

**CAPITAL GROUP  
GETIN HOLDING S.A.**

**CONSOLIDATED FINANCIAL REPORT  
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2017**

Wroclaw, the 18<sup>th</sup> of May 2017

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Getin Holding Capital Group  
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data given in PLN thousand  
Selected financial data

## 1. Selected financial data

data relating to interim consolidated financial statements	in thousand PLN		in thousand EUR	
	01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016	01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016
	(unaudited data)			
Net Interest income- continuing operations	249 556	181 774	58 184	41 731
Net Fee and commission income- continuing operations	123 018	102 439	28 682	23 517
Operating profit- continuing operations	47 995	31 951	11 190	7 335
Gross profit - continuing operations	56 820	32 659	13 248	7 498
Net profit - continuing operations	41 197	29 756	9 605	6 831
Net profit - discontinued operations	-	32 656	-	7 497
Total net profit	41 197	62 412	9 605	14 328
Net profit attributable to shareholders of the parent company	17 176	33 331	4 005	7 652
- from continuing operations	17 176	15 139	4 005	3 476
- from discontinued operations	-	18 192	-	4 176
Net profit attributable to non-controlling interests	24 021	29 081	5 600	6 676
- from continuing operations	24 021	14 617	5 600	3 356
- from discontinued operations	-	14 464	-	3 321
Earnings per share attributable to shareholders of the parent - basic for the period (in PLN/EUR)	0,02	0,05	0,00	0,01
Earnings per share attributable to shareholders of the parent - diluted for the period (in PLN/EUR)	0,02	0,05	0,00	0,01
Net cash from operating operations	299 027	90 668	69 718	20 815
Net cash used in investing operations	(19 382)	96 029	(4 519)	22 046
Net cash used in financing operations	(9 925)	(197 948)	(2 314)	(45 444)
Net change in cash and cash equivalents	269 720	(11 251)	62 885	(2 583)
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
	(unaudited data)			
Total assets	26 486 420	25 845 343	6 276 700	5 842 076
Total liabilities	23 173 516	22 609 704	5 491 615	5 110 693
Liabilities to customers	17 714 971	17 709 859	4 198 059	4 003 133
Total equity	3 312 904	3 235 639	785 086	731 383
Equity attributable to equity holders of the parent company	2 121 742	2 073 458	502 806	468 684
Non-controlling interest	1 191 162	1 162 181	282 279	262 699
Share capital	731 289	731 289	173 299	165 300
Number of shares	731 289 368	731 289 368	731 289 368	731 289 368
	01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016	01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016
	(unaudited data)			
Total income	7 505	47 594	1 750	10 926
Profit (loss) before income tax	(4 986)	21 883	(1 162)	5 024
Net profit (loss)	(4 095)	24 719	(955)	5 675
Net cash from operating operations	(22 157)	(71 900)	(5 166)	(16 506)
Net cash used in investing operations	12 103	102 013	2 822	23 419
Net cash used in financing operations	(1 178)	(27 645)	(275)	(6 347)
Net change in cash and cash equivalents	(11 232)	2 468	(2 619)	567
Earnings per share - basic for the period (in PLN/EUR)	(0,01)	0,03	(0,00)	0,01
Earnings per share - diluted for the period (in PLN/EUR)	(0,01)	0,03	(0,00)	0,01
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
	(unaudited data)			
Total assets	2 146 663	2 138 781	508 712	483 450
Long-term liabilities	213 845	212 677	50 677	48 073
Short-term liabilities	327 414	351 219	77 590	79 389
Total equity	1 605 404	1 574 885	380 446	355 987
Share capital	731 289	731 289	173 299	165 300
Number of shares	731 289 368	731 289 368	731 289 368	731 289 368

The selected financial data containing the basic items of the condensed consolidated and separate financial statement are converted into EUR according to the following rules:

- Individual items of assets and liabilities were converted according to the average exchange rates announced by the National Bank of Poland, valid on 31.03.2017: amounting to PLN 4.2198 and valid on 31.12.2016: amounting to PLN 4.4240.

- Individual items in the income statement and the cash flow statement were converted according to the exchange rates constituting the arithmetical average of the average exchange rates determined by the National Bank of Poland on the last day of each month completed for 3 months ending 31.03.2017 and on 31.03.2016 (respectively: PLN 4.2891 and PLN 4.3559).

## 2. Interim condensed consolidated financial statement of the Getin Holding Group

### INTERIM CONSOLIDATED INCOME STATEMENT

		01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016
	Note	(unaudited data)	(unaudited, transformed data)
Interest income	2.6	402 001	353 397
Interest expense	2.6	(152 445)	(171 623)
<b>Net interest income</b>		<b>249 556</b>	<b>181 774</b>
Fee and commission income	2.7	158 757	137 996
Fee and commission expense	2.7	(35 739)	(35 557)
<b>Net fee and commission income</b>		<b>123 018</b>	<b>102 439</b>
Dividend income		4 149	6 039
Result on financial instruments at fair value		(11 052)	(2 725)
Result on other financial instruments		(6 109)	(9 790)
Foreign exchange result		7 457	10 581
Other operating income	2.8	35 394	60 148
Other operating expenses	2.8	(33 889)	(45 695)
<b>Net other operating income and expenses</b>		<b>(4 050)</b>	<b>18 558</b>
<b>Net operating income</b>		<b>368 524</b>	<b>302 771</b>
Net impairment losses on loans, advances and lease receivables	2.9	(94 968)	(70 856)
Administrative expenses	2.10	(225 561)	(199 964)
<b>Operating profit</b>		<b>47 995</b>	<b>31 951</b>
Share in profits (losses) of consolidated units of equity method		8 825	708
<b>Profit / (loss) before income tax</b>		<b>56 820</b>	<b>32 659</b>
Corporate income tax	2.11	(15 623)	(2 903)
<b>Net profit /(loss) from continuing operations</b>		<b>41 197</b>	<b>29 756</b>
<b>Profit (loss) from discontinued operations</b>		<b>-</b>	<b>32 656</b>
<b>Net profit (loss)</b>		<b>41 197</b>	<b>62 412</b>
Attributable to equity holders of the parent company		17 176	33 331
- from continuing operations		17 176	15 139
- from discontinued operations		-	18 192
Attributable to non-controlling shareholders		24 021	29 081
- from continuing operations		24 021	14 617
- from discontinued operations		-	14 464

	01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016
	(unaudited data)	(unaudited data)
<b>Profit per share</b>		
Net profit for the period for ordinary shareholders of parent company (in thousand PLN)	17 176	33 331
Weighted average of issued ordinary shares applied to the basic calculation of the profit per share	731 289 368	709 371 560
<b>Basic profit per share (in PLN)</b>	<b>0,02</b>	<b>0,05</b>
Weighted average quantity of issued ordinary shares applied to the calculation of diluted profit per share	731 289 368	709 371 560
<b>Diluted profit per share (in PLN)</b>	<b>0,02</b>	<b>0,05</b>

The notes presented on pages 10 to 40 are an integral part of the interim condensed consolidated financial statement.

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 Interim condensed consolidated financial statement of the Getin Holding Capital Group

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>01.01.2017 - 31.03.2017</b>	<b>01.01.2016 - 31.03.2016</b>
	(unaudited data)	(unaudited, transformed data)
<b>Profit / (Loss) for the period</b>	<b>41 197</b>	<b>62 412</b>
Exchange differences from evaluation of foreign subsidiaries	(9 122)	(13 921)
Valuation of investments available for sale	53 792	(6 872)
The effect of cash flow hedge accounting	5 326	4 253
Income tax relating to other comprehensive income	2.11	(11 649)
<b>Other comprehensive income</b>	<b>2.18</b>	<b>(16 036)</b>
<b>Total of comprehensive income for the period</b>	<b>79 544</b>	<b>46 376</b>
Attributable to equity holders of the parent company	49 526	16 898
- from continuing operations	49 526	(1 294)
- from discontinued operations	-	18 192
Attributable to non-controlling shareholders	30 018	29 478
- from continuing operations	30 018	15 014
- from discontinued operations	-	14 464

Components of other comprehensive income, such as exchange differences on conversion of foreign operations, the valuation of financial assets available for sale, the effect of cash flow hedge accounting can be transferred into the future to the profit and loss statement.

The notes presented on pages 10 to 40 are an integral part of the interim condensed consolidated financial statement.

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**INTERIM CONSOLIDATED BALANCE SHEET**

	Note	31.03.2017 (unaudited data)	31.12.2016 (transformed data)
<b>ASSETS</b>			
Cash and balances in the Central Bank		914 860	568 381
Receivables from banks and financial institutions		416 705	536 205
Derivative financial instruments		148 195	81 152
Financial instruments at fair value through profit or loss		136 390	136 390
Receivables from clients	2.12	12 084 078	11 579 056
Finance lease receivables	2.13	5 159 267	5 082 055
Other loans and receivables		623 020	649 094
Financial instruments, including:		3 963 782	3 966 864
<i>Available for sale</i>		3 873 929	3 905 140
<i>Held to maturity</i>		89 853	61 724
Investments in associates		376 246	399 420
Intangible assets		800 655	798 534
Property, plant and equipment		248 696	241 127
Investment properties		87 285	91 584
Non current assets classified as held for sale		9 424	9 819
Tax assets		659 414	654 674
1. <i>Current tax assets</i>		10 147	2 732
2. <i>Deferred tax assets</i>	2.15	649 267	651 942
Other assets		858 403	1 050 988
<b>TOTAL ASSETS</b>		<b>26 486 420</b>	<b>25 845 343</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Liabilities to other banks and finance institutions		1 467 377	994 485
Derivative financial instruments		7 003	77 349
Financial liabilities at fair value through profit or loss		2 204 002	2 126 240
Liabilities to customers	2.14	17 714 971	17 709 859
Issued debt securities		894 903	956 777
Liabilities measured at amortized cost		60 103	60 103
Liabilities from income tax from legal persons		7 362	17 074
Other liabilities		795 412	653 593
Deferred tax liabilities	2.15	10 412	2 004
Other provisions	2.15	11 971	12 220
<b>TOTAL LIABILITIES</b>		<b>23 173 516</b>	<b>22 609 704</b>
<b>Equity (attributable to equity holders of the parent company)</b>		<b>2 121 742</b>	<b>2 073 458</b>
Share capital		731 289	731 289
Net profit /(loss)		17 176	259 036
Other reserves		1 373 277	1 083 133
<b>Non-controlling interest</b>		<b>1 191 162</b>	<b>1 162 181</b>
<b>Total equity</b>		<b>3 312 904</b>	<b>3 235 639</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>26 486 420</b>	<b>25 845 343</b>

The notes presented on pages 10 to 40 are an integral part of the interim condensed consolidated financial statement.

Getin Holding Capital Group  
Consolidated financial report for the 3 month period ended 31.03.2017

data given in PLN thousand  
Interim condensed consolidated financial statement of the Getin Holding Capital Group

INTERIM STATEMENT OF CHANGES IN CONSOLIDATED EQUITY  
For the 3 month period ended 31.03.2017 (unaudited data)

	Other capitals							Net (loss) profit	Attributable to equity holders of the parent company	Non-controlling interest	Total equity
	Share capital	Reserve capital and retained earnings	Revaluation reserve	Own shares	Exchange differences	Convertible bonds - equity component	Other reserved capital				
At 01.01.2017	731 289	1 452 681	(247 900)	-	(325 488)	25 239	178 601	259 036	2 073 458	1 162 181	3 235 639
<b>Total comprehensive income for the period</b>	-	-	41 459	-	(9 109)	-	-	17 176	49 526	30 018	79 544
Transfer of profit for previous year to retained earnings		259 036						(259 036)	-		-
Other		(1 242)							(1 242)	(1 037)	(2 279)
<b>Transactions with shareholders</b>		257 794	-	-	-	-	-	(259 036)	(1 242)	(1 037)	(2 279)
As at 31.03.2017	731 289	1 710 475	(206 441)	-	(334 597)	25 239	178 601	17 176	2 121 742	1 191 162	3 312 904

INTERIM STATEMENT OF CHANGES IN CONSOLIDATED EQUITY  
For the 3 month period ended 31.03.2016 (unaudited, transformed data)

	Other capitals							Net (loss) profit	Attributable to equity holders of the parent company	Non-controlling interest	Total equity
	Share capital	Reserve capital and retained earnings	Revaluation reserve	Own shares	Exchange differences	Convertible bonds - equity component	Other reserve capital				
At 01.01.2016	731 289	1 381 669	(213 374)	(80 290)	(381 900)	25 239	188 041	129 104	1 779 778	939 722	2 719 500
<b>Total comprehensive income for the period</b>	-	-	(2 530)	-	(13 903)	-	-	33 331	16 898	29 478	46 376
Transfer of profit for previous year to retained earnings		129 104						(129 104)			
Other		(948)							(948)	(824)	(1 772)
<b>Transactions with shareholders</b>		128 156						(129 104)	(948)	(824)	(1 772)
As at 31.03.2016	731 289	1 509 825	(215 904)	(80 290)	(395 803)	25 239	188 041	33 331	1 795 728	968 376	2 764 104

The notes presented on pages 10 to 40 are an integral part of the interim condensed consolidated financial statement.



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**INTERIM CONSOLIDATED CASH FLOW STATEMENT**

	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited, transformed data)
<b>Cash flows from operating operations</b>		
Net profit (loss)	41 197	62 412
Total adjustments:	257 830	28 256
Depreciation	15 734	15 163
Share in net profits (losses) of consolidated units of equity method	(8 825)	(708)
Foreign exchange (profits)/losses	(1 888)	(1 340)
(Profit) Loss on investing operations	3 502	13 686
Interest and dividend	(16 917)	3 784
Change in receivables from banks	18 349	93 417
Change in derivative financial instruments (asset)	(61 784)	(9 858)
Change in loans and advances to customers	(575 189)	(384 375)
Change in finance lease receivables	(73 455)	17 004
Change in other loans and receivables	26 074	66 526
Change in financial instruments available for sale	70 054	484 885
Change in deferred tax assets	9 509	(21 855)
Change in other assets	193 683	70 694
Change in liabilities to other banks and finance institutions	477 269	(77 722)
Change in derivative financial instruments (liability) and financial liabilities at fair value through profit or loss	7 443	153 858
Change in liabilities to customers	103 965	(125 846)
Change in liabilities from the issue of debt securities	(66 836)	(175 697)
Change in provisions and deferred tax liabilities	8 096	(3 221)
Change in other liabilities	142 715	(81 450)
Other adjustments	3 523	(1 454)
Income tax paid	(34 025)	(32 589)
Current tax expense	16 833	25 354
<b>Net cash from operating operations</b>	<b>299 027</b>	<b>90 668</b>
<b>Cash flows from investing operations</b>		
<b>Investing operations inflows</b>		
Sale of shares in entities accounted for using the equity method	25 922	101 476
Proceeds from sale of intangible assets and tangible fixed assets	3 943	3 675
Interests received	26 846	20 500
<b>Investing operations outflows</b>	<b>(76 093)</b>	<b>(29 622)</b>
Purchase of investment securities	(40 498)	-
Purchase of intangible and tangible fixed assets	(35 280)	(29 160)
Interest paid	(315)	(462)
<b>Net cash used in investing operations</b>	<b>(19 382)</b>	<b>96 029</b>
<b>Cash flows from financing operations</b>		
Redemption of debt securities issued	-	(174 125)
Interest paid	(9 925)	(23 823)
<b>Net cash from (used in) financing operations</b>	<b>(9 925)</b>	<b>(197 948)</b>
Net change in cash and cash equivalents	269 720	(11 251)
Net foreign exchange differences	(24 397)	(26 127)
Cash and cash equivalents at the beginning of the period	1 024 424	1 435 891
<b>Cash and cash equivalents at the end of the period</b>	<b>1 269 747</b>	<b>1 398 513</b>
of which is restricted use	-	-

The notes presented on pages 10 to 40 are an integral part of the interim condensed consolidated financial statement.

## **2.1. General information**

Getin Holding S.A.  
ul. Gwiaździsta 66  
53-413 Wrocław

Tax Identification No. 895-16-94-236  
REGON 932117232  
KRS 0000004335

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

The Company is mainly engaged in capital investment on the domestic and foreign markets. The Company operates as the holding company of the Capital Group and the companies of the Capital Group run their activity within the scope of:

- banking services;
- lease services;
- financial services;

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

*Getin Holding Capital Group*  
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*data given in PLN thousand*  
*Interim condensed consolidated financial statement of the Getin Holding Capital Group*

## 2.2. Description of organization of the Getin Holding Group with the identification of the consolidated entities

The interim condensed consolidated financial statement for the 9 month period ended 30.09.2016 concerns Getin Holding and the following companies of the Getin Holding Group:

### Subsidiaries consolidated full method:

Company name	Type of activity	Effective share in capital		Additional information
		31.03.2017	31.12.2016	
Idea Bank S.A. with its registered office in Warsaw	Banking	54,43%	54,43%	Getin Holding S.A. owns 54,43% shares
Idea Money S.A. with its registered office in Warsaw (former name Idea Expert S.A.)	Financial, insurance agency and factoring	54,43%	54,43%	Idea Bank S.A. owns 100% units
Idea Investment S.a.r.l. with its registered office in Luxembourg (former Getin International S.a.r.l.)	Holding activity for foreign subordinates of the Group	54,43%	54,43%	Idea Money S.A. owns 100% units
Property Solutions Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych with its registered office in Warsaw	Funds activity	54,43%	54,43%	Idea Bank S.A. (Poland) owns 79.5% units; LC Corp Sky Tower Sp. z o.o. 20.5%
Development System sp. z o.o. with its registered office in Wrocław	Purchase and sale of real estate	54,43%	54,43%	Property Solutions FIZAN owns 100% units
Tax Care S.A. with its registered office in Warsaw	Accounting services, tax advisory	54,43%	54,43%	Idea Money S.A. (Poland) owns 100% shares; on 31.03.2017 Idea Bank S.A. (Poland) sold 100% shares of Tax Care to Idea Money S.A.
Twój Inicjatyw a Fundacja Wspieranie Przedsiębiorczości with its registered office in Warsaw	Foundation activity	54,43%	54,43%	Tax Care S.A. owns 100% units
Banfi Polska Sp. z o.o. with its registered office in Warsaw	Accounting and human resources services	54,43%	54,43%	Tax Care S.A. owns 100% units
Idea Leasing S.A. with its registered office in Wrocław	Lease	54,43%	54,43%	Idea Bank S.A. (Poland) owns 100% units
IL Intermediary Sp. z o.o. with its registered office in Wrocław	Activities of insurance agents and brokers	54,43%	na	Idea Leasing owns 100% units
Idea Fleet S.A. with its registered office in Wrocław	Lease and other financial services	54,43%	na	Idea SPV sp. z o.o. owns 99.99% shares, Idea Bank (Poland) owns 0.01% shares
Idea SPV sp. z o.o. with its registered office in Warsaw	Other financial activities	54,43%	54,43%	Idea Bank S.A. (Poland) owns 100% units
LC Corp Sky Tower sp. z o.o. with its registered office in Warsaw	Real estate agency services and activities relating to software	54,43%	54,43%	Idea Bank S.A. (Poland) owns 100% units
MW Trade S.A. with its registered office in Wrocław	Financial services	51.27%	51.27%	Getin Holding S.A. owns 51.27% shares
Getin Investment sp. z o.o. with its registered office in Wrocław	Financial services	100.00%	100.00%	Getin Holding S.A. owns 100% units
Getin International S.A. with its registered office in Wrocław	Holding activity for foreign subordinates	100.00%	100.00%	Getin Holding S.A. owns 100% shares

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Company name	Type of activity	Effective share in capital		Additional information
		31.03.2017	31.12.2016	
Carcade sp. z o.o. with its registered office in Kaliningrad (Russian Federation)	Leasing	100.00%	100.00%	Getin Holding S.A. owns 100% shares
Carcade Service sp. z o.o. with its registered office in Krasnodar (Russian Federation)	Other services	100.00%	100.00%	Centr Karaw to sp. z o.o. owns 99.999% units, Carcade sp. z o.o. owns 0.001% units
Centr Karaw to sp. z o.o. with its registered office in Moscow (Russian Federation)	Car sales	100.00%	100.00%	Carcade sp. z o.o. owns 99% units, Carcade Service sp. z o.o. owns 1% units
Assets Service Finance sp. z o.o. with its registered office in Moscow (Russian Federation)	Financial services	100.00%	100.00%	Getin Holding S.A. owns 100% units
Idea Bank S.A. with its registered office in Lviv (Ukraine)	Banking	99.59%	99.59%	Getin Holding S.A. owns 99.59% shares
Idea Leasing sp. z o.o. with its registered office in Lviv (Ukraine)	Leasing	100.00%	100.00%	Gwarant Plus sp. z o.o. owns 100% units
Gwarant Plus sp. z o.o. with its registered office in Kiev (Ukraine)	Factoring, guaranting activity and financial agency	100.00%	100.00%	Getin International S.A. owns 0.63%, 99.37% units have been repurchased by Gwarant Plus
Seret Invest sp. z o.o. with its registered office in Kiev (Ukraine)	Factoring services, guarantees and sureties and financial intermediation	100.00%	na	Getin Holding owns 0.02% of units, SF Seret owns 99.98 % of units
Seret Financial Company sp. z o.o. with its registered office in Kiev (Ukraine)	Factoring services	100.00%	na	Seret Invest sp. z o.o. owns 100% of units
Idea Bank S.A. with its registered office in Minsk (Belarus)	Banking	100.00%	100.00%	99.997% shares are held by Getin Holding S.A. and 0.012% by Getin International S.A.
Idea Finance sp. z o.o. with its registered office in Minsk (Belarus)	Financial agency	100.00%	100.00%	Getin International S.A. owns 95.1% units, Idea Bank S.A. (Belarus) owns 4.9% units
Idea Broker sp. z o.o. with registered office in Minsk (Belarus)	Intermediation in the sale of insurance	100.00%	100.00%	Getin International S.A. owns 95.1% units, Idea Bank S.A. (Belarus) owns 4.9% units
Idea Bank S.A. with its registered office in Bucharest (Romania)	Banking	100.00%	100.00%	Getin Holding S.A. owns 99.999% shares, Getin International S.A. owns 0.001% shares
Idea Finance IFN with its registered office in Bucharest (Romania)	Leasing	100.00%	100.00%	Idea Bank (Romania) owns 99.93% units, Getin International S.A. owns 0.7% units
Idea Investment S.A. with registered office in Bucharest (Romania)	Other financial activities	100.00%	100.00%	Idea Bank (Romania) owns 99.996% units, Getin International S.A. owns 0.004% units
Idea Leasing IFN S.A. with its registered office in Bucharest (Romania)	Leasing	100.00%	100.00%	Idea Investment owns 99.9999% shares, Idea Bank (Romania) owns 0.0001% units
Idea Broker de Asigurare SRL with its registered office in Bucharest (Romania)	Brokerage	100.00%	100.00%	Idea Leasing IFN (Romania) owns 100% units

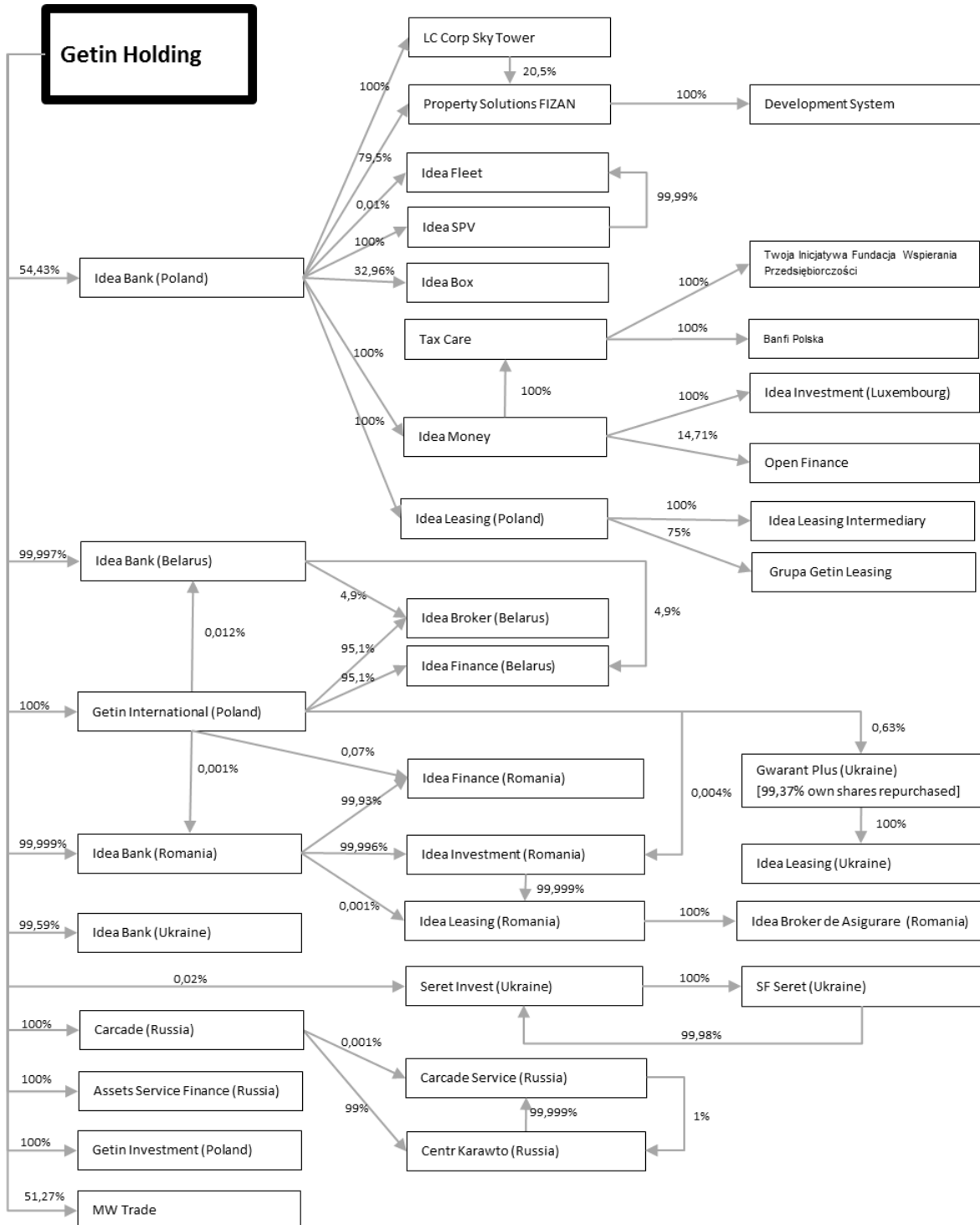
**Associates units:**

Company name	Type of activity	Effective share in capital		Additional information
		31.03.2017	31.12.2016	
Idea Box S.A. with its registered office in Warsaw	Other financial activities	17,94%	17,94%	Idea Bank S.A. (Poland) owns 32.96% shares
Open Finance S.A. with its registered office in Warsaw	Intermediation in financial services	8,01%	8,01%	Idea Bank S.A. (Poland) owns 14.71% shares
Getin Leasing S.A. with its registered office in Wroclaw	Leasing	40,82%	50,84%	On 31.03.2017 Getin Holding sold its 10,02% shares of Getin Leasing, Idea Leasing S.A. (Poland) owns 75% shares

In the period from 01.01.2017 until 31.03.2017 the following significant events within the Capital Group occurred:

- On 04.01.2017 new company IL Intermediary Sp. z o.o. was created controlled in 100% by Idea Leasing (Poland).
- On 31.01.2017 Getin Holding sold to LC Corp BV 755 shares of Getin Leasing representing 10.02% of share capital of Getin Leasing for a price of PLN 25.922 thousand.
- On 10.03.2017 Getin Holding concluded with an individual an agreement to acquire 0.02% of the share capital of Seret Invest Sp. z o.o. with its registered office in Kiev, Ukraine and a conditional agreement to purchase form Seret Invest Sp. z o.o., 100% of share capital of Seret Financial Company Sp. z o.o. with its registered office in Kiev, Ukraine, under the condition to obtain the consent from the Ukrainian antitrust office. The purchase price amounted to UAH 101 thousand (which was the equivalent of PLN 15.4 thousand). On 13.03.2017 Getin Holding acquired a share in the share capital of Seret Invest Sp. z o.o. and obtained the right to control the companies.
- On 24.03.2017 General Meeting of Shareholders of Idea Bank (Romania) passed a resolution to increase the share capital by RON 14.5 mln. Shares issued by the bank were fully subscribed by Getin Holding.
- On 31.03.2017 Idea Bank (Poland) sold 100% of its shares in Tax Care to Idea Money.

### 2.3. Organisation chart of the Getin Holding Group and employment as at 31.03.2017



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Employment (full-time posts) at companies of the Getin Holding Capital Group	31.03.2017 (unaudited data)	31.12.2016	Change
Getin Holding S.A.	29	29	-
Group of Idea Bank (Poland)	3 324	3 371	(47)
MW Trade S.A.	26	27	(1)
Getin International S.A.	1	1	-
Carcade Segment <sup>(1)</sup>	735	717	18
Idea Bank (Ukraine) Segment <sup>(2)</sup>	943	909	34
Belarus Segment <sup>(3)</sup>	1 210	1214	(4)
Group of Idea Bank (Romania) <sup>(4)</sup>	481	478	3
<b>Total</b>	<b>6 749</b>	<b>6 746</b>	<b>3</b>
including:			
Poland	3 380	3 428	(48)
International operations	3 369	3 318	51

(1) Carcade, Carcade Service, Centr Karawto, Asset Service Finance

(2) Idea Bank (Ukraine), Gwarant Plus, Idea Leasing (Ukraine), Seret Invest, Spółka Finansowa Seret

(3) Idea Bank (Belarus), Idea Finance (Belarus), Idea Broker (Belarus)

(4) Idea Bank (Romania), Idea Leasing (Romania), Idea Broker (Romania), Idea Investment (Romania), Idea Finance (Romania)

## 2.4. Information about rules applied at preparation of interim condensed consolidated financial statement

The interim condensed consolidated financial statement of the Getin Holding Group includes the period of 3 month ended 31.03.2017 and contains comparable data for the period of 3 month ended 31.03.2016 which were not reviewed by a key auditor and financial data as at 31.12.2016, which were reviewed by key auditor.

This interim condensed consolidated financial statement was approved for publication by the Management Board on 18.05.2017.

This interim condensed consolidated financial statement has been prepared in accordance with International Financial Reporting Standards approved by the European Union ("IFRS-EU") in particular in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". At the date of authorization of this condensed consolidated financial statement, taking into account the current process of IFRS endorsement in the European Union and the nature of the Group's operations, there is no difference between the IFRSs applied by the Group and the IFRSs endorsed by the European Union. IFRS-UE comprise standards and interpretations are accepted by the International Accounting Standards Board („IASB”) and the International Financial Reporting Interpretations Committee ("IFRIC").

These interim condensed consolidated financial statement has been presented in Polish zloty ("PLN") and all values are rounded to the nearest thousand except when otherwise indicated.

The interim condensed consolidated financial statement has been prepared on the assumption that the companies of the Group will continue their business activity in the foreseeable future. As at the date of approval of these consolidated financial statements, there were no circumstances that would indicate any threat to the continued operations of the Companies of the Group.

The interim condensed consolidated financial statement does not include all the information and disclosures required in annual consolidated financial statement and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31.12.2016.

#### **2.4.1. Changes in applied standards and interpretations**

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 yet in effect:

- IFRS 9 "Financial Instruments" - approved by the EU on 22.11.2016 (effective for annual periods beginning on 01.01 2018 or after that date)

In July 2014 IASB published the complete version of IFRS 9 "Financial Instruments", which replaces the guidance in IAS 39. The new IFRS 9 is effective for annual periods beginning on or after 01.01.2018 and it is possible to apply earlier. This standard is applicable retrospectively however there is no requirement to restate comparison data.

Key requirements of IFRS 9 relate primarily to the following areas:

- The unit will be obligated to carry out business model evaluations (tests) and test the characteristics of cash flows based on which they will then make decisions concerning the classification of the particular asset/liability.
- All financial assets that are currently in the scope of IAS 39 "Financial Instruments: Recognition and Measurement" must be measured at amortized cost or fair value. In particular, investments in debt instruments held within a business model which assumes obtaining contractual cash flows and generating contractual cash flows only in the form of payments of principal and interest on the principal outstanding, generally are measured at amortized cost at the end of subsequent accounting periods. Debt instruments held within a business model which assumes obtaining the contractual cash flows with possibility of sale, generating contractual cash flows only in the form of payments of principal and interest on the principal is left outstanding are measured at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value at the end of subsequent reporting periods and are recognized directly in the income statement. In addition, under IFRS 9, an individual can take an irrevocable decision on the classification of the equity instrument to a group of assets whose fair value changes are recognized in equity, however, for this group of equity instruments, any gains and losses arising from changes in fair value will never be transferred to the profit and loss account unit (in the financial result will be recognized only income from dividends).
- In terms of financial liabilities at fair value through profit or loss, IFRS 9 requires that the change in the fair value of the financial liability attributable to changes in credit risk of the liability be presented in other comprehensive income, unless recognising the effects of changes in credit risk of this obligation in other comprehensive income would cause the occurrence or increase of accounting mismatch in profit or loss. Changes in fair value attributable to the credit risk of liabilities is not then transferred to the financial result. In accordance with IAS 39, the entire amount of the change in fair value of financial liabilities designated to be measured at fair value through profit or loss is recognized in profit or loss.
- With regard to the impairment of financial assets, IFRS 9 requires the use of a model of the expected credit loss instead of a model showing the incurred credit loss as previously required by IAS 39.

Standard introduces a classification of credit exposures into three groups:

- Basket No 1 – Financial instruments for which credit risk has not increased from the initial recognition or which have a low level of risk on the balance sheet date. The expected loss is calculated within the next 12 months based on the gross carrying amount..



- Basket No 2 – Financial instruments for which credit risk increased significantly from initial recognition. The expected loss is calculated throughout the crediting period based on the gross carrying amount.
- Basket No 3 – Financial instruments for which evidence of impairment was identified. The expected loss is calculated throughout the crediting period based on the net carrying amount.

Additionally, the standard distinguishes distinct categories of financial assets acquired or created that upon initial recognition are affected by the loss of value due to credit risk - POCI (Purchased or Originated Credit Impaired Financial Instrument). IFRS 9 requires for them the estimation of credit losses in the horizon of lifetime exposure. Financial instruments classified as POCI remain in this category until they are removed from the books.

In addition, compared to IAS 39, impairment model applies to a wider range of financial instruments.

- New requirements for hedge accounting retain three types of hedge accounting as defined in IAS 39. IFRS 9 is more flexible when it comes to the types of transactions subject to hedge accounting; in particular, it extends the range of instruments that qualify as hedging instruments. The effectiveness tests have been replaced by principal of economic tests. Retrospective assessment of hedge effectiveness is no longer required. Disclosure requirements for risk management in units have also been expected.

The Group is working on full preparation for implementation in due time of changes resulting from IFRS 9.

- IFRS 15 "Revenue from Contracts with Clients" - approved in the EU on 22.09.2016 (effective for annual periods beginning on 01.01.2018 or after this date)

IFRS 15 introduces new rules for revenue recognition by replacing the existing guidelines under IAS 18. The basic principle of the new standard is the recognition of revenue in such a way as to reflect the transfer of promised goods or services in an amount that reflects the value of the remuneration which the company expects to have the right to in exchange for those goods or services. In accordance with the above standard, revenue arises when the control over the goods or services passes into the hands of the customer. Depending on certain conditions revenues are either spread over in time to reflect the performance of the contract or recognized once at the time of the transfer of control over the goods or services to the customer. The Bank believes that the application of the standard will not have a significant impact on the consolidated financial statements.

In the period covered by the financial statements The Group has not opted for early implementation interpretations that have been issued but not yet come into effect.

#### **Standards and interpretations adopted by the IASB but not yet approved for use in the EU**

IFRS as adopted by the EU do not differ significantly from the regulations adopted by the International Accounting Standards Board (IASB), except for the following standards, amendments to standards and interpretations, which as at 18.05.2017 had not yet been adopted for use in the EU (following the date of entry into force refer to the standards in the full version)

- IFRS 14 "*Deferred balances from regulated activity*" (effective for annual periods beginning on 01.01.2016 or after that date) - The European Commission has decided not to initiate the process of approval of this interim standard for use in the EU until a final version of the IFRS 14
- IFRS 16 "*Lease*" (effective for annual periods beginning on 01.01.2019 or after this date)
- Amendments to IFRS 10 "*Consolidated Financial Statements*" and IAS 28 "*Investments in Associates and Joint Ventures*" - Sales or transfers of assets between the investor and the associate or joint venture and the subsequent changes (date of entry into force of amendments has been postponed until the end of research on the equity method).

- Amendments to IAS 7 "*Statement of Cash Flows*" - Initiative in relation to disclosures (effective for annual periods beginning on 01.01.2017 or after this date).
- Amendments to IAS 12 "*Income Taxes*" - Recognition of deferred income tax on unrealized losses (effective for annual periods beginning on 01.01.2017 or after this date).
- Explanations to IFRS 15 "*Revenue from Contracts with Customers*" - (effective for annual periods beginning on 01.01.2018 or after this date)
- Amendments to IFRS 2 "*Share-based Payments*" - Classification and measurement of share-based payment (effective for annual periods beginning on 01.01.2018 or after this date)
- Amendments to IFRS 4 "*Insurance Contracts*" - Adoption of IFRS 9 "*Financial Instruments*" and IFRS 4 "*Insurance Instruments*" (effective for annual periods beginning on 01.01.2018 or after that date or at the time of application of IFRS 9 "*Instruments financial*" for the first time).
- Amendments to IAS 40 "*Investment Property*" - Transfers of investment properties (effective for annual periods beginning on 01.01.2018 or after this date).
- Amendments to various standards "*Improvements to IFRSs (cycle 2014-2016)*" - changes in the procedures for annual amendments to IFRS (IFRS 1, IFRS 12 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording (amendments to IFRS 12 are effective for annual periods beginning on or after 01.01.2017 or after this date, and the amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on 01.01.2018 or after this date)
- Interpretation IFRIC 22 "*Transactions in foreign currencies and advance payments*" (effective for annual periods beginning on 01.01.2018 or after this date)

The Group believes that the application of the revised standards, with the exception of IFRS 9 will have no significant impact on its financial statements for the period of their initial application.

The Group is currently estimating the impact of the implementation of IFRS 9 on its financial statements, however, due to the nature of the Group's operations is anticipated that these changes will have a significant impact on the valuation and presentation of the Group's financial instruments.

At the same time, besides the regulations adopted by the EU there is still hedge accounting for financial assets and liabilities, whose principles have not been approved for use in the European Union.

#### **2.4.2. Changes in accounting policies and presentation of comparable data**

In the first quarter of 2017, due to the sale of Debito NSFIZ fund in 2016, Idea Bank (Poland). made a change in the presentation of data for the first quarter of 2016 i.e. transferring to discontinued operation the result of sold fund for period of 3 month ended 31.03.2016.

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CONSOLIDATED INCOME STATEMENT Continuing operations	01.01.2016 - 31.03.2016		
	Historical data <sup>1)</sup>	adjustment	Transformed data <sup>2)</sup>
Interest income	353 423	(26)	353 397
Interest expense	(171 623)	-	(171 623)
<b>Net interest income</b>	<b>181 800</b>	<b>(26)</b>	<b>181 774</b>
Fee and commission income	137 996	-	137 996
Fee and commission expense	(35 557)	-	(35 557)
<b>Net fee and commission income</b>	<b>102 439</b>	<b>-</b>	<b>102 439</b>
Income from dividends	6 039	-	6 039
Result on financial instruments to fair value	(2 725)	-	(2 725)
Result on other financial instruments	(9 790)	-	(9 790)
Foreign exchange result	10 581	-	10 581
Other operating income	60 149	(1)	60 148
Other operating expenses	(48 067)	2 372	(45 695)
<b>Net other operating income</b>	<b>16 187</b>	<b>2 371</b>	<b>18 558</b>
<b>Net operating income</b>	<b>300 426</b>	<b>2 345</b>	<b>302 771</b>
Impairment losses on loans and NIL	(73 252)	2 396	(70 856)
Administrative expenses	(199 964)	-	(199 964)
<b>Operating profit</b>	<b>27 210</b>	<b>4 741</b>	<b>31 951</b>
Share in net profit (loss) of associates	708	-	708
<b>Profit / (loss) before income tax</b>	<b>27 918</b>	<b>4 741</b>	<b>32 659</b>
Corporate income tax	(3 044)	141	(2 903)
<b>Net profit /(loss)</b>	<b>24 874</b>	<b>4 882</b>	<b>29 756</b>
Attributable to equity holders of the parent company	12 410	2 729	15 139
Attributable to non-controlling interest	12 464	2 153	14 617
<b>Discontinued operations</b>			
<b>Profit (loss) from discontinued operations</b>	<b>37 538</b>	<b>(4 882)</b>	<b>32 656</b>
Attributable to shareholders of the parent unit	20 921	(2 729)	18 192
Attributable to non-controlling interest	16 617	(2 153)	14 464
<b>Continuing and discontinued operations</b>			
<b>Profit (loss) from continuing and discontinued operations</b>	<b>62 412</b>	<b>-</b>	<b>62 412</b>
Attributable to shareholders of the parent unit	33 331	-	33 331
Attributable to non-controlling interest	29 081	-	29 081

<sup>1)</sup> disclosed in interim condensed consolidated financial statement for the 3 month period ended 31.03.2016

<sup>2)</sup> disclosed in this interim condensed consolidated financial statement

### 2.4.3. Significant values based on professional judgment and estimates

The preparation of financial statements in accordance with IFRS requires the Group to make certain estimates and assumptions that affect the amounts reported in the financial statements. The estimates and assumptions that are constantly assessed by the Group's management are based on historical experience and other factors, including expectations of future events, which in a given situation seem justified. Although these estimates are based on the best knowledge of current conditions and activities that Group is taking, actual results may differ from these estimates. Estimates made at the end of each reporting period reflect the conditions that existed on the date (e.g. the exchange rates, interest rates, market prices). During the 3 month period ended 31.03.2017 the areas for which the Group has made estimates have not changed.

### 2.4.4. Translation of positions denominated in foreign currencies

As on 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 valid at the end of the reporting period. Exchange differences resulting from the translation are recognized in respectively finance income (costs) or, in other cases, defined in the accounting policies, are capitalized in the cost of the assets. Non-monetary assets and liabilities are recognized at historical cost denominated in a foreign currency and 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 at the date of re-measurement to fair value.

Goodwill arisen from the acquisition of a foreign entity and any adjustments related to the fair value measurement of assets and liabilities on the acquisition are treated as assets or liabilities of such foreign entity and translated at the average exchange rate for a given currency by the National Bank of Poland valid at the balance sheet date.

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

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

	Balance sheet		Profit and loss account	
	31.03.2017	31.12.2016	01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016
USD	3,9455	4,1793	4,0224	3,9416
EUR	4,2198	4,4240	4,2891	4,3559
RUB	0,0704	0,0680	0,0694	0,0539
UAH	0,1460	0,1542	0,1484	0,1500
RON	0,9277	0,9749	0,9485	0,9697
BYN	2,0923	2,1589	2,1288	
100 BYR	-	-	-	0,1887

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 on 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 on the last day of each reporting month. Foreign exchange differences arising from such translation are recognized directly in equity as a separate item (in position "Foreign exchange differences").

## 2.5. Financial results of Getin Holding Group for 1<sup>st</sup> quarter of 2017

The analysis of key economic-financial figures disclosed in the financial statements.

Selected Income Statement data	01.01.2017 -	01.01.2016 -	% Change
	31.03.2017 (unaudited data)	31.03.2016 (unaudited data)	
Net interest income - continuing operations	249 556	181 774	37,3%
Net fee and commission income- continuing operations	123 018	102 439	20,1%
Net profit from continuing and discontinued operations, including:	41 197	29 756	38,4%
Attributable to equity holders of the parent company	17 176	15 139	13,5%
Attributable to non-controlling interest	24 021	14 617	64,3%

Selected Balance Sheet data	31.03.2017	31.12.2016	% Change
	(dane niebadane)		
Receivables from clients	12 084 078	11 579 056	4,4%
Receivables from financial lease	5 159 267	5 082 055	1,5%
Total assets	26 486 420	25 845 343	2,5%
Liabilities to clients	17 714 971	17 709 859	0,0%
Equity	3 312 904	3 235 639	2,4%

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Selected financial ratios*	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited data)	% Change
Operating expenses / Net operating income	61,21%	66,04%	(4,8%)
Net interest income / Net operating income	67,72%	60,04%	7,7%
Net fee & commission income / Net operating income	33,38%	33,83%	(0,5%)
ROAA <sup>(1)</sup>	0,63%	0,52%	0,1%
ROAE <sup>(2)</sup>	3,29%	3,42%	(0,1%)

\* jointly for continuing and discontinued operations

- (1) net profit for Q1 divided by the average value of the assets at the end of Q1 and the previous year; ratio annualized;
- (2) net profit attributable to the shareholders of the parent company for the Q1 is divided by the average value of the equity attributable to the shareholders of the parent company (without the current period result) at the end of Q1 and the previous year; ratio annualized.

## 2.6. Interest income and interest expenses

Interest income	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited, transformed data)
Income from loans to customers	252 026	225 373
Interest on financial lease	90 611	78 454
Income on agreements with hospitals	9 944	13 146
Income from securities	28 301	21 318
Income on placements in other banks	1 405	2 441
Income on agreements with local government units	565	3 638
Obligatory provision interests	2 138	856
Income on other deposits on money market	249	1 294
Other interest	16 762	6 877
<b>Total</b>	<b>402 001</b>	<b>353 397</b>

Interest expense	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited, transformed data)
Expense on liabilities to customers	113 432	120 906
Interest expense on credits	16 722	22 724
Expense on debt securities in issue	17 062	20 874
Interest expense on liabilities from shares purchase	1 264	2 596
Expense on other bank's deposits	328	52
Expense on other deposits on the money market	2 001	3 419
Other interest expense	1 636	1 052
<b>Total</b>	<b>152 445</b>	<b>171 623</b>

## 2.7. Fee and commission income and expenses

Fee and commission income	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited data)
Due to intermediations in sales of credits and investment products	18 303	20 218
Due to insurance sale	58 326	49 994
Due to the credits and loans granted	20 353	6 982
Due to account of settlement operations and cash	4 465	3 047
Due to management of bank accounts	6 535	5 790
Due to the payment and credit cards	5 391	4 167
Due to financial lease	7 612	6 523
Due to accounting and consulting services	9 740	8 600
Due to factoring services	23 146	15 397
Other	4 886	17 278
<b>Total</b>	<b>158 757</b>	<b>137 996</b>

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<b>Fee and commission expense</b>	<b>01.01.2017 - 31.03.2017 (unaudited data)</b>	<b>01.01.2016 - 31.03.2016 (unaudited data)</b>
Due to intermediations in sales of credits and investment products	18 195	21 525
Due to accounting services	2 622	1 697
Due to the payment and credit cards	5 121	3 720
Due to insurance	3 740	4 195
Due to account of settlement operations and cash	601	496
Due to loans and credits	561	670
Due to the securities operations	171	73
Other	4 728	3 181
<b>Total</b>	<b>35 739</b>	<b>35 557</b>

## 2.8. Other operating income and expenses

<b>Other operating income</b>	<b>01.01.2017 - 31.03.2017 (unaudited data)</b>	<b>01.01.2016 - 31.03.2016 (unaudited, transformed data)</b>
Proceeds from sale of post-lease equipment	17 484	34 481
Penalties, compensations and fines received	9 175	9 627
Income from consulting services	2 291	1 416
Income from sales of loans portfolio	-	450
Income from sales of products and services	567	1 797
Rental income	1 080	2 103
Profit from sale of non-financial long-term assets	187	120
Income from recovered bad debts	43	83
Income from leasing activity	2 597	4 366
Release of provisions	178	2 908
Net income from sale of goods and materials	7	506
Other income	1 785	2 291
<b>Total</b>	<b>35 394</b>	<b>60 148</b>

<b>Other operating expenses</b>	<b>01.01.2017 - 31.03.2017 (unaudited data)</b>	<b>01.01.2016 - 31.03.2016 (unaudited, transformed data)</b>
Cost of post-lease equipment	15 192	30 776
Debt collection and monitoring of loans	6 205	596
Other assets impairment losses	2 557	2 670
Provision for future liabilities	1 533	81
Rental costs	70	793
Loss from the sale of the non-financial assets	87	285
Write-downs on receivables	3 276	3 053
Other expenses	4 969	7 441
<b>Total</b>	<b>33 889</b>	<b>45 695</b>

## 2.9. Change in provisions for impaired receivables and off-balance sheet liabilities

(unaudited data)	Receivables from clinets	Receivables from banks	Financial lease receivables	Other loans and receivables	Off-balance sheet liabilities	Total
<b>Provision for losses at the beginning of the period - 01.01.2017</b>	<b>868 345</b>	<b>733</b>	<b>306 220</b>	<b>75</b>	<b>3 055</b>	<b>1 178 428</b>
Increase	222 076	167	19 715	-	1 090	243 048
Decrease	(143 419)	(63)	(5 011)	-	(60)	(148 553)
Valuation of purchased receivables	473	-	-	-	-	473
<b>Net provisions in P&amp;L</b>	<b>79 130</b>	<b>104</b>	<b>14 704</b>	<b>-</b>	<b>1 030</b>	<b>94 968</b>
<b>Write-offs</b>	<b>(631)</b>	<b>-</b>	<b>(306)</b>	<b>-</b>	<b>-</b>	<b>(937)</b>
Other increases	5 520	-	(46)	-	-	5 474
Other decreases	(30 295)	(4)	3 911	-	(4)	(26 392)
<b>Net other increases/decreases</b>	<b>(24 775)</b>	<b>(4)</b>	<b>3 865</b>	<b>-</b>	<b>(4)</b>	<b>(20 918)</b>
<b>Provision for losses at the end of the period - 31.03.2017</b>	<b>922 069</b>	<b>833</b>	<b>324 483</b>	<b>75</b>	<b>4 081</b>	<b>1 251 541</b>

(unaudited, transformed data)	Receivables from clinets	Receivables from banks	Financial lease receivables	Other loans and receivables	Off-balance sheet liabilities	Total
<b>Provision for losses at the beginning of the period - 01.01.2016</b>	<b>716 402</b>	<b>506</b>	<b>274 759</b>	<b>75</b>	<b>2 773</b>	<b>994 515</b>
Increase	147 867	41	18 160	-	22	166 090
Decrease	(95 767)	(129)	(1 788)	-	(114)	(97 798)
Valuation of purchased receivables	2 564	-	-	-	-	2 564
<b>Net provisions in P&amp;L</b>	<b>54 664</b>	<b>(88)</b>	<b>16 372</b>	<b>-</b>	<b>(92)</b>	<b>70 856</b>
<b>Write-offs</b>	<b>1 229</b>	<b>-</b>	<b>(41)</b>	<b>-</b>	<b>-</b>	<b>1 188</b>
Other increases	5 010	1 372	6 438	-	-	12 820
Other decreases	(37 674)	-	(3 248)	-	(2)	(40 924)
<b>Net other increases/decreases</b>	<b>(32 664)</b>	<b>1 372</b>	<b>3 190</b>	<b>-</b>	<b>(2)</b>	<b>(28 104)</b>
<b>Provision for losses at the end of the period - 31.03.2016</b>	<b>739 631</b>	<b>1 790</b>	<b>294 280</b>	<b>75</b>	<b>2 679</b>	<b>1 038 455</b>

## 2.10. Overhead costs

Overhead costs	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited, transformed data)
Payroll/employee benefits	104 130	99 479
Materials and energy consumption	5 433	5 159
Third party services, including:	61 943	58 031
- marketing, representation and advertisement	10 160	7 944
- IT services	7 384	5 926
- rent	24 193	27 185
- security and cash processing services	2 273	1 327
- maintenance and repairs	1 286	1 448
- telcommunication and post	4 382	4 351
- legal services	1 122	1 087
- advisory services	3 640	2 048
- insurance	814	778
- other	6 689	5 937
Other material cost	939	932
Taxes and charges	4 810	5 267
Asset tax	15 226	7 565
Annual Bank Guarantee Fund and PFSA	16 430	8 063
Depreciation	15 734	15 163
Other	916	305
<b>Total</b>	<b>225 561</b>	<b>199 964</b>

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## 2.11. Income tax

Major components of tax expense	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited, transformed data)
<b>Consolidated income statement</b>		
<b>Current income tax</b>	<b>16 833</b>	<b>25 354</b>
Current tax charge	17 817	25 198
Adjustments related to the tax from previous years	(1 020)	-
Other taxes	36	156
<b>Deferred income tax</b>	<b>(1 210)</b>	<b>(22 451)</b>
Due to the timing differences	(66)	(22 452)
Tax loss from previous years	(1 144)	1
<b>Tax charge disclosed in the consolidated profit and loss statement</b>	<b>15 623</b>	<b>2 903</b>
<b>Consolidated share capital</b>		
<b>Deferred income tax</b>	<b>11 649</b>	<b>(504)</b>
Due to the timing differences, including:	11 649	(504)
related to financial instruments available for sale	10 637	(1 312)
related with the value of cash flow hedges	1 012	808
<b>Tax charge disclosed in the consolidated equity</b>	<b>11 649</b>	<b>(504)</b>
<b>Total basic components of tax expense</b>	<b>27 272</b>	<b>2 399</b>

## 2.12. Receivables from clients

Receivables from clients	31.03.2017 (unaudited data)	31.12.2016
<b>Loans and advances to clients</b>	<b>12 993 097</b>	<b>12 434 600</b>
Credits and loans	11 886 527	11 641 823
Purchased receivables	942 488	635 797
Realized guarantees and commitments	207	-
Credit and payment card receivables	163 875	156 980
<b>Financial assets at fair value through profit or loss</b>	<b>13 050</b>	<b>12 801</b>
<b>Total</b>	<b>13 006 147</b>	<b>12 447 401</b>
Impairment provisions (-)	(922 069)	(868 345)
<b>Total net</b>	<b>12 084 078</b>	<b>11 579 056</b>

31.03.2017 (unaudited data)	Gross value without impairment	Gross value with impairment	Write-offs on credits and loans without impairment	Impairment charges for impaired loans	Total net value
- investments credits	3 868 363	320 966	(28 952)	(92 410)	4 067 967
- operating credits	3 752 185	868 080	(66 397)	(340 397)	4 213 471
- car credits	261 335	83 765	(4 742)	(65 961)	274 397
- mortgages	2 624	1 509	(147)	(218)	3 768
- consumer credits	911 053	312 880	(22 552)	(249 828)	951 553
- finance lease receivables	1 301 045	38 104	(4 021)	(18 033)	1 317 095
- factoring receivables	307 368	21 332	(16 854)	(3 957)	307 889
- purchased receivables	936 482	6 006	(4 971)	(2 629)	934 888
- financial assets at fair value through profit or loss	13 050	-	-	-	13 050
<b>Total</b>	<b>11 353 505</b>	<b>1 652 642</b>	<b>(148 636)</b>	<b>(773 433)</b>	<b>12 084 078</b>



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31.12.2016	Gross value without impairment	Gross value with impairment	Write-offs on credits and loans without impairment	Impairment charges for impaired loans	Total net value
- investments credits	3 889 169	285 137	(28 933)	(79 901)	4 065 472
- operating credits	3 593 497	780 466	(57 669)	(333 128)	3 983 166
- car credits	304 954	85 232	(5 544)	(60 804)	323 838
- mortgages	3 114	1 392	(303)	(28)	4 175
- consumer credits	875 093	349 795	(22 621)	(232 662)	969 605
- finance lease receivables	1 255 797	40 260	(4 138)	(17 497)	1 274 422
- factoring receivables	313 803	21 094	(13 513)	(5 641)	315 743
- purchased receivables	629 856	5 941	(4 132)	(1 831)	629 834
- financial assets at fair value through profit or loss	12 801	-	-	-	12 801
<b>Total</b>	<b>10 878 084</b>	<b>1 569 317</b>	<b>(136 853)</b>	<b>(731 492)</b>	<b>11 579 056</b>

### 2.13. Finance lease receivables

Finance lease receivables as at 31.03.2017 (unaudited data)	Gross investment in finance leases	Current value of minimum lease payments
Up to 1 year	2 735 850	2 456 845
From 1 year to 5 years	3 239 008	2 978 973
More than 5 years	50 724	47 932
<b>Total</b>	<b>6 025 582</b>	<b>5 483 750</b>
Unearned financial revenue	(541 832)	-
<b>Net investment in finance leases</b>	<b>5 483 750</b>	<b>5 483 750</b>
<b>Current value of minimum lease payments</b>	<b>5 483 750</b>	<b>5 483 750</b>
Impairment of receivables (-)	(324 483)	-
<b>Carrying amount</b>	<b>5 159 267</b>	-
including the unguaranteed residual values of the lessor	584 050	-

Finance lease receivables as at 31.12.2016	Gross investment in finance leases	Current value of minimum lease payments
Up to 1 year	2 715 688	2 447 187
From 1 year to 5 years	3 151 969	2 897 821
More than 5 years	45 782	43 267
<b>Total</b>	<b>5 913 439</b>	<b>5 388 275</b>
Unearned financial revenue	(525 164)	-
<b>Net investment in finance leases</b>	<b>5 388 275</b>	<b>5 388 275</b>
<b>Current value of minimum lease payments</b>	<b>5 388 275</b>	<b>5 388 275</b>
Impairment of receivables (-)	(306 220)	-
<b>Carrying amount</b>	<b>5 082 055</b>	-
including the unguaranteed residual values of the lessor	554 584	-

## 2.14. Liabilities to clients

Liabilities to clients	31.03.2017 (unaudited data)	31.12.2016
<b>Liabilities to corporate entities</b>	<b>2 525 243</b>	<b>2 809 594</b>
Funds on current accounts and overnight deposits	1 324 681	1 323 566
Loans	479	538
Term deposits	1 197 228	1 483 016
Other	2 855	2 474
<b>Liabilities to state budget entities</b>	<b>11 246</b>	<b>8 804</b>
Funds on current accounts and overnight deposits	6 186	2 156
Term deposits	5 060	6 648
<b>Liabilities to individuals</b>	<b>15 178 482</b>	<b>14 891 461</b>
Funds on current accounts and overnight deposits	2 179 221	1 870 006
Term deposits	12 993 767	13 015 558
Other	5 494	5 897
<b>Total of liabilities to customers</b>	<b>17 714 971</b>	<b>17 709 859</b>

Liabilities to clients by maturity based on the remaining period at the balance sheet date to date of repayment	31.03.2017 (unaudited data)	31.12.2016
Funds on current accounts and overnight deposits	3 510 088	3 195 972
Term liabilities by maturity:	14 196 007	14 505 185
up to 1 month	4 074 804	3 677 877
from 1 to 3 months	4 570 139	6 229 063
from 3 to 6 months	3 391 119	2 378 055
from 6 months to 1 year	406 713	906 781
from 1 to 5 years	1 686 661	1 218 105
more than 5 years	66 571	95 304
Other	8 876	8 702
<b>Total</b>	<b>17 714 971</b>	<b>17 709 859</b>

## 2.15. Information on provisions and deferred income tax asset

	31.03.2017 (unaudited data)	31.12.2015 (transformed data)	Change
<b>1. Deferred income tax assets</b>	<b>649 267</b>	<b>651 942</b>	<b>(2 675)</b>
<b>2. Deferred income tax provision</b>	<b>10 412</b>	<b>2 004</b>	<b>8 408</b>
<b>3. Other provisions, including:</b>	<b>11 971</b>	<b>12 220</b>	<b>(249)</b>
Provisions for claims	6 167	5 777	390
Provisions for off-balance sheet liabilities	4 081	3 054	1 027
Other provisions	1 723	3 389	(1 666)

## 2.16. Write-downs of assets

	31.03.2017 (unaudited data)	31.12.2016	Change
Tangible fixed assets	150	174	(24)
Investment property	4 290	4 290	-
Intangible assets	33 894	33 906	(12)
Receivables from clients	922 069	868 345	53 724
Receivables from banks and other financial institutions	833	733	100
Financial lease receivables	324 483	306 220	18 263
Fixed assets available for sale	6 242	6 501	(259)
Investments in associates	16 190	16 190	-
Other loans and receivables	75	75	-
Other assets	72 081	74 675	(2 594)
<b>Total provisions for impaired assets</b>	<b>1 380 307</b>	<b>1 311 109</b>	<b>69 198</b>

## 2.17. Contingent liabilities

Off-balance sheet items	31.03.2017 (unaudited data)	31.12.2016
<b>Given contingent liabilities</b>	<b>631 208</b>	<b>586 236</b>
financial	621 122	577 028
guarantee	10 086	9 208
<b>Liabilities concerned with realisation of buy/sell transactions*</b>	<b>136 390</b>	<b>136 390</b>
<b>Other off-balance sheet items</b>	<b>872 775</b>	<b>863 339</b>
<b>Total off-balance sheet items</b>	<b>1 640 373</b>	<b>1 585 965</b>

\*mostly buy/sell of derivative instruments and foreign exchange currency

## 2.18. Components of other comprehensive income

Other comprehensive income	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited data)
Exchange differences from evaluation of foreign subsidiaries	(9 122)	(13 921)
Financial instruments available for sale	43 155	(5 560)
<i>Profit (loss) for the period</i>	43 155	(5 560)
Write-downs on the value of cash flow hedge	4 314	3 445
<b>Total of other comprehensive income</b>	<b>38 347</b>	<b>(16 036)</b>

Income tax relating to components of other comprehensive income	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited data)
Exchange differences from evaluation of foreign subsidiaries - amount not taxable	(9 122)	(13 921)
<i>Amount before income tax</i>	(9 122)	(13 921)
Financial instruments available for sale	43 155	(5 560)
<i>Amount before income tax</i>	53 792	(6 872)
<i>Income tax amount</i>	(10 637)	1 312
Write-downs on the value of cash flow hedge	4 314	3 445
<i>Amount before income tax</i>	5 326	4 253
<i>Income tax amount</i>	(1 012)	(808)
<b>Total of income tax relating to other comprehensive income</b>	<b>(11 649)</b>	<b>504</b>

## 2.19. Capital ratio

The following tables present the calculation of capital ratios in accordance with the national standards of banks of the Group.

Idea Bank (Poland)	31.03.2017 (unaudited data)	31.12.2016
Tier 1 (core funds)	1 844 885	1 389 917
Tier 2 (supplementary funds)	283 336	252 560
Risk weighted assets and off - balance liabilities	12 200 862	11 269 132
<b>Capital Ratio (CAR)</b>	<b>16,06%</b>	<b>13,61%</b>

Idea Bank (Ukraine)	31.03.2017 (unaudited data)	31.12.2016
Tier 1 (core funds)	34 634	46 608
Tier 2 (supplementary funds)	9 092	15 773
Risk weighted assets and off - balance liabilities	404 600	428 167
<b>Capital Ratio (CAR)</b>	<b>10,83%</b>	<b>13,25%</b>

Idea Bank (Belarus)	31.03.2017 (unaudited data)	31.12.2016
Tier 1 (core funds)	72 011	68 973
Tier 2 (supplementary funds)	46 133	47 835
Risk weighted assets and off - balance liabilities	332 451	369 780
<b>Capital Ratio (CAR)</b>	<b>23,34%</b>	<b>21,28%</b>

Idea Bank (Romania)	31.03.2017 (unaudited data)	31.12.2016
Tier 1 (core funds)	102 652	94 156
Tier 2 (supplementary funds)	12 508	12 030
Risk weighted assets and off - balance liabilities	819 573	825 729
<b>Capital Ratio (CAR)</b>	<b>12,88%</b>	<b>11,70%</b>

## 2.20. Fair value of financial assets and liabilities

The fair value is the price that would be received from sale an asset or paid to transfer a liability in a transaction on the usual conditions between market participants at the measurement date. For many financial instruments market values are not available, hence the fair values are estimated using valuation techniques.

For certain categories of financial assets and liabilities due to the lack of expected significant differences between the carrying value and fair value, due to the characteristics of these groups, it was assumed that the carrying value is in line with their fair value.

The principal methods and assumptions used in estimating the fair value of financial assets and liabilities which are not presented in consolidated balance sheet at fair value are as follows:

### Cash and balance in the Central Bank

Due to the short-term nature of these assets is assumed that the carrying value is equal to their fair value.

### Receivables from banks

Investments made in the interbank market are short-term deposits, with maturities of up to 3 months. For this reason is assumed that the fair value of receivables from banks is equal to their book value. For debts over three months, the Group measured at fair value based on discounted cash flow method, taking into account the available information on the credit spread for the counterparty.

### Credits and other receivables granted to clients

The fair value was calculated for the credit with established payment schedule. For the contracts in which these payments were not determined (e.g. credits in the current account), it is accepted that their fair value equals to the carrying amount. Similar assumption is accepted for the realized payments and the contracts from the impairment group.

In order to calculate the fair value, on the basis of the information saved in the transaction systems, for each contract the schedule of capital and interest flows is identified. The calculated flows are grouped by type of interest, commencement date, type of product and currency of a contract. So determined cash flows were discounted by using current rates taking into account the margins for each type of product. In the case of foreign currency loans for which there is no adequate number of trials of launch during the period, a margin analogous to that which is related to the EURO is adopted referenced to LIBOR 3M of the currency. By comparing the amount discounted by means of the aforesaid cash flow rate assigned to a given contract with its book value, it is possible to determine the difference between the fair value and the carrying amount. The identification of the rate appropriate for discounting a given flow is carried out on the basis of the contract currency, the product, and the date of the flow.

#### Liabilities to banks and financial institutions

Most of the liabilities to banks on the interbank market are the liabilities with short maturities (up to one month), it is assumed that the fair value of these liabilities is not materially different from their carrying value. Liabilities to banks and financial institutions over one month, and other than the current Group measured at fair value based on the discounted cash flow method, taking into account information available on profit margins for the current offer on deposits run.

#### Liabilities to clients

The fair value was calculated for the deposits with a fixed rate and the established payment date. For current deposits it is accepted that their fair value equals to the carrying amount.

In order to calculate the fair value on the basis of the data from transaction systems, the future capital and interest flows are determined. The calculated future flows are grouped by currency, original deposit period, type of product, and the date of the flow. The calculated flows are discounted by means of the interest rate created as a sum of the market rate from the profitability curve for a given currency and the date of terminating the deposit as well as the margin gained from the deposits started in the last month of the settlement period. The margin is calculated by comparing the interest of the deposits granted in the last month with the market interest. The discounting period is determined as the difference between the date of terminating the deposit (with the accepted exactness to the calendar month) and the date of the statement. The discounted value that was thus calculated is compared to the carrying amount as a result of which the difference between the carrying amount and the fair value is obtained for the contract portfolio accepted for the calculations.

#### Liabilities from the issue of debt securities

The fair value of bonds issued was calculated according to the rules set out for the fair value of liabilities to clients.

The fair value of financial instruments does not differ significantly from their carrying amount because the vast majority of financial instruments bear interest at variable interest rates, and the revaluation term of fixed-rate instruments is, for the most part, up to 3 months.

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<b>31.03.2017 (unaudited data)</b>			
	<b>As per balance sheet</b>	<b>Fair value</b>	<b>Surplus / shortfall in the fair value over book value</b>
<b>Assets:</b>			
Cash and amounts due from Central Bank	914 860	914 860	-
Receivables from banks and financial institutions	416 705	416 705	-
Derivative financial instruments	148 195	148 195	-
Financial assets at fair value through profit or loss	136 390	136 390	-
Receivables from clients	12 084 078	11 762 914	(321 164)
Finance lease receivables	5 159 267	5 254 329	95 062
Other loans and receivables	623 020	623 747	727
Financial instruments available for sale	3 873 929	3 873 929	-
Financial instruments held to maturity	89 853	89 853	-
<b>Liabilities:</b>			
Liabilities to banks and other financial institutions	1 467 377	1 467 377	-
Derivative financial instruments	7 003	7 003	-
Financial liabilities at fair value through profit or loss	2 204 002	2 204 002	-
Liabilities to customers	17 714 971	17 725 176	10 205
Debt securities in issue	894 903	904 045	9 142
Other liabilities measured at amortized cost	60 103	60 103	-

<b>31.12.2016 (transformed data)</b>			
	<b>As per Balance sheet</b>	<b>Fair value</b>	<b>Surplus / shortfall in the fair value over book value</b>
<b>Assets:</b>			
Cash and amounts due from Central Bank	568 381	568 381	-
Receivables from banks and financial institutions	536 205	536 200	(5)
Derivative financial instruments	81 152	81 152	-
Financial assets at fair value through profit or loss	136 390	136 390	-
Receivables from customers	11 579 056	11 287 509	(291 547)
Finance lease receivables	5 082 055	5 135 850	53 795
Other loans and receivables	649 094	649 314	220
Financial instruments available for sale	3 905 140	3 905 140	-
<b>Liabilities:</b>			
Liabilities to banks and other financial institutions	994 485	994 485	-
Derivative financial instruments	77 349	77 349	-
Other financial liabilities at fair value through profit or loss	2 126 240	2 126 240	-
Liabilities to customers	17 709 859	17 698 847	(11 012)
Debt securities in issue	956 777	964 160	7 383
Liabilities measured at amortized cost	60 103	60 103	-

The Group classifies particular components of financial assets and liabilities estimated at their fair value applying the following hierarchy:

**Level 1**

Financial assets and liabilities estimated according to market quotations available at active markets for identical instruments.

As at 31.03.2017 at Level 1 fair value hierarchy there are presented financial instruments available for sale - bonds and listed shares of Getin Noble Bank.

**Level 2**

Financial assets and liabilities which fair value is determined using valuation models, in cases where all significant inputs are observable in the market, either directly (as prices) or indirectly (derived from prices). For this category, the Group classifies its financial instruments for which there is no active market.

Nr	Description	Valuation model	Input data
1	NBP bills	Discounted cash flow method	WIBOR rates from 1D to 1Y
			Depo quotes, FRA and IRS
2	IRS	Discounted cash flow method	WIBOR rates from 1D to 1Y
			EURIBOR rates from 1D to 1Y
			MOSPRIME rates from 1D to 6M
			Depo quotes, FRA and IRS
3	CIRS	Discounted cash flow method	The average foreign exchange rates NBP
			WIBOR rates from 1D to 1Y
			EURIBOR rates from 1D to 1Y
			MOSPRIME rates from 1D to 6M
			Depo quotes, FRA and IRS
4	FX SWAP	Discounted cash flow method	Sw ap points, CCS quotes
			The average foreign exchange rates NBP
			WIBOR rates from 1D to 1Y
			EURIBOR rates from 1D to 1Y
			MOSPRIME rates from 1D to 6M
			Depo quotes, FRA and IRS
			Sw ap points, CCS quotes

In addition, Level 2 fair value hierarchy included Romanian treasure bonds, the Ukrainian treasure bonds classified as financial instruments available for sale. Valuation of these bonds is based on market values for similar instruments published.

**Level 3**

Financial assets and liabilities which fair value is determined using valuation models for which the inputs are not based on observable market data (unobservable inputs).

Structured deposits are complex financial instruments that contain a debt instrument and an embedded derivative. Debt instrument is the obligation to repay the nominal value of the Group on the date of maturity of the deposit – zero-coupon instrument (term deposit) with a denomination equal to the amount guaranteed by the Bank of payment. Embedded derivative is purchased by the customer of the Group and the Group's issued by the bank option, giving the customer the right to an additional payment determined on the basis of changes in the value of the underlying instrument. The fair value

of a debt instrument lodged in the bank, is calculated on the basis of a valuation model that takes into account the following factors:

- risk-free rate is determined on the basis of the market curve money market interest rates IRS/ FRA during the next maturity date of the debt instrument measured at
- credit spread is determined as a weighted average of the difference between the risk free rate and the cost of deposits from retail clients of Idea Bank (Poland) with maturities of up to 6 months, taken in the last 6 months (for the funds guaranteed by the Bank Guarantee Fund) and the current value of CDS for class compliant with the hypothetical rating of the Bank (funds for non-warranty BFG)
- liquidity margin reflecting the cost of acquiring the Bank's liquidity in the money market.

Furthermore, the Group uses the following parameters of variation for the purpose of fair value measurement.



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Nr	Name of the structured deposit	Model	Volatility	
1	Globalna perspektywa	Option model	Noble Funds Global Perspective Index	9,00%
2	Niemieccy Giganci	Option model	BMW AG	21,51%
			Deutsche Post AG	12,96%
			Deutsche Telekom AG	15,17%
			Henkel AG	16,26%
3	Liderzy Farmacji	Option model	Bayer AG	16,26%
			Roche Holding AG	18,33%
			GlaxoSmithKline PLC	11,01%
			Novartis AG	15,83%
			Pfizer Inc.	12,18%
4	Top Giganci	Option model	Merck & Co. Inc.	16,29%
			Adidas AG	19,55%
			Hyundai Motor Co	25,32%
			MCDONALD'S CORP	13,55%
			Sony Corporation	24,67%
5	Kapitalny Rok	Option model	THE COCA-COLA CO	11,72%
			Facebook Inc	27,83%
			Google Inc	28,08%
			Nike Inc	18,04%
			Royal Dutch Shell PLC	29,77%
6	Absolut Selection	Option model	Toyota Motor Corporation	15,94%
7	Lokata Indywidulana 01	Option model	NXSRSAF Index	4,50%
8	Lokata Indywidulana 02	Option model	S&P 500	30,36%
			WIBOR 3M	1,74%
9	Lokata Indywidulana 03	Option model	FIXNBP EUR/PLN	6,28%
10	Liderzy technologii	Option model	S&P 500	10,70%
			Samsung Electronics CO LTD	27,02%
			Intel Corp	20,05%
			CISCO SUSTEMS INC	17,78%
			LG ELECTRONICS	30,13%
			FUJIFILM HOLDINGS	26,18%
11	Liderzy internetu	Option model	HITACHI LTD	34,64%
			Yahoo! Inc	22,38%
			Amazon.com Inc	22,02%
			eBay Inc	21,81%
			Google Inc	18,67%
12	Total Perspective	Option model	Netflix Inc	33,70%
13	Rio	Option model	Facebook Inc	34,62%
			Altus Total Perspective	10,00%
			Visa Inc	7,88%
			The Coca-Cola Co	7,12%
			Bridgestone Corp	18,41%
14	e-Rentier	Option model	Samsung Electronics Co Ltd	16,31%
			The Procter & Gamble Co	6,15%
			Facebook, Inc	23,71%
			Amazon.com, Inc.	26,86%
15	e-Rentier2	Option model	Netflix, Inc.	45,28%
			eBay, Inc.	29,21%
			Facebook, Inc	27,07%
			Amazon.com, Inc.	25,11%
			Netflix, Inc.	39,76%
			eBay, Inc.	42,60%
			Yahoo! Inc.	24,63%

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16	e-Rentier 18	Option model	Facebook, Inc	22,79%
			Amazon.com, Inc.	21,53%
			Netflix, Inc.	36,95%
			eBay, Inc.	26,68%
			Apple Inc.	21,12%
17	e-Rentier 30	Option model	Facebook, Inc	28,22%
			Amazon.com, Inc.	25,22%
			Netflix, Inc.	38,40%
			eBay, Inc.	47,38%
			Apple Inc.	44,02%
18	KIDS1	Option model	Hasbro Inc	25,34%
			Mattel Inc	27,58%
			Danone SA	18,15%
			Nestle SA	19,01%
			21st Century Fox Inc	36,45%
			The Walt Disney Co	23,97%
19	KIDS2	Option model	Hasbro Inc	26,59%
			Mattel Inc	32,67%
			Danone SA	20,86%
			Nestle SA	16,23%
			21st Century Fox Inc	23,44%
			The Walt Disney Co	18,78%
20	KIDS3	Option model	Electronic Arts Inc	28,01%
			Microsoft Corp	25,58%
			Danone SA	20,69%
			Nestle SA	20,91%
			21st Century Fox Inc	28,70%
			The Walt Disney Co	22,51%
21	Momentum V	Option model	NXS Momentum Fund Stars ER	3,50%
22	Momentum VI	Option model	NXS Momentum Fund Stars ER	3,50%
23	Liderzy Internetu II'	Option model	Apple Inc	23,98%
			Amazon.com Inc	28,11%
			eBay Inc	28,32%
			Google Inc	23,70%
			Netflix Inc	43,61%
			Facebook Inc	26,40%
24	US Blue Chips	Option model	Apple Inc	15,87%
			IBM Corp	18,91%
			McDonald's Corp	23,54%
			Nike Inc	19,30%
			Pfizer Inc	15,67%
			The Procter Gamble Co	11,35%
25	Cyfrowy Zysk	Option model	Cisco Systems, Inc.	34,12%
			Symantec Corp	19,30%
			IBM Corp	26,81%
			Intel Corp	27,77%
			HP, Inc.	26,11%
26	Optimum Funds	Option model	NXS Momentum Fund Stars ER	3,50%
27	Optimum Funds 140%	Option model	NXS Momentum Fund Stars ER	3,50%

In addition, Level 3 fair value hierarchy is presented the following financial assets:

- Package of 7.46% of share of TU Europa (assets classified as financial assets at fair value through profit or loss)
- Option to sell of owned package of shares of TU Europa (reported in derivatives)
- Unquoted in an active market shares of Ukrainian companies (reported in financial instruments available for sale).

Below, the balance value of the financial instrumented estimated at their fair value, divided into the above described levels is presented as on 31.03.2017 and 31.12.2016

31.03.2017 (unaudited data)				
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Derivative financial instruments	-	117 161	31 034	<b>148 195</b>
Financial assets at fair value through profit or loss	-	-	136 390	<b>136 390</b>
Receivables from clients*	-	-	13 050	<b>13 050</b>
Financial instruments available for sale	3 523 264	282 228	68 437	<b>3 873 929</b>
<b>Liabilities:</b>				
Derivative financial instruments	-	7 003	-	<b>7 003</b>
Financial liabilities at fair value through profit or loss	-	-	2 204 002	<b>2 204 002</b>

\*without loans and advances

31.12.2016				
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Derivative financial instruments	-	50 118	31 034	<b>81 152</b>
Financial assets at fair value through profit or loss	-	-	136 390	<b>136 390</b>
Receivables from clients*	-	-	173 433	<b>173 433</b>
Financial instruments available for sale	3 140 995	695 717	68 428	<b>3 905 140</b>
<b>Liabilities:</b>				
Derivative financial instruments	-	77 349	-	<b>77 349</b>
Financial liabilities at fair value through profit or loss	-	-	2 126 240	<b>2 126 240</b>

\*without loans and advances

## 2.21. Revenues and results per individual business segments

For management purposes, the Group segment reporting was prepared in accordance with IFRS 8.11 and IFRS 8.12 based on entities combined because of similarity of economic characteristics, offered products and services, process of providing services, type or category of clients, the distribution of methods and the nature of the regulatory environment.

The Management Board monitors the operating results of business units separately for the purpose of decision making about resource allocation and performance assessment. Segment performance is based on operating profit or loss.

Data presented in this note relate only to continuing operations.

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

Banking Segment in Poland covers services in the field of loans and credits, guarantees and warranties, and acceptance of deposits, leasing and also in the field of planning and consulting as well as investment products provided by Idea Bank Group in Poland.

Banking Segment in Ukraine covers services in the field of loans and credits, guarantees and warranties, and acceptance of deposits provided by the Idea Bank Group in Ukraine and financial services provided by Ukrainian companies Seret Invest and Seret Financial Company.

*Banking Segment in Belarus* covers services in the field of loans and credits, guarantees and warranties, and acceptance of deposits provided by Idea Bank in Belarus and services provided by Belarusian Idea Finance and Idea Broker.

*Banking- leasing Services Segment in Romania* includes services relating to the granting of loans and advances, guarantees and warranties, acceptance of deposits and the transfer of leased assets by one entity to another, in exchange for periodic payments. Services in Romania are provided by Idea Bank (Romania), Idea Leasing (Romania) and Idea Broker de Asigurare.

*Leasing- Banking Services Segment in Russia* comprises of services rendered by Carcade Group in Russia in the field of temporary transfer of leased assets by one entity to another entity, in exchange for periodical payments, as well as financial services provided by Assets Service Finance

*Financial Agency Segment in Poland* includes financial services provided by MW Trade S.A. in the medical sector and the debt collection.

The income and expenses of this segment include the income and expenses from the sale to external clients or from the transactions with other segments in the Group. It is possible to assign them to a given segment in a direct way or based on rational premises. Result in a segment was determined after attributable to segment inter-segment and consolidation adjustments. In separating inter-segment transactions, accounting principles for drawing up financial statements of the Group companies were applied, inter-segment eliminations came from the companies' financial statements, the internal prices in the inter-segment transactions do not differ materially from the market prices.

Reporting and operating segments of the Group are presented with regard to geographical segments, i.e. specified activities has also been shown by country.

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

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Consolidated income statement for 3 months of 2017 per segments (unaudited data)								
	Banking services in Poland	Banking services in Ukraine	Banking services in Belarus	Banking and lease services in Romania	Lease and financial services in Russia	Financial services in Poland	Other segments and consolidation adjustments	Getin Holding Capital Group
<b>Interest income</b>	<b>278 964</b>	<b>36 780</b>	<b>26 084</b>	<b>18 656</b>	<b>37 251</b>	<b>10 363</b>	<b>(6 097)</b>	<b>402 001</b>
<i>External</i>	272 469	36 780	26 082	18 511	35 769	10 342	2 048	402 001
<i>Internal</i>	6 495	-	2	145	1 482	21	(8 145)	-
<b>Interest expense</b>	<b>(93 811)</b>	<b>(17 301)</b>	<b>(10 525)</b>	<b>(7 688)</b>	<b>(20 923)</b>	<b>(6 587)</b>	<b>4 390</b>	<b>(152 445)</b>
<i>External</i>	(93 796)	(17 130)	(10 167)	(4 983)	(20 923)	(3 229)	(2 217)	(152 445)
<i>Internal</i>	(15)	(171)	(358)	(2 705)	-	(3 358)	6 607	-
<b>Net interest income</b>	<b>185 153</b>	<b>19 479</b>	<b>15 559</b>	<b>10 968</b>	<b>16 328</b>	<b>3 776</b>	<b>(1 707)</b>	<b>249 556</b>
<i>External</i>	178 673	19 650	15 915	13 528	14 846	7 113	(169)	249 556
<i>Internal</i>	6 480	(171)	(356)	(2 560)	1 482	(3 337)	(1 538)	-
<b>Fee and commission income</b>	<b>135 155</b>	<b>4 994</b>	<b>4 618</b>	<b>8 653</b>	<b>5 696</b>	<b>237</b>	<b>(596)</b>	<b>158 757</b>
<i>External</i>	134 674	4 994	4 616	8 653	5 696	(3)	127	158 757
<i>Internal</i>	481	-	2	-	-	240	(723)	-
<b>Fee and commission expense</b>	<b>(31 485)</b>	<b>(913)</b>	<b>(2 001)</b>	<b>(1 224)</b>	<b>-</b>	<b>(342)</b>	<b>226</b>	<b>(35 739)</b>
<i>External</i>	(30 817)	(911)	(2 001)	(829)	-	(342)	(839)	(35 739)
<i>Internal</i>	(668)	(2)	-	(395)	-	-	1 065	-
<b>Net fee and commission income</b>	<b>103 670</b>	<b>4 081</b>	<b>2 617</b>	<b>7 429</b>	<b>5 696</b>	<b>(105)</b>	<b>(370)</b>	<b>123 018</b>
<i>External</i>	103 857	4 083	2 615	7 824	5 696	(345)	(712)	123 018
<i>Internal</i>	(187)	(2)	2	(395)	-	240	342	-
<b>Other net operating expense and income</b>	<b>(15 743)</b>	<b>(2 753)</b>	<b>6 693</b>	<b>3 466</b>	<b>8 757</b>	<b>24</b>	<b>(4 494)</b>	<b>(4 050)</b>
<i>External</i>	(15 743)	(2 799)	6 693	3 457	8 762	24	(4 444)	(4 050)
<i>Internal</i>	-	46	-	9	(5)	-	(50)	-
<b>Net operating income</b>	<b>273 080</b>	<b>20 807</b>	<b>24 869</b>	<b>21 863</b>	<b>30 781</b>	<b>3 695</b>	<b>(6 571)</b>	<b>368 524</b>
<i>External</i>	266 787	20 934	25 223	24 809	29 304	6 792	(5 325)	368 524
<i>Internal</i>	6 293	(127)	(354)	(2 946)	1 477	(3 097)	(1 246)	-
<b>Provisions for impairment losses on credits and loans</b>	<b>(61 815)</b>	<b>(25 557)</b>	<b>1 657</b>	<b>(1 624)</b>	<b>(7 629)</b>	<b>-</b>	<b>-</b>	<b>(94 968)</b>
<b>Administrative expenses</b>	<b>(152 706)</b>	<b>(11 829)</b>	<b>(17 879)</b>	<b>(19 565)</b>	<b>(21 892)</b>	<b>(1 906)</b>	<b>216</b>	<b>(225 561)</b>
<i>Including internal</i>	(1 436)	(711)	(524)	(732)	(664)	(130)	4 197	-
<b>Operating profit</b>	<b>58 559</b>	<b>(16 579)</b>	<b>8 647</b>	<b>674</b>	<b>1 260</b>	<b>1 789</b>	<b>(6 355)</b>	<b>47 995</b>
<b>Share in profits (losses) of equity method</b>	<b>8 678</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>8 825</b>
<b>Profit / ( loss ) before income tax</b>	<b>67 237</b>	<b>(16 579)</b>	<b>8 647</b>	<b>674</b>	<b>1 260</b>	<b>1 789</b>	<b>(6 208)</b>	<b>56 820</b>
<b>Net profit / ( loss ) on continued operations</b>	<b>51 154</b>	<b>(13 592)</b>	<b>6 701</b>	<b>190</b>	<b>847</b>	<b>1 446</b>	<b>(5 549)</b>	<b>41 197</b>

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Consolidated income statement for 3 months of 2016 per segments (unaudited, transformed data)								
	Banking services in Poland	Banking services in Ukraine	Banking services in Belarus	Lease and banking services in Romania	Lease services in Russia	Financial services in Poland	Other segments (in Poland) and consolidation adjustments	Getin Holding Capital Group
<b>Interest income</b>	<b>225 761</b>	<b>26 760</b>	<b>34 291</b>	<b>14 989</b>	<b>38 377</b>	<b>17 172</b>	<b>(3 953)</b>	<b>353 397</b>
<i>External</i>	218 057	26 760	34 291	14 833	38 377	17 153	3 926	353 397
<i>Internal</i>	7 704	-	-	156	-	19	(7 879)	-
<b>Interest expense</b>	<b>(95 619)</b>	<b>(17 431)</b>	<b>(19 095)</b>	<b>(6 837)</b>	<b>(27 815)</b>	<b>(9 507)</b>	<b>4 681</b>	<b>(171 623)</b>
<i>External</i>	(95 609)	(17 073)	(17 365)	(4 620)	(27 815)	(4 131)	(5 010)	(171 623)
<i>Internal</i>	(10)	(358)	(1 730)	(2 217)	-	(5 376)	9 691	-
<b>Net interest income</b>	<b>130 142</b>	<b>9 329</b>	<b>15 196</b>	<b>8 152</b>	<b>10 562</b>	<b>7 665</b>	<b>728</b>	<b>181 774</b>
<i>External</i>	122 448	9 687	16 926	10 213	10 562	13 022	(1 084)	181 774
<i>Internal</i>	7 694	(358)	(1 730)	(2 061)	-	(5 357)	1 812	-
<b>Fee and commission income</b>	<b>117 674</b>	<b>8 250</b>	<b>2 701</b>	<b>6 204</b>	<b>3 853</b>	<b>4</b>	<b>(690)</b>	<b>137 996</b>
<i>External</i>	116 972	8 250	2 701	6 203	3 853	4	13	137 996
<i>Internal</i>	702	-	-	1	-	-	(703)	-
<b>Fee and commission expense</b>	<b>(32 305)</b>	<b>(421)</b>	<b>(1 580)</b>	<b>(739)</b>	<b>-</b>	<b>(453)</b>	<b>(59)</b>	<b>(35 557)</b>
<i>External</i>	(32 305)	(421)	(1 580)	(394)	-	(453)	(404)	(35 557)
<i>Internal</i>	-	-	-	(345)	-	-	345	-
<b>Net fee and commission income</b>	<b>85 369</b>	<b>7 829</b>	<b>1 121</b>	<b>5 465</b>	<b>3 853</b>	<b>(449)</b>	<b>(749)</b>	<b>102 439</b>
<i>External</i>	84 667	7 829	1 121	5 809	3 853	(449)	(391)	102 439
<i>Internal</i>	702	-	-	(344)	-	-	(358)	-
<b>Other net operating expense and income</b>	<b>(1 246)</b>	<b>696</b>	<b>7 961</b>	<b>7 066</b>	<b>9 774</b>	<b>29</b>	<b>(5 722)</b>	<b>18 558</b>
<i>External</i>	(1 238)	673	7 959	7 066	9 774	29	(5 705)	18 558
<i>Internal</i>	(8)	23	2	-	-	-	(17)	-
<b>Net operating income</b>	<b>214 265</b>	<b>17 854</b>	<b>24 278</b>	<b>20 683</b>	<b>24 189</b>	<b>7 245</b>	<b>(5 743)</b>	<b>302 771</b>
<i>External</i>	205 877	18 189	26 006	23 088	24 189	12 602	(7 180)	302 771
<i>Internal</i>	8 388	(335)	(1 728)	(2 405)	-	(5 357)	1 437	-
<b>Provisions for impairment losses on credits and loans</b>	<b>(53 569)</b>	<b>(6 373)</b>	<b>(1 219)</b>	<b>521</b>	<b>(10 216)</b>	<b>-</b>	<b>-</b>	<b>(70 856)</b>
<b>Administrative expenses</b>	<b>(129 992)</b>	<b>(9 260)</b>	<b>(16 364)</b>	<b>(19 530)</b>	<b>(22 524)</b>	<b>(2 049)</b>	<b>(245)</b>	<b>(199 964)</b>
<i>Including internal</i>	(1 444)	(627)	(547)	(550)	-	(130)	3 298	-
<b>Operating profit</b>	<b>30 704</b>	<b>2 221</b>	<b>6 695</b>	<b>1 674</b>	<b>(8 551)</b>	<b>5 196</b>	<b>(5 988)</b>	<b>31 951</b>
<b>Share in profits (losses) of equity method</b>	<b>193</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>515</b>	<b>708</b>
<b>Profit / ( loss ) before income tax</b>	<b>30 897</b>	<b>2 221</b>	<b>6 695</b>	<b>1 674</b>	<b>(8 551)</b>	<b>5 196</b>	<b>(5 473)</b>	<b>32 659</b>
<b>Net profit / ( loss ) on continued operations</b>	<b>28 480</b>	<b>1 819</b>	<b>4 738</b>	<b>1 300</b>	<b>(7 030)</b>	<b>4 202</b>	<b>(3 753)</b>	<b>29 756</b>

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Segment assets as at 31.03.2017	Banking services in Poland	Banking services in Ukraine	Banking services in Belarus	Banking and lease services in Romania	Lease and financial services in Russia	Financial services in Poland	Other segments and consolidation adjustments	Getin Holding Capital Group
Segment assets	22 277 474	527 912	627 970	1 742 226	875 890	566 843	(131 895)	<b>26 486 420</b>

Segment assets as at 31.12.2016	Banking services in Poland	Banking services in Ukraine	Banking services in Belarus	Banking-lease services in Romania	Financial and lease services in Russia	Financial services in Poland	Other segments and consolidation adjustments	Getin Holding Capital Group
Segment assets	21 516 726	526 295	690 178	1 794 387	905 459	577 248	(164 950)	<b>25 845 343</b>

## **2.22. Information concerning the issue, redemption and repayment of debt and equity securities**

On 15.03.2017 Idea Money, the company belonging to Idea Bank (Poland) Group has repurchased B-series bonds issued in 2013 with a total face value of PLN 2.6 m.

In the first quarter of 2017 M.W. Trade has repurchased bonds issued in 2016 with a total face value of PLN 2.2 m.

In the first quarter of 2017 Idea Investment (Romania), subsidiary company of Idea Bank (Romania), repurchased C-series bonds with a total face value of PLN 27 m. Moreover, Idea Investment (Romania) has issued D-series bonds with a total face value of PLN 27 m with maturity 24 months.

## **2.23. Dividends paid out and proposed for payment**

In the current and comparative reporting period Getin Holding has not paid or offered to pay any dividends.

## **2.24. Post balance sheet date events**

On 28.04.2017 the Management Board of Getin Holding decided to issue up to 50 thousand A4-series bearer bonds with a total nominal value of not exceeding PLN 50 m. The issue and allocation of bonds are planned for the second quarter of 2017, after the publication of this financial statement.

On 15.05.2017 Idea Leasing, the subsidiary of Idea Bank (Poland) made payment to LC Corp B.V. for the remaining price for 75% of Getin Leasing's shares in the amount of PLN 691.9 thousand. Thus, the total price of Getin Leasing shares acquired on 31.10.2016 amounted to PLN 291.9 million.

_____ Piotr Kaczmarek  President of the Management Board	_____ Krzysztof Jarosław Bielecki  I Vice-President of the Management Board
_____ Izabela Lubczyńska  Member of the Management Board	_____ Krzysztof Florczak  Member of the Management Board

Wrocław 18<sup>th</sup> of May 2017



### 3. Interim condensed separate financial statement of Getin Holding S.A.

#### INTERIM SEPARATE INCOME STATEMENT

		01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016
	Note	(unaudited data)	
Income from dividends	3.2	3 074	42 995
Interest income from loans granted		5	485
Other financial income		234	173
Other income		4 192	3 941
<b>Total income</b>		<b>7 505</b>	<b>47 594</b>
Loss on sale of the investment		(3 516)	(13 770)
Operational costs		(3 914)	(3 771)
Financial costs		(5 021)	(7 482)
Other operating expenses		(40)	(688)
<b>Total expenses</b>		<b>(12 491)</b>	<b>(25 711)</b>
<b>Profit before income tax</b>		<b>(4 986)</b>	<b>21 883</b>
Corporate income tax	3.3	891	2 836
<b>Net profit (loss)</b>		<b>(4 095)</b>	<b>24 719</b>
<b>Earnings per share - diluted for the period (in PLN)</b>			
Weighted average of issued ordinary shares (in pcs.)		731 289 368	709 371 560
Earnings per share - basic for the period		(0,01)	0,03
Weighted average quantity of issued ordinary shares (in pcs.)		731 289 368	709 371 560
Earnings per share - diluted for the period (in PLN)		(0,01)	0,03

#### INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME

		01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016
		(unaudited data)	
<b>Profit / (Loss) for the period</b>		<b>(4 095)</b>	<b>24 719</b>
Valuation of financial assets available for sale		42 734	(4 006)
Income tax relating to other comprehensive income		(8 120)	761
Financial assets available for sale, including:		34 614	(3 245)
<i>Profit / (loss) for the period</i>		34 614	(3 245)
<b>Other comprehensive income</b>		<b>34 614</b>	<b>(3 245)</b>
<b>Total of comprehensive income for the period</b>		<b>30 519</b>	<b>21 474</b>

Components of other comprehensive income i.e. valuation of financial instruments available for sale can be moved to the income statement in the future.

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**INTERIM SEPARATE BALANCE SHEET**

	Note	31.03.2017 (unaudited data)	31.12.2016
<b>ASSETS</b>			
<b>Fixed Assets</b>		<b>2 138 005</b>	<b>2 118 229</b>
Property, plant & equipment		2 522	2 643
Intangible assets		52	59
Investments in associates	3.4	-	29 425
Investments in subsidiaries	3.4	1 770 862	1 757 038
Financial instruments at fair value through profit or loss		136 390	136 390
Financial assets available for sale	3.5	130 873	88 139
Deffered tax assets		66 272	73 501
Derivative financial instruments		31 034	31 034
<b>Current Assets</b>		<b>8 658</b>	<b>20 552</b>
Trade receivables and other receivables		4 211	4 793
Prepayments		267	347
Cash and cash equivalents		4 180	15 412
<b>Total Assets</b>		<b>2 146 663</b>	<b>2 138 781</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>1 605 404</b>	<b>1 574 885</b>
Share capital		731 289	731 289
Supplementary capital		1 055 190	1 055 190
Reserve capital		24 831	24 831
Revaluation reserves		(194 423)	(229 037)
Retained earnings		(7 388)	(44 114)
Net profit (loss)		(4 095)	36 726
<b>Non-current liabilities and provisions for liabilities</b>		<b>213 845</b>	<b>212 677</b>
Liabilities measured at amortized cost		98 603	98 603
Financial liabilities and other liabilities	3.7	115 242	114 074
<b>Current liabilities</b>		<b>327 414</b>	<b>351 219</b>
Trade liabilities and other liabilities	3.6	98 867	126 862
Liabilities from received loans and credits		174 662	171 766
Financial liabilities arising from issuance of debt securities		50 669	50 220
Accrued liabilities		3 216	2 371
<b>Total Equity and liabilities</b>		<b>2 146 663</b>	<b>2 138 781</b>

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INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY (unaudited data)  
 for the 3 month period ended 31.03.2017

	Supplementary capital			Reserve capital	Revaluation reserve	Own shares	Retained earnings	Net profit (loss)	Total equity
	Share capital	The surplus from the sale of shares above the nominal value	Supplementary capital created in accordance with statute						
At 01.01.2017	731 289	126 140	929 050	24 831	(229 037)	-	(44 114)	36 726	1 574 885
<b>Total comprehensive income for the period</b>					<b>34 614</b>			<b>(4 095)</b>	<b>30 519</b>
Transfer the result from the previous year to retained earnings			-				36 726	(36 726)	-
Transaction with shareholders	-	-	-	-	-	-	36 726	(36 726)	-
At 31.03.2017	731 289	126 140	929 050	24 831	(194 423)	-	(7 388)	(4 095)	1 605 404

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY (unaudited data)  
 for the 3 month period ended 31.03.2016

	Supplementary capital			Reserve capital	Revaluation reserve	Own shares	Retained earnings	Net profit (loss)	Total equity
	Share capital	The surplus from the sale of shares above the nominal value	Supplementary capital created in accordance with statute						
At 01.01.2016	731 289	126 140	983 940	24 831	(203 076)	(80 290)	-	(44 114)	1 538 720
<b>Total comprehensive income for the period</b>					<b>(3 245)</b>			<b>24 719</b>	<b>21 474</b>
Transfer the result from the previous year to supplementary capital			-				(44 114)	44 114	-
Transaction with shareholders	-	-	-	-	-	-	-	44 114	44 114
At 31.03.2016	731 289	126 140	983 940	24 831	(206 321)	(80 290)	(44 114)	24 719	1 560 194

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**INTERIM SEPARATE STATEMENT OF CASH FLOW**

	01.01.2017 - 31.03.2017	01.01.2016 - 31.03.2016
Note	(unaudited data)	(unaudited data)
<b>Cash flows from operating operations - indirect method</b>		
<b>Gross profit (loss)</b>	<b>(4 986)</b>	<b>21 883</b>
<b>Total adjustments:</b>	<b>(17 171)</b>	<b>(93 783)</b>
Depreciation	134	153
Foreign exchange (profits)/losses	-	(74)
Net interest	4 508	14 898
Profit (loss) on investing operations	3 502	13 699
Change in receivables	582	(14 978)
Change in liabilities, except loans and credits	3.9 (26 822)	(108 356)
Change in prepayments	925	924
Income tax	-	(49)
<b>Net cash from operating operations</b>	<b>(22 157)</b>	<b>(71 900)</b>
<b>Cash flows from investing operations</b>		
Sale of intangible assets and tangible fixed assets	1	71
Purchase of intangible assets and tangible fixed assets	(6)	(4)
Sale of financial assets	25 922	101 476
Purchase of financial assets	(13 824)	(20)
Interest received	10	490
<b>Net cash used in investing operations</b>	<b>12 103</b>	<b>102 013</b>
<b>Cash flows from financing operations</b>		
Repayment of amounts due from financial lease	(5)	(16)
Repayment of received loans and credits	-	(13 500)
Inflows from contracted loans/credits	3 000	-
Interest paid	(4 173)	(14 129)
<b>Net cash used in financing operations</b>	<b>(1 178)</b>	<b>(27 645)</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>(11 232)</b>	<b>2 468</b>
Cash at the beginning of the period	15 412	27 162
<b>Cash at the end of the period, of which</b>	<b>4 180</b>	<b>29 630</b>
of which is restricted use	-	-

### **3.1. Information about rules applied at preparation of financial statement**

The interim separate condensed financial statement of Getin Holding S.A. includes the period of 3 month ended 31.03.2017 and contains comparable financial data for the period of 3 month ended 31.03.2016 which were not subjected to review or audit by any independent auditor, and financial data as at 31.12.2016 which were audited by an independent auditor.

This interim condensed separate financial statement report was prepared by Getin Holding together with the interim condensed consolidated financial statement and was approved for publication by the Management Board on 18.05.2017.

This interim condensed separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS-EU"), in particular in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" endorsed by the European Union.

The interim condensed separate financial statement does not include all the information and disclosures required in annual financial statement and should be read in conjunction with the annual financial statements of Getin Holding for the year ended 31.12.2016.

Accounting policies implemented to interim condensed separate financial statement preparation are coherent, to those implemented to annual financial statement of the Company for the year ended 31.12.2016, excluding changes in accounting policies concerning valuation of investment properties and excluding changes of the standards and new interpretations which are mandatory for the annual periods beginning from 01.01.2017. The above changes are described in note 2.4.1 of interim condensed consolidated financial statements of Getin Holding Group presented in this financial report.

The application of these amendments did not have any significant impact on the accounting policies of the Company or on its financial position and results of operations.

Accounting policy implemented to interim condensed separate financial statement preparation are coherent to those implemented to condensed consolidated financial statement.

### **3.2. Income from dividends**

In the first quarter of 2017 Getin Holding acquired PLN 3,074 thousand income form dividend from TU Europa S.A. by the Ordinary General Meeting Resolution from 27.03.2017 . The dividend was received on 04.04.2017.

In the first quarter of 2016 Getin Holding acquired PLN 42,955 thousand income form dividends, including PLN 36.960 thousand from Getin Leasing S.A. and PLN 6.035 thousand from TU Europa.

### 3.3. Income tax

Income tax	01.01.2017 -	01.01.2016 -
	31.03.2017	31.03.2016
	(unaudited data)	(unaudited data)
<b>Income statement</b>		
<u>Current income tax</u>	-	-
Adjustments related to the tax from previous years	-	-
Other taxes (e.g. withholding tax)	-	-
<u>Deferred income tax</u>	(891)	(2 836)
Due to the timing differences	294	2 268
Related to financial instruments at fair value	-	-
Current tax loss and from previous years	(1 185)	(5 104)
<b>Tax charge disclosed in income statement</b>	<b>(891)</b>	<b>(2 836)</b>
<b>Shareholders' equity</b>		
<u>Deferred income tax</u>	8 120	(761)
Related to financial instruments available for sale	8 120	(761)
<b>Tax charge disclosed in equity</b>	<b>8 120</b>	<b>(761)</b>
<b>Total basic components of tax expense in the income statement and equity</b>	<b>7 229</b>	<b>(3 597)</b>

### 3.4. Investments in subsidiaries, investments in joint ventures

Subsidiaries	The value in the balance sheet as at	
	31.03.2017	31.12.2016
	(unaudited data)	
Carcade Sp. z o.o.	110 812	110 812
Idea Bank S.A. (Ukraine)	199 199	199 199
Getin International S.A.	268 668	268 668
MW Trade S.A.	27 097	27 097
Idea Bank S.A. (Poland)	814 840	814 840
Idea Bank S.A. (Belarus)	157 886	157 886
Assets Service Finance Sp. z o.o.	1 936	1 936
Idea Bank S.A (Romania) <sup>1)</sup>	190 349	176 545
Getin Investment sp. z o.o. <sup>2)</sup>	75	55
<b>Total</b>	<b>1 770 862</b>	<b>1 757 038</b>

<sup>1)</sup> increase in the value of investments in the Q1 2017 amounting to PLN 13,804 thousand due to the amount of payments for capital increase in Idea Bank SA (Romania)

<sup>2)</sup> increase in the value of investments in the Q1 2017 amounting to PLN 20 thousand due to the amount of payments for capital increase in Getin Investment Sp. z o.o.

Getin Holding S.A. on 31.01.2017 with the participation and through a brokerage house Noble Securities S.A finalized the sale agreement of Getin Leasing S.A shares to LC Corp B.V. The sale price of 755 shares which is 10.02% of Getin Leasing's share capital amounted to PLN 25,922 thousand.

As on 31.03.2017 the Company did not own any shares of Getin Leasing S.A. (as on 31.12.2016: the investment in joint ventures in the amount of PLN 29,425 thousand)

### 3.5. Financial assets available for sale

Financial assets available for sale include the block of 7.56% shares in Getin Noble Bank S.A. The result from valuation of the shares package in the first quarter of 2017, was calculated on the basis of the quotation of the company listed on the Warsaw Stock Exchange from 31.03.2017 (PLN 1.96 per share) and was included in other comprehensive income of the Company.

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Changes in financial assets available for sale	01.01.2017 - 31.03.2017 (unaudited data)	01.01.2016 - 31.03.2016 (unaudited data)
Net value at the beginning of the period	88 139	120 189
Fair value changes, included in:	42 734	(4 006)
- revaluation reserve	42 734	(4 006)
<b>Net value at the end of the period</b>	<b>130 873</b>	<b>116 183</b>

### 3.6. Trade liabilities and other liabilities

Trade liabilities and other liabilities	31.03.2017 (unaudited data)	31.12.2016
Received advance to settle	60 260	60 260
Liabilities associated with the purchase of shares	38 064	66 078
Trade liabilities	176	294
Budgetary liabilities	304	172
Short-term lease liabilities	19	19
Other liabilities	44	39
<b>Total</b>	<b>98 867</b>	<b>126 862</b>

### 3.7. Financial liabilities and other liabilities

Long-term financial liabilities and other liabilities	31.03.2017 (unaudited data)	31.12.2016
Long-term liabilities from the purchase of shares of Idea Bank S.A. (Poland)	115 159	113 987
Long-term liabilities from lease	83	87
<b>Total</b>	<b>115 242</b>	<b>114 074</b>

### 3.8. Getin Holding S.A. transactions with affiliates

	01.01.2017-31.03.2017 (unaudited data)					31.03.2017 (unaudited data)	
	Interest income from affiliates	Interest expense from affiliates	Sales to affiliates	Purchase from affiliates	Dividends received from affiliates	Receivables from affiliates	Amounts due to affiliates
<b>Subsidiaries:</b>		1 853	4 339	18		1 245	279 889
Getin International S.A.		1 497	21	2		8	219 422
Idea Bank S.A. (Poland)		354	717	16		294	29 000
Idea Leasing S.A.			284			117	
Idea Bank S.A. (Ukraine)			714			238	
Idea Bank S.A. (Belarus)			662				
Idea Money S.A.			142			58	
MW Trade S.A.			130				
Idea Fleet S.A.		2	13				102
Getin Investment Sp. z o.o.			2				
Idea Bank S.A. (Romania)			347			189	
Carcade Sp. z o.o.			665			295	31 357
Tax Care S.A.			112			46	
Idea Leasing Romania IFN S.A.			501				8
Idea Investment			29				
<b>Associates</b>							
Getin Leasing S.A.							
<b>Dominant shareholder</b>							
<b>The parent company (LC Corp B.V.)</b>	5	-	25 922*	-	-	-	-
<b>Other affiliates:</b>	52	1 526	48	625	-	4 084	140 159
Getin Noble Bank S.A.	52	1 526	26	24		4 018	140 159
Noble Securities S.A.				179		47	
RB Investcom Sp. z o.o.			22				
RB Computer Sp. z o.o.				7			
Sky Tower S.A.				271			
Warszawa Przykopowa Sp. z o.o.				144		19	

\* sale of 10,02% shares of Getin Leasing S.A.

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	01.01.2016-31.03.2016 (unaudited data)					31.12.2016	
	Interest income from affiliates	Interest expense from affiliates	Sales to affiliates	Purchase from affiliates	Dividends received from affiliates	Receivables from affiliates	Amounts due to affiliates
<b>Subsidiaries:</b>	<b>485</b>	<b>1 988</b>	<b>3 933</b>	<b>30</b>	<b>0</b>	<b>2 273</b>	<b>275 830</b>
Getin International S.A.		1 624	18	4		8	216 436
Idea Bank S.A. (Poland)		289	699	25		286	29 000
Idea Leasing S.A.			265				
IL 2 Leasing sp. z o.o. (former Idea Leasing sp. z o.o. S		2		1			
Idea Bank S.A. (Ukraine)	188		326				
Idea Leasing sp. z o.o. (Ukraine)			300				
Idea Bank S.A. (Belarus)	162		662				
GetBack S.A.			85				
Idea Money S.A.			59			24	
Idea Expert S.A.			79			33	
MW Trade S.A.			130			53	
Idea Fleet S.A.			13			5	106
Getin Investment Sp z o.o.			1				
Idea Bank S.A. (Romania)	135		260			77	
Carcade Sp z o.o.		73	569			1 780	30 288
Tax Care S.A.			109				
Idea Leasing IFN S.A. (Romania)			358			7	
<b>Associates</b>					<b>36 960</b>		
Getin Leasing S.A.					36 960		
<b>Dominant shareholder</b>							
<b>The parent company (LC Corp B.V.)</b>			<b>101 526*</b>			<b>2 505</b>	
<b>Other affiliates:</b>	<b>76</b>	<b>2 891</b>	<b>48</b>	<b>704</b>		<b>15 286</b>	<b>167 762</b>
Getin Noble Bank S.A.	76	2 891	26	8		15 273	167 762
Noble Securities S.A.				247		13	
Noble Concierge sp. z o.o.				12			
RB Investcom Sp. z o.o.			22				
RB Computer Sp. z o.o.				4			
Sky Tower S.A.				302			
Warszawa Przyokopowa Sp. z o.o.				131			
Open Finance S.A.							

### 3.9. Notes to the cash flow statement

	Change in		
	Balance sheet	Cash flow	Difference
Change in liabilities (except loans and credits)	(26 827)	(26 822)	(5)

The difference between the balance-sheet change in liabilities, except loans and credits, and the change disclosed in the cash flow statement shows:

- the change in liabilities arising from finance leases in the amount of PLN 5 thousand presented in financing activities



### **3.10. Post-balance sheet events**

On 28.04.2017 the Management Board of Getin Holding decided to issue up to 50 thousand A4-series bearer bonds with a total nominal value of not exceeding PLN 50 mln. The issue and allocation of bonds are planned for the second quarter of 2017, after the publication of this financial statement.

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Piotr Kaczmarek

President of the  
Management Board

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Krzysztof Jarosław Bielecki

I Vice-President of the  
Management Board

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Izabela Lubczyńska

Member of the  
Management Board

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Krzysztof Florczak

Member of the  
Management Board

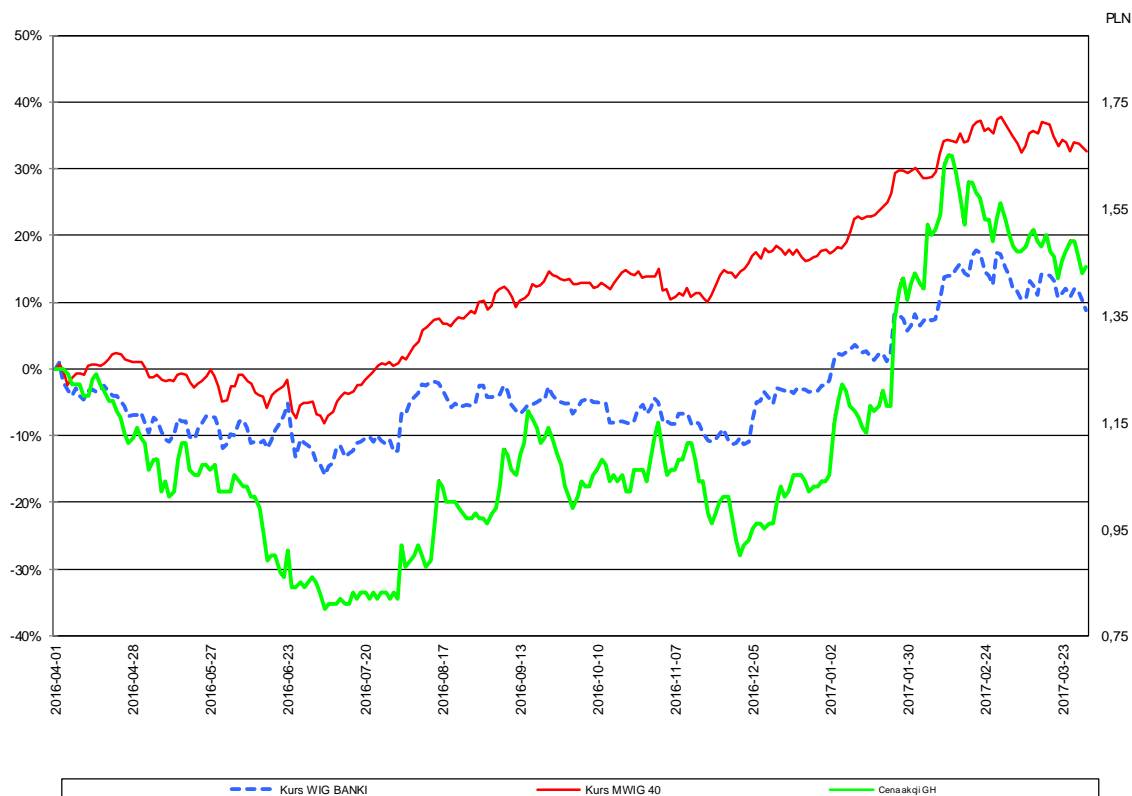
Wrocław, 18<sup>th</sup> of May 2017

## 4. Report on operations of the Capital Group and the Issuer

### 4.1. The main successes and failures of Getin Holding Capital Group in Q1 2017

#### Getin Holding

Getin Holding share price:



In Q1 2017, the Issuer kept pursuing the strategy that aims at business development of the Group and achieving high return rate from investment of its subsidiaries that provide financial services, in particular to SMEs, while accepting the need to limit its presence in low potential markets with high risk levels. The Issuer actively influenced the strategy and management of controlled companies so as to ensure growth of the value of its assets, their security and to utilize potential synergy opportunities emerging within the Group.

#### I. Sector of banking services in Poland

The sector of banking services in Poland includes Idea Bank Group (Poland) that comprises Idea Bank S.A., (that focuses on offering a wide range of loans, savings and deposit products to small and medium-sized companies), Idea Leasing S.A. (leasing of vehicles and machinery), Idea Money S.A. (factoring and debt recovery), Tax Care S.A., (accounting and financial advisory services to small companies).

The net result on the segment operations continued in Q1 2017 totalled PLN 51.2 million, being 80% higher than in the corresponding period in 2016, i.e. PLN 28.5 million. The total result comprises the following items:

	kPLN
Net interest income	185 153
<i>Interest income</i>	278 964
<i>Interest expenses</i>	-93 811
Net fee and commission income	103 670
<i>Fee and commission income</i>	135 155
<i>Fee and commission expenses</i>	-31 485
Other net operating income and expenses	-15 743
Net impairment losses	-61 815
Operating expenses	-152 706
Share in net profit (loss) of associates	8 678
Income tax	-16 083
<b>Net profit (loss) on continued activity</b>	<b>51 154</b>

As of the end of Q1 2017, the assets held by the segment companies totalled PLN 22.3 billion, which means an 18.0 % growth compared to the end of Q1 2016 (PLN 18.9 billion).

The balance of deposits as at the end of the balance sheet period amounted to PLN 15.7 billion, compared to PLN 12.9 billion in the corresponding period in 2016, which means a 21.6% growth.

The balance of receivables due to loans and leasing at the end of Q1 2017 totalled PLN 15.1 billion, which means a 20.9% growth compared to PLN -12.5 billion in Q1 2016.

Idea Bank Group (Poland) targets its products at SMEs, as well as sole proprietors. The Group is to grow along with the growth of its clients' businesses, while enhancing its market position.

On 27.03.2017, Idea Investment S.a.r.l. (subsidiary of Idea Bank (Poland)) was paid PLN 310 million of the second instalment for selling its shares in GetBack.

## **II. Segment of banking services in Ukraine**

The segment of banking services of the Issuer's Capital Group in Ukraine comprises Idea Bank (Ukraine) that offers products and services addressed to individual clients, Gwarant Plus and Idea Leasing (Ukraine) and Seret Group (purchasing, trading and recovery of debt portfolios, including debt owed among others to Idea Bank (Ukraine), see point 4.5 of the report for description of the purchase transaction.)

The net result generated by the sector in Q1 2014 totalled PLN -13,6 million (UAH -91.6 million) comprising the following items: the result generated by Idea Bank (Ukraine) amounting to PLN 2.2 million (UAH 14.5 million) and the result generated by SeretGroup including PLN -15,8 million (UAH -108.1 million) of consolidation adjustments.

The total result generated by the entities included in the segment comprises the following items:

	kPLN	kUAH
Net interest income	19 479	131 290
<i>Interest income</i>	36 780	247 899
<i>Interest expenses</i>	-17 301	-116 610
Net fee and commission income	4 081	27 506
<i>Fee and commission income</i>	4 994	33 660
<i>Fee and commission expenses</i>	-913	-6 154
Other net operating income and expenses	-2 753	-18 555
Net impairment losses	-25 557	-172 256
Operating expenses	-11 829	-79 728
Income tax	2 987	20 133
<b>Net profit (loss)</b>	<b>-13 592</b>	<b>-91 611</b>

As of the end of Q1 2017, the assets held by the segment companies totalled PLN 527.9 million (UAH 3.6 billion), which means a 28.6% growth compared to Q1 2016, i.e. PLN 410.4 million (UAH 2.9 billion, which means a 26.5% growth in UAH).

The balance of deposits as at the end of the balance sheet period amounted to PLN 416.7 million (UAH 2.8 billion), which means a 34.3% growth compared to the result generated in Q1 2016 expressed in PLN, i.e. PLN 310.2 million (UAH 2.2 billion, which means a 32.1% growth in UAH)..

The balance of loans as at the end of Q1 2017 totalled PLN 397 million (UAH 2.7 billion), which means an increase by 23.9% compared to the result accomplished at the end of Q1 2016 expressed in PLN, i.e. PLN 320.3 million (UAH 2.2 billion, which means a 21.9% growth in UAH).

The Seret Group, after obtaining approval from Ukrainiana antimonopoly authority for purchase transaction, shall become a platform for conducting activities in the fields of debt collection and financia intermediation on the territory of Ukraine. Negative result of Seret group was affected by creation of reserves for non-performance loans.

### **Idea Bank (Ukraine)**

As of the end of Q1 2017, the net result generated by Idea Bank (Ukraine) totalled PLN 2.2 million UAH 14.5 million), which means a 18.4% growth compared to the end of Q1 2016, i.e. PLN 1.8 million (UAH 12.1 million, which means a 19.7% growth in UAH).

The total result comprises the following items:

	kPLN	kUAH
Net interest income	19 447	131 071
<i>Interest income</i>	36 748	247 685
<i>Interest expenses</i>	-17 301	-116 614
Net fee and commission income	4 080	27 499
<i>Fee and commission income</i>	4 993	33 655
<i>Fee and commission expenses</i>	-913	-6 156
Other net operating income and expenses	-2 711	-18 269
Net impairment losses	-6 399	-43 129
Operating expenses	-11 798	-79 525
Income tax	-469	-3 159
<b>Net profit (loss)</b>	<b>2 150</b>	<b>14 488</b>

In Q1 2017, Idea Bank (Ukraine) carried on selling cash loans through its agents (banks and financial brokers), and through the Internet channels.

The major factor that affected the net financial result was the fact of keeping by Idea Bank (Ukraine) its position of one of the leaders in the cash loans sector – the bank recorded sales volume 53% higher than in the corresponding period in 2016. At the same time, Idea Bank (Ukraine) managed to fully comply with the National Bank of Ukraine requirements concerning credit risk binding since 01.02.2017.

### III. Segment of banking services in Belarus

The sector of banking services of the Issuer's Capital Group in Belarus comprises Idea Bank (Belarus) that offers financial services to retail clients and comprehensive banking services to corporate clients and specialises in sale of instalment loans and cash loans, as well as Idea Broker and Idea Finance

Idea Bank (Belarus) is developing as a universal financial institution that focuses its operations predominantly on individual clients and small and medium-sized enterprises, providing them with credit facilities and raising deposits through a network of its own branches. It also provides cash and settlement services in its branches and currency exchange in bureaux de change.

As of the end of Q1 2017, the net result generated by the segment of Idea Bank (Belarus) totalled PLN 6.7 million (BYN 3.1 million), which means a 41.4% growth compared to the end of Q1 2016, i.e. PLN 4.7 million (BYN 2.5 million, which means a 25.3% growth in BYN).

The total result generated by the entities included in the segment comprises the following items:

	kPLN	kBYN
Net interest income	15 559	7 309
<i>Interest income</i>	26 084	12 253
<i>Interest expenses</i>	-10 525	-4 944
Net fee and commission income	2 617	1 229
<i>Fee and commission income</i>	4 618	2 169
<i>Fee and commission expenses</i>	-2 001	-940
Other net operating income and expenses	6 693	3 144
Net impairment losses	1 657	778
Operating expenses	-17 879	-8 399
Income tax	-1 946	-914
<b>Net profit</b>	<b>6 701</b>	<b>3 148</b>

As at the end of Q1 2017, the assets held by the segment companies totalled PLN 628 million (BYN 300.1 million), which means a 4.5% growth compared to the end of Q1 2016, i.e. PLN 600.9 million (BYN 323 million, which means a 7.1% growth in BYN).

The balance of deposits as at the end of the balance sheet period amounted to PLN 381.4 million (BYN 182.3 million), which means a 9.2% decrease compared to Q1 2016 expressed in PLN, i.e. PLN 419.8 million (BYN 225.7 million, which means a 19.2% decrease in BYN).

The balance of loans as at the end of Q1 2017 totalled PLN 335 million (BYN 160.1 million), which means an increase by 2.6% compared to the result generated at the end of Q1 2016 expressed in PLN, i.e. PLN 326.5 million (BYN 175.6 million, which means an 8.8% decrease in BYN).

In Q1 2017, Idea Bank (Belarus) focused on offering loans to individual clients and comprehensive banking services to small and medium-sized enterprises in the Belarusian market, as well as on transactional banking.

On 23.01.2017, Idea Bank (Belarus) was transferred by the European Bank of Reconstruction and Development the loan tranche of USD 1.5 million (equivalent of PLN 6.3 million) under the agreement dated 22.12.2016. The loan was granted to allow Idea Bank (Belarus) to provide credit facilities to small and medium-sized enterprises in Belarus.

In February 2017, Idea Bank (Belarus) launched a new product – credit cards for individual clients.

#### **IV. Segment of banking and lease services in Russia**

The segment of lease and financial operations of the Issuer's Capital Group in the Russian Federation comprises Carcade Group that includes Carcade, one of the major Russia based lease companies that specializes in leasing of passenger cars and light commercial vehicles to small and medium-sized companies, Centr Karawto that is engaged in increasing efficiency of sales of post-lease vehicles, Carcade Service and Assets Service Finance (Carcade overdue lease receivables service)

The segment's net result for Q1 2017 totalled PLN 847 thousand (RUB 12.2 million), comprising the following items: the result generated by Carcade group amounting to PLN -325 thousand (RUB -4,7 million) and consolidated adjustments amounting to PLN 1,2 million (RUB 17,1 million)

The total result generated by the entities included in the segment comprises the following items:

	kPLN	kRUB
Net interest income	16 328	235 387
<i>Interest income</i>	37 251	537 016
<i>Interest expenses</i>	-20 923	-301 629
Net fee and commission income	5 696	82 114
<i>Fee and commission income</i>	5 696	82 114
<i>Fee and commission expenses</i>	0	0
Other net operating income and expenses	8 757	126 242
Net impairment losses	-7 629	-109 981
Operating expenses	-21 892	-315 598
Income tax	-413	-5 954
<b>Net profit</b>	<b>847</b>	<b>12 210</b>

As at the end of Q1 2017, the assets held by the segment companies totalled PLN 875.9 million (RUB 12.4 billion), which means a decrease by 6.2% compared to the end of Q1 2016, i.e. PLN 934 million (RUB 16.8 billion, which means a decrease by 26.1% in RUB).

As at the end of Q1 2017, the total net lease receivables amounted to PLN 690 million (RUB 9.8 billion), which means a decrease by 12.4 % compared to Q1 2016, i.e. PLN 787.7 million (RUB 14.2 billion, which means a decrease by 30.9% in RUB).

### **Carcade**

As at the end of Q1 2017, the result generated by Carcade Group, that comprises among others Carcade, the major group company, totalled PLN -325 thousand (RUB -4.7 million), which means a decrease by 95.4% compared to the corresponding period in 2016, i.e. PLN -7 million (RUB -130.3 million, which means a decrease by 96.4% in RUB). The Carcade Group's total result comprises the following items:

	kPLN	kRUB
Net interest income	14 846	214 033
<i>Interest income</i>	35 769	515 656
<i>Interest expenses</i>	-20 923	-301 623
Net fee and commission income	5 696	82 119
<i>Fee and commission income</i>	5 696	82 119
<i>Fee and commission expenses</i>	0	0
Other net operating income and expenses	8 762	126 324
Net impairment losses	-7 629	-109 981
Operating expenses	-21 880	-315 419
Income tax	-120	-1 726
<b>Net profit</b>	<b>-325</b>	<b>-4 650</b>

In spite of the fact that the process of opening new credit facilities for Carcade at the beginning of 2017 grew longer, Carcade managed to acquire in Q1 2017 credit facilities from major banks operating in the Russian market, such as Sberbank Russia and UnicreditBank, for the total amount of

RUB 1.6 billion (PLN 111 million). In that way Carcade managed to secure funds for its lease operations. The credit facility granted by Sberbank Russia was secured by the Issuer's guarantee (see section 4.11 hereof).

#### **V. Segment of banking and lease services in Romania**

The segment of banking and financial services of the Issuer's Capital Group in Romania comprises Idea Bank Group (Romania) that includes such companies as Idea Bank (Romania) which is a universal bank, Idea Leasing Romania IFN S.A (lease services), Idea Finance IFN S.A., Idea Investment S.A., and Idea Broker de Asigurare S.R.L. (insurance broker). Products and services offered by Idea Bank (Romania) are targeted at individual clients and small and medium-sized enterprises.

One of the outstanding company groups is Idea Leasing IFN (Romania), one of the leading Romania-based lease companies that offers lease of movable property (including loans) to small and medium-sized enterprises.

The segment's net result for Q1 2017 totalled PLN 190 thousand (RON 200 thousand), which means a decrease by 85.4% compared to the corresponding period in 2016, i.e. PLN 1.3 million (RON 1.3 million, which means a decrease by 85.1% in RON). The total result comprises the following items:

	kPLN	kRON
Net interest income	10 968	11 564
<i>Interest income</i>	18 656	19 670
<i>Interest expenses</i>	-7 688	-8 106
Net fee and commission income	7 429	7 833
<i>Fee and commission income</i>	8 653	9 123
<i>Fee and commission expenses</i>	-1 224	-1 291
Other net operating income and expenses	3 466	3 654
Net impairment losses	-1 624	-1 712
Operating expenses	-19 565	-20 628
Income tax	-484	-510
<b>Net profit</b>	<b>190</b>	<b>200</b>

As of the end of Q1 2017, the assets held by the segment companies totalled PLN 1.7 billion (RON 1.9 billion), which means an increase by 30.9% compared to the end of Q1 2016, i.e. PLN 1.3 billion (RON 1.4 billion, which means a 34.6% growth in RON).

The balance of deposits as at the balance sheet period amounted to PLN 1.3 billion (RON 1.4 billion), which means a 42.8% growth compared to Q1 2016, i.e. PLN 879.7 million (RON 922.3 million, which means a 46.8% growth in RON).

As at the end of Q1 2017, the total receivables due to loans and leasing amounted to PLN 1.2 billion (RON 1.3 billion), which means a 36.4% increase compared to Q1 2016, i.e. PLN 884.7 million (RON 927.6 million, which means a 40.2% growth in RON).

In Q1 2017, Idea Bank (Romania) continued to expand its portfolio of consumer loans, including the most popular with clients loan called „Selfie”. Furthermore, Idea Bank (Romania) reported increases in loans sold to companies.

The factors that contributed to the result for Q1 2017:



- 17% higher volume of loans and lease services sold compared to the corresponding period in 2016;
- optimisation of assets in Idea Bank (Romania) which generate interest income

In March 2017, Idea Bank (Romania) was granted the *Bank of the Year* award at the Credit Brokers Awards Ceremony and the award for the best loan product for financing personal needs of the bank's clients.

## **VI. Segment of financial services in Poland**

The segment of financial services of the Issuer's Capital Group in Poland includes M.W. Trade.

After Q1 2017, M.W. Trade reported PLN 1.4 million net result, i.e. 65.6% lower compared to the corresponding period in 2016 (PLN 4.2 million). The total result comprises the following items:

	kPLN
Net interest income	3 776
<i>Interest income</i>	10 363
<i>Interest expenses</i>	-6 587
Net fee and commission income	-105
<i>Fee and commission income</i>	237
<i>Fee and commission expenses</i>	-342
Other net operating income and expenses	24
Net impairment losses	0
Operating expenses	-1 906
Income tax	-343
<b>Net profit</b>	<b>1 446</b>

The balance sheet total of the segment of financial services in Poland for Q1 2017 totalled PLN 566.8 million, i.e. 25.5% less compared to Q1 2016, i.e. PLN 761.1 million.

In Q1 2017, M.W. Trade continued its operations in the market of providing financing to public healthcare units offering independent public healthcare institutions solutions that help them restructure their debts and improve their liquidity. The company also offered its financing products (loans, debt restructuring, sale and leaseback, loan intermediation) to local government units, while pursuing its sales strategy. Sales income in Q1 2017 totalled PLN 10.6 million, that is 38% less than in Q1 2016, which was caused predominantly by lower average monthly receivables portfolio (PLN 573.7 million in Q1 2017 compared to PLN 716.8 million in Q1 2016).

As of the end of Q1 2017, the main item in the company's balance sheet still is its debts portfolio consisting of long- and short-term receivables from healthcare institutions and local government units due to loans and debt restructuring. The total value of the portfolio as at the end of the reporting period amounted to PLN 550.8 million, which means a decrease by 2.1% compared to Q1 2016.

The volume of both balance sheet and off-balance sheet contracting totalled PLN 30.7 million compared to 89.1 million in the previous year, which means the overall decrease by 66%. In Q1 2017, M.W. Trade intermediated in contracting credit facilities worth PLN 12 million, which translated to commission income of PLN 253 thousand (in the corresponding period in 2016, the commission income totalled PLN 11 thousand).

M.W. Trade is constantly optimising financing by adopting it to the current market situation and the assets portfolio, as well as the planned sales in that market. As at 31.03.2017, the company had available under loan agreements credit facilities worth PLN 143.3 million, of which it utilised PLN 84.1 million.

Thanks to the applied policy and changing the liabilities structure and premature repayment of receivables in 2016, the assets-liabilities match and liquidity ratios improved.

The company's debt ratio, i.e. the proportion of its total liabilities and provisions to its assets as at 31.03.2017 stood at 84%, and it was comparable to the historical data for Q1 2016.

#### **4.2. Description of unusual events or factors that materially affected Getin Holding Group's financial results**

Not applicable to Getin Holding Capital Group.

#### **4.3. Material risk factors and threats to the Group's growth.**

Idea Bank (Poland) operates in Poland, therefore its operating profit, its financial standing, and growth prospects to a great extent depend on the economic, political, and legislative environment in Poland. Possible slump in the European economy may have material negative impact on condition of entrepreneurs that operate either in the Polish or the European markets and who are the bank's clients. For the operating activities, and also debt recovery related to them, creditworthiness of the bank's clients and their willingness to invest is of paramount importance.

The risk factors that affect the operations of Idea Bank (Ukraine) include first of all the risk of escalation of the situation in the east Ukraine, which in turn destabilises the entire financial system in Ukraine and may result in further growth of the credit risk in that region and spreading military operations into new territories. Further escalation of the conflict, plus linking the f/x rates to the IMF financing, may increase the liquidity risk and outflow of funds deposited in the bank. Another risk factor is the fact that there is no possibility to recover successfully the debt portfolio, in particular NPLs.

The decreased growth rate of the main business partners of Ukraine (such as China or Russia) may have material impact on Ukraine's balance of payments and its major macroeconomic indicators. The operations of Idea Bank (Ukraine) may also be affected by developing business competition in the local banking sector in the area of cash loans, specifically from major banks.

Whereas factors that may affect the operations of Carcade include the sanctions imposed by the USA and EU that translate into the liquidity of the financial sector and substantial weakening of the local currency. Another factor that may affect the business is potential growth of credit risk.

Whereas, further growth of Carcade depends on its access to operational financing sources. While making decisions potential financing institutions consider Carcade's shrinking portfolio and the quality of its assets. Forecasts for 2017 show business dynamics slow-down in the car lease segment in Russia, 5 up to 15%.

For Idea Bank (Belarus) the weakness of the Belarusian economy, that is characterized by slight or negative increase of the GDP, low foreign exchange reserves, and high external debt compared to the GDP, may lead to devaluation of the local currency, which might have negative impact on the liquidity level and amount of deposits, affecting in turn the Group's operations and performance in the region.

A material factor that may affect the operations of Idea Bank (Romania) in the nearest future is unpredictability of legal changes concerning the banking and financial sectors (including in particular IFRS 9, as well as long-term consequences of changes in the regulations on consumer bankruptcy and mortgage loans), fiscal policy aiming at reduction of the budget deficit, and the EU economic situation, including potential impact of the Greek banking sector on Romanian banks.

Another factor that may impact operations of Idea Bank (Romania) is the current situation in the deposits market showing growing investments in real property and securities listed on the stock exchange at the expense of bank deposits, as well as falling value of unsecured loans.

After the initial growth in the amount of deposits raised in January 2017, February saw a slow-down in that part of the bank's operations, and in March – a slight decrease in the total amount of deposits. Yet, starting with April-May, the deposits volume is expected to rise.

M.W. Trade provides financial services in a specific market niche, which results in market concentration and the company's dependency on the situation and changes in the healthcare sector. Material factors that affect the services of financing healthcare institutions include also financial standing of hospitals' suppliers in connection with the possible deterioration of the hospital's liquidity, as well as introduction of legal restrictions for trading debts of SP ZOZ (independent public healthcare institutions). Therefore changes that the sector is currently undergoing may materially affect operations of M.W. Trade.

In case of financing local government units, MW Trade's operations may be affected by the economic situation of local government, that is reduction of income resulting from reduction in taxes plus increased expenses for own and assigned tasks, as well as increased debt caused by increasing investment expenditure for projects co-financed by the EU.

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

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

#### **4.4. Seasonality of the Group's operations in Q1 2017**

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

#### **4.5. Consequences of the changes to the Capital Group structure**

##### Getin Holding S.A.

On 31.01.2017, Getin Holding concluded with LC Corp B. V., a company based in Amsterdam, a supplementary arrangement to the sale agreement dated 02.03.2016 concerning 755 shares in Getin Leasing S.A. (accounting for 10.02% of the share capital and the overall number of voting rights at general meetings), waiving conditions precedent set forth in the agreement. Consequently, on the same date the parties enforced the agreement selling the said shares to LC Corp B.V. Consequently, the Issuer holds no shares in Getin Leasing S.A.

On 10.03.2017, the Issuer contracted with an individual person an agreement to purchase 0.02% stake in the share capital of Seret Invest sp. z o. o., a company based in Kiev, Ukraine, and a conditional agreement to purchase from the same company 100% in the share capital of Seret Financial Company sp. z o. o., a company based in Kiev, Ukraine, under the condition of obtaining required clearances from the Ukrainian anti-monopoly authority. The total purchase price for the shares amounted to UAH 101 thousand, i.e. (which is the equivalent of PLN 15.4 thousand). On 13.03.2017, the Issuer purchased a share in the share capital Seret Invest sp. z o. o. gaining control

over the companies. The objects of Seret Financial Company sp. z o. o. include debt trading and recovery, among others debt owed to Idea Bank Ukraine. The Seret group, after obtaining approval from Ukrainian antimonopoly authority for purchase transaction, shall become a platform for conducting activities in the fields of debt collection and financial intermediation on the territory of Ukraine

On 28.03.2017, the general meeting of Getin Investment sp. z o. o., a company fully controlled by the Issuer, resolved to increase the company's share capital from PLN 50,000 to PLN 70,000.

#### Idea Bank Group (Poland)

On 04.01.2017, IL Intermediary Sp. z o. o., a new company controlled by Idea Leasing S.A., was established. The objects of the newly established company include servicing new products of Idea Leasing S.A.

On 31.03.2017, Idea Bank S.A. sold Idea Money S.A., with participation and through Noble Securities S.A., 600,000 shares in Tax Care S.A., accounting for 100% of the share capital, for the price of PLN 370 million. The transaction aimed at adjusting the structure of Idea Bank Group (Poland) to operations carried out by specific companies.

#### Idea Bank (Romania)

On 24.03.2017, the general meeting of Idea Bank (Romania) resolved to increase the share capital by RON 14.5 million (equivalent of PLN 13.8 million), and in consequence as at the balance sheet date the bank's share capital totalled RON 209.7 million (equivalent of PLN 198.9 million). All shares issued by the bank within the increase of the share capital were taken up by the Issuer.

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

Neither the Issuer, nor its subsidiaries published financial forecasts.

#### 4.7. Information about changes of ownership of significant blocks of shares

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

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

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

\*PhD Leszek Czarnecki holds directly 81,872,327 shares accounting for 11.20% of the share capital and conferring the right to 11.20% votes at GMs and indirectly through his subsidiaries – 335,829,910 shares accounting for 45.92% of the share capital and conferring the right to 45.92% votes at GMs. Companies directly and indirectly controlled by PhD Leszek Czarnecki: LC Corp B.V., based in Amsterdam, which holds 335,647,589 shares accounting for 42.90% of the share capital and conferring the right to 42.90% votes at GMs, RB Investcom Sp. z o.o., based in Wrocław, which holds 32,922 shares accounting for 0.0045% of the share capital and conferring the right to 0.0045% votes at GMs, Idea Money S.A., the company based in Warsaw, which holds 2,521 shares accounting for 0.0003% of the share capital and conferring the right to 0.0003% votes at GMs, and the Jolanta and Leszek Czarnecki Foundation which holds 119,878 shares accounting for 0.0164% of the share capital and conferring the right to 0.0164% votes at GMs, as well as Open Finance Fundusz Inwestycyjny Otwarty Subfundusz Akcji Małych i Średnich Spółek managed by Open Finance TFI S.A which holds 27 000 shares accounting for 0.0037% of the share capital and conferring the right to 0.0037% votes at GMs.

Structure of ownership of significant blocks of shares as of the date of publication of Q1 2017 report to the Issuer's knowledge:

**SHAREHOLDERS ENTITLED DIRECTLY OR INDIRECTLY TO AT LEAST 5% OF THE TOTAL NUMBER OF VOTES AT THE COMPANY'S GENERAL MEETING OF SHAREHOLDERS AS OF THE DATE OF PUBLICATION OF THE REPORT FOR Q1 2017**

No.	Shareholder	Number of shares held	Number of votes arising from the shares held	Share in the share capital (%)	Share of votes at GMs (%)
1	Leszek Czarnecki directly and indirectly* including: LC Corp B.V. based in Amsterdam	417 712 237 335 647 589	417 712 237 335 647 589	57.12% 45.90%	57.12% 45.90%
2	ING Otwarty Fundusz Emerytalny Aviva	38 200 052	38 200 052	5.22%	5.22%
3	Otwarty Fundusz Emerytalny Aviva BZ WBK	37 840 831	37 840 831	5.17%	5.17%

\*PhD Leszek Czarnecki holds directly 81,872,327 shares accounting for 11.20% of the share capital and conferring the right to 11.20% votes at GMs and indirectly through his subsidiaries – 335,829,910 shares accounting for 45.92% of the share capital and conferring the right to 45.92% votes at GMs. Companies directly and indirectly controlled by PhD Leszek Czarnecki: LC Corp B.V., based in Amsterdam, which holds 335,647,589 shares accounting for 42.90% of the share capital and conferring the right to 42.90% votes at GMs, RB Investcom Sp. z o.o., based in Wrocław, which holds 32,922 shares accounting for 0.0045% of the share capital and conferring the right to 0.0045% votes at GMs, Idea Money S.A., the company based in Warsaw, which holds 2,521 shares accounting for 0.0003% of the share capital and conferring the right to 0.0003% votes at GMs, and the Jolanta and Leszek Czarnecki Foundation which holds 119,878 shares accounting for 0.0164% of the share capital and conferring the right to 0.0164% votes at GMs, as well as Open Finance Fundusz Inwestycyjny Otwarty Subfundusz Akcji Małych i Średnich Spółek managed by Open Finance TFI S.A which holds 27 000 shares accounting for 0.0037% of the share capital and conferring the right to 0.0037% votes at GMs.

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

Person	Position	Number of shares held			As of the date of publication of Q1 2017 report
		As of the date of publication of 2016 report	Increases	Decreases	
<b>Management Board members</b>					
Piotr Kaczmarek	President of Management Board	24 000	-	-	24 000
Krzysztof Jarosław Bielecki	Deputy President of Management Board	0	-	-	0
Izabela Lubczyńska	Member of Management Board	4 518	-	-	4 518
Krzysztof Florczak	Member of Management Board	0	-	-	0
<b>Supervisory Board members</b>					
Leszek Czarnecki	Chairman of Supervisory Board	81 872 327 <sup>1)</sup>	-	-	81 872 327 <sup>1)</sup>
		335 802 910 <sup>2)</sup>	-	-	335 839 910 <sup>2)</sup>
Remigiusz Baliński	Vice-Chairman of Supervisory Board	197 637	-	-	197 637
Marek Grzegorzewicz	Member of Supervisory Board	101 963	-	-	101 963
Andrzej Błażejowski	Member of Supervisory Board	61 041	-	-	N/A
Wojciech Kostrzewa	Member of Supervisory Board	NA	-	-	0

1) Shares directly held by Mr. Leszek Czarnecki.

2) Shares indirectly held by Mr. Leszek Czarnecki.

#### 4.9. List of pending court proceedings

In Q1 2017, there was no single proceedings concerning Getin Holding or its subsidiaries' liabilities or claims of value at least equal to 10% of the Issuer's equity. There were no pending proceedings concerning the Issuer's or its subsidiaries' liabilities or claims of total value of at least 10% of the Issuer's equity.

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

In Q1 2017, neither the Issuer nor its subsidiaries concluded any substantial transactions with a related entity on terms other than the arm's length principle.

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

On 08.02.2017, the Issuer signed with Idea Bank (Poland) an annex to the guarantee agreement for obligations of Idea Leasing S.A. (Romania) due to receivables acquisition agreement, whereby the parties increased the cap guaranteed amount to PLN 275 million.

On 14.04.2017, the Issuer signed with PSA Sberbank Russia a Deed of Guarantee and Indemnity that secure repayment of Carcade's liabilities to the bank due to the RUB 600 million worth (equivalent of PLN 41.9 million) credit facility granted on 15.03.2017.

**4.12. Factors that in the Issuer's opinion will affect the Capital Group's results in the perspective of at least one quarter**

Idea Bank (Ukraine)

As regards the Ukrainian market, material factors that may affect the Group's performance in the future is the political situation in the east of Ukraine, as well as the overall macroeconomic situation to which contribute foreign exchange rates to the hryvnia, balance of payments, and loan of the International Monetary Fund. Other factors that may affect performance of Idea Bank Group (Ukraine) include interbank interest rates for loans and deposits, and the overall liquidity of the Ukrainian banking system.

Factors that may contribute to the financial result generated by Idea Bank (Ukraine) in subsequent periods include improving forecasts for of macroeconomic indicators, such as growth of the GDP to 2.5% and further reduction of the inflation rate to circa 8%, which may have positive impact on the overall economic situation, despite the lasting conflict in eastern Ukraine and the present political instability. Increasing competition in loan products addressed to individual clients and new requirements concerning credit risk assessment imposed by the National Bank of Ukraine will require further adjustments to the market conditions.

Idea Bank (Belarus)

The National Bank of Belarus is consistently pursuing its policy aiming at reduction of interest rates for both active and passive transactions by imposing maximum interest rates, which means interfering with free market pricing.

In Q1 2017, the National Bank of Belarus decreased the maximum interest rate three times, in total by 5 p.p., from 23% to 18%, keeping this downward trend.

Idea Bank Group (Romania)

A major factor that may affect performance of Idea Bank (Romania) will be the impact of the ROBOR 3M rate on the net interest generated on sale of loans as well as the trend in the deposits market.

The expected increase in the loans sales volume, combined with the expected change of fees will contribute to the bank's income in the following period.

Carcade (Russia)

The downward trend in sales of Carcade's products related to the present economic situation in the Russian Federation and sanctions imposed by the USA, the EU and other countries has been curbed.

Yet the risk of imposing further sanctions may have adverse impact on the liquidity and the financing availability.

The economic situation in the Russian Federation may affect the demand for lease products.

#### M.W. Trade

The strategic goal of M.W. Trade is to increase the company's goodwill by creating within the banking capital group a company that specializes in ensuring financing to public units, especially to healthcare institutions, and offers complex financial services while keeping high operating profitability. The experience and expertise concerning the characteristic nature of the market of financing healthcare institutions, access to financing within the Group, providing expert services within flexible offers, as well as good relations with healthcare institutions and local government units will have material impact on the accomplishment of the business goals assumed by M.W. Trade.

The proposal to set up so called hospitals network, may in turn have positive impact on stability of income from settlements of the healthcare units with the National Health Fund NFZ. The amendment to the law on medical procedures financed from public funds was adopted by the Sejm (lower chamber of the Polish parliament) on 23 March. The first lists of hospitals qualified to the network in each region will be announced by 27.06.2017. By 26.09.2017, the lists will be supplemented with merged healthcare units. The lists will become effective as of 1.10.2017, and binding for the subsequent 4 years.

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

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

_____ Piotr Kaczmarek  President of the Management Board	_____ Krzysztof Jarosław Bielecki  I Vice-President of the Management Board
_____ Izabela Lubczyńska  Member of the Management Board	_____ Krzysztof Florczak  Member of the Management Board

Wrocław, 18<sup>th</sup> of May 2017