THE GETIN HOLDING CAPITAL GROUP

CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

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GETIN HOLDING S.A.

Consolidated financial statements for the financial year ended 31 December 2007

To the Shareholders of Getin Holding S.A.

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

The consolidated financial statements for the financial year ended 31 December 2007 included in the consolidated semi-annual report have been prepared on the assumption that the Group will continue as a going concern without any significant limitation to the scope of its activities. These statements present truly and fairly all information concerning the financial standing as at tha balance sheet date as well as the financial results and profitability of the Capital Group for this period.

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 adopted by the EU and have been presented in this Report in the following order:

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

This consolidated financial statement consists of 127 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, Chief Financial Officer

Wrocław, 10 March 2008

(in thousand PLN)

CONSOLIDATED INCOME STATEMENT
for the financial year ended 31 December 2007 and 31 December 2006

	Notes	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Interest income	9	1 143 430	667 435
Interest expense	9	(582 225)	(303 338)
Net interest income		**561 205**	**364 097**
Fee and commission income	10	318 710	204 022
Fee and commission expense	10	(61 714)	(29 707)
Net fee and commission income		**256 996**	**174 315**
Insurance premiums	11	287 651	-
Dividend received	12	2 008	1 178
Result on financial instruments measured at fair value	13	74 813	42 435
Result on investment securities	14	1 352	(7 406)
Foreign exchange result	16	182 048	94 841
Claims and benefits paid	17	(5 240)	-
Change of the value of provision in life insurance policies		(24 580)	-
Other operating income	18	293 754	40 555
Other operating expenses	18	(140 828)	(23 906)
Net operating income		**670 978**	**147 697**
Provisions for impairment losses	21	(104 083)	(88 608)
Administrative expenses	19	(586 460)	(392 308)
Operating profit		**798 636**	**205 193**
Share in net profit (loss) of associates	23	3 780	(38)
Profit / (loss) before income tax		**802 416**	**205 155**
Corporate income tax	24	(134 389)	(35 204)
Net profit /(loss) for the period		**668 027**	**169 951**
Attributable to equity holders of the parent		626 364	160 226
Attributable to minority interest		41 663	9 725
Earnings per share			
– basic for the period	25	0.91	0.29
– diluted for the period	25	0.89	0.28

There were no discontinued activities.

(in thousand PLN)

CONSOLIDATED BALANCE SHEET
as at 31 December 2007 and 31 December 2006

	Notes	31.12.2007 thousand PLN	31.12.2006 thousand PLN
ASSETS			
Cash and balances with the Central Bank	27	263 357	294 546
Bills of exchange eligible for rediscounting with the Central Bank		14	360
Amounts due from banks	28	3 689 711	2 939 875
Financial assets held for trading	29	21 954	80
Derivative financial instruments	30	152 712	48 136
Other financial instruments at fair value through profit or loss	31	123 549	-
Loans and advances to customers	32	11 143 564	6 078 719
Finance lease receivables	33	300 487	155 403
Financial instruments	34	1 733 825	1 620 597
Available for sale	34	1 685 649	1 588 161
Held to maturity	34	48 176	32 436
Investments in associates	35	12 956	113 088
Intangible assets	37	912 600	454 639
Property, plant and equipment	38	145 732	90 877
Investment properties	39	14 205	12 492
Share of the reinsurer in insurance provisions	40	10 869	-
Non current assets classified as held for sale	42	22 467	25 564
Tax assets		180 389	127 825
Current tax assets		2 720	6 458
Deferred tax assets	24	177 669	121 367
Other assets	41	275 596	82 939
TOTAL ASSETS		**19 003 987**	**12 045 140**
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to Central Bank	44	-	-
Amounts due to other banks and finance institutions	45	1 197 864	1 656 755
Other finance liabilities at fair value through profit or loss	46	-	-
Derivative financial instruments	30	77 080	22 382
Financial liabilities at fair value through profit or loss	46	75 794	-
Deposits from customers	47	10 406 102	6 567 175
Issued debt securities	48	3 195 872	1 436 164
Corporate income tax payable		56 256	571
Other liabilities	49	237 902	146 229
Technical and insurance provisions	51	297 852	-
Deferred tax liabilities	24	144 228	78 346
Provisions	50	45 573	31 316
Liabilities directly associated with non-current assets classified as available for sale	40	-	-
TOTAL LIABILITIES		**15 734 523**	**9 938 938**
Equity attributable to equity holders of the parent company		**3 104 932**	**2 056 188**
Share capital	54	709 787	644 923
Retained earnings		(62 405)	(14 234)
Net (loss) profit		626 364	160 226
Other reserves	55	1 831 186	1 265 273
Minority interest		**164 532**	**50 014**
Total equity		**3 269 464**	**2 106 202**
TOTAL EQUITY AND LIABILITIES		**19 003 987**	**12 045 140**

Additional notes to the consolidated financial statement presented on pages 9 to 127 are an integral part of this consolidated financial statement

(in thousand PLN)

STATEMENT OF CHANGES IN THE CONSOLIDATED SHAREHOLDERS' EQUITY
for the financial year ended 31 December 2007 and 31 December 2006

	Attributable to equity holders of the parent company									
			Other capital							
	Share capital	Retained earnings	Reserve capital	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	thousand PLN
At 1 January 2007	**644 923**	**(14 234)**	**1 251 179**	**9 632**	**(206)**	**4 668**	**160 226**	**2 056 188**	**50 014**	**2 106 202**
Net change of investment securities available for sale less deferred tax				(15 691)				(15 691)	222	(15 469)
Cumulative translation adjustment [from translation of subordinated entities]					(16 801)			(16 801)	(932)	(17 733)
Net profit (loss) disclosed in capital	**-**	**-**	**-**	**(15 691)**	**(16 801)**	**-**	**-**	**(32 492)**	**(710)**	**(33 202)**
Net profit (loss) for the period							626 364	626 364	41 663	668 027
Total incomes and expenses disclosed in capital	**-**	**-**	**-**	**(15 691)**	**(16 801)**	**-**	**626 364**	**593 872**	**40 953**	**634 825**
Equity issued	64 864		385 541					450 405		450 405
Costs of equity isssue			(419)					(419)		(419)
Transfer of profit for previous year to retained earnings		160 226					(160 226)	-		-
Appropriation of profit of Getin Holding S.A.		(22 914)	22 914					-		-
Appropriation of profit of Getin Bank S.A.		(142 099)	142 099					-		-
Appropriation of profit of Fiolet SA		(2 576)	2 576					-		-
Appropriation of profit of Noble Bank S.A.		(30 457)	30 457					-		-
Appropriation of profit of Open Finance S.A.		(10 351)	10 351					-		-
Managerial options						4 886		4 886		4 886
Disposal of Noble Bank shares								-	21 794	21 794
Acquisition of Getin Bank shares								-	(222)	(222)
Minority share in issuance/Getin Bank shares Y series								-	333	333
Acquisition of Carcade shares								-	(4 258)	(4 258)
Acquisition of TU Europa S.A.								-	1 250	1 250
Acquisition of TUE shares									(622)	(622)
Acquisition of PlusBank S.A.								-	1 992	1 992
Acquisition of PlusBank shares								-	(293)	(293)
Deemed sale of Noble Bank S.A. shares								-	57 267	57 267
Disposal of Noble Funds TFI S.A. shares								-	2 865	2 865
Dekonsolidation of Fiolet								-	(6 541)	(6 541)
At 31 December 2007	**709 787**	**(62 405)**	**1 844 698**	**(6 059)**	**(17 007)**	**9 554**	**626 364**	**3 104 932**	**164 532**	**3 269 464**

The Getin Holding Capital Group
Consolidated financial statements for the financial year ended 31 December 2007
(in thousand PLN)

	Attributable to equity holders of the parent company									
			Other capital							
	Share capital	Retained earnings	Reserve capital	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	thousand PLN
At 1 January 2006	**534 335**	**(11 952)**	**492 061**	**12 128**	**214**	**1 955**	**78 439**	**1 107 180**	**18 638**	**1 125 818**
Net change of investment securities available for sale less deferred tax				(2 496)				(2 496)	(68)	(2 564)
Cumulative translation adjustment [from translation of subordinated entities]					(420)			(420)	(110)	(530)
Net profit (loss) disclosed in capital	**-**	**-**	**-**	**(2 496)**	**(420)**	**-**	**-**	**(2 916)**	**(178)**	**(3 094)**
Net profit (loss) for the period							160 226	160 226	9 725	169 951
Total incomes and expenses disclosed in capital	**-**	**-**	**-**	**(2 496)**	**(420)**	**-**	**160 226**	**157 310**	**9 547**	**166 857**
Equity issued	110 588		695 475					806 063		806 063
Costs of equity isssue			(17 607)					(17 607)		(17 607)
Transfer of profit for previous year to retained earnings		78 439					(78 439)	-		-
Appropriation of profit of Getin Bank S.A.		(80 554)	80 554					-		-
Appropriation of profit of Fiolet S.A.		(695)	695					-		-
Managerial options						2 713		2 713		2 713
Acquisition of Open Finance								-	(11 719)	(11 719)
Disposal of Noble Bank shares								-	33 570	33 570
Acquisition of Noble Bank shares								-	(192)	(192)
Acquisition of Getin Bank shares								-	170	170
Other		529						529		529
At 31 December 2006	**644 923**	**(14 234)**	**1 251 179**	**9 632**	**(206)**	**4 668**	**160 226**	**2 056 188**	**50 014**	**2 106 202**

(in thousand PLN)

CONSOLIDATED CASH FLOW STATEMENT

for the financial year ended 31 December 2007 and 31 December 2006

	Notes	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Cash flows from operating activities			
Net profit (loss)		668 027	169 951
Total adjustments:		(3 071 923)	(1 385 051)
Depreciation		37 523	29 511
Share in net profits (losses) of associates		(3 780)	38
Foreign exchange (profits)/losses		(1 959)	(47)
(Profit) loss on investing activities		(251 636)	16 464
Interest and dividend		37 035	(619)
Change in receivables from banks	57	(487 799)	(596 982)
Change in financial assets held for trading and other financial instruments at fair value through profit or loss	57	(14 527)	-
Change in derivative financial instruments (assets)	57	(93 690)	(30 551)
Change in loans and advances to customers	57	(4 987 693)	(2 788 284)
Change in finance lease receivables	57	(173 759)	(76 964)
Change in investment securities available for sale	57	(98 532)	(73 402)
Change in deferred tax assets	57	(58 988)	(32 596)
Change in share of reinsurer in technical provisions	57	(9 047)	-
Change in other assets	57	(95 473)	(16 392)
Change in amounts due to banks	57	(450 651)	246 254
Change in derivative financial instruments (liability) and other financial liabilities at fair value through profit or loss	57	129 814	20 961
Change in amounts due to customers	57	3 277 041	1 874 749
Change in liabilities from the issue of debt securities	57	(91 141)	43 907
Change in provisions	57	58 764	(1 264)
Change in technical provisions	57	97 976	-
Change in other liabilities	57	48 841	18 916
Other adjustments		(453)	(20 551)
Income tax paid		(82 919)	(46 210)
Current tax expense (income statement)		143 130	48 011
Net cash from operating activities		**(2 403 896)**	**(1 215 100)**
Cash flows from investing activities			
Inflows		**327 237**	**28 174**
Sale of shares in subsidiaries, net of cash disposed	57	152 634	15 750
Sale of shares in associates		150	-
Sale of investment securities		1 888	2 481
Proceeds from sale of intangible assets and tangible fixed assets		16 570	8 646
Other investing inflows	57	155 995	1 297
Outflows		**(611 018)**	**(194 232)**
Purchase of subsidiaries, net of cash acquired	57	(536 573)	(30 297)
Purchase of associates		(333)	(114 325)
Purchase of investment securities		(5 495)	-
Purchase of intangible assets and tangible fixed assets		(66 569)	(49 357)
Other investing outflows		(2 048)	(253)
Net cash used in investing activities		**(283 781)**	**(166 058)**
Cash flows from financing activities			
Issue of shares		450 405	806 064
Issue of debt securities		1 883 700	1 178 472
Redemption of debt securities issued		(32 327)	(41 383)
Other net financing inflows / expenditure		(44 119)	(21 619)
Net cash from (used in) financing activities		**2 257 659**	**1 921 534**
Net change in cash and cash equivalents		(430 018)	540 376
Net foreign exchange differences		(5 569)	(37)
Cash and cash equivalents at the beginning of the period		1 305 697	765 358
Cash and cash equivalents at the end of the period		**870 110**	**1 305 697**
of which is restricted use		24 226	

Additional notes to consolidated financial statements presented on pages 9 to 127 are an integral part of this consolidated income statement

ADDITIONAL NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 General information

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

The consolidated financial statements of the Group cover the year ended 31 December 2007 and as at 31 December 2007, and contain the comparative data for the financial year ended 31 December 2006.

The registered office of Getin Holding S.A. is located in Wrocław, Poland, at pl. Powstańców Śląskich 2-4. The Company was originally registered under the name "Centaur S.A." on 23 February 1996. Afterwards, on 28 February 2000 the Company's name was changed to Getin Service Provider S.A. On 23 March 2001, Getin Service Provider S.A. was registered with the National Court Register maintained by the District Court for Wrocław Fabryczna, 6th Economic Department of the National Court Register, Entry no. KRS 0000004335. On 24 July 2003 the Company's name was changed to Getin Holding S.A. The Company was granted statistical number REGON 932117232. The Company's core business has been "Capital investments on Polish and foreign markets" (PKD 6523Z).

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

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

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

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

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

The entire Getin Holding Group is controlled by Mr Leszek Czarnecki.

(in thousand PLN)

2 Composition of the Group

As at 31 December 2007 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 31.12.2007	31.12.2006
Getin Bank S.A.	Katowice	Banking	99.47%	99.39%
Getin Finance PLC	London, Great Brytain	Banking	99.47%[1)]	99.39%
Carcade OOO	Kaliningrad, Russia	Lease	100.00%	60.00%
Getin International S.a.r.l.	Luxemburg, Luxemburg	Holding activitiy for retail banking and consumer finance in Russia and Ukraine	100.00%	100.00%
Getin International Polska sp. z o.o.	Wrocław	Auxiliary services for Getin International S.a.r.l.	100.00%[2)]	nd
Noble Bank S.A.	Warszawa	Banking	72.12%	85.00%
Open Finance S.A.	Warszawa	Financial consulting	72.12%[3)]	85.00%
Open Finance MIL	Dublin, Ireland	Customers acquiring and marketing activity on behalf parent company	72.12%[4)]	nd
Open Dystrybucja sp. z o.o.	Warszawa	Noble Group products distribution	72.12%[4)]	nd
Noble Funds TFI S.A.	Warszawa	Financial and investment consulting	50.48%[5)]	85.00%
PlusBank S.A.[8)]	Iwano-Frankowsk, Ukraine	Banking	99.06%	nd
Towarzystwo Ubezpieczeń Europa S.A.	Wrocław	Insurance services – property and life insurance	99.69%	19.99%[6)]
Towarzystwo Ubezpieczeń na Życie Europa S.A.	Wrocław	Insurance services – life insurance	99.69%[7)]	19.99%
Akcept S.A.[9)]	Wrocław	Insurance and agent services	100.00%	nd

1) Getin Bank S.A owns 99.998% shares, while Getin Holding S.A. owns 0.002% shares
2) Getin International S.a.r.l. owns 100% of shares
3) Noble Bank S.A. owns 100% of shares of Open Finance S.A.
4) Open Finance S.A. owns 100% of shares of Open Finance MIL and Open Dystrybucja sp. z o.o.
5) Noble Bank S.A. owns 70% of shares of Noble Funds TFI S.A.
6) Till 23.04.2007, the company was an associate and since 24.04.2007 it has been a subsidiary and has been consolidated with the full method
7) TU Europa S.A. owns 100% shares in TUnŻ Europa S.A.
8) On 14.01.2008 a change of the company's name from Prikarpattya Bank S.A. to PlusBank S.A. was registered
9) On 15.02.2008 the company's name was changed to Getin International S.A. (not registered)

Companies Towarzystwo Ubezpieczeń Europa S.A. ("TU Europa") and Towarzystwo Ubezpieczeń na Życie Europa S.A. ("TUnŻ Europa") form Capital Group Europa ("CG Europa").

CG Europa, PlusBank and Akcept were consolidated from the date of acquisition, properly from 24.04.2007, 01.05.2007, 23.11.2007.

(in thousand PLN)

Associates valued by means of the equity method:

Company name	Reistered office	Type of activity	% in share capital 31.12.2007	31.12.2006
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.[2)]	Wrocław	Financial and insurance agency	39.47%	60.00%
Akkord-Plus sp. z o.o.	Kiev, Ukraine	Distribution network and financial agency for the bank	29.82%[3)]	nd

[1)] PDK Biznes sp. z o.o. is a wholly owned subsidiary of PDK S.A. Till 17.05.2007 the company acted under the business name of Profit sp. z o.o.
[2)] On 1.10.2007 a merger of Getin Raty S.A. and Fiolet S.A. was registered.
[3)] As at 31.12.2007 Getin International S.a.r.l. owned 11% of shares of Akkord-Plus sp. z o.o. and PlusBank owned 19% of shares of Akkord-Plus sp. z o.o. On 11 February 2008 Getin International acquired the remaining 70% of shares of the company Akkord-Plus.

During the period from 01.01.2007 until 31.12.2007 there have been following changes in the composition of the Capital Group:

- On 04.01.2007 Getin International S.a.r.I subsidiary took over 100% shares in Getin International Polska Sp. z o.o. with its registered office in Wroclaw. Getin International Polska Sp. z o.o. was incorporated by the District Court for Wrocław Fabryczna, 6th Economic Department of the National Court Register on 22.02.2007 to the Register of Entrepreneurs; Entry no. KRS 0000274670.
- On 25.01.2007 Getin Holding sold 100% shares of Getin Raty S.A. to RB Investcom Sp. z o.o. Sale price amounted to 5,100 thousand PLN.
- On 14.03.2007 Federal Antimonopoly Service of the Russian Federation made a decision allowing for the purchase of 40% shares of Carcade OOO by Getin Holding. Due to obtaining the permit, Getin Holding became the owner of 100% of shares of the company.
- Package transactions of acquiring 6,258,588 shares of Towarzystwo Ubezpieczeń Europa S.A. with its registered office in Wrocław by Getin Holding, made on the regulated active market, were settled on 23.04.2007. The shares were purchased in a number of 1,979,447 from Mr. Leszek Czarnecki and 4,279,141 shares from LC Corp B.V. with registered office in Amsterdam.
- On 08.05.2007 Getin Holding S.A. acquired 18,015,349 shares of PlusBank S.A. with its registered office in Ivano-Frankovsk, of a total nominal value UAH 18,015 thousand at 10,343 thousand PLN. On 22.06.2007, Getin Holding S.A. acquired further 2,378,550 shares of PlusBank S.A., of a total nominal value 2,378 thousand UAH at 1,388 thousand PLN.
- On 11.05.2007 the increase in the initial capital of Carcade OOO by the amount of 598,160 thousand RUB (64,960 thousand PLN) was registered. After increasing the capital, Getin Holding holds 100% of the shares of the Shareholders' equity of Carcade OOO.
- On 24.05.2007 Noble Bank distributed the total of 30 million shares shares that were offered in the public offering. The issue price per a share was determined at 10.50 PLN. Getin Holding S.A. sold 15 million shares in Noble Bank S.A. of an issue value of 10.50 PLN per share.
- In June and November 2007, Noble Bank S.A. sold the total of 30% of shares of Noble Funds TFI to the persons managing the company Noble Funds TFI S.A. as a result of which the share of Noble Bank in the capital of Noble Funds TFI decrease to 70%.
- On 29.08.2007 Getin Holding S.A. took up 20 thousand shares of Getin International S.a.r.l. in connection with increasing the capital in its subsidiary. The value of the taken up shares was 500 thousand EUR (1,924 thousand PLN). After increasing the capital, Getin Holding holds 100% of shares of Getin International S.a.r.l.

(in thousand PLN)

- On 20.09.2007 the Extraordinary General Meeting of the Company Fiolet S.A. decided on the merger with the company Getin Raty S.A. In return for transferring the capital of Getin Raty to Fiolet, the taking-over company distributed shares to the Getin Raty shareholders. After the registration by the Court on 2.10.2007, the initial capital of the company is PLN 1,520 thousand and Getin Holding holds 39.47% share in the Fiolet S.A initial capital.
- On 24.10.2007 Getin International S.a.r.l. increased its initial capital by 10 000 thousand EUR by issuing 400 thousand shares taken up in total by Getin Holding. After increasing the capital, Getin Holding holds 460 thousand shares making 100% of the initial capital of Getin International S.a.r.l.
- In connection with increasing the capital, Getin Holding S.A. took up 124,991,706 shares of PlusBank S.A. (the increase in the capital was registered on 2.11.2007) and bought up 233,224 shares from the minority shareholders of the bank. As at 31.12.2007 Getin Holding held 145,618,829 shares of the bank constituting 99.06% of PlusBank S.A. initial capital.
- On 23.11.2007 Getin Holding and Getin Leasing S.A. concluded an agreement for the acquisition of 25 thousand shares of the company Akcept constituting 100% of the company's initial capital. Moreover, in connection with issuing the shares, Akcept S.A. company increased its initial capital by 142 million PLN (the increase in the capital was registered on 11.12.2007). Getin Holding concluded an agreement with the company by virtue of which it acquired all newly issued shares. As a result of these agreements, Getin Holding acquired 100% of the shares of Akcept S.A.
- On 7.12.2007 the company Akkord-Plus sp. z o.o. with its registered office in Kiev, Ukraine was founded. Getin International S.a.r.l. took up 11% of the shares of the newly established company, whereas PlusBank took up 19% of the shares of Akkord-Plus. The remaining shares were taken up by Nemung Overseas Ltd, Selena Trading Group Ltd, and Sergey Ostapienko. At the same time Getin International S.a.r.l. concluded a conditional agreement with Nemung Overseas, Selena Trading Group, and Siergiej Ostapienko for the acquisition of the remaining 70% of the shares of Akkord-Plus.
- As a result of increasing the capital of Getin Bank S.A. and buying up the shares from the shareholders of the Bank by Getin Holding S.A., as at 31.12.2007 Getin Holding held 217,992,026 shares of Getin Bank constituting 99.47% of the bank's initial capital.
- As a result of buying up the shares from the shareholders of TU Europa S.A. by Getin Holding S.A., as at 31.12.2007 Getin Holding held 7,850,893 shares of TU Europa constituting 99.69% of the company's initial capital.

Employment in Group companies	31.12.2007	31.12.2006
Getin Holding S.A.	17	13
Getin Bank S.A.	2 440	2 146
Noble Bank Group	725	414
Carcade OOO	437	299
Getin International Group	18	0
PlusBank S.A.	499	*
TU Europa Group	132	*
Akcept S.A.	13	*
Fiolet S.A.	nd	57
Getin Raty S.A.	nd	206
total	4 281	3 135

* not consolidated companies as at 31.12.2006.

3 Management Board of the parent company

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

- 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 these consolidated financial statements, i.e. from 1 January 2007 to 31 December 2007, the following changes took place in the composition of the Company's Management Board:

- as of 7 September 2007, the Company's Supervisory Board appointed Mr Radosław Stefurak a Member of the Management Board
- as of 27 September 2007, the Company's Supervisory Board appointed Mr Krzysztof Rosiński a Member of the Management Board, granting him the function of 1st Vice-President of the Management Board

On 11 January 2008 Mr Piotr Stępniak who as at 31 December 2007 performed the function of the President of the Management Board resigned from the function. That same day, Mr Krzysztof Rosiński, previously performing the function of 1st Vice-President of the Management Board of Getin Holding S.A., was appointed the new president of the company by the Supervisory Board.

4 Approval of the financial statements

These consolidated financial statements were approved for publication by the Management Board on 10 March 2007.

5 Significant accounting policies

5.1 Basis for preparing consolidated financial statements

The consolidated financial statements have been prepared under the historical cost convention, except for derivative financial instruments and 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 thousand PLN, and all figures are given in thousand PLN, unless indicated otherwise.

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

5.2 Statements of compliance

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

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

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

5.3 Estimates

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

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

- Impairment of financial assets

  The assumptions made with respect to estimate of impairment of loans and credits have been described in note 5.17

- Impairment of investments in associates

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

- Impairment of other non-current assets

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

- Valuation of derivative financial instruments (derivatives) and not-quoted debt securities available for sale

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

- Calculation of provision for retirement benefits

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

- Impairment of goodwill

  After initial recognition, goodwill is 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.

An analysis of the parameters that have been used so far in creating premium provision has been performed; on the basis of the tests of compliance the new parameters were accepted.

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

For group 1, the method of premium provision distribution towards the risk was assumed, (in connection with the increased loss ratio during the first 5 months).

In the group 14, with the exception of one product, the method of premium risk division resulting from a risk division (with the reduced loss ratio during the first three months) has been implemented.

In group 16, the method of premium risk division resulting from a risk division (with the reduced loss ratio during the first three months and increased loss ratio during the next five months) has been implemented.

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 tests of compliance.

In the range of property and personal insurance, the Group estimates both the forecasted costs of reported loss on the balance day and incurred loss 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 loss occurrences is mostly estimated on the basis of the future trends. On each balance day, the estimates concerning loss 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 loss value reported until the end of a specific period in the amount of all loss 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 actuarial methods with the preservation of the safety rule. The life insurance preservation includes costs of agreement services and costs connected with the payment of losss 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.

- Capitalised costs of agents commission expenses related to insurance

  Costs of agents commission are accrued over the period of insurance contract. Capitalised costs of agents commission expenses related to life insurance are settled in time according to the method used to calculation of provision for pemium or life insurances

5.4 Measurement and reporting currency

The measurement currency of the parent company, the reporting currency of these consolidated financial statements, and the measurement currency of the companies of the Capital Group is Polish zloty, PLN, with the following exceptions:
The measurement currency of Carcade OOO is the Russian rouble, RUB.
The measurement currency of Getin International S.a.r.l. and Getin Finance PLC is euro, EUR.
The measurement currency of PlusBank S.A. is Ukrainian hryvna, UAH.

5.5 Changes in accounting policies

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

International Accounting Standards (IAS) 1. Presentation of financial statements – disclosures about capital, and
International Financial Reporting Standards (IFRS) 7. Financial Instruments: Recognition and Assessment.

Amended regulations IAS 1 and newly introduced regulations IFRS 7 cover disclosures connected appropriately with the financial risk management objectives and policies and financial instruments. If any events or transactions significant for understanding the presented data took place in the financial years ended 31 December 2007 and 31 December 2006, in accordance with the guidelines of these standards they were disclosed in these statements.

The following interpretations, recently approved by the European Union, have not influenced the financial statements of the Company:

IFRIC 7 Applying the Restatement Approach under IAS 29 "Financial Reporting in Hyperinflationary Economies"

Interpretation IFRIC 8 Scope of IFRS 2

IFRIC 9 Reassessment of Embedded Derivatives.

IFRIC 10 Interim Financial Reporting and Impairment

The application of the amendments presented above has not influenced the Company's operating result or its financial condition.

In 2007, the Group did not introduce any changes in the accounting principles, or any significant changes in the presentation of the financial data.

5.6 New standards and interpretations, published but not effective yet

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

IFRS 8 Operating Segments –applicable to yearly periods beginning as of 1 January 2009,

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

IAS 23 Costs of external financing (changed in March 2007), applicable to yearly periods beginning as at 1 January 2009 until the day this financial statement shall be approved; not approved by the EU.

IFRIC 11 Group and Treasury Share Transactions - applicable to yearly periods beginning as of 1 March 2007, as at the day of approval of these financial statements, not yet approved by the EU,

IFRIC 12 Service Concession Arrangements - applicable to yearly periods beginning as of 1 January 2008, as at the day of approval of these financial statements, not yet approved by the EU,

IFRIC 13 Customer Loyalty Programmes - applicable to yearly periods beginning as of 1 July 2008, as at the day of approval of these financial statements, not yet approved by the EU,

IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction - applicable to yearly periods beginning as of 1 January 2008, as at the day of approval of these financial statements, not yet approved by the EU.

The Management Board does not envisage that introduction of the said standards and interpretations will significantly influence the accounting (policy) principles applied by the Company.

5.7 Consolidation principles

These consolidated financial statements comprise the financial statements of Getin Holding S.A. and the financial statements of its subsidiaries, each of them prepared for the 12 month period ended 30 December 2007. The consolidation packages of subsidiaries have been prepared for the same reporting period as the financial statements of the parent company, using the consistent accounting policies applied for like transactions and economic events. Corrections have been made in order to eliminate any discrepancies in the accounting policies applied.

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

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

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

(in thousand PLN)

5.8 Investments in associates

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

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

5.9 Foreign currency transactions

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

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

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

	31 December 2007		31 December 2006	
	Balance sheet	Income statement	Balance sheet	Income statement
USD	2.4350	2.7484	2.9105	3.0898
EUR	3.5820	3.7768	3.8312	3.8991
RUB	0.0995	0.1077	0.1105	0.1141
UAH	0.4814	0.5456	0.5760	0.6129

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 Prikarpattya Bank S.A. is the Ukrainian hryvna (UAH)
The functional currency of remaining associates is the Polish zloty (PLN).

(in thousand 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 effect the purchase and to bring the asset to a usable condition. In the case of a subsidiary included in consolidation, the acquisition cost of its fixed assets is their fair value estimated as at the acquisition date.

Prepayments for construction in progress are stated at nominal value.

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

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

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

Group of 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 assets which do not generate cash inflow in a sufficiently independent manner, the recoverable amount is determined for the cash-generating unit to which the given asset belongs. Impairment write-downs are disclosed in the income statement in the cost of sales of the given item.

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

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

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

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

5.11 Investment property

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

5.12 Intangible assets

Intangible assets are assets which meet the following criteria:

-are separable, i.e. are capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or

-arise from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

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

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

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

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

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

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

5.13 Goodwill

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

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

5.14 Lease receivables

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

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

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

5.15 Cash and cash equivalents

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

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

5.16 Financial assets

Financial assets are divided into the following categories:

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

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

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

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

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

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

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

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

5.17 Allowance for impairment losses on credits, loans, and receivables

The value of credits, loans, 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. Credits, loans, and receivables which are considered to be individually significant, including those the capital of which exceeds 1 million PLN, are subject to individual evaluation for impairment. The impairment of an individual loan, credit or receivables is recognized and as a consequence a write-down due to the impairment is recognized in the situation where there are objective evidence of the impairment due to one or more events which shall influence future estimated cash flows on such credits, loans, 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 in 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-down.

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-downs due to the impairment of credits that are subject to collective verification are set on the basis of the following assumptions:

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

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

5.18 Derivatives

The Group carries out transactions with the use of derivative financial instruments i.e. currency swap (FX Swap), CIRS ("cross currency interest rate swap") or other contract of the currency rate's change. Currencies purchased and sold as part of such transactions are translated using the sell and buy rate, as appropriate, quoted by the National Bank of Poland as at the balance sheet date and are recognized in off-balance sheet items.

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

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

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

5.19 Hedging instruments

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

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

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

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

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

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

The Group ceases to use the hedge accounting principles if a hedging instrument expires, is sold, dissolved or executed, if the hedging fails to fulfill the hedge accounting criteria, or when the Group cancels the hedging relationship. Each adjustment of the carrying amount of the hedged financial instrument to which the effective interest rate method is applied is subject to amortization, and the write-downs 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-down on the impairment of reassurance assets is made 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-down can be reliably defined.

5.21 Contingent liabilities or commitments

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

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

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

5.22 Shareholders' equity of the Capital Group

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

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

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

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

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

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

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

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

5.23 Minority shareholders' equity

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

5.24 Provisions

Provisions are recognised when a company of the Capital Group 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 the amount of the obligation can be reliably estimated.

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

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

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

Premium provisions

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

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

Life insurance provisions

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

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

Technical-insurance provisions adequacy test

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

5.26 Financial liabilities valuated on the basis of depreciated cost

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

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

5.27 Retirement benefits

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

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

5.28 Revenue recognition, costs and financial profit/loss

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

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

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

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

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

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

The costs of the reporting period concerning interest payable on client accounts and liabilities from the issuance of treasury securities are taken to the income account, also using the effective interest 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 credits and loans with unspecified installment payment dates and unspecified changes in interest rates i.e. overdrafts and credit card loans, commissions are accrued over the period of credit card validity or overdraft limit availability using the straight line method and recognised as commission income.

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

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

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

5.29 Dividends

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

5.30 Current tax expense and deferred tax

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

For the purpose of financial reporting, deferred tax is calculated using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amount reported in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences:

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

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

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

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

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

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

The Group offsets deferred income tax assets against deferred income tax liabilities only andexclusively when it holds an enforceable title to offset receivables against current income tax liabilities, and when the deferred income tax is related to the same taxpayer and the same tax authority.

5.31 Social assets and Social Fund liabilities

In Poland, The Act on Social Fund requires enterprises that have at least 20 employees (counted on a full time basis) to establish and run a Social Fund. The Group companies operate such a Fund and make periodic contributions to it based on the minimum required amount. Additionally, the Fund's income includes the income proceeds received from the use of the social assets. The purpose of the Fund is to subsidize the maintenance of the Company's social assets and to finance social activity.

The Social Fund liability is made up of accumulated income of the Social Fund less non-refundable expenditure by the Fund.

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

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

5.32 Share-based payment transactions

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

Equity-settled share-based payment transactions

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

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

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

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

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

Transactions settled in monetary assets

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

5.33 Acquisition of minority interests

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

6 Effects of changes in accounting policies

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

7 Financial risk management objectives and policies

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

Objectives and policies of financial risk management in Getin Bank S.A.

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

As at 31.12.2007, the credit risk of balance sheet and off-balance sheet financial instruments related to bank portfolio, measured by the risk-weighted amount of off-balance sheet assets and liabilities is 10,710,211 thousand PLN, while that measured by the equity requirement is 856,820 thousand PLN. (31 December 2006: 6,431,468 thousand PLN, 514,522 thousand PLN).
The equity requirement in respect of the exposure of the trading portfolio (currency risk, debt instrument specific risk, general interest rate risk, transaction settlement risk and business partner risk) as at 31.12.2007 was 3 thousand PLN. (31.12.2006: 5 thousand PLN).

Methods and objectives of financial risk management

The objective of the asset and liability management policy (the "ALM policy") is to optimize the balance sheet structure and off-balance sheet items in order to maintain the adopted income to risk ratio. From the strategic point of view, it is the Bank's Management Board that is responsible for risk management, which appointed three committees for the purposes of operating management: Loan Committee, Asset and Liability Management Committee ("ALCO") and Operating Risk Committee. These committees are responsible for managing certain assigned risks at the operational level, as well as for monitoring the risk level and establishing the day-to-day policy in line with the strategy adopted by the Bank's Management Board and the internal limits and supervisory regulations. All current Bank regulations on market risk management take into account the requirements of the Recommendations of the General Inspector for Banking Supervision.
In its operations, the Bank is exposed to credit risk, liquidity, market and operating risk. According to the resolution of the Commission for Banking Supervision, the Bank is obliged to calculate capital adequacy requirements against the individual types of risk. The Resolution of the Committee for Banking Supervision defines the calculation method of capital adequacy ratio, whereby, apart from credit risk, certain capital requirements in respect of other risk types (e.g. currency risk, interest rate risk in commercial book) are included in the calculation of the capital adequacy ratio. The capital adequacy ratio defined by the Banking Law at the minimum 8%, was 10.9% as at 31.12.2007. (at 31.12.2006 -12.2%).

Credit risk

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

1) It acquires and keeps in its portfolio, loan exposures which ensure safety of deposits and Bank's capital by earning stable income.

2) In taking loan-granting decisions, Getin Bank SA examines the risks arising from a given transaction in the context of the general credit risk of the given client and industry as well as a number of other events that may have an impact on the client's ability to pay its debts.
3) A loan or other exposures are granted when the client meets the conditions determined in the Bank's internal regulations.

The Bank carries out its business activities in the following four areas:

- financing purchases of cars,
- mortgage banking,
- consumer loans (cash loans, instalment loans, credit cards),
- servicing SMEs and state budget entities (mainly through factoring, leasing, short-term working capital loans).

The Bank has procedures in place for the individual loan products and Lending Strategy and Policy, which set the principles, instructions, guidelines and recommendations related to the issues connected with lending activities and at the same time, it is the basic instrument of employing the Bank's chosen strategy towards the credit risk.

In order to ensure objective assessment of credit risk at Getin Bank, within the structure of the trading areas, the sales process (acquiring clients) has been separated from the process of credit risk assessment and acceptance. Each area has a separate acceptance centre which is responsible for the assessment and acceptance of the particular loan applications, and units responsible for credit risk management and maintenance of an appropriate level of risk in respect of particular products. There is a rule that credit risk analysis shall be separated from credit risk control.

The procedure applied to taking loan-granting decisions is approved by the Bank's Management Board. Such powers are granted to the Bank's employees on an individual basis, depending on their skills, experience and functions performed. Each acceptance centre has a Loan Committee which takes loan-granting decisions that go beyond the powers granted to the employees and director of the centre. Furthermore, within the Bank's Headquarters, the Bank has a Loan Committee which takes decisions which exceed the powers granted to the particular acceptance centres. Decisions exceeding the powers of the Bank's Loan Committee are taken by the Management Board of the Bank. Any changes to the existing decision taking procedure must be accepted by the Management Board.

Getin Bank follows internal regulations which make it possible to determine the level of the credit risk associated with the given Client as well as the acceptability of that risk. Both in the phase of granting a loan, and subsequent monitoring of the loan, client's creditworthiness is evaluated as follows:

- for private individuals, based on detailed procedural regulations relating to the level of the required credit capability; the Bank applies scoring for cash loans,
- for SMEs, credit analysis includes scoring.

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

The Bank applies a wide range of legally permissible securities, appropriate to the characterictcs 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 Bank in case some threats occur that hinder or prevent the fulfilment of the credit agreement obligations by the borrower. The basic security limiting the Bank's risk, in particular the credit risk, is a good financial standing of the borrower and the credit worthiness possessed by him. While selecting the securities, the Bank takes into account the type and value of the credit, its term, legal status and financial standing of the entity, as well as the Bank's 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 bank monitors the securities on the dates of carrying out periodic (quarterly or annual) reviews of credit exposure and during functional controls in the trading areas.

Geting Bank S.A. monitors and assesses 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 the Credit Risk Department. The results of the analyses carried out by the trading areas are presented in the periodic reports and provided to the Credit Risk Department. The conclusions drawn from these analyses are used by the Credit Risk Department for current managing of the credit risk in the Bank.

An independent Credit Risk Department operates within the structure of the Bank's Headquarters. It is responsible for managing the credit risk in the Bank and preparing reports on the credit risk in the Bank's operations. In particular the Credit Risk Department is responsible for monitoring the whole Bank's loan portfolio, as well as for the quality of the procedures applied and for ensuring that appropriate standards in the loan-granting process are observed. Other tasks of that Department include 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 Bank's 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 Basel 2.

<u>Market risk</u>

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

a) currency risk

The primary objective of currency risk management is to shape the structure of currency assets and liabilities and off-balance sheet items in line with the applicable prudence norms set forth by the banking law and the adopted internal limits.
The responsibility for the management of currency risk lies with the Treasury Department, while the oversight role over limits and prudence norms is exercised by ALCO.

The calculation of the Bank's exposure to currency risk and calculation of the capital adequacy ratio required to cover that risk is made on a daily basis and reported to the Bank's Management Board and Bank's Management as part of management information system.
The Bank adopted the so-called basic method of calculating capital adequacy ratio against the currency risk exposure. The capital adequacy ratio against currency risk was calculated as the product of 8% and the absolute value of the total currency position.

In monthly periods, the Controlling and Market Risk Office provides the Asset and Liability Management Committee with the information about shaping of profit or loss from the position of exchange and about the currency risk management, including shaping of the Bank's currency positions in particular currencies and observance of the open currency item limits.

b) interest rate risk

The objective of the interest rate risk management policy at Getin Bank is to mitigate the risk of decrease in projected interest income as a result of a change in market interest rates. The ALCO is responsible for the management of this risk.

The interest rate risk management consists in minimising the risk of negative impact of changes in market interest rates on the Bank's financial situation by:
- setting and observing limits on the admissible level of interest rate risk;
- preparing periodical analyses of the interest rate risk level and sensitivity of the profit and loss account to interest rate changes;

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

The Controlling and Market Risk Office prepares and provides the Asset and Liability Management Committee with information in this area in monthly periods.

Liquidity risk

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

Liquidity management, as an element of the ALM policy, is the responsibility of the ALCO, while management of current liquidity is the responsibility of the Treasury Department.
The Asset and Liability Management Committee monitors, on a monthly basis, the liquidity risk level. The assessment of the liquidity risk is made using the following analyses:

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

In order to ensure the required liquidity level, the Bank shapes the structure of assets and liabilities in line with the adopted internal limits and in line with the NBP recommendations. In order to ensure the optimum liquidity level, the Bank:

- maintains liquidity reserves in secure marketable assets of the financial market;
- has the possibility to use additional sources of financing in the form of the NBP lombard loan or technical loan.
- finances the credit action with the obtained, stable deposits.

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

Operating risk

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

Getin Bank SA manages the operating risk in accordance with the "Operating risk management strategy in Getin Bank S.A." arranged by the Management Board and approved by the Bank's Supervisory Board.

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

Operating risk management comprises all processes and systems connected with performing bank activities, providing the clients with financial services rendered under the Bank's objects. All Bank's organization units and entities as well as the Operating Risk Committee, supporting the activities of the Bank's Management Board, actively participate in the system of operating risk management.

Safety and Operating Risk Department functions in the Bank as an entity managing operating risk. It is subordinated to the Vice-President of the Management Board responsible for safety and managing the operating risk in the Bank.

The Bank has a system of reporting on and measuring the operating risk supported by an appropriate IT system, which is dedicated software for operating risk management.

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 Bank's 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 Bank 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.

Objectives and policies of financial risk management in Noble Bank S.A.

In its operations, the Bank is exposed to the risks:

- credit (risk),
- liquidity,
- market (including interest rate risk, currency risk, securities price risk), and
- operating risk.

As at 31 December 2007, the credit risk of balance sheet and off-balance sheet financial instruments related to the bank portfolio, measured by the risk-weighted amount of off-balance sheet assets and liabilities was 1,383,304 thousand PLN (as at 31.12.2006: 185,046 thousand PLN) while that measured by the equity requirement was 110,664 thousand PLN (as at 31.12.2006: 14,801 thousand PLN).

<u>Methods and objectives of financial risk management</u>

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

In its operations, the Bank is exposed to credit risk, liquidity, market and operating risk. According to the resolution of the Commission for Banking Supervision, the Bank is obliged to calculate capital adequacy requirements against the individual types of risk, and hence to ensure that the Bank's own funds match the exposure level. The Resolution of the Committee for Banking Supervision defines the calculation method of capital adequacy ratio, whereby, apart from credit risk, certain capital requirements in respect of other risk types (e.g. currency risk, interest rate risk) are included in the calculation of the capital adequacy ratio. As at 31 December 2007, the capital adequacy ratio defined by the Banking Law at the minimum 8%, was 21.45% (as at 31.12.2006: 55.50%).

<u>Credit risk</u>

Credit risk management in Noble Bank SA is to ensure safety of lending activities conducted by the Bank while maintaining a rational approach to risk. The Bank controls credit risk by introducing and observing internal procedures for monitoring loans extended and by regularly analysing the financial condition of the borrowers and repayments of the loans granted.

In 2007, the Bank runs intensive debt collecting activities. Its activities were mainly concentrated on intensifying the debt collection processes with reference to the “old” housing portfolio; therefore, issues related to the management of irregular loans, their restructuring and collection were treated as a priority. In addition, the Bank started granting new loans, focusing on the segment of mortgage loans and loans secured by financial assets.

Credit process

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

Credit monitoring

The Bank has detailed procedures concerning monitoring of extended credits. Three stages of Bank’s activities can be distinguished in these procedures, should any disturbances in repayment of the loans appear, i.e., monitoring, collecting and execution. Each activity ascribed to these stage is described in detail (including persons responsible for carrying them out) in internal regulations of the Bank.

Regulations binding in the Bank in connection with the agreements covered by reconstruction or collecting activities are as follows:
1. regulation on monitoring retail receivables of the Bank,
2. regulation on monitoring clients running business activity.

<u>Market risk</u>

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

a) interest rate risk

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

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

b) currency risk

Within its operating activities, Noble Bank S.A. strives for minimisation of currency risk, by maintaining the value of total currency position on the level lower than the limit accepted in the Guidelines “Currency risk management in Noble Bank S.A.”. The value of the total currency position may not exceed 2% of the Banks own funds. The assumed limit is in force on each working day. The value of currency positions denominated in PLN is translated at the average exchange rate of the National

Bank of Poland in force as at the reporting day. The Risk and Controlling Department monitors performance of the limit set forth by the Management Board.

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

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

Liquidity risk

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

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

Operating risk

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

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

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

- Identification and estimation of the operating risk in all products, banking activities, processes and systems. Making sure, that before these products, processes and systems are presented or implemented into the Bank's structures, the risk resulting from them is appropriately estimated.
- Estimation via implementation ultimately the "self-estimation" system and on current basis, via risk ratio system indicating and estimating the influence of the operating risk on the Bank's losses based on historical data on such losses (tracking and registering significant information on single events that bring about a loss). The historical data covers period from effective date of internal regulations on operating risk. The estimation process has an auxiliary function in:
  -granting priority to hazards,
  -specifying the appropriate access levels,
  -estimating gaps in securities.
- Creating a Database of losses based on the registered single events bringing about losses. Each event introduced to the database is described on the appropriate gravity level.
- Monitoring via receiving regular reports from appropriate units, functional groups, departments

and internal audit carrying out periodical audits on operating risk (including among others: specifying identification criteria for particular types of events, and also incidents, providing access to knowledge and training for personnel).

- Reports on the extent of Bank's exposure to loss under the operating risk and events taking place. The reports are prepared quarterly and then sent to the Supervisory Board, Bank's Management Board and Internal Audit.

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

Objectives and policies of financial risk management in Capital Group Europa

In its operations, the company faces the following risks:

- The risk of technical-insurance and reinsurance activity, (the risk of net premium, the risk of provision calculation and the risk of reinsurance activity),
- Market risk (interest rates risk, securities price risk and currency risk),
- Liquidity risk,
- Credit risk,
- Operating risk.

<u>Insurance risk</u>

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

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

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

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

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

Concentration of insurance risk

Reserves for outstanding claims	**31.12.2007**	
life insurance	5 670	42.84%

accident and sickness insurance	672	5.08%
accident insurance	99	0.75%
sickness insurance	229	1.73%
goods-in-transit insurance	1	0.01%
insurance against losses caused by natural forces	24	0.18%
insurance against other damage to property	17	0.13%
third part liability ensuring from the possesion and use of self-propelled land vehicles risk	1 914	14.46%
general third part liability risk	0	0.00%
credit insurance	3 587	27.10%
insurance guarantee	2	0.01%
insurance of various financial risks	408	3.08%
insurance of assistance	610	4.61%
Total	**13 233**	**100.00%**

Sensitivity analysis of the equalisation reserve:

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

The provisions for the incurred but not reported loss (IBNR) are sensitive to changes of ULR parameters (Ultimate Loss Ratio) and pk coefficients (describing the development of loss in subsequent months of delay). As at 31.12.2007, the IBNR provision for the groups: accident, sickness, automobile liability, credits, various financial risks, was 96.59% of the whole IBNR provision gross for TU Europa S.A., 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 reflects changes in the IBNR provision while lowering /increasing the final parameters of the forecasted ultimate loss ratio ULR (data in thousand PLN):

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 reflects changes in the IBNR provision while shortening/extending the parameters describing the speed of reporting pk loss (other for each group, data in thousand PLN):

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

Sensitivity analysis in life insurance

Provisions for losses are subject of changes of mentioned above key assumptions. Sensitivity of certain assumpitons such as legal changes or uncertainty in estimation process are difficult to quantification and measure. Furthermore, due to fluctuating delays between loss occuring, its notification and eventually adjustment, provisions for losses cannot be certainly stated as at reporting day.

(in thousand PLN)

As a result, final amount of entity liabilities arised from occured losses shall be different depending on development of contract portfolio, which company concluded. Differences from bringing up-to-date final amounts of liabilities are disclosed in financial reports for the next financial years.

The table below shows an influence of different changes in assumptions which are placed in range of possibile results connected with unknows related to estimation process.

	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	10,00%	111,55%	7 019	(727)	(581)
Average number of losses	10,00%	111,62%	7 024	(731)	(585)
Average loss adjustment period	15,00%	113,03%	7 112	(820)	(656)
Technical rate	Chang 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

<u>Interest rate risk</u>

Market conditions and continually changing shape of the profitability curve as well as the level of the market interest rates are the sources of the interest rate risk. Mainly the treasury bonds of fixed interest rate, valuated in accordance with the fair value, are exposed to the interest rate risk. Investments into State Treasury debt securities are assessed as the safest, however the applied fair value valuation, brings about the fact that apart from the interest profits, the Company is also exposed to risk of changing the current value of the bonds capital. The structure of deposits is shaped on the basis of the expected changes of the interest rates. The interest rates risk is limited by the share of deposits exposed to this risk in the entire deposit portfolio and also by determining such deposit periods that would not result in significant loss in case of unfavourable changes of the interest rates.

The main device assumed to evaluate the interest rate risk is the duration of treasury securities portfolio. The value of duration is calculated and analysed on a monthly basis. Maintaining the low value of duration is one of the assumptions accepted in investment policy of the company.

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

In the case of products of insurance and investment type with one-off premium, the applied method is the method of precise adjustment of the maturity periods of obligations under the granted insurance coverage and maturity of deposits being the security of payment of the said obligations. In the situation where the interest rate of placements (fixed during the whole period) guarantees the acqusition of funds sufficient to satisfy future insurance liabilities, the company has guaranteed full coverage of technical and insurance provisions by assets, as well as expected earning potential of the product.

<u>Securities price risk</u>

The share price changes risk is connected with direct or indirect deposits into shares of the companies quoted on a regulated market. The portfolio is managed by a specialized institution offering asset management on commission and having the Polish Financial Supervision Authority consent for this type of activity.
Based upon a specified benchmark and imposed commitment limits, this institution makes independent decisions taking into consideration profit and risk. The statement of carried out transactions and the list of shares in the portfolio is provided to TU EUROPA every month, whereas the risk analysis of the portfolio is presented on the Investment Committee meeting. The Investment Committee determines the level of commitment into shares and other instruments. As at 31 December 2007, TU EUROPA held shares of total value of 21,954 thousand PLN, quoted on Warsaw Stock Exchanged in Warsaw. As at the day of preparing the report, TU EUROPA had not held shares quoted on regulated market.

As at 31 December 2007, the TU EUROPA Group held units in investment funds. Largely, these units constitute deposit of insurance capital funds managed by TU na Życie EUROPA SA. The insured may take decisions regarding redemption of these units within the purchased life insurance policies with insurance capital funds. It means that the change of the units' value does not directly influence the Group's profit or loss. The total value of the held units of investment funds deposited at the Group's risk is less than 1 million PLN.

Currency risk

As regards the currency risk, the objective of CG EUROPA in insurance having the element of currency risk is eliminating the risk by depositing funds in the same currency as the provisions.

The Company offers products for which the premium is collected in PLN and the potential amount of loss and number of losses depends on the exchange rate fluctuations. The value and number of indemnities paid may increase or decrease depending on the position of the Polish currency. The Company minimizes the said risk by shortening the insurance period and collecting the premium from the insurance sum, each time denominated to Polish zloty.

Within the investment activity, the possible currency risk (loans in foreign currencies) is minimized through the conclusion of forward currency sale transactions.

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

Credit risk

The credit risk in the insurance activities of EUROPA Capital Group is highly minimised. 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 companies associated with EUROPA Capital Group. The Company also granted a loan to the equity related companies, (these funds are not a coverage for the technical and insurance provisions in accordance with the Act of 22 May 2003 on the Insurance Activity, Journal of Laws, 2003, no. 124, item 1151).

In other areas of the insurance activity, the credit risk appears mainly while collecting the retrospective debts from the perpetrators of loss (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 other operating areas of the company, the credit risk is largely limited and does not significantly influence the financial standing of the Company.

In the company's deposit activity, the credit risk assessment is carried out based upon the following:

- Rating given by rating agencies such as: Standard & Poor's, Moody's Investors Service and Fitch Ratings
- Value of own capital, net result and capital adequacy ratio

The Company's exposure to the credit risk of the bank deposits is calculated on the basis of rating of the Polish banks by Moody's Investors Service and bankruptcy probability.

The value of own capital, net profit, or loss and capital adequacy ratio are used for specifying the limits of maximum value of the funds placed for each bank.

The companies that are not covered by granting limits undergo individual credit analysis.

<u>Operating risk</u>

The operating risk is the risk of a loss as a result of inadequacy or unreliability of internal processes, people and systems or as a result of the influence of external factors.
In order to minimize and reduce the operating risk, the Company has and applies a series of internal regulations.

Apart from internal audits carried out by particular organization units and functional controls, the verification of compliance of the activities with the legal provisions, is additionally carried out in the Company by a separate organization unit, dealing with internal control (Control Department). The Control Department activities are carried out based upon the control plan and orders of the Company's Management Board, for which the control results are reported.

Objectives and policies of financial risk management at Carcade OOO

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

<u>Market risk</u>

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

The interest rate risk is subject to analogical matching processes. The risk is eliminated by taking out bank loans with the same interest rate features. Since lease assets are based on a fixed interest rate, they are financed with liabilities also with a fixed interest rate. Interest rates of lease products are decreased proportionally to the decrease in interest rates of liabilities.

<u>Credit risk</u>

Credit risk is minimized in the following way:

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

Maximum credit exposure

On the basis of historical results, Carcade OOO evaluates at the date of 31.12.2007 the maximum credit exposure at the level of 1.52% of the net investments in the lease resulting from active lease contracts (at 31.12.2006: 1%). Credit risk is very dispersed and divided into approximately 11,561 agreements (2006: 7,590) of an average value of USD 30,193 (2006: 21,970 USD).

<u>Liquidity risk</u>

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

<u>Operating risk</u>

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

Objectives and policies of financial risk management in PlusBank S.A.

PlusBank S.A. manages the risk applying the following methods:

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

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

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

Credit risk

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

Simultaneously, within financial risk management, the provisions for credit risks are made. As part of this risk's monitoring, the Bank performs, on a regular basis, an assessment of the economic and financial condition of the borrower, the timeliness of repayment of liabilities to the bank. Provisions are made every month.

Liquidity risk

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

Interest rate risk

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

Currency risk

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

(in thousand PLN)

Concentration of credit risk in the companies of the Capital Group

Getin Bank S.A.

As at 31 December 2007 and 31 December 2006 the Bank did not exceed the ratio of the exposure concentration specified by the Bank Law.

Receivables' concentration limits: Banking Law article 71 section 1	31.12.2007 thousand PLN	31.12.2006 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	291 856	196 753
Largest exposure to one customer		
% of own funds	8%	10%
% share in the loan portfolio	1%	1%
Exposure to 10 largest customers		
% of own funds	26%	26%
% share in the loan portfolio	3%	3%
Largest exposure to one capital group		
% of own funds	17%	15%
% share in the loan portfolio	2%	2%
Exposure to 5 largest capital groups		
% of own funds	24%	22%
% 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	233 485	157 403
Exposure to group of customers related to the bank		
% of own funds	17%	15%
% share in the loan portfolio	2%	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	9 339 401	6 296 103
Individual exposure		
% of own funds	17%	15%
% share in the loan portfolio	2%	2%

Exposure concentration of Getin Bank by industry product:

Industry as per PKD	31.12.2007 %	31.12.2006 %
A - Agriculture and hunting	**0,2**	**0,2**
C - Mining	**0,0**	**0,1**
D - Production activity	**2,9**	**3,6**
E - Delivery of electric energy and gas	**0,0**	**0,1**
F - Construction industry	**1,4**	**1,4**
G - Wholesale and retail trade	**4,5**	**5,8**
I - Transport, warehouse management and communication	**4,4**	**3,4**
J - Finance agency	**1,4**	**1,0**
K - Real estate service	**1,8**	**1,8**
L - Public administration	**0,2**	**0,7**
Other sections	**1,2**	**1,6**
Private persons	**82,0**	**80,3**
Total	**100,0**	**100,0**

(in thousand PLN)

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

Structure of credit portfolio	31.12.2007 %	31.12.2006 %
Borrowings to private persons	**82,0**	**80,3**
including:		
-cars loans	14,2	18,4
-instalment and cash loans	0,6	1,3
-real estate	52,1	48,9
-other	15,1	11,7
Corporate loans	**18,0**	**19,7**
Total	**100,0**	**100,0**

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

Administrative regions of Poland (voivodships)	31.12.2007 %	31.12.2006 %
Dolnośląskie	10,7	11,5
Kujawsko-Pomorskie	3,7	3,1
Lubelskie	3,2	3,2
Lubuskie	2,4	1,9
Łódzkie	6,5	6,5
Małopolskie	6,4	6,0
Mazowieckie	21,8	22,0
Opolskie	2,0	1,9
Podkarpackie	2,3	1,7
Podlaskie	1,0	0,7
Pomorskie	6,9	6,2
Śląskie	14,7	20,4
Świętokrzyskie	1,2	0,8
Warmińsko-Mazurskie	2,8	2,2
Wielkopolskie	7,8	6,9
Zachodniopomorskie	4,7	3,8
Abroad offices	1,9	1,2
Total	**100,0**	**100,0**

Noble Bank S.A.

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

(in thousand PLN)

Receivables' concentration limits: Banking Law article 71 section 1	31.12.2007 thousand PLN	31.12.2006 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	74 175	35 925
Largest exposure to one customer		
% of own funds	9%	10%
% share in the loan portfolio	2%	7%
Exposure to 10 largest customers		
% of own funds	46%	41%
% share in the loan portfolio	12%	30%
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	59 340	28 236
Exposure to group of customers related to the bank		
% of own funds	9%	10%
% share in the loan portfolio	2%	7%
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	29 670	14 118
Individual exposure		
% of own funds	0%	0%
% share in the loan portfolio	0%	0%

Exposure concentration of Noble Bank by industry product:

Industry as per PKD	**31.12.2007 %**	**31.12.2006 %**
A - Agriculture and hunting	**0,5**	**3,6**
C - Mining	**0,0**	**0,1**
D - Production activity	**0,9**	**4,9**
E - Delivery of electric energy and gas	**0,0**	**0,0**
F - Construction industry	**2,2**	**0,8**
G - Wholesale and retail trade	**1,2**	**5,2**
I - Transport, warehouse management and communication	**0,0**	**0,1**
J - Finance agency	**3,2**	**13,0**
K - Real estate service	**4,7**	**0,1**
L - Public administration	**0,0**	**0,0**
Other sections	**1,0**	**0,2**
Private persons	**86,3**	**72,0**
Total	**100,0**	**100,0**

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

Structure of credit portfolio	**31.12.2007 %**	**31.12.2006 %**
Borrowings to private persons	**86,3**	**72,0**
including:		
-cars loans	0,0	0,0
-instalment and cash loans	1,1	7,0
-real estate	73,8	41,0
-other	11,4	24,0
Corporate loans	**13,7**	**28,0**
Total	**100,0**	**100,0**

(in thousand PLN)

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

Administrative regions of Poland (voivodships)	31.12.2007 %	31.12.2006 %
Dolnośląskie	6,9	3,8
Kujawsko-Pomorskie	1,5	3,0
Lubelskie	2,1	7,8
Lubuskie	1,1	0,5
Łódzkie	1,6	1,5
Małopolskie	4,2	4,7
Mazowieckie	49,4	30,8
Opolskie	0,5	0,9
Podkarpackie	2,2	11,0
Podlaskie	1,1	0,4
Pomorskie	4,1	3,9
Śląskie	5,3	7,2
Świętokrzyskie	0,8	5,4
Warmińsko-Mazurskie	1,3	3,1
Wielkopolskie	4,5	3,4
Zachodniopomorskie	1,2	2,1
Abroad offices	12,3	10,5
Total	**100,0**	**100,0**

PlusBank S.A.

The greatest balance sheet and off-balance sheet exposure into particular entities and capital groups as at 31.12.2007.

The greatest exposure in relation to one client is 4,01% of own funds, i.e., 4,46% of credit portfolio. The exposure in relation to 10 biggest clients covers in total 15,74% of credit portfolio balance, i.e., 14,13% of own funds.

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

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

Carcade OOO

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

Structure of lease portfolio	31.12.2007 %	31.12.2006 %
Private persons	5,6	5,7
Business entities	94,4	94,3
Total	**100,0**	**100,0**

Getin Holding S.A.

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

(in thousand PLN)

Open Finance S.A., Open Finance MIL, and Open Dystrybucja sp. z o.o.

These companies, which are financial intermediaries cooperating with financial institutions with defined and verified credit ratings, are not exposed to significant risks in their business. The extended loans are the products of those financial institutions and they are extended on their account.

Getin International S.a.r.l., Getin International Polska sp. z o.o., Noble Funds TFI S.A., Getin Finance PLC, and Akcept S.A.

The companies mentioned above does not report any significant credit exposure for the benefit of any entities outside the Group.

Capital Group

Credit risk

Gross maximum exposure to credit risk	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Financial assets:		
Bills of exchange eligible for rediscounting with the Central Bank	14	360
Amounts due from banks	3 689 711	2 939 875
Cash collateral on securities borrowed and reverse repurchase agreements	0	0
Derivative financial instruments	152 712	48 136
Financial assets held for trading	21 954	80
Other financial instruments at fair value through profit or loss	123 549	0
Loans and advances to customers	11 143 564	6 078 719
Investment securities	1 733 825	1 620 597
Available for sale	1 685 649	1 588 161
Held to maturity	48 176	32 436
Total exposure to credit risk	**16 865 329**	**10 687 767**
Off - balance sheet guarantee liabilities	21 624	0
Off - balance sheet financial liabilities	1 214 307	1 283 621
Total off - balance sheet liabilities	**1 235 931**	**1 283 621**
Total exposure to credit risk	**18 101 260**	**11 971 388**

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.

(in thousand PLN)

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**

(in thousand PLN)

as at 31 December 2006

	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	2 939 338	-	-	-	-	537	-	2 939 875
Financial assets held for trading	80	-	-	-	-	-	-	80
Other financial instruments at fair value through profit or loss	-	-	-	-	-	-	-	-
Loans and advances to customers	4 098 157	1 596 138	226 764	59 127	633 952	22 831	(558 250)	6 078 719
Corporation credits	418 625	171 248	43 955	2 593	222 017	490	(198 868)	660 060
Car credits	1 215 928	113 900	63 747	21 460	130 650	9 704	(128 515)	1 426 874
Mortgages	1 788 537	1 279 206	96 993	26 307	113 544	7 177	(84 333)	3 227 431
Consumer credits	675 067	31 784	22 069	8 767	167 741	5 460	(146 534)	764 354
Investment securities	1 588 639	-	33 935	4 178	12 507	-	(18 662)	1 620 597
Available for sale	1 583 378	-	6 760	4 178	12 507	-	(18 662)	1 588 161
- issued by central banks	27 768	-	-	-	-	-	-	27 768
- issued by other banks	-	-	-	-	-	-	-	-
- issued by other financial institutions	2 505	-	4 007	3 444	18	-	(3 424)	6 550
- issued by non-financial institutions	-	-	2 753	734	12 489	-	(12 496)	3 480
- issued by State Treasury	1 553 105	-	-	-	-	-	(2 742)	1 550 363
- issued by local authorities	-	-	-	-	-	-	-	-
Held to maturity	5 261	-	27 175	-	-	-	-	32 436
- issued by central banks	-	-	-	-	-	-	-	-
- issued by other banks	-	-	25 252	-	-	-	-	25 252
- issued by other financial institutions	-	-	-	-	-	-	-	-
- issued by non-financial institutions	-	-	-	-	-	-	-	-
- issued by State Treasury	5 261	-	-	-	-	-	-	5 261
- issued by local authorities	-	-	1 923	-	-	-	-	1 923
Total	**8 626 214**	**1 596 138**	**260 699**	**63 305**	**646 459**	**23 368**	**(576 912)**	**10 639 271**

<u>Description of loan securities</u>

The Banks in the Group as a principle require one or more types of security for extended loans. Below the typical types of security that are required by the Group banks are presented.

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

Consumer credits:

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

Corporation credits:

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

Loans with individualy imapired	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Corporation credits (of which by local authorities)	75 669	98 334
Car credits	-	-
Mortgages	15 783	16 804
Consumer credits	-	-
Total	**91 452**	**115 138**

As at 31.12.2007 the fair value of securities assumed while calculating the write-downs for individual, significant credits was 14 million PLN. (as at 31.12.2006 22 million PLN).

<u>Interest rate risk</u>

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

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

(in thousand PLN)

Balance sheets items	Up to 1 month inclusive	Over 1 month up to 3 months inclusive	Over 3 months up to 1 year inclusive	Over 1 year up to 5 years inclusive	Over 5 years	Non-interest bearing assets/ liabilities	Total
Asstets:	**12 960 973**	**2 179 449**	**936 366**	**827 374**	**45 702**	**2 054 123**	**19 003 987**
Cash and balances with the Central Bank	216 000	0	0	0	0	47 357	263 357
Bills of exchange eligible for rediscounting with the Central Bank	14	0	0	0	0	0	14
Amounts due from banks	2 612 848	719 737	62 474	207 729	0	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	0	0	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	1 635 139	1 727 526
Total equity and liabilities	**4 935 396**	**5 591 635**	**3 900 634**	**240 978**	**1 074**	**4 334 270**	**19 003 987**
Liabilities:	**4 935 396**	**5 591 635**	**3 900 634**	**240 978**	**1 074**	**1 064 806**	**15 734 523**
Amounts due to Central Bank							0
Amounts due to other banks and finance institutions	523 217	528 853	68 763	73 601	0	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	0	0	37 227	3 195 872
Other	5 108	1 487	97	77	0	927 916	934 685
Total equity	**0**	**0**	**0**	**0**	**0**	**3 269 464**	**3 269 464**
Gap	**8 025 577**	**(3 412 186)**	**(2 964 268)**	**586 396**	**44 628**	**(2 280 147)**	**0**
Off - balance sheet items							
Interest rate transactions:							
Assets	2 189 705	3 054 928	243 500	167 000	0	0	**5 655 133**
Liabilities	2 162 422	3 445 604	0	0	0	0	**5 608 026**
Gap	**27 283**	**(390 676)**	**243 500**	**167 000**	0	0	**47 107**
Total gap	**8 052 860**	**(3 802 862)**	**(2 720 768)**	**753 396**	**44 628**	**(2 280 147)**	**47 107**

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

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

Details of fixed and variable interest rate financial liabilities incurred by the Group are presented in Notes 45, 46, 47 and 48.

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

as at 31.12.2007

	PLN	EUR	CHF	RUB	USD	UAH	Inne
	%	%	%	%	%	%	%
Asstets:							
Cash and balances with the Central Bank	3,29-4,7	0,19					
Bills of exchange eligible for rediscounting with the central bank	20,54						
Amounts due from banks	5,3-5,69	2-4,6	2,64		2-6,3	6	6,3-6,33
Amounts due from customers	9,3-15,17	7,95-15	6,4-6,5		11,1-16	30	3,5
Finance lease receivables				37,7	31,8		
Investment securities	5-5,5						
Liabilities:							
Amounts due to Central Bank							
Amounts due to other banks and finance institutions	0,58-6,1		3,3-3,8	13,30	7,00	6	
Amounts due to customers	5,2-5,8	3,24-6	1,2-2,8		4,5-7	10	3,9-6,6
Debt securities	6,1-6,98	7,20			7,99		

as at 31.12.2006

	PLN	EUR	CHF	RUB	USD	UAH	Inne
	%	%	%	%	%	%	%
Asstets:							
Cash and balances with the Central Bank	3,83						
Bills of exchange eligible for rediscounting with the central bank							
Amounts due from banks	3,70-4,10	3,64	1,98				
Amounts due from customers	7,35-15,06	6,98-12,08	5,22-6,53		12,73		
Finance lease receivables				42,00	37,00		
Investment securities	4,06-8,47						
Liabilities:							
Amounts due to Central Bank							
Amounts due to other banks and finance institutions	4,13	3,49	2,28-2,44	14,00	5,31-12,50		
Amounts due to customers	4,14-4,26	2,61-3,65	0,42-1,95		4,18-4,51		3,02
Debt securities	5,86			15,56			

Currency risk

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

as at 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	4 015 453	112 529	6 881 700	-	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	1 569 594	17 655	-	92 347	5 252	-	29 709	13	1 714 570
TOTAL ASSETS	**10 808 067**	**389 566**	**6 950 988**	**245 041**	**432 683**	**26 899**	**145 086**	**5 657**	**19 003 987**
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	818 734	2 134	22 454	36 762	5 726	107	3 184	11	889 112
TOTAL LIABILITIES	**11 876 510**	**2 255 869**	**570 139**	**180 356**	**761 830**	**28 690**	**61 109**	**20**	**15 734 523**
Total equity	**3 269 464**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3 269 464**
TOTAL EQUITY AND LIABILITIES	**15 145 974**	**2 255 869**	**570 139**	**180 356**	**761 830**	**28 690**	**61 109**	**20**	**19 003 987**
NET ENGAGEMENT	**(4 337 907)**	**(1 866 303)**	**6 380 849**	**64 685**	**(329 147)**	**(1 791)**	**83 977**	**5 637**	**-**
Off - balance sheet items									
Assets	3 957 710	1 898 045	-	-	349 540	-	-	270	
Liabilities	6 214	1 299	6 135 365	-	76	33	-	493	
GAP	**(386 411)**	**30 443**	**245 484**	**64 685**	**20 317**	**(1 824)**	**83 977**	**5 414**	

as at 31.12.2006

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

Liquidity risk

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

Balance sheets items	Up to 1 month inclusive	Over 1 month up to 3 months inclusive	Over 3 months up to 1 year inclusive	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	2 662 797	733 117	68 507	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	912 331	912 600
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	61 488	4 091	57 524	123 103	123 369	178	123 547	28 946	275 596
Total assets	**4 406 326**	**1 310 064**	**1 981 444**	**7 697 834**	**4 145 371**	**5 916 002**	**10 061 373**	**1 244 780**	**19 003 987**
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	28 706	144 228
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**	**59 682**	**15 734 523**
Total equity	-	-	-	-	-	-	-	3 269 464	3 269 464
Total equity and liabilities	**3 913 089**	**3 563 804**	**4 615 783**	**12 092 676**	**3 572 046**	**10 119**	**3 582 165**	**3 329 146**	**19 003 987**
Liquidity gap	**493 237**	**(2 253 740)**	**(2 634 339)**	**(4 394 842)**	**573 325**	**5 905 883**	**6 479 208**	**(2 084 366)**	**-**

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

(in thousand PLN)

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

(in thousand PLN)

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

Derivatives become advantageous (become assets) or disadvantageous (liabilities) as a result of fluctuations of market interest rates, indices or foreign exchange rates as compared to their conditions.

Credit and market risk exposure

Getin Bank 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	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**

(in thousand PLN)

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**

Noble Bank S.A.

Credit and market risk as at 31.12.2007.

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**

(in thousand PLN)

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**

PlusBank S.A.

Credit and market risk as at 31.12.2007.

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**

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**

Sensitivity analysis

Getin Bank S.A.

Once a month Getin Bank prepares sensitivity analysis (the so-called VaR, „value at risk") for the interest rate risk and currency risk. The table below presents calculation results as at 31.12.2007:

in thousand PLN	31.12.2007		31.12.2006	
	BPV	VAR (1D, 99%)	BPV	VAR (1D, 99%)
Total banking portfolio	**154**	**1 570**	**44**	**230**

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

VaR consists in examining, with 99% probability, the value of the maximum loss the bank may incur on average each day under valuation of the portfolio, assuming normal market conditions.

Noble Bank S.A.

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

Margin change	31.12.2007 thousand PLN	31.12.2006 thousand PLN
rates' decrease of 1point %	555	118
rates' increase of 1point %	(555)	(118)

Capital management

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

The banks belonging to the Capital Group are obliged to maintain their own funds adequate to the level of risk taken, pursuant to the regulations binding in the countries where they run their activities, i.e., Poland in the case of Getin Bank and Noble Bank and 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 ascribes to the assets and off-balance sheet items percentage weights, according to, among others, the level of credit risk, market risk, currency risk or interest rate risk.

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

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

	31.12.2007 (thousand PLN)	
	Getin Bank	Noble Bank
Equity capital		
Share capital	295 856	215 178
Reserved capital	768 604	173 072
General fund for bank risk	32 500	-
Revaluation capital	4 688	-
Audited profit for H1 2007	130 876	-
Adjustment of shares in financial institutions	(2 022)	(89 537)
Intangible assets adjustment	(63 078)	(2 968)
Previous year retained earnings	-	955
Total equity capital	**1 167 424**	**296 700**
Risk weighted assets		
Risk exposure at the level of 20%	2 553 280	618 056
Risk exposure at the level of 50%	74 635	28 576
Risk exposure at the level of 100%	10 075 443	1 174 236
Total risk weighted assets	**10 623 417**	**1 312 135**
Risk weighted off balance liabilities		
Risk exposure at the level of 0,2%	1 482 077	-
Risk exposure at the level of 1%	3 986 674	-
Risk exposure at the level of 1,8%	-	-
Risk exposure at the level of 2,4%	-	-
Risk exposure at the level of 10%	70	-
Risk exposure at the level of 20%	179 474	-
Risk exposure at the level of 50%	19 702	142 846
Risk exposure at the level of 100%	-	-
Total risk weighted off balance liabilities	**88 584**	**71 423**
Total risk weighted assets and off - balance liabilities	**10 712 000**	**1 383 558**
Market risk	-	-
Other risks	3	-
Solvency ratio	**10,9%**	**21,4%**

As at 31.12.2006 the solvency ratio for Getin Bank S.A. and Noble Bank S.A. was appropriately 12.2% and 55.5%.
Solvency ratio for PlusBank S.A as at 31.12.2007 amounted to 51.1%.

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

(in thousand PLN)

	TU EUROPA		TU na Życie EUROPA	
	31.12.2007 thousand PLN	31.12.2006 thousand PLN	31.12.2007 thousand PLN	31.12.2006 tys. PLN
Value of own funds	**115 929**	**107 643**	**58 673**	**43 658**
Solvency margin	**34 870**	**22 397**	**58 621**	**25 430**
Minimal amount of guarantee fund	12 249	5 405	12 249	3 089
1/3 of amount of solvency margin	11 623	7 466	19 540	8 477
Surplus (deficit) of own funds for the coverage of the solvency margin	**81 059**	**85 246**	**52**	**18 228**
Guarantee fund	12 249	7 466	19 540	8 477
Surplus (deficit) of own funds for the coverage of the guarantee fund	**103 680**	**100 177**	**39 133**	**35 181**

Fair value of financial assets and liabilities

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

a) as at 31.12.2007 about 99%, and as at 31.12.2006 about 99% of the credit balance has the revaluation term 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 69% and 84% of the balance of liabilities towards the customers has the revaluation term up to 3 months as at 31.12.2007 and 31.12.2006.

	as at 31 December 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	0	0
Amounts due to other banks and finance institutions	1 197 864	1 197 864
Other finance liabilities at fair value through profit or loss	0	0
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

(in thousand PLN)

as at 31 December 2006

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

Renegotiated agreements

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

8 Information on operating segments

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

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

Industry segments

The Group's operating activity has been divided into five main segments:

Retail Banking Services Segment covers services in the field of loans and credits, guarantees, and acceptance of deposits rendered by Getin Bank S.A. and PlusBank S.A.

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

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

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

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

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

Geographical segments

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

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

(in thousand PLN)

Consolidated income statement for the year ended 31 December 2007 in segment division

	Banking services	Private banking	Financial agency services	Lease Services	Insurance services	Getin Holding and consolidation adjustments	Getin Holding Capital Group
	Poland, Ukraine	*Poland*	*Poland*	*Russia*	*Poland*	*Poland, Luxemburg*	
Interest income	**970 897**	**68 156**	**947**	**86 282**	**32 824**	**(15 676)**	**1 143 430**
External	*973 893*	*66 768*	*224*	*86 282*	*16 058*	*205*	*1 143 430*
Internal	*(2 996)*	*1 388*	*723*	*0*	*16 766*	*(15 881)*	*0*
Interest expense	**(548 454)**	**(35 558)**	**(13)**	**(29 061)**	**(6 476)**	**37 337**	**(582 225)**
External	*(521 984)*	*(32 071)*	*(13)*	*(21 689)*	*(6 476)*	*8*	*(582 225)*
Internal	*(26 470)*	*(3 487)*	*0*	*(7 372)*	*0*	*37 329*	*0*
Net interest income	**422 443**	**32 598**	**934**	**57 221**	**26 348**	**21 661**	**561 205**
External	*451 909*	*34 697*	*211*	*64 593*	*9 582*	*213*	*561 205*
Internal	*(29 466)*	*(2 099)*	*723*	*(7 372)*	*16 766*	*21 448*	*0*
Fee and commission income	**230 230**	**177 116**	**51 051**	**10 709**	**1 602**	**(151 998)**	**318 710**
External	*119 469*	*164 929*	*22 830*	*10 709*	*656*	*117*	*318 710*
Internal	*110 761*	*12 187*	*28 221*	*0*	*946*	*(152 115)*	*0*
Fee and commission expense	**(28 007)**	**(20 640)**	**(27 631)**	**(375)**	**(78 475)**	**93 414**	**(61 714)**
External	*(27 297)*	*(20 640)*	*(12 585)*	*153*	*(1 361)*	*16*	*(61 714)*
Internal	*(710)*	*0*	*(15 046)*	*(528)*	*(77 114)*	*93 398*	*0*
Net fee and commission income	**202 223**	**156 476**	**23 420**	**10 334**	**(76 873)**	**(58 584)**	**256 996**
External	*92 172*	*144 289*	*10 245*	*10 862*	*(705)*	*133*	*256 996*
Internal	*110 051*	*12 187*	*13 175*	*(528)*	*(76 168)*	*(58 717)*	*0*
Net operating income	**213 879**	**79 959**	**(680)**	**3 469**	**149 289**	**225 062**	**670 978**
External	*213 874*	*79 253*	*(680)*	*3 469*	*148 953*	*226 109*	*670 978*
Internal	*5*	*706*	*0*	*0*	*336*	*(1 047)*	*0*
Provisions for impairment losses	**(118 983)**	**17 475**	**0**	**(2 575)**	**0**	**0**	**(104 083)**
External	*(118 983)*	*17 475*	*0*	*(2 575)*	*0*	*0*	*(104 083)*
Internal	*0*	*0*	*0*	*0*	*0*	*0*	*0*
Administrative expenses	**(368 605)**	**(126 238)**	**(11 614)**	**(37 741)**	**(25 923)**	**(16 339)**	**(586 460)**
External	*(367 910)*	*(125 209)*	*(11 614)*	*(37 741)*	*(25 459)*	*(18 527)*	*(586 460)*
Internal	*(695)*	*(1 029)*	*0*	*0*	*(464)*	*2 188*	*0*
Operating profit	**350 957**	**160 270**	**12 060**	**30 708**	**72 841**	**171 800**	**798 636**
External	*271 062*	*150 505*	*(1 838)*	*38 608*	*132 371*	*207 928*	*798 636*
Internal	*79 895*	*9 765*	*13 898*	*(7 900)*	*(59 530)*	*(36 128)*	*0*
Profit / loss before income tax	**350 957**	**160 270**	**12 060**	**30 708**	**72 841**	**175 580**	**802 416**
External	*271 062*	*149 335*	*(1 838)*	*38 608*	*132 371*	*212 878*	*802 416*
Internal	*79 895*	*10 935*	*13 898*	*(7 900)*	*(59 530)*	*(37 298)*	*0*
Net profit /loss for the period	**284 346**	**134 176**	**9 424**	**22 259**	**59 814**	**158 008**	**668 027**
External	*205 806*	*123 917*	*(4 474)*	*30 159*	*127 641*	*184 978*	*668 027*
Internal	*78 540*	*10 259*	*13 898*	*(7 900)*	*(67 827)*	*(26 970)*	*0*

(in thousand PLN)

Consolidated income statement for the year ended 31 December 2006 in segment division

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

(in thousand PLN)

Balance data and other data in segment division as at 31 December 2007 and 31 December 2006.

Other information related to the segments as at 31.12.2007	Banking services	Private banking	Financial agency services	Lease Services	Insurance services	Getin Holding and consolidation adjustments	Getin Holding Capital Group
Segment assets	14 961 487	2 029 771	503	357 797	1 577 612	(929 027)	17 998 143
Investment in associates							12 956
Assets not assigned							992 888
Total assets	**14 961 487**	**2 029 771**	**503**	**357 797**	**1 577 612**		**19 003 987**
Segment liabilities	13 448 648	1 525 735	74	330 288	1 301 888	(1 073 622)	15 533 011
Liabilities not assigned							3 269 464
Equity							201 512
Total liabilities and equity	**13 448 648**	**1 525 735**	**74**	**330 288**	**1 301 888**	**0**	**19 003 987**
Investment expenditure	18 215	13 664	0	2 688	3 735	(1 068)	37 234
Investment expenditure not assigned							1 068
Total investment expenditure	**18 215**	**13 664**	**0**	**2 688**	**3 735**	**0**	**38 302**
Depreciation of tangible and intangible fixed assets	28 987	5 357	418	891	1 438		37 091
Depreciation of non- segment assigned tangible and intangible fixed assets							432
Total depreciation	**28 987**	**5 357**	**418**	**891**	**1 438**		**37 523**

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

(in thousand PLN)

9 Interest income and interest expense

Interest income	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Income from placements in other banks	130 056	64 987
Income on other placements on money market	2 713	-
Income from customer loans and credits	812 636	464 843
Income from investment securities	94 298	85 857
- available for sale at fair value	92 055	81 265
- held to maturity	2 243	4 592
Interests - finance lease	86 282	48 227
Interests of obligatory reserve	11 939	3 403
Other interests	4 242	118
Total	**1 142 166**	**667 435**
Financial assets designated at fair value through profit or loss	1 264	-
Total	**1 143 430**	**667 435**

Capital Group processing design of tools enabling calculation of interest income from impaired financial assets to disclose such separate data in consolidated financial statement.

Total amount of interest income calculated based on the effective interest rate method in relation to the financial assets that are not measured at fair value through profit and loss in 2007 equalled to 1,050,410 thousand PLN (in 2006 to 519,718 thousand PLN).

Interest expense	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Expense on other bank's deposits	31 048	15 104
Expense on other placements on money market	3 177	-
Expense on amounts due to customers	335 691	199 634
Expense on debt securities in issue	165 572	52 402
Expense on financial lease interest	125	130
Expense on amounts due to banks	46 248	35 882
Other	364	186
Total	**582 225**	**303 338**
Expense on financial liabilities at fair value through profit or loss	-	-
Total	**582 225**	**303 338**

The amount of interest costs calculated based on the effective interest rate method, in relation to the financial liabilities that are not measured at fair value through profit and loss in 2007 equalled to 582,212 thousand PLN (in 2006 to 288,379 thousand PLN).

10 Fee and commission income and fee and commission expenses

Fee and commission income	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
From the credits and loans granted	29 016	18 286
From the guarantees and similar operations	582	250
From the securities operations	179	-
From the accounts maintenance	23 967	16 455
From the payment cards	10 966	6 487
From the clearing operations	3 949	4 460
Insurance commission	59 981	67 019
Due to agents	149 006	83 404
Lease commission	-	5 006
From participation units of investment funds sale	27 983	-
Assets and portfolio management fees	10 218	-
Other	2 863	2 655
Total	**318 710**	**204 022**

Fee and commission expense	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
From the securities operations	14	-
Due to the payment cards	8 394	7 300
Due to loans and credits	6 745	5 712
Due to agents	41 376	12 883
Due to lease	-	956
Due to clearing operations	1 166	1 027
Due to insurance	3 267	1 361
Other	752	468
Total	**61 714**	**29 707**

11 Insurance premiums

Insurance premiums in thousand PLN	24.04.2007*-31.12.2007		
	Life	Property	Total
Gross insurance premiums	202 497	157 767	360 264
Share of reinsurer in insurance premiums	(7 887)	(1 507)	(9 394)
Change in provision in insurance premiums	(6 589)	(56 520)	(63 109)
Share of reinsurer in provision change in insurance premiums	(35)	(75)	(110)
Total	**187 986**	**99 665**	**287 651**

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

12 Dividends received

	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Revenues related to dividends from issuers:		
Securities classified as held for trading	628	0
Securities classified as available for sale	1 380	1178
Total	**2 008**	**1 178**

(in thousand PLN)

13 Result on financial instruments measured at fair value

Result from financial assets and liabilities held for trading	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Derivatives	88 636	42 524
Equity instruments	(6 145)	-
Debt instruments	(7 767)	-
Other	89	(89)
Total	**74 813**	**42 435**

Result on financial instruments and liabilities at fair value through profit and loss - of the period 01.01.2007 - 31.12.2007	Profit thousand PLN	Loss thousand PLN	Net result thousand PLN
Financial instruments at fair value through profit or loss	283 629	(10 155)	273 474
Financial liabilities at fair value through profit or loss	(722)	(197 939)	(198 661)
Total	**282 907**	**(208 094)**	**74 813**

Result on financial instruments and liabilities at fair value through profit and loss - of the period 01.01.2006 - 31.12.2006	Profit thousand PLN	Loss thousand PLN	Net result thousand PLN
Financial instruments at fair value through profit or loss	104 498	(2)	104 496
Financial liabilities at fair value through profit or loss	-	(62 061)	(62 061)
Total	**104 498**	**(62 063)**	**42 435**

The profit and loss on the financial instruments carried at fair value that was shown in the note concern as a whole the financial assets or financial liabilities that were indicated at first recognition as carried to fair value through profit and loss.

14 Result on financial instruments

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

	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Realised profit		
Financial instruments available for sale	4 121	370
Total	**4 121**	**370**
Realised loss		
Financial instruments available for sale	(2 769)	(7 776)
Total	**(2 769)**	**(7 776)**
Realised gains	**1 352**	**(7 406)**

15 Hedging of fair value

The subsidiary TU na Życie EUROPA creates the types of financial insurance (structured products), where the insurance sum is guaranteed if the insured is living on the policy's maturity date and they offer the possibility to obtain an additional bonus. Characteristic feature of such insurances is the fact that they have an exposure to chosen financial assets (share, share basket, or stock market index). Offering these products the Company takes over the liability towards the customer the value of which depends on the change of the basic financial asset. The aim of risk management is to secure the Company against the changes of the fair value of the liabilities that are dependent on future cash flows.

The nominal values of host instruments and fair value of derivatives (in thousand PLN) according to original maturity as at 31.12.2007.

	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**

There were no hedging instruments as at 31.12.2006.

Hedging of fair value

As at 31 December 2007, TU na Życie Europa S.A. holds hedging contracts the fair value of which was as follows:

Collateral hedge	Deadline	Purchase value thousand PLN	Fair value thousand	Valuation result thousand PLN
option CE4 FX	2010-01-06	549	613	64
option CE4 FX	2010-02-05	292	295	3
option BRIC40 Asian Call	2010-03-29	6 637	13351	6 714
option BRIC40 Asian Call	2010-04-26	1 299	2596	1 297
option BRIC40 Asian Call	2010-06-07	975	1773	798
option CEE	2010-04-26	1 651	146	(1 505)
option CEE	2010-04-26	938	81	(857)
option Permal	2012-05-31	1 692	1375	(317)
3 Year Outperformance Option	2010-06-30	520	149	(371)
4-year asian call option “Luxury Goods”	2011-06-29	2 424	1042	(1 382)
4-year asian call option “Luxury Goods”	2011-06-29	5	2	(3)
3 Year Outperformance Option	2010-07-27	710	315	(395)
4-year asian call option “Luxury Goods”	2011-08-24	2 156	1506	(650)
4 Year EURO/CEE2 Option	2010-08-23	725	393	(332)
3 Year Outperformance Option	2010-08-31	251	82	(169)
3 Year Outperformance Option	2010-09-27	232	101	(131)
4-year asian call option “Luxury Goods”	2011-10-03	1 571	825	(746)
18 M DB Harvest Option	2009-04-05	606	363	(243)
3 Year Outperformance Option	2010-11-01	268	139	(129)
4-year asian call option “Luxury Goods	2011-11-30	2 626	1544	(1 082)
18 M DB Harvest Option	2009-05-07	1 788	1188	(600)
4 Year CROCI APS Option	2011-11-23	640	588	(52)
3 Year Outperformance Option	2010-11-05	169	70	(99)
Opcja Spanish Fly	2011-12-08	2 483	2260	(223)
1 Year Call FX Basket Option	2008-12-08	535	354	(181)
3 Year Outperformance Option	2011-12-05	2 013	1564	(449)
18 M DB Harvest Option	2009-06-05	371	246	(125)
3 Year Asian Option on DBLCI-OY Agriculture	2010-12-22	2 008	2079	71
Total		**36 134**	**35 040**	**(1 094)**

(in thousand PLN)

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

	Collateral instrument	Hedged item connected with the hedged risk
Profit		1 113
Loss	1 094	
Total	**1 094**	**1 113**

16 Foreign exchange result

Foreign exchange result	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Foreign exchange differences resulting from financial instruments at fair value through profit or loss	42 226	1 229
Valuation of credits, deposits and placements	144 135	98 846
Other foreign exchange differences	1 947	224
Valuation of lease receivables	(6 260)	(5 458)
Total	**182 048**	**94 841**

(in thousand PLN)

17 Compensations and benefits

Gross compensations and benefits paid	**01.01.2007-31.12.2007 thousand PLN**
GROSS COMPENSATIONS AND BENEFITS PAID	
from direct insurance, in this:	8 752
loss adjustment costs	*1 634*
Total gross compensations and benefits paid	**8 752**
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)	486
car insurance - third party liability (group 10)	162
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)	304
third party liability insurance (groups 11, 12, 13)	4
credits and guarancees (groups 14, 15)	3 444
legal protection (group 17)	94
assistance (group 18)	425
other (group 16)	117
I. Total gross compensations and benefits paid in direct insurance (according to accounting classes)	**5 036**
LOSS ADJUSTMENT COSTS IN PROPERTY AND PERSONAL INSURANCE (ACCORDING TO ACCOUNTING CLASSES)	
consequences of accidents and illness (group 1 and 2)	*202*
car insurance - third party liability (group 10)	*60*
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)	*91*
third party liability insurance (groups 11, 12, 13)	*4*
credits and guarancees (groups 14, 15)	*475*
legal protection (group 17)	*-*
assistance (group 18)	*218*
other (group 16)	*169*
II. Total loss adjustment in direct insurance (according to accounting classes)	***1 219***
GROSS COMPENSATIONS AND BENEFITS PAID (ACCORDING TO ACCOUNTING GROUPS) IN LIFE INSURANCE	
life insurance	3 716
III. Total gross compensations and benefits paid (according to accounting groups)	**3 716**
LOSS ADJUSTMENTS (ACCORDING TO ACCOUNTING CATEGORIES) IN LIFE INSURANCE	
life insurance	*415*
IV. Total loss adjustment in life insurance (according to accounting classes)	***415***
TOTAL GROSS COMPENSATIONS AND BENEFITS PAID (I+III)	**8 752**

(in thousand PLN)

18 Other income and operating expense

Other operating income	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Gain on disposal of investments**	229 359	-
Release of provisions*	19 365	10 722
Related to sale or disposal of non-financial long-term assets	18 346	4 762
Reversal of write-downs against other assets	6 023	1 535
Other revenue	4 435	3 535
Recovered costs of debt collection	3 890	5 405
Penalties, compensations and fines received	2 868	2 439
Revenue related to recovered bad debts	2 138	715
Income form restructuring fee settlement	2 111	-
Rental income	2 041	1 527
Sales of products and services	1 055	6 769
Recovered costs of property insurance	1 031	-
Recovered court costs	1 012	57
Sales of goods and raw materials	80	-
Change of fair value of Bank Przemysłowy	-	3 089
Total	**293 754**	**40 555**

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

Other operating expense	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Costs of insurance acquisition	102 993	-
Windykacja i monitoring należności kredytowych	7 895	8 525
Tax on source of income	6 265	-
Provisions for future liabilities	4 714	5 299
Other costs	4 886	1 816
Loss on disposal of investments	3 215	-
Cost of products, goods for resale and raw materials sold	2 093	2 545
Other assets impairment losses	2 032	1 888
Legal and administration proceedings	1 904	1 486
Write-downs against receivables	1 168	297
Cost of property insurance	1 118	40
Loss on the sale of non-financial long-term assets	1 070	1 125
Rental costs	654	-
Penalties, compensations and fines paid	437	97
Banking services	384	465
Change of fair value of Bank Przemysłowy	-	323
Total	**140 828**	**23 906**

(in thousand PLN)

19 Administrative expenses

Overhead costs	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Payroll and employee benefits	276 521	172 856
Materials and energy comsumption	23 084	16 169
Third party services, including:	228 007	153 245
- marketing, representation and advertisment	77 325	42 164
- rent	50 240	35 368
- telcommunication and post	32 088	25 638
- other	21 882	17 616
- maintenance and repairs	14 027	8 570
- IT	10 358	7 183
- security	9 373	7 885
- advisory services	9 239	4 279
- legal services	2 311	3 229
- insurance	1 164	1 313
Other real cost	8 828	12 365
Taxes and charges	8 803	7 230
Annual Bank Guarantee Fund fee	1 860	932
Cost of insurance activity payments	816	0
Depreciation	37 523	29 511
Other	1 018	0
Total	**586 460**	**392 308**

20 Payroll and employee benefits

Payroll and employee benefits	01.01.2007-31.12.2007 tys. PLN	01.01.2006-31.12.2006 tys. PLN
Salaries and wages	233 344	143 685
Insurance and other employees benefits	38 291	26 164
Costs of share-based payment programme	4 886	3 007
Razem	**276 521**	**172 856**

(in thousand PLN)

21 Impairment loss and provisions for off-balance sheet

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	10 348	23 634	13 359	108 826	156 167	24	2 575	5 793	164 559
Decrease	(20 892)	-	(47)	(34 685)	(55 624)	(8)	-	(4 844)	(60 476)
Net provisions in P&L	**(10 544)**	**23 634**	**13 312**	**74 141**	**100 543**	**16**	**2 575**	**949**	**104 083**
Write-offs	**(14 288)**	**(14 643)**	**(1 993)**	**(13 023)**	**(43 947)**	**-**	**-**	**-**	**(43 947)**
Other increases	1 117	-	-	1 137	2 254	-	-	18	2 272
Other decreases	(122)	(21)	-	(210)	(353)	-	(1 177)	-	(1 530)
Net other increases/decreases	**995**	**(21)**	**-**	**927**	**1 901**	**-**	**(1 177)**	**18**	**742**
Provision for losses at the end of the period - 31.12.2007	**173 963**	**137 485**	**95 003**	**209 132**	**615 583**	**24**	**5 148**	**2 901**	**623 656**

2006	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 - 01.01.2006	**239 906**	**97 357**	**60 396**	**117 252**	**514 911**	**-**	**3 869**	**204**	**518 984**
Increase	3 953	36 275	23 905	45 726	109 859	-	381	4 545	114 785
Decrease	(1 111)	-	-	(21 462)	(22 573)	8	(101)	(3 511)	(26 177)
Net provisions in P&L	**2 842**	**36 275**	**23 905**	**24 264**	**87 286**	**8**	**280**	**1 034**	**88 608**
Write-offs	**(44 246)**	**(5 117)**	**(617)**	**5 565**	**(44 415)**	**-**	**-**	**-**	**(44 415)**
Other increases	-	-	-	-	-	-	-	696	696
Other decreases	(702)	-	-	6	(696)	-	(399)	-	(1 095)
Net other increases/decreases	**(702)**	**-**	**-**	**6**	**(696)**	**-**	**(399)**	**696**	**(399)**
Provision for losses at the end of the period - 31.12.2006	**197 800**	**128 515**	**83 684**	**147 087**	**557 086**	**8**	**3 750**	**1 934**	**562 778**

(in thousand PLN)

22 Discontinued activities

As at the end of 2007 and at the end of 2006 this item did not occur.

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

Share in profits (losses) of associates and joint venture valued using the equity method	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Comapany name:		
PDK S.A.	-	(38)
TU Europa S.A. from the date of acquisition 24.04.2007r.	3 026	0
Fiolet S.A. from the date of disposal 1.10.2007r.	754	-
Total	**3 780**	**(38)**

24 Income tax

Main components of tax charge	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Skonsolidowany rachunek zysków i strat		
Current income tax	143 130	47 927
Current tax charge	144 855	47 908
Adjustments related to current tax from previous years	(1 725)	19
Deferred income tax	(8 741)	(12 723)
Arising from origination and reversal of temporary differences	(12 770)	(12 699)
Arising from changes in tax rate or new tax imposed	-	-
Benefits arising from unrecognised tax loss, tax credit or temporary difference from previous years, resulting in reduction of current tax charge	-	(24)
Tax loss from previous years	4 029	-
Tax charge disclosed in consolidated income statements	**134 389**	**35 204**
Deferred income tax	(3 961)	431
Arising from origination and reversal of temporary differences	(3 961)	431
Tax charge disclosed in consolidated equity	**(3 961)**	**431**
Total main components of tax charge	**130 428**	**35 635**

(in thousand PLN)

The reconciliation of income tax on profit before tax at the statutory tax rate for the 12 month periods ended 31 December 2007 and 31 December 2006 is as follows:

	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
1. Profit (loss) before tax	802 416	205 155
2. Consolidation adjustments	(36 463)	102 793
3. Differences between profit (loss) before tax and taxable profit	(4 580)	(85 193)
3.1 Permanent:	(19 061)	(148 157)
3.2 Temporary, of which	14 481	62 964
- 19% tax rate	10 066	47 709
- 24% tax rate	(799)	15 255
- 25% tax rate	5 214	-
4. Taxable profit, of which:	761 373	222 755
- taxable profit - 19%	732 850	214 901
- taxable profit - 20%	-	857
- taxable profit - 24%	34 403	27 054
- taxable profit - 25%	1 598	
- tax loss	(7 478)	(20 057)
5a. Income tax - 19% tax rate	139 242	40 832
5b. Income tax - 20% tax rate	-	583
5c. Income tax - 24% tax rate	8 257	6 493
5d. Income tax - 25% tax rate	400	-
6. Increases, exemptions, deductions and decreases in income tax	(4 769)	(574)
6a. Adjustments related to tax from previous years	(1 725)	(574)
6b. Tax loss from previous years	(3 044)	
7. Current income tax included in income statement	143 130	47 927
8. Deferred tax, of which:	(8 741)	(12 723)
- for temporary differences - 19% tax rate	(11 948)	(9 062)
- for temporary differences - 24% tax rate	192	(3 661)
- for temporary differences - 25% tax rate	(1 304)	-
- tax loss from previous years	4 029	-
- not created dut to lack of possibility of temporary differences reversal	290	
9. Total income tax in income statement	**134 389**	**35 204**

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 amounts to 19%, in Ukraine to 25%, and in Russia to 24%.

In Russia the tax losses may be utilised over a period of 10 years, while the amount of deduction cannot exceed 30% of taxable profit in a given tax year. In Poland the tax losses may be utilised over a period of 5 years, while the amount of deduction cannot exceed 50% of the tax base in a given tax year.

(in thousand PLN)

Deferred tax asset/liability

	Balance sheet		Income statement	
	31.12.2007 thousand PLN	31.12.2006 thousand PLN	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Deferred tax liabilities				
A) Posted to P&L	**122 909**	**63 270**	**46 666**	**19 396**
Revenue receivable from securities	39 663	20 343	19 320	9 565
Revenue receivable from credits and deposits	14 552	7 113	7 439	3 225
Depreciation (fixed assets financed by investment credit)	926	1 008	(82)	(103)
Costs of commissions paid in advance	2 918	11 649	(8 731)	11 630
Costs paid in advance	-	-	-	-
Costs of credit commissions paid in advance	25 600	-	25 600	770
Surplus of tax depreciation	1 890	1 054	836	(3 830)
Discounted interests from BFG loan	14 262	18 346	(4 084)	-
Merge with Bank Przemysłowy	-	-	-	(1 038)
Acquisition of TU Europa	-	-	(6 940)	-
Acquisition of PlusBank	-	-	(5 065)	-
Acquisition of Akcept	-	-	(26)	-
Foreign exchange differences from valuation of foreign entities	-	-	(942)	-
Other	23 098	3 757	19 341	(823)
B) Posted to revaluation reserve	**3 915**	**5 462**	**(1 547)**	**1 130**
Valuation of securities available for sale	3 915	5 462	(1 547)	1 130
Fixed assets valuation	-	-	-	-
C) Posted to goodwill	**17 404**	**9 614**	**7 790**	**-**
Correction of opening balance - purchase of Open Finance	9 614	9 614	-	-
Acquisition of TU Europa	7 790	-	7 790	-
Gross deferred tax liabilities	**144 228**	**78 346**	**52 909**	**20 526**
Deferred tax assets				
A) Posted to P&L	**173 666**	**120 945**	**55 407**	**32 245**
Interest on deposits	56 463	26 484	29 979	13 761
Income taxable in advance	8 044	5 946	2 098	(1 400)
Provisions for expected liabilities and costs	11 296	5 865	5 431	4 645
Provisions for impairment	528	49 579	(49 051)	26 357
Aimed provisions for credit receivables	59 761	-	59 761	-
Tax loss from previous years	8 139	4 042	4 097	438
Foreign exchange differences from valuation of foreign entities	-	-	2 504	750
Correction of opening balance of Fiolet deferred tax assets	-	-	105	-
Correction of opening balance of Getin Raty deferred tax assets	-	-	81	-
Acquisition of Akcept	-	-	(4)	-
Merge with Bank Przemysłowy	-	-	-	(10 835)
Other	29 435	29 029	406	(1 471)
B) Posted to equity	**-**	**-**	**-**	**248**
Adjustment to opening balance of deferred tax asset	-	-	-	248
C) Posted to revaluation reserve	**4 003**	**422**	**3 581**	**393**
Valuation of securities available for sale	4 003	422	3 581	393
Gross deferred tax assets	**177 669**	**121 367**	**58 988**	**32 886**
Deferred tax liabilities disclosed in liabilities directly related to assets classified as held for sale	**-**	**-**	**-**	**(6)**
Deferred tax assets disclosed in non-current assets classified as held for sale	**-**	**-**	**-**	**(132)**
Deferred income tax charge	**X**	**X**	**(8 741)**	**(12 723)**
Net deferred tax assets	**33 441**	**43 021**	**X**	**X**
Net deferred tax liability	**-**	**-**	**X**	**X**

25 Earnings per share

Basic earnings per share

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

Earnings per share	01.01.2007-31.12.2007	01.01.2006-31.12.2006
Net profit allocated to ordinary shareholders (thousand PLN)	626 364	160 226
Weighted average number of ordinary shares in the period	688 281 839	556 586 544
Earnings per share (in PLN per share)	0.91	0.29

Diluted earnings per share

Diluted earnings per share is calculated on the basis of net profit or loss attributable to ordinary shareholders of the parent company, by dividing the net profit or loss attributable to such shareholders by the weighted average number of ordinary shares outstanding in a given period, adjusted for the effect of all dilutive potential ordinary shares.
The Group has dilutive instruments in the form of share options and warrants. Details of the Management Options Plan are disclosed in Note 52.
30.04.2007 excercising rights form series A2 warrants issued on the basis of resolution of Extraordinary General Meeting of Shareholders of the Company on 7.09.2006 changed resolution of Extraordinary General Meeting of Shareholders of the company on 26.09.2006 Mr. Leszek Czarnecki and LC Corp BV acquired respectively 20,264,572 i 43,807,670 shares of the Company.

Diluted earnings per share	01.01.2007-31.12.2007	01.01.2006-31.12.2006
Net profit attributable to ordinary shareholders (thousand PLN)	626 364	160 226
Adjustment of net profit for calculation of diluted profit	-	-
Net profit for calculation of diluted EPS	**626 364**	**160 226**
Weighted average number of ordinary shares in the period (thousand PLN)	688 281 839	556 586 544
Adjustment of the number of shares for calculation of diluted EPS	13 640 981	7 369 998
Weighted average number of ordinary shares for calculation of diluted EPS	701 922 820	563 956 542
Diluted earnings per share (in PLN per share)	0.89	0.28

26 Dividends paid and proposed

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

27 Cash and balances with the Central Bank

Cash and balances with the Central Bank	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Cash	80 351	68 061
Current account in Central Bank	183 006	226 316
Other	0	169
Total	**263 357**	**294 546**

The banks belonging to the Group can use during a day the funds on the obligatory reserve account for current cash settlements on the basis of a instruction submitted to Polish National Bank, they must, however, assure the maintenace of an average monthly balance on this account that amounts respectively to the declarared obligatory reserve.

(in thousand PLN)

Funds on the obligatory reserve account bear interest of 0.9 of the rediscount rate for promissory notes; as at 31.12.2007 this interest was 4.73% and as at 31 December 2006 - 3.83%.

28 Amounts due from the banks

Amounts due from banks	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Current accounts	45 649	27 040
Deposits in other banks	3 553 334	2 888 835
Loans and credits granted	51 269	0
Bought up receivables	7 492	9 734
Repo transactions	0	0
Cash in transfer	462	0
Other deposits on financial market	0	0
Interest	0	16
Trade receivables	26 904	14 258
Other receivables	4 625	0
Total	**3 689 735**	**2 939 883**
Provision for imapairment	(24)	(8)
Total, net	**3 689 711**	**2 939 875**

As at 31.12.2007, amounts due from banks with variable interest rates equalled to 462,503 thousand PLN (as at 31.12.2006: 8,738 thousand PLN), and with fixed interest rates, 3,163,941 thousand PLN (31.12.2006: 2,911,458 thousand PLN). As at 31.12.2007, there were also no-interest bearing amounts due from banks which stood at 63,267 thousand PLN (31.12.2006: 19,679 thousand PLN).

Amounts due from banks by maturity (from balance sheet date to date of repayment)	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Current accounts and ON deposits	571 563	1 019 621
Term deposits with a maturity period:	3 113 085	1 920 262
Up to 1 month	2 089 610	1 613 211
from 1 to 3 months	736 479	306 528
from 3 months to 1 year	67 436	112
from 1 year to 5 years	219 560	411
over 5 years	0	0
Cash in transfer	462	0
Other receivables	4 625	0
Total	**3 689 735**	**2 939 883**
Provision for imapairment	(24)	(8)
Total, net	**3 689 711**	**2 939 875**

29 Financial assets held for trading

Financial assets held for trading	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Debt securities	0	80
- issued by State Treasury	0	80
Shares in other entities	21 954	0
- listed	21 954	0
Financial assets held for trading, total	**21 954**	**80**

In the item concerning the shares in other entities, Europa Group presents the shares quoted at the Warsaw Stock Exchange.

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	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Debt securities	**0**		**0**		**0**		**0**		**0**		**0**	**0**	
Shares in other entities	**21 954**		**0**		**0**		**0**		**0**		**0**	**21 954**	
- listed	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**	

Financial assets held for trading, by maturity as at 31 December 2006 (book values in PLN thousands):	- up to 1 month		- from 1 month to 3 months		- from 3 months to 1 year		- from 1 year to 5 years		- more than 5 yaers		Due date not determined	Total	
	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Debt securities	**0**		**0**		**0**		**78**		**2**		**0**	**80**	
- issued by State Treasury	0		0		0		78		2		0	80	4,35%
Udziały i akcje w innych jednostkach	**0**		**0**		**0**		**0**		**0**		**0**	**0**	
Financial assets held for trading, total as at 31 December 2006	**0**		**0**		**0**		**78**		**2**		**0**	**80**	

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 the fair value of financial derivatives according to original maturity dates as at 31 December 2007 (in thousand PLN):

	Up to 1 month	1 to 3 months	3 months to 1 year	1 - 5 years	more than 5 years	Total	Fair value (negative)	Fair value (positive)
Currency transactions								
- over the counter market								
Currency swap	**4 298**	**28 429**	**0**	**2 508**	**0**	**35 235**	**7**	**172**
Purchase of currency	4 298	28 429	0	2 508	0	35 235	7	172
Sale of currency	0	0	0	0	0	0	0	0
CIRS	**0**	**0**	**0**	**11 592 876**	**0**	**11 592 876**	**41 755**	**116 444**
Purchase of currency	0	0	0	6 124 126	0	6 124 126		
Sale of currency	0	0	0	5 468 750	0	5 468 750		
Non Delivery Forward	**19 341**	**0**	**0**	**0**	**0**	**19 341**	**0**	**28**
Purchase of currency	6 201	0	0	0	0	6 201		
Sale of currency	13 140	0	0	0	0	13 140		
Options	**0**	**102 622**	**1 075**	**289 535**	**0**	**393 232**	**34 847**	**35 988**
Purchase	0	102 622	0	268 418	0	371 040	34 847	35 519
Sale	0	0	1 075	21 117	0	22 192	0	469
Interest rate transactions								
Interest rate swap (IRS)	**0**	**0**	**0**	**167 000**	**0**	**167 000**	**471**	**80**
Purchase	0	0	0	167 000	0	167 000	471	0
Sale	0	0	0	0	0	0	0	80
Derivative instruments, total	**23 639**	**131 051**	**1 075**	**12 051 919**	**0**	**12 207 684**	**77 080**	**152 712**

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

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

31 Financial assets at fair value through profit or loss

	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Debt securities	44 262	-
- issued by other banks	16 608	-
- issued by State Treasury	27 654	-
Participation units in funds	79 287	-
Other financial instruments at fair value through profit or loss, total	**123 549**	**-**

The financial assets carried at fair value through profit and loss include exclusively the financial assets that were classified to this category at the moment of first recognition.

Debt securities issued by other banks include the structured bonds of a total value of: 16,608 thousand PLN. Maturity dates of these securities fall on between 3.05.2010 to 31.10.2012.

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 17,482 thousand PLN, and variable coupon bonds of a total value of 5,000 thousand PLN. 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 fixed interest rate bonds amount to 5.23%, the coupons of the variable interest rate bonds range between 4.75% to 6%. As at 31.12.2007, the average yield to maturity amounted from 5.79% (zero coupon bonds) to 6.15% (fixed coupon bonds).

Financial assets measures at fair value through profit and loss according to maturity dates as at 31 December 2007 (in thousand PLN)

	- up to 1 month		- from 1 month to 3 months		- from 3 months to 1 year		- from 1 year to 5 years		- more than 5 yaers		Due date not determined	Total	
	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Average yield	Book value	Book value	Average yield
Debt securities	**0**		**315**		**5 422**		**38 525**		**0**		**0**	**44 262**	
- issued by other banks							16 608					16 608	
- issued by non-financial institutions			315	6,12%	5 422	5,79%	21 917	6,09%				27 654	
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**	

As at 31 December 2006 Group did not possess financial assets at fair value through profit or loss.

(in thousand PLN)

32 Bank loans and credits granted to customers

Bank loans and credits due from customers	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Bank loans and credits	11 029 232	6 159 233
Purchased receivables	729 436	476 068
Receivables due under credit cards	3	0
Realised guarantees	476	504
Total	**11 759 147**	**6 635 805**
Impairment write downs (-)	(615 583)	(557 086)
Total, net	**11 143 564**	**6 078 719**

As at 31 December 2007	Gross value of bank loans and credits before impairment	Gross value of bank loans and credits after impairment	Impairment charges for not impaired loans IBNR	Impairment charges for impaired loans	Total, net
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	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**

As at 31 December 2006	Gross value of bank loans and credits before impairment	Gross value of bank loans and credits after impairment	Impairment charges for not impaired loans IBNR	Impairment charges for impaired loans	Total, net
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
- corporate loans	635 747	222 017	(5 529)	(192 271)	659 964
- car loans	1 424 739	130 650	(31 115)	(97 400)	1 426 874
- mortgage loans	3 197 866	113 898	(33 860)	(49 824)	3 228 080
- consumer credits	743 147	167 741	(17 783)	(129 304)	763 801
Total	**6 001 499**	**634 306**	**(88 287)**	**(468 799)**	**6 078 719**

Bank loans and credits granted to customers by maturity	31.12.2007 Carrying amount thousand PLN	31.12.2007 Average effective interest rate	31.12.2006 Carrying amount thousand PLN	31.12.2006 Average effective interest rate
Bank loans and credits granted				
- local authorities	**20 284**	**6,95%**	**41 010**	**6,13%**
Up to 1 month	836		2 873	
from 1 month to 3 months	1 985		4 440	
from 3 months to 1 year	7 854		13 324	
from 1 year to 5 years	8 829		19 214	
more than 5 years	780		1 159	
- financial institutions other than banks	**3 556**	**11,99%**	**10 549**	**17,74%**
Up to 1 month	907		5 674	
from 1 month to 3 months	329		71	
from 3 months to 1 year	802		392	
from 1 year to 5 years	1 426		4 343	
more than 5 years	92		69	
- non financial institutions	**1 814 583**	**10,46%**	**974 427**	**12,56%**
Up to 1 month	519 401		324 055	
from 1 month to 3 months	106 352		71 034	
from 3 months to 1 year	287 996		191 288	
from 1 year to 5 years	719 806		341 826	
more than 5 years	181 028		46 224	
- public	**9 305 141**	**9,51%**	**5 052 733**	**9,97%**
Up to 1 month	450 035		462 983	
from 1 month to 3 months	144 919		83 589	
from 3 months to 1 year	637 317		357 705	
from 1 year to 5 years	2 377 805		1 401 909	
more than 5 years	5 695 065		2 746 547	
Total	**11 143 564**		**6 078 719**	

Fixed interest credits and loans extended to clients as at 31.12.2007 represented 3.16 % of the entire credit and loan portfolio, i.e. 352,420 thousand PLN (31.12.2006 appropriately: 2.83% and 171,947 thousand PLN). They included such bank products as buy out of lease receivables, buy out of factoring receivables, part of automobile loans, instalment loans, and business currency loans.

Changes of the level of write-downs in the year ended on 31 December 2007 and 31 December 2006 are presented in Note 21.

33 Finance lease receivables

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**	**305 635**

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

Average duration of concluded lease contracts as at 31.12.2007 is for Carcade 2 years and for TU Europa 9 years (31.12.2006: 1.8 years for Carcade).

The fair value of finance lease receivables as at 31.12.2007 is PLN 300,487 thousand (31.12.2006: PLN 155,276 thousand).

Provisions for impairment loss due to minimal lease fees as at 31.12.2007 amount to 5,148 thousand PLN (31.12.2006: 3,749 thousand PLN).

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

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

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

34 Financial instruments

Investment securities	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Securities available for sale	**1 700 923**	**1 600 650**
- issued by central banks	327 604	27 768
- issued by other banks	18	-
- issued by other financial institutions	3 528	6 550
- issued by non-financial institutions	17 137	15 969
- issued by State Treasury	1 352 636	1 550 363
Securities held to maturity	**48 176**	**32 436**
- issued by other banks	25 295	25 252
- issued by State Treasury	22 881	5 261
- issued by local authorities	-	1 923
Investment securities, total	**1 749 099**	**1 633 086**
Impairment of investment securities	**(15 274)**	**(12 489)**
Securities available for sale	(15 274)	(12 489)
- issued by other financial institutions	(45)	-
- issued by non-financial institutions	(15 229)	(12 489)
Investment securities, net total	**1 733 825**	**1 620 597**

(in thousand PLN)

Changes of investment securities	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Securities available for sale		
Net balance at the beginning of period	1 588 161	1 516 597
Foreign exchange differences	-	-
Additions	24 954 746	11 927 869
Disposals (sale and repurchase)	(24 857 109)	(11 855 243)
Impairment write-downs	(45)	(1 081)
Change in fair value	(104)	19
Net balance at the end of period	**1 685 649**	**1 588 161**
Securities held to maturity		
Net balance at the beginning of period	32 436	34 917
Foreign exchange differences	-	-
Additions	19 280	1 629
Disposals (sale and repurchase)	(3 507)	(4 110)
Impairment write-downs	-	-
Change in fair value	(33)	-
Net balance at the end of period	**48 176**	**32 436**

Securities available for sale

Debt securities issued by central banks as at 31.12.2007 include NBP bonds of a total nominal value of 26,822 thousand PLN. The maturity date of those securities is 1.03.2012. As at 31.12.2007, the average yield to maturity of those securities was 4.19% (31.12.2006 respectively: 26,822 thousand PLN, 1.03.2012: 4.21%). Additionally, debt securities issued by central banks as at 31.12.2007 include money bills of a total nominal value of 300,000 thousand PLN. The maturity date of those securities is 4.01.2008. As at 31.12.2007, the average yield to maturity of those securities was 5%.

Debt securities issued by the Ministry of Finance include treasury bills of a total value of 839,000 thousand PLN and treasury bonds of a total value of 520,000 thousand PLN. The maturity dates of those securities range from 9.01.2008 to 24.03.2010, while coupons from 0% to 5.75%. As at 31.12.2007, the average yield to maturity of those securities was from 4,78% to 6.1% (31.12.2006 respectively: 985,342 thousand PLN; 557,063 thousand PLN; 3 days to 5 years; 5.46% to 5.75%; 3.78% and 6.39%).

Valuation of securities available for sale disloced directly in equity capital in 2007 amounted to (17 690) thousand PLN, amount deducted from equity capital and diclosed in profit anl loss account for the year 2007 in connection with sell of securities available for sale amounted to 1 081 thousand PLN (in 2006 disclosed respectively: in equtiy capital in connection with valuation (2 094) thousand PLN, in profit and loss account in connection with sell 182 thousand PLN).

Securities held to maturity

As at 31.12.2006 the debt securities issued by local authorities include the municipal bonds of a total value of 1,900 thousand PLN. The maturity dates of those securities are from 27.09.2007 to 30.10.2007, while coupons from 5.55% to 5.65%. As at the end of 2007 the municipal bonds do not occur.

Debt securities issued by other banks include mortgage bonds of a total value of 25,000 thousand PLN. The maturity dates of those securities are from 19.05.2008 to 10.10.2008, while coupons from 5.73 to 5.8. As at 31.12.2007 the average yield to maturity of these securities amounted to 5.74%. As at 31.12.2006 the value of the mortgage bonds coupons ranged from 4.7% to 4.93%, average yield to maturity of these securities amounted to 4.93%.

Debt securities issued by the Ministry of Finance cover treasury bonds of a total value of 22,414 thousand PLN. Maturity date of these securities ranges from 24.06.2008 to 24.10.2013, while the coupons from 5% to 5.75%. Average yield to maturity of these securities amounted to at to end of 2007 4.71%. In 2006 the nominal value of treasury bonds amounted to 5,000 thousand PLN. Maturity date of these securities is 18.01.2009, whereas the coupons 5.46%. As at 31.12.2007, the average yield to maturity of those securities was 5.46%.

The hegding accepted for the portfolio securities available for sale as at 31.12.2007.

(in thousand PLN)

Liabilities (types)	Value of the secured liabilities	Types of assets providing security for liabilities
BFG	24 000 000	treasury bills
technical loan	109 000 000	treasury bills
lombard loan	60 000 000	treasury bonds
loan BFG	440 000 000	treasury bonds
loan BFG	19 821 500	NBP bonds
investment in bank	131 000 000	treasury bills
loan in bank	145 000 000	treasury bills
loan in bank	240 000 000	treasury bills
	1 168 821 500	

The hegding accepted for the portfolio securities kept to maturity as at 31.12.2007.

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

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	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Gross book value	Average yield
Securities available for sale													
- issued by central banks	299 843	5,00%	0		0		27 761	4,19%	0		0	327 604	4,93%
- issued by other banks	0		0		0		0		0		18	18	
- issued by other financial institutions	500		0		0		16		0		3 005	3 521	
- issued by other non-financial institutions	0		0		0		0		0		17 144	17 144	
- issued by State Treasury	126 733	4,13%	118 831	4,20%	651 188	4,95%	455 884	6,39%	0		0	1 352 636	5,29%
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 (-)	0		0		0		(10)		0		(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 available for sale, by maturity as at 31 December 2006 (in PLN thousands)	- up to 1 month		- from 1 month to 3 months		- from 3 months to 1 year		- from 1 year to 5 years		- more than 5 years		Due date not determined	Total	
	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Gross book value	Average yield
Securities available for sale													
- issued by central banks									27 768	4,21%		27 768	4,21%
- issued by other banks											729	729	
- issued by other financial institutions											6 550	6 550	
- issued by other non-financial institutions											15 241	15 241	
- issued by State Treasury	104 843	3,95%	319 988	3,91%	621 164	8,43%	504 367	14,89%			0	1 550 362	7,80%
Gross securities available for sale, total as at 31 December 2006	**104 843**		**319 988**		**621 164**		**504 367**		**27 768**		**22 520**	**1 600 650**	
Impairment of investment securities (-)	0		0		0		0		0		(12 489)	(12 489)	
Securities available for sale, total net as at 31 December 2006	**104 843**		**319 988**		**621 164**		**504 367**		**27 768**		**10 031**	**1 588 161**	

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	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Gross book value	Average yield
Securities held to maturity													
- issued by other banks	0		0		25 295	5,74%	0		0		0	25 295	5,74%
- issued by State Treasury	0		0		7 785	3,85%	5 253	5,31%	9 843	5,08%	0	22 881	4,71%
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 (-)	0		0		0		0		0		0	0	
Securities held to maturity, total net as at 31 December 2007	**0**		**0**		**33 080**		**5 253**		**9 843**		**0**	**48 176**	

Securities held to maturity, by maturity as at 31 December 2006 (in PLN thousands)	- up to 1 month		- from 1 month to 3 months		- from 3 months to 1 year		- from 1 year to 5 years		- more than 5 years		Due date not determined	Total	
	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Average yield	Gross book value	Gross book value	Average yield
Securities held to maturity													
- issued by other banks	0		0		0		25 252	4,88%	0		0	25 252	4,88%
- issued by State Treasury	0		0		0		5 261	5,46%	0		0	5 261	5,46%
- issued by local authorities	0		0		1 923	5,60%	0		0		0	1 923	5,60%
Gross securities held to maturity, total as at 31 December 2006	**0**		**0**		**1 923**		**30 513**		**0**		**0**	**32 436**	
Impairment of investment securities (-)	0		0		0		0		0		0	0	
Securities held to maturity, total net as at 31 December 2006	**0**		**0**		**1 923**		**30 513**		**0**		**0**	**32 436**	

35 Investments in associates

Associates as at 31.12.2007:
- Powszechny Dom Kredytowy S.A.
- PDK Biznes sp. z o.o.
- Fiolet S.A.
- Akkord-Plus sp. z o.o.

Associates as at 31.12.2006:
- Powszechny Dom Kredytowy S.A.
- Towarzystwo Ubezpieczeń Europa S.A.
- Towarzystwo Ubezpieczeń na Życie Europa S.A.

Changes in investments in associates	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Value of associates at the beginning of the period	**35 218**	**0**
Acquisition **	10 429	35 218
Disposal* (-)	(35 218)	-
Value of associates at the end of the period	**10 429**	**35 218**
Goodwill at the beginning of the period	**77 870**	**2 736**
Acquisition **	1 542	77 639
Share in profit (losses)	754	-
Disposal* (-)	(77 639)	(2 505)
Goodwill at the end of the period	**2 527**	**77 870**
Value of investment in associates (including goodwill) at the end of the period	**12 956**	**113 088**

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

** in 2007, as a consequence of merger Fiolet S.A. and Getin Raty S.A., Fiolet became a associate company

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

Entity	Value of assets	Value of liabilities	Revenues	Net profit/(loss)	% shares
2007					
PDK S.A.	17 292	36 598	71 227	(1 971)	21,0%
Fiolet S.A. from the date of disposal - 01.10.2007	47 457	18 151	84 989	13 261	39,5%
Akkord-Plus *	nd	nd	nd	nd	29,8%
Total	**64 749**	**54 749**	**156 216**	**11 290**	**---**
2006					
PDK S.A.	19 807	37 691	48 898	(29 192)	21,0%
Capital Group TU Europa - consolidated data	748 849	570 342	228 372	45 433	20,0%
Total	**768 656**	**608 033**	**277 270**	**16 241**	**---**

* 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 was as follows (in thousand PLN):

Entity	Share of losses - current year	Cumulative share of losses
2007		
PDK S.A.	408	1 819
Total	**408**	**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.

(in thousand PLN)

36 Equity instruments available for sale

Financial instruments available for sale include, among others, the following subordinated entities which are not covered by consolidation or valuation using the equity method, because:

- the Group neither exercises control over them nor significantly influences them:
  Getin Leasing S.A.
  Giełda Papierów Wartościowych
  Międzynarodowa Szkoła Bankowości i Finansów w Katowicach
  Agencja Rozwoju Lokalnego w Sosnowcu
  CENTROZAP
  BIK
  PREFSTAL
  Regionalna Agencja Poszanowania Energii
  Łódzki Rolno-Spożywczy Rynek
  BPs
  Exatel
  Agrohurt
  LR Hurtowy
  Szkoła Bankowa
- these entities are in liquidation or bankruptcy and although the Group owns more then 50% share in these entities it does not exercise control over them (IAS 27, point 21):
  BTG sp. z o.o.
  BP Telervis S.A.
  KONWIN-Kruszwica sp. z o.o.

Gross value of equity instruments available for sale at 31.12.2007r. amounts 19,667 thousand PLN, and value of these instruments amounts 4,438 thousand PLN (as at 31.12.2006 properly: gross value 18,512 thousand PLN, net value 6,023 thousand PLN).

37 Intangible assets

Intangible assets	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Patents and licences	7 595	3 982
Goodwill	784 349	376 733
Trademark	91 600	50 600
Other	20 436	20 514
Advances for intangibles	8 620	2 810
Total	**912 600**	**454 639**

(in thousand PLN)

Changes of intangibles for the year ended 31 December 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:	**0**	**8 938**	**41 000**	**407 616**	**6 006**	**10 856**	**474 416**
Acquisition of subsidiaries	-	6 165	41 000	407 616	130	305	455 216
Purchases	-	2 198	-	-	1 274	10 551	14 023
Transfer from investments	-	458	-	-	4 588	-	5 046
Other	-	117	-	-	14	-	131
Decreases, of which:	**(659)**	**(244)**	**-**	**-**	**(408)**	**(5 046)**	**(6 357)**
Liquidation and sale, donation	(659)	(236)	-	-	-	-	(895)
Disposals due to business combination	-	-	-	-	(400)	-	(400)
Foreign exchange differences		(8)			(8)		(16)
Transfer from investments	-	-	-	-	-	(5 046)	(5 046)
Closing balance as at 31 December 2007	**2 423**	**14 549**	**91 600**	**784 349**	**49 035**	**8 620**	**950 576**
Accumulated depreciation							
Openning balance as at 1 January 2007	**2 423**	**1 873**	**0**	**0**	**22 923**	**0**	**27 219**
Increases, of which:	**0**	**5 318**	**0**	**0**	**5 957**	**0**	**11 275**
Purchases of subsidiaries	-	2 721	-	-	76	-	2 797
Depreciation for the period	-	2 590	-	-	5 881	-	8 471
Other increases	-	7	-	-	-	-	7
Decreases, of which:	**-**	**(237)**	**-**	**-**	**(281)**	**-**	**(518)**
Liquidation and sale	-	(237)	-	-	-	-	(237)
Disposals due to business combination	-	-	-	-	(278)	-	(278)
Foreign exchange differences					(3)		(3)
Closing balance as at 31 December 2007	**2 423**	**6 954**	**0**	**0**	**28 599**	**0**	**37 976**
Impairment write-downs							
Openning balance as at 1 January 2007	**659**	**0**	**0**	**0**	**0**	**0**	**659**
Increases	-	-	-	-	-	-	-
Decreases	(659)	-	-	-	-	-	(659)
Closing balance as at 31 December 2007	**0**	**0**	**0**	**0**	**0**	**0**	**0**
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 31 December 2007	**0**	**7 595**	**91 600**	**784 349**	**20 436**	**8 620**	**912 600**

(in thousand PLN)

Changes of intangibles for the year ended 31 December 2006	Development costs thousand PLN	Patents and licences thousand PLN	Trademark thousand PLN	Goodwill thousand PLN	Other thousand PLN	Advances for intangibles thousand PLN	Total thousand PLN
Initial value							
Openning balance as at 1 January 2006	**3 082**	**2 860**	**50 600**	**373 201**	**31 225**	**808**	**461 776**
Increases, of which:	**-**	**4 179**	**-**	**4 571**	**12 363**	**7 459**	**28 572**
Acquisition of subsidiaries	-	-	-	4 571	-	-	4 571
Purchases	-	4 179	-	-	6 909	7 459	18 547
Transfer from investments	-	-	-	-	5 454	-	5 454
Decreases, of which:	**-**	**(1 184)**	**-**	**(1 039)**	**(151)**	**(5 457)**	**(7 831)**
Liquidation and sale, donation	-	(1 184)	-	-	30	-	(1 154)
Foreign exchange differences	-	-	-	(1 039)	-	-	(1 039)
Transfer from investments	-	-	-	-		(5 454)	(5 454)
Other					(181)	(3)	(184)
Closing balance as at 31 December 2006	**3 082**	**5 855**	**50 600**	**376 733**	**43 437**	**2 810**	**482 517**
Accumulated depreciation							
Openning balance as at 1 January 2006	**2 423**	**2 584**	**-**	**-**	**18 206**	**-**	**23 213**
Increases, of which:	**-**	**473**	**-**	**-**	**4 780**	**-**	**5 253**
Depreciation for the period	-	473	-	-	4 780	-	5 253
Decreases, of which:	**-**	**(1 184)**	**-**	**-**	**(63)**	**-**	**(1 247)**
Liquidation and sale, donation	-	(1 184)	-	-	-	-	(1 184)
Other	-	-	-	-	(63)	-	(63)
Closing balance as at 31 December 2006	**2 423**	**1 873**	**-**	**-**	**22 923**	**-**	**27 219**
Impairment write-downs							
Openning balance as at 1 January 2006	**659**	**-**	**-**	**-**	**-**	**-**	659
Increases	-	-	-	-	-	-	-
Decreases	-	-	-	-	-	-	-
Closing balance as at 31 December 2006	**659**	**-**	**-**	**-**	**-**	**-**	**659**
Net book value							
Openning balance as at 1 January 2006	**0**	**276**	**50 600**	**373 201**	**13 019**	**808**	**437 904**
Closing balance as at 31 December 2006	**0**	**3 982**	**50 600**	**376 733**	**20 514**	**2 810**	**454 639**

Amortization is presented in the item “Total administrative expenses” in the Income Statement.

As at the balance sheet date, there were no intangible assets whose legal title would be limited nor intangible assets pledged as security for claims.

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

Essental assets for the Group:

- DEF 3000, centralized transaction IT system. The carrying amount of the system as at 31 December 2007, is 12,719 thousand PLN (31 December 2006: 12,332 thousand PLN), and the amortisation period is until January 2011,
- Open Finance trademark. The carrying amount of the trademark as at 31 December 2007 and 31 December 2006, was PLN 50,600 thousand. It has an indefinite useful life.
- trade mark of TU Europa. The carrying amount of the trade mark as at 31.12.2007 equalled to 41,000 thousand PLN; the trade mark has an indefinite useful life.

Since 1 January 2004, the goodwill has not been amortised and it has been annually tested for impairment. Test results as at 31.12.2007 are presented below; there are no assumptions indicating any impairment to the goodwill.

Information concerning the assessment of the goodwill after the purchase of subsidiaries is shown in Note 59.

Assessment of the impairment in relation to the goodwill after the purchase of the subsidiaries

Goodwill after the purchase of the subsidiaries were assigned to whole subsidiaries as the cash-generating units.

Recoverable amount of the entities was assesed on the basis of the value in use. To carry out the test, the prognosis of cash flows for the entities was made for 5 years. The assessment includes also the residual value of the entities that results from the cash flows after the 5-year prognosis.

(in thousand PLN)

In order to calculate the the free operational flows before tax, the operational result of the subsidiaries in particular years included in the prognosis was corrected by significant non-cash items and planned investment expenses.

Name of company	Date of test	Cash flow forecast according to financial plan for years:	Cash flow forecast extrapolation for years	growth rate of extrapolation	Discount rate	Result
Getin Bank S.A.	31.12.2007	2008 – 2010	2011-2012	10%	8.51%	lack of impairment
Carcade OOO		2008 – 2010	2011-2012	10%	13.69%	
Noble Bank S.A.		2008 – 2010	2011-2012	10%	11.40%	
Open Finance S.A.		2008 - 2010	2011-2012	10%	9.75%	
PlusBank S.A.		2008 – 2010	2011-2012	10%	15.10%	

The trade mark of Open Finance has been carried at the fair value of 50,600 thousand PLN, the basis of this assessment is the report drawn up by an independent firm. The trade mark of TU Europa has been carried by an independent firm at the fair value of 41,000 thousand PLN.

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

The above decision was made on consideration of the following factors:

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

38 Property, plant and equipment

Property, plant and equipment	**31.12.2007 thousand PLN**	**31.12.2006 thousand PLN**
Land and buildings	84 273	51 459
Plant and machinery	24 018	17 380
Motor vehicles	18 256	14 106
Other assets including equipment	10 567	6 337
Construction in progress	8 618	1 595
Property, plant and equipment, total	**145 732**	**90 877**

(in thousand PLN)

Changes in property, plant and equipment for year ended 31 December 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 at the beginning of the year	**86 889**	**72 847**	**21 696**	**23 511**	**204 943**
Increases, of which:	**47 010**	**20 786**	**13 601**	**8 355**	**89 752**
Purchases of subsidiaries	29 043	3 449	3 083	1 904	37 479
Purchases	4 794	5 761	10 398	4 394	25 347
Transfers from construction in progress	11 663	11 576	120	994	24 353
Transfer from investment property to own property	58	-	-	-	58
Other	1 452	-	-	1 063	2 515
Decreases, of which:	**(5 587)**	**(9 434)**	**(5 271)**	**(5 493)**	**(25 785)**
Liquidation and sale, donation	(1 596)	(8 258)	(2 347)	(5 294)	(17 495)
Disposals due to business combination	(85)	(1 071)	(2 880)	(55)	(4 091)
Foreign exchange differences	(3 906)	(101)	(44)	(125)	(4 176)
Other - inventory deficiency	-	(4)	-	(19)	(23)
Closing balance at the end of the period	**128 312**	**84 199**	**30 026**	**26 373**	**268 910**
Accumulated depreciation					
Openning balance at the beginning of the year	**31 863**	**55 405**	**7 587**	**17 088**	**111 943**
Increases, of which:	**9 857**	**13 234**	**5 973**	**3 752**	**32 816**
Purchases of subsidiaries	48	2 008	1 039	965	4 060
Depreciation for the period	9 809	11 164	4 882	2 768	28 623
Other increases	-	62	52	19	133
Decreases, of which:	**(834)**	**(8 552)**	**(1 790)**	**(5 273)**	**(16 449)**
Liquidation and sale	(676)	(8 069)	(1 420)	(5 180)	(15 345)
Disposals due to business combination	(28)	(272)	(329)	(16)	(645)
Foreign exchange differences	(130)	(170)	(11)	(67)	(378)
Other - inventory deficiency	-	(41)	(30)	(10)	(81)
Closing balance at the end of the period	**40 886**	**60 087**	**11 770**	**15 567**	**128 310**
Impairment write-downs					
Openning balance at the beginning of the year	**3 567**	**62**	**3**	**86**	3 718
Increases	-	94	-	182	276
Decreases	(414)	(62)	(3)	(29)	(508)
Closing balance at the end of the period	**3 153**	**94**	**-**	**239**	**3 486**
Net book value					
Openning balance at the beginning of the year	**51 459**	**17 380**	**14 106**	**6 337**	**89 282**
Closing balance at the end of the period	**84 273**	**24 018**	**18 256**	**10 567**	**137 114**

(in thousand PLN)

Changes in property, plant and equipment for year ended 31 December 2006	Land and buildings thousand PLN	Plant and machinery thousand PLN	Motor vehicles thousand PLN	Other assets including equipment thousand PLN	Total thousand PLN
Initial value					
Openning balance at the beginning of the year	**96 701**	**72 296**	**16 190**	**26 529**	**211 716**
Increases, of which:	**22 420**	**9 655**	**8 791**	**4 832**	**45 698**
Purchases	7 237	3 582	8 734	4 647	24 200
Transfers from construction in progress	7 425	6 073	-	185	13 683
Transfer from investment property to own property	7 758	-	-	-	7 758
Other	-	-	57	-	57
Decreases, of which:	**(32 232)**	**(9 104)**	**(3 285)**	**(7 850)**	**(52 471)**
Classified as assed available for sale	(14 783)	-	-	-	(14 783)
Liquidation and sale, donation	(17 449)	(9 102)	(2 372)	(6 489)	(35 412)
Other	-	(2)	(913)	(6)	(921)
Classified as investment property	-	-	-	(1 355)	(1 355)
Closing balance at the end of the period	**86 889**	**72 847**	**21 696**	**23 511**	**204 943**
Accumulated depreciation					
Openning balance at the beginning of the year	**35 878**	**53 717**	**5 756**	**21 075**	**116 426**
Increases, of which:	**6 845**	**10 333**	**3 817**	**2 008**	**23 003**
Depreciation for the period	6 845	10 333	3 793	2 008	22 979
Other increases	-	-	24	-	24
Decreases, of which:	**(10 860)**	**(8 645)**	**(1 986)**	**(5 995)**	**(27 486)**
Liquidation and sale	(10 860)	(8 645)	(1 788)	(5 995)	(27 288)
Other	-	-	(198)	-	(198)
Closing balance at the end of the period	**31 863**	**55 405**	**7 587**	**17 088**	**111 943**
Impairment write-downs					
Openning balance at the beginning of the year	**253**	**62**	**3**	**86**	**404**
Increases	3 314	-	-	-	3 314
Decreases	-	-	-	-	-
Closing balance at the end of the period	**3 567**	**62**	**3**	**86**	**3 718**
Net book value					
Openning balance at the beginning of the year	**60 570**	**18 517**	**10 431**	**5 368**	**94 886**
Closing balance at the end of the period	**51 459**	**17 380**	**14 106**	**6 337**	**89 282**

The carrying amount of the vehicles used under finance lease agreements and hire purchase agreements as at 31.12.2007 was 4,089 thousand PLN (31 December 2006: 960 thousand PLN).

The amount of the compensations received from third parties due to the impairment or the loss of the item of the tangible fixed assets that are included in the result statement in 2007 equalled to 169 thousand PLN (2006: 177 thousand PLN).

The amount of the expenses included in the item of the tangible fixed assets under construction amounted to as at 31.12.2007 – 9,667 thousand PLN. (31.12.2006: 1,595 thousand PLN).
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 31.12.2007 was 20,764 thousand PLN (as at 31 December 2006: 18,186 thousand PLN) and was higher than their book value. The fair value was determined on the basis of valuations performed by property appraisers.

(in thousand PLN)

Changes in the value of the investment property	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Gross book value		
Opening balance at the beginning of the period	**23 614**	**31 372**
Increases	**3 073**	**-**
Purchases of real estate	786	-
Increases due to acquisition of subsidiaries	2 199	-
Other changes	88	-
Decreases	**(222)**	**(7 758)**
Sale of real estate	(164)	-
Transfer to own real estate	(58)	(7 758)
Closing balance at the end of the period	**26 465**	**23 614**
Accumulated depreciation		
Opening balance at the beginning of the period	**1 028**	**523**
Increases	**467**	**545**
Depreciation	429	545
Increases due to acquisition of subsidiaries	38	-
Decreases	**(9)**	**(40)**
Sale of real estate	(9)	-
Transfer from own real estate	-	(40)
Closing balance at the end of the period	**1 486**	**1 028**
Impairment write-downs		
Opening balance at the beginning of the period	**10 094**	**13 247**
Increases	680	-
Decreases	-	(3 153)
Transfer from own real estate	-	(3 153)
Closing balance at the end of the period	**10 774**	**10 094**
Net book value		
Opening balance at the beginning of the period	**12 492**	**17 602**
Closing balance at the end of the period	**14 205**	**12 492**

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

	01.01.2007-31.12.2007 tys. PLN	01.01.2006-31.12.2006 tys. PLN
Income on rental of investment property	1 324	1 227
Direct operational expenses (including repair and maintenence) related to investment property bringing rental income	510	774
Direct operational expenses (including repair and maintenence) related to investment property not bringing rental income	457	671

40 Reinsurer’s share in the technical and insurance provisions

Share of reinsurer in technical provisions	31.12.2007 tys. PLN	31.12.2006 tys. PLN
Share of reinsurance in premiums provision and in the provision for the coverage of the unexpired risk	334	0
Share of reinsurers in the provision for life insurance	8 771	0
Share of reinsurers in the provision for unpaid compensations and benefits	1 764	0
Share of reinsurer in technical provisions (negative value)	**10 869**	**0**

(in thousand PLN)

41 Other assets

Other assets	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Deferred costs	86 193	6 412
Perpetual usufruct right	407	412
Other assets held for resale	164	64
Receivables from sundry debtors	13 284	21 080
Trade receivables	18 336	7 932
Receivables from other taxation, subsidies and social security	14 957	6 738
Lease receivables	2 856	2 792
Debit cards settlements	6 158	3 616
Income to receive	1 951	2 015
Inventory	553	223
Advances	33 238	16 326
Other receivables	56 556	25 933
Interbank and inter branch accounts	221	76
Compensation receivables under lease agreements	-	2 625
Direct insurance receivables	40 954	-
Reinsurance receivables	205	-
Regress and deposits	13 363	-
Other	960	1 373
Total other assets	**290 356**	**97 617**
Impairment write-downs	(14 760)	(14 678)
Total other assets, net	**275 596**	**82 939**

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

The item of direct insurance receivables contains receivables due from clients by virtue of insurance policies.

42 Non-current assets held for sale

This item consists of non-current assets belonging to Getin Bank S.A., Noble Bank S.A., and PlusBank S.A. that are held for sale of a net value of 22,467 thousand PLN as at 31.12.2007. (31.12.2006: PLN 25,564 thousand).

Location of the properties:

Getin Bank: Krosno, Lublin, Ostrowiec Świętokrzyski, Tomaszów Lubelski, Warszawa, and Zamość,
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 carrying amount.

In July 2007 as a result of the contract concluded with BTG sp. z o. o., Getin Bank S.A. purchased from the company at a price of 1.29 million PLN the shares of BP Real Nieruchomości in return for releasing BTG sp. z o. o. from a part of its obligation due towards Bank. This transaction increased the share of Bank in the capital of BP Real Nieruchomości by 7.64% to the level of 97.31%. As at 31 December 2007 the carrying amount of the shares equalled to 17.7 million. The Bank has its representatives in the Supervisory Board and the Management of BP Real Nieruchomości.

The shares of Bank in the company are held for sale. Although the annual term for completing the transaction that is specified in MSSF 5 elapsed, Bank realises its plan to obtain economic gains in cash for the retirement of the shares. On 27 November 2007, the Extraordinary Meeting of BP Real Nieruchomości passed the resolution on the voluntary retirement of the shares of a nominal value of 21.3 million PLN. The remuneration for the shareholders for the retired shares was set at the amount equal to the nominal value of a share i.e. 100 PLN for each share; the remuneration shall be paid to the shareholders after 6 month from the day of announcing the decrease of the initial capital. The initial capital was decreased by means of Resolution no. 2 of 27 November 2007 by 21.3 million PLN. The resolutions passed by the Extraordinary Meeting of the Shareholders of BP Real Nieruchomości were announced according to the requirements of Commercial Companies Code in “Monitor Sadowy i Gospodarczy” on 7 December 2007. In accordance with MSSF 5.9 the prolongation of the period of the process due to some proceedings and formalities that are independent of the entity allows for leaving the classification of the asset component as held for sale.

(in thousand PLN)

43 Assets providing security for liabilities

The table below presents the carrying amount of assets constituting 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
options	liabilities from life insurance agreements	34 989	35 040
Total		**2 536 063**	**1 315 825**

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

Types of assets providing security for liabilities	Types of liabilities	Value of the secured liabilities	Carrying amount of assets providing security for liabilities
treasury bills	BFG	10 188	14 666
treasury bills	technical loan	86 400	106 134
treasury bonds	lombard loan	68 000	84 365
treasury bonds	loan BFG	447 375	472 305
NBP bonds	loan BFG		20 521
treasury bills	investment in bank	119 408	133 063
treasury bills	loan in bank	239 049	304 340
treasury bills	loan in bank	239 076	250 718
cars and equipment	loans	114 539	31 395
Razem:		**1 324 035**	**1 417 507**

44 Amounts due to Central Bank

No such items.

(in thousand PLN)

45 Amounts due to other banks and financial institutions

Amounts due to other banks and financial institutions	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Overdrafts	475	0
Deposits accepted form other banks	204 859	645 119
Loans and credits received	989 401	1 009 482
Cash in transit	0	0
Other deposits from the money market	0	8
Other amounts due to other banks	3 129	2 146
Amounts due to other banks, total	**1 197 864**	**1 656 755**

Amounts due to other banks and financial institutions with a variable interest rate stood at 1,004,311 thousand PLN (2006: 889,407 thousand PLN), and with fixed interest rates, 189,073 thousand PLN (31.12.2006: 765,266 thousand PLN),

Amounts due to other banks and financial institutions by maturity based on the remaining period from the balance sheet date to date of repayment	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Overdrafts	475	0
Liabilities payable within:	1 197 389	1 656 755
up to 1 month	25 207	495 271
from 1 to 3 months	133 108	61 594
from 3 months to 1 year	251 444	231 891
from 1 to 5 years	787 630	867 999
more than 5 years	0	0
Other	0	0
Razem	**1 197 864**	**1 656 755**

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

Financial liabilities at fair value through profit or loss	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Investment bonds liabilities	75 794	0
Total	**75 794**	**0**

The remaining financial assets carried at fair value through profit and loss include exclusively the financial assets that were classified to this category at the moment of first recognition. Total financial liabilities carried at fair value through profit and loss has variable interest rate.

47 Amounts due to customers

Amounts due to customers	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Amounts due to corporate entities	**1 452 783**	**1 810 557**
Overdrafts and overnights	587 307	547 698
Term deposits	865 476	1 262 859
Amounts due to state budget entities	**884 014**	**551 263**
Overdrafts and overnights	773 906	528 817
Term deposits	110 108	22 446
Amounts due to individuals	**8 069 305**	**4 205 355**
Overdrafts and overnights	771 382	420 016
Term deposits	7 296 558	3 785 339
Other	1 365	0
Total of liabilities	**10 406 102**	**6 567 175**

(in thousand PLN)

Value of the liabilities towards the customers with variable interest rate as at 31.12.2007 amounts to 2,538,106 thousand PLN (2006: 1,684,152 thousand PLN), and those with a fixed interest rate at 7,777,546 thousand PLN (2006: 4,842,390 thousand PLN). Other liabilities bear no interest and their value as at 31.12.2007 amounted to 90,450 thousand PLN (2006: 40,633 thousand PLN).

Amounts due to customers by maturity based on the remaining period at the balance sheet date to date of repayment	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Overdrafts and overnights	2 132 595	1 496 531
Term liabilities by maturity:	8 272 142	5 070 644
up to 1 month	1 517 087	2 013 450
from 1 to 3 months	3 219 316	1 747 556
from 3 months to 1 year	3 060 939	1 201 324
from 1 to 5 years	474 178	108 311
more than 5 years	622	3
Other	1 365	0
Razem	**10 406 102**	**6 567 175**

48 Liabilities from the issue of debt securities

Liabilities from issue of debt securities	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Liabilities from issue of	3 158 098	1 419 889
bonds	2 521 656	1 218 816
certificates	636 442	173 821
other	0	27 252
Interests	37 774	16 275
Liabilities from issue of debt securities, total	**3 195 872**	**1 436 164**

As at 31.12.2007 liabilities from the issue of debt securities with a variable interest rate stood at 2,915,019 thousand PLN (2006: 1,070,558 thousand PLN), and with fixed interest rate stood at 243,079 thousand PLN (2006: 349,331 thousand PLN). The value of liabilities that bear no interest as at 31.12.2007 was 37,774 thousand PLN (2006: 16,275 thousand PLN).

	31.12.2007		31.12.2006	
	Carrying amount thousand PLN	Average effective rate	Carrying amount thousand PLN	Average effective rate
Liabilities from issue of debt securities, payable in:	3 158 098		1 419 889	
up to 1 month	0		37 639	15,72%
from 1 to 3 months	0		5 393	15,33%
from 3 months to 1 year	1 124 703	6,71%	16 371	15,59%
from 1 to 5 years	2 033 395	7,01%	1 360 486	5,86%
more than 5 years	0		0	
Interests	37 774		16 275	
Total	**3 195 872**		**1 436 164**	

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

(in thousand PLN)

49 Other liabilities

Other liabilities and interperiod settlements	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Deferred income	12 805	10 351
Provision for annual leave	4 222	3 454
Provision for other liabilities to employees	3 839	2 585
Provision for fixed cost	6 722	5 005
Other costs to be paid in future	28 679	15 867
Sundry creditors	30 169	12 463
Interbank settlements	21 919	38 489
Trade liabilities	17 695	10 020
Taxation, customs duty, social security liabilities (excluding CIT)	17 786	10 733
Lease liabilities	4 545	1 340
Payroll liabilities	7 369	4 048
Provision for contingent liabilities	28 814	1 470
Liabilities form debit cards	1 120	785
Advances received	22 259	14 974
Special funds	76	53
Contractual fines	727	773
Direct insurance liabilities	20 421	0
Reinsurance liabilities	235	0
Budget liabilities	1 783	0
Other	6 717	13 819
Other liabilities, total	**237 902**	**146 229**

The item of the provision for contractual liabilities includes the liabilities related to the insurance acquisition.

(in thousand PLN)

50 Provisions

12 months ended 31 December 2007	Restructuring provision	Provision for litigation	Provision for retirement benefits and similar obligations	Provision for granted liabilities and guarantes	Charged insurance premiums and fees	Other provisions	Total
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
As at 1 January 2007	**22 948**	**5 214**	**604**	**1 934**	**-**	**616**	**31 316**
Recognition/revaluation of provision	-	3	1 040	5 786	22 131	1 781	30 741
Utilisation of provisions	(2 019)	(145)	(632)	(4 827)	(13 187)	(89)	(20 899)
Reversal of provisions	(13 845)	(63)	(1 055)	-	-	-	(14 963)
Acquisition/disposal due to business combination	-	-	488	8	19 409	(527)	19 378
Stan rezerw na dzień 31 grudnia 2007 roku	**7 084**	**5 009**	**445**	**2 901**	**28 353**	**1 781**	**45 573**

12 months ended 31 December 2006	Restructuring provision	Provision for litigation	Provision for retirement benefits and similar obligations	Provision for granted liabilities and guarantes	Charged insurance premiums and fees	Other provisions	Total
	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN	thousand PLN
Stan na dzień 1 stycznia 2006 roku	**60 814**	**3 664**	**1 910**	**204**	**-**	**1 305**	**67 897**
Recognition/revaluation of provision	-	4 843	481	4 545	-	3 410	13 279
Utilisation of provisions	(22 453)	(291)	(1 569)	-	-	(537)	(24 850)
Reversal of provisions	(15 413)	(3 002)	(218)	(3 511)	-	(3 562)	(25 706)
Other changes	-	-	-	696	-	-	696
Stan rezerw na dzień 31 grudnia 2006 roku	**22 948**	**5 214**	**604**	**1 934**	**-**	**616**	**31 316**

(in thousand PLN)

Provision for retirement benefits and similar obligations	31.12.2007	31.12.2006
retirement provisions	445	327
provisions for severance pays	0	277
Total	**445**	**604**

51 Technical and insurance provisions

Technical provisions	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Unearned premium reserve and provision for the coverage of the unexpired risk	229 704	-
Provision for life insurance	54 913	-
Provision for unpaid indemnities and benefits	13 235	-
Technical provisions, in this:	**297 852**	**-**
- short-term	119 785	-
- long-term	178 067	-

	31.12.2007 thousand PLN		
	Gross	Share of the reinsurers	Net
Unearned premium reserve and provision for the coverage of the unexpired risk	229 704	334	229 370
Provision for life insurance	54 913	8 771	46 142
Provision for unpaid indemnities and benefits	13 235	2 004	11 231
submited	*9 917*	*1 477*	*8 440*
not submited	*3 318*	*527*	*2 791*
Loss of value of share of the reinsurers in technical provisions	-	(240)	240
Technical provisions, total	**297 852**	**10 869**	**286 983**

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

	01.01.2007-31.12.2007 thousand PLN		
	Gross	Share of the reinsurers	Net
Value at the beginning of the period	**-**	**-**	**-**
Increase due to acquisition of subsidiaries	19 286	1 512	17 774
-for compensations reported	19 286	1 512	17 774
Paid compensations concerning the losses incurred in the previous years, in this:	(5 147)	(827)	(4 320)
-paid compensations	(4 983)	(542)	(4 441)
-loss adjustment costs	(164)	(285)	121
Paid compensations concerning the losses incurred in this year, in this:	(15 213)	(1 933)	(13 280)
-paid compensations	(14 770)	(1 928)	(12 842)
-loss adjustment costs	(443)	(5)	(438)
Increase (decrease) provisions, in this:	14 309	3 252	11 057
-concerning the losses incurred in this year	11 918	3 016	8 902
-concerning the losses incurred in the previous years	2 391	236	2 155
Other changes	-	(240)	240
Value at the end of the period	**13 235**	**1 764**	**11 471**

(in thousand PLN)

The table below presents change in the level of the provisions for life insurance.

	31.12.2007 thousand PLN
Value at the beginning of the period	**14 069**
Increases/creation on account of the concluded agreements in the previous reporting periods	(5 204)
Increases/creation on account of the concluded agreements in this reporting period	47 670
Utilization within the reporting period	(1 622)
Value at the end of the period	**54 913**

Adequacy of technical and insurance provisions.

Conducted analysis contained analysis of following provisions: for losses occured and notified, for losses unnotified, provisions for life insurance and costs analysis.

On the basis of conducted analysis and forecasting Acturial Departament states that technical and insurance provisions (decreased by capitalised costs for agents commissions together with prospective premiums) as at 31 December 2007 are set up at the level which is sufficient to cover liabilities and costs arised from insuarance contracts conculded untill 31 December 2007.

52 Employment benefits

Management Options Program of Getin Holding Group

On 2 March 2005, the General Meeting of the Shareholders of Getin Holding S.A. adopted resolutions on setting up an incentive program for the Group's management staff, which plays a key role in implementing the Group's strategy. Under the program, the Parent Company's initial capital was conditionally increased through the issue of up to 3,000,000 series J shares. The series J shares will be offered to Eligible Persons holding bonds with a Priority Right to acquire shares from the Trustee on terms and conditions set forth in the Management Option Plan.

The Company undertook to issue in aggregate no more than 3 million Bonds with the Priority Right.

The bonds were issued and were taken up by the Trustee (Getin Bank). Next, the Trustee was obliged to sell the bonds to the Eligible Persons. Each bond carried the right to place 1 subscription for Series J Share.

The fair value of the priority rights to take up shares in the Company granted in the period until 31.12.2007 stood at 9,990 thousand PLN. It is amortised over the estimated period of acquisition of rights to take up shares in the Company by the plan participants.

The payroll cost has been increased due to the facts in 2007 by 4,886 thousand PLN (in 2006: 2,714 thousand PLN).

The option exercise price for share options is 2.40 PLN per one option.

The fair value of the priority right to take up shares in the Company is estimated at each date of granting options (priority rights to take up shares in the Company) on the basis of the *Black-Scholes model*.

The cost of the employee shares plan as at each balance sheet date is adjusted if Management Board expectations concerning the number of rights to be exercised have changed.

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

	Program for years 2005-2007
Dividend rate	dividend not expected
Foreseen variability rate	30 %
Historical variability rate	30 %
Risk-free interest rate	4.50 %
Estimated option maturity (in years)	0 -2
Weighted average of stock price in PLN on 11.2005	3.69
Weighted average of stock price in PLN on 11.2006	9.17
Stock price In PLN 19.06.2007	16.13

(in thousand PLN)

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

Getin International

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

The purchase price equals 25% of the value of the assets contributed by Getin Holding or parties related to Getin Holding to Getin International, decreased by the amount of all distributions made by Getin International to Getin Holding or its affiliates. Within 24 month from the day of concluding the contract, the price of realising the option amounts to 500 thousand USD, and later it amounts to 25% of the value of the shares of Getin International (this value shall be set in accordance to the contract or on the basis of the price at which the shares were sold in Getin International), reduced by the purchase price and the paid bonuses for the benefit of the managers of the companies subsidiary to Getin International.

The option may be exercised throughout the term of the agreement. The exercise of the option will be accelerated in the event that the Company ceases to hold more than 50% of shares in Getin International or in the event the agreement is terminated. The agreement is for an unlimited time period and may be terminated by either party upon three months' notice.
As at 31 December 2007 Getin Holding did not recognised the reserve for the liability towards Mr Afeltowicz due to the said contract on the basis of the valuation of the option price and the probability of terminating the contract before the end of its duration.

53 Contingent liabilities

Investment commitments

As at 31.12.2007, the Group did not conclude any significant agreements with business partners for the implementation of the planned capital expenditures (for the IT systems development); the planned capital expenditures for the year 2006 amounted to 8,399 thousand PLN.

Contingent liabilities and off-balance sheet items	31.12.2007 thousand PLN	31.12.2006 thousand PLN
1. Contingent liabilities given	**1 243 905**	**1 334 375**
a) financing	1 215 640	1 324 928
b) guarantees given	28 265	9 447
2. Liabilities related with purchase/sale transactions	**11 936 471**	**5 800 447**
3. Other off-balance sheet items	**1 173 424**	**1 386 112**
Contingent liabilities and off-balance sheet items, total	**14 353 800**	**8 520 934**

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

Fiolet S.A.

In connection with Getin Holding acquisition of 60% of Fiolet's initial capital in 2005, on November 24, 2005, the Company acceded to an agreement among Fiolet's existing shareholders. With this reservation that the stipulated conditions shall be fulfilled, one of the shareholders of Fiolet hold an option on the basis of which he could summon Getin Holding or other shareholder to purchase 13.3% of the shares of Fiolet at a price based on the net profit of Fiolet's net profits generated by Fiolet for fiscal year 2006. The put option was binding for Getin Holding and the other shareholder till 31

(in thousand PLN)

December 2007. The shareholder that hold the put option summoned a shareholder of Fiolet other than Getin Holding to purchase the shares; the option was realised in November 2007.

Moreover, with this reservation that the stipulated conditions shall be fulfilled, one of the shareholders of Fiolet holds an option on the basis of which he could summon Getin Holding or other shareholders of Fiolet to purchase 26.7% of the shares of Fiolet at a price based on the net profit of Fiolet for the year 2007. The put option is binding for Getin Holding and the other shareholders till 30 September 2008. Getin Holding assessed the probability of the realisation of this put option held by the shareholder of Fiolet in relation to Getin Holding as low. That is why the Company did not recognised in the financial statement the liability concerning the possible purchase of the shares of Fiolet.

PDK S.A.

The Company entered into agreements with PDK's shareholders (Powszechny Dom Kredytowy S.A.), RB Investcom Sp. z o.o. and LC Corp B.V. (companies affiliated with Mr. Czarnecki), under which the Company has the right to purchase PDK shares representing 30% of PDK's initial capital. The option expired without being realised.
The Company entered into agreements with shareholders of PDK, other than those specified above, under which the Company made an offer to purchase from these shareholders 30% and 6% of PDK's initial capital by 31 December 2009. On 21.12.2007 the aforesaid option contracts were terminated by mutual consent of the parties.

Sombelbank S.A.

On 19.12.2007 Getin International S.a.r.l obtained the consent of National Bank of the Republic of Byelorussia for the purchase of 75.04% of the shares of Sombelbank S.A. and for the acquisition of 4,318 of the newly issued shares of Sombelbank S.A. The very same day, Getin International S.a.r.l. concluded the conditional contract that obligates to conclude appropriate purchase contracts of 75.04% of the shares of Sombelbank S.A. The purchase of 75.04% of the shares of Sobelbank S.A. took place on 23.01.2008 at a price of 4,513 thousand EUR paid from the own funds of Getin International S.a.r.l.
On 11.02.2008 the Extraordinary Meeting of the Shareholders of Sombelbank was held; at the meeting a closed subscription for 5,753 shares at a issue price equal to the nominal value of a share that amounts to 3,306 thousand Byelorussian roubles was proposed. The representative of Getin International S.a.r.l declared the intention to acquire 4,318 of the newly issued shares, and another shareholder LLC Polimer R declared the intention to acquire the remaining 1,435 of the newly issued shares.

Akkord-Plus sp. z o.o.

On 7.12.2007 Getin International S.a.r.l. and Plus Bank acquired respectively 11% and 19% shares in the initial capital of the company Akkord-Plus established on the same day at a nominal price of respectively 253 thousand UAH and 437 thousand UAH. Simultaneously, Getin International S.a.r.l. concluded the conditional contract for the purchase of 70% of the shares of Akkord-Plus at a price of 10,074,800 USD on conditions precedent that were to be fulfilled till 20 January 2008; after the term was extended till 15 February 2008. The fulmilment of the condition took place before the Meeting of the Shareholders of Akkord-Plus on 11 February 2008. The schedule of payments of the purchase price is conditional and presents as follows: 200 thousand USD was paid after the conclusion of the contract, 5,274.8 thousand USD is to be paid in February 2008 (of which 2,700 thousand USD into the escrow account), 1,500 thousand USD is to be paid in May 2008, 1,800 USD is to be paid in August 2008, and 1,300 thousand USD is to be paid in February 2009.

Financial liabilities	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Financial liabilities given, total:	1 215 640	1 324 928
- for financial entities	161 655	681 457
- for non-financial entities	1 042 770	637 293
- for budget entities	11 215	6 178

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

Guarantee liabilities given	31.12.2007 thousand PLN	31.12.2006 thousand PLN
1) Liabilities granted to financial entities:	142	51
- guarantees	142	51
2) Liabilities granted to non-financial entities:	28 053	9 375
- guarantees	28 053	9 375
3) Liabilities granted to the state budget:	70	21
- guarantees	70	18
- civil law guarantees	0	3
Guarantee liabilities given, total	**28 265**	**9 447**

Details of contingent liabilities given to affiliated entities are presented in Note 58.

For the companies that are lessees, a total amount of the future minimal lease fees due to the irrevocable operational leasing equals to:

	31.12.2007 thousand PLN
For the period:	
to 1 year	13 255
from 1 to 5 years	35 667
more than 5 years	7 233
Total	**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								

01.01.2007 - 31.12.2007 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:	64 864	0	0	64 864
L series	64 073			64 073
J series	791			791
As at 31.12.2007	**709 787**	**0**	**0**	**709 787**

01.01.2006 - 31.12.2006 in thousand	Shares issued and fully paid	Shares issued and not fully paid	Own shares of entity in its possession or in possession of subsidiaries and associates	Total
As at 01.01.2006	**534 335**			**534 335**
Shares issue:	110 588	0	0	110 588
J series	1 988			1 988
K series	22 484			22 484
L series	16 116			16 116
M series	70 000			70 000
As at 31.12.2006	**644 923**	**0**	**0**	**644 923**

Value of the issue of the series J shares issued in 2007 amounted to 1,900 thousand PLN, while the series L – 448,506 thousand PLN.

55 Other reserves

	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Reserve capital	1 555 255	1 147 220
From sale of shares above their nominal value	1 532 341	1 147 220
Other	22 914	-
Revaluation reserve	(6 059)	9 632
Financial assets avaliable for sale valuation	(7 480)	13 504
Deffered tax	1 421	(3 872)
Other reserved capitals	289 443	103 959
Foreign exchange differences	(17 007)	(206)
Bonds convertible to shares – equity component	9 554	4 668
At the end of the period, total	**1 831 186**	**1 265 273**

	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Value of transactional costs decreasing equity capital	419	17 607

56 Insurance contracts which are off-balance sheet liabilities

The table below presents the information on the insurance contracts of the banks belonging to the Group for the year ended on 31.12.2007 and the year ended on 31.12.2006 .

	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Off-balance sheet liabilities in respect of insurance contracts:	22 375	9 174
Guarantees	21 238	8 454
Letters of credit	1 137	720
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability)	2	0
Insurance contracts revenue	360	181
Insurance contracts expenses	0	281

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 arrangements concerning the state of the insurance liabilities for the 12-month periods ended respectively on 31.12.2007 and 31.12.2006.

(in thousand PLN)

	31.12.2007 thousand PLN	31.12.2006 thousand PLN
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the beginning of period	181	52
Recognition of provisions for guarantees and letters of credit	2	181
Reversal of provisions for guarantees and letters of credit	181	52
Provision created for off-balance sheet liabilities in respect of insurance contracts (insurance liability) at the end of the period	2	0

57 Additional information to cash flow statements

Cash and cash equivalents:

Balance Sheet items	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Cash and balances with Central Bank	263 357	294 546
Current amounts due from banks	90 437	17 111
Overnight deposits	516 316	994 040
Cash and cash equivalents prezented in cash flow statement	**870 110**	**1 305 697**

Value of the cash and cash equivalents of a limited disposal possibility amounted to as at 31.12.2007 24,226 thousand PLN.

Explanation of significant items in consolidated cash flow statement:

- sale of shares in subsidiaries, net of cash disposed in the amount of PLN 152,634 thousand, relates to inflow of funds from selling 7.5% of shares of Noble Bank S.A. and shares of the company Getin Raty S.A.
- other investing inflows in the amount of PLN 154,615 thousand, relates to inflow of funds from the issue of shares of Noble Bank S.A., described in greater detail in Note 59.
- the item of purchasing a subsidiary after the deduction of the acquired cash amounting to 536,141 thousand PLN concerns the outflow of cash in relation to the purchase of TU Europa S.A., Plus Bank S.A., and Akcept S.A. as well as 40% of the shares of Carcade OOO.

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

	Balance sheet	Cash Flow Statement	Difference	
Change in receivables from banks Assets position II i III	(749 490)	(487 799)	(261 691)	1)
Change in financial assets held for trading and other financial instruments at fair value	(145 423)	(14 527)	(130 896)	2)
Change in derivatives (Assets)	(104 576)	(93 690)	(10 886)	3)
Change in loans and credits allowed to customers	(5 064 845)	(4 987 693)	(77 152)	4)
Change in finance lease receivables	(145 084)	(173 759)	28 675	5)
Change in securities available for sale	(97 488)	(98 532)	1 044	6)
Change in deferred tax assets	(56 302)	(58 988)	2 686	7)
Change in reinsurer share in technical provisions	(10 869)	(9 047)	(1 822)	8)
Change in other assets	(189 560)	(95 473)	(94 087)	9)
Change in liabilities due to banks	(458 891)	(450 651)	(8 240)	10)
Change in derivatives (liability) and other financial assets valued at fair value	130 492	129 814	678	11)
Change in liabilities due to customers	3 838 927	3 277 041	561 886	12)
Change in liabilities arising from issue of debt securities	1 759 708	(91 141)	1 850 849	13)
Change in provisions Liabilities item IX and X	80 139	58 764	21 375	14)
Change in technical and insurance provisions	297 852	97 976	199 876	15)
Change in other liabilities Liabilities position VIII i XII	91 673	48 841	42 832	16)

(1) Difference between balance sheet change in the receivables from banks and change in the receivables from banks in cash flow statement results from:
   - a change of current accounts and overnight accounts in other banks amounting to 404,398 thousand PLN,
   - purchase of Plus Bank S.A. – (18,950) thousand PLN,

- purchase of TU Europa S.A. – (658,143) thousand PLN.
- purchase of Akcept S.A. – (2,139) thousand PLN,
- disposal of subsidiary (Getin Raty S.A.) – 6,600 thousand PLN,
- deconsolidation of Fiolet – 7,047 thousand PLN
- exchange differences from the translation of foreign entities – 3,177 thousand PLN.

(2) Difference between the balance sheet and the cash flow statement concerning the change of the state of the financial assets held for trading and other financial instruments measured at fair value that results from the purchase of TU Europa S.A. – (130,896) thousand PLN.

(3) Difference between the balance sheet and the cash flow statement concerning the change of the state of the financial derivatives that results from the purchase of TU Europa S.A. – (10,886) thousand PLN.

(4) Difference between the balance sheet and the cash flow statement concerning the change of the state of the loans and credits granted to customers results from

- purchase of Plus Bank S.A. - (88,977) thousand PLN,
- exchange differences from the translation of foreign entities – 11,825 thousand PLN,

(5) Difference between balance sheet change in finance lease receivables and change in finance lease receivables in cash flow statement results from:

- exchange differences from the translation of foreign entities – 28,548 thousand PLN.,
- sale of the subsidiary (Getin Raty SA) – 127 thousand PLN.

(6) Difference between balance sheet change in securities available for sale and change in securities available for sale in cash flow statement results from:

- valuation of securities posted to revaluation reserve – 16,887 thousand PLN,
- change of the state of the securities available for sale that is included in the flows resulting from the investment activity – (15,843) thousand PLN.

(7) Difference between balance sheet change in deferred tax assets and change in deferred tax assets in cash flow statement results from:

- exchange differences from the translation of foreign entities – 2,504 thousand PLN.,
- disposal of subsidiary (Getin Raty S.A.) – 81 thousand PLN,
- deconsolidation of Fiolet S.A. – 105 thousand PLN
- purchase of Akcept S.A. – (4) thousand PLN

(8) Difference between the change of the share of reassurer in the technical reserves included in the balance sheet and the cash flow statement that results from the purchase of TU Europy S.A. – (1,822) thousand PLN.

(9) Difference between balance sheet change in other assets and change in other assets in cash flow statement results from:

- purchase of TU Europa S.A. – (109,470) thousand PLN,
- purchase of Plus Banku S.A – (1,159) thousand PLN,
- purchase of Akcept S.A. – (850) thousand PLN,
- sale of the subsidiary (Getin Raty S.A.) – 5,143 thousand PLN,
- deconsolidation of the subsidiary (Fiolet S.A.) – 3,551 thousand PLN
- exchange differences from the translation of foreign entities (Carcade OOO and Plus Bank S.A.) – 8,698 thousand PLN

(10) Difference between balance sheet change in liabilities due to banks and other financial institutions and change in liabilities due to banks and other financial institutions in cash flow statement results from:

- exchange differences from the translation of foreign entities (Carcade OOO and Plus Bank S.A.) – (29,781) thousand PLN,
- purchase of Plus Bank S.A. – 21,541 thousand PLN).

(11) Difference between balance sheet change in liabilities due to customers and change in liabilities due to customers in cash flow statement results from:

- purchase of TU Europa S.A. – 476,531 thousand PLN,
- purchase of Plus Bank S.A. – 98,430 thousand PLN
- exchange differences from the translation of foreign entities (Plus Bank S.A.) – (13,075) thousand PLN

(12) Difference between the change of the derivative financial instruments (liability) and other financial liabilities at fair value through profit or loss in the balance sheet and the cash flow statement results from acquisition TU Europa S.A.

(13) Difference between the change of the liabilities towards customers in the balance sheet and the

cash flow statement results from:

- net incomes and outcomes due to the issue of debt securities included in the flows resulting from the financial activity – 1,851,539 thousand PLN,
- exchange differences from the translation of foreign entities (Carcade OOO) – (690) thousand PLN

(14) Difference between balance sheet change in provisions and change in provisions in cash flow statement results from:

- purchase of TU Europa S.A. – 17,195 thousand PLN,
- purchase of and the exchange differences from the translation of foreign entities (Plus Bank S.A.) – 4,993 thousand PLN,
- purchase of Akcept S.A. – 26 thousand PLN,
- sale of the subsidiary (Getin Raty S.A.) – (623) thousand PLN
- deconsolidation of the subsidiary Fiolet S.A. – (216) thousand PLN,

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

(16) Difference between balance sheet change in other liabilities and change in other liabilities in cash flow statement results from:

- purchase of TU Europa S.A. – 56,155 thousand PLN,
- purchase of Akcept S.A. – 255 thousand PLN,
- purchase of Plus Banku S.A – 181 thousand PLN,
- sale of the subsidiary (Getin Raty S.A.) – (6,600) thousand PLN,
- deconsolidation of the subsidiary Fiolet S.A. – (4,082) thousand PLN,
- exchange differences from the translation of foreign entities (Carcade OOO, Plus Bank S.A., and Getin International S.a.r.l.) – (3,077) thousand PLN

58 Transactions with related parties

The entire Getin Holding Group is controlled by Mr Leszek Czarnecki.
The consolidated financial statements include the financial statements of Getin Holding S.A. and financial statements of the subsidiaries listed in the note 2.
Moreover, there were the following subordinated entities which are not consolidated or accounted for using the equity method:

Entities affiliated via Getin Bank:

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

Entities affiliated via PDK S.A.:

- PDK Biznes Sp. z o.o.

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

- LC Corp BV
- LC Corp S.A.
- LC Corp Sky Tower sp. z o.o.
- LC Corp Pustynna sp. z o.o.
- LC Corp Stabłowice sp. z o.o. LC Corp Stabłowice sp. z o.o.
- Arkady Wrocławskie S.A.
- Warszawa Nieruchomości Sp. z o.o.
- Łódź Residence Sp. z o.o.,
- Vratislavia Residence Sp. z o.o.,
- Gdańsk Residence sp. z o.o.
- Warszawa Projekt V sp. z o.o.
- Europlan projekt Gocław Sp. z o.o.
- Europlan projekt II Sp. z o.o.

- Europlan projekt III Sp. z o.o.
- Europlan projekt IV Sp. z o.o.
- 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.,
- RB Expert 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.

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

As part of its lending activity with affiliated entities, the Group applies standard lending conditions:

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

(in thousand PLN)

Transactions of Getin Holding S.A. with related parties

In 2007 the company made no transactions due to any of the titles presented below.

	Balance Sheet 31.12.2006			Income statement 01.01.2006 do 31.12.2006				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
Jednostki pozostałe	**15 750**	**54**	**0**	**0**	**0**	**0**	**0**	**0**
Getin Leasing SA		11						
Arkady Wrocławskie SA		43						
H.P. Holding 3 B.V.	5 250							
A. Naglekerken Holding B.V.	5 250							
International Consultancy Strategy Implementation B.V.	5 250							

(in thousand PLN)

Transactions of Getin Bank S.A. with related parties

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 31.12.2007				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**	**394**	**4**	**0**	**0**
BTG Sp.z o.o. w likwidacji	2 089	29	1 741			2		
BP REAL Nieruchomości S.A.	185	20 479	185		393			
BP Telervis S.A. w likwidacji	6 017	130	5 527		1	2		
Associates	**165**	**8 807**	**6**	**2**	**0**	**1**	**38 187**	**0**
Fiolet S.A.*	144	8 807					17 678	
Powszechny Dom Kredytowy S.A.	21		6	2		1	20 509	
Dominant entity	**7**	**81 145**			**13 641**	**13**		**74**
Members of Management Boards and Supervisory Boards of dominant entity		7 198			85	4		90
Other units; in that:	**83 989**	**439 673**	**0**	**4 432**	**20 751**	**202**	**2 409**	**11 017**
TU Europa S.A. z siedzibą we Wrocławiu								
TU Europa na Życie S.A. z siedzibą we Wrocławiu								
Arkady Wrocławskie S.A.	72 376	298		4 076	208	30		
LC Corp BV		284 872			13 359	7		
Getin Leasing S.A.		6 749			249	7		
Agencja Rozwoju Lokalnego S.A.		8 452			291	4		
LC Corp S.A.		123 044			5 933	32		
JML S.A.	9 064			235		43		1 017
Warszawa przy Promenadzie Sp. Z o.o.						60		10 000
LC Corp Sky Tower Sp.z o.o.(previously Wrocław Nieruchomości)		2 394			177	3		
Other units	2 549	13 864	0	121	534	16	2 409	

**costs are presented for the period from October to December 2007 (from 1.10.2007 Fiolet S.A. is associate company) and eliminated in consolidation in per cent corresponding with Getin Holding share in Fiolet capital, 39.47%*

(in thousand PLN)

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 31.12.2007				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::	**9 717**	**3 975**	**8 805**	**2 279**	**44**	**6**	**0**	**0**
BTG Sp.z o.o. w likwidacji	3 441	31	3 093			1		
BP REAL Nieruchomości S.A.	185	3 721	185	2 236	42	1		
BP Telervis S.A. w likwidacji	6 091	223	5 527	43	2	4		
Associates	**236**	**0**	**92**	**64**	**0**	**0**	**81**	**0**
Powszechny Dom Kredytowy S.A.	236		92	64			81	
Members of Management Boards and Supervisory Boards of dominant entity	1	7 317		1	49			69
Other units; in that:	**48 206**	**665 590**	**14**	**524**	**13 030**	**49 656**	**502**	**33 204**
TU Europa S.A. z siedzibą we Wrocławiu	2 910	57 664		(10)	1 711	18 102	485	
TU Europa na Życie S.A. z siedzibą we Wrocławiu		132 408		(14)	4 354	30 051	15	
Arkady Wrocławskie S.A.	44 245	4 076		493	32	4		33 204
LC Corp BV		407 987			3 378	4		
Getin Leasing S.A.	24	7 645		17	216	5		
LC Corp S.A.		38 157			78	73		
Wrocław Nieruchomości Sp. Z o.o.		10 587			196	1 416		
Other units	1 027	7 066	14	38	3 065	1	2	0

Transactions of Carcade OOO with related parties

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 31.12.2007				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**	**261**	**0**	**0**	**0**
LC Heart	0	24 423	0	0	261	0	0	0

(in thousand PLN)

	Balance Sheet 31.12.2006			Income statement 01.01.2006 do 31.12.2006				Off-balance sheet 31.12.2006
	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**	**6 004**	**0**	**0**	**794**	**0**	**0**	**0**
TU Europa S.A. z siedzibą we Wrocławiu	0	6 004	0	0	794	0	0	0

Transactions of Open Finance S.A. with related parties

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 31.12.2007				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**	**0**	**0**	**0**	**0**	**270**	**0**	**0**
JML SA	63					270		

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

Transactions of Noble Bank S.A. with related parties

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 31.12.2007				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**	**0**	**0**	**0**	**0**	**4 606**	**933**	**0**
LC Heart	22					18		
LC Corp Besloten Vennootschap	3 631					4 588		
Mercurius DM	0	0					933	

(in thousand PLN)

	Balance Sheet 31.12.2006			Income statement 01.01.2006 do 31.12.2006				Off-balance sheet 31.12.2006
	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
Jednostki pozostałe	**0**	**50 929**	**0**	**0**	**0**	**0**	**0**	**0**
Getin Leasing S.A.		929						
TU Europa S.A.		50 000						

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

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 31.12.2007				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**	**0**	**0**	**0**	**0**	**4 606**	**0**	**0**
LC Heart	22					18		
LC Corp Besloten Vennootschap	3 631					4 588		

Transactions of TU Europa S.A. with related parties

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 31.12.2007				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:	**55**	**32**	**0**	**205**	**0**	**125**	**0**	**0**
Other units	55	32		205		125		

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

	Balance Sheet 31.12.2007			Income statement 01.01.2007 do 31.12.2007				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**	**863**	**0**	**0**	**0**	**0**	**8 401**	**0**
Powszechny Dom Kredytowy S.A.		834					8 398	
Other units		29					3	

(in thousand PLN)

Benefits for members of Management Board

Benefits for members of Management Board of Getin Holding S.A.	Value of benefits	
	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Short-term employee benefits	1788	702
Equity-settled payments	393	244
Total	**2 181**	**946**

Benefits for members of Supervisory Board of Getin Holding S.A.	Value of benefits	
	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Short-term employee benefits	91	92
Equity-settled payments	345	
Total	**436**	**92**

Benefits for members of Management Boards and Supervisory Boards of subsidiaries	Value of benefits	
	01.01.2007-31.12.2007 thousand PLN	01.01.2006-31.12.2006 thousand PLN
Management Board		
Short-term employee benefits	10 461	5 735
Post-employment benefits	0	52
Other long-term benefits	2 647	749
Severance payments	79	8
Equity-settled payments	1 810	1 068
Total	**14 997**	**7 612**
Supervisory Board		
Short-term employee benefits	100	196
Equity-settled payments	0	0
Total	**100**	**196**
Aggregated value of benefits	**15 097**	**7 808**

59 Merger of entities

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	9.2003	49,00%	49,00%	5 058	5 058	(2 119)	7 177	
Carcade OOO	1.2004	11,00%	60,00%	4 554	4 554	4 037	515	
GETIN Bank	5.2004	71,20%	71,20%	257 177	257 177	167 261	89 916	
GETIN Bank	1.2005	0,40%	71,60%	118 195	118 195	116 939	1 256	
GETIN Bank	6.2005	26,60%	98,20%	348 721	-	138 062	210 659	
GETIN Bank	8.2005	0,96%	99,16%	7 848	7 848	5 094	2 754	
GETIN Bank	9.2005	0,04%	99,20%	54 895	54 895	54 722	173	
GETIN Bank	12.2005	0,05%	99,25%	441	441	266	175	
GETIN Bank	2.2006	0,03%	99,28%	54 870	54 870	54 740	130	
GETIN Bank	6.2006	0,01%	99,29%	89	89	70	19	
Bank Przemysłowy	12.2004	100%	100,00%	-	-	(51 307)	51 307	
Fiolet	8.2005	60,00%	60,00%	3 597	3 597	1 253	2 344	
Open Finance**	10.2005	70,00%	70,00%	6 586	6 586	25 783	-	(19 197)
Noble Bank*	12.2005	99,91%	99,91%	210 594	210 594	203 669	6 925	
Open Finance	1.2006	30,00%	100,00%	15 924	15 924	11 720	4 204	
Noble Bank*	1.2006	(7%)	92,42%	15 795	15 795	15 289	(506)	
Getin Bank	6-12.2006	0,1%	99,39%	184 907	184 907	184 703	204	
TU Europa S.A.	11.2006	19,99%	19,99%	115 883	115 883	39 636	76 247	
Getin International S.a.r.l	12.2006	100%	100%	3 812	3 812	3 812	-	
Noble Bank*	12.2006	(7%)	84,93%	15 750	15 750	18 295	(519)	
Carcade OOO	3.2007	40%	100%	29 590	29 590	4 258	25 332	
TU Europa S.A.	4.2007	79,47%	99,46%	448 778	448 778	190 603	258 175	
TU na Życie Europa S.A.	4.2007	99,46%	99,46%			(4 052)	4 052	
Plus Bank S.A.	5.2007	92,7%	92,7%	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	(21%)	39,47%			(3 357)	(2 344)	
Plus Bank S.A.	11.2007	5,30%	99,06%	69 608	69 608	69 314	294	
TU Europa S.A.	9-12.2007	0,23%	99,69%	2 535	2 535	622	1 913	
Akcept S.A.	12.2007	100%	100%	7 575	7 575	4 854	2 721	
Total							**784 349**	

* earlier Wschodni Bank Cukrownictwa S.A.

** retrospective adjustment of the acquisition that was settled provisionally in 2005; the negative value of the company was entered retrospectively to the remaining operational incomes of the year 2005;

<u>Provisional settlement of the purchase of companies for the year of 2007</u>

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

<u>Sale of the entities in 2007</u>

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

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

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

Disclosure related to entities acquired in the current financial period, pursuant to IFRS 3.67 (i) and 3.70:

Year 2007	Income	Net profit/loss for the period	Net profit/loss of acquired company form the date of acquistion not taken into account in net profit/loss of Group*	Income of acquired company form the date of acquistion not taken into account in net profit/loss of Group*	Net profit/loss of acquired company form the date of acquistion taken into account in net profit/loss of Group*	Income of acquired company form the date of acquistion taken into account in net profit/loss of Group*	Share in capital as at 31.12.2007
Grupa TU Europa**	415 383	80 300	nd	nd	80 300	415 383	99,69%
PlusBank S.A.	22 518	(822)	(1 092)	6 367	270	16 151	99,06%
Akcept S.A.	4 878	2 682	2 070	3 824	612	1 054	100,00%

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

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

60 Post-balance sheet events

Below we present the events that occurred after 31 December 2007 and could influence the future results obtained by the Group, but they did not require making any corrections in this statement.

<u>Realisation of the process aiming at purchasing the shares of Sombelbank</u>

On 11.01.2008 the condition precedent were fulfilled that concerned the contracts signed by Getin International S.a.r.l. that included the obligation to conclude the final contracts on purchasing the majority packet of the shares (75.04%) of Sombelbank and the additional contracts. As a consequence Getin International S.a.r.l. on 23.01.2008 concluded the final contracts concerning the purchase of 75.04% of the shares of Sombelbank. At present, Getin International S.a.r.l. holds 3,761 shares of Sombelbank that constitute 75.04% of the initial capital of Sombelbank and that entitle to 3,761 (75.04%) votes at the general meeting of Sombelbank. The price of the purchase amounted to 4,513.2 thousand EUR.

<u>Sale of the shares of PlusBank S.A. by Getin Holding for the benefit of an subsidiary entity</u>

On 18.01.2008 Getin Holding concluded with Akcept the contract concerning the sale of all the shares held by it i.e. 99.06% of the registered shares of PlusBank.
The purchase of the shares will take place on the conditions precedent that first of all Akcept will obtain the consent of Natinal Bank of Ukraine for the purchase of the said shares. On 21.02.2008 the paries signed an annexe to the said contract according to which the price for the shares amounts to 142,014,600 PLN and is payable in United States dollars at the average exchange rate of USD/PLN published by National Polish Bank on the day of the payment within 14 days from the day of obtaining the consent of National Bank of Ukraine for the purchase of the shares of PlusBank.

Increase in the initial capital of Getin Interantional S.a.r.l.

On 23.01.2008 the General Meeting of Getin International S.a.r.l. increased the initial capital by 6,552,825 EUR through the issue of 262,113 new shares of a nominal value of 25 EUR each. At present, the initial capital of Getin International S.a.r.l. amounts to 18,052,825 EUR and consists of 722,113. Getin Holding S.A. acquired in this increased initial capital 81,585 shares and currently holds 541,585 shares of Getin International S.a.r.l. that constitute 75% of the initial capital and entitle to 541,585 (75%) votes at the meeting of shareholders.

Purchase of the shares of S.C. PERFECT FINANCE s.r.l. with its seat in Bucharest in Romania

On 25.01.2008 Akcept S.A. concluded with Ce INVEST and Mr Cristian Angelo Motca the investment contract the subject matter of which was the obligation of Ce INVEST and Mr Cristian Angelo Motca to increase the initial capital of S.C. PERFECT FINANCE and the obligation of Akcept to acquire the new shares in the increased initial capital of S.C. PERFECT FINANCE. As a result of the said contract on 15.02.2008 he General Meeting of Partners of S.C. he General Meeting of Partners of S.C. PERFECT FINANCE increased the initial capital of S.C. PERFECT FINANCE by 233,000 RON. All the newly issued shares in the increased capital were offered to Akcept in return for the cash contribution amounting to 233,000 RON. Akcept made a declaration about the acquisition of the said shares. After the increase in the capital has been registered by relevant registering organ, Akcept will hold the shares in the initial capital of S.C. PERFECT FINANCE that will constitute 69.97% and will be entitled to 233 (69.97%) votes at the general meeting of this company.

Purchase of the shares in Akkord-Plus sp. z o.o.

On the day of 11.02.2008 Getin International S.a.r.l. concluded the purchase contracts covering altogether 70% of the shares in Akkord–Plus sp. z o.o. with its seat in Kiev, Ukraine. Getin International S.a.r.l. concluded a contract with Nemung Overseas Limited Company (46.9 %), with Selena Trading Group Ltd Company with its seat in Tortoli, British Virgin Islands (19.6%) and with Mr Sergey Ostapenko (3.5%). The purchase price amounted altogether to 10,074,800 USD. Currently Getin International S.a.r l. possesses a share with the total nominal value of 1,863,000 UAH, which constitutes 81% of the initial capital of Akkord-Plus and which entitles to the same number of votes at the general meeting of the shareholders of the said.

Sale by Getin Holding of the Carcade OOO shares for the sake of the subsidiary entity

Getin Holding on 14.02.2008 acquired for Akcept a share in Carcade that constitutes 99.9% of the initial capital of Carcade at a price of 67,232,700 USD. The acquisition of the share was carried out on the condition precedent principle – i. e. Akcept hd acquired permission from the Federal Antimonopoly Service of the Russian Federation to purchase the said share.
The remaining share in Carcade, which constitutes 0.1% of the Carcade Getin Holding initial capital was sold on 14.02.2008 to Getin International S.a.r.l. The sales price was 67,300 USD.

Sale of the Getin International S.a.r.l. shares done by Getin Holding for the benefit of the subsidiary entity

Getin Holding S.A. on 14.02.2008 sold to Akcept 541.585 shares in Getin International S.a.r.l., which constitute 75% of the initial capital of Getin International S.a.r.l. The sales price was 50,245,865 PLN.

Increase in the initial capital in Akcept S.A.

On the day of 15.02.2008 the Akcept Extraordinary Meeting of Shareholders increased the initial capital of the company by an amount of 118,749 990 PLN through the issue by way of private subscription of 11,874,999 bearer shares of series E with the nominal value of 10 PLN each. The Akcept Extraordinary Meeting of Shareholders passed the motion to change the name of the company into Getin International S.A. On the same day of 15.02.2008 Getin Holding concluded a contract with Akcept by virtue of which Getin Holding took over all newly issued shares. After its increase and the registration the initial capital will amount 260,999,990 PLN and it will be divided into 26,099,999 shares with a nominal value of 10 PLN each. Getin Holding will have the shares that constitute 100% of the Akcept initial capital, which will allow for 26,099,999 votes at the General Meeting of Shareholders of Akcept.

Establishment of Carcade Plus Sp. z o.o. with its seat in Kiev

On the day of 22.02.2008 Akcept and PlusBank took up the shares in the new company within Carcade Plus sp. z o.o. with its seat in Kiev, Ukraine (hereinafter referred to as "Carcade Plus"). The initial capital of Carcade Plus amounts to 2,525,000 UAH, which on the day of the establishment of the company equalled 1,204,930 PLN. The shares of Carcade Plus were decided in such a manner that

Akcept took up the share that constituted 99% of the initial capital of Carcade Plus, whereas PlusBank took up the share of 1% in the initial capital of Carcade. The basic scope of activity of Carcade Plus will be leasing.

Wrocław, 10 March 2008