling the Authorizations (amended in March 2008), applicable to yearly periods beginning as at 1 January 2009 or later; until the day this financial statement shall be approved not approved by the EU

Amendments to IAS 32 and IAS 1 Financial Instruments with Put Option at fair value (amendments introduced in February 2008), applicable to yearly periods beginning as at 1 January 2009 or later; until the day of the approval of this financial statement not approved by the EU.

Interpretation IFRIC 12 Service Concession Arrangements; applicable to yearly periods beginning as at 1 January 2008; until the day of the approval of this financial statement it was not approved by the EU.

Interpretation IFRIC 13 Loyalty Programs; applicable to yearly periods beginning as at 1 July 2008 or later; until the day of the approval of this financial statement not approved by the EU.

Interpretation IFRIC 14 IAS 19; Limitations in the evaluation of the assets resulting from programs of specific benefits, requirements of minimal financing, and their interactions; applicable to yearly periods beginning as at 1 January 2008 or later; until the day of the approval of this financial statement not approved by the EU.

Amendments that result from the annual inspection of IFRS, applicable to yearly periods beginning as at 1 January 2009 or later; until the day of the approval of this financial not approved by the EU.

Amendments to IFRS 1 and IAS 27 Cost of the investment in the subsidiary, controlled, and affiliated entity, applicable to yearly periods beginning as at 1 January 2009 or later; until the day of the approval of this financial statement approved by the EU.

Interpretation of IFRIC 15 Contract for Immovables Construction; applicable to yearly periods beginning as at 1 January 2008 or later; until the day of the approval of this financial statement not approved by the EU.

Interpretation of IFRIC 16 Net Investments Security in Foreign Entities; applicable to yearly periods beginning as at 1 October 2008 or later; until the day of the approval of this financial statement not approved by the EU.

The Management does not expect that the implementation of these standards and interpretations will have any significant influence on the accounting principles (policy) applied by the Group.

5.7 Consolidation principles

The consolidated financial statements include the financial statements of Getin Holding S.A. and financial statements of the subsidiaries drawn up for relevant statement periods. The consolidation packages of subsidiaries, which are the basis for the preparation of the financial statement, are prepared for the same reporting period as the financial statements of the parent company, using the consistent accounting policies applied for the transactions and other similar economical events. Corrections have been made in order to eliminate any discrepancies in the accounting policies applied.

All significant inter-company balances and transactions, including unrealized profits arising from intragroup transactions, have been eliminated in full. Unrealized losses are eliminated unless they are an impairment indicator.

Subsidiaries are consolidated from the date on which control is transferred to the Group, and cease to be consolidated from the date such control ends. The control of the parent company over an 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 cannot be regarded as a control. Control is also exercised when the Company has the possibility to affect the financial and operating policies of a given entity (detailed conditions are laid down in IAS 27).

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

The recognition of the put option that is at the disposal of the minority shareholders – in accordance with IAS 32.23 ("Financial instruments": presentation) the Group recognizes in the consolidated financial statement the financial liability in the event that the minority shareholders of the Group's companies have the option of the re-sale of the shares of the said companies to the Group for cash.

5.8 Investments in associates

Investments in associates are valued using the equity method. Associates are entities on which the parent company directly or through its subsidiaries exercises significant influence and which are not its subsidiaries or joint ventures. The financial statements of associates are the basis for valuation of shares held by the parent company 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 in the balance sheet at acquisition cost adjusted by subsequent amendments in the share of the parent company in the net assets of those entities. The Company's income statement reflects its share in the operating results of the associates. In the case of a change posted directly to equity of associates, the parent company recognizes its share in each change and discloses it, if appropriate, in the statement of changes in equity.

5.9 Translation of positions denominated in foreign currencies

Transactions denominated in currencies other than PLN are translated into PLN at the exchange rate prevailing on the transaction date.

(data given in PLN thousand)

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 the translation are recognized in respectively finance income (costs) or, in cases defined in the accounting policies, are capitalized in the cost of the assets. Non-monetary assets and liabilities recognized at historical cost denominated in a foreign currency are disclosed at historical cost prevailing on the transaction date. Non-monetary assets and liabilities recognized at fair value denominated in a foreign currency are translated using the exchange rate prevailing at the date of evaluation to fair value.

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

	Balance sheet		Income statement	
	30.06.2008	31.12.2007	30.06.2008	30.06.2007
USD	2.1194	2.4350	2.2531	2.8903
EUR	3.3542	3.5820	3.4776	3.8486
RUB	0.0906	0.0995	0.0947	0.1110
UAH	0.4662	0.4814	0.4617	0.5738
100 BYR	0.1017	Na	0.1059	Na
RON	0.9189	Na	0.9437	Na

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

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

The functional currency for foreign entities:

- for Carcade OOO is the Russian rouble (RUB);
- for Getin International S.a.r.l and Getin Finance PLC is euro (EUR);
- for PlusBank S.A., Akkord-Plus sp. z o.o., Carcade Plus sp. z o.o., Spółka Finansowa Gwarant Plus sp. z o.o. is the Ukrainian hryvnia (UAH);
- for Sombelbank S.A. is the Belarusian rouble (BYR);
- for S.C. Perfect Finance is the Romanian leu (RON).

The functional currency of remaining companies is the Polish zloty (PLN).

5.10 Property, plant and equipment

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 affect 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.

(data given in PLN thousand)

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

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

Group of fixe assets	Depreciation rate
Buildings	2.5 -5.0 %
Leasehold improvements (buildings)	10.0%-30%
Plant and machinery (except from computer hardware)	20.0%
Own computer hardware	20.0% - 30.0%
Own motor vehicles	14.0% - 20.0%
Other	10.0% - 20.0%

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

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

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

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

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

5.11 Investment property

Investment property is valued at acquisition cost which includes transaction costs. Investment property is removed from the balance sheet if the given investment property item is sold or permanently removed from use, and no future benefits are expected from its sale. Any gains or losses arising from de-recognition of investment property are disclosed in the income statement for the period, in which the item was de recognized. Investment property is depreciated using the straight-line method and the base rate of 2.5%, which results from estimates of investment property useful life. The principles of assessment as to whether there has been an impairment loss on investment property have been described in note 5.10.

5.12 Intangible assets

Intangible assets are assets which meet the following criteria:

- they can be separated or divided from the entity and sold, transferred, licensed, or rented to third parties both individually or together with related contracts, assets or liabilities components; or

- they arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from an economical entity.

Intangible assets are valued at acquisition cost or production cost reduced by the amortization and impairment losses.

In the case of a subsidiary included in consolidation, the acquisition cost of the acquisition cost of an intangible asset is its fair value estimated as at the acquisition date.

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

- costs of completed development works – 33%
- software – 20%-50%
- patents, licenses – the useful lives are determined individually
- trademarks – indefinite useful lives

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

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

5.13 Goodwill

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

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

5.14 Lease receivables

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

In the case of lease contracts that transfers substantially all of the risks and rewards of the ownership of an asset, the leased asset is de-recognized (finance lease) in the balance sheet. Lease payments are apportioned between finance income and reduction of the outstanding lease receivable, so as to produce a constant rate of return on the outstanding lease receivable.

Lease payments made under lease agreements which do not meet the criteria of finance leases are recognized as an expense in the income statement on a straight-line basis over the lease term. Fixed assets or intangible assets under operating lease are recognized in the balance sheet under non-current assets and are depreciated/amortized in accordance with the policies referred to in point 5.10 of the additional notes.

5.15 Cash and cash equivalents

Cash and cash equivalents include the positions with maturity period within three months from the purchase, among others cash and central bank deposits with limited use, treasury bills and other qualified bills, credits and loans granted to other banks, receivables from other banks and short-term State Treasury securities.

Bills entitled for discounting in central bank are PLN bills with maturity period of 3 months or less.

5.16 Financial assets

Financial assets are divided into the following categories:

- Financial assets held to maturity;
- Financial assets at fair value through profit or loss;
- Loans and receivables; and
- Financial assets available for sale.

Financial assets held to maturity are investments with fixed or determinable payments and a fixed maturity date, which the Group is going and able to hold by that time. Held-to-maturity financial assets are measured at amortized cost using the effective interest rate method.

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

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

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

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

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

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

5.17 Allowance for impairment losses on loans, borrowings and receivables

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

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

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

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

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

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

5.18 Derivatives

Derivatives transactions are valued at the fair value calculated with the use of the appropriate valuation model. The fair value of currency forwards is determined with reference to forward rates for contracts with similar maturity periods. The fair value of interest rate swaps is set with reference to the market value of similar instruments.

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

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

5.19 Hedging instruments

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

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

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

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

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

5.20 Reassurance assets

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

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

5.21 Contingent liabilities or commitments

Within the scope of operational activity the Group companies execute transactions which are not recognized in the balance sheet as assets or liabilities at the transaction time, but result in contingent liabilities or commitments. The contingent liability is:

- a possible obligation that arises as a result of past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that cannot be wholly controlled by the Group
- a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability;

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

5.22 Shareholders' equity of the Capital Group

Shareholders' equity includes the 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.

Reserve fund includes the capital from deductions from net profit. Accumulated profits/losses include retained earnings and uncovered losses from previous year of the entities consolidated by full method.

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 includes foreign exchange differences arising from translation of the result of foreign entities consolidated using the full method.

Element of equity section – convertible bonds includes the costs of transactions settled in the equity instruments under the payments in the form of own shares.

5.23 Minority shareholders' equity

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

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

5.24 Provisions

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

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

5.25 Technical and insurance provisions

Compensation provisions

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

Premium provisions

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

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

Life insurance provisions

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

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

Technical and insurance provisions adequacy test

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

5.26 Financial liabilities valued on the basis of depreciated cost

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

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

5.27 Financial liabilities at fair value through profit and loss

Financial liabilities valued at fair value through profit or loss include two categories: financial liabilities intended for trade and financial liabilities specified at initial recognition as the liabilities valued at fair value through profit and loss.

Financial liabilities may be categorized at the moment of their initial recognition as financial liabilities carried at fair value through profit and loss only on condition that.

- eliminates or significantly reduces incoherence concerning the evaluation or recognition (sometimes referred to as „accounting mismatch” of financial liabilities) that would otherwise arise due to a different method of evaluation of these liabilities or a different recognition of the profits or losses related to them, or
- the group of financial liabilities is being managed, and its results are evaluated on the basis of the fair value, in keeping with the warranted principles of risk management or investment strategy, whereas the information on that group is being conveyed within the entity to the key members of the management (according to the definition contained in IAS 24 „Disclosure of information on related entities”), for instance to the entity’s management or the executive director.

If the first condition is fulfilled, the clients’ deposits with fixed interest denominated in PLN, concluded since 1 April 2008 for the period longer than one year, at the initial recognition are marked by the Group as the financial liabilities carried at fair value through profit and loss. In this way the incoherence in the evaluation of those deposits and IRS financial instruments, which are applied in the Group in connection with the management of the risk of the interest rate changes, is significantly lowered.

5.28 Retirement benefits

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

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

5.29 Revenue recognition, costs and financial profit/loss

Revenue is recognised to the extent that it is probable that the Group company will obtain economic benefits that can be reliably measured.
Costs are recognised in accordance with the accruals concept i.e. in the periods, to which they relate, irrespective of the payment date.

Group companies disclose in profit and loss account all incomes and interest costs referring to financial instruments valuated according to amortized cost while adopting method of effective interest rate and financial assets available for sale.

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

The interest income covers the interest obtained or the interest due from credits, leasing receivables, cash on bank accounts, inter-bank deposits and the financial instruments that are evaluated according to the amortised cost.

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 account, 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 account, also using the effective interest rate method.

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

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

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

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

5.30 Dividends

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

5.31 Current tax expense and deferred tax

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

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

Deferred tax liabilities are recognised for all taxable temporary differences:

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

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

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

The carrying value of a deferred income tax asset is verified as at each balance sheet date and is decreased in proportion to the improbability that a taxable income will be enough to realise the deferred tax asset fully or in part. An unrecognised deferred tax asset is re-assessed as at each balance sheet date, and recognised up to the amount which reflects the probability to derive in future such taxable income that will allow recovering the asset in question.

Deferred income tax assets and deferred tax liabilities are valued using the tax rates which are expected to be applicable as at the date of realisation of an asset or reversal of a reserve, based on the tax rates (and tax regulations) as at the balance sheet date or rates/regulations whose future application is certain as at the balance sheet date.

Income tax applicable to assets which are recognised directly under equity is recognised under equity rather than in the profit and loss account.

The Group offsets deferred income tax assets against deferred income tax liabilities only 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.

5.32 Social assets and Social Fund liabilities

In Poland, The Act on Social Fund requires that enterprises that have at least 20 employees (counted on a full time basis) 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. The purpose of the Fund is to finance the social activity. The Social Fund liability is made up of accumulated income of the Social Fund less non-refundable expenditure by the Fund.

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

5.33 Share-based payment transactions

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

Equity-settled share-based payment transactions

The cost of transactions settled with employees in equity instruments is valued by reference to the fair value as at the date the rights are granted. The fair value is determined on the basis of the Black-Scholes model which is further presented in note 52 of the additional notes to the consolidated financial statements. The valuation of transactions settled in equity instruments does not take into account any conditions concerning the effectiveness/results, except for those which are related to the price of the share in the controlling company (the "market conditions").

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

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

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

The diluting effect of the options issued is taken into account when determining the earnings per share as an additional dilution of shares (note 25 of the additional information).

Transactions settled in monetary assets

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

5.34 Acquisition of minority interests

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

6 Effects of changes in accounting policies

The Group did not make any significant changes in its accounting policy. The changes of the International Financial Reporting Standards in the first half of the year 2008 did not have any significant impact on the consolidated financial statements.

7 Financial risk management in the Capital Group

Methods and objectives of financial risk management

The companies of the Capital Group during their operations are exposed to the following basic types of risk: credit risk, liquidity risk, market risk (including interest rate risk, currency risk), solvency risk, and operating risk.

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 assumed income to risk ratio. For the risk management at the strategic level, the management board of the Group companies that for the purpose of the operational management, in particular in the bank of the Capital Group ("Group banks" or "banks") appoint committees that are responsible for particular areas of risk; the committees include: 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 management board of the companies and the internal limits and supervisory regulations. Particular Group companies, as far as market risk management is concerned, take into consideration the market regulations on which they are active and the requirements of the relevant supervisory institutions: the Financial Supervision Commission in Poland, national banks in Ukraine and Belarus. The supervisory boards acting in particular Group companies exercise the owner's supervision over the management policy on the financial risk.

Credit risk

Credit risk management is to ensure safety of the conducted credit activities while maintaining a rational approach to risk. The banks of the Group control the credit risk by introducing and observing internal procedures for monitoring the granted credits and by regular analysing the financial condition of the borrowers and repayments of the granted credits. In conducting the credit activities, the banks of the Group follow the following principles:

- the acquisition and maintenance in their portfolio of the credits and loans that ensure the safety of clients' deposits by earning stable income,
- taking the decisions on granting credits, the banks examine 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.
- the credit or other exposures are granted when the client meets the conditions determined in the internal regulations.

The Group banks have procedures for particular credit products and the credit strategy and credit policy that sets the principles, instructions, guidelines and recommendations related to the issues connected with credit activities and that at the same time is the basic instrument of realising the chosen strategy towards the credit risk.

In order to ensure objective assessment of the credit risk within the structures 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 the decisions on granting credits is approved by the management board of the Group banks. Such powers are granted to the employees on an individual basis, depending on their skills, experience and functions performed. Each acceptance centre has a Loan Committee which takes the decisions on granting credits that go beyond the powers granted to the employees and director of the centre. The banks' headquarters have Loan Committees that take decisions that exceed the powers granted to the particular acceptance centres. Decisions exceeding the powers of the Loan Committee are taken by the management boards of the banks. Any changes to the existing decision-taking procedure must be accepted by the management boards of the banks.

The banks follow internal regulations that make it possible to determine the level of the credit risk associated with granting the credit to a given client or with providing other services encumbered with the credit risk as well as the level of 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 banks apply scoring for cash loans,
- for SMEs, credit analysis includes scoring.

Criteria for the assessment of credit capability are determined on the basis of the scoring obtained from the assessment of financial condition and quality, and on the basis of an appropriate definition of credit capability. This system also enables the Bank to assess the client's creditworthiness based on information about the timeliness of payment of amounts due to the Bank, and allows for scoring and determining the value of the collateral used.

The banks of the Capital Group apply a wide range of legally permissible securities, appropriate to the characteristics of the product and the scope of activity. The detailed principles of selecting, applying and establishing securities are included in the internal regulations and product procedures of particular trading areas. The assumed legal security should satisfy the banks in case some threats occur that hinder or prevent the fulfilment of the credit agreement obligations by the borrower. The basic security limiting the banks' risk, in particular the credit risk is a good financial standing of the borrower and the credit worthiness possessed by the borrower. While selecting the securities, the Group banks take into account the type and value of the credit, its term, legal status and financial standing of the entity, as well as the bank risk and other threats. Securities in the form assuring full and quick recovery of the amounts due by means of debt recovery and exemption from the necessity of making provisions are preferred. The banks monitor the securities on the dates of carrying out periodic (quarterly or annual) reviews of credit exposure and during functional controls in the trading areas.

The banks monitor and assess the quality of the credit portfolio on the basis of the internal procedure comprising monitoring of the portfolio, both by the separate units in the trading areas and by independent, appointed by the banks' headquarters, Credit Risk Departments. The results of the analyses carried out by the trading areas are presented in the periodic reports and provided to the Credit Risk Departments. The conclusions drawn from these analyses are used by the Credit Risk Department for current managing of the credit risk.

In particular the Credit Risk Department is responsible for monitoring the whole credit portfolio, as well as for the quality of the procedures applied and for ensuring that appropriate standards in the credit process are observed. Other tasks of that Department include providing proper classification of the credit exposures and making provisions, as well as charges for credit amounts due allowing for the assumed legal securities, as well as coordination of the credit portfolio valuation process in accordance with IAS 39 and IAS 37 and calculations of the capital requirements for the credit risk according to the requirements of the New Capital Agreement (Basel 2) or the regulations binding on a given market.

The risk monitoring system includes the monitoring of the individual risk (associated with a given client) as well as an overall monitoring of the loan portfolio. As a part of the overall monitoring of the individual risk, the banks perform, 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:

- monitors the quality of the credit portfolio within the product range,
- 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 on a daily basis the great credit exposure and the granted limits for the mortgage credits,
- reviews the accuracy and adequacy of the created target provisions,
- carries out the tests of extreme conditions for the portfolio of car and mortgage credits (it concerns Getin Bank).

Management information in the form of periodic reports is provided to the management boards of the Group banks and to their supervisory boards.

In Getin Bank as at 30 June 2008, the credit risk of the balance sheet and off-balance sheet financial instruments related to bank portfolio, measured by the risk-weighted amount of off-balance sheet assets and liabilities is PLN 10,253,688 thousand, while that measured by the equity requirement is PLN 820,295 thousand. (31 December 2007: PLN 10,710,211 thousand, PLN 856,820 thousand)
The equity requirement in respect of the exposure to the trading portfolio risk(currency risk, debt instrument specific risk, general interest rate risk, transaction settlement risk and business partner risk) as at 30 June 2008 was PLN 156 thousand (31 December 2007: PLN 3 thousand).

In Noble Bank as at 30 June 2008, the credit risk of balance sheet and off-balance sheet financial instruments related to bank portfolio, measured by the risk-weighted amount of off-balance sheet assets and liabilities is PLN 1,974,245 thousand (31 December 2007: PLN 1,383,304 thousand), while that measured by the equity requirement is PLN 172,815 thousand (31 December 2007: PLN 110,664 thousand).

In the leasing activity the credit risk is minimized in the following way:

- Client’s own contribution is set at the average level of 30%,
- Client’s credit capability is examined before the agreement is signed;
- Payment discipline is monitored by particular security departments.

On the basis of historical results as at 30 June 2008, the maximum credit exposure is estimated at the level of 3% of the net leasing investments resulting from active lease contracts (as at 31 December 2007: 1.52%). The credit risk is much dispersed and divided into ca. 13 thousand contracts (2007: 12 thousand) of an average value of USD 35,000 (2007: USD 30,193).

The credit risk in the insurance activities of the Group is highly minimised. The Company runs the policy of safe placement of all its assets. This means that the funds are mainly invested into term deposits in banks, Treasury debt securities and municipal bonds. The possessed commercial debt securities are issued by the Group's associates. The Company also granted loans to the equity related companies (these funds, to limited extend, are the coverage of technical and insurance provisions pursuant to limits specified in the Act on Insurance Activity).
In other areas of the insurance activity, the credit risk appears mainly while collecting the retrospective debts from the perpetrators of damage (mainly in financial insurances). The risk of lack of the possibility to carry out efficient debt collection is taken into account and accounted for while calculating the insurance premium.

In the remaining companies of the Capital Group the credit risk occurs but in a very narrow scope due to the lack of any significant credit exposure outside the Group or due to the collaboration with such financial institutions whose credit rating is satisfactory, which means that the credit risk of these companies does not affect their financial situation.

(data given in PLN thousand)

Gross maximum exposure to credit risk	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Financial assets:		
Cash and balances with the Central Bank		
Bills of exchange eligible for rediscounting with the Central Bank	165	14
Amounts due from banks	3 250 990	3 689 711
Cash collateral on securities borrowed and reverse repurchase agreements	0	0
Derivative financial instruments	201 921	152 712
Financial assets held for trading	141	21 954
Other financial instruments at fair value through profit or loss	122 490	123 549
Loans and advances to customers	14 286 035	11 143 564
Investment securities	2 871 590	1 733 825
Available for sale	2 835 938	1 685 649
Held to maturity	35 652	48 176
Other assets	191 304	148 108
Total exposure to credit risk	**20 924 636**	**17 013 437**
Off - balance sheet guarantee liabilities	11 851	21 624
Off - balance sheet financial liabilities	1 328 302	1 214 307
Total off - balance sheet liabilities	**1 340 153**	**1 235 931**
Total exposure to credit risk	**22 264 789**	**18 249 368**

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

(data given in PLN thousand)

as at 30 June 2008

	Not overdue	Overdue, not impaired			Overdue impaired	Interest	Provisions (in this IBNR)	Total
		High grade	Standard grade	Sub-standard garde				
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Amounts due from banks	3 247 509	-	111	-	1 017	3 379	(1 026)	3 250 990
Financial assets held for trading	141	-	-	-	-	-	-	141
Other financial instruments at fair value through profit or loss	122 490	-	-	-	-	-	-	122 490
Loans and advances to customers	11 476 283	2 233 333	321 394	115 263	759 016	85 061	(704 315)	14 286 035
Corporation credits	985 268	186 881	37 916	7 291	162 890	2 990	(151 488)	1 231 748
Car credits	2 126 158	235 463	85 622	34 960	155 966	17 392	(143 045)	2 512 516
Mortgages	6 384 971	1 703 781	119 309	32 732	113 648	35 717	(97 134)	8 293 024
Consumer credits	1 979 886	107 208	78 547	40 280	326 512	28 962	(312 648)	2 248 747
Investment securities	2 871 068	-	-	59	17 069	76	(16 682)	2 871 590
Available for sale	2 835 416	-	-	59	17 069	76	(16 682)	2 835 938
- issued by central banks	427 133	-	-	-	-	-	-	427 133
- issued by other banks	18	-	-	-	-	-	-	18
- issued by other financial institutions	1 094	-	-	-	9	-	(202)	901
- issued by non-financial institutions	2 525	-	-	59	17 060	-	(15 229)	4 415
- issued by State Treasury	2 404 646	-	-	-	-	76	(1 251)	2 403 471
- issued by local authorities	-	-	-	-	-	-	-	-
Held to maturity	35 652	-	-	-	-	-	-	35 652
- issued by central banks	-	-	-	-	-	-	-	-
- issued by other banks	20 310	-	-	-	-	-	-	20 310
- issued by other financial institutions	-	-	-	-	-	-	-	-
- issued by non-financial institutions	-	-	-	-	-	-	-	-
- issued by State Treasury	15 342	-	-	-	-	-	-	15 342
- issued by local authorities	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	
Total	**17 717 491**	**2 233 333**	**321 505**	**115 322**	**777 102**	**88 516**	**(722 023)**	**20 531 246**

(data given in PLN thousand)

as at 31 December 2007

	Not overdue	Overdue, not impaired			Overdue impaired	Interest	Provisions (in this IBNR)	Total
		High grade	Standard grade	Sub-standard garde				
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Amounts due from banks	3 622 335	54 146	711	-	-	12 543	(24)	3 689 711
Financial assets held for trading	21 954	-	-	-	-	-	-	21 954
Other financial instruments at fair value through profit or loss	123 549	-	-	-	-	-	-	123 549
Loans and advances to customers	9 074 861	1 565 448	302 137	80 877	682 190	53 634	(615 583)	11 143 564
Corporation credits	815 775	210 510	41 223	5 701	176 872	1 179	(173 962)	1 077 298
Car credits	1 793 958	193 764	68 875	28 877	145 651	14 445	(137 485)	2 108 085
Mortgages	5 145 813	1 052 108	141 295	21 757	113 527	22 128	(95 003)	6 401 625
Consumer credits	1 319 315	109 066	50 744	24 542	246 140	15 882	(209 133)	1 556 556
Investment securities	1 733 631	6	-	67	15 360	-	(15 239)	1 733 825
Available for sale	1 685 455	6	-	67	15 360	-	(15 239)	1 685 649
- issued by central banks	327 604	-	-	-	-	-	-	327 604
- issued by other banks	18	-	-	-	-	-	-	18
- issued by other financial institutions	3 477	-	-	-	-	-	-	3 477
- issued by non-financial institutions	1 720	6	-	67	15 360	-	(15 239)	1 914
- issued by State Treasury	1 352 636	-	-	-	-	-	-	1 352 636
- issued by local authorities	-	-	-	-	-	-	-	-
Held to maturity	48 176	-	-	-	-	-	-	48 176
- issued by central banks	-	-	-	-	-	-	-	-
- issued by other banks	25 295	-	-	-	-	-	-	25 295
- issued by other financial institutions	-	-	-	-	-	-	-	-
- issued by non-financial institutions	-	-	-	-	-	-	-	-
- issued by State Treasury	22 881	-	-	-	-	-	-	22 881
- issued by local authorities	-	-	-	-	-	-	-	-
Total	**14 576 330**	**1 619 600**	**302 848**	**80 944**	**697 550**	**66 177**	**(630 846)**	**16 712 603**

(data given in PLN thousand)

Description of loan securities

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

Mortgages:

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

Car credits:

- registered pledge on the vehicle, partial or total assignment of vehicle property right;
- assignment of rights from the insurance policy or indicating the bank as the beneficiary of the policy;
- blank promissory note;
- death insurance policy or insurance policy against total disability of the borrower.
- guarantee of a third party in the form of own promissory note or civil warranty.

Consumer credits:

- death insurance policy or insurance policy against total disability of the borrower.
- guarantee of a third party in the form of own promissory note or civil warranty.

Corporation credits:

- mortgage established on the property with priority of satisfaction;
- registered pledge on the property of the enterprise or total assignment of the enterprise property right of the borrower;
- registered pledge on the personal property of the borrower or the company's management;
- money deposit or pledge on funds on the trust account;
- assignment of claims, blank promissory note or civil surety ship.
- guarantee of a third party in the form of own promissory note or civil warranty.
- blank promissory note;

In case the irregular credit payments need to paid from the security funds that cannot be forthwith changed into cash, the banks of the Group apply the policy of taking over the security and disposing of it at most favourable price or paying off the credit in other favourable way for the bank.

Loans with individualy imapired	**30.06.2008 thousand PLN**	**31.12.2007 thousand PLN**
Corporation credits (of which by local authorities)	68 845	75 669
Car credits	0	0
Mortgages	17 067	15 783
Consumer credits	0	0
Total	**85 912**	**91 452**

As at 30 June 2008 the fair value of securities assumed while calculating the write-offs for individual, significant credits was PLN 17.8 million (as at 31 December 2007 PLN 14 million).

The management of the Group banks specifies the concentration of the credit risk in accordance with the requirements of the banking law and the regulations of relevant supervising body.

(data given in PLN thousand)

Concentration of credit risk of Getin Banks S.A. in accordance with the Polish Accounting Standards

As at 30 June 2008 and 31 December 2007 the Bank did not exceed the exposure concentration ratio specified by the Banking Law.

Receivables' concentration limits: Banking Law article 71 section 1	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Bank's receivables and off-balance sheet liabilities incurred by the Bank with respect to a single entity or a group of entities related by capital or organisational structure cannot exceed 25% of the current value of the Bank's own funds	350 363	291 856
Largest exposure to one customer		
% of own funds	11%	8%
% share in the loan portfolio	1%	1%
Exposure to 10 largest customers		
% of own funds	20%	26%
% share in the loan portfolio	2%	3%
Largest exposure to one capital group		
% of own funds	12%	17%
% share in the loan portfolio	1%	2%
Exposure to 5 largest capital groups		
% of own funds	18%	24%
% share in the loan portfolio	2%	2%
Bank's receivables and off-balance sheet liabilities incurred by the Bank with respect to a single entity or a group of entities related by capital or organisational structure cannot exceed 20% of the current value of the Bank's own funds	280 291	233 485
Exposure to group of customers related to the bank		
% of own funds	12%	17%
% share in the loan portfolio	1%	2%
Total bank's commitments exposure equal or greater than 10% of the current value of the Bank's own funds incurred by the Bank with respect to a single entity or a group of entities related by capital or organisational structure cannot exceed 800% of those funds	11 211 620	9 339 401
Individual exposure		
% of own funds	12%	17%
% share in the loan portfolio	1%	2%

Exposure concentration of Getin Bank by industries

Industry branches	30.06.2008 %	31.12.2007 %
Agriculture and hunting	0,3	0,2
Mining	0,1	0,0
Production activity	2,7	2,9
Delivery of electric energy and gas	0,0	0,0
Construction industry	1,5	1,4
Wholesale and retail trade	4,8	4,5
Transport, warehouse management and communication	4,4	4,4
Finance agency	1,7	1,4
Real estate service	1,7	1,8
Public administration	0,1	0,2
Other sections	1,4	1,2
Private persons	81,3	82,0
Total	**100,0**	**100,0**

(data given in PLN thousand)

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

Structure of credit portfolio	**30.06.2008 %**	**31.12.2007 %**
Borrowings to private persons	**81,3**	**82,0**
including:		
-cars loans	12,9	14,2
-instalment and cash loans	0,3	0,6
-real estate	52,5	52,1
-other	15,6	15,1
Corporate loans	**18,7**	**18,0**
Total	**100,0**	**100,0**

Structure of the loan portfolio of Getin Bank, by geographical market segments in relation to the customer's place of residence

Administrative regions of Poland (voivodships)	**30.06.2008 %**	**31.12.2007 %**
Dolnośląskie	10,0	10,7
Kujawsko-Pomorskie	3,7	3,7
Lubelskie	3,3	3,2
Lubuskie	2,4	2,4
Łódzkie	6,5	6,5
Małopolskie	6,4	6,4
Mazowieckie	20,5	21,8
Opolskie	2,0	2
Podkarpackie	2,5	2,3
Podlaskie	1,0	1
Pomorskie	7,0	6,9
Śląskie	15,4	14,7
Świętokrzyskie	1,2	1,2
Warmińsko-Mazurskie	2,8	2,8
Wielkopolskie	8,1	7,8
Zachodniopomorskie	4,9	4,7
Abroad offices	2,3	1,9
Total	**100,0**	**100,0**

Getin Bank - credit and market risk as at 30 June 2008

Type of instrument	**Carrying amount thousand PLN**	**Risk-weighted value thousand PLN**
Cash	79 058	-
Amounts due from Central Bank	384 688	170
Bills of exchange eligible for rediscounting with the Central Bank	165	123
Receivables	14 511 202	9 720 154
Debt securities	2 391 235	10 215
Other securities, shares	6 117	4 202
Non-current assets	179 498	115 411
Other	252 842	83 468
Total banking portfolio	**17 804 805**	**9 933 743**
Total balance sheet instruments	**17 804 805**	**9 933 743**

(data given in PLN thousand)

Off-Balance Sheet instruments

Type of instrument	Replacement costs thousand PLN	Balance Sheet equivalent thousand PLN	Risk-weighted value thousand PLN
Currency instruments:	94 582	225 933	104 393
Forward	4	126	130
Swap	-	1 460	292
CIRS	94 578	224 347	103 971
Other instruments:	71	1 519	1 074
Forex	71	1 519	1 074
Total derivatives	**94 653**	**227 452**	**105 467**
of which: banking portfolio	94 631	226 399	104 392
trade portfolio	22	1 053	1 075

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	930 125	254 191	187 641
Guarantees issued	1 396 155	1 396 155	9 835
Letters of credit	3 190	1 595	97
Other	89 900	89 900	17 980
Total banking portfolio	**2 419 370**	**1 741 841**	**215 553**
Total trade portfolio	**0**	**0**	**0**

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**20 450 574**	**10 253 688**	**820 295**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Total of net items short position	Capital requirements
Market risk	**26 313**	**12 552**	**156**
of which:	-	-	-
Currency risk	12 289	-	-
General risk of interest rates	14 024	12 552	70
Risk of accounting for delivery and contractor	-	-	86
Total capital requirements			**820 451**

(data given in PLN thousand)

Getin Bank - credit and market risk as at 31 December 2007

Balance Sheet instruments

Type of instrument	Carrying amount thousand PLN	Risk-weighted value thousand PLN
Cash	76 654	-
Amounts due from Central Bank	137 600	-
Bills of exchange eligible for rediscounting with the Central Bank	14	14
Receivables	12 545 142	10 463 738
Debt securities	1 658 931	5 079
Other securities, shares	1 845	1 845
Non-current assets	188 397	109 926
Other	299 350	45 550
Total banking portfolio	**14 907 933**	**10 626 152**
Total balance sheet instruments	**14 907 933**	**10 626 152**

Off-Balance Sheet instruments

Type of instrument	Replacement costs thousand PLN	Balance Sheet equivalent thousand PLN	Risk-weighted value thousand PLN
Currency instruments:	-	233 205	46 641
CIRS	-	233 205	46 641
Other instruments:	41	-	41
Other	41	-	41
Total derivatives	**41**	**233 205**	**46 682**
of which: banking portfolio	-	233 205	46 641
trade portfolio	41	-	41

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	913 098	342	342
Guarantees issued	21 237	4 892	4 864
Letters of credit	1 137	127	127
Other	160 450	160 425	32 085
Total banking portfolio	**1 095 922**	**165 786**	**37 418**
Total trade portfolio	**0**	**0**	**0**

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**16 237 060**	**10 710 211**	**856 817**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Capital requirements
Market risk	**10 122**	**3**
of which:	-	-
Currency risk	10 122	-
Other	-	3
Total capital requirements		**856 820**

(data given in PLN thousand)

Concentration of the credit risk of Noble Bank S.A.

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

Receivables' concentration limits: Banking Law article 71 section 1	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Bank's receivables and off-balance sheet liabilities incurred by the Bank with respect to a single entity or a group of entities related by capital or organisational structure cannot exceed 25% of the current value of the Bank's own funds	97 052	74 175
Largest exposure to one customer		
% of own funds	7%	9%
% share in the loan portfolio	11%	2%
Exposure to 10 largest customers		
% of own funds	49%	46%
% share in the loan portfolio	80%	12%
Largest exposure to one capital group		
% of own funds	6%	0%
% share in the loan portfolio	10%	0%
Exposure to 5 largest capital groups		
% of own funds	24%	0%
% share in the loan portfolio	39%	0%
Bank's receivables and off-balance sheet liabilities incurred by the Bank with respect to a single entity or a group of entities related by capital or organisational structure cannot exceed 20% of the current value of the Bank's own funds	77 642	59 340
Exposure to group of customers related to the bank		
% of own funds	23%	9%
% share in the loan portfolio	4%	2%
Total bank's commitments exposure equal or greater than 10% of the current value of the Bank's own funds incurred by the Bank with respect to a single entity or a group of entities related by capital or organisational structure cannot exceed 800% of those funds	38 821	29 670
Individual exposure		
% of own funds	0%	0%
% share in the loan portfolio	0%	0%

Exposure concentration of Noble Bank by industries

Industry branches	30.06.2008 %	31.12.2007 %
Agriculture and hunting	0,3	0,5
Mining	0,0	0,0
Production activity	0,5	0,9
Delivery of electric energy and gas	0,0	0,0
Construction industry	2,9	2,2
Wholesale and retail trade	1,5	1,2
Transport, warehouse management and communication	0,1	0,0
Finance agency	2,1	3,2
Real estate service	6,7	4,7
Public administration	0,0	0,0
Other sections	1,1	1,0
Private persons	84,8	86,3
Total	**100,0**	**100,0**

(data given in PLN thousand)

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

Structure of credit portfolio	**30.06.2008 %**	**31.12.2007 %**
Borrowings to private persons	**84,8**	**86,3**
including:		
-cars loans	0,0	0,0
-instalment and cash loans	0,6	1,1
-real estate	66,0	73,8
-other	18,2	11,4
Corporate loans	**15,2**	**13,7**
Total	**100,0**	**100,0**

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

Administrative regions of Poland (voivodships)	**30.06.2008 %**	**31.12.2007 %**
Dolnośląskie	7,5	6,9
Kujawsko-Pomorskie	1,2	1,5
Lubelskie	1,8	2,1
Lubuskie	0,6	1,1
Łódzkie	2,5	1,6
Małopolskie	6,1	4,2
Mazowieckie	50,0	49,4
Opolskie	0,5	0,5
Podkarpackie	1,5	2,2
Podlaskie	1,3	1,1
Pomorskie	4,9	4,1
Śląskie	4,7	5,3
Świętokrzyskie	0,6	0,8
Warmińsko-Mazurskie	1,2	1,3
Wielkopolskie	4,4	4,5
Zachodniopomorskie	1,0	1,2
Abroad offices	10,2	12,3
Total	**100,0**	**100,0**

Noble Bank S.A. - credit and market risk as at 30 June 2008

Balance Sheet instruments

Type of instrument	**Carrying amount thousand PLN**	**Risk-weighted value thousand PLN**
Cash	-	-
Amounts due from Central Bank	111 633	-
Receivables	2 722 610	1 801 507
Debt securities	462 026	500
Non-current assets	122 691	20 014
Other	82 001	48 062
Total banking portfolio	**3 500 961**	**1 870 083**
Total balance sheet instruments	**3 500 961**	**1 870 083**

(data given in PLN thousand)

Off-Balance Sheet instruments

Type of instrument	Replacement costs thousand PLN	Balance Sheet equivalent thousand PLN	Risk-weighted value thousand PLN
Derivatives			
Percentage rate instrument:	623 000	3 115	3 115
IRS	623 000	3 115	3 115
Currency instruments:	1 616 184	10 602	10 602
Forward	30 992	310	310
Swap	721 657	7 217	7 217
Opcje	576	46	46
CIRS	862 959	3 029	3 029
Total derivatives	**2 239 184**	**13 717**	**13 717**
of which: banking portfolio	2 239 184	13 717	13 717
trade portfolio	-	-	-

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	241 176	120 411	120 411
Guarantees issued	380	190	190
Total banking portfolio	**241 556**	**120 601**	**120 601**
Total trade portfolio	**0**	**0**	**0**

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**3 756 234**	**2 004 401**	**160 352**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Total of net items short position	Capital requirements
Market risk	**0**	**0**	**0**
Total capital requirements			**160 352**

Noble Bank - credit and market risk as at 31 December 2007

Balance Sheet instruments

Type of instrument	Carrying amount thousand PLN	Risk-weighted value thousand PLN
Cash	-	-
Amounts due from Central Bank	25 972	-
Receivables	1 832 969	1 311 443
Debt securities	52 910	568
Other securities, shares	102 715	-
Non-current assets	16 340	8 815
Other	61 656	2 614
Total banking portfolio	**2 092 562**	**1 323 440**
Total balance sheet instruments	**2 092 562**	**1 323 440**

(data given in PLN thousand)

Off-Balance Sheet instruments

Type of instrument	Replacement costs thousand PLN	Balance Sheet equivalent thousand PLN	Risk-weighted value thousand PLN
Derivatives			
Percentage rate instrument:	167 000	(391)	(391)
CIRS	167 000	(391)	(391)
Currency instruments:	847 517	17 197	17 197
Forward	102 622	479	479
Swap	35 235	165	165
Options	7 205	-	-
CIRS	702 455	16 553	16 553
Total derivatives	**1 014 517**	**16 806**	**16 806**
of which: banking portfolio	1 014 517	16 806	-
trade portfolio	-	-	-

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	138 929	69 282	69 282
Guarantees issued	386	193	193
Other	869 484	869 484	-
Total banking portfolio	**1 008 799**	**938 959**	**69 475**
Total trade portfolio	**0**	**0**	**0**

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**2 248 683**	**1 392 915**	**111 433**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Capital requirements
Market risk	**0**	**0**
Total capital requirements		**111 433**

Concentration of the credit risk of PlusBank S.A.

The greatest balance sheet and off-balance sheet exposures into particular entities and capital groups as at 30 June 2008.

The greatest exposure with relation to one client is 3.47% of own funds, i.e., 1.89% of credit portfolio. The exposure with relation to 10 biggest clients covers in total 8.19% of credit portfolio balance, i.e., 15.02% of own funds.

Structure of the loan portfolio of PlusBank S.A. by private persons and business entities

Structure of credit portfolio	30.06.2008 %	31.12.2007 %
Borrowings to private persons	**87,2**	**76,6**
including:		
-cars loans	16,6	14,1
-instalment and cash loans	69,6	62,1
-real estate	1,0	0,4
-other	0,0	0,0
Corporate loans	**12,8**	**23,4**
Total	**100,0**	**100,0**

(data given in PLN thousand)

PlusBank S.A. - credit and market risk as at 30 June 2008

Balance Sheet instruments

Type of instrument	Carrying amount thousand PLN	Risk-weighted value thousand PLN
Cash	4 571	-
Amounts due from Central Bank	8 070	-
Receivables	181 926	177 857
Pozostałe papiery wartościowe, udziały	87	87
Non-current assets	30 869	15 434
Other	3 154	3 154
Total banking portfolio	**228 677**	**196 532**
Total balance sheet instruments	**228 677**	**196 532**

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	16 323	-	362
Guarantees issued	27	-	27
Total banking portfolio	**16 350**	**0**	**389**
Total trade portfolio	**0**	**0**	**0**

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**245 027**	**196 921**	**15 754**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Total of net items short position	Capital requirements
Market risk	**0**	**305**	**305**
of which:	-	-	-
Currency risk	-	305	305
Total capital requirements			**16 059**

PlusBank S.A. - credit and market risk as at 31 December 2007

Balance Sheet instruments

Type of instrument	Carrying amount thousand PLN	Risk-weighted value thousand PLN
Cash	3 682	-
Amounts due from Central Bank	19 440	-
Receivables	129 657	127 310
Debt securities	6	6
Non-current assets	28 350	14 175
Other	1 707	1 707
Total banking portfolio	**182 842**	**143 197**
Total balance sheet instruments	**182 842**	**143 197**

(data given in PLN thousand)

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	5 577	-	3 755
Guarantees issued	1 106	-	1 106
Letters of credit	227	-	-
Total banking portfolio	**6 910**	**0**	**4 861**
Total trade portfolio	**0**	**0**	**0**

	Carrying amount and off - balance sheet value	Risk-weighted value	Capital requirements
Total banking portfolio (credit risk)	**189 752**	**148 058**	**11 845**

Capital requirements for trade portfolio (market risk)	Total of net items long position	Capital requirements
Market risk	**728**	**728**
of which:	-	-
Currency risk	728	728
Total capital requirements		**12 573**

Concentration of the credit risk of Carcade OOO

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

Structure of lease portfolio	30.06.2008 %	31.12.2007 %
Private persons	5,2	5,6
Business entities	94,8	94,4
Total	**100,0**	**100,0**

Renegotiated agreements

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

Market risk

Market risk is defined as uncertainty that the interest rates, currency exchange rates will assume values different from those that were originally expected, 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.
In the banks of the Group, the responsibility for the operational management of the currency risk lies with the Treasury Department, while the supervision role over the limits and prudence norms is carried out by ALCO.

Reports on the exposure to the currency risk and the calculations of the equity requirement necessary to cover the risk are being monitored by the management made on daily basis.

ALCO receive monthly the information on the exchange position result and the currency risk management, including the information on the currency positions in particular currencies and the observance of the limits of open currency positions.

In the leasing activity of the Group, the currency risk is minimised through the process of constant adjustment of the currency structure of assets with the loans schedules. Assets/liabilities currency matching is monitored three times a month and reported to the management.

As far as the currency risk in insurances is concerned, the Group aims at eliminating it through depositing cash in the currency of the provisions. The Group offers product in which the Premium is collected in PLN, Chile the potential amount and number of reported damage depends on the exchange rate. The value and number of indemnities paid may increase or decrease depending on the position of the Polish currency. The Group minimizes the said risk by shortening the insurance period and collecting the premium from the insurance sum, each time denominated to Polish zloty.

Within the scope of the investment activity, the possible currency risk (loans in foreign currencies) is minimized through the conclusion of forward currency sales transactions and SWAP contracts. In the case of substantial change in the currency position, such information should be presented to Analyses and Planning Department that will possibly make a decision on the security means by taking appropriate position in derivatives.

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

as at 30.06.2008

	Currency (in thousand PLN)									Total
	PLN	EUR	CHF	RUB	USD	GBP	UAH	JPY	Other	
ASSETS										
Cash and balances with the Central Bank	559 929	9 955	1	236	7 693	1 350	10 692	-	4 009	593 865
Bills of exchange eligible for rediscounting with the Central Bank	165	-	-	-	-	-	-	-	-	165
Amounts due from banks	2 780 736	167 476	159 705	6 641	56 256	27 759	35 472	-	16 945	3 250 990
Amounts due from customers	5 027 971	59 357	8 921 377	27	102 482	5 711	100 828	40 901	27 381	14 286 035
Finance lease receivables	1 770	-	-	152 800	183 662	-	-	-	344	338 576
Investment securities	2 990 341	-	-	-	-	-	87	-	3 793	2 994 221
Investment in subsidiaries	14 329	-	-	-	-	-	-	-	-	14 329
Other	1 820 042	19 028	285	105 028	2 961	-	36 214	12	3 006	1 986 576
TOTAL ASSETS	**13 195 283**	**255 816**	**9 081 368**	**264 732**	**353 054**	**34 820**	**183 293**	**40 913**	**55 478**	**23 464 757**
LIABILITIES										
Amounts due to Central Bank	-	-	-	-	-	-	-	-	-	-
Amounts due to other banks and finance institutions	691 457	22 114	505 821	128 158	26 786	-	4 779	-	175	1 379 290
Amounts due to customers	13 221 195	561 550	140 243	2 382	523 516	36 609	68 727	-	19 497	14 573 719
Debt securities in issue	1 272 551	1 184 026	-	-	213 621	-	16 698	-	-	2 686 896
Provisions	35 309	-	-	-	-	-	941	-	-	36 250
Other	1 129 927	12 555	594	43 354	24 754	93	11 721	-	1 585	1 224 583
TOTAL LIABILITIES	**16 350 439**	**1 780 245**	**646 658**	**173 894**	**788 677**	**36 702**	**102 866**	**-**	**21 257**	**19 900 738**
Total equity	**3 564 019**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3 564 019**
TOTAL EQUITY AND LIABILITIES	**19 914 458**	**1 780 245**	**646 658**	**173 894**	**788 677**	**36 702**	**102 866**	**-**	**21 257**	**23 464 757**
NET ENGAGEMENT	**(6 719 175)**	**(1 524 429)**	**8 434 710**	**90 838**	**(435 623)**	**(1 882)**	**80 427**	**40 913**	**34 221**	**-**
Off - balance sheet items										
Assets	6 615 166	1 595 907	10 454	-	418 733	-	-	-	-	
Liabilities	166 124	67 084	8 410 132	-	2 155	-	-	40 010	-	
GAP	**(270 133)**	**4 394**	**35 032**	**90 838**	**(19 045)**	**(1 882)**	**80 427**	**903**	**34 221**	

as at 31.12.2007

	Currency (in thousand PLN)								Total
	PLN	EUR	CHF	RUB	USD	GBP	UAH	Other	
ASSETS									
Cash and balances with the Central Bank	223 085	10 191	1	8	7 237	1 965	20 796	74	263 357
Bills of exchange eligible for rediscounting with the Central Bank	14	-	-	-	-	-	-	-	14
Amounts due from banks	3 105 830	249 191	69 287	1 969	189 100	24 934	48 779	621	3 689 711
Amounts due from customers	4 144 829	112 529	6 752 324	-	83 137	-	45 796	4 949	11 143 564
Finance lease receivables	1 813	-	-	150 717	147 957	-	-	-	300 487
Investment securities	1 879 322	-	-	-	-	-	6	-	1 879 328
Investment in subsidiaries	12 956	-	-	-	-	-	-	-	12 956
Other	1 570 968	17 655	-	92 347	5 252	-	29 709	13	1 715 944
TOTAL ASSETS	**10 938 817**	**389 566**	**6 821 612**	**245 041**	**432 683**	**26 899**	**145 086**	**5 657**	**19 005 361**
LIABILITIES									
Amounts due to Central Bank	-	-	-	-	-	-	-	-	-
Amounts due to other banks and finance institutions	489 089	-	536 647	143 594	27 572	-	962	-	1 197 864
Amounts due to customers	9 379 185	447 234	11 038	-	483 339	28 583	56 714	9	10 406 102
Debt securities in issue	1 144 178	1 806 501	-	-	245 193	-	-	-	3 195 872
Provisions	45 324	-	-	-	-	-	249	-	45 573
Other	820 091	2 134	22 454	36 762	5 726	107	3 184	11	890 469
TOTAL LIABILITIES	**11 877 867**	**2 255 869**	**570 139**	**180 356**	**761 830**	**28 690**	**61 109**	**20**	**15 735 880**
Total equity	**3 269 481**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3 269 481**
TOTAL EQUITY AND LIABILITIES	**15 147 348**	**2 255 869**	**570 139**	**180 356**	**761 830**	**28 690**	**61 109**	**20**	**19 005 361**
NET ENGAGEMENT	**(4 208 531)**	**(1 866 303)**	**6 251 473**	**64 685**	**(329 147)**	**(1 791)**	**83 977**	**5 637**	**-**
Off - balance sheet items									
Assets	4 090 258	1 904 851	-	-	349 540	-	-	270	
Liabilities	6 445	1 299	6 260 726	-	6 845	33	-	4 839	
GAP	**(124 718)**	**37 249**	**(9 253)**	**64 685**	**13 548**	**(1 824)**	**83 977**	**1 068**	

b) interest rate risk

The objective of the policy of the Group's banks within the scope of interest rate management is to mitigate the risk of decreasing the expected interest income that could occur as a result of the changes in market interest rates. The management of this risk lies with ALCO that receive and analyse monthly reports on this risk.

The interest rate risk management consists in minimising the risk of negative impact of changes in market interest rates on the financial situation of the Group's banks by:

- setting and observing limits on the admissible level of interest rate risk;
- preparing periodical analyses of the interest rate risk level and sensitivity of the profit and loss account to interest rate changes;

Monitoring of the interest rate risk is performed by:

- analysing the specification of assets and liabilities sensitive to interest rate changes by currency and according to interest revaluation dates,
- analysing the value at risk (VaR) of the portfolio of the Bank's assets and liabilities related to market valuation;
- analysing the basis risk.

Once a month, Getin Bank prepares the sensitivity analysis (so-called VaR, „value at risk") for the interest rate risk and the currency risk. The table below presents calculation results as at 30 June 2008 and 31 December 2007:

in thousand PLN	30.06.2008		31.12.2007	
	EaR (+/- 25 pb.) *	VAR (1D, 99,9%) **	BPV *	VAR (1D, 99,9%) **
Total banking portfolio	10 210	3 059	154	2 085

* since 2008 BPV indicator has been replaced by EaR
** since 2008 the confidence level VaR has been increased from 99% to 99.9%

EaR means the potential change of the interest result the whole (sensitivity of financial profit or loss) for the next 12 months in the case of change in the interest rates by 25 base points.

VaR consists in examining, with 99.9% probability, the value of the maximum loss that the bank may incur on average each day under the valuation of the portfolio, assuming normal market conditions. However, this value does not present the total maximum loss the bank may incur.

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

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

Margin change	30.06.2008 thousand PLN	31.12.2007 thousand PLN
rates' decrease of 1point %	1 204	555
rates' increase of 1point %	(1 204)	(555)

In the insurance activity it is the deposit portfolio that may be subject to the interest rate risk; this concerns in particular debt securities. The interest rate risk is limited by the share in the whole deposit portfolio of the deposits that may be subject to this risk, and also through imposing such time limits on deposits that prevent any significant loss in the event of an unfavourable change in the interest rates. The main tool adopted to evaluate the interest rate risk is the duration of treasury securities portfolio. The value of duration is calculated and analysed on a monthly basis. Maintaining the low value of the duration is one of the assumptions accepted in investment policy.

Additionally, stress-tests are carried out monthly, indicating the change of value of the treasury securities portfolio intended for sale for changes in interest rates forecasted by the Monetary Policy Council.

In the case of products of insurance and investment nature with single premium, a method of exact adjustment of the maturity of liabilities under the granted insurance protection and maturity of deposits constituting a security for the payment of the said liabilities is applied. In the situation where the interest rate of deposits (fixed during the whole period) guarantees sufficient funds to satisfy future insurance liabilities, the full coverage of technical and insurance provisions with assets, as well as expected profitability of the product is guaranteed.

The interest rate risk is eliminated by taking out bank loans with the same interest rate features as the lease contracts. Since the leasing assets are based on a fixed interest rate, they are financed with liabilities also with a fixed interest rate. Interest rates of the leasing products are changed proportionally to the change in interest rates of liabilities.

A break-down of financial assets and financial liabilities according to their exposure to interest rate risk is presented below. The carrying amounts of the fixed interest rate financial instruments are presented by groups of instruments held to maturity. The carrying amounts of variable interest rate financial instruments are presented by instrument groups according to contractual revaluation dates. The other assets and liabilities were presented in the item of assets/liabilities with no interest rates.

The table below shows assets and liabilities and off-balance sheet liabilities of the Group classified as at 30 June 2008 and as at 31 December 2007 in accordance to the criterion of the interest rate exposure (in PLN thousand):

as at 30.06.2008

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:	**15 434 604**	**3 633 715**	**1 114 569**	**935 639**	**61 114**	**2 285 116**	**23 464 757**
Cash and balances with the Central Bank	576 840	-	-	-	-	17 025	593 865
Bills of exchange eligible for rediscounting with the Central Bank	165	-	-	-	-	-	165
Amounts due from banks	2 468 112	267 868	191 090	162 634	-	161 286	3 250 990
Amounts due from customers	11 827 370	2 185 740	95 320	71 124	19 288	87 193	14 286 035
Finance lease receivables	41 308	51 191	170 734	75 343	-	-	338 576
Investment securities	499 834	1 126 869	654 859	623 189	13 908	75 562	2 994 221
Other	20 975	2 047	2 566	3 349	27 918	1 944 050	2 000 905
Total equity and liabilities	**5 827 042**	**5 799 219**	**5 381 403**	**1 424 949**	**1 265**	**5 030 879**	**23 464 757**
Liabilities:	**5 827 042**	**5 799 219**	**5 381 403**	**1 424 949**	**1 265**	**1 466 860**	**19 900 738**
Amounts due to Central Bank							-
Amounts due to other banks and finance institutions	576 372	612 942	111 932	67 210	-	10 834	1 379 290
Amounts due to customers	5 236 976	3 485 525	4 290 325	1 301 057	1 265	258 571	14 573 719
Debt securities	381	1 675 456	978 257	-	-	32 802	2 686 896
Other	13 313	25 296	889	56 682	-	1 164 653	1 260 833
Total equity	**-**	**-**	**-**	**-**	**-**	**3 564 019**	**3 564 019**
Gap	**9 607 562**	**(2 165 504)**	**(4 266 834)**	**(489 310)**	**59 849**	**(2 745 763)**	**-**
Off - balance sheet items							
Interest rate transactions:							
Assets	2 573 933	4 034 084	382 969	623 000	-	-	**7 613 986**
Liabilities	2 508 834	5 045 655	3 371	-	-	-	**7 557 860**
Gap	**65 099**	**(1 011 571)**	**379 598**	**623 000**	-	-	**56 126**
Total gap	**9 672 661**	**(3 177 075)**	**(3 887 236)**	**133 690**	**59 849**	**(2 745 763)**	**56 126**

as at 31.12.2007

Balance sheets items	Up to 1 month inclusive	Over 1 month up to 3 months inclusive	Over 3 months up to 1 year inclusive	Over 1 year up to 5 years inclusive	Over 5 years	Non-interest bearing assets/ liabilities	Total
Asstets:	**12 960 973**	**2 179 449**	**936 366**	**827 374**	**45 702**	**2 055 497**	**19 005 361**
Cash and balances with the Central Bank	216 000	-	-	-	-	47 357	263 357
Bills of exchange eligible for rediscounting with the Central Bank	14	-	-	-	-	-	14
Amounts due from banks	2 612 848	719 737	62 474	207 729	-	86 923	3 689 711
Amounts due from customers	9 656 014	1 267 228	30 683	21 575	7 625	160 439	11 143 564
Finance lease receivables	39 402	40 695	158 631	61 759	-	-	300 487
Investment securities	431 829	151 628	683 936	477 827	9 843	124 265	1 879 328
Other	4 866	161	642	58 484	28 234	1 636 513	1 728 900
Total equity and liabilities	**4 935 396**	**5 591 635**	**3 900 634**	**240 978**	**1 074**	**4 335 644**	**19 005 361**
Liabilities:	**4 935 396**	**5 591 635**	**3 900 634**	**240 978**	**1 074**	**1 066 163**	**15 735 880**
Amounts due to Central Bank	-	-	-	-	-	-	-
Amounts due to other banks and finance institutions	523 217	528 853	68 763	73 601	-	3 430	1 197 864
Amounts due to customers	3 872 224	3 306 011	2 963 260	167 300	1 074	96 233	10 406 102
Debt securities	534 847	1 755 284	868 514	-	-	37 227	3 195 872
Other	5 108	1 487	97	77	-	929 273	936 042
Total equity	**-**	**-**	**-**	**-**	**-**	**3 269 481**	**3 269 481**
Gap	**8 025 577**	**(3 412 186)**	**(2 964 268)**	**586 396**	**44 628**	**(2 280 147)**	**-**
Off - balance sheet items							
Interest rate transactions:							
Assets	2 189 705	3 054 928	243 500	167 000	-	-	**5 655 133**
Liabilities	2 162 422	3 445 604	-	-	-	-	**5 608 026**
Gap	**27 283**	**(390 676)**	**243 500**	**167 000**	**-**	**-**	**47 107**
Total gap	**8 052 860**	**(3 802 862)**	**(2 720 768)**	**753 396**	**44 628**	**(2 280 147)**	**47 107**

Liquidity risk

The main objective of the liquidity management is to minimise the risk of losing the current, medium- and long-term liquidity by ensuring the ability to discharge its current and future liabilities in the most optimal manner.

Liquidity management in the banks of the Group, as an element of the ALM policy, is the responsibility of ALCO, while the management of the current liquidity is the responsibility of the Treasury Department.

The Asset and Liability Management Committees monitors on a monthly basis the liquidity risk level. The assessment of the liquidity risk is made using the following analysis:

- 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 banks of the Group shape the structure of assets and liabilities in line with the adopted internal limits and in line with the recommendations of central banks. In order to ensure the optimum liquidity level, the banks:

- maintain the liquidity reserves in secure marketable assets of the financial market;
- have the possibility to use additional sources of financing in the form of the NBP Lombard loan or technical loan.
- finance the credit activity with the obtained stable deposit base.

In the event of a material increase in liquidity risk, Getin Bank acts according to a procedure called “Emergency plan for maintaining liquidity in Getin Bank SA in crisis”.

The evaluation of the liquidity risk in the Group’s insurance activity covers the whole of the monitoring and prognosis of the cash flow that are connected with particular insurance groups with the aim to minimise the probability and the size of unexpected payments.

In order to ensure the demanded level of liquidity, the Group creates the structure of the assets (in particular technical and insurance provisions coverage) taking into consideration the structure of the maturities of the existing provisions and other financial flows that have been planned. For the evaluation and monitoring of the liquidity risk the following diagrams are made:

- assets and liabilities divided according to their maturities,
- specification of the changes in the worth of deposits and cash.

The significant part of the deposits, in particular debt securities of the State Treasury, are the deposits that can be sold without any loss of value in a very short time (usually two weekdays), which makes safe the insurance activity of the Group in the event of a sudden and significant outflow of the financial means. Also a significant part of the time deposits may be terminated before their time with a loss of but a small part of the interest.

The liquidity risk in the leasing activity is estimated at the credit committee meetings held three times a month, during which the long-and short-term risk is investigated. 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 lines.

The table below presents the assets and liabilities of the Group as at 30 June 2008, by maturity dates (in PLN thousand):

Balance sheets items	Up to 1 month inclusive	Over 1 month up to 3 months inclusive	Over 3 months up to 1 year inclusive	Total below 12 months	Over 1 year up to 5 years inclusive	Over 5 years	Total over 12 months	With undefined maturity	Total
Assets									
Cash and balances with the Central Bank	581 224	-	-	581 224	-	-	-	12 641	593 865
Bills of exchange eligible for rediscounting with the Central Bank	165	-	-	165	-	-	-	-	165
Amounts due from banks	2 571 287	271 695	206 749	3 049 731	176 704	-	176 704	24 555	3 250 990
Financial assets held for trading	-	-	141	141	-	-	-	-	141
Derivative financial instruments	3 478	34 700	27 151	65 329	136 592	-	136 592	-	201 921
Other financial instruments at fair value through profit or loss	424	5 245	2 141	7 810	41 562	4 054	45 616	69 064	122 490
Loans and advances to customers	1 020 187	309 347	1 233 383	2 562 917	3 915 968	7 759 116	11 675 084	48 034	14 286 035
Finance lease receivables	41 308	51 191	170 734	263 233	75 343	-	75 343	-	338 576
Investment securities	499 759	1 121 747	625 883	2 247 389	608 988	9 854	618 842	5 359	2 871 590
Available for sale	499 759	1 121 747	600 085	2 221 591	608 988	-	608 988	5 359	2 835 938
Held to maturity	-	-	25 798	25 798	-	9 854	9 854	-	35 652
Investments in associates	-	-	-	-	-	-	-	14 329	14 329
Intangible assets	-	-	2	2	666	8	674	1 033 533	1 034 209
Property, plant and equipment	-	148	95	243	3 827	29 418	33 245	136 059	169 547
Investment properties	-	-	-	-	-	89	89	9 274	9 363
Share of reinsurer in technical provisions	485	1 571	2 777	4 833	16 595	1 113	17 708	-	22 541
Non current assets classified as held for sale	-	-	3 873	3 873	-	111	111	53	4 037
Tax assets	5 234	172 648	5 962	183 844	2 894	-	2 894	43 383	230 121
Current tax assets	2 006	2 606	-	4 612	-	-	-	2 522	7 134
Deferred tax assets	3 228	170 042	5 962	179 232	2 894	-	2 894	40 861	222 987
Other assets	141 301	18 900	46 791	206 992	81 241	2 796	84 037	23 808	314 837
Total assets	**4 864 852**	**1 987 192**	**2 325 682**	**9 177 726**	**5 060 380**	**7 806 559**	**12 866 939**	**1 420 092**	**23 464 757**
Liabilities	**-**	**-**	**-**		**-**	**-**		-	
Amounts due to Central Bank	-	-	-	-	-	-	-	-	-
Amounts due to other banks and finance institutions	148 007	77 758	346 881	572 646	805 394	-	805 394	1 250	1 379 290
Other finance liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-
Derivative financial instruments	3 144	5 608	14 049	22 801	64 088	-	64 088	-	86 889
Financial liabilities at fair value through profit or loss	-	-	3 636	3 636	143 088	11	143 099	26	146 761
Deposits from customers	5 295 855	3 236 585	4 610 258	13 142 698	1 378 015	280	1 378 295	52 726	14 573 719
Issued debt securities	381	-	1 815 991	1 816 372	865 807	-	865 807	4 717	2 686 896
Corporate income tax payable	1 322	58 771	8 402	68 495	-	-	-	-	68 495
Other liabilities	254 491	45 611	10 389	310 491	19 489	487	19 976	1 281	331 748
Technical provisions	18 981	36 756	97 254	152 991	260 474	10 955	271 429	-	424 420
Deferred tax liabilities	9 051	101 197	9 551	119 799	-	-	-	46 471	166 270
Provisions	5 622	-	13 887	19 509	16 718	23	16 741	-	36 250
Liabilities directly associated with non-current assets classified as available for sale	-	-	-	-	-	-	-	-	-
Total liabilities	**5 736 854**	**3 562 286**	**6 930 298**	**16 229 438**	**3 553 073**	**11 756**	**3 564 829**	**106 471**	**19 900 738**
Total equity	-	-	-	-	-	-	-	3 564 019	3 564 019
Total equity and liabilities	**5 736 854**	**3 562 286**	**6 930 298**	**16 229 438**	**3 553 073**	**11 756**	**3 564 829**	**3 670 490**	**23 464 757**
Liquidity gap	**(872 002)**	**(1 575 094)**	**(4 604 616)**	**(7 051 712)**	**1 507 307**	**7 794 803**	**9 302 110**	**(2 250 398)**	**-**

The table below presents assets and liabilities of the Group as at 31 December 2007, by maturity dates (in PLN thousand):

Balance sheets items	Up to 1 month inclusive	Over 1 month up to 3 months inclusive	Over 3 months up to 1 year inclusive	Total below 12 months	Over 1 year up to 5 years inclusive	Over 5 years	Total over 12 months	With undefined maturity	Total
Assets									
Cash and balances with the Central Bank	240 234	-	-	240 234	-	-	-	23 123	263 357
Bills of exchange eligible for rediscounting with the Central Bank	14	-	-	14	-	-	-	-	14
Amounts due from banks	2 669 473	727 002	67 946	3 464 421	218 886	-	218 886	6 404	3 689 711
Financial assets held for trading	-	-	-	-	-	-	-	21 954	21 954
Derivative financial instruments	28	18 923	20 802	39 753	112 959	-	112 959	-	152 712
Other financial instruments at fair value through profit or loss	-	315	5 422	5 737	38 525	-	38 525	79 287	123 549
Loans and advances to customers	971 179	253 586	957 589	2 182 354	3 084 245	5 876 965	8 961 210	-	11 143 564
Finance lease receivables	39 402	40 695	158 631	238 728	61 759	-	61 759	-	300 487
Investment securities	426 576	118 831	684 268	1 229 675	488 904	9 843	498 747	5 403	1 733 825
Available for sale	426 576	118 831	651 188	1 196 595	483 651	-	483 651	5 403	1 685 649
Held to maturity	-	-	33 080	33 080	5 253	9 843	15 096	-	48 176
Investments in associates	-	-	-	-	-	-	-	12 956	12 956
Intangible assets	-	-	-	-	269	-	269	974 473	974 742
Property, plant and equipment	-	-	-	-	3 430	28 120	31 550	114 182	145 732
Investment properties	-	-	-	-	2 063	-	2 063	12 142	14 205
Share of reinsurer in technical provisions	398	651	1 399	2 448	7 640	781	8 421	-	10 869
Non current assets classified as held for sale	-	-	22 291	22 291	-	115	115	61	22 467
Tax assets	4 210	139 855	5 011	149 076	3 322	-	3 322	27 991	180 389
Current tax assets	505	-	-	505	-	-	-	2 215	2 720
Deferred tax assets	3 705	139 855	5 011	148 571	3 322	-	3 322	25 776	177 669
Other assets	41 744	4 091	39 696	85 531	100 173	178	100 351	28 946	214 828
Total assets	**4 393 258**	**1 303 949**	**1 963 055**	**7 660 262**	**4 122 175**	**5 916 002**	**10 038 177**	**1 306 922**	**19 005 361**
Liabilities									
Amounts due to Central Bank	-	-	-	-	-	-	-	-	-
Amounts due to other banks and finance institutions	24 102	136 502	248 879	409 483	788 029	-	788 029	352	1 197 864
Other finance liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-	-
Derivative financial instruments	-	1 478	10 003	11 481	65 599	-	65 599	-	77 080
Financial liabilities at fair value through profit or loss	8 314	9 793	27 872	45 979	29 756	59	29 815	-	75 794
Deposits from customers	3 627 961	3 219 149	3 056 275	9 903 385	478 674	1 077	479 751	22 966	10 406 102
Issued debt securities	12 370	17 640	1 141 087	1 171 097	2 024 775	-	2 024 775	-	3 195 872
Corporate income tax payable	570	45 135	10 551	56 256	-	-	-	-	56 256
Other liabilities	205 127	10 164	14 675	229 966	6 373	-	6 373	1 563	237 902
Technical provisions	15 777	26 698	77 310	119 785	169 299	8 768	178 067	-	297 852
Deferred tax liabilities	11 051	97 245	-	108 296	7 226	-	7 226	30 063	145 585
Provisions	7 817	-	29 131	36 948	2 315	215	2 530	6 095	45 573
Liabilities directly associated with non-current assets classified as available for sale	-	-	-	-	-	-	-	-	-
Total liabilities	**3 913 089**	**3 563 804**	**4 615 783**	**12 092 676**	**3 572 046**	**10 119**	**3 582 165**	**61 039**	**15 735 880**
Total equity	-	-	-	-	-	-	-	3 269 481	3 269 481
Total equity and liabilities	**3 913 089**	**3 563 804**	**4 615 783**	**12 092 676**	**3 572 046**	**10 119**	**3 582 165**	**3 330 520**	**19 005 361**
Liquidity gap	**480 169**	**(2 259 855)**	**(2 652 728)**	**(4 432 414)**	**550 129**	**5 905 883**	**6 456 012**	**(2 023 598)**	**-**

Operating risk

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

The Group banks manage the operating risk in accordance with the operating risk management strategies arranged by the management boards; the strategies:

- take into account the prudence regulations resulting from the banking law and appropriate resolutions and recommendations of the national institution of the banking supervision;
- contain the description of principles already applied as well as those being developed and planned for introduction in the future. Operating risk management is a process comprising activities in the following areas: risk identification, risk assessment, risk monitoring, risk reporting, and risk control.

Operating risk management comprises all processes and systems connected with performing bank activities, providing the clients with financial services rendered under the activity scope of the banks. All banks' organization units and entities as well as the Operating Risk Committees, supporting the activities of the banks, actively participate in the system of operating risk management.

The Group banks have a system of reporting on and measuring the operating risk supported by an appropriate IT system.

The operating risk reporting system comprises reports for internal: management purposes and external: supervisory purposes. The management and supervisory reporting is based on assumptions resulting from:

- guidelines of the Recommendation M;
- supervisory regulations related to the principles and manner of announcing by the banks the information of qualitative and quantitative character related to capital adequacy;
- principles of supervisory reporting COREP in the area of operating risk.

The reporting system comprises various types of reports, in particular:

- operating risk reports presenting its profile;
- reports on the taken precautionary measures aiming at limiting the operating risk;
- reports on effectiveness of methods of limiting the operating risk.

Depending on the level and profile of the operating risk, various corrective and precautionary measures are taken, adequate to the diagnosed risk and providing the choice and implementation of the measures modifying the risk effectively.
The following ways of securing the operating risk are applied in particular:

- preparing and implementing plans of maintaining the operations continuity, (including emergency plans), assuring continuous operations on a specified level;
- insuring against the effects of errors difficult to foresee or operating events of significant financial effects;
- commissioning activities outside (outsourcing).

The effectiveness of the securities and methods of limiting the operating risk applied in the Group banks is monitored by:

- continuous following, gathering and analysing the operating events and observations of the operating risk profile;
- controlling the qualitative and quantitative changes of the operating risk.

In order to minimise and limit the operational risk of the insurance activities, the Group has and applies a variety of internal regulations. Apart from the internal control that is carried out by internal organisational units and the functional control, the verification of the congruency of the activities with the regulations is additionally carried out by a special organisational unit whose members are in charge of the internal control (Control Department). The Control Department acts according to the control schedule and on orders from the management; the management also receives control reports.

Operating risk of the leasing activity is eliminated mainly by the 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. Additionally, one person is designated to continuously monitor the correctness of the business operations; the person submits reports directly to the management.

(data given in PLN thousand)

Insurance risk

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

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

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

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

With each successive year of conducting the insurance activity, the amount of statistical information increases, which allows the insurance companies of the Capital Group to carry out more precise measurement and management of the insurance risk.

Concentration of insurance risk

Reserves for outstanding claims	**30.06.2008**		**31.12.2007**	
life insurance	8 276	50.39%	5 670	42.85%
accident and sickness insurance	1 087	6.62%	672	5.08%
accident insurance	160	0.97%	99	0.75%
sickness insurance	287	1.75%	229	1.73%
goods-in-transit insurance	1	0.01%	1	0.01%
insurance against losses caused by natural forces	21	0.13%	24	0.18%
insurance against other damage to property	41	0.25%	17	0.13%
third part liability ensuring from the possesion and use of self-propelled land vehicles risk	1 806	11.00%	1 914	14.46%
general third part liability risk	0	0.00%	0	0.00%
credit insurance	3 687	22.45%	3 587	27.11%
insurance guarantee	2	0.01%	2	0.01%
insurance of various financial risks	505	3.07%	408	3.08%
law protection	1	0.01%		
insurance of assistance	549	3.34%	610	4.61%
Total	**16 423**	**100.00%**	**13 233**	**100.00%**

(data given in PLN thousand)

The direct liquidation costs provisions, in principle, depend on straight-line basis on the share coefficient of liquidation costs in the paid damage and the change of the coefficient by x% also results in changing the provision by x%.

The provisions for the incurred but not reported damage (IBNR) are sensitive to changes of ULR parameters (Ultimate Loss Ratio) and pk coefficients (describing the development of damage in subsequent months of delay). As at 30 June 2008, the IBNR provision for the groups: accident, illness, car liability, credits, various financial risks, was 99.26% of the whole IBNR provision gross for the companies, thus the sensitivity analysis was applied only to these five groups of insurance types, as the most influential for changing the provisions.

The table below presents changes in IBNR provision with decreasing/increasing the final parameters of the expected loss ratio, ULR, as at 30 June 2008:

Modification of URL structure	The value of modified IBNR reserve divided by non-modified IBNR reserve	IBNR reserve value	Influence on gross financial result	Influence on net assets
20% decrease	87.51%	2 752	393	319
10% decrease	93.76%	2 948	197	160
no modification	100.00%	3 145	-	-
10% increase	106.24%	3 341	(196)	(159)
20% increase	112.49%	3 537	(392)	(318)

The table below presents changes in IBNR provision with decreasing/increasing the final parameters of the expected loss ratio, ULR, as at 31 December 2007:

Modification of URL structure	The value of modified IBNR reserve divided by non-modified IBNR reserve	IBNR reserve value	Influence on gross financial result	Influence on net assets
20% decrease	87.35%	2 531	(367)	(297)
10% decrease	93.68%	2 714	(184)	(149)
no modification	100.00%	2 898	-	-
10% increase	106.32%	3 081	183	148
20% increase	112.65%	3 264	366	296

The table below presents changes to IBNR provision with shortening/extending the parameters that describe the time to report a pk claim (different for each group) as at 30 June 2008:

Modification of pk structure	The value of modified IBNR reserve divided by non-modified IBNR reserve	IBNR reserve value	Influence on gross financial result	Influence on net assets
25% shortening	73.36%	2 307	838	679
no modification	100.00%	3 145	0	0
25% extending	147.93%	4 652	(1 507)	(1 221)

The table below presents changes to IBNR provision with shortening/extending the parameters that describe the time to report a pk claim as at 31 December 2007 (different for each group):

Modification of pk structure	The value of modified IBNR reserve divided by non-modified IBNR reserve	IBNR reserve value	Influence on gross financial result	Influence on net assets
25% shortening	74.15%	2 149	(749)	(607)
no modification	100.00%	2 898	-	-
25% extending	148.21%	4 296	1 397	1 132

(data given in PLN thousand)

Sensitivity analysis in life insurances

The loss provisions are susceptible to changes of the key assumptions mentioned above. The sensitivity of some assumptions e.g. changes in the legislation or the uncertainty in the assessment process is difficult to express in numbers. Moreover, the loss provisions cannot be determined as at the balance sheet day with unfailing certainty due to the fluctuating delays between the occurrence of damage, the time it is reported, and the final liquidation of it.

Consequently, the final amount of the liabilities of GK Europa due to the incurred damage will differ according to the development of the portfolio of contracts concluded by GK Europa. The differences that result from the updating of the final amounts of the liabilities are recognised in the financial statements for the next financial years.

The table below shows the influence of different changes of the assumptions that fall within the range of possible results related to the unknown quantities that concern the assessment process as at 30 June 2008.

	Changes of assumptions	Change of provision with refference to primary state	Amount of provision	Impact on net result	Impact on net assets
w/o assumpions changes	-	-	9 363	-	-
Average loss	10%	109.91%	10 291	(928)	(752)
Average number of losses	10%	110.08%	10 307	(944)	(765)
Average loss adjustment period	15%	109.27%	10 231	(868)	(703)
Technical rate	Change to 2%	100.89%	9 446	(83)	(67)
Death rate	Change to 110% of present	108.79%	10 186	(823)	(667)
Death rate	Change to 90% of present	91.20%	8 539	824	667

The table below shows the influence of different changes of the assumptions that fall within the range of possible results related to the unknown quantities that concern the assessment process as at 31 December 2007.

	Changes of assumptions	Change of provision with refference to primary state	Amount of provision	Impact on net result	Impact on net assets
w/o assumpions changes	-	-	6 292	-	-
Average loss	10%	111.55%	7 019	(727)	(581)
Average number of losses	10%	111.62%	7 024	(731)	(585)
Average loss adjustment period	15%	113.03%	7 112	(820)	(656)
Technical rate	Change to 2%	100.15%	6 302	(9)	(8)
Death rate	Change to 110% of present	103.84%	6 534	(242)	(193)
Death rate	Change to 90% of present	96.23%	6 055	237	190

Risk related to financial derivatives

The basic risks related to derivatives are market risk and credit risk.

At the time of initial recognition, derivatives usually do not have any or have insignificant market value. This results from the fact that derivatives do not require any net initial investments or require only an insignificant initial net investment as compared to other types of contracts which similarly react to changes in market conditions.

Derivatives assume a positive or negative value along with a change in the given interest rate, price of security, price of goods, foreign currency exchange rate, price index, loan classification or loan index or other market parameter. As a result of those changes, the derivatives held become more or less advantageous than instruments of the same residual maturity period available on the market at the given time.

Credit risk related to derivatives constitutes a potential cost of execution of a new contract on the original terms and conditions if the other party participating in the original contract does not perform its obligation. In order to evaluate the potential replacement cost, the Group Entities apply the same methods as in evaluating the market risk. In order to control the credit risk level, the Group Entities evaluate the other participants in the contracts applying the same methods as in loan decisions.

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

The Group Entities set on the basis of the adopted procedure for evaluating the financial situation of banks, the limits of maximum exposure for banks. As part of those limits, percentage exposure limits are set for particular types of transactions.

Capital management

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

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

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

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

(data given in PLN thousand)

The table below presents the calculations of up-to-date solvency ratios in the banks belonging to the Group in accordance to the reporting regulations of the Financial Supervision and the Polish Accounting Standards:

Solvency	30.06.2008 Getin Bank S.A.	30.06.2008 Noble Bank Group
Equity capital		
Share capital	322 856	215 178
Reserved capital	1 116 519	295 085
General fund for bank risk	32 500	-
Revaluation capital	2 846	-
Audited profit for 2007	-	-
Adjustment of shares in financial institutions	(2 746)	-
Intangible assets adjustment	(64 087)	(102 624)
Funds adjustments of non-realised losses on debt securities classified as available for sale - 100%	(6 435)	(1 056)
Retained earnings from prior years	-	20 214
Short-term capital	156	-
Total equity capital	**1 401 609**	**426 797**
Risk weighted assets		
Risk exposure at the level of 0%	3 376 189	714 442
Risk exposure at the level of 20%	2 039 357	646 608
Risk exposure at the level of 35%	-	49 815
Risk exposure at the level of 50%	89 333	136 321
Risk exposure at the level of 75%	11 760 902	1 269 554
Risk exposure at the level of 100%	511 883	660 664
Risk exposure at the level of 150%	121 795	28 224
Total risk weighted assets	**9 967 789**	**1 870 083**
Risk weighted off balance liabilities		
Risk exposure at the level of 0%	2 065 926	256 954
Risk exposure at the level of 0.2%	2 060 684	-
Risk exposure at the level of 0.5%	886 503	1 229 005
Risk exposure at the level of 1%	2 548 665	752 649
Risk exposure at the level of 2.5%	1 495 206	-
Risk exposure at the level of 8%	-	576
Risk exposure at the level of 20%	90 291	590
Risk exposure at the level of 37.5%	258	-
Risk exposure at the level of 50%	1 126	240 966
Risk exposure at the level of 75%	260 283	-
Risk exposure at the level of 100%	1 216	-
Risk exposure at the level of 150%	271	-
Total risk weighted off balance liabilities	**286 973**	**134 319**
Total risk weighted assets and off - balance liabilities	**10 254 763**	**2 004 402**
Capital requirements:		
Credit risks	820 295	160 255
Contractor credit risks	86	-
Operational risks	73 446	12 987
Interest rate general risks	70	-
Other risks	-	1 888
Solvency ratio	**12.54%**	**19.49%**

As at 31 December 2007 the solvency ratio for Getin Bank S.A. and Noble Bank S.A. amounted to respectively 10.9% and 21.4%. The solvency ratio for PlusBank S.A. as at 30 June 2008 amounts to 38.52% (as at 31 December 2007 - 51.1%), for Sombelbank S.A. - 68.4%.

(data given in PLN thousand)

In the insurance activity, the process of equity management is connected with constant monitoring of the main parameters of the insurers' solvency, i.e., the value of own funds and the degree of solvency margin they cover as well as the guarantee capital; the parameters are presented in the table below:

	TU EUROPA		TU na Życie EUROPA	
	30.06.2008 thousand PLN	30.06.2007 thousand PLN	30.06.2008 thousand PLN	30.06.2007 thousand PLN
Value of own funds	**92 871**	**115 929**	**107 155**	**58 673**
Solvency margin	**39 913**	**34 870**	**82 278**	**58 621**
Minimal amount of guarantee fund	11 512	12 249	11 512	12 249
1/3 of amount of solvency margin	13 304	11 623	27 426	19 540
Surplus (deficit) of own funds for the coverage of the solvency margin	**52 958**	**81 059**	**24 877**	**52**
Guarantee fund	13 304	12 249	27 426	19 540
Surplus (deficit) of own funds for the coverage of the guarantee fund	**79 567**	**103 680**	**79 729**	**39 133**

Fair value of financial assets and liabilities

The fair value of the financial instruments of the Group does not differ significantly form their balance value because majority of financial instruments has floating interest rates and the dates of revaluation of the instruments with fixed interest rate are mainly up to 3 months. Moreover, due to implementation of the integrated computer system in particular banks belonging to the Group, due to technical reasons, the calculation of the fair value of credits and loans, as well as the liabilities to the clients as at 30 June 2008 and 31 December 2007 was not possible without incurring disproportionate costs with relation to the benefits due to revealing the exact calculations of fair value. Therefore, in the case of financial instruments which are not valuated in the balance according to the fair value, the Group described below why it was assumed that the balance value does not differ significantly from the fair value:

a) as at 30 June 2008, about 98% and as at 31 December 2007 about 99% of the credit balance has the term of revaluation of up to 3 months;
b) the average profit earning of securities held to their maturity does not differ significantly form current market interest rates;
c) respectively about 61% and 69% of the balance of the liabilities towards the clients has the term of revaluation of up to 3 months as at 30 June 2008 and 31 December 2007.

as at 30.06.2008

	Carrying amount thousand PLN	Fair value thousand PLN
Assets:		
Cash and balances with the Central Bank	593 865	593 865
Bills of exchange eligible for rediscounting with the Central Bank	165	165
Amounts due from banks	3 250 990	3 250 990
Financial assets held for trading	141	141
Derivative financial instruments	201 921	201 921
Other financial instruments at fair value through profit or loss	122 490	122 490
Loans and advances to customers	14 286 035	a)
Finance lease receivables	338 576	a)
Investment securities available for sale	2 835 938	2 835 938
Investment securities held to maturity	35 652	b)
Liabilities:		
Amounts due to Central Bank	-	-
Amounts due to other banks and finance institutions	1 379 290	1 379 290
Other finance liabilities at fair value through profit or loss	-	-
Derivative financial instruments	86 889	86 889
Financial liabilities at fair value through profit or loss	146 761	146 761
Deposits from customers	14 573 719	c)
Issued debt securities	2 686 896	2 686 896

(data given in PLN thousand)

as at 31.12.2007

	Carrying amount thousand PLN	Fair value thousand PLN
Assets:		
Cash and balances with the Central Bank	263 357	263 357
Bills of exchange eligible for rediscounting with the Central Bank	14	14
Amounts due from banks	3 689 711	3 689 711
Financial assets held for trading	21 954	21 954
Derivative financial instruments	152 712	152 712
Other financial instruments at fair value through profit or loss	123 549	123 549
Loans and advances to customers	11 143 564	a)
Finance lease receivables	300 487	a)
Investment securities available for sale	1 685 649	1 685 649
Investment securities held to maturity	48 176	b)
Liabilities:		**-**
Amounts due to Central Bank	-	-
Amounts due to other banks and finance institutions	1 197 864	1 197 864
Other finance liabilities at fair value through profit or loss	-	-
Derivative financial instruments	77 080	77 080
Financial liabilities at fair value through profit or loss	75 794	75 794
Deposits from customers	10 406 102	c)
Issued debt securities	3 195 872	3 195 872

Renegotiated agreements

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

8 Information on operating segments

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

The operating activity of the Capital Group has been divided into five segments: Retail Banking Services, Affluent Banking Services, Leasing Services, Financial Agency Services and Insurance Services.

Industry segments

The operating activity of the Capital Group has been divided into five segments:

Retail Banking Services Segment covers the services in the field of loans and credits, guarantees and warranties as well as accepting deposits that are rendered by Getin Bank S.A., PlusBank S.A., and Sombelbank S.A.

Affluent Banking Services Segment covers the services rendered by the Capital Group of Noble Bank (except for the financial agency services) within the scope of planning and consulting, investment products as well as the credit solutions adapted to the need of the affluent clients.

Leasing Services Segment comprises services rendered by Carcade OOO in the field of temporary transfer of leased assets by one entity to another entity, in exchange for periodical payments.

Financial Agency Segment deals with the sale of products and the services of banks, insurance companies, investment funds, and the broker activities.

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

In 2008 the typical financial agency services were re-classified (first of all the activity of Open Finance S.A.) from the banking services segment for the affluent clients to the financial agency services; consequently the presentation of the comparative data has also been changed. The income and expenses of this segment include the income and expenses from the sale to external clients or from the 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. The internal prices in the inter-segment transactions do not differ materially from the market prices.

Geographical segments

The Group carries out its activity mainly in Poland (retail banking services segment and affluent banking services segment, insurance segment and financial agency segment), in the Russian Federation (leasing services segment), in Ukraine (retail banking services), Belarus (retail banking services), and Romania (financial agency); the geographical segments overlap with the industry segments, except for the banks operating in retail banking industry: PlusBank S.A. that carries out its activity in Ukraine, Sombelbank in Belarus, Carcade Plus that start its leasing activity in Ukraine, and S.C. Perfect Finance that start its financial consulting activity in Romania. Due to the fact that the extent of the activity carried out by the companies is not significant, their activity in Ukraine, Belarus, and Romania are not presented separately.

The activities of the Group companies in Poland do not differ in separate regions with respect to the risk or level of return on incurred capital expenditures.

(data given in PLN thousand)

Consolidated profit and loss account for the 6 month period ended 30 June 2008 by segments

	Retail banking services	Affluent banking services	Financial agency services	Lease Services	Insurance services	Consolidation adjustments	Getin Holding Capital Group
	Poland, Ukraine, Belarussia	*Poland*	*Poland, Ukraine, Romania*	*Russian Federation, Ukraine*	*Poland*	*Poland, Luxemburg*	
Interest income	**662 705**	**82 407**	**138**	**56 040**	**40 470**	**(29 824)**	**811 936**
External	*661 176*	*80 888*	*138*	*56 040*	*12 865*	*829*	*811 936*
Internal	*1 529*	*1 519*	*0*	*0*	*27 605*	*(30 653)*	*0*
Interest expense	**(396 755)**	**(65 010)**	**(174)**	**(18 544)**	**(7 024)**	**40 304**	**(447 203)**
External	*(378 125)*	*(52 349)*	*(58)*	*(9 607)*	*(7 024)*	*(40)*	*(447 203)*
Internal	*(18 630)*	*(12 661)*	*(116)*	*(8 937)*	*0*	*40 344*	*0*
Net interest income	**265 950**	**17 397**	**(36)**	**37 496**	**33 446**	**10 480**	**364 733**
External	*283 051*	*28 539*	*80*	*46 433*	*5 841*	*789*	*364 733*
Internal	*(17 101)*	*(11 142)*	*(116)*	*(8 937)*	*27 605*	*9 691*	*0*
Fee and commission income	**158 223**	**16 395**	**89 405**	**5 572**	**2 781**	**(122 064)**	**150 312**
External	*55 218*	*197*	*86 544*	*5 572*	*2 781*	*0*	*150 312*
Internal	*103 005*	*16 198*	*2 861*	*0*	*0*	*(122 064)*	*0*
Fee and commission expense	**(18 475)**	**(1 486)**	**(13 769)**	**(1)**	**(27)**	**1 280**	**(32 478)**
External	*(17 662)*	*(1 479)*	*(13 769)*	*60*	*399*	*(27)*	*(32 478)*
Internal	*(813)*	*(7)*	*0*	*(61)*	*(426)*	*1 307*	*0*
Net fee and commission income	**139 748**	**14 909**	**75 636**	**5 571**	**2 754**	**(120 784)**	**117 834**
External	*37 556*	*(1 282)*	*72 775*	*5 632*	*3 180*	*(27)*	*117 834*
Internal	*102 192*	*16 191*	*2 861*	*(61)*	*(426)*	*(120 757)*	*0*
Net operating income	**174 678**	**70 841**	**(1 034)**	**1 538**	**46 630**	**76 186**	**368 839**
External	*175 950*	*70 821*	*(1 087)*	*1 458*	*125 300*	*(3 603)*	*368 839*
Internal	*(1 272)*	*20*	*53*	*80*	*(78 670)*	*79 789*	*0*
Provisions for impairment losses	**(115 197)**	**(1 932)**	**0**	**(5 092)**	**0**	**0**	**(122 221)**
External	*(115 197)*	*(1 932)*	*0*	*(5 092)*	*0*	*0*	*(122 221)*
Internal	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Administrative expenses	**(219 631)**	**(28 841)**	**(50 769)**	**(26 998)**	**(22 821)**	**(6 243)**	**(355 303)**
External	*(219 607)*	*(28 634)*	*(50 763)*	*(26 969)*	*(22 668)*	*(6 662)*	*(355 303)*
Internal	*(24)*	*(207)*	*(6)*	*(29)*	*(153)*	*419*	*0*
Operating profit	**245 548**	**72 374**	**23 797**	**12 515**	**60 009**	**(40 361)**	**373 882**
External	*161 753*	*67 512*	*21 005*	*21 462*	*111 653*	*(9 503)*	*373 882*
Internal	*83 795*	*4 862*	*2 792*	*(8 947)*	*(51 644)*	*(30 858)*	*0*
Profit / (loss) before income tax	**245 548**	**72 374**	**23 797**	**12 515**	**60 009**	**(38 889)**	**375 354**
External	*161 753*	*63 277*	*21 005*	*21 462*	*111 653*	*(3 796)*	*375 354*
Internal	*83 795*	*9 097*	*2 792*	*(8 947)*	*(51 644)*	*(35 093)*	*0*
Net profit / (loss) for the period	**201 419**	**59 086**	**18 679**	**8 804**	**48 317**	**(32 311)**	**303 994**
External	*117 378*	*49 989*	*15 887*	*17 751*	*107 145*	*(4 156)*	*303 994*
Internal	*84 041*	*9 097*	*2 792*	*(8 947)*	*(58 828)*	*(28 155)*	*0*

(data given in PLN thousand)

Consolidated profit and loss account for the 6 month period ended 30 June 2007 by segments

	Retail banking services	Affluent banking services	Financial agency services	Lease Services	Insurance services and bankassurance	Consolidation adjustments	Getin Holding Capital Group
	Poland, Ukraine	*Poland*	*Poland*	*Russian Federation*	*Poland*	*Poland, Luxemburg*	
Interest income	**423 589**	**19 573**	**230**	**35 879**	**6 804**	**(4 217)**	**481 858**
External	*423 969*	*18 988*	*1 741*	*35 879*	*1 333*	*(52)*	*481 858*
Internal	*(380)*	*585*	*(1 511)*	*-*	*5 471*	*(4 165)*	*-*
Interest expense	**(225 610)**	**(6 337)**	**(236)**	**(12 780)**	**(6 404)**	**16 048**	**(235 319)**
External	*(213 672)*	*(4 765)*	*(236)*	*(10 249)*	*(6 404)*	*7*	*(235 319)*
Internal	*(11 938)*	*(1 572)*	*-*	*(2 531)*	*-*	*16 041*	*-*
Net interest income	**197 979**	**13 236**	**(6)**	**23 099**	**400**	**11 831**	**246 539**
External	*210 297*	*14 223*	*1 505*	*25 630*	*(5 071)*	*(45)*	*246 539*
Internal	*(12 318)*	*(987)*	*(1 511)*	*(2 531)*	*5 471*	*11 876*	*-*
Fee and commission income	**96 028**	**16 045**	**92 782**	**7 820**	**191**	**(38 312)**	**174 554**
External	*75 998*	*15 004*	*76 203*	*7 820*	*38*	*(509)*	*174 554*
Internal	*20 030*	*1 041*	*16 579*	*-*	*153*	*(37 803)*	*-*
Fee and commission expense	**(12 618)**	**(5 521)**	**(20 295)**	**(624)**	**(38 559)**	**48 069**	**(29 548)**
External	*(12 618)*	*(5 311)*	*(10 907)*	*(190)*	*(23 462)*	*22 940*	*(29 548)*
Internal	*-*	*(210)*	*(9 388)*	*(434)*	*(15 097)*	*25 129*	*-*
Net fee and commission income	**83 410**	**10 524**	**72 487**	**7 196**	**(38 368)**	**9 757**	**145 006**
External	*63 380*	*9 693*	*65 296*	*7 630*	*(23 424)*	*22 431*	*145 006*
Internal	*20 030*	*831*	*7 191*	*(434)*	*(14 944)*	*(12 674)*	*-*
Net operating income	**93 045**	**37 557**	**(944)**	**1 001**	**67 621**	**202 861**	**401 141**
External	*92 948*	*37 019*	*(944)*	*1 001*	*67 248*	*203 869*	*401 141*
Internal	*97*	*538*	*-*	*-*	*373*	*(1 008)*	*-*
Provisions for impairment losses	**(37 728)**	**9 571**	**-**	**(1 032)**	**-**	**-**	**(29 189)**
External	*(37 728)*	*9 571*	*-*	*(1 032)*	*-*	*-*	*(29 189)*
Internal	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Administrative expenses	**(167 811)**	**(14 250)**	**(51 085)**	**(20 772)**	**(6 610)**	**(9 127)**	**(269 655)**
External	*(167 466)*	*(13 615)*	*(51 085)*	*(20 772)*	*(6 610)*	*(10 107)*	*(269 655)*
Internal	*(345)*	*(635)*	*-*	*-*	*-*	*980*	*-*
Operating profit	**168 895**	**56 638**	**20 452**	**9 492**	**23 043**	**215 322**	**493 842**
External	*161 431*	*56 891*	*14 772*	*12 457*	*32 143*	*216 148*	*493 842*
Internal	*7 464*	*(253)*	*5 680*	*(2 965)*	*(9 100)*	*(826)*	*-*
Profit / (loss) before income tax	**168 895**	**56 129**	**20 452**	**9 492**	**23 043**	**218 857**	**496 868**
External	*161 431*	*56 891*	*14 772*	*12 457*	*32 143*	*219 174*	*496 868*
Internal	*7 464*	*(762)*	*5 680*	*(2 965)*	*(9 100)*	*(317)*	*0*
Net profit / (loss) for the period	**138 174**	**44 747**	**16 893**	**6 763**	**19 258**	**193 480**	**419 315**
External	*131 592*	*45 509*	*11 213*	*9 728*	*29 294*	*191 979*	*419 315*
Internal	*6 582*	*(762)*	*5 680*	*(2 965)*	*(10 036)*	*1 501*	*-*

(data given in PLN thousand)

Balance sheet data and other data by segments as at 30 June 2008 and 31 December 2007

Other information related to the segments as at 30.06.2008	Retail banking services	Affluent banking services	Financial agency services	Lease Services	Insurance services and bankassurance	Consolidation adjustments	Getin Holding Capital Group
Segment assets	17 798 697	3 428 657	22 531	423 339	2 397 916	(1 739 202)	22 331 938
Investment in associates							14 329
Assets not assigned							1 118 490
Total assets	**17 798 697**	**3 428 657**	**22 531**	**423 339**	**2 397 916**		**23 464 757**
Segment liabilities	15 968 142	2 838 935	19 360	389 940	2 138 659	(1 891 014)	19 464 022
Equity							3 564 019
Other liabilities not assigned							436 716
Total liabilities	**15 968 142**	**2 838 935**	**19 360**	**389 940**	**2 138 659**		**23 464 757**
Investment expenditure	12 711	7 325	1 807	8 635	1 544		32 022
Investment expenditure not assigned							209
Total investment expenditure	**12 711**	**7 325**	**1 807**	**8 635**	**1 544**		**32 231**
Depreciation	15 250	3 379	142	1 070	1 698		21 539
Depreciation not assigned							207
Total depreciation	**15 250**	**3 379**	**142**	**1 070**	**1 698**		**21 746**

Other information related to the segments as at 31.12.2007	Retail banking services	Affluent banking services	Financial agency services	Lease services	Insurance services and bankassurance	Getin Holding and consolidation adjustments	Getin Holding Capital Group
Segment assets	14 961 487	2 029 771	503	357 797	1 577 612	(927 639)	17 999 531
Investment in associates							12 956
Assets not assigned							992 874
Total assets	**14 961 487**	**2 029 771**	**503**	**357 797**	**1 577 612**		**19 005 361**
							0
Segment liabilities	13 448 648	1 525 735	74	330 288	1 301 888	(1 073 622)	15 533 011
Equity							3 269 481
Other liabilities not assigned							202 869
Total liabilities	**13 448 648**	**1 525 735**	**74**	**330 288**	**1 301 888**		**19 005 361**
							0
Investment expenditure	18 215	13 664	0	2 688	3 735		37 234
Investment expenditure not assigned							1 068
Total investment expenditure	**18 215**	**13 664**	**0**	**2 688**	**3 735**		**38 302**
							0
Depreciation	28 987	5 357	418	891	1 438		37 091
Depreciation not assigned							432
Total depreciation	**28 987**	**5 357**	**418**	**891**	**1 438**		**37 523**

(data given in PLN thousand)

9 Interest income and interest expense

Interest income	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Income from placements in other banks	88 539	48 259
Income on other placements on money market	1 906	595
Income from customer loans and credits	580 727	347 209
Income from investment securities	71 290	42 398
- available for sale at fair value	69 592	41 769
- held to maturity	1 698	629
Interests - finance lease	56 072	35 932
Interests of obligatory reserve	10 250	4 742
Other interests	2 808	1 355
Total	**811 592**	**480 490**
Financial assets designated at fair value through profit or loss	344	1 368
Total	**811 936**	**481 858**

The Capital Group is preparing the tools that will enable the calculation of the interest incomes on the impaired financial assets; the tools will allow for presenting separately such data in the consolidated financial report.

The total interest income calculated by means of the effective interest rate method in respect of the financial assets that are not carried at fair value through profit and loss in H1 2008 amounted to PLN 742,000 thousand (in H1 2007 it amounted to PLN 431,995 thousand).

Interest expense	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Expense on other bank's deposits	16 318	14 413
Expense on other placements on money market	200	-
Expense on amounts due to customers	305 238	139 286
Expense on debt securities in issue	100 551	60 311
Expense on financial lease interest	86	54
Expense on amounts due to banks	24 776	21 127
Other	34	128
Total	**447 203**	**235 319**
Expense on financial liabilities at fair value through profit or loss	-	-
Total	**447 203**	**235 319**

The interest expense calculated by means of the effective interest rate method in respect of the financial liabilities that are not carried at fair value through profit and loss in H1 2008 amounted to PLN 447,203 thousand (in H1 2007 it amounted to PLN 235,319 thousand).

10 Fee and commission income and fee and commission expense

Fee and commission income	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
From the credits and loans granted	20 428	14 987
From the guarantees and similar operations	125	120
From the securities operations	34	100
From the accounts maintenance	10 937	12 129
From the payment cards	6 525	5 209
From the clearing operations	2 073	2 013
Insurance commission	22 965	46 231
Due to agents	69 904	79 567
Lease commission	-	3 398
From participation units of investment funds sale	13 356	6 808
Assets and portfolio management fees	2 239	3 011
Other	1 726	981
Total	**150 312**	**174 554**

Fee and commission expense	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
From the securities operations	51	-
Due to the payment cards	5 236	3 593
Due to loans and credits	5 457	2 628
Due to agents	17 711	21 123
Due to lease	-	624
Due to clearing operations	505	524
Due to insurance	1 667	897
Other	1 851	159
Total	**32 478**	**29 548**

11 Insurance premiums

Insurance premiums in thousand PLN	01.01.2008-30.06.2008		
	Life	Property	Total
Gross insurance premiums	255 949	129 070	385 019
Share of reinsurer in insurance premiums	(10 189)	(738)	(10 927)
Change in provision in insurance premiums	(3 411)	(38 661)	(42 072)
Share of reinsurer in provision change in insurance premiums	(6)	(63)	(69)
Total	**242 343**	**89 608**	**331 951**

Insurance premiums in thousand PLN	24.04.2007*-30.06.2007		
	Life	Property	Total
Gross insurance premiums	41 977	39 695	81 672
Share of reinsurer in insurance premiums	(100)	(447)	(547)
Change in provision in insurance premiums	(1 969)	(16 537)	(18 506)
Share of reinsurer in provision change in insurance premiums	-	39	39
Total	**39 908**	**22 750**	**62 658**

* the date of taking up control in TU Europa S.A.

(data given in PLN thousand)

12 Dividends received

	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Revenues related to dividends from issuers:		
Securities classified as held for trading	0	546
Total	**0**	**546**

13 Result on financial instruments carried at fair value

Result from financial assets and liabilities held for trading	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Derivatives	72 957	34 256
Equity instruments	(14 638)	2 607
Debt instruments	(3 289)	1 945
Other	2 271	-
Total	**57 301**	**38 808**

Result on financial instruments and liabilities at fair value through profit and loss - of the period 01.01.2008 - 30.06.2008	Profit thousand PLN	Loss thousand PLN	Net result thousand PLN
Financial instruments at fair value through profit or loss	210 297	(35 114)	175 183
Financial liabilities at fair value through profit or loss	4 891	(122 773)	(117 882)
Total	**215 188**	**(157 887)**	**57 301**

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

The profits and losses on financial instrument carried at fair value that are specified in the note concern as a whole the financial assets and liabilities that were indicated at initial recognition as carried at fair value through profit and loss.

14 Result on financial instruments

The table below presents the realized result of the financial assets and liabilities other than those carried at fair value through profit or loss and unrealised result at so-called structurised deposits (financial liabilities at fair value through profit or loss).

	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Realised and unrealised profit		
Financial instruments available for sale	4 742	2 687
Financial instruments held to maturity	-	8
Financial liabilities (exept held for trading)	13 774	-
Total	**18 516**	**2 695**
Realised loss		
Financial instruments available for sale	(106)	-
Other	(71)	-
Total	**(177)**	**-**
Net profit (loss)	**18 339**	**2 695**

15 Hedging of fair value

The subsidiary TU na Życie Europa S.A. creates the financial insurances (structured products), where the insurance sum is guaranteed if the insured is living on the policy's maturity date; the insurances offer the possibility to obtain an additional bonus. The characteristic feature of such types of insurance is the fact that they have the exposure to chosen financial instruments (share, share basket or stock exchange indexes). While offering such products, the company takes on the liability toward the customer the value of which depends on the change in the basic financial instrument. The risk management aims at hedging the subsidiary against the changes in the fair value of the liabilities towards the clients.

The nominal values of host instruments and the fair value of derivatives (in PLN thousand) according to original maturity as at 30 June 2008

	from 3 months to 1 year	1-5 years	Total	Fair value (positive)	Fair value (negative)
Options	**0**	**648 275**	**648 275**	**70 975**	**0**
Purchase	0	648 275	**648 275**	70 975	0
Sale	0	0	**0**	0	0
Total derivative	**0**	**648 275**	**648 275**	**70 975**	**0**

and as at 31 December 2007

	from 3 months to 1 year	1-5 years	Total	Fair value (positive)	Fair value (negative)
Options	**0**	**275 623**	**275 623**	**35 040**	**0**
Purchase		275 623	**275 623**	35 040	
Sale			**0**		
Total derivative	**0**	**275 623**	**275 623**	**35 040**	**0**

As at 30 June 2008 and 31 December 2007, TU na Życie Europa S.A. had the following hedging contracts the fair value of which was as follows:

Collateral hedge	30.06.2008 Deadline	30.06.2008 Purchase value tys. PLN	30.06.2008 Fair value tys. PLN	30.06.2008 Valuation result tys. PLN	31.12.2007 Deadline	31.12.2007 Purchase value tys. PLN	31.12.2007 Fair value tys. PLN	31.12.2007 Valuation result tys. PLN
various kind of options	from 2008-12-08 to 2013-05-29	81 763	70 975	(9 693)	from 2008-12-08 to 2012-05-31	36 134	35 040	(1 094)

(data given in PLN thousand)

The table below presents the profit or loss on the hedging instrument and on the hedged item related to the hedged risk as at 30 June 2008 and 31 December 2007:

	01.01.2008-30.06.2008		01.01.2007-30.06.2007	
	Collateral instrument	Hedged item connected with the hedged risk	Collateral instrument	Hedged item connected with the hedged risk
Profit	-	9 711	3 182	-
Loss	(9 693)	-	-	(3 182)
Total	**(9 693)**	**9 711**	**3 182**	**(3 182)**

16 Foreign exchange result

Foreign exchange result	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Foreign exchange differences resulting from financial instruments at fair value through profit or loss	56 313	1 088
Valuation of credits, deposits and placements	87 491	76 504
Other foreign exchange differences	1 877	1 130
Valuation of lease receivables	(6 946)	(1 399)
Total	**138 735**	**77 323**

17 Compensations and benefits

Compensations and benefits paid	01.01.2008-30.06.2008 thousand PLN	24.04.2007-30.06.2007 thousand PLN
Gross compensations and benefits paid	3 763	3 156
Share of reinsurers in compensations and benefits paid	(496)	(91)
Change in provisions for unpaid gross compensations and benefits	3 764	(4 453)
Share of reinsurers in the change of the value of provisions for unpaid compensations and benefits	(751)	(25)
Total	**6 280**	**(1 413)**

(data given in PLN thousand)

Gross compensations and benefits paid	**01.01.2008-30.06.2008 thousand PLN**	**24.04.2007-30.06.2007 thousand PLN**
GROSS COMPENSATIONS AND BENEFITS PAID		
from direct insurance, in this:	3 763	3 156
loss adjustment costs	*1 546*	*469*
z ubezpieczeń pośrednich, w tym:	-	-
koszty likwidacji szkód	-	-
Total gross compensations and benefits paid	**3 763**	**3 156**
GROSS COMPENSATIONS AND BENEFITS PAID WITHIN THE SCOPE OF DIRECT PROPERTY AND PERSONAL INSURANCE (ACCORDING TO ACCOUNTING CLASSES)		
consequences of accidents and illness (group 1 and 2)	691	70
car insurance - third party liability (group 10)	150	53
other car insurance (group 3)	(1)	(1)
marine, aviation and transport insurance (groups 4, 5, 6, 7)	-	-
fire insurance and insurance against other property damage (group 8 and 9)	192	33
third party liability insurance (groups 11, 12, 13)	-	1
credits and guarancees (groups 14, 15)	(1 483)	2 231
legal protection (group 17)	-	-
assistance (group 18)	260	84
other (group 16)	363	74
I. Total gross compensations and benefits paid in direct insurance (according to accounting classes)	**172**	**2 545**
LOSS ADJUSTMENT COSTS IN PROPERTY AND PERSONAL INSURANCE (ACCORDING TO ACCOUNTING CLASSES)		
consequences of accidents and illness (group 1 and 2)	*598*	*9*
car insurance - third party liability (group 10)	*36*	*9*
other car insurance (group 3)	-	-
marine, aviation and transport insurance (groups 4, 5, 6, 7)	-	-
fire insurance and insurance against other property damage (group 8 and 9)	*64*	*20*
third party liability insurance (groups 11, 12, 13)	-	*1*
credits and guarancees (groups 14, 15)	*231*	*153*
legal protection (group 17)	-	-
assistance (group 18)	*160*	*67*
other (group 16)	*132*	*29*
II. Total loss adjustment in direct insurance (according to accounting classes)	***1 221***	***288***
GROSS COMPENSATIONS AND BENEFITS PAID (ACCORDING TO ACCOUNTING GROUPS) IN LIFE INSURANCE		
life insurance	3 591	611
ubezpieczenie posagowe, zaopatrzenia dzieci	-	-
ubezpieczenie na życie, jeżeli jest związane z funduszem inwestycyjnym	-	-
III. Total gross compensations and benefits paid (according to accounting groups)	**3 591**	**611**
LOSS ADJUSTMENTS (ACCORDING TO ACCOUNTING CATEGORIES) IN LIFE INSURANCE		
life insurance	*325*	*181*
ubezpieczenie posagowe, zaopatrzenia dzieci	-	-
ubezpieczenie na życie, jeżeli jest związane z funduszem inwestycyjnym	-	-
IV. Total loss adjustment in life insurance (according to accounting classes)	***325***	***181***
TOTAL GROSS COMPENSATIONS AND BENEFITS PAID (I+III)	**3 763**	**3 156**

(data given in PLN thousand)

18 Other income and operating expense

Other operating income	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Gain on disposal of investments	2 167	233 344*
Release of provisions	16 027	13 267
Related to sale or disposal of non-financial long-term assets	7 892	1 472
Reversal of write-downs against other assets	93	3 198
Other revenue	1 352	2 095
Recovered costs of debt collection	1 873	2 452
Penalties, compensations and fines received	2 336	1 882
Revenue related to recovered bad debts	1 059	989
Income form restructuring fee settlement	-	2 111
Rental income	1 133	1 638
Sales of products and services	764	2 236
Recovered costs of property insurance	-	201
Recovered court costs	864	65
Sales of goods and raw materials	10	-
Operational lease incomes	41	40
Other incidencial incomes	194	540
Investment properties	149	5
Razem	**35 954**	**265 535**

* including profit from sale and share issue of Noble Bank

Other operating expense	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Costs of insurance acquisition	116 163	22 926
Monitoring and vindication of borrower	4 268	4 058
Tax on source of income	3 357	2 283
Provisions for future liabilities	925	2 542
Other costs	4 398	3 109
Loss on disposal of investments	-	632
Cost of products, goods for resale and raw materials sold	534	1 927
Other assets impairment losses	190	342
Legal and administration proceedings	2 000	934
Write-downs against receivables	2 020	888
Cost of property insurance	-	320
Loss on the sale of non-financial long-term assets	75	499
Rental costs	190	220
Penalties, compensations and fines paid	294	240
Banking services	561	279
Incidental expenses	656	503
Operational lease expenses	184	-
Lease assets impairment losses	916	-
Other	48	256
Razem	**136 779**	**41 958**

(data given in PLN thousand)

19 Administrative expenses

Overhead costs	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Payroll and employee benefits	156 481	129 703
Materials and energy comsumption	13 427	9 616
Third party services, including:	135 639	101 307
- marketing, representation and advertisment	44 788	36 482
- rent	36 280	22 527
- telcommunication and post	19 403	14 107
- other	14 655	12 015
- maintenance and repairs	3 092	2 544
- IT	6 134	4 146
- security and cash processing	4 394	3 118
- advisory services	4 586	4 273
- legal services	1 635	1 383
- insurance	672	712
Other real cost	6 517	4 615
Taxes and charges	5 692	4 093
Annual Bank Guarantee Fund and Financial Supervision Commission fee	3 463	875
Acquisition commisions expense	9 161	0
Cost of insurance activity payments	1 040	144
Depreciation	21 746	17 468
Other	2 137	1 834
Total	**355 303**	**269 655**

20 Payroll and employee benefits

Payroll and employee benefits	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Salaries and wages	133 324	104 724
Insurance and other employees benefits	23 157	20 078
Costs of share-based payment programme	-	4 886
Cost of other pension benefits	-	15
Total	**156 481**	**129 703**

(data given in PLN thousand)

21 Impairment write-offs and provisions for off-balance sheet items

H1 2008	Credits and loans to clients				Total	Receivables from banks	Lease accounts receivables	Off-balance sheet liabilities	Total
	corporation credits	car credits	mortgages	consumer credits					
Provision for losses at the beginning of the period - 01.01.2008	**173 963**	**137 485**	**95 003**	**209 132**	**615 583**	**24**	**5 148**	**2 901**	**623 656**
Increase	6 608	34 289	54 292	131 120	226 309	995	5 092	1 627	234 023
Decrease	(10 910)	(18 774)	(49 956)	(28 702)	(108 342)	(3)	-	(3 457)	(111 802)
Net provisions in P&L	**(4 302)**	**15 515**	**4 336**	**102 418**	**117 967**	**992**	**5 092**	**(1 830)**	**122 221**
Write-offs	**(11 219)**	**(9 952)**	**(2 854)**	**(5 820)**	**(29 845)**	**-**	**-**	**-**	**(29 845)**
Other increases	133	-	-	7 637	7 770	-	-	-	7 770
Other decreases	(6 991)	(3)	-	(165)	(7 159)	-	(678)	(1)	(7 838)
Net other increases/decreases	**(6 858)**	**(3)**	**-**	**7 472**	**611**	**-**	**(678)**	**(1)**	**(68)**
Provision for losses at the end of the period - 30.06.2008	**151 584**	**143 045**	**96 485**	**313 202**	**704 316**	**1 016**	**9 562**	**1 070**	**715 964**

H1 2007	Credits and loans to clients				Total	Receivables from banks	Lease accounts receivables	Off-balance sheet liabilities	Total
	corporation credits	car credits	mortgages	consumer credits					
Provision for losses at the beginning of the period - 01.01.2007	**197 800**	**128 515**	**83 684**	**147 087**	**557 086**	**8**	**3 750**	**1 934**	**562 778**
Increase	1 805	8 322	419	41 063	51 609	-	1 032	3 751	56 392
Decrease	(12 610)	-	(6)	(12 278)	(24 894)	(8)	-	(2 301)	(27 203)
Net provisions in P&L	**(10 805)**	**8 322**	**413**	**28 785**	**26 715**	**(8)**	**1 032**	**1 450**	**29 189**
Write-offs	**(6 693)**	**(5 003)**	**(1 275)**	**(6 945)**	**(19 916)**	**-**	**-**	**-**	**(19 916)**
Other increases	694	-	-	1 258	1 952	-	-	18	1 970
Other decreases	-	-	-	-	-	-	-	-	-
Net other increases/decreases	**694**	**-**	**-**	**1 258**	**1 952**	**-**	**-**	**18**	**1 970**
Provision for losses at the end of the period - 30.06.2007	**180 996**	**131 834**	**82 822**	**170 185**	**565 837**	**-**	**4 782**	**3 402**	**574 021**

(data given in PLN thousand)

22 Discontinued activities

In accordance with IFRS 5 (fixed assets intended for sale and discontinued activity) the Capital Group evaluated the financial results of the discontinued activity on the part of Getin International S.A. and made known in the consolidated profit and loss statement that the value of the discontinued activity amounted to PLN 375 thousand. The discontinued activity was the mediation services in leasing insurance, which was transferred to a company outside the Capital Group. Due to the insignificance of the data, the Group has not separated the assets, liabilities and the flow of the monetary means that were connected with the discontinued activity. At the end of H1 2007 and in the year 2007 no such item was entered.

Discontinued activity	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Revenue of discontinued activity	560	-
Expenses of discontinued activity	(97)	-
Gross profit (loss) of discontinued activity	463	-
Related income tax	(88)	-
Net profit (loss) of discontinued activity	375	-

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

Share in profits (losses) of associates valued using the equity method	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Comapany name:		
PDK S.A.	1 496	-
TU Europa S.A. to 23.04.2007	-	3 026
Akkord-Plus sp. z o.o. to 10.02.2008	(24)	-
Total	**1 472**	**3 026**

24 Income tax

Major components of tax expense (or income)	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Consolidated income statement		
Current income tax	96 167	81 476
Current tax charge	96 083	83 522
Adjustments related to the tax from previous years	81	(2 046)
Deferred income tax	(24 807)	(3 923)
Due to the timing differences	(24 807)	(5 116)
Tax loss from previous years	-	1 193
Tax charge disclosed in the consolidated profit and loss statement	**71 360**	**77 553**
Consolidated share capital		
Current income tax	-	-
Deferred income tax	(1 669)	3 209
Due to the timing differences, including:	(1 669)	3 209
related to financial instruments available for sale	(1 669)	3 209
Tax charge disclosed in the consolidated equity	**(1 669)**	**3 209**
Total	**69 691**	**80 762**

(data given in PLN thousand)

The co-ordination of the income tax on profit before tax at the statutory tax rate with the income tax calculated at the effective tax rate for the 6-month periods ended 30 June 2008 and 30 June 2007 is as follows:

	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Profit (Loss) before income tax	**375 354**	**496 869**
Tax at applicable tax rate in Poland, at 19%	71 317	94 405
Influence of various tax rate applicable in other countries	199	497
Non-taxable incomes	(5 573)	(17 135)
Non-tax-allowable costs	4 862	2 853
Adjustments related to tax from previous years	143	(2 003)
Other items affecting on the amount of tax charge	412	(1 064)
Tax charge disclosed in the consolidated profit and loss statement	**71 360**	**77 553**
Effective tax rate	**19%**	**16%**

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 Poland is 19%, in Russia is 24%, in Ukraine 25%, and in Belarus 24%.
In Poland the tax losses may be utilised for 5 years, while the amount of deduction cannot exceed 50% of the tax base in a given tax year. In Russia the tax losses may be utilised for 10 years, while the amount of deduction cannot exceed 30% of tax base in a given tax year.

Deferred tax asset/provision

	As at	Change in period					As at
	01.01.2008	Disclosed in P&L	Disclosed in capital	Entity aquisition	Entity disposal	Foreign exchange	30.06.2008
Deferred tax liability							
Revenue receivable from securities	39 663	2 076	-	-	-	-	41 739
Revenue receivable from credits and deposits	14 552	2 899	-	-	-	-	17 451
Depreciation (fixed assets financed by investment credit)	926	(39)	-	-	-	-	887
Cost of commisions paid in advance	2 918	124	-	-	-	-	3 042
Cost of credit/loan commisions paid in advance	25 600	6 103	-	-	-	-	31 703
Surplus of tax depreciation	1 890	188	-	-	-	-	2 078
Discounted interests from BFG loan	14 262	(2 134)	-	-	-	-	12 128
Valuation of securities available for sale	3 915	-	(3 915)	-	-	-	-
BO revision, settlement of aquisition	9 614	-	-	-	-	-	9 614
TU Europa aquisition	9 147	(96)	-	-	-	-	9 051
Other	23 098	15 574	-	4	-	(99)	38 577
Deferred tax liability	**145 585**	**24 695**	**(3 915)**	**4**	**-**	**(99)**	**166 270**
Deferred tax liabilitiy diclosed in liabilities financing assets held for sale							0
Deferred tax asset							
Interest on deposits	56 463	27 324	-	-	-	-	83 787
Revenue taxed in advance	8 044	712	-	-	-	1	8 757
Provisions for expected liabilities and costs	11 300	1 712	-	30	-	1	13 043
Provisions for impairment	528	845	-	-	-	(79)	1 294
Provisions for credit receivables	59 761	12 704	-	-	-	14	72 479
Tax loss from previous years	8 139	(703)	-	-	-	(696)	6 740
Valuation of securities available for sale	4 003	-	(2 246)	-	-	-	1 757
Other	29 430	6 908	-	-	-	(1 208)	35 130
Deferred tax assets	**177 668**	**49 502**	**(2 246)**	**30**	**-**	**(1 967)**	**222 987**
Deferred tax asset disclosed in assets held for sale							**0**
Tax charge disclosed in the consolidated profit and loss statement		**(24 807)**					
Tax charge disclosed in the consolidated equity			**(1 669)**				

	As at	Change in period					As at
	01.01.2007	Disclosed in P&L	Disclosed in capital	Entity aquisition	Entity disposal	Foreign exchange	30.06.2007
Deferred tax liability							
Revenue receivable from securities	20 343	10 920	-	-	-	-	31 263
Revenue receivable from credits and deposits	7 113	2 985	-	-	-	-	10 098
Depreciation (fixed assets financed by investment credit)	1 008	441	-	-	-	-	1 449
Cost of commisions paid in advance	11 649	8 652	-	-	-	-	20 301
Surplus of tax depreciation	1 054	406	-	-	-	-	1 460
Discounted interests from BFG loan	18 346	(1 992)	-	-	-	-	16 354
Valuation of securities available for sale	5 462	-	(1 156)	-	-	-	4 306
Valuation of fixed assets	-	-	5 296	-	-	-	5 296
BO revision, settlement of aquisition	9 614	-	-	-	-	-	9 614
TU Europa aquisition	-	-	-	-	-	-	-
Other	3 757	376	-	7 612	-	-	11 745
Deferred tax liability	**78 346**	**21 788**	**4 140**	**7 612**	**-**	**-**	**111 886**
Deferred tax liabilitiy diclosed in liabilities financing assets held for sale							0
Deferred tax asset							
Interest on deposits	26 484	17 977	-	-	-	-	44 461
Revenue taxed in advance	5 946	1 887	-	-	-	-	7 833
Provisions for expected liabilities and costs	5 865	5 708	-	-	-	-	11 573
Provisions for impairment	49 579	(1 590)	-	-	-	-	47 989
Tax loss from previous years	4 042	(3 245)	-	-	-	-	797
Valuation of securities available for sale	422	-	2 099	-	-	-	2 521
Other	29 029	4 974	-	-	-	(2 153)	31 850
Deferred tax assets	**121 367**	**25 711**	**2 099**	**-**	**-**	**(2 153)**	**147 024**
Deferred tax asset disclosed in assets held for sale							**0**
Tax charge disclosed in the consolidated profit and loss statement		**(3 923)**					
Tax charge disclosed in the consolidated equity			**2 041**				

25 Earnings per share

Basic earnings per share

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

Earnings per share	**01.01.2008-30.06.2008**	**01.01.2007-30.06.2007**
Net profit allocated to ordinary shareholders (thousand PLN)	278 513	405 230
Weighted average number of ordinary shares in the period	709 786 986	666 870 656
Earnings per share (in PLN per share)	0.39	0.61

Earnings per share from discontinued activity	**01.01.2008-30.06.2008**	**01.01.2007-30.06.2007**
Net profit allocated to ordinary shareholders (thousand PLN)	375	-
Weighted average number of ordinary shares in the period	709 786 986	-
Earnings per share from discontinued activity (in PLN per share)	0.00	-

Diluted earnings per share

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

The Group has dilutive instruments in the form of share options. Details of the Management Options Plan are disclosed in Note 52.

Diluted earnings per share	**01.01.2008-30.06.2008**	**01.01.2007-30.06.2007**
Net profit attributable to ordinary shareholders (thousand PLN)	278 513	405 230
Adjustment of net profit for calculation of diluted profit	-	-
Net profit for calculation of diluted EPS	**278 513**	**405 230**
Weighted average number of ordinary shares in the period (thousand PLN)	709 786 986	666 870 656
Adjustment of the number of shares for calculation of diluted EPS	1 911 598	27 453 885
Weighted average number of ordinary shares for calculation of diluted EPS	711 698 584	694 324 541
Diluted earnings per share (in PLN per share)	**0.39**	**0.58**

Diluted earnings per share from discontinued activity	**01.01.2008-30.06.2008**	**01.01.2007-30.06.2007**
Net profit attributable to ordinary shareholders (thousand PLN)	375	-
Adjustment of net profit for calculation of diluted profit	-	-
Net profit for calculation of diluted EPS	**375**	**-**
Weighted average number of ordinary shares in the period (thousand PLN)	709 786 986	-
Adjustment of the number of shares for calculation of diluted EPS	1 911 598	-
Weighted average number of ordinary shares for calculation of diluted EPS	711 698 584	-
Diluted earnings per share from discontinued activity (in PLN per share)	**0.00**	-

26 Dividends paid and proposed

On 10 April 2008 the General Meeting of TU Europa made the decision to assign PLN 57,015 thousand from the profit for 2007 for the payment of dividends to the shareholders of the company. The dividend per one share will amount to PLN 7.24. The dividend day has been set at 30 April 2008, while the payment day at 26 August 2008.
Open Finance in the 1st quarter of 2008 decided to pay to its only shareholder (Noble Bank) the dividend for the financial year 2007 of a total value of PLN 30,000 thousand, which constitutes PLN 60 per one common share. In H1 2008 Open Finance paid a part of the dividend: totally PLN 20,000 thousand. The last part of the dividend for 2007 amounting to PLN 10,000 thousand will be paid up to 30 September 2008.
Noble Funds TFI in the 2nd quarter of 2008 paid the dividend for 2007 of a Total value of PLN 4,000 thousand. The value of one common share amounted to rounded PLN 39.98.
The dividend transactions between the companies of the Capital Group are eliminated at the level of the consolidated financial statement.
Other companies of the Capital Group up to the publication of this report did not pay dividends from the profit from the years of 2008 and 2007 and did not declare such payments. The profits earned by the companies of the Group will be available in Getin Holding after one year after the possible dividend payment made by the companies.

27 Cash and balances with the Central Bank

Cash and balances with the Central Bank	**30.06.2008 thousand PLN**	**31.12.2007 thousand PLN**
Cash	87 871	80 351
Current account in Central Bank	504 554	183 006
Other	1 440	0
Total	**593 865**	**263 357**

The banks of the Group may use during the day the funds on the accounts of the obligatory reserve for current monetary settlements on the basis of an instruction filed at the National Bank of Poland; however, they must ensure that the average monthly balance is maintained on the account in the appropriate amount arising from the obligatory reserve return.

The funds on the obligatory reserve account bear interest of 0.9 of the promissory note rediscount rate; as at 30 June 2008 this interest amounted to 5.63% and as at 31 December 2007 - 4.73%.

(data given in PLN thousand)

28 Amounts due from banks

Amounts due from banks	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Current accounts	102 870	45 649
Deposits in other banks	3 055 660	3 553 334
Loans and credits granted	42 176	51 269
Boughted recevables	5 959	7 492
Repo transactions	3 865	0
Cash in transfer	742	462
Interest	2	0
Trade receivables	30 081	26 904
Other receivables	10 661	4 625
Total	**3 252 016**	**3 689 735**
Provision for imapairment	(1 026)	(24)
Total, net	**3 250 990**	**3 689 711**

As at 30 June 2008, the amounts due from banks with variable interest rates stood at PLN 408,229 thousand (as at 31 December 2007: PLN 462,503 thousand), and with fixed interest rates, PLN 2,769,054 thousand (31 December 2007: PLN 3,163,941 thousand). As at 30 June 2008, there were also no-interest amounts due from banks which stood at PLN 73,707 thousand (31 December 2007: PLN 63,267 thousand).

Amounts due from banks by maturity (from balance sheet date to date of repayment)	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Current accounts and ON deposits	1 116 929	571 563
Term deposits with a maturity period:	2 094 506	3 113 085
Up to 1 month	1 455 821	2 089 610
from 1 to 3 months	255 223	736 479
from 3 months to 1 year	206 737	67 436
from 1 year to 5 years	176 725	219 560
Cash in transfer	12	462
Other receivables	40 569	4 625
Total	**3 252 016**	**3 689 735**
Provision for imapairment	(1 026)	(24)
Total, net	**3 250 990**	**3 689 711**

29 Financial assets held for trading

Financial assets held for trading	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Debt securities	141	0
- issued by non-financial entities	141	0
Stock and shares in other entities	0	21 954
- listed in the stock exchange	0	21 954
Financial assets held for trading, total	**141**	**21 954**

Financial assets held for trading, by maturity as at 30 June 2008 (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	Book value	Book value	Book value	Book value	Book value	Book value
Debt securities	**0**	**0**	**0**	**0**	**0**	**141**	**141**
- issued by non-financial entities	0	0	0	0	0	141	141
Financial assets held for trading, total as at 30 June 2008	**0**	**0**	**0**	**0**	**0**	**141**	**141**

Financial assets held for trading, by maturity as at 31 December 2007 (book values in PLN thousands):	- up to 1 month	- from 1 month to 3 months	- from 3 months to 1 year	- from 1 year to 5 years	- more than 5 yaers	Due date not determined	Total
	Book value	Book value	Book value	Book value	Book value	Book value	Book value
Udziały i akcje w innych jednostkach	**21 954**	**0**	**0**	**0**	**0**	**0**	**21 954**
- listed in the stock exchange	21 954	0	0	0	0	0	21 954
Financial assets held for trading, total as at 31 December 2007	**21 954**	**0**	**0**	**0**	**0**	**0**	**21 954**

30 Derivatives

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

FX Swap and CIRS transactions are stated at fair value.

Nominal values of host instruments and fair value of derivatives (in PLN thousand) according to original maturity as at 30 June 2008 (in PLN thousand):

	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								
- out of stock exchange market								
Currency swaps	**293 387**	**721 657**	**-**	**9 045**	**-**	**1 024 089**	2 829	9 115
Currency purchase	157 303	721 657	-	9 045	-	888 005		
Currency sale	136 084	-	-	-	-	136 084		
CIRS	**-**	**-**	**337 893**	**13 826 900**	**-**	**14 164 793**	24 648	118 021
Currency purchase	-	-	167 710	7 375 782	-	7 543 492		
Currency sale	-	-	170 183	6 451 118	-	6 621 301		
FX/purchase/sale	**303 828**	**-**	**-**	**-**	**-**	**303 828**	97	71
Currency purchase	151 901	-	-	-	-	151 901		
Currency sale	151 927	-	-	-	-	151 927		
Currency options/forward	**-**	**30 992**	**25 731**	**15 079**	**-**	**71 802**	138	1 968
Purchase	-	30 992	11 170	592	-	42 754		
Sale	-	-	14 561	14 487	-	29 048		
Interest rate transactions								
Interest rate swaps (IRS)	**-**	**-**	**-**	**623 000**	**-**	**623 000**	3 011	1 117
Purchase	-	-	-	623 000	-	623 000	3 011	1 117
Sale	-	-	-	-	-	-	-	-
Other transactions								
Options	**-**	**-**	**-**	**767 775**	**-**	**767 775**	56 166	71 629
Purchase	-	-	-	767 775	-	767 775	56 166	71 629
Sale	-	-	-	-	-	-	-	-
Total derivative instruments	**597 215**	**752 649**	**363 624**	**15 241 799**	**-**	**16 955 287**	**86 889**	**201 921**

Nominal values of host instruments and fair value of derivatives according to original maturity as at 31 December 2007 (in PLN thousand):

	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								
- out of stock exchange market								
Currency swaps	4 298	28 429	-	2 508	-	**35 235**	7	172
Currency purchase	4 298	28 429	-	2 508	-	35 235		
Currency sale	-	-	-	-	-	-		
CIRS	-	-	-	11 592 876	-	**11 592 876**	41 755	116 444
Currency purchase	-	-	-	6 124 126	-	6 124 126		
Currency sale	-	-	-	5 468 750	-	5 468 750		
FX/purchase/sale	19 341	-	-	-	-	**19 341**	-	28
Currency purchase	6 201	-	-	-	-	6 201		
Currency sale	13 140	-	-	-	-	13 140		
Currency options/forward	-	102 622	1 075	13 912	-	**117 609**	398	948
Purchase	-	102 622	-	(7 205)	-	95 417		
Sale	-	-	1 075	21 117	-	22 192		
Interest rate transactions								
Interest rate swaps (IRS)	-	-	-	167 000	-	**167 000**	471	80
Purchase	-	-	-	167 000	-	167 000	471	-
Sale	-	-	-	-	-	-	-	80
Other transactions								
Options	-	-	-	275 623	-	**275 623**	34 449	35 040
Purchase	-	-	-	275 623	-	275 623	34 449	35 040
Sale	-	-	-	-	-	**-**	-	-
Total derivative instruments	**23 639**	**131 051**	**1 075**	**11 776 296**	**-**	**12 207 684**	**77 080**	**152 712**

(data given in PLN thousand)

31 Financial asset carried at fair value through profit or loss

	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Debt securities	24 248	27 654
- issued by State Treasury	24 248	27 654
Securities with variable amount of income	28 762	16 608
Participation units in funds	69 480	79 287
Other financial instruments at fair value through profit or loss, total	**122 490**	**123 549**

The financial assets carried at fair value through profit and loss include only those financial assets that are classified to this category at the initial recognition.

The securities with variable income include the structured bonds of a total nominal value: PLN 28,762 thousand (31 December 2007: PLN 16,608 thousand). The maturity dates of those securities range from 28 September 2009 to 25 July 2017.

Debt securities issued by State Treasury include zero-coupon bonds of a total value of 5,200 thousand, fixed-coupon bonds of a total value of PLN 14,842 thousand, and variable-coupon bonds of a total value of PLN 5,000 thousand. Maturity dates of these securities are: for zero-coupon bonds 12.08.2008, for fixed-coupon bonds from 24.05.2009 to 25.04.2012, for variable-coupon bonds 24.09.2011. The coupons of the bonds with fixed interest rate range from 4.75% to 6%, the coupons of the bonds with variable interest rate amount to 6.33%. As at 30 June 2008, the average yield to maturity of those securities ranged from 6.07% (fixed-coupon bonds) to 6.50% (zero-coupon bonds).

(data given in PLN thousand)

Financial asset carried at fair value through profit or loss according to maturity dates as at 30 June 2008

	- 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	Book value	Book value	Book value	Book value	Book value	Book value
Debt securities	**0**	**5 245**	**2 141**	**16 862**	**0**	**0**	**24 248**
- issued by non-financial institutions	-	5 245	2 141	-	-	-	7 386
- issued by State Treasury	-	-	-	16 862	-	-	16 862
Securities with variable amount of income	**7**	**-**	**-**	**24 700**	**4 055**	**-**	**28 762**
Participation units in funds	**-**	**-**	**-**	**-**	**-**	**69 480**	**69 480**
Other financial instruments at fair value through profit or loss, total as at 30 June 2008	**7**	**5 245**	**2 141**	**41 562**	**4 055**	**69 480**	**122 490**

as at 31 December 2007

	- 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	Book value	Book value	Book value	Book value	Book value	Book value
Debt securities	**0**	**315**	**5 422**	**21 917**	**0**	**0**	**27 654**
- issued by non-financial institutions	-	315	5 422	21 917	-	-	27 654
Securities with variable amount of income	**-**	**-**	**-**	**16 608**	**-**	**-**	**16 608**
Participation units in funds	**-**	**-**	**-**	**-**	**-**	**79 287**	**79 287**
Other financial instruments at fair value through profit or loss, total as at 31 December 2007	**0**	**315**	**5 422**	**38 525**	**0**	**79 287**	**123 549**

(data given in PLN thousand)

32 Bank loans and credits due from customers

Bank loans and credits due from customers	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Bank loans and credits	14 176 097	11 029 232
Purchased receivables	812 614	729 436
Receivables due under credit cards	1 044	3
Realised guarantees	476	476
Repo transactions	120	0
Total	**14 990 351**	**11 759 147**
Impairment write downs (-)	(704 316)	(615 583)
Total, net	**14 286 035**	**11 143 564**

As at 30 June 2008	Gross value of bank loans and credits before impairment thousand PLN	Gross value of bank loans and credits after impairment thousand PLN	Impairment charges for not impaired loans IBNR thousand PLN	Impairment charges for impaired loans thousand PLN	Total, net thousand PLN
- corporate loans	1 220 346	162 891	(8 116)	(143 468)	1 231 653
- car loans	2 498 795	156 766	(32 742)	(110 303)	2 512 516
- mortgage loans	8 276 395	113 763	(34 074)	(62 411)	8 293 673
- consumer credits	2 231 940	329 455	(83 222)	(229 980)	2 248 193
Total	**14 227 476**	**762 875**	**(158 154)**	**(546 162)**	**14 286 035**

As at 31 December 2007	Gross value of bank loans and credits before impairment thousand PLN	Gross value of bank loans and credits after impairment thousand PLN	Impairment charges for not impaired loans IBNR thousand PLN	Impairment charges for impaired loans thousand PLN	Total, net thousand PLN
- corporate loans	1 073 750	177 511	(4 905)	(169 058)	1 077 298
- car loans	2 098 905	146 665	(30 797)	(106 688)	2 108 085
- mortgage loans	6 382 753	113 794	(35 947)	(59 056)	6 401 544
- consumer credits	1 516 240	249 529	(47 554)	(161 578)	1 556 637
Total	**11 071 648**	**687 499**	**(119 203)**	**(496 380)**	**11 143 564**

Bank loans and credits granted to customers by maturity	30.06.2008 Carrying amount thousand PLN	31.12.2007 Carrying amount thousand PLN
Bank loans and credits granted to:		
- local authorities	**13 638**	**20 284**
Up to 1 month	1 505	836
from 1 month to 3 months	798	1 985
from 3 months to 1 year	3 765	7 854
from 1 year to 5 years	6 999	8 829
more than 5 years	571	780
- financial institutions other than banks	**3 816**	**3 556**
Up to 1 month	1 192	907
from 1 month to 3 months	387	329
from 3 months to 1 year	723	802
from 1 year to 5 years	1 360	1 426
more than 5 years	154	92
- non financial institutions	**2 251 414**	**1 814 583**
Up to 1 month	882 702	519 401
from 1 month to 3 months	149 583	106 352
from 3 months to 1 year	376 737	287 996
from 1 year to 5 years	656 829	719 806
more than 5 years	185 563	181 028
- public	**12 017 167**	**9 305 141**
Up to 1 month	231 476	450 035
from 1 month to 3 months	164 661	144 919
from 3 months to 1 year	839 734	637 317
from 1 year to 5 years	3 224 442	2 377 805
more than 5 years	7 556 854	5 695 065
Total	**14 286 035**	**11 143 564**

Fixed interest credits and loans granted to clients as at 30 June 2008 represented 4.72% of the entire credit and loan portfolio, i.e., PLN 674,077 thousand (31 December 2007 respectively: 3.16% and PLN 352,420 thousand). They included such bank products as buy out of lease receivables, buy out of factoring receivables, part of car loans, instalment loans, and commercial currency loans.

Changes in the level of impairment write-offs in the half-year ended 30 June 2008 and 30 June 2007 are presented in Note 21.

33 Finance lease receivables

Finance lease receivables as at 30 June 2008 (PLN thousands)	Gross investment in finance leases	Current value of minimum lease payments
Up to 1 year	313 250	272 088
From 1 year to 5 years	124 768	76 050
More than 5 years	-	-
Total	**438 018**	**348 138**
Unearned interest	(89 880)	-
Net investment in finance leases	**348 138**	**348 138**
Unguaranteed residuals	-	-
Current value of minimum lease payments	**348 138**	**348 138**
Provisions	(9 562)	
Carrying amount	**338 576**	

Finance lease receivables as at 31 December 2007 (PLN thousands)	Gross investment in finance leases	Current value of minimum lease payments
Up to 1 year	268 384	243 741
From 1 year to 5 years	103 836	61 894
More than 5 years	-	-
Total	**372 220**	**305 635**
Unearned interest	(66 585)	-
Net investment in finance leases	**305 635**	**305 635**
Unguaranteed residuals	-	-
Current value of minimum lease payments	**305 635**	**305 635**
Provisions	(5 148)	
Carrying amount	**300 487**	

The average duration of the concluded leasing contracts as at 30 June 2008 amount for Carcade to 2 years, for TU Europa to 9 years, for Sombelbank to 1 year (as at 31 December 2007: Carcade – 2 years, TU Europa – 9 years).

The fair value of finance lease receivables as at 30 June 2008 is PLN 338,576 thousand (31 December 2007: PLN 300,487 thousand).

The impairment write-offs under minimum lease payments as at 30 June 2008 are PLN 9,562 thousand (31 December 2007: PLN 5,148 thousand).

The Group as the lessor concludes finance leasing transactions regarding transportation means, machines and devices, and immovables.

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

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

34 Financial instruments

Investment securities	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Securities available for sale	**2 852 620**	**1 700 923**
- issued by central banks	427 133	327 604
- issued by other banks	18	18
- issued by other financial institutions	1 188	3 528
- issued by non-financial institutions	19 644	17 137
- issued by State Treasury	2 404 637	1 352 636
Securities held to maturity	**35 652**	**48 176**
- issued by other banks	20 310	25 295
- issued by State Treasury	15 342	22 881
Investment securities, total	**2 888 272**	**1 749 099**
Impairment of investment securities	**(16 682)**	**(15 274)**
Securities available for sale	(16 682)	(15 274)
- issued by other financial entities	(202)	(45)
- issued by non-financial entities	(15 229)	(15 229)
- issued by the State Treasury	(1 251)	-
Investment securities, net total	**2 871 590**	**1 733 825**

(data given in PLN thousand)

Changes of investment securities	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Securities available for sale		
Net balance at the beginning of period	1 685 649	1 588 161
Foreign exchange differences	(246)	-
Additions	25 257 622	4 882 774
Disposals (sale and repurchase)	(24 131 468)	(4 202 741)
Impairment write-downs	(105)	2 706
Change in fair value	24 486	(104)
Net balance at the end of period	**2 835 938**	**2 270 796**
Securities held to maturity		
Net balance at the beginning of period	48 176	32 436
Additions	-	18 896
Disposals (sale and repurchase)	(13 031)	(1 309)
Change in fair value	507	-
Net balance at the end of period	**35 652**	**50 023**

Securities available for sale

Debt securities issued by central banks as at 30 June 2008 cover the bonds of NBP of a total nominal value of PLN 26,822 thousand. The maturity date of these securities is 1 March 2012, while the average yield to maturity of these securities amounted as at 30 June 2008 5.78% (31 December 2007 respectively: PLN 26,822 thousand, as at 1 March 2012, 4.19%). Additionally, the debt securities issued by central banks as at 30 June 2008 cover the treasury bills of a total nominal value of PLN 400,000 thousand. The maturity date of these securities is 4 July 2008, while the average yield to maturity of these securities amounted as at 30 June 2008 6%.
The debt securities issued by the State Treasury include the treasury bills of a total nominal value of PLN 1,769,800 thousand and the treasury bonds of a total nominal value of PLN 683,998 thousand.
The maturity dates of these securities range from 9 July 2008 to 25 April 2012, while the coupons range from 0% to 10.78%. As at 30 June 2008, the average yield to maturity of those securities was 5.75% and 10.78% (as at 31 December 2007 respectively: PLN 839,000 thousand; PLN 520,000 thousand; from 9 January 2008 to 24 March 2010; 0% to 5.75%; 4.78% and 6.1%).

The evaluation of securities that were available for sale recognised in the 1st half of the year 2008 directly in the equity amounted to PLN (8,856) thousand, whereas the amount removed from the equity and recognised in the loss and profit account for the 1st half of the year 2008 and connected with the sale of the securities that were available for sale amounted to PLN 1,746 thousand (in the 1st half of the year 2007 recognised respectively: in the equity in connection with the evaluation PLN (9,330) thousand, in the profit and loss account in connection with the sale PLN 174 thousand).

Securities held to maturity

The debt securities issued by other banks include the mortgage bonds of a total nominal value of PLN 20,000 thousand. The maturity date of those securities is 10 October 2008, while the coupon amounts to 6.96%. As at 30 June 2008, the average yield to maturity of those securities was 6.96%. As at 31 December 2007 the debt securities issued by other banks include mortgage bonds of a total value of PLN 25,000 thousand; the maturity dates of those securities range from 19 May 2008 to 10 October 2008, while coupons from 5.73% to 5.80%; the average yield to maturity of these securities amounted to 5.74%.

Debt securities issued by the State Treasury cover treasury bonds of a total nominal value of PLN 14,974 thousand. Maturity date of these securities ranges from 18 January 2009 to 24 October 2013, while the coupons from 5% to 6.62%. Average yield to maturity of these securities as at 30 June 2008 ranged from 5% to 6.62%. In 2007 the nominal value of treasury bonds amounted to PLN 22,414 thousand. Maturity date of these securities ranged from 24 June 2008 to 24 October 2013, whereas the coupons from 5% to 5.75%. As at 31 December 2007, the average yield to maturity of those securities was 4.71%.

(data given in PLN thousand)

The securities available for sale as at 30 June 2008 pledged as collaterals of the Groups liabilities

Liabilities (types)	Value of the secured liabilities	Types of assets providing security for liabilities
BFG	34 000	treasury bills
technical loan	125 000	treasury bills
lombard loan	139 000	treasury bonds
loan BFG	461 000	treasury bonds
loan BFG	19 822	NBP bonds
loan in bank	141 000	treasury bills
loan in bank	234 000	treasury bills
	1 153 822	

The securities available for sale as at 31 December 2007 pledged as collaterals of the Groups liabilities

Liabilities (types)	Value of the secured liabilities	Types of assets providing security for liabilities
BFG	24 000	treasury bills
technical loan	109 000	treasury bills
lombard loan	60 000	treasury bonds
loan BFG	440 000	treasury bonds
loan BFG	19 822	NBP bonds
deposit in bank	131 000	treasury bills
loan in bank	145 000	treasury bills
loan in bank	240 000	treasury bills
	1 168 822	

The securities held to maturity as at 30 June 2008 pledged as collaterals of the Groups liabilities

Liabilities (types)	Value of the secured liabilities	Types of assets providing security for liabilities
lombard loan	5 000	treasury bonds

The securities held to maturity as at 31 December 2007 pledged as collaterals of the Groups liabilities

Liabilities (types)	Value of the secured liabilities	Types of assets providing security for liabilities
lombard loan	5 000	treasury bonds

Securities available for sale, by maturity as at 30 June 2008 (in PLN thousands)	- up to 1 month	- from 1 month to 3 months	- from 3 months to 1 year	- from 1 year to 5 years	- more than 5 years	Due date not determined	Total
	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value
Securities available for sale							
- issued by central banks	399 800	-	-	27 333	-	-	427 133
- issued by other banks	-	-	-	-	-	18	18
- issued by other financial institutions	-	-	-	-	-	3 693	3 693
- issued by other non-financial institutions	-	-	-	20	-	17 119	17 139
- issued by State Treasury	99 960	1 121 748	600 091	582 838	-	-	2 404 637
Gross securities available for sale, total as at 30 June 2008	**499 760**	**1 121 748**	**600 091**	**610 191**	**0**	**20 830**	**2 852 620**
Impairment of investment securities (-)	-	-	(7)	(1 253)	-	(15 422)	(16 682)
Securities available for sale, total net as at 30 June 2008	**499 760**	**1 121 748**	**600 084**	**608 938**	**0**	**5 408**	**2 835 938**

Securities available for sale, by maturity as at 31 December 2007 (in PLN thousands)	- up to 1 month	- from 1 month to 3 months	- from 3 months to 1 year	- from 1 year to 5 years	- more than 5 years	Due date not determined	Total
	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value
Securities available for sale							
- issued by central banks	299 843	-	-	27 761	-	-	327 604
- issued by other banks	-	-	-	-	-	18	18
- issued by other financial institutions	500	-	-	16	-	3 005	3 521
- issued by other non-financial institutions	-	-	-	-	-	17 144	17 144
- issued by State Treasury	126 733	118 831	651 188	455 884	-	-	1 352 636
Gross securities available for sale, total as at 31 December 2007	**427 076**	**118 831**	**651 188**	**483 661**	**0**	**20 167**	**1 700 923**
Impairment of investment securities (-)	-	-	-	(10)	-	(15 264)	(15 274)
Securities available for sale, total net as at 31 December 2007	**427 076**	**118 831**	**651 188**	**483 651**	**0**	**4 903**	**1 685 649**

Securities held to maturity, by maturity as at 30 June 2008 (in PLN thousands)	- up to 1 month	- from 1 month to 3 months	- from 3 months to 1 year	- from 1 year to 5 years	- more than 5 years	Due date not determined	Total
	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value
Securities held to maturity							
- issued by other banks	-	-	20 310	-	-	-	20 310
- issued by State Treasury	-	-	5 488	-	9 854	-	15 342
Gross securities held to maturity, total as at 30 June 2008	**0**	**0**	**25 798**	**0**	**9 854**	**0**	**35 652**
Impairment of investment securities (-)	-	-	-	-	-	-	-
Securities held to maturity, total net as at 30 June 2008	**0**	**0**	**25 798**	**0**	**9 854**	**0**	**35 652**

Securities held to maturity, by maturity as at 31 December 2007 (in PLN thousands)	- up to 1 month	- from 1 month to 3 months	- from 3 months to 1 year	- from 1 year to 5 years	- more than 5 years	Due date not determined	Total
	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value	Gross book value
Securities held to maturity							
- issued by other banks	-	-	25 295	-	-	-	25 295
- issued by State Treasury	-	-	7 785	5 253	9 843	-	22 881
Gross securities held to maturity, total as at 31 December 2007	**0**	**0**	**33 080**	**5 253**	**9 843**	**0**	**48 176**
Impairment of investment securities (-)	-	-	-	-	-	-	-
Securities held to maturity, total net as at 31 December 2007	**0**	**0**	**33 080**	**5 253**	**9 843**	**0**	**48 176**

35 Investments in associates

Associates as at 30 June 2008:
- Powszechny Dom Kredytowy S.A.
- PDK Biznes Sp. z o.o.
- Fiolet S.A.

Associates as at 31 December 2007:
- Powszechny Dom Kredytowy S.A.
- PDK Biznes Sp. z o.o.
- Fiolet S.A.
- Akkord-Plus Sp. z o.o.

Changes in investments in associates	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Value of associates at the beginning of the period	**10 429**	**35 218**
Acquisition	-	-
Share in profit (losses)	1 495	-
Disposal (-)	(122)*	(35 218)
Value of associates at the end of the period	**11 802**	**-**
Goodwill at the beginning of the period	**2 527**	**77 870**
Acquisition	-	-
Disposal (-)	-	(77 639)
Goodwill at the end of the period	**2 527**	**231**
Value of investment in associates (including goodwill) at the end of the period	**14 329**	**231**

* in February 2008 shareholding of Akkord-Plus was bought, since that time Akkord-Plus became a subsidiary

Brief information about associates accounted for by means of the equity method (in PLN thousand):

Entity	Value of assets	Value of liabilities	Revenues	Net profit/(loss)	% shares
H1 2008					
PDK S.A.	19 899	33 311	46 000	5 648	21,00%
Fiolet S.A.	76 005	32 180	80 693	14 519	39,47%
Total	**95 904**	**65 491**	**126 693**	**20 167**	
2007					
PDK S.A.	17 292	36 598	71 227	(1 971)	21,00%
Fiolet S.A. from the day of losing control - 01.10.2007	47 457	18 151	84 989	13 261	39,47%
Akkord-Plus *	1 107	-	-	-	19,99%
Total	**65 856**	**54 749**	**156 216**	**11 290**	

* Akkord-Plus - the company founded in December 2007, with share capital equalled to 2 300 k UAH

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

Entity	Share of losses - current year	Cumulative share of losses
H1 2008		
PDK S.A.	0	1 819
Total	**0**	**1 819**

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

(data given in PLN thousand)

36 Equity instruments available for sale

The financial instruments available for sale include the shares and stock of the companies that are not covered by consolidation or valuation by means of the equity method, because:

- The Group does not exercises any control or significant influence over them:
  - Getin Leasing S.A.
  - Giełda Papierów Wartościowych
  - Międzynarodowa Szkoła Bankowości i Finansów in Katowice
  - Agencja Rozwoju Lokalnego in Sosnowiec
  - CENTROZAP
  - BIK
  - PREFSTAL
  - Regionalna Agencja Poszanowania Energii
  - Łódzki Rolno-Spożywczy Rynek
  - BPs
  - Exatel
  - Agrohurt
  - LR Hurtowy
  - Szkoła Bankowa
- Moreover, the Group holds the shares in the entities that are in liquidation or bankruptcy and although the Group holds more than 50% of the share, it does not exercise any control over them (IAS 27 point 21)
  - BTG sp. z o.o.
  - BP Telervis S.A.
  - KONWIN-Kruszwica sp. z o.o.

The gross value of the equity instruments available for sale as at 30 June 2008 amounts to PLN 19,631 thousand, while the net value of these instruments amounts to PLN 4,402 thousand (as at 31 December 2007 respectively: gross value PLN 19,667 thousand, net value PLN 4,438 thousand).

37 Intangible assets

Intangible assets	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Development costs	12	0
Patents and licences	8 772	7 595
Goodwill	834 069	778 583
Trademark	91 621	91 600
Other	91 763	88 344
Advances for intangibles	7 972	8 620
Total	**1 034 209**	**974 742**

(data given in PLN thousand)

Changes of intangibles for 6 month period ended 30 June 2008	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 2008	**2 423**	**14 549**	**91 600**	**778 583**	**116 943**	**8 620**	**1 012 718**
Increases, of which:	**27**	**2 739**	**21**	**55 486**	**7 434**	**7 147**	**72 854**
Acquisition of subsidiaries	27	11	21	55 486	35	-	55 580
Additions due to internal development work	-	37	-	-	-	-	37
Purchases	-	1 707	-	-	603	7 147	9 457
Transfer from investments	-	984	-	-	6 796	-	7 780
Decreases, of which:	**-**	**(174)**	**-**	**-**	**(3 462)**	**(7 795)**	**(11 431)**
Liquidation and sale, donation	-	(174)	-	-	(3 462)	-	(3 636)
Other	-	-	-	-	-	(7 795)	(7 795)
Closing balance as at 30 June 2008	**2 450**	**17 114**	**91 621**	**834 069**	**120 915**	**7 972**	**1 074 141**
Accumulated depreciation							
Openning balance as at 1 January 2008	**2 423**	**6 954**	**0**	**0**	**28 599**	**0**	**37 976**
Increases, of which:	**15**	**1 542**	**0**	**0**	**4 014**	**0**	**5 571**
Purchases of subsidiaries	13	3	-	-	1	-	17
Depreciation for the period	2	1 539	-	-	4 013	-	5 554
Decreases, of which:	**-**	**(154)**	**-**	**-**	**(3 461)**	**-**	**(3 615)**
Liquidation and sale	-	(154)	-	-	(3 461)	-	(3 615)
Closing balance as at 30 June 2008	**2 438**	**8 342**	**0**	**0**	**29 152**	**0**	**39 932**
Impairment write-downs							
Openning balance as at 1 January 2008	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Closing balance as at 30 June 2008	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net book value							
Openning balance as at 1 January 2008	**0**	**7 595**	**91 600**	**778 583**	**88 344**	**8 620**	**974 742**
Closing balance as at 30 June 2008	**12**	**8 772**	**91 621**	**834 069**	**91 763**	**7 972**	**1 034 209**

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

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

As at the balance sheet date, there were no intangible assets whose legal title would be limited or intangible assets pledged as security for claims.

As at 30 June 2008, the Group had no contractual liabilities taken in connection with the acquisition of intangible assets (as at 31 December 2007 there were no such item).

Assets material for the Group:

- centralized IT transaction system DEF 3000. The carrying amount of the system as at 30 June 2008 amounts to PLN 12,220 thousand (31 December 2007: PLN 12,719 thousand), and the remaining amortisation period is until January 2011,

(data given in PLN thousand)

- Open Finance trademark. The carrying amount of the trademark as at 30 June 2008 and 31 December 2007 was PLN 50,600 thousand; the trademark has an indefinite useful life.
- TU Europa trademark. The carrying amount of the trademark as at 30 June 2008 and 31 December 2007 was PLN 41,000 thousand; the trademark has an indefinite useful life.

Since 1 January 2004, the goodwill has not been amortised and it has been annually tested for impairment. The test results as at 31 December 2007 were presented in the consolidated financial statement for 2007. The tests will be updated as at 31 December 2008. As at 30 June 2008 there were no assumptions for any impairment of goodwill.

The information on the determination of goodwill due to the acquisition of subsidiaries is presented in Note 59.

In accordance with IFRS 3, as at the moment of settling the acquisition of the subsidiaries, the Capital Group assesses the fair value of significant trademarks on the basis of the evaluation conducted by independent experts. In line with IAS 38, a given entity determines as at the balance sheet date, whether the useful life of the assessed trademarks is definite or indefinite. Following the analysis of all material factors, the Management Board of the Parent Company decided that there was no foreseeable time limit when it could be expected that the assessed trademarks would stop generating net cash. 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, economic limits, or other foreseeable activities of the competitors or potential competitors that could limit the trademark useful life,
- the trademark useful life is not subject to any technological, technical, or commercial expiry,
- the trademark useful life is independent of the useful lives of other assets.
- as at the beginning of each financial year, the Management Board of the Parent Company will decide whether the above factors are still valid, and consequently whether to abide by its decision or not.

38 Property, plant and equipment

Property, plant and equipment	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Land and buildings	92 136	84 273
Plant and machinery	26 661	24 018
Motor vehicles	19 418	18 256
Other assets including equipment	19 806	10 567
Construction in progress	11 526	8 618
Property, plant and equipment, total	**169 547**	**145 732**

(data given in PLN thousand)

Changes in property, plant and equipment for 6 month ended 30 June 2008	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 2008	**128 312**	**84 199**	**30 026**	**26 373**	**268 910**
Increases, of which:	**16 672**	**8 440**	**4 926**	**12 075**	**42 113**
Purchases of subsidiaries	-	796	487	1 047	2 330
Purchases	3 615	4 599	4 390	10 170	22 774
Transfers from construction in progress	9 984	3 014	-	786	13 784
Transfer from investment property to own property	3 073	-	-	-	3 073
Other	-	31	49	72	152
Decreases, of which:	**(6 466)**	**(1 512)**	**(1 357)**	**(1 758)**	**(11 093)**
Liquidation and sale, donation	(5 659)	(1 162)	(1 052)	(1 394)	(9 267)
Transfer to other assets	-	(65)	-	-	(65)
Exchange differences on translating foreign	(807)	(285)	(305)	(364)	(1 761)
Closing balance as at 30 June 2008	**138 518**	**91 127**	**33 595**	**36 690**	**299 930**
Accumulated depreciation					
Openning balance as at 1 January 2008	**40 886**	**60 087**	**11 770**	**15 567**	**128 310**
Increases, of which:	**5 785**	**5 470**	**2 976**	**2 405**	**16 636**
Purchases of subsidiaries	-	331	60	202	593
Depreciation for the period	5 785	5 139	2 882	2 203	16 009
Other increases	-	-	34	-	34
Decreases, of which:	**(4 552)**	**(1 185)**	**(569)**	**(1 165)**	**(7 471)**
Liquidation and sale	(4 536)	(1 048)	(509)	(1 119)	(7 212)
Exchange differences on translating foreign	(16)	(137)	(60)	(46)	(259)
Closing balance as at 30 June 2008	**42 119**	**64 372**	**14 177**	**16 807**	**137 475**
Impairment write-downs					
Openning balance as at 1 January 2008	**3 153**	**94**	**-**	**239**	3 486
Increases	1 110	-	-	-	1 110
Decreases	-	-	-	(162)	(162)
Closing balance as at 30 June 2008	**4 263**	**94**	**-**	**77**	**4 434**
Net book value					
Openning balance as at 1 January 2008	**84 273**	**24 018**	**18 256**	**10 567**	**137 114**
Closing balance as at 30 June 2008	**92 136**	**26 661**	**19 418**	**19 806**	**158 021**

(data given in PLN thousand)

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

The carrying amount of the transportation means used under financial leasing contracts and rent contracts with the option of purchase as at 30 June 2008 was PLN 4,631 thousand (31 December 2007: PLN 4,089 thousand).

The compensation received from third parties due to the impairment or loss of an item of property, plant and equipment recognised in the income statement for H1 2008 amounted to PLN 69 thousand (H1 2007: PLN 102 thousand).

The expenditures included in the balance of construction in progress as at 30 June 2008 amounted to PLN 11,526 thousand (31 December 2007: PLN 9,667 thousand).
As at the balance sheet date, the Group did not have any contractual obligations to purchase items of property, plant and equipment.

39 Investment property

The Group applies the cost model to measure its investment property. There are no constraints on the rights to dispose of investment properties or to transfer the related revenues and profits.

The fair value of investment property as at 30 June 2008 was PLN 17,907 thousand (31 December 2007: PLN 20,764 thousand) and was higher than their book value. The fair value was determined on the basis of valuations performed by property appraisers.

(data given in PLN thousand)

Changes in the value of the investment property	**01.01.2008-30.06.2008 thousand PLN**	**01.01.2007-30.06.2007 thousand PLN**
Gross book value		
Opening balance at the beginning of the period	**26 465**	**23 614**
Increases	**584**	**2 934**
Acquisitions of real estate	570	735
Increases due to acquisition of subsidiaries	-	2 199
Other changes	14	-
Decreases	**(10 014)**	**(116)**
Sale of real estate	(6 941)	(116)
Transfer from own real estate	(3 073)	-
Closing balance at the end of the period	**17 035**	**26 432**
Accumulated depreciation		
Opening balance at the beginning of the period	**1 486**	**1 028**
Increases	**199**	**260**
Amortisation	199	222
Increases due to acquisition of subsidiaries	-	38
Decreases	**(195)**	**(8)**
Sale of real estate	(189)	(8)
Transfer to own real estate	(6)	-
Closing balance at the end of the period	**1 490**	**1 280**
Impairment write-downs		
Opening balance at the beginning of the period	**10 774**	**10 094**
Increases	-	680
Decreases	(1 110)	-
Transfer to own real estate	(1 110)	-
Using	(3 482)	-
Closing balance at the end of the period	**6 182**	**10 774**
Net book value		
Opening balance at the beginning of the period	**14 205**	**12 492**
Closing balance at the end of the period	**9 363**	**14 378**

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

	01.01.2008-30.06.2008 tys. PLN	**01.01.2007-31.12.2007 tys. PLN**
Income on rental of investment property	753	534
Direct operational expenses (including repair and maintenence) related to investment property bringing rental income	281	195
Direct operational expenses (including repair and maintenence) related to investment property not bringing rental income	199	222

40 Reinsurer's share in the technical and insurance provisions

Share of reinsurer in technical provisions	**30.06.2008 tys. PLN**	**31.12.2007 tys. PLN**
Share of reinsurance in premiums provision and in the provision for the coverage of the unexpired risk	265	334
Share of reinsurers in the provision for life insurance	19 698	8 771
Share of reinsurers in the provision for unpaid compensations and benefits	2 578	1 764
Share of reinsurer in technical provisions	**22 541**	**10 869**

(data given in PLN thousand)

41 Other assets

Other assets	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Deferred costs	34 526	25 425
Perpetual usufruct right	405	407
Other assets held for resale	164	164
Receivables from sundry debtors	42 624	13 284
Trade receivables	21 395	18 336
Receivables from other taxation, subsidies and social security	22 067	14 957
Lease receivables	2 103	2 856
Debit cards settlements	6 650	6 158
Income to receive	3 241	1 951
Inventory	1 791	553
Advances	47 182	33 238
Other receivables	29 057	56 556
Interbank and inter branch accounts	111	221
Direct insurance receivables	56 316	40 954
Reinsurance receivables	590	205
Regress and deposits	13 645	13 363
Deposit certificates	30 563	-
Other	17 152	960
Total other assets	**329 582**	**229 588**
Impairment write-downs	(14 745)	(14 760)
Total other assets, net	**314 837**	**214 828**

The increase in deferred costs results from the purchase of the Group TU Europa S.A. and from accounting for the deferred acquisition costs connected with the sales of insurance and the increase in the costs of credit sales.

The item of direct insurance receivables contains the receivables due from clients under insurance policies.

42 Non-current assets held for sale

This item consists of the non-current assets belonging to Getin Bank S.A. and Noble Bank S.A. offered for sale at the net book value as at 30 June 2008 of PLN 4,037 thousand (as at 31 December 2007: PLN 22,467 thousand).

Location of the properties:
Getin Bank: Krosno, Lublin, Ostrowiec Świętokrzyski, Warszawa
Noble Bank: Poniatowa,
PlusBank: Nadwirna, Gorodenka (Ukraine).

The decision on the sale of those properties is taken by the Management Boards. The fair value of those properties is not lower than their book amount.

As at 30 June 2008 the carrying amount of the shares of BP Real Nieruchomości is PLN 1.1 million, while the share of Getin Bank in the equity of the company is 67%. The shares of the Bank in the company are held for sale. Although the annual term for completing the transaction specified in IFRS 5 elapsed, Bank realises its plan to obtain economic gains in cash for the redemption of the shares. As a result of the realization of the resolution passed in the 4th quarter of 2007 by NWZA BP Real Nieruchomości S.A. on the voluntary redemption of the shares of a nominal value of PLN 21.3 million, in April the Bank disposed of 213,043 shares of the subsidiary BP Real Nieruchomości (the acquisition price was 20.9 million). The remuneration for the shareholders for the redeemed shares was set at PLN 100 for each share; the remuneration shall be paid after 6 month from the day of announcing the decrease of the share capital.

(data given in PLN thousand)

43 Assets providing security for liabilities

The table below presents the carrying amount of assets constituting the security as at 30 June 2008:

Types of assets providing security for liabilities	Types of liabilities	Value of the secured liabilities	Carrying amount of assets providing security for liabilities
treasury bills	BFG	29 211	32 996
treasury bills	technical loan	100 000	122 390
treasury bonds	lombard loan	115 200	138 225
treasury bonds	loan BFG	447 531	20 200
NBP bonds	loan BFG		457 819
treasury bills	loan in bank	209 860	224 813
treasury bills	loan in bank	105 038	137 394
deposit	deposit certificates	349 382	25 577
obligatory bank provisions	clients deposits	1 807 583	61 576
securities	liabilities to BGF	611 045	1 589
Total		**3 774 850**	**1 222 579**

The table below presents the carrying amount of assets constituting the security as at 31 December 2007:

Types of assets providing security for liabilities	Types of liabilities	Value of the secured liabilities	Carrying amount of assets providing security for liabilities
treasury bills	BFG	22 597	23 256
treasury bills	technical loan	87 200	104 992
treasury bonds	lombard loan	52 000	64 316
treasury bonds	loan BFG	447 451	455 884
NBP bonds	loan BFG		20 516
treasury bills	investment in bank	108 273	129 120
treasury bills	loan in bank	108 595	143 244
treasury bills	loan in bank	216 973	232 072
deposit	deposit certificates	348 750	21 370
obligatory bank provisions	money on bank account	743 977	24 226
securities	money on BGF account	228 119	570
cars and equipment	loans	137 139	61 219
Total		**2 501 074**	**1 280 785**

The Group will maintain the portfolio of the assets that constitute the security for the credits, loans, and deposit certificates until these liabilities are paid off.
In accordance with Articles 25 and 26 of the Act on the Bank Guarantee Fund, the entities shall create the guarantee funds in the amount specified by the BGF. The sums of the cash in the Bank on all accounts that are the basis for calculating the obligatory reserve constitute the basis.

44 Amounts due to Central Bank

No such items.

(data given in PLN thousand)

45 Amounts due to other banks and financial institutions

Amounts due to other banks and financial institutions	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Current accounts	2 047	475
Deposits of other banks	289 429	204 859
Received credits and loans	1 066 668	989 401
Other liabilities to financial institutions and other banks	21 146	3 129
Total amounts due to other banks and financial institutions	**1 379 290**	**1 197 864**

Amounts due to other banks and financial institutions with a variable interest rate stood at PLN 1,116,440 thousand (2007: PLN 1,004,311 thousand), and with fixed interest rates, PLN 254,916 thousand (2007: PLN 189,073 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	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Current accounts	2 047	475
Future liabilities with maturity period of:	1 375 727	1 197 389
up to 1 month	141 672	25 207
from 1 to 3 months	77 758	133 108
from 3 months to 1 year	346 881	251 444
from 1 to 5 years	809 416	787 630
Funds in transit	1 516	0
Razem	**1 379 290**	**1 197 864**

46 Financial liabilities carried at fair value through profit or loss

Financial liabilities at fair value through profit or loss	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Liabilities from investment contracts	90 380	75 794
Clients deposits	56 381	0
Total	**146 761**	**75 794**

The other financial liabilities carried at fair value through profit and loss include only those financial liabilities that are classified to this category at the initial recognition. The whole of other financial liabilities carried at fair value through profit and loss has variable interest rate.

47 Amounts due to customers

Amounts due to customers	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Amounts due to corporate entities	**1 449 374**	**1 452 783**
Overdrafts and overnights	513 969	587 307
Term deposits	935 394	865 476
Other	11	0
Amounts due to state budget entities	**1 001 583**	**884 014**
Overdrafts and overnights	805 318	773 906
Term deposits	196 265	110 108
Amounts due to individuals	**12 122 762**	**8 069 305**
Overdrafts and overnights	1 239 884	771 382
Term deposits	10 857 294	7 296 558
Other	25 584	1 365
Total of liabilities	**14 573 719**	**10 406 102**

Amounts due to customers with a variable interest rate as at 30 June 2008 stand at PLN 2,900,106 thousand (31 December 2007: PLN 2,538,106 thousand), and those with a fixed interest rate at PLN

(data given in PLN thousand)

11,470,163 thousand (31 December 2007: PLN 7,777,546 thousand). Other liabilities are non-interest bearing and stand as at 30 June 2008 at PLN 203,450 thousand (as at 31 December 2007: PLN 90,450 thousand).

Amounts due to customers by maturity based on the remaining period at the balance sheet date to date of repayment	**30.06.2008 thousand PLN**	**31.12.2007 thousand PLN**
Overdrafts and overnights	2 559 171	2 132 595
Term liabilities by maturity:	11 988 953	8 272 142
up to 1 month	2 868 037	1 529 159
from 1 to 3 months	3 251 564	3 219 316
from 3 months to 1 year	4 603 072	3 060 939
from 1 to 5 years	1 265 997	462 106
more than 5 years	283	622
Other	25 595	1 365
Razem	**14 573 719**	**10 406 102**

48 Liabilities from the issue of debt securities

Liabilities from issue of debt securities	**30.06.2008 thousand PLN**	**31.12.2007 thousand PLN**
Liabilities from issue of	2 653 085	3 158 098
bonds	1 891 741	2 521 656
certificates	761 344	636 442
Interests	33 811	37 774
Liabilities from issue of debt securities, total	**2 686 896**	**3 195 872**

The value of the liabilities from the issue of debt securities with a variable interest rate as at 30 June 2008 stands at PLN 2,424,988 thousand (31 December 2007: PLN 2,915,019 thousand), and those with a fixed interest rate at PLN 228,097 thousand (31 December 2007: PLN 243,079 thousand). The value of the non-interest liabilities as at 30 June 2008 stand at PLN 33,811 thousand (as at 31 December 2007: PLN 37,774 thousand).

	30.06.2008	**31.12.2007**
	Carrying amount thousand PLN	**Carrying amount thousand PLN**
Liabilities from issue of debt securities, payable in:	2 653 085	3 158 098
from 3 months to 1 year	1 771 589	1 124 703
from 1 to 5 years	881 496	2 033 395
Interests	33 811	37 774
Total	**2 686 896**	**3 195 872**

The liabilities from the issue of the debt securities of the Group include the liabilities from the issue of the bonds and deposit certificates that are not admitted to public trading and the bonds issued by Getin Finance PLC admitted to public trading in Great Britain. The there were no instances in the Group of delays in the payment of the principal or interest, or in redemption of own debt securities.

(data given in PLN thousand)

49 Other liabilities

Other liabilities	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Deferred income	4 628	12 805
Provision for annual leave	6 997	4 222
Provision for other liabilities to employees	2 257	3 839
Provision for fixed cost	19 018	6 722
Other costs to be paid in future	45 034	28 679
Other creditors	36 231	30 169
Interbank settlements	34 695	21 919
Trade liabilities	17 922	17 695
Taxation, customs duty, social security liabilities (excluding CIT)	19 546	17 786
Lease liabilities	4 781	4 545
Payroll liabilities	7 116	7 369
Provision for contingent liabilities	8 833	28 814
Liabilities form debit cards	2 311	1 120
Advances received	29 369	22 259
Special funds	480	76
Contractual fines	703	727
Direct insurance liabilities	27 976	20 421
Reinsurance liabilities	157	235
Liabilities due to budget	176	1 783
Other	63 518	6 717
Other liabilities, total	**331 748**	**237 902**

(data given in PLN thousand)

50 Other provisions

6 months ended 30 June 2008	Restructuring provision thousand PLN	Provision for litigation thousand PLN	Provision for retirement benefits and similar obligations thousand PLN	Provision for granted liabilities and guarantes thousand PLN	Charged insurance premiums and fees thousand PLN	Other provisions thousand PLN	Total thousand PLN
As at 1 January 2008	**7 085**	**5 009**	**445**	**2 900**	**28 353**	**1 781**	**45 573**
Creation/revaluation of reserves	-	339	207	1 627	11 061	-	13 234
Use of reserves	(12)	(8)	(178)	(3 457)	(11 348)	(450)	(15 453)
Dissolution of reserves	(7 073)	-	(23)	-	-	-	(7 096)
Differences in exchange rates	-	-	(8)	-	-	-	(8)
Balance at 30 June 2008	**-**	**5 340**	**443**	**1 070**	**28 066**	**1 331**	**36 250**

6 months ended 30 June 2007	Restructuring provision thousand PLN	Provision for litigation thousand PLN	Provision for retirement benefits and similar obligations thousand PLN	Provision for granted liabilities and guarantes thousand PLN	Charged insurance premiums and fees thousand PLN	Other provisions thousand PLN	Total thousand PLN
As at 1 January 2007	**22 948**	**5 214**	**604**	**1 934**	**-**	**616**	**31 316**
Creation/revaluation of reserves	-	3	488	3 751	10 533	4 357	19 132
Use of reserves	(1 865)	(99)	(514)	(2 300)	(10 313)	-	(15 091)
Dissolution of reserves	(12 608)	(61)	(663)	-	-	(4 001)	(17 333)
Purchasing/selling due to joining entities	90	-	487	8	19 409	(400)	19 594
Other changes	2 772	-	-	-	-	19	2 791
Balance at 30 June 2007	**11 337**	**5 057**	**402**	**3 393**	**19 629**	**591**	**40 409**

(data given in PLN thousand)

Provision for retirement benefits and similar obligations	30.06.2008	31.12.2007
retirement provisions	443	445
Total	**443**	**445**

51 Technical and insurance provisions

Technical provisions	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Unearned premium reserve and provision for the coverage of the unexpired risk	271 775	229 704
Provision for life insurance	136 222	54 913
Provision for unpaid indemnities and benefits	16 423	13 235
Technical provisions, in this:	**424 420**	**297 852**
- short-term	152 991	119 785
- long-term	271 429	178 067

	30.06.2008 thousand PLN			31.12.2007 thousand PLN		
	Gross	Share of the reinsurers	Net	Gross	Share of the reinsurers	Net
Unearned premium reserve and provision for the coverage of the unexpired risk	271 775	265	271 510	229 704	334	229 370
Provision for life insurance	136 222	19 698	116 524	54 913	8 771	46 142
Provision for unpaid indemnities and benefits	15 142	1 884	13 258	13 235	2 004	11 231
submited	*8 032*	*992*	*7 040*	*9 917*	*1 477*	*8 440*
not submited	*7 110*	*892*	*6 218*	*3 318*	*527*	*2 791*
Provision for capitalized value of annuity	1 281	871	410	-	-	-
Loss of value of share of the reinsurers in technical provisions	-	(177)	177	-	(240)	240
Technical provisions, total	**424 420**	**22 541**	**401 879**	**297 852**	**10 869**	**286 983**

The table below presents the change in provisions for unpaid compensations and the capitalised value of rents during financial year.

	01.01.2008-30.06.2008 thousand PLN			24.04.2007-30.06.2007 thousand PLN		
	Gross	Share of the reinsurers	Net	Gross	Share of the reinsurers	Net
Value at the beginning of the period	**13 235**	**1 764**	**11 471**	**-**	**-**	**-**
Increase due to acquisition of subsidiaries	-	-	-	19 286	1 291	17 995
-for compensations reported	-	-	-	13 339	1 063	12 276
- na szkody niezgłoszone (IBNR)	-	-	-	5 294	161	5 133
- na koszty likwidacji szkód	-	-	-	653	290	363
- odpis z tytułu utraty wartości	-	-	-	-	(223)	223
Paid compensations concerning the losses incurred in the previous years, in this:	(3 798)	(135)	(3 663)	(5 375)	(133)	(5 242)
-paid compensations	(3 405)	(98)	(3 307)	(5 193)	(97)	(5 096)
-loss adjustment costs	(393)	(37)	(356)	(182)	(36)	(146)
Paid compensations concerning the losses incurred in this year, in this:	(3 890)	(195)	(3 695)	(6 473)	(142)	(6 331)
-paid compensations	(3 266)	(101)	(3 165)	(5 725)	(97)	(5 628)
-loss adjustment costs	(624)	(94)	(530)	(748)	(45)	(703)
Increase (decrease) provisions, in this:	10 876	1 144	9 732	5 839	358	5 481
-concerning the losses incurred in this year	5 808	890	4 918	4 353	332	4 021
-concerning the losses incurred in the previous years	5 068	254	4 814	1 486	26	1 460
Other changes	-	-	-	-	(133)	133
Value at the end of the period	**16 423**	**2 578**	**13 845**	**13 277**	**1 241**	**12 036**

The table below presents change in provisions for life insurance.

	01.01.2008 - 30.06.2008 thousand PLN	24.04.2007 - 31.12.2007 thousand PLN	24.04.2007 - 30.06.2007 thousand PLN
Value at the beginning of the period	**54 913**	**0**	**0**
Increases on account of subsidiaries acquisition	**-**	14 069	14 069
Increases/creation on account of the concluded agreements in the previous reporting periods	(9 012)	(5 204)	(3 161)
Increases/creation on account of the concluded agreements in this reporting period	95 193	47 670	17 104
Utilization within the reporting period	-	(1 622)	(683)
Value at the end of the period	**136 222**	**54 913**	**27 329**

Technical and insurance provisions adequacy test

The conducted test included the RKCR adequacy test, the IBNR adequacy test, the life provision adequacy test, and the cost test.
On the basis of the performed tests and the assumptions, the Actuary Department states that the technical and insurance provisions (reduced by the activated acquisition costs and the expected premiums) as at 30 June 2008 were created at the level sufficient to cover the liabilities and costs that result from the insurance contracts up to 30 June 2008.

52 Employment benefits

Management Options Program of Getin Holding Group

On the 28 March 2008 The General Meeting of Getin Holding S.A. adopted the resolution on the introduction in the Company of another incentive program for the management staff ("Authorised Persons"), which plays a key role in the realization of the strategy of the Getin Holding Capital Group. Under this program, the share capital of the Company was conditionally increased through the issue of the shares of the N series to 4 million shares. The N series shares are offered to Authorised Persons on the principles specified in the Management Options program. The exercise price for the options under this program is PLN 1 per one option.
Under this program, the dates of granting the options were in July 2008; therefore, in accordance to IFRS 2, the program valuation will be performed in the second half of 2008.

Moreover, in 2007 the valuation of the previous incentive program was ended; the program was accepted on 2 March 2005 by the General Meeting of Shareholders of the Company; under the program 2,779,986 shares of the J series was issued and offered to the Authorised Persons. The exercise price for the options under the program amounted to PLN 2.40 per one option. Total fair value of the options granted within the period to 31 December 2007 under the completed program amounts to PLN 9,990 thousand and was settled within the time by the estimated period of acquiring the rights to the shares of the Company by the persons who participated in the program. The payroll cost was increased accordingly in 2007 by PLN 4,886 thousand.

The fair value of the priority right to take up the shares of the Company is estimated at each date of granting options (priority rights to take up shares of 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 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 all possible realizations.
The projected volatility ratio reflects the assumption that the historical volatility ratio indicates the future tendencies that in practice may turn out to be completely different.

Getin International

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

The purchase price equals 25% of the value of the assets contributed by Getin Holding or the entities related to Getin Holding for the benefit of Getin International, reduced by the amount of all distributions made by Getin International to Getin Holding or its affiliates. The Option Exercise Price equals USD 500 thousand during the first 24 months following the execution of the agreement and, thereafter, 25% of the value of shares of Getin International (such value is to be established pursuant to the agreement or on the basis of the price at which Getin Holding dispose of its shares in Getin International), reduced by the purchase price and the bonus payments made to the managers of Getin International's subsidiaries.

The option may be exercised throughout the term of the agreement. The exercise of the option will be accelerated in the event that the Company ceases to hold more than 50% of shares in Getin

(data given in PLN thousand)

International or in the event the agreement is terminated. The agreement is for an unlimited time period and may be terminated by either party upon three months' notice.
As at 30 June 2008 and 31 December 2007, Getin Holding did not recognise the reserve for the liability towards Mr Afeltowicz under the said agreement pursuant to the estimated option valuation and the probability of earlier termination of the agreement.

Dom Maklerski POLONIA NET S.A.

On 30 June 2008 Getin Holding S.A. concluded an investment contract with Mr Jarosław Augustyniak and Mr Maurycy Kuhn, the subject of which is the collaboration between Dom Maklerski POLONIA NET S.A. (Brokerage House) with its seat in Kraków (hereinafter referred to as „DM POLONIA") and Panorama Finansów S.A. with its seat in Warszawa (hereinafter referred to as „Panorama Finansów"). On the basis of this contract Mr Jarosław Augustyniak and Mr Maurycy Kuhn were granted a conditional put option of privileged shares of DM POLONIA in the number not larger than 698,949 shares that constitute no more than 20% of the initial capital of DM POLONIA. This can be done within three months of the day on which the audited financial statement for the year 2008 was handed over, however under certain conditions. On the basis of the assessment concerning the evaluation of the option, the Group has not recognised the evaluation of the option in this consolidated financial statement.

53 Contingent liabilities

Investment commitments

Before 30 June 2008, the Group did not conclude any significant contract with contractors for the realisation of the planned investment expenditures.

Contingent liabilities and off-balance sheet items	30.06.2008 thousand PLN	31.12.2007 thousand PLN
1. Contingent liabilities given	**1 296 409**	**1 243 905**
a) financing	1 284 646	1 215 640
b) guarantees given	11 763	28 265
2. Liabilities related with purchase/sale transactions	**16 167 006**	**11 936 471**
3. Other off-balance sheet items	**1 235 817**	**1 173 424**
Contingent liabilities and off-balance sheet items, total	**18 699 232**	**14 353 800**

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

Financial liabilities	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Financial liabilities given, total:	1 284 646	1 215 640
- for financial entities	92 422	161 655
- for non-financial entities	1 188 081	1 042 770
- for budget entities	4 143	11 215

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.

Guarantee liabilities given	30.06.2008 thousand PLN	31.12.2007 thousand PLN
1) Liabilities granted to financial entities:	379	142
- guarantees	379	142
2) Liabilities granted to non-financial entities:	11 364	28 053
- guarantees	11 364	28 053
3) Liabilities granted to the state budget:	20	70
- guarantees	20	70
Guarantee liabilities given, total	**11 763**	**28 265**

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

For the companies-lessees, a total amount of the future minimum leasing payments under the irrevocable operational leasing amounts to:

	30.06.2008 thousand PLN	31.12.2007 thousand PLN
For the period:		
to 1 year	15 703	13 255
from 1 to 5 years	43 051	35 667
more than 5 years	8 750	7 233
Total	**67 504**	**56 155**

54 Share capital

Series / issue	Type of shares	Type of privilege	Type of restriction of rights to share	Number of shares	Value of series / issue at nominal value (thousand PLN)	Method of capital coverage	Registration date	Right to dividend (from date)
Shares issue A series	bearer	-	-	100 000	100	cash	23.02.1996	23.02.1996
Shares issue B series	bearer	-	-	5 900 000	5 900	cash	16.03.2000	01.01.2000
Shares issue C series	bearer	-	-	4 000 000	4 000	cash	19.10.2000	01.01.2000
Shares issue D series	bearer	-	-	700 000	700	cash	19.05.2001	01.01.2000
Shares issue E series	bearer	-	-	5 300 000	5 300	cash	19.05.2001	01.01.2000
Shares issue F series	bearer	-	-	54 000 000	54 000	cash	01.08.2003	01.01.2003
Shares issue G series	bearer	-	-	245 000 000	245 000	cash	11.05.2004	01.01.2004
Shares issue H series	bearer	-	-	105 000 000	105 000	cash	19.07.2005	01.01.2005
Shares issue I series	bearer	-	-	114 335 000	114 335	non-monetary contribution	19.07.2005	01.01.2005
Shares issue J series	bearer	-	-	993 000	993	cash	12.01.2006	01.01.2005
	bearer	-	-	995 500	996	cash	11.10.2006	01.01.2005
	bearer	-	-	791 486	791	cash	12.10.2007	01.01.2006
Shares issue K series	bearer	-	-	22 483 776	22 484	cash	24.08.2006	01.01.2006
Shares issue L series	bearer	-	-	16 115 982	16 116	cash	24.11.2006	01.01.2005
	bearer	-	-	64 072 242	64 072	cash	30.04.2007	01.01.2006
Shares issue M series	bearer	-	-	70 000 000	70 000	cash	09.11.2006	01.01.2006
Total number of shares				**709 786 986**				
Total share capital in thousand PLN					**709 787**			
Nominal value of 1 share = 1 PLN								

01.01.2008 - 30.06.2008 in thousand	Shares issued and fully paid	Shares issued and not fully paid	Own shares of entity in its possession or in possession of subsidiaries and associates	Total
As at 01.01.2008	**709 787**			**709 787**
Shares issue:	0	0	0	0
As at 30.06.2008	**709 787**	**0**	**0**	**709 787**

01.01.2007 - 30.06.2007 in thousand	Shares issued and fully paid	Shares issued and not fully paid	Own shares of entity in its possession or in possession of subsidiaries and associates	Total
As at 01.01.2007	**644 923**			**644 923**
Shares issue:	64 073	0	0	64 073
L series	64 073			64 073
As at 30.06.2007	**708 996**	**0**	**0**	**708 996**

The issue price of the L series shares was PLN 448,506 thousand.

(data given in PLN thousand)

55 Other reserves

	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Reserve capital	1 747 892	1 492 850
From sale of shares above their nominal value	1 532 341	1 532 341
Other	141 389	22 914
Retained earnings	74 162	(62 405)
Revaluation reserve	(12 939)	(6 059)
Financial assets avaliable for sale valuation	(16 222)	(7 480)
Deffered tax	3 283	1 421
Other reserved capitals	660 340	289 443
Foreign exchange differences	(26 311)	(17 007)
Bonds convertible to shares – equity component	9 554	9 554
At the end of the period, total	**2 378 536**	**1 768 781**

Changes in retained earnings	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Balance at the beginning of the period	**(62 405)**	**(14 234)**
Transfer of profit for previous year to retained earnings	626 364	160 226
Appropriation of profit of Getin Holding S.A.	(118 258)	(22 914)
Appropriation of profit of Getin Bank S.A.	(273 580)	(142 099)
Appropriation of profit of Noble Bank S.A.	(74 244)	(30 457)
Appropriation of profit of TU Europa S.A.	(10 092)	-
Equalisation reserve	(13 623)	-
Appropriation of profit of Open Finance S.A.	-	(10 351)
Appropriation of profit of Fiolet S.A.	-	(2 576)
Balance at the end of the period, total	**74 162**	**(62 405)**

(data given in PLN thousand)

56 Insurance contracts that are off-balance sheet liabilities

The table below presents information on the insurance contracts of the Group banks for H1 ended 30 June 2008 and the year ended 31 December 2007.

	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Off-balance sheet liabilities in respect of insurance contracts:	13 433	22 375
Guarantees	10 245	21 238
Letters of credit	3 188	1 137
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability)	2	2
Insurance contracts revenue	138	360

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 the accordance of the status between the insurance liabilities for H1 ended 30 June 2008 and the year ended 31 December 2007.

	30.06.2008 thousand PLN	31.12.2007 thousand PLN
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the beginning of period	2	181
Recognition of provisions for guarantees and letters of credit	0	2
Reversal of provisions for guarantees and letters of credit	0	181
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the end of the period	2	2

57 Additional information to cash flow statements

Cash and cash equivalents:

Balance Sheet items	30.06.2008 thousand PLN	31.12.2007 thousand PLN	30.06.2007 thousand PLN
Cash and balances with Central Bank	593 865	263 357	353 153
Current amounts due from banks	161 758	90 437	80 985
Short-term deposits	952 746	516 316	344 720
Cash and cash equivalents prezented in cash flow statement	**1 708 369**	**870 110**	**778 858**

Explanation of significant items in consolidated cash flow statement:

- the purchase of subsidiaries, after the deduction of the cash acquired in the amount of PLN 34,983 thousand, relates to the outflow of funds in connection with purchasing Sombelbank S.A., Akkord-Plus Sp. z o.o., Panorama Finansów S.A., and the Broker House Polonia Net S.A.

(data given in PLN thousand)

Explanation of differences between balance sheet changes in assets and liabilities and changes disclosed in the cash flow statement for H1 2008:

	Balance sheet	Cash flow	**Difference**	**Explanation of differences between value changes in assets and liabilities and value changes displaid in income statement**						
				Exchange differences from foreign entities recounting	Acquisition of subsidiaries	Amounts due from banks displaid in cash	Available for sale disclosed in revaluation reserves	Equity issue and repayment of debt financial instruments displaid in cash flow	Repayment of finance lease receivables displaid in cash flow from financial activity	Elimination of investment purchases liabilities
Change in amounts due from banks and bills of exchange eligible for rediscounting with the Central Bank	438 570	953 986	**(515 416)**	3 140	(23 795)	(494 761)				
Change in financial assets as held for trading and other financial instruments at fair value through profit or loss	22 872	22 869	**3**	3	-					
Change in derivative financial instruments (asset)	(49 209)	(49 211)	**2**	2	-					
Change in loans and advances to customers	(3 142 471)	(3 109 056)	**(33 415)**	6 405	(39 820)					
Change in net investment in the finance lease	(38 089)	(67 332)	**29 243**	29 641	(398)					
Change in financial instruments available for sale	(1 150 289)	(1 156 356)	**6 067**	245	(1 422)		7 244			
Change in deferred income tax assets	(45 318)	(47 256)	**1 938**	1 968	(30)					
Change in share of reinsurer in technical provisions	(11 672)	(11 672)	**-**	-	-					
Change in other assets	(100 009)	(98 229)	**(1 780)**	6 689	(8 469)					
Change in amounts due to banks and other commercial institutions	181 426	196 110	**(14 684)**	(31 401)	16 717					
Change in derivative financial instruments and other financial liabilities at fair value through profit or loss	80 776	80 776	**-**	-	-					
Change in amounts due to customers	4 167 617	4 150 396	**17 221**	(5 457)	22 678					
Change in debt securities in issue	(508 976)	(137 526)	**(371 450)**	120	-			(371 570)		
Change in provisions and provisions for deferred income tax	11 362	11 459	**(97)**	(101)	4					
Change in technical provisions	126 568	126 568	**-**	-	-					
Change in other liabilities	93 846	48 695	**45 151**	(4 293)	14 076				195	35 173

58 Transactions with related parties

The entire Getin Holding Group is controlled by Leszek Czarnecki.
The consolidated financial statements include the financial statements of Getin Holding S.A. and the financial statements of the subsidiaries and associates 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 through Getin Bank:
- BTG Sp. z o.o., in liquidation
- BP Real Nieruchomości S.A.
- BP Telervis S.A., in liquidation
- KONWIN-Kruszwica sp. z o.o., in bankruptcy
- Agencja Rozwoju Lokalnego S.A.
- Biuro Informacji Kredytowej S.A.
- Prefstal Sp. z o.o.

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

Entities affiliated with Getin Holding S.A. through Mr Leszek Czarnecki:
- LC Corp BV
- LC Corp S.A.
- LC Corp Sky Tower sp. z o.o.
- LC Corp Pustynna sp. z o.o.
- LC Corp Stabłowice sp. z o.o.
- Arkady Wrocławskie S.A.
- Katowice Ceglana sp. z o.o.
- LC Corp Dębowa Ostoja sp. z o.o.
- Vratislavia Residence sp. z o.o.
- LC Corp Bajkowy Park sp. z o.o.
- LC Corp Szmaragdowe Wzgórze sp. z o.o.
- Warszawa Przyokopowa sp. z o.o.
- Warszawa Rezydencja Kaliska sp. z o.o.
- Kraków Zielony Złocień sp. z o.o.
- Warszawa Przy Promenadzie sp. z o.o.

- Warszawa Nieruchomości Sp. z o.o.
- Warszawa Przy Promenadzie sp. z o.o.
- Mercurius DM sp. z o.o.
- WLC Construction sp. z o.o.
- RB Investcom sp. z o.o.
- Getin Service S.A.
- RB Computer sp. z o.o.
- Pośrednik Finansowy sp. z o.o.
- Górnoślązak sp. z o.o., in liquidation
- Getin Leasing S.A.
- JML S.A.
- ACC S.A.
- Łódź Pustynna sp. z o.o.
- LC Heart Foundation

Transactions executed by entities of the Group are performed at an arm's length.

Within the framework of the credit activity with affiliated entities, the Group applies standard credit conditions:

- transactions are executed on the basis of principles and conditions approved by the banks belonging to the Group;
- the evaluation of the subsidiary's creditworthiness is based on principles which apply in evaluating the creditworthiness of the clients of the banks belonging to the Group,
- the financial conditions are set taking into account interest rate fluctuations based on WIBOR 3M for corporate loans;
- the principles of securing transaction financing are in line with the instructions concerning legal security in effect at the banks belonging to the Group;
- the banks belonging to the Group also apply general principles of monitoring payments and principles of terminating agreements and collecting debts.

(data given in PLN thousand)

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

	Balance Sheet 30.06.2008			Income statement 01.01.2008 do 30.06.2008				Off-balance sheet 30.06.2008
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Other units, in that:	**137**	**111**	**0**	**0**	**5**	**0**	**0**	**0**
Arkady Wrocławskie S.A.	137	20						
Getin Leasing S.A.		91			5			

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 30.06.2007				Off-balance sheet 31.12.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Associates	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Fiolet S.A.	1							
Other units, in that:	**0**	**165**	**0**	**0**	**0**	**0**	**0**	**0**
RB Computer sp. z o.o.		18						
Getin Leasing S.A.		147						

(data given in PLN thousand)

Transactions of Getin Bank S.A. with related parties

	Balance Sheet 30.06.2008			Income statement 01.01.2008 do 30.06.2008				Off-balance sheet 30.06.2008
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Related parties - non consolidated, in that:	**2 224**	**29 402**	**1 876**	**0**	**709**	**5**	**0**	**0**
BTG Sp.z o.o. w likwidacji	2 039	33	1 691			1		
BP REAL Nieruchomości S.A.	185	20 791	185		474	1		
Agencja Rozwoju Lokalnego S.A.		8 578			235	2		
Associates	**48**	**26 786**	**0**	**3**	**467**	**11**	**0**	**0**
Fiolet S.A.	48	26 552		3	467	9		
Powszechny Dom Kredytowy S.A.		201				1		
PDK Biznes sp. z o.o.		33				1		
Members of Management Boards and Supervisory Boards of dominant entity	4	141 430			1 115	2		66
Other units, in that:	**11 706**	**288 595**	**0**	**368**	**7 104**	**71**	**0**	**3 276**
LC Corp BV		225 883			5 218	2		
LC Corp S.A.		22 493			1 082	2		
LC Corp Sky Tower Sp.z o.o.		8 607			104	1		
Warszawa przy Promenadzie sp. z o.o.		6 283			140	1		
Getin Leasing S.A.		5 411			147	6		
JML S.A.	11 703			368		30		3 276
Other	3	5 256			127	26		

(data given in PLN thousand)

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 30.06.2007				Off-balance sheet 31.12.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Related parties - non consolidated, in that:	**8 291**	**20 638**	**7 453**	**0**	**75**	**3**	**0**	**0**
BTG Sp.z o.o. w likwidacji	2 089	29	1 741			1		
BP REAL Nieruchomości S.A.	185	20 479	185		74	1		
BP Telervis S.A. w likwidacji	6 017	130	5 527		1	1		
Associates	**165**	**8 807**	**6**	**0**	**0**	**0**	**0**	**0**
Fiolet S.A.	144	8 807						
Powszechny Dom Kredytowy S.A.	21		6					
Dominant entity	**7**	**81 145**		**38**		**1**		
Members of Management Boards and Supervisory Boards of dominant entity		7 198			17			90
Other units, in that:	**83 989**	**439 673**	**0**	**1 982**	**4 757**	**71**	**988**	**97**
LC Corp BV		284 872			3 636	3		
LC Corp S.A.		123 044						
LC Corp Sky Tower Sp.z o.o.		2 394						
Arkady Wrocławskie S.A.	72 376	298		1 810	122	28		
Europlan projekt VI sp. z o.o.				141				
Agencja Rozwoju Lokalnego		8 452						
Getin Raty S.A.					82	7	988	
Getin Leasing S.A.		6 749			129	4		
JML S.A.	9 064							
Other	2 549	13 864		31	788	29		97

Transactions of Carcade OOO with related parties

	Balance Sheet 30.06.2008			Income statement 01.01.2008 do 30.06.2008				Off-balance sheet 30.06.2008
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Other units, in that:	**0**	**21 252**	**0**	**0**	**1 315**	**0**	**0**	**0**
LC Heart sp. z o.o.		21 252			1 315			

(data given in PLN thousand)

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 30.06.2007				Off-balance sheet 31.12.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Other units, in that:	**0**	**24 423**	**0**	**0**	**0**	**0**	**0**	**0**
LC Heart sp. z o.o.		24 423						

Transactions of Open Finance S.A. with related parties

	Balance Sheet 30.06.2008			Income statement 01.01.2008 do 30.06.2008				Off-balance sheet 30.06.2008
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Other units, in that:	**40**	**1 147**	**0**	**0**	**57**	**69**	**0**	**0**
Getin Leasing S.A.	30	1 147			57			
JML S.A.	10					69		

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 30.06.2007				Off-balance sheet 31.12.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Other units, in that:	**63**	**1 017**	**0**	**0**	**90**	**0**	**0**	**0**
Getin Leasing S.A.		1 017			90			
JML S.A.	63							

(data given in PLN thousand)

Transactions of Noble Bank S.A. with related parties

	Balance Sheet 30.06.2008			Income statement 01.01.2008 do 30.06.2008				Off-balance sheet 30.06.2008
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Associates	**0**	**91**	**0**	**0**	**0**	**0**	**436**	**0**
Powszechny Dom Kredytowy S.A.		91					436	
Other units, in that:	**0**	**3 753**	**0**	**0**	**184**	**0**	**0**	**361**
Getin Leasing S.A.		3 753			184			
JML S.A.								361

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 30.06.2007				Off-balance sheet 31.12.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Associates	**0**	**0**	**0**	**0**	**0**	**0**	**129**	**0**
Powszechny Dom Kredytowy S.A.							129	
Other units, in that:	**0**	**3 639**	**0**	**0**	**180**	**0**	**0**	**386**
Getin Leasing S.A.		3 639			180			
JML S.A.								386

(data given in PLN thousand)

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

	Balance Sheet 30.06.2008			Income statement 01.01.2008 do 30.06.2008				Off-balance sheet 30.06.2008
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Other units, in that:	**0**	**429**	**0**	**0**	**24**	**314**	**0**	**0**
LC Corp BV						279		
Getin Leasing S.A.		429			24			
Other						35		

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 30.06.2007				Off-balance sheet 31.12.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Other units, in that:	**3 653**	**471**	**0**	**0**	**49**	**598**	**0**	**0**
LC Corp BV	3 631					598		
Getin Leasing S.A.		471			49			
Other	22							

(data given in PLN thousand)

Transactions of TU Europa S.A. with related parties

	Balance Sheet 30.06.2008			Income statement 01.01.2008 do 30.06.2008				Off-balance sheet 30.06.2008
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Associates	**2**	**0**	**0**	**0**	**0**	**54**	**14**	**0**
Fiolet S.A.	2					54	14	
Other units, in that:	**21 478**	**63**	**0**	**602**	**0**	**0**	**88**	**0**
LC Corp S.A.	1 479							
RB Expert S.A.		53					1	
Getin Leasing S.A.	88							
Other	19 911	10		602			87	

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 30.06.2007				Off-balance sheet 31.12.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Associates	**2**	**0**	**0**	**0**	**0**	**0**	**18**	**0**
Fiolet S.A.	2						18	
Other units, in that:	**12 265**	**641**	**0**	**1 543**	**0**	**0**	**179**	**0**
LC Corp S.A.				975				
Arkady Wrocławskie S.A.	30	32						
RB Expert S.A.	1			195			52	
Getin Leasing S.A.	22			1			19	
Other	12 212	609		372			108	

(data given in PLN thousand)

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

	Balance Sheet 30.06.2008			Income statement 01.01.2008 do 30.06.2008				Off-balance sheet 30.06.2008
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Associates	**17**	**9**	**0**	**0**	**0**	**0**	**40**	**0**
Fiolet S.A.	17	9					40	
Other units, in that:	**1**	**0**	**0**	**0**	**0**	**0**	**1**	**0**
RB Expert S.A.	1						1	

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 30.06.2007				Off-balance sheet 31.12.2007
	Gross receivables	Liabilities	Impairment allowances charges on irregular receivables	Interest income	Interest expense	Commission income	Commission expense	Financial obligations and quarantees granted
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Associates	**0**	**0**	**0**	**0**	**0**	**0**	**14**	**0**
Fiolet S.A.							14	

(data given in PLN thousand)

Benefits for members of Management Board

Benefits for members of Management Board of Getin Holding S.A.	Value of benefits	
	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Short-term employee benefits	732	465
Equity-settled payments	0	393
Total	**732**	**858**

Benefits for members of Supervisory Board of Getin Holding S.A.	Value of benefits	
	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Short-term employee benefits	45	42
Equity-settled payments	0	275
Total	**45**	**317**

Benefits for members of Management Boards and Supervisory Boards of subsidiaries	Value of benefits	
	01.01.2008-30.06.2008 thousand PLN	01.01.2007-30.06.2007 thousand PLN
Management Board		
Short-term employee benefits	7 363	6 436
Post-employment benefits	3	67
Other long-term benefits	6 891	0
Severance payments	0	0
Equity-settled payments	75	3 624
Total	**14 332**	**10 127**
Supervisory Board		
Short-term employee benefits	149	111
Other long-term employee benefits	3	0
Equity-settled payments	15	2
Total	**167**	**113**
Aggregated value of benefits	**14 499**	**10 240**

59 Business combinations

Company	Acquisition date	Shares acquired/disposed in ne assets	Shares acquired/disposed in ne assets after acquisition	Consideration paid in PLN thousand	Of which paid with cash	Value of net assets acquired/disposed	Goodwill on acquisition	Badwill on acquisition
Carcade OOO	2003	49,00%	49,00%	5 058	5 058	(2 119)	7 177	
Carcade OOO	2004	11,00%	60,00%	4 554	4 554	4 037	515	
GETIN Bank	2004	71,20%	71,20%	257 177	257 177	115 954	141 223	
GETIN Bank	2005	28,05%	99,25%	530 100	181 379	315 083	215 017	
Fiolet	2005	60,00%	60,00%	3 597	3 597	1 253	2 344	
Open Finance [1]	2005	70,00%	70,00%	6 586	6 586	25 783	-	(19 197)
Noble Bank	2005	99,91%	99,91%	210 594	210 594	203 669	6 925	
GETIN Bank	2006	0,14%	99,39%	239 866	239 866	239 513	353	
Open Finance	2006	30,00%	100,00%	15 924	15 924	11 720	4 204	
Noble Bank	2006	-14,98%	177,35%	31 545	31 545	33 584	(1 025)	
TU Europa S.A.	2006	19,99%	19,99%	112 857	112 857	36 610	76 247	
Getin International S.a.r.l	2006	100,00%	100,00%	3 812	3 812	3 812	-	
Carcade OOO	3.2007	40,00%	100,00%	29 590	29 590	4 258	25 332	
TU Europa S.A.	4.2007	79,47%	99,46%	448 778	448 778	186 551	262 227	
Plus Bank S.A.	5.2007	92,70%	92,7000%	67 523	67 523	25 298	42 225	
Noble Bank S.A.	5.2007	-12,88%	72,12%	157 500	157 500	(73 490)	(1 581)	
Getin Bank S.A.	01-07.2007	0,08%	99,47%	199 736	199 736	199 599	137	
Plus Bank S.A.	9.2007	1,06%	93,76%	738	738	293	445	
Fiolet	9.2007	-20,53%	39,47%			(3 357)	(2 344)	
Plus Bank S.A.	11.2007	5,30%	99,06%	69 619	69 619	69 314	305	
TU Europa S.A.	9-12.2007	0,23%	99,69%	2 535	2 535	622	1 913	
Getin International S.A. [2]	12.2007	100,00%	100,00%	7 575	7 575	4 854	2 721	
Getin Bank S.A.	03-06.2008	0,07%	99,54%	100 543	100 543	100 482	61	
TU Europa S.A. [3]	03.2008		99,69%			5 766	(5 766)	
TU Europa S.A.	02-06.2008	0,05%	99,74%	504	504	162	342	
Noble Bank S.A.	03-06.2008	0,35%	72,47%	7 613	7 613	2 078	5 535	
Getin International S.A.	02.2008		100,00%	118 922	118 922	118 352	570	
Akkord-Plus	12.2007	29,82%	29,82%	122	122	122	-	
Akkord-Plus	02.2008	49,75%	79,57%	17 723	17 723	860	16 863	
SombelBank S.A.	01.2008	56,28%	56,28%	16 976	16 976	12 258	4 718	
SombelBank S.A.	03.2008		56,28%	16 086	16 086	10 760	5 326	
Perfect Finance	03.2008	69,97%	69,97%	252	252	(571)	823	
Dom Maklerski Polonia Net S.A.	06.2008	74,11%	74,11%	10 957	10 957	3 768	7 189	
Getin International S.a.r.l	06.2008	25,00%	100,00%	35 173	-	21 125	14 048	
Total							**834 069**	

1 retrospective adjustment of the acquisition that was settled provisionally in 2005; the negative goodwill was entered retrospectively to the remaining operational incomes of the year 2005;
2 former Akcept S.A.
3 adjustment of the settlement for the acquisition of TU Europa S.A.

<u>Provisional acquisition settlement of companies from H1 2008</u>

Before 30 June 2008 as a result of the share acquisition, the Capital Group took control over Broker House Polonia Net S.A., Akkord-Plus Sp. z o.o., and S.C. Perfect Finance S.a.r.l. Due to the fact that reliable valuation of the fair value of acquired assets, liabilities, and contingent liabilities as well as the separation and valuation of possible intangible assets as at the acquisition dates of these companies had not been possible before the preparation of this consolidated financial statement, the Group performed initial recognition of the purchase of these companies determined provisionally. As a result of the initial recognition, the company's goodwill has been recognised as specified in the table above.

<u>Final settlement of the purchase of TU Europa S.A. - adjustment of the comparative data</u>

In April 2007, Getin Holding took the control over TU Europa S.A. as a result of purchase transaction. Due to the fact, that reliable valuation of the fair value of acquired assets, liabilities, and contingent liabilities as well as separation and valuation of identified intangible assets as at the acquisition date had not been possible in the consolidated financial statement for 2007, the initial settlement of the purchase of this company was determined provisionally.

The factors that contributed to the establishment of the goodwill as a result of the acquisition of TU Europa

The following items that do not comply with the definition of the intangible assets under the requirements of IFRS 3 and 38 contributed to the establishment of the goodwill of TU Europa: not registered trademarks and marketing names, client databases protected under data protection laws, the expertise and the abilities of the employees.

In the first quarter of 2008, Getin Holding Group made the final settlement of the acquisition of TU Europa in the following way:

Assets	938 466
Liabilities	743 213
Net assets at book value	195 253
TU Europa trademark valuation	41 000
Fair value of write off of insurance agreemensts	67 908
Deffered of insurance acquisition costs	(60 768)
Deffered tax liabilities	(9 147)
Net assets at fair value	234 246
Minority interest	1 281
GH share in net assets at fair value	232 965
TU Europa aquisition price	561 635
Goodwill	**328 670**

In accordance with IFRS 3, the final settlement of the acquisition of TU Europa should be recognized in the financial statement retrospectively as at the date of actual gaining of the control in April 2007 through the adjustment of the comparative data; the adjustment is as follows:

in thousand PLN	historical data 31.12.2007	adjustment of comparative data	comparative data as at 31.12.2007 disclosed in this consolidated financial statement
Assets			
Intangible assets	912 600	62 142	974 742
Other assets	275 596	(60 768)	214 828
Liabilities			
Deffered tax liabilities	144 228	1 357	145 585
Minority interest	164 532	17	164 549
Total assets	**19 003 987**	**1 374**	**19 005 361**

The disclosure concerning the entities acquired in the current financial period, pursuant to IFRS 3.67 (i) and 3.70:

I-VI 2008	Income	Net profit/loss for the period	Net profit/loss of acquired company form the date of acquistion not taken into account in net profit/loss of Group	Income of acquired company form the date of acquistion not taken into account in net profit/loss of Group	Net profit/loss of acquired company form the date of acquistion taken into account in net profit/loss of Group	Income of acquired company form the date of acquistion taken into account in net profit/loss of Group	Share in capital as at 30.06.2008
Dom Maklerski Polonia Net S.A.	123 608	965	965	123 608	-	-	74,11%
Panorama Finansów S.A.	3	(299)	-	-	(299)	3	100,00%
Sombelbank S.A.	6 455	856	41	1 284	815	5 171	56,29%
Spólka Finansowa Gwarant Plus sp. z o.o.	-	-	-	-	-	-	100,00%
S.C. Perfect Finance S.r.l.	201	(1 515)	(553)	36	(962)	165	69,97%
Carcade Plus sp. z o.o.	1	(283)	-	-	(283)	1	99,99%
Akkord-Plus sp. z o.o.*	3 688	(1 352)	-	-	(1 352)	3 688	79,57%

In 2007, there were no mergers or acquisitions of entities that were not included in consolidated financial statements in earlier periods.

60 Post-balance sheet events

Below we present the events that occurred after 30 June 2008 and might influence the future results obtained by the Group, but they did not require making any corrections in this statement

On the 23 July 2008, the Company concluded with Getin International S.A. with its seat in Wrocław the cession agreement pursuant to which the Company transferred for the benefit of Getin International S.A. its rights and obligations that result from the option agreement „Put and Call Option Agreement" entered into with Langholm Ltd. with its seat in Nicosia, Cyprus, on the 23 January 2008 and annexed on 5 February 2008 that concerned the re-purchase of 25% of the shares in Getin International S.a.r.l. with its seat in Luxembourg. On the same day, the company Getin International S.A. was summoned by Langholm Ltd. to purchase 25% of the shares in Getin International S.a.r.l. The price for the acquired shares amounted to PLN 35,173 thousand.

Wrocław, 29 August 2008