

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

**CONSOLIDATED FINANCIAL REPORT
FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2019**

Wroclaw, 23rd of September 2019

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Getin Holding Capital Group
Consolidated financial report for the 6 month period ended 30.06.2019
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	
	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
	(unaudited data)	(unaudited, transformed data)	(unaudited data)	(unaudited, transformed data)
Net Interest income- continuing operations	445 692	453 973	103 939	107 082
Net Fee and commission income- continuing operations	121 935	(114 423)	28 436	(26 990)
Operating profit- continuing operations	(14 560)	(343 443)	(3 396)	(81 010)
Gross profit - continuing operations	(11 167)	(331 811)	(2 604)	(78 267)
Net profit - continuing operations	(20 413)	(322 028)	(4 760)	(75 959)
Net profit - discontinued operations	(1 422)	(7 491)	(332)	(1 767)
Total net profit	(21 835)	(329 519)	(5 092)	(77 726)
Net profit attributable to shareholders of the parent company	13 769	(159 510)	3 211	(37 625)
- from continuing operations	14 543	(155 432)	3 392	(36 663)
- from discontinued operations	(774)	(4 078)	(181)	(962)
Net profit attributable to non-controlling interests	(35 604)	(170 009)	(8 303)	(40 101)
- from continuing operations	(34 956)	(166 596)	(8 152)	(39 296)
- from discontinued operations	(648)	(3 413)	(151)	(805)
Earnings per share - basic (in PLN/EUR)	0,07	(0,84)	0,02	(0,20)
Earnings per share - diluted (in PLN/EUR)	0,07	(0,84)	0,02	(0,20)
Net cash from operating activities	256 545	318 720	59 829	75 179
Net cash from investing activities	(125 097)	44 633	(29 174)	10 528
Net cash from financing activities	(805 670)	(166 846)	(187 889)	(39 355)
Net change in cash and cash equivalents	(674 222)	196 507	(157 235)	46 351
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
	(unaudited data)	(unaudited data)	(unaudited data)	(unaudited data)
Total assets	25 748 024	25 225 700	6 055 509	5 866 442
Total liabilities	24 768 875	24 265 029	5 825 229	5 643 030
Liabilities due to customers	21 160 210	19 781 444	4 976 531	4 600 336
Total equity	979 149	960 671	230 280	223 412
Equity attributable to equity holders of the parent company	847 582	795 373	199 337	184 970
Non-controlling interest	131 567	165 298	30 942	38 441
Share capital	759 069	759 069	178 520	176 528
Number of shares	189 767 342	189 767 342	189 767 342	189 767 342
data relating to interim separate financial statements	01.01.2019 - 30.06.2019		01.01.2018 - 30.06.2018	
	(unaudited data)		(unaudited, transformed data)	
	(unaudited data)		(unaudited, transformed data)	
Total income	95 630	27 204	22 302	6 417
Profit (loss) before income tax	72 545	1 820	16 918	429
Net profit (loss)	58 669	2 442	13 682	576
Net cash from operating activities	51 691	13 734	12 055	3 239
Net cash used in investing activities	(90 875)	(160)	(21 193)	(38)
Net cash used in financing activities	43 625	(9 448)	10 174	(2 229)
Net change in cash and cash equivalents	4 441	4 126	1 036	973
Earnings per share - basic (in PLN/EUR)	0,31	0,01	0,07	-
Earnings per share - diluted (in PLN/EUR)	0,31	0,01	0,07	-
	30.06.2019	31.12.2018	30.06.2019	31.12.2018
	(unaudited data)	(unaudited data)	(unaudited data)	(unaudited data)
Total assets	1 083 020	1 071 791	254 708	249 254
Long-term liabilities	155 082	101 375	36 473	23 576
Short-term liabilities	90 108	203 941	21 192	47 428
Total equity	837 830	766 475	197 044	178 250
Share capital	759 069	759 069	178 520	176 528
Number of shares	189 767 342	189 767 342	189 767 342	189 767 342

The following exchange rates were used to convert the selected financial data into EURO:

- For items on the statement of financial position – the average National Bank of Poland exchange rates as at 30.06.2019: 1 EUR = 4.2520 PLN and as at 31.12.2018: 1 EUR = 4.3000 PLN.
- For items on the income statement and the cash flow statement – the exchange rate being the arithmetic mean of the average exchange rates announced by the National Bank of Poland on the last day of each month for the first half of 2019 and 2018 (respectively: 1 EUR = 4.2880 PLN and 1 EUR = 4.2395 PLN).

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

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

INTERIM CONSOLIDATED INCOME STATEMENT

		01.04.2019 - 30.06.2019	01.01.2019 - 30.06.2019	01.04.2018 - 30.06.2018	01.01.2018 - 30.06.2018
	Note	(unaudited data)	(unaudited data)	(unaudited, transformed data)	(unaudited, transformed data)
Interest income and similar to interest income	2.9	453 068	847 506	393 677	771 472
<i>Interest income on financial assets measured at amortized cost</i>		419 544	788 439	364 472	716 873
<i>Interest income on financial assets measured at fair value through other comprehensive income</i>		7 870	23 497	15 810	29 207
<i>Income similar to interest on financial assets measured at fair value through profit or loss</i>		25 654	35 570	13 395	25 392
Interest expense	2.9	(201 269)	(401 814)	(163 555)	(317 499)
Net interest income		251 799	445 692	230 122	453 973
Fee and commission income	2.10	89 429	178 414	118 064	217 758
Fee and commission expense	2.10	(31 258)	(56 479)	(281 395)	(332 181)
Net fee and commission income		58 171	121 935	(163 331)	(114 423)
Dividend income		14 617	14 617	7 454	11 409
Result on financial instruments measured at fair value through profit or loss		(6 962)	(21 785)	1 757	(115)
Result on derecognition of debt instruments measured at fair value through other comprehensive income		(925)	(925)	787	21 870
Foreign exchange result		17 858	29 350	23 063	35 652
Other operating income	2.11	51 944	87 588	55 621	81 560
Other operating expenses	2.11	(69 609)	(90 625)	(229 512)	(252 709)
Net other operating income and expenses		6 923	18 220	(140 830)	(102 333)
Net operating income		316 893	585 847	(74 039)	237 217
Net impairment losses on financial assets and provisions for off-balance sheet liabilities	2.12	(107 596)	(224 052)	(112 888)	(199 707)
Administrative expenses	2.13	(186 243)	(376 355)	(190 628)	(380 953)
Operating profit		23 054	(14 560)	(377 555)	(343 443)
Share in profits (losses) of consolidated entities using the equity method		2 200	3 393	(39)	11 632
Profit / (loss) before income tax		25 254	(11 167)	(377 594)	(331 811)
Corporate income tax	2.14	12 131	(9 246)	24 597	9 783
Net profit (loss) from continuing operations		37 060	(21 835)	(361 391)	(329 519)
Net profit (loss) from discontinued operations		(325)	(1 422)	(8 394)	(7 491)
Net profit (loss)		37 060	(21 835)	(361 391)	(329 519)
Attributable to equity holders of the parent company		36 239	13 769	(184 032)	(159 510)
- from continuing operations		36 416	14 543	(179 462)	(155 432)
- from discontinued operations		(177)	(774)	(4 570)	(4 078)
Attributable to non-controlling interests		821	(35 604)	(177 359)	(170 009)
- from continuing operations		969	(34 956)	(173 535)	(166 596)
- from discontinued operations		(148)	(648)	(3 824)	(3 413)

		01.04.2019 - 30.06.2019	01.01.2019 - 30.06.2019	01.04.2018 - 30.06.2018	01.01.2018 - 30.06.2018
		(unaudited data)	(unaudited data)	(unaudited, transformed data)	(unaudited, transformed data)
Earnings per share:					
Net profit (loss) for the period attributable to ordinary shareholders (in thousand PLN)		36 239	13 769	(184 032)	(159 510)
Weighted average number of issued ordinary shares applied to the calculation of basic earnings per share ¹		189 767 342	189 767 342	189 767 342	189 767 342
Basic earnings per share (in PLN)		0,19	0,07	(0,97)	(0,84)
Weighted average number of issued ordinary shares applied to the calculation of diluted earnings per share		189 767 342	189 767 342	189 767 342	189 767 342
Diluted earnings per share (in PLN)		0,19	0,07	(0,97)	(0,84)

The additional notes and explanations presented on pages 9 to 63 constitute an integral part of the interim condensed consolidated financial statements.

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	01.04.2019 - 30.06.2019	01.01.2019 - 30.06.2019	01.04.2018 - 30.06.2018	01.01.2018 - 30.06.2018
	(unaudited data)	(unaudited data)	(unaudited, transformed data)	(unaudited, transformed data)
Profit / (Loss) for the period	37 060	(21 835)	(361 391)	(329 519)
Items that can be transferred to the profit and loss account	708	28 257	15 091	11 370
Exchange differences on the translation of foreign entities	3 104	21 189	23 022	20 097
Profits and losses on investments in debt instruments measured at fair value through other comprehensive income	(4 626)	(583)	(9 109)	(6 540)
Change in fair value resulting from a change in the credit risk of a financial liability designated at fair value through profit or loss	107	25	290	(1 100)
The effect of cash flow hedge accounting	1 535	9 243	773	(1 431)
Other	-	-	(886)	(886)
Income tax	588	(1 617)	1 001	1 230
Items that cannot be transferred to the profit and loss account	(7 554)	19 263	(15 077)	(28 684)
Profit and losses on investments in equity instruments measured at fair value through other comprehensive income	(6 282)	21 030	(18 616)	(35 414)
Income tax	(1 272)	(1 767)	3 539	6 730
Other comprehensive income	2.25	(6 846)	14	(17 314)
Total comprehensive income for the period	30 214	25 685	(361 377)	(346 833)
Attributable to equity holders of the parent company	28 593	55 371	(183 249)	(175 884)
- from continuing operations	28 770	56 145	(178 679)	(171 806)
- from discontinued operations	(177)	(774)	(4 570)	(4 078)
Attributable to non-controlling interests	1 621	(29 686)	(178 128)	(170 949)
- from continuing operations	1 769	(29 038)	(174 304)	(167 536)
- from discontinued operations	(148)	(648)	(3 824)	(3 413)

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INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30.06.2019	31.12.2018	30.06.2019
Note	(unaudited data)		(unaudited, transformed data)
ASSETS			
Cash and balances in the Central Bank	801 155	1 519 579	774 907
Receivables from banks and financial institutions	424 621	337 417	365 076
Derivative hedging instruments	29 897	10 289	4 213
Derivatives measured at fair value through profit or loss	83 675	68 222	79 826
Equity financial assets measured at fair value through profit or loss	116 167	116 173	130 491
Receivables from customers	2.15 17 003 496	17 495 856	18 252 924
<i>Loans and advances to customers measured at amortized cost</i>	17 003 364	17 495 654	18 252 613
<i>Financial assets at fair value through profit or loss</i>	132	202	311
Finance lease receivables	2.16 1 909 138	1 735 801	1 555 196
Other receivables measured at amortized cost	2.17 257 103	267 689	342 381
Investment securities, including:	2.18 3 907 935	2 343 025	4 452 475
<i>Debt instruments measured at fair value through other comprehensive income</i>	3 546 600	2 015 290	4 095 060
<i>Equity instruments measured at fair value through other comprehensive income</i>	128 571	107 539	160 223
<i>Debt instruments measured at amortized cost</i>	232 764	220 196	197 192
Investments in associates	2.19 227 958	298 575	344 706
Intangible assets	270 894	268 556	683 104
Property, plant and equipment	256 701	211 677	225 248
Investment properties	64 508	63 876	68 980
Non current assets classified as held for sale	29 003	6 370	6 445
Tax assets	74 628	87 791	536 362
<i>Current tax assets</i>	3 828	7 873	2 565
<i>Deferred tax assets</i>	2.14 70 800	79 918	533 797
Other assets	291 145	394 804	404 061
TOTAL ASSETS	25 748 024	25 225 700	28 226 395
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to the Central Bank	-	834 319	-
Liabilities to other banks and financial institutions	1 045 176	883 420	885 112
Derivative hedging instruments	1 764	22 247	58 870
Derivatives measured at fair value through profit or loss	1 064	217	3 962
Other financial liabilities measured at fair value through profit or loss	1 216 055	1 278 680	1 607 088
Liabilities due to customers	2.20 21 160 210	19 781 444	21 559 537
Issued debt securities	2.21 717 751	797 298	810 166
Other liabilities measured at amortized cost	150 131	48 800	60 195
Corporate income tax liabilities	5 556	4 276	4 695
Other liabilities	374 754	534 494	624 214
Deferred tax liabilities	2.14 26 284	47 200	557
Other provisions	2.22 40 349	32 634	37 439
Liabilities associated with assets classified as held for sale	29 781	-	-
TOTAL LIABILITIES	24 768 875	24 265 029	25 651 835
Equity (attributable to equity holders of the parent company)			
Share capital	759 069	759 069	759 069
Net profit /(loss)	13 769	(948 305)	(159 510)
Other reserves	74 744	984 609	1 118 509
Non-controlling interest	131 567	165 298	856 492
Total equity	979 149	960 671	2 574 560
TOTAL EQUITY AND LIABILITIES	25 748 024	25 225 700	28 226 395

The additional notes and explanations presented on pages 9 to 63 constitute an integral part of the interim condensed consolidated financial statements.

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INTERIM STATEMENT OF CHANGES IN CONSOLIDATED EQUITY
 For the 6 month period ended 30.06.2019 (unaudited data)

	Other capital						Net profit (loss)	Attributable to equity holders of the parent company	Non-controlling interests	Total equity
	Share capital	Reserve capital and retained earnings	Revaluation reserve	Exchange differences	Convertible bonds - equity component	Other reserved capital				
As at 01.01.2019	759 069	1 330 127	(350 224)	(421 820)	25 239	401 287	(948 305)	795 373	165 298	960 671
Other comprehensive income	-	-	20 413	21 189	-	-	-	41 602	5 918	47 520
Net profit (loss) for the period	-	-	-	-	-	-	13 769	13 769	(35 604)	(21 835)
Total comprehensive income for the period	-	-	20 413	21 189	-	-	13 769	55 371	(29 686)	25 685
Transfer of profit from the previous period to retained earnings	-	(948 305)	-	-	-	-	948 305	-	-	-
Other	-	1 093	-	-	-	(4 255)	-	(3 162)	(4 045)	(7 207)
Transactions with shareholders	-	1 093	-	-	-	(4 255)	-	(3 162)	(4 045)	(7 207)
As at 30.06.2019	759 069	382 915	(329 811)	(400 631)	25 239	397 032	13 769	847 582	131 567	979 149

INTERIM STATEMENT OF CHANGES IN CONSOLIDATED EQUITY
 For the 6 month period ended 30.06.2018 (unaudited, transformed data)

	Other capital						Net profit (loss)	Attributable to equity holders of the parent company	Non-controlling interest	Total equity
	Share capital	Reserve capital and retained earnings	Revaluation reserve	Exchange differences	Convertible bonds - equity component	Other reserved capital				
As at 01.01.2018	759 069	1 667 804	(208 486)	(406 285)	25 239	216 191	183 448	2 236 182	1 289 531	3 525 713
Adjustment concerning prior year errors	-	(111 726)	-	-	-	-	(4 185)	(115 911)	(97 027)	(212 938)
As at 01.01.2018 (transformed data)	759 069	1 556 078	(208 486)	(406 285)	25 239	216 191	179 263	2 121 069	1 192 504	3 312 775
Adjustment concerning the initial application of IFRS 9	-	(217 692)	798	-	-	-	-	(216 894)	(155 325)	(372 219)
At 01.01.2018 after adjustment	759 069	1 338 386	(208 486)	(406 285)	25 239	216 191	179 263	1 903 377	1 037 179	2 940 556
Other comprehensive income	-	-	(36 431)	20 057	-	-	-	(16 374)	(940)	(17 314)
Net profit (loss) for the period	-	-	-	-	-	-	(159 510)	(159 510)	(170 009)	(329 519)
Total comprehensive income for the period	-	-	(36 431)	20 057	-	-	(159 510)	(175 884)	(170 949)	(346 833)
Transfer of prior period profit to retained earnings	-	179 263	-	-	-	-	(179 263)	-	-	-
Dividends paid out	-	-	-	-	-	-	-	-	(1 880)	(1 880)
Split of the result of the previous period	-	(184 813)	-	-	-	184 813	-	-	-	-
Other	-	(9 425)	-	-	-	-	-	(9 425)	(7 858)	(17 283)
Transactions with shareholders	-	(14 975)	-	-	-	184 813	(179 263)	(9 425)	(9 738)	(19 163)
As at 30.06.2018	759 069	1 323 411	(244 917)	(386 228)	25 239	401 004	(159 510)	1 718 068	856 492	2 574 560

The additional notes and explanations presented on pages 9 to 63 constitute an integral part of the interim condensed consolidated financial statements.

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INTERIM CONSOLIDATED CASH FLOW STATEMENT

	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
Cash flows from operating activities		
Net profit (loss)	(21 835)	(329 519)
Total adjustments:	278 380	648 239
Depreciation	52 131	30 533
Share in profits (losses) of entities consolidated for using the equity method	(3 393)	(11 632)
Foreign exchange (profits)/losses	261	(10 620)
(Profit) loss on investing activities	242	3 849
Interest and dividends	13 770	(19 993)
Change in receivables from banks	(41 105)	(9 931)
Change in derivative financial instruments (asset)	(25 839)	91 319
Change in receivables from customers	520 185	(879 634)
Change in finance lease receivables	(112 847)	(139 100)
Change in other receivables measured at amortized cost	10 586	73 546
Change in investment securities	(1 520 495)	276 213
Change in deferred tax assets	11 264	(47 335)
Change in other assets	106 999	140 770
Change in amounts due to other banks and financial institutions	(36 445)	(339 328)
Change in derivative financial instruments (liability)	(19 625)	56 803
Change in other financial liabilities measured at fair value through profit or loss	(62 625)	(383 969)
Change in liabilities to customers	1 373 258	1 713 809
Change in liabilities from the issue of debt securities	6 550	8 866
Change in other liabilities measured at amortized cost	92 224	1 374
Change in provisions and deferred tax liabilities	(13 423)	7 460
Change in other liabilities	(166 882)	(63 022)
Other adjustments	88 351	143 052
Income tax paid	(23 154)	(20 962)
Current tax expense	28 392	26 171
Net cash flow from operating activities	256 545	318 720
Cash flows from investing activities		
Investing activity inflows	74 306	112 361
Sale of shares in entities accounted for using the equity method	25 000	-
Sale of investment securities	-	53 440
Proceeds from sale of intangible assets and property, plant and equipment	17 220	11 316
Interest received	24 910	35 907
Other investing inflows	7 176	11 698
Investing activity outflows	(199 403)	(67 728)
Disposal of shares in entities accounted for using the equity method	-	(4 590)
Purchase of investment securities	(26 995)	(21 687)
Purchase of intangible assets and property, plant and equipment	(55 683)	(41 451)
Interest paid	(24 267)	-
Other investing outflows	(92 458)	-
Net cash flow from investing activities	(125 097)	44 633
Cash flows from financing activities		
Issue of debt securities	49 058	70 063
Redemption of issued debt securities	(134 991)	(198 624)
Inflows from loans and borrowings	403 731	-
Repayment of loans and borrowings	(1 057 437)	-
Dividends paid to non-controlling interests	-	(1 880)
Interest paid	(66 031)	(37 253)
Other financing inflows / outflows	-	848
Net cash flow from financing activities	(805 670)	(166 846)
Net change in cash and cash equivalents	(674 222)	196 507
Net foreign exchange differences	1 513	30 849
Cash and cash equivalents at the beginning of the period	1 855 576	912 327
Cash and cash equivalents at the end of the period	1 182 867	1 139 683

The additional notes and explanations presented on pages 9 to 63 constitute an integral part of the interim condensed consolidated financial statements.

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 predominant activity of the Company is conducting capital investments in domestic and foreign markets. The Company acts as a holding company of the Capital Group, and the companies of the Capital Group operate within the following areas:

- banking services;
- leasing services;
- financial services

The entire Getin Holding Group is controlled by Dr. Leszek Czarnecki, PhD.

As at 30.06.2019 and as at the date of preparing these financial statements the Management Board of Getin Holding S.A. was composed of:

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

In the period covered by the financial statements, there were no changes in the composition of the Company's Management Board.

Getin Holding Capital Group
Consolidated financial report for the 6 month period ended 30.06.2019
data given in PLN thousand
Interim condensed consolidated financial statements of the Getin Holding Capital Group

2.2. The composition of the Getin Holding Group and associated entities

The interim condensed consolidated financial statements for the 6 month period ended 30.06.2019 concern Getin Holding and the following companies of the Getin Holding Group:

Fully consolidated subsidiaries:

Company name	Type of activity	Effective share in capital		Additional information
		30.06.2019	31.12.2018	
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	Intermediation in financial and insurance services, factoring services	54,43%	54,43%	Idea Bank S.A. (Poland) owns 100% shares
Tax Care S.A. with its registered office in Warsaw	Accounting and bookkeeping services, tax advisory	54,43%	54,43%	Idea Money S.A. (Poland) owns 100% shares
Tax Care Foundation, Inicjatyw a Wspierania Przedsiębiorczości with its registered office in Warsaw	Foundation activities	54,43%	54,43%	Tax Care S.A. owns 100% units
Idea Fleet S.A. with its registered office in Wrocław	Leasing and other financial services	54,43%	54,43%	Idea SPV sp. z o.o. owns 100% 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
Development System sp. z o.o. with its registered office in Warsaw	Real estate management	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. (in liquidation) with its registered office in Wrocław	Financial services	na	100,00%	On 05.02.2019 the liquidation of the company was registered
Getin International S.A. with its registered office in Wrocław	Holding activity for foreign entities of the Group	100,00%	100,00%	Getin Holding S.A. owns 100% shares

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Interim condensed consolidated financial statements of the Getin Holding Capital Group

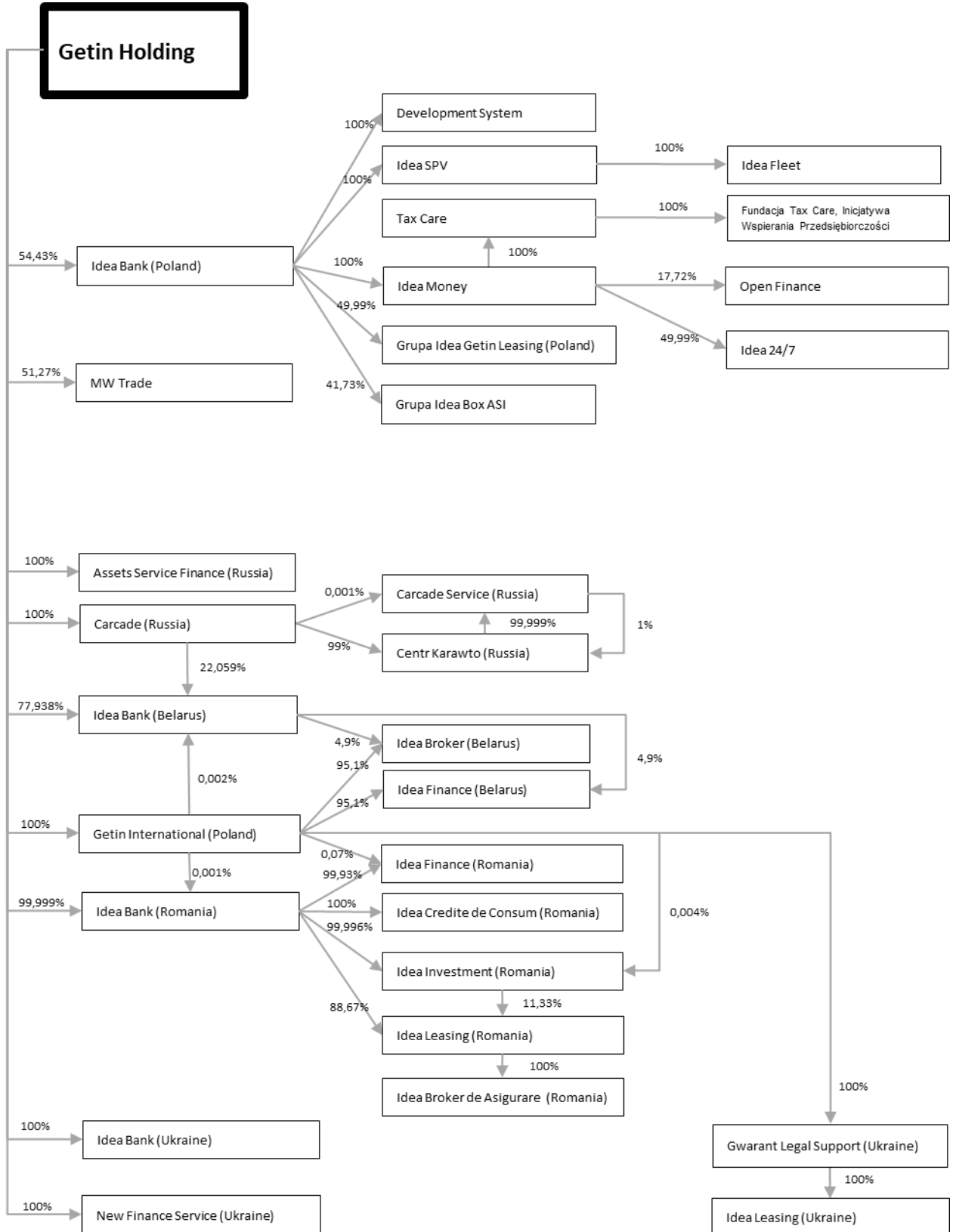
Fully consolidated subsidiaries:

Company name	Type of activity	Effective share in capital		Additional information
		30.06.2019	31.12.2018	
Carcade sp. z o.o. with its registered office in Kaliningrad (Russian Federation)	Leasing	100.00%	100.00%	Getin Holding S.A. owns 100% units
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	100.00%	99.59%	Getin Holding S.A. owns 100% shares
Idea Leasing sp. z o.o. with its registered office in Lviv (Ukraine)	Leasing	100.00%	100.00%	Gwarant Legal Support sp. z o.o. owns 100% units
Gwarant Legal Support sp. z o.o. with its registered office in Lviv (Ukraine)	Legal services	100.00%	100.00%	Getin International S.A. owns 100% units
Seret Invest sp. z o.o. with its registered office in Kiev (Ukraine)	Business and management consulting	na	100.00%	On 15.03.2019, a merger of New Finance Service sp.z o.o. and Seret Invest sp.z o.o. was registered
New Finance Service sp. z o.o. with its registered office in Kiev (Ukraine)	Factoring services	100.00%	100.00%	Getin Holding S.A. owns 100% of units
Idea Bank S.A. with its registered office in Minsk (Belarus)	Banking	100.00%	100.00%	Getin Holding S.A. owns 77.938% of shares, Carcade sp z o.o. owns 22.059% shares and Getin International S.A. owns 0.002% shares
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)	Brokerage 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 0.07% 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 Bank (Romania) owns 88.67% units, Idea Investment owns 11.33% units,
Idea Broker de Asigurare SRL with its registered office in Bucharest (Romania)	Brokerage in the sale of insurance	100.00%	100.00%	Idea Leasing IFN (Romania) owns 100% units
Idea Credite de Consum SRL with its registered office in Bucharest (Romania)	Brokerage in the sale of loans	100.00%	100.00%	Idea Bank (Romania) owns 100% units

Associates:

Company name	Type of activity	Effective share in capital		Additional information
		30.06.2019	31.12.2018	
Idea Box S.A. Group with its registered office in Warsaw	Other financial services	22,71%	22,71%	Idea Bank S.A. (Poland) owns 41.73% shares
Open Finance S.A. with its registered office in Warsaw	Brokerage in financial services	9,64%	9,64%	Idea Money S.A. owns 17,72% shares
Idea Getin Leasing S.A. Group with its registered office in Wroclaw	Leasing	27,21%	27,21%	Idea Bank S.A. (Poland) owns 49.99% shares
Idea 24/7 Inc. with its registered office in Miami (USA)	Lending services and microfactoring	27,21%	27,21%	Idea Money S.A. owns 49.99% units
Muse Finance with its registered office in Great Britain	Factoring and e-money activities	na	25,85%	On 26.04.2019, Idea Money S.A. sold its shares in the company

Organisational chart of the Getin Holding Group as at 30.06.2019



During the period from 01.01.2019 to 30.06.2019 the following significant events took place within the Capital Group:

- On 14.01.2019, Idea Bank (Poland) made a full early repayment of the refinancing loan granted by the National Bank of Poland. The Bank's LCR index calculated and set on 15.01.2019 was at the level of 112.16% as at 14.01.2019, i.e. it remained in line with the requirements specified in Art. 412 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26.06.2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No. 648/2012
- On 17.01.2019, the Management Board of Idea Bank (Poland) and the Management Board of Getin Noble Bank S.A. agreed and signed the Merger Plan for Idea Bank S.A. based in Warsaw to merge with Getin Noble Bank S.A. ("GNB") with its registered office in Warsaw, prepared in accordance with Art. 498 and 499 of the Act of 15.09.2000 - Code of Commercial Companies (consolidated text Journal of Laws of 2017, item 1577, as amended). On 31.05.2019, Idea Bank (Poland) received the Polish Financial Supervision Authority's decision to refuse to issue a permit to merge the bank with Getin Noble Bank S.A.
- On 22.01.2019, the District Court for Wrocław-Fabryczna in Wrocław, issued a decision to remove Getin Investment sp. o.o. in liquidation from the National Court Register. On 05.02.2019, the decision to remove the company from the register became final and therefore it lost its legal existence.
- On 31.01.2019, the share capital of Idea Leasing (Romania) was increased by issuing 800 thousand shares for a total amount of RON 8 million, increasing the capital from RON 1 million to RON 9 million. All shares under the new issue were acquired by Idea Bank (Romania), thus increasing its share in Idea Leasing IFN S.A. from 0.001% to 88.67% (the current main shareholder of Idea Leasing (Romania), having a 99.99% share in the share capital was Idea Investment S.A., a subsidiary of Idea Bank (Romania)).
- On 15.03.2019, a merger of the following companies was registered: New Finance Service sp. z o.o. and Seret Invest sp. z o.o., through the acquisition of the latter by New Finance Service sp. z o.o. Before the merger, the Issuer possessed directly and indirectly 100% of the shares in the above-mentioned companies.
- On 18.03.2019, Idea Bank (Poland) sent a notification to the Polish Financial Supervision Authority and the Bank Guarantee Fund about the threat of violation of the requirements set out in Art. 92 par. 1 lit. c CRR. due to identified methodological flaws in the loss estimation model used by the Bank to calculate write-offs and provisions for impairment of loan exposures. On 27.03.2019, Idea Bank (Poland)'s Management Board adopted resolutions regarding changes in the "Methodology of calculating write-offs for expected credit losses pursuant to IFRS 9", amendments to the "Accounting procedure for recognition of commission income from the sale of insurance and investment-insurance products in Idea Bank S.A." and approval of changes to the documentation and back-testing of the LGD model. As a consequence of the changes made to the models and adopted procedures, at the consolidated level and in accordance with the calculations, the bank created impairment allowances and provisions for loan exposures in the amount of PLN 407 million and provisions for the expected level of refunds of remuneration for sale of insurance products in the amount of approximately PLN 48 million. The effects of the above events have already been accounted for in the Group's consolidated financial statements and the bank's separate financial statements for 2018.
- On 26.04.2019, Idea Money sold all of its shares in the associate company MuSE Finance Ltd.

- On 15.05.2019, the Polish Financial Supervision Authority appointed a curator to improve Idea Bank (Poland)'s situation, and entrusted the Bank Guarantee Fund with the function of curator.
- On 19.06.2019, the Management Board of Idea Bank (Poland) adopted a resolution on the intention to carry out group redundancies and to begin a consultation procedure regarding group redundancies. The intention of the bank's Management Board is to terminate employment contracts with a maximum of 750 employees of the bank by 31 December 2019. The reason for the planned layoffs is the need to restructure operating costs, including a reduction in the level and costs of employment at the bank. The bank estimated the cost of employment reduction at approx. PLN 9.2 million, and a corresponding provision was created in the bank's accounting books. In the results of the first half of 2019, the bank also included a provision related to the restructuring of the branch network in the amount of PLN 25.9 million.
- On 28.06.2019 Idea Money S.A. signed a conditional agreement for the sale of all its shares in the associate company Idea 24/7 Inc. The sale conditions were met in July 2019. The sale price was set at USD 1.2 million and will be payable in two tranches: 250 thousand USD within 14 days of meeting the sales conditions, and 950 thousand USD within 7 months from the date of signing the sales contract.

Employment in the Capital Group

Employment (full-time equivalent) at companies of the Getin Holding Capital Group	30.06.2019 (unaudited data)	31.12.2018	Change
Getin Holding S.A.	28	30	(2)
Idea Bank (Poland) Group	2 187	2 357	(170)
MW Trade S.A.	15	17	(2)
Russian Segment ⁽¹⁾	829	882	(53)
Ukrainian Segment ⁽²⁾	1 604	1 424	181
Belarusian Segment ⁽³⁾	872	885	(13)
Idea Bank (Romania) Group ⁽⁴⁾	507	506	1
Total	6 042	6 101	(59)
including:			
Poland	2 230	2 404	(174)
International operations	3 812	3 697	116

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

(2) Idea Bank (Ukraine), Gwarant Legal Support, Idea Leasing (Ukraine), New Finance Service

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

(4) Idea Bank (Romania), Idea Leasing de Asigurare (Romania), Idea Broker (Romania), Idea Investment (Romania), Idea Finance (Romania), Idea Credite de Consum (Romania)

2.3. Approval of the financial statements

These consolidated financial statements were approved for publication by the Management Board on 23.09.2019.

2.4. Information about principles applied during the preparation of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements of the Getin Holding Group (hereinafter referred to as the "financial report") cover the period of 6 months ended 30.06.2019 and contain comparative data for the period of 6 months ended 30.06.2018 for the profit and loss statement, statement of changes in equity, statement of comprehensive income, cash flow statement and data

from the financial position as at 31.12.2018. The comparative data as at 31.12.2018 was audited by an auditor.

These interim condensed consolidated financial statements have been reviewed by an independent certified auditor. The entity authorized to review the interim condensed consolidated financial statements is Grant Thornton Poland Limited Liability Limited Partnership.

2.4.1. Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards approved by the EU ("IFRS-EU"), in particular in accordance with the International Accounting Standard ("IAS") 34 "Interim Financial Reporting", according to the historical cost principle, with the exception of:

- financial assets and liabilities measured at fair value through profit or loss
- financial assets measured at fair value through other comprehensive income,
- investment properties measured at fair value through profit or loss,
- fixed assets or groups of assets classified as held for sale, which are measured at the lower of the following two amounts: their carrying amount or fair value less costs to sell.

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31.12.2018.

2.4.2. Statement on the Going Concern of the Group

2.4.2.1 Statement on the continuation of activities of Getin Holding

At the end of the first half of 2019, the Getin Holding Group reported a loss at the consolidated level of PLN 21.8 million. The loss occurred because of the negative result of the Idea Bank (Poland) Group for the first half of 2019 in the amount of PLN 79.8 million, which exceeded the positive financial results of the remaining operating entities of the Getin Holding Group.

In the first half of 2019, the Company did not recognize any significant impairment losses on investments in subsidiaries, which was the factor that most weighed upon the Company's 2018 result at the standalone level, as described in the Company's annual financial statements. Getin Holding and the companies of the Getin Holding Group are continuing their current operations. The nature of their operating activities has not changed in the current quarter and presents a stable outlook.

In accordance with the applicable regulations, the Company created supplementary capital to cover losses. On 29.05.2019 a resolution was adopted at the Ordinary General Meeting of the Company regarding the allocation of funds from the supplementary capital to cover the entire loss for 2018.

The company monitors the risks associated with complying with its covenants. The consolidated result of the Company for the first half of 2019 does not violate the legal obligations of the Company towards the lenders and bondholders of the Company in respect of contracted liabilities, respectively: loans and bonds issued by the Company. In the reporting period, the Company redeemed bonds for the amount of PLN 30.9 million at their maturity dates.

As at the date of preparing this report, the Company meets all the requirements resulting from the loan agreements concluded by the Company, in particular credit agreements with Getin Noble Bank S.A.

and Idea Bank S.A. (Poland). There are also no circumstances which would result in the bondholders' right to early repayment of liabilities provided for in the Act on Bonds.

In summary, there are no circumstances regarding the breach of accepted commitments that could negatively affect the Company's liquidity and termination of loan agreements or early redemption of bonds. The company takes the utmost care in maintaining safeguards and performance of obligations towards lenders and bondholders. The company assumes timely repayment of existing credit obligations and redemption of maturing bonds on time.

The Management Board of the Company, bearing in mind the risks related to maintaining the Company's financial liquidity, is of the opinion that the actions taken by it enable it to be secure. The main source of financing for the current operations of the Company will be, as before, dividends and remuneration for the provision of advisory services in the ongoing operations of the subsidiaries. The acquisition of funding comes mainly from foreign operations (Belarus, Russia, Romania, Ukraine). Therefore, the company is not directly dependent in this respect on the financial position of Idea Bank S.A. (Poland). In addition to the assumed continuation of activities with subsidiaries as part of the adopted strategy, the Management Board of the Company is taking steps to improve liquidity and manage its debt. First of all, as part of these activities, on 14.12.2018 the Company concluded a credit agreement with Getin Noble Bank S.A. that allowed it to restructure its largest liability under the share purchase agreement for Idea Bank S.A. The company is also minimizing investments and is progressively deleveraging its liabilities.

With the above assumptions, the Company will maintain a positive balance of cash flows over a 12-month horizon.

The Company also recognizes the risk related to the capital requirements of Idea Bank S.A. at the level of the bank and the Getin Holding Capital Group. The amount of required Tier 1 ratios and CAR coefficient and the level of their implementation by the Getin Holding Capital Group are presented in the table below as at the end of the first half of 2019:

Ratio	Limit	Consolidated level Grupy Getin Holding	
		Realization	Difference
TIER 1	8,50%	3,73%	(4,77)p.p.
CAR	10,50%	4,09%	(6,41)p.p.

The Management Board of the Company notes that in relation to the risk associated with capital levels, its character remained unchanged compared to the end of 2018. Getin Holding does not have separate capital adequacy requirements and there is no obligation to report them to the Polish Financial Supervision Authority. Only Idea Bank S.A. (Poland), which is a credit institution within the meaning of the relevant provisions, is obliged to report capital ratios to the Polish Financial Supervision Authority, including at the level of the Getin Holding Group.

However, it should be emphasized that all other banks dependent on the Company meet the requirements of capital adequacy. Non-compliance with the capital requirement at the level of the Getin Holding Group is therefore solely a consequence of the equity position of Idea Bank S.A. (Poland). Corrective actions taken at Idea Bank S.A. are aimed at restoring capital adequacy ratios to a level compliant with the relevant legal provisions.

In connection with the above, these financial statements have been prepared on the assumption that Getin Holding and the Capital Group will continue as going concerns in the foreseeable future, i.e. at least one year from the balance sheet date.

2.4.2.2. Statement on the going concern of the subsidiary Idea Bank (Poland)

Idea Bank (Poland) reported a loss for the year ended 31.12.2018 both at the standalone and at the consolidated level in the amount of PLN 1,614,369 thousand and PLN 1,891,816 thousand respectively. Such a high financial loss was caused primarily by the additional provisions and write-offs for receivables and other assets of the bank, mainly including goodwill. In turn, the loss achieved in the first half of 2019 was made up of the loss realized in the first quarter in the amount of PLN 76,291 thousand at the standalone level and PLN 80,796 thousand at the consolidated level, reduced by the positive results of the second quarter of 2019 in the amount of PLN 41,046 thousand at the standalone level and PLN 952 thousand at the consolidated level.

As a result of the losses recorded at the end of 2018 and further reduction of capital resulting from the loss for the first half of 2019, Idea Bank (Poland)'s and the Idea Bank (Poland) Group's capital adequacy ratios dropped below the requirements set out in Art. 92 of the CRR Regulation, as shown in the table below:

The capital adequacy ratios of Idea Bank (Poland) and the Idea Bank (Poland) Group as at 30.06.2019.

Ratio	Limit	Consolidated level Idea Bank (Poland)		Consolidated level Grupy Idea Bank (Poland)	
		Realization	Difference	Realization	Difference
CET 1	10,00%	2,38%	(7,62)p.p.	1,06%	(8,94)p.p.
TIER 1	11,50%	2,38%	(9,12)p.p.	1,06%	(10,44)p.p.
TCR	13,50%	3,48%	(10,02)p.p.	2,11%	(11,39)p.p.

On 18.03.2019, the Management Board of Idea Bank (Poland) sent notifications to the Polish Financial Supervision Authority and the Bank Guarantee Fund, pursuant to art. 142 para. 1 point 1 of the Act of 29.08.1997 - Banking Law (Journal of Laws of 1997 No. 140 item 939, as amended) ("Banking Law"), on the occurrence of danger of violation of the total capital ratio referred to in Art. 92 of the CRR Regulation.

At the same time, the bank notified the Polish Financial Supervision Authority pursuant to Art. 157f. para. 3 of the Banking Law in conjunction with Art. 101 par. 3 point 1 of the Act of 10.06.2016 on the Bank Guarantee Fund, deposit guarantee system and forced restructuring (Journal of Laws of 2016, item 996, as amended) on fulfilment of the premise of bankruptcy risk arising from violation of legal provisions in the scope of capital standards and related to their formation below the requirements set out in Art. 92 CRR.

Subsequently, on 27.03.2019, the bank referred to the Polish Financial Supervision Authority and the Bank Guarantee Fund on the basis of Art. 142 para. 1 point 1 of the Banking Act, an occurrence of a violation of the total capital ratio referred to in Art. 92 of the CRR Regulation.

In connection with the above, pursuant to Art. 138 para. 3 of the Banking Law the Polish Financial Supervision Authority may, inter alia, based on Art. 138 para. 3 point 4 of the Banking Law, revoke the authorization to establish a bank. This in turn implies the possibility of applying Art. 101 of the Act on the Bank Guarantee Fund. Under this provision and in the assessment of the Polish Financial Supervision Authority that the bank is in danger of bankruptcy, the bank could be forced to restructure due to the possibility of revoking the permit.

The bank indicates that as at 30.06.2019, the sum of guaranteed funds held by depositors in accordance with Art. 24 of the Act of 10.06.2016 on the Bank Guarantee Fund, deposit guarantee system and forced restructuring (Journal of Laws of 2016, item 996, as amended) amounted to PLN 18,720 million.

I. Actions taken to meet the capital requirements of Idea Bank (Poland)

On 17.07.2018, Mr. Leszek Czarnecki, the shareholder in control of Idea Bank (Poland) and Getin Noble Bank S.A. ("GNB"), informed the bank that the ongoing consolidation of the Polish banking sector and the growing regulatory requirements prompted him to consider consolidation options including Getin Noble Bank S.A. and the bank, as well as other entities included in their capital groups. The bank immediately disclosed this information in the current report No. 83/2018.

On 13.12.2018, in Current Report No. 127/2018 the bank submitted to the public information about starting an investment process aimed at obtaining a financial investor who would recapitalize the bank or, alternatively, a bank created as the result of the considered merger of Idea Bank (Poland) with Getin Noble Bank S.A.

Then, on 17.01.2019, the Management Boards of Idea Bank (Poland) and Getin Noble Bank S.A. signed the merger plan, and on 18.01.2019 requested the Polish Financial Supervision Authority to issue a permit to merge GNB with the bank. On 31.05.2019, the bank received the Polish Financial Supervision Authority's decision to refuse to issue a permit to merge the bank with Getin Noble Bank S.A.

In view of the above, Idea Bank (Poland)'s activities have been focused on the process of corrective action and seeking an investor for the bank acting alone. Idea Bank (Poland) developed and presented to the Polish Financial Supervision Authority a plan of corrective actions based on a significant reduction in costs and a reduction in the scale of operations.

In the restructuring process, Idea Bank (Poland) is focusing on reducing financing costs, the bank's operating costs, including achieving savings in employment costs as well as reducing and stabilizing risk costs. The actions taken will be accompanied by a significant reduction in the balance sheet total, reconstruction of the business model and transformation of the sales network.

As a result, the bank intends to significantly improve its capital ratios and to permanently rebuild its profitability in the short term.

Under the conditions of restored profitability, Idea Bank (Polska) would continue the process of seeking an investor to increase capital of an estimated scale of PLN 500 million or to merge with another bank. This would restore capital ratios to the level required by the CRR and the requirements of the combined buffer.

Idea Bank (Poland), in its current report No. 45/2019 of 01.07.2019, announced the commencement of a limited due diligence process carried out with the participation of a private equity investor.

On 15.05.2019, the Polish Financial Supervision Authority appointed the Bank Guarantee Fund as a curator. In the justification of the decision, the PFSA indicated that the purpose of applying the above measure in the form of a curator is "to support the process of developing corrective actions and their implementation by the current Management Board, which may contribute to increasing confidence in the bank and its authorities." The choice of the Bank Guarantee Fund as the curator is dictated by the Fund's experience in restructuring activities and is intended to enable forceful and effective corrective action.

II. Actions taken to maintain liquidity of Idea Bank (Poland)

In November 2018, as described in detail in the Idea Bank (Poland) Group's consolidated financial statements for 2018, the Management Board of Idea Bank (Poland) had to face an unprecedented liquidity crisis which was initiated by the publication on the Commission's website on 13.11.2018 of the " Announcement concerning the inclusion of Idea Bank S.A. in the PFSA's Public Warnings List". In

the first half of 2019, the liquidity position of the bank and its group was stable, and as at 30.06.2019, liquidity standards remained above the required level (LCR was 158.42% and NSFR 147.63%).

III. Going concern statements of the Idea Bank S.A. Management Board

The Management Board of Idea Bank (Poland) in the presented disclosure identified and described in detail the risks related to factors that may affect the assumption regarding going concern. They refer to the failure to meet capital ratios, profitability and the possibility of starting a forced restructuring procedure. The bank's Management Board presented the activities undertaken to eliminate the identified threats. They are comprehensive and focus on developing a strategy that leads to the reconstruction of capital ratios and profitability. In order for the presented strategy to be positively implemented, the bank will need to acquire an investor and will also need the Polish Financial Supervision Authority's approval for the bank to function without meeting capital requirements until the new investor recapitalizes the bank. The bank's Management Board has a clear strategy and schedule to rebuild capital to levels that ensure that all capital requirements are met. The presented activities are carried out with the support of professional advisers.

The Management Board of Idea Bank (Poland), being aware of the material uncertainty presented above, believes that the actions taken by it in the field of, inter alia, restructuring, will allow undisturbed continuation of the Bank's operations.

The Management Board of the bank, being fully aware of the existing restrictions and conditionality of some of the adopted assumptions, believes that it can effectively eliminate the risks presented and by presenting these action plans can reasonably assume that no administrative measures will be taken against the bank to revoke permits for business activity, or forced restructuring in a form that makes it impossible to continue operations within the next 12 months from the balance sheet date.

Therefore, these consolidated financial statements have been prepared on the assumption that Idea Bank (Poland) will continue as going concern in the foreseeable future, i.e. at least one year from the balance sheet date.

2.4.3 Statements of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards approved by the EU ("IFRS-EU"), and to the extent not covered by the above standards, they have been prepared in accordance with the requirements of the Polish Accounting Act dated 29.09.1994 and subsequent amendments and executive regulations issued on its basis. At the date of approval of these financial statements for publication, taking into account the ongoing process of introducing IFRS into the EU and also the Group's activities, the IFRS accounting policies applied by the Group differ from IFRS-EU. The Company has not opted for early adoption of standards that have been published but not yet entered into force.

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

Some entities of the Group keep their accounting books in accordance with accounting policies (principles) specified in the Polish Accounting Act dated 29.09.1994 (“the Act”) as amended and with the regulations issued thereunder (“Polish Accounting Standards”). The foreign entities of the Group keep their accounting books in accordance with relevant domestic regulations. In the event of discrepancies between the principles applied by the aforementioned entities and the Group's policies, the Group makes appropriate adjustments in order to bring these entities' financial data into compliance with IFRS-EU and to include them in the Group's consolidated financial statements.

2.4.4 Accounting principles applied

During the 6 months ended 30.06.2019, the Group applied the same accounting principles as in the preparation of the consolidated financial statements for the year ended 31.12.2018, excluding the changes resulting from the implementation of the new IFRS 16 "Leases" standard from 01.01.2019.

IFRS 16 "Leases" introduces new lease accounting principles, primarily by eliminating the division into operational and financial leases which has been used so far. Under the new standard, for virtually every contract that meets the definition of a lease, except for contracts shorter than 12 months and relating to low value assets, the lessee will be required to recognize "the right to use assets" in the balance sheet and the obligation to pay the lease payments. In addition, the lessee will be required to recognize the cost of depreciation of the leased asset separately from the lease liability's interest expenses in the profit and loss account. As far as the lessor is concerned, the standard should not have a significant impact on the accounting treatment used to date, i.e. the lessor will continue to recognize two types of lease separately depending on the nature of the lease agreement.

The Group decided to apply the modified retrospective approach to its lease agreements. In connection with the above, the Group does not transform comparative data.

As of the date of the first application of the standard, a full analysis of contracts was carried out to assess whether the contract is a lease or includes leasing. The Group acts as a lessee mainly in lease contracts for real estate and car leasing.

The new regulations introduce uniform rules for the recording of leasing agreements for the lessee, taking into account exceptions included in the standard. This makes it necessary to recognize a 'right-of-use' asset and a lease liability. The Group recognizes a right-of-use asset on the date of initial application in an amount equal to the liability under the lease, adjusted by the amount of any prepayments or calculated lease payments relating to that lease, recognized in the statement of financial position immediately before the date of first application.

At the moment of the initial application of the new regulation, the Group measures the lease obligation as the present value of the remaining lease payments, discounted by applying the lessee's incremental borrowing rate on the date of initial application. To determine the present value of the lease payments for all leases, the Group applies the lessee's incremental borrowing rate.

The Group has used the simplified approach for short-term leasing and leasing of low-value assets. In this case, the regular lease payments are recognized in profit or loss.

The impact of the implementation of IFRS 16 on the financial statements as at 01.01.2019 is as follows.

Right-of-use assets	121 041
Lease liabilities	122 126
Receivables from financial leases	1 187
Lease payments paid in advance	(102)

2.4.5 New accounting standards in force and interpretations

Standards and interpretations applied for the first time in 2019:

- IFRS 16 "Leases" approved by the EU on 31.10.2017 (effective for annual periods beginning on or after 01.01.2019)

The detailed impact of the implementation of the standard is presented in note 2.4.4 of these financial statements.

- *Amendments to IFRS 9 "Financial Instruments"*- Prepayment features with negative compensation approved by the EU on 22.03.2018 (effective for annual periods beginning on or after 01.01.2019).

Amendments to IFRS 9 introduce provisions regarding contracts with a prepayment option in which the lender may be forced to accept a prepayment amount, which is significantly lower than the unpaid amounts of capital and interest. Such a prepayment amount could be a payment to the borrower from the lender, and not compensation from the borrower to the lender. Such a financial asset will be eligible for measurement at amortized cost or at fair value through other comprehensive income (depending on the business model of the company), although negative compensation must be reasonable compensation for early termination of the contract.

- *IFRIC 23 interpretation "Uncertainty over income tax treatments"* - approved by the EU on 23.10.2018 (effective for annual periods beginning on or after 01.01.2019).
- *Amendments to IAS 28 "Investments in associates and joint ventures"* - valuation of long-term investments approved by the EU on 08.02.2018 (effective for annual periods beginning on or after 01.01.2019)
- *Amendments to IAS 19 "Employee Benefits" – Plan amendment, Curtailment or Settlement* - approved by the EU on 13.03.2018 (effective for annual periods beginning on or after 01.01.2019)
- *Changes resulting from the review of IFRS 2015-2017 changes made under the procedure of introducing annual improvements to IFRS* (IFRS 3, IFRS 11, IAS 12 and IAS 23) approved by the EU on 14.03.2018 (effective for annual periods beginning on or after 01.01.2019)

Standards and interpretations adopted by the International Accounting Standards Board, but not yet approved for use in the EU

International Financial Reporting Standards (IFRS) in the form approved 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 the date of this report have not yet been adopted in the EU (the following dates of entry into force refer to the full version standards):

- *Amendments to various standards* - changes made under the procedure of introducing annual improvements to IFRS (IFRS 3, IFRS 10, IAS 1, IAS 8 and IAS 28) focused primarily on resolving inconsistencies and clarifying wording (effective for annual periods beginning on or after 01.01.2020),
- *Amendments to References to the Conceptual Framework in IFRS Standards* (effective for annual periods beginning on or after 01.01.2020),
- *IFRS 17 "Insurance contracts"* - introduces a number of changes in relation to the existing requirements of IFRS 4 (effective for annual periods beginning on or after 01.01.2021),
- *IFRS 14 "Regulatory deferral accounts"* (effective for annual periods beginning on or after 01.01.2016) - the European Commission has decided not to start the process of approving this temporary standard within the EU until the final version of the standard is issued.

The Group believes that the application of the above-mentioned standards, interpretations and amendments to standards would not have had a material impact on the Group's financial statements if they had been applied by the entity as at the balance sheet date.

2.4.6 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 undertaken by the Group, 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).

Discontinued Operations

As at 30.06.2019, in connection with the ongoing investor process regarding the sale of Tax Care S.A., the Group classified the company's assets and liabilities to the category of assets held for sale and liabilities directly related to assets classified as held for sale.

2.4.7 Translation of positions denominated in foreign currencies

As at the balance sheet date, monetary assets and liabilities denominated in currencies other than PLN are translated into PLN using the appropriate average exchange rate for the end of the reporting period, which is set for a given currency by the National Bank of Poland. Exchange differences resulting from the translation are recognized in financial income (expense) or, in cases specified in the accounting policies, are capitalized in the value of the assets. Non-monetary assets and liabilities recognized at historical cost expressed in a foreign currency are translated at the historical exchange rate of 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 measurement to fair value.

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

The following exchange rates were adopted for balance sheet valuation purposes:

	Statement of financial position		Income statement	
	30.06.2019	31.12.2018	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
USD	3,7336	3,7597	3,7936	3,5192
EUR	4,2520	4,3000	4,2880	4,2395
RUB	0,0592	0,0541	0,0585	0,0591
UAH	0,1427	0,1357	0,1413	0,1324
RON	0,8976	0,9229	0,9031	0,9104
BYN	1,8412	1,7615	1,8029	1,7684

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

- appropriate balance sheet items at the average exchange rate valid for the balance sheet date, which is set by the National Bank of Poland;
- profit and loss account items at the rate which represents the arithmetic mean of the average exchange rates on the last day of each reporting month, which are set by the National Bank of Poland. Foreign exchange differences arising from the translation are recognized directly in equity as a separate item (in the position "Foreign exchange differences").

2.4.8 Change in data presentation

Impact of error adjustments on comparative data

As described in detail in the Getin Holding Group's consolidated financial statements for 2018, the subsidiary Idea Bank (Poland) made corrections in 2018 to prior period errors. The financial data of the first half of 2018 was affected by the adjustment of the settlement of the effective interest rate (Adjustment 1).

In addition, in the fourth quarter of 2018, the Group adjusted the impact of the implementation of IFRS 9 "Financial Instruments" as at 01.01.2018, and it was necessary to transform the comparative data for the first half of 2018 presented in these condensed interim financial statements (Adjustment 2).

Changes in data presentation

Comparative data as at 30.06.2018 and for the 6 months ended 30.06.2018 presented in these financial statements have been restated to reflect the following presentational changes:

- in connection with the ongoing investor process regarding the sale of Tax Care S.A. the company's financial results were transferred to discontinued operations (Adjustment 1).
- A presentational adjustment was introduced which nets off the receivables and liabilities towards Bank Gospodarstwa Krajowego due to guarantees paid by BGK for impaired loans (Adjustment 2)

The impact of the above-described adjustments and changes in the presentation on the consolidated profit and loss account of the Getin Holding Group for the six months ended 30.06.2018 and the consolidated statement of financial position as at 30.06.2018 is presented below.

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CONSOLIDATED INCOME STATEMENT <i>Continuing operations</i>	01.01.2018 - 30.06.2018	Impact of opening balance adjustments on comparative data	Presentational adjustment	01.01.2018- 30.06.2018	
	Historical data ¹⁾	Adjustment no. 1	Adjustment No. 1	Total Adjustments	Transformed data ²⁾
Interest income	774 584	4 493	(7 605)	(3 112)	771 472
Interest expense	(317 226)	-	(273)	(273)	(317 499)
Net interest income	457 358	4 493	(7 878)	(3 385)	453 973
Fee and commission income	255 224	-	(37 466)	(37 466)	217 758
Fee and commission expense	(351 411)	-	19 230	19 230	(332 181)
Net fee and commission income	(96 187)	-	(18 236)	(18 236)	(114 423)
Other net operating income and expenses	(105 760)	-	3 427	3 427	(102 333)
Net operating income	255 411	4 493	(22 687)	(18 194)	237 217
Result on impairment losses on credits, loans and lease receivables	(199 707)	-	-	-	(199 707)
Administrative expenses	(411 893)	(1 043)	31 983	30 940	(380 953)
Operating profit	(356 189)	3 450	9 296	12 746	(343 443)
Share in net profit (loss) of associates	11 632	-	-	-	11 632
Profit / (loss) before income tax	(344 557)	3 450	9 296	12 746	(331 811)
Corporate income tax	11 588	-	(1 805)	(1 805)	9 783
Net profit /(loss)	(332 969)	3 450	7 491	10 941	(322 028)
Attributable to equity holders of the parent company	(161 388)	1 878	(4 078)	(2 200)	(163 588)
Attributable to non-controlling interest	(171 581)	1 572	(3 413)	(1 841)	(173 422)
Discontinued operations					
Profit / (loss) before income tax related to discontinued operations	-	-	(7 491)	(7 491)	(7 491)
Attributable to equity holders of the parent company	-	-	(4 078)	(4 078)	(4 078)
Attributable to non-controlling interest	-	-	(3 413)	(3 413)	(3 413)
Continuing and discontinued operations					
Profit / (loss) before income tax related to continuing and discontinued operations	(332 969)	3 450	-	-	(329 519)
Attributable to equity holders of the parent company	(161 388)	1 878	-	1 878	(159 510)
Attributable to non-controlling interest	(171 581)	1 572	-	1 572	(170 009)
Earnings per share *):					
- basic earnings per share for the fiscal year (in PLN)	-0,85				-0,84
- diluted earnings per share for the fiscal year (in PLN)	-0,85				-0,84

¹⁾ disclosed the condensed consolidated financial statement for the 6 month period ended 30.06.2018

²⁾ disclosed in these condensed consolidated financial statements

*) including the effect of merging Getin Holding S.A. shares at the end of 2018

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CONSOLIDATED BALANCE SHEET	30.06.2018	Impact of opening balance adjustments on comparative data			Presentational changes	30.06.2018	
	Historical data ¹⁾	Opening bal adjustment	Adjustment No 1	Adjustment No 2	Adjustment No 1	Total adjustments	Transformed data ²⁾
ASSETS							
Receivables from banks and other financial institutions	365 400			(324)		(324)	365 076
Receivables from customers	18 422 643	(47 320)	354	(4 465)	(118 288)	(169 719)	18 252 924
Receivables from financial lease	1 556 485	-	-	(1 289)	-	(1 289)	1 555 196
Deferred tax assets	533 463	-	-	334	-	334	533 797
Other assets	7 519 424	-	-	(22)	-	(22)	7 519 402
TOTAL ASSETS	28 397 415	(47 320)	354	(5 766)	(118 288)	(171 020)	28 226 395
LIABILITIES AND EQUITY							
Liabilities towards banks and financial institutions	991 507	-	-	-	(106 395)	(106 395)	885 112
Liabilities due to customers	21 550 587	12 046	(3 096)	-	-	8 950	21 559 537
Other liabilities	3 219 079	-	-	-	(11 893)	(11 893)	3 207 186
TOTAL LIABILITIES	25 761 173	12 046	(3 096)	-	(118 288)	(109 338)	25 651 835
Equity (attributable to equity holders of the parent company), including:	1 754 292	(32 336)	1 878	(5 766)	-	(36 224)	1 718 068
Non-controlling interest	881 950	(27 030)	1 572	-	-	(25 458)	856 492
Total equity	2 636 242	(59 366)	3 450	(5 766)	-	(61 682)	2 574 560
TOTAL EQUITY AND LIABILITIES	28 397 415	(47 320)	354	(5 766)	(118 288)	(171 020)	28 226 395

¹⁾ disclosed in the consolidated financial statement for the 6 month period ended 30.06.2018

²⁾ disclosed in these consolidated financial statements

2.5 Credit Risk

Credit risk is one of the key risks related to the business activities of the Group. Credit risk is the risk of incurring a financial loss as a result of a customer's failure to fulfil the obligations of the incurred liability in full or part within the agreed timeframe. Credit risk management is aimed at ensuring the safety of credit activities while maintaining a rational approach to risk.

The Capital Group manages risk based on supervisory requirements including market practices, both local and international. The risk management system is based on strategies, policies and other internal and external regulations. Risk management is carried out by specialized organizational units, and analyses are also conducted at the Group level.

The Groups exposure to credit risk

The tables below present the distribution of the Group's financial assets according to the credit exposure quality class as at 30.06.2019 and 31.12.2018

Loans and advances to customers measured at amortized cost	30.06.2019					31.12.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Exposures with low credit risk	1 072	-	-	-	1 072	424	7	-	-	431
Exposures subject to standard monitoring	14 653 422	744 957	49	-	15 398 428	14 901 400	1 055 473	381 577	-	16 338 450
Exposures subject to increased monitoring (i.e. Watchlist)	12 041	545 801	-	-	557 842	11 797	593 243	-	-	605 040
Impaired exposures	2 907	115	3 890 574	1 785	3 895 381	3 663	188	3 137 523	1 916	3 143 290
Gross carrying amount	14 669 442	1 290 873	3 890 623	1 785	19 852 723	14 917 284	1 648 911	3 519 100	1 916	20 087 211
Write-downs (-)	(205 706)	(152 532)	(2 489 607)	(1 514)	(2 849 359)	(228 487)	(164 716)	(2 196 754)	(1 600)	(2 591 557)
Net carrying amount	14 463 736	1 138 341	1 401 016	271	17 003 364	14 688 797	1 484 195	1 322 346	316	17 495 654

Receivables from banks and financial institutions	30.06.2019					31.12.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Exposures with low credit risk	160 121	-	-	-	160 121	142 043	-	-	-	142 043
Exposures subject to standard monitoring	264 640	-	-	-	264 640	196 750	-	-	-	196 750
Exposures subject to increased monitoring (i.e. Watchlist)	-	-	-	-	-	-	-	-	-	-
Impaired exposures	-	-	-	-	-	-	-	-	-	-
Gross carrying amount	424 761	-	-	-	424 761	338 793	-	-	-	338 793
Write-downs (-)	(140)	-	-	-	(140)	(1 376)	-	-	-	(1 376)
Net carrying amount	424 621	-	-	-	424 621	337 417	-	-	-	337 417

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Receivables from finance leases	30.06.2019					31.12.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Exposures w ith low credit risk	-	-	-	-	-	-	-	-	-	-
Exposures subject to standard monitoring	1 825 690	27 601	-	-	1 853 291	1 663 331	30 911	-	-	1 694 242
Exposures subject to increased monitoring (i.e. Watchlist)	1 948	53 252	-	-	55 200	1 105	42 203	115	-	43 423
Impaired exposures	-	-	105 724	-	105 724	-	-	92 446	-	92 446
Gross carrying amount	1 827 638	80 853	105 724	-	2 014 215	1 664 436	73 114	92 561	-	1 830 111
Write-downs (-)	(12 869)	(4 452)	(87 756)	-	(105 077)	(11 591)	(3 862)	(78 857)	-	(94 310)
Net carrying amount	1 814 769	76 401	17 968	-	1 909 138	1 652 845	69 252	13 704	-	1 735 801

Other receivables measured at amortized cost	30.06.2019					31.12.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Exposures w ith low credit risk	-	-	-	-	-	-	-	-	-	-
Exposures subject to standard monitoring	120 766	-	129 872	-	250 638	121 078	139 525	8 482	-	269 085
Exposures subject to increased monitoring (i.e. Watchlist)	-	13 355	-	-	13 355	-	13 239	-	-	13 239
Impaired exposures	-	-	-	-	-	-	-	-	-	-
Gross carrying amount	120 766	13 355	129 872	-	263 993	121 078	152 764	8 482	-	282 324
Write-downs (-)	(363)	(5 734)	(793)	-	(6 890)	(388)	(14 213)	(34)	-	(14 635)
Net carrying amount	120 403	7 621	129 079	-	257 103	120 690	138 551	8 448	-	267 689

Debt instruments measured at amortized cost	30.06.2019					31.12.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Exposures w ith low credit risk	43 523	-	-	-	43 523	22 249	-	-	-	22 249
Exposures subject to standard monitoring	70 512	-	-	-	70 512	99 184	-	-	-	99 184
Exposures subject to increased monitoring (i.e. Watchlist)	-	105 955	-	-	105 955	-	122 082	8 390	-	130 472
Impaired exposures	-	-	45 220	7 113	52 333	-	-	-	-	-
Gross carrying amount	114 035	105 955	45 220	7 113	272 323	121 433	122 082	8 390	-	251 905
Write-downs (-)	(684)	(33 189)	(120)	(5 566)	(39 559)	(1 398)	(22 658)	(7 653)	-	(31 709)
Net carrying amount	113 351	72 766	45 100	1 547	232 764	120 035	99 424	737	-	220 196

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Debt instruments measured at fair value through other comprehensive income	30.06.2019					31.12.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Exposures with low credit risk	3 546 600	-	-	-	3 546 600	2 015 290	-	-	-	2 015 290
Exposures subject to standard monitoring	-	-	-	-	-	-	-	-	-	-
Exposures subject to increased monitoring (i.e. Watchlist)	-	-	-	-	-	-	-	-	-	-
Impaired exposures	-	-	-	-	-	-	-	-	-	-
Carrying amount	3 546 600	-	-	-	3 546 600	2 015 290	-	-	-	2 015 290
Write-downs (-)	(1 183)	-	-	-	(1 183)	(813)	-	-	-	(813)

* an allowance for debt instruments measured at fair value through other comprehensive income is included in the item 'Revaluation reserve' and does not reduce the carrying amount of investment securities

The tables below present changes in the level of impairment allowances by class of financial assets:

Loans and advances to customers measured at amortized cost	01.01.2019-30.06.2019					01.01.2018 - 30.06.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowances at the beginning of the period	228 487	164 716	2 196 754	1 600	2 591 557	172 727	206 922	1 260 395	-	1 640 044
Creation/reversal of write-downs	19 919	1 097	140 639	-	161 655	36 471	32 191	72 043	835	141 540
Transfers	(41 014)	(13 593)	103 188	-	48 581	(18 647)	(53 786)	121 098	-	48 665
Change in impairment allowances recognized in P&L	(21 095)	(12 496)	243 827	-	210 236	17 824	(21 595)	193 141	835	190 205
Other changes in write-downs	(3 348)	(314)	37 525	(86)	33 777	(4 332)	(828)	30 172	-	25 012
Foreign exchange differences	1 662	626	11 501	-	13 789	6 314	1 315	27 687	-	35 316
Impairment allowances at the end of the period	205 706	152 532	2 489 607	1 514	2 849 359	192 533	185 814	1 511 395	835	1 890 577

Receivables from banks and financial institutions	01.01.2019-30.06.2019					01.01.2018 - 30.06.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowances at the beginning of the period	1 376	-	-	-	1 376	1 451	-	-	-	1 451
Creation/reversal of write-downs	(57)	-	-	-	(57)	16	-	-	-	16
Transfers	-	-	-	-	-	-	-	-	-	-
Change in impairment allowances recognized in P&L	(57)	-	-	-	(57)	16	-	-	-	16
Other changes in write-downs	(1 188)	-	-	-	(1 188)	(102)	-	-	-	(102)
Foreign exchange differences	9	-	-	-	9	1	-	-	-	1
Impairment allowances at the end of the period	140	-	-	-	140	1 366	-	-	-	1 366

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Receivables from finance leases	01.01.2019-30.06.2019					01.01.2018 - 30.06.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowances at the beginning of the period	11 591	3 862	78 857	-	94 310	9 930	2 525	124 761	-	137 216
Creation/reversal of write-downs	2 469	1 653	3 309	-	7 431	1 752	975	3 883	-	6 610
Transfers	(1 942)	(1 380)	5 078	-	1 756	(1 711)	(132)	2 362	-	519
Change in impairment allowances recognized in P&L	527	273	8 387	-	9 187	41	843	6 245	-	7 129
Other changes in write-downs	(51)	20	(6 450)	-	(6 481)	(4)	(1)	(10 408)	-	(10 413)
Foreign exchange differences	802	297	6 962	-	8 061	(13)	(8)	(949)	-	(970)
Impairment allowances at the end of the period	12 869	4 452	87 756	-	105 077	9 954	3 359	119 649	-	132 962

Other receivables measured at amortized cost	01.01.2019-30.06.2019					01.01.2018 - 30.06.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowances at the beginning of the period	388	14 213	34	-	14 635	649	1 038	426	-	2 113
Creation/reversal of write-downs	(24)	213	(216)	-	(27)	(282)	(149)	223	-	(208)
Transfers	-	-	-	-	-	-	-	-	-	-
Change in impairment allowances recognized in P&L	(24)	213	(216)	-	(27)	(282)	(149)	223	-	(208)
Other changes in write-downs	(1)	(8 692)	975	-	(7 718)	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	-	-	-	-	-
Impairment allowances at the end of the period	363	5 734	793	-	6 890	367	889	649	-	1 905

Debt instruments measured at amortized cost	01.01.2019-30.06.2019					01.01.2018 - 30.06.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowances at the beginning of the period	1 398	22 658	7 653	-	31 709	407	158	-	-	565
Creation/reversal of write-downs	643	1 588	120	4 209	6 560	2	-	7 664	-	7 666
Transfers	-	-	-	-	-	-	-	-	-	-
Change in impairment allowances recognized in P&L	643	1 588	120	4 209	6 560	2	-	7 664	-	7 666
Other changes in write-downs	(1 357)	8 943	(7 653)	1 357	1 290	-	-	(262)	-	(262)
Foreign exchange differences	-	-	-	-	-	-	-	-	-	-
Impairment allowances at the end of the period	684	33 189	120	5 566	39 559	409	158	7 402	-	7 969

Debt instruments measured at fair value through other comprehensive income	01.01.2019-30.06.2019					01.01.2018 - 30.06.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowances at the beginning of the period	813	-	-	-	813	1 466	-	-	-	1 466
Creation/reversal of write-downs	538	-	-	-	538	(384)	-	-	-	(384)
Transfers	-	-	-	-	-	-	-	-	-	-
Change in impairment allowances recognized in P&L	538	-	-	-	538	(384)	-	-	-	(384)
Other changes in write-downs	(168)	-	-	-	(168)	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-	-	-	-	-	-
Impairment allowances at the end of the period	1 183	-	-	-	1 183	1 082	-	-	-	1 082

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Provisions for off-balance sheet liabilities	01.01.2019-30.06.2019					01.01.2018 - 30.06.2018				
	Stage 1	Stage 2	Stage 3	POCI	Total	Stage 1	Stage 2	Stage 3	POCI	Total
Impairment allowances at the beginning of the period	6 261	1 779	1 760	-	9 800	14 371	4 850	1 960	-	21 181
Creation/reversal of write-downs	(1 767)	(264)	(87)	-	(2 118)	(1 079)	(1 585)	(1 139)	-	(3 803)
Transfers	(153)	(335)	221	-	(267)	(258)	(1 490)	834	-	(914)
Change in impairment allowances recognized in P&L	(1 920)	(599)	134	-	(2 385)	(1 337)	(3 075)	(305)	-	(4 717)
Other changes in write-downs	-	-	-	-	-	(1)	-	-	-	(1)
Foreign exchange differences	(3)	-	-	-	(3)	(4)	-	-	-	(4)
Impairment allowances at the end of the period	4 338	1 180	1 894	-	7 412	13 029	1 775	1 655	-	16 459

2.6 Capital ratios

A summary of the Getin Holding Capital Group's consolidated capital adequacy ratio is presented in the table below.

Getin Holding Group	30.06.2019 (unaudited data)	31.12.2018
Tier 1 (core funds)	588 953	559 415
Tier 2 (supplementary funds)	57 603	78 775
Risk weighted assets and off-balance-sheet liabilities	15 797 894	16 123 775
Capital Ratio (CAR)	4,09%	3,96%

The tables below present the calculation of capital adequacy ratios for the Group's banks, in accordance with their national standards.

Idea Bank (Poland) Group	30.06.2019 (unaudited data)	31.12.2018
Tier 1 (core funds)	127 104	168 171
Tier 2 (supplementary funds)	126 417	172 882
Risk weighted assets and off-balance-sheet liabilities	10 436 541	11 037 873
Capital Ratio (CAR)	2,11%	2,74%

Idea Bank (Poland)	30.06.2019 (unaudited data)	31.12.2018
Tier 1 (core funds)	272 193	332 356
Tier 2 (supplementary funds)	126 417	172 882
Risk weighted assets and off-balance-sheet liabilities	10 017 269	11 041 335
Capital Ratio (CAR)	3,48%	4,11%

Idea Bank (Ukraine)	30.06.2019 (unaudited data)	31.12.2018
Tier 1 (core funds)	67 054	41 119
Tier 2 (supplementary funds)	41 543	41 119
Risk weighted assets and off-balance-sheet liabilities	612 308	486 642
Capital Ratio (CAR)	17,72%	16,87%

Idea Bank (Belarus)	30.06.2019 (unaudited data)	31.12.2018
Tier 1 (core funds)	94 505	96 429
Tier 2 (supplementary funds)	23 486	34 714
Risk weighted assets and off-balance-sheet liabilities	535 550	498 259
Capital Ratio (CAR)	17,63%	20,93%

Idea Bank (Romania)	30.06.2019 (unaudited data)	31.12.2018
Tier 1 (core funds)	133 653	138 221
Tier 2 (supplementary funds)	52 447	35 466
Risk weighted assets and off-balance-sheet liabilities	1 039 763	983 145
Capital Ratio (CAR)	15,59%	15,37%

2.7 Fair value of financial assets and liabilities

The fair value is the price that would have been received from the sale of an asset or paid for the transfer of a liability in a transaction carried out on the usual conditions between market participants at the valuation 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 resulting from 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 that are not presented at fair value in the consolidated balance sheet, are as follows:

Cash and balances in the Central Bank

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

Receivables from banks

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

Loans and other receivables granted to customers

The fair value was calculated for loans with a fixed payment schedule. For contracts where there is no set payment schedule (e.g. overdrafts), it is assumed that their fair value is equal to the carrying amount. A similar assumption was made for realized payments and for contracts from the impaired group.

In order to calculate the fair value, the schedule of capital and interest flows is identified for each contract on the basis of the information stored in the transaction systems. The calculated cash flows are grouped by the type of interest, commencement date, type of product, and the currency of the contract. The determined cash flows are discounted using rates which take into account the current margins for each type of product. By comparing the book value to the amount discounted using the above mentioned cash flow rate assigned to a given contract, it is possible to determine the difference between the fair value and the carrying amount. The identification of the appropriate rate for discounting a given cash flow is carried out on the basis of the contract currency, the product, and the cash flow date.

Liabilities due to banks and financial institutions

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

Liabilities due to customers

The fair value was calculated for fixed-rate deposits with a fixed payment date. For current deposits it is assumed that their fair value is equal to the carrying amount.

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In order to calculate the fair value based on 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 cash flows are discounted using the interest rate created as a sum of the market rate from the yield curve for a given currency and the date of terminating the deposit, as well as the margin obtained from bank deposits placed 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 rate. The discounting period is determined as the difference between the date of terminating the deposit (with accuracy to the calendar month) and the date of the financial statements. The discounted value calculated in this way is compared to the carrying amount, with the result that we get the difference between the carrying amount and the fair value of the contract portfolio.

Liabilities from the issue of debt securities

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

30.06.2019 (unaudited data)			
	Book value	Fair value	Surplus / shortfall in the fair value over book value
Assets:			
Cash and amounts due from the Central Bank	801 155	801 155	-
Receivables from banks and financial institutions	424 621	424 621	-
Derivative hedging instruments	29 897	29 897	-
Derivatives measured at fair value through profit or loss	83 675	83 675	-
Equity financial assets measured at fair value through profit or loss	116 167	116 167	-
Receivables from clients	17 003 496	17 302 571	299 075
Finance lease receivables	1 909 138	1 946 749	37 611
Other receivables measured at amortized cost	257 103	257 103	-
Debt instruments measured at fair value through other comprehensive income	3 546 600	3 546 600	-
Equity instruments valued at fair value through other comprehensive income	128 571	128 571	-
Debt instruments measured at amortized cost	232 764	232 852	88
Liabilities:			
Liabilities to banks and other financial institutions	1 045 176	1 065 186	20 010
Derivative hedging instruments	1 764	1 764	-
Derivatives measured at fair value through profit or loss	1 064	1 064	-
Other financial liabilities measured at fair value through profit or loss	1 216 055	1 216 055	-
Liabilities due to customers	21 160 210	21 071 223	(88 987)
Liabilities arising from issued debt securities	717 751	718 218	467
Other liabilities measured at amortized cost	150 131	150 131	-

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	Book value	Fair value	Surplus / shortfall in the fair value over book value
31.12.2018			
Assets:			
Cash and receivables from the Central Bank	1 519 579	1 519 579	-
Receivables from banks and financial institutions	337 417	337 896	479
Derivative hedging instruments	10 289	10 289	-
Derivatives at fair value through profit or loss	68 222	68 222	-
Capital financial assets valued at fair value through profit or loss	116 173	116 173	-
Receivables from customers	17 495 856	17 616 673	120 817
Finance lease receivables	1 735 801	1 776 388	40 587
Other receivables measured at amortized cost	267 689	267 698	9
Debt instruments measured at fair value through other	2 015 290	2 015 290	-
Equity instruments valued at fair value through other comprehensive income	107 539	107 539	-
Debt instruments measured at amortized cost	220 196	220 693	497
Liabilities:			
Liabilities to the Central Bank	834 319	834 319	-
Liabilities to banks and other financial institutions	883 420	884 121	701
Derivative hedging instruments	22 247	22 247	-
Derivatives measured at fair value through profit or loss	217	217	-
Other financial liabilities measured at fair value through profit or loss	1 278 680	1 278 680	-
Liabilities to customers	19 781 444	19 641 375	(140 069)
Liabilities arising from issued debt securities	797 298	794 282	(3 016)
Other liabilities measured at amortized cost	48 800	48 800	-

The Group classifies individual components of financial assets and liabilities measured at fair value using the following hierarchy:

Level 1

Financial assets and liabilities valued on the basis of market quotations available on active markets.

As at 30.06.2019 the following instruments were presented at level 1 of the fair value hierarchy: financial assets measured at fair value through other comprehensive income - Treasury bonds and listed shares of Getin Noble Bank.

Level 2

Financial assets and liabilities whose fair value is determined using valuation models in cases where all significant input data is observable in the market, either directly (as prices) or indirectly (based on prices). The Group classifies financial instruments for which there is no active market into this category.

Nr	Description	Valuation model	Input data
1	NBP money 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, the following instruments have been included at level 2 of the fair value hierarchy: Romanian government bonds classified as financial instruments measured at fair value through other comprehensive income. The valuation of these bonds is based on published market values for similar instruments.

Level 3

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

Structured deposits are compound financial instruments that contain a debt instrument and an embedded derivative instrument. The debt instrument is the Group's obligation to return the nominal value of the deposit on the maturity date – zero-coupon instrument (term deposit) with a nominal value equal to the amount guaranteed by the bank. The embedded derivative is the option purchased by the Group's customer and issued by the Group's bank which gives the customer the right to receive an additional payment based on the changes in the value of the underlying instrument. The fair value of a compound debt instrument in the Bank is calculated on the basis of a valuation model that takes into account the following factors:

- the risk-free rate based on the market curve of forward interest rates on the money market (IRS/ FRA) with the period closest to the maturity date of the debt instrument being valued.
- the credit spread is determined as a weighted average of the difference between the risk free rate and the cost of deposits from retail customers of Idea Bank (Poland) with maturities of up to 6 months, acquired in the last 6 months (for the funds guaranteed by the Bank Guarantee Fund), and the current values of CDS quotations for the class compliant with the hypothetical rating of the Bank (for funds not subject to a BFG guarantee).
- the liquidity margin reflecting the cost of acquiring liquidity on the money market by the Group.

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

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Nr	Description	Model	Variation
1	Absolute Selection	Option Model	NXSRSF Index 4,50%
2	KIDS3	Option Model	Electronic Arts Inc 29,14%
			Microsoft Corp 15,05%
			Danone SA 0,00%
			Nestle SA 16,85%
			21st Century Fox Inc 34,14%
			The Walt Disney Co 26,83%
3	Momentum V	Option Model	NXS Momentum Fund Stars ER 3,50%
4	Momentum VI	Option Model	NXS Momentum Fund Stars ER 3,50%
5	Optimum Funds	Option Model	NXS Momentum Fund Stars ER 3,50%
6	Optimum Funds 140%	Option Model	NXS Momentum Fund Stars ER 3,50%
7	Best Funds	Option Model	Best Select Fund Index 4,00%
8	Elite Funds	Option Model	NXS Elite Funds Selection Index 3,50%
9	Elite Funds Go!	Option Model	NXS Elite Funds Selection Index 3,50%
10	Best of I	Option Model	Old Mutual Global Investors Series PLC 4,84%
			BlackRock Global Funds – Euro Corporate Bond Fund 1,92%
11	Prime Funds	Option Model	NXS Risk Parity Fund Allocator ER Index 3,07%
12	Perfekt I	Option Model	HP Inc 21,68%
			Illumina Inc 22,84%
			Intuitive Surgical Inc 26,96%
			NVIDIA Corp 31,48%
			Splunk Inc 33,50%
13	Perfekt II	Option Model	HP Inc 36,23%
			Illumina Inc 35,56%
			Intuitive Surgical Inc 33,20%
			NVIDIA Corp 51,44%
			Splunk Inc 42,20%
14	US Blue Chips II	Option Model	Boeing Co/The 27,05%
			Exxon Mobil Corp 18,34%
			Pfizer Inc 24,73%
			Microsoft Corp 25,42%
			Walt Disney Co/The 25,63%
15	US Blue Chips 12M	Option Model	Boeing Co/The 26,99%
			Exxon Mobil Corp 17,93%
			Pfizer Inc 25,07%
			Microsoft Corp 26,18%
			Walt Disney Co/The 28,12%
16	US Blue Chips 24M	Option Model	Boeing Co/The 27,48%
			Exxon Mobil Corp 19,75%
			Pfizer Inc 19,38%
			Microsoft Corp 22,65%
			Walt Disney Co/The 24,33%

In addition, the following financial assets have been included at level 3 of the fair value hierarchy:

- a package of 7.46% of the shares in TU Europa (assets classified as equity financial assets at fair value through profit or loss)
- an option to sell the package of shares in TU Europa (reported in derivative instruments measured at fair value through profit or loss)
- BIK S.A. shares measured at fair value based on a valuation method which is based on the discounted dividend method, and Noble Funds TFI shares for which a valuation that is the average two methods is used: the discounted cash flow method and the comparative method (assets recognized as investment equity securities are valued at fair value through other comprehensive income)

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- shares in Ukrainian companies not listed on an active market (assets recognized as investment equity securities are valued at fair value through other comprehensive income).

The balance sheet value of financial instruments measured at fair value as at 30.06.2019 and 31.12.2018, divided into the levels described above, is presented below:

30.06.2019 (unaudited data)				
	Level 1	Level 2	Level 3	Total
Assets:				
Derivative hedging instruments	-	29 897	-	29 897
Derivatives measured at fair value through profit or loss	-	34 828	48 847	83 675
Equity financial assets measured at fair value through profit or loss	-	287	115 880	116 167
Receivables from customers measured at fair value through profit or loss	-	-	132	132
Investment debt securities measured at fair value through other comprehensive income	3 379 263	167 337	-	3 546 600
Investment equity securities measured at fair value through other comprehensive income	37 391	-	91 180	128 571
Liabilities:				
Derivative hedging instruments	-	1 764	-	1 764
Derivatives measured at fair value through profit or loss	-	1 064	-	1 064
Other financial liabilities measured at fair value through profit or loss	-	-	1 216 055	1 216 055

31.12.2018				
	Level 1	Level 2	Level 3	Total
Assets:				
Derivative hedging instruments	-	10 289	-	10 289
Derivatives measured at fair value through profit or loss	-	22 438	45 784	68 222
Equity financial assets measured at fair value through profit or loss	-	293	115 880	116 173
Receivables from customers measured at fair value through profit or loss	-	-	202	202
Investment debt securities measured at fair value through other comprehensive income	1 841 044	174 246	-	2 015 290
Investment equity securities measured at fair value through other comprehensive income	24 705	-	82 834	107 539
Liabilities:				
Derivative hedging instruments	-	22 247	-	22 247
Financial liabilities measured at fair value through profit or loss	-	217	-	217
Other financial liabilities at fair value through profit or loss	-	-	1 278 680	1 278 680

2.8 Revenues and results for individual operating segments

Reporting by operating segments of the Capital Group has been prepared in accordance with IFRS 8.11 and IFRS 8.12 based on combining entities with similar: economic characteristics, offered products and services, service delivery processes, types or categories of customers, distribution methods, and the nature of the regulatory environment.

Management monitors the operating results of the segments separately in order to make decisions regarding resource allocation, to assess the effects of this allocation and the operating results. The basis for performance assessment is the profit or loss on operating activities.

The data presented in this note refers only to continuing operations.

The continuing operating activities of the Capital Group have been divided into six segments:

The Banking Services Segment in Poland includes services in the field of granting loans and advances, guarantees and sureties, acceptance of deposits, leasing, financial intermediation and factoring provided by the Idea Bank Group in Poland.

The Banking Services Segment in Ukraine includes services in the field of granting loans and advances, guarantees and sureties, acceptance of deposits by Idea Bank S.A. in Ukraine, and financial services provided by New Finance Services.

The Banking Services Segment in Belarus includes services in the field of granting loans and advances, guarantees and sureties, acceptance of deposits by Idea Bank S.A. in Belarus, and services provided by the company Idea Broker.

The Banking and Leasing Services Segment in Romania includes services in the field of granting loans and advances, guarantees and sureties, 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.

The Leasing and Financial Services Segment in Russia includes services provided by the Carcade Group in Russia in the field of temporary transfers of leased assets by one entity to another entity, in exchange for periodic payments.

The Financial Services Segment in Poland includes the provision of financial services in the medical sector and debt collection by MW Trade.

Segment income and expenses include the income and expenses from sales to external customers or from transactions with other segments in the Group. Income and expenditure can be assigned to a segment directly or on the basis of rational premises. When separating out inter-segment transactions, the accounting principles applicable for the preparation of the financial statements of the Group companies are applied: inter-segment eliminations come from the companies' financial statements, and the internal prices in inter-segment transactions do not differ materially from market prices.

The reporting and operating segments of the Group are presented taking into account the geographical distribution, i.e. specific activities have been assigned to countries.

The activities of the Group's companies in Poland do not show regional variation in terms of risk and level of return on capital expenditure.

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Consolidated profit and loss account for the 6 months of 2019, divided into segments (unaudited data)

	Banking services segment in Poland	Banking services segment in Ukraine	Banking services segment in Belarus	Banking and leasing services segment in Romania	Leasing and financial services segment in Russia	Financial services segment in Poland	Other segments and consolidation adjustments	Getin Holding Capital Group
Interest income	541 812	128 614	41 825	55 497	79 459	9 161	(8 862)	847 506
External	532 312	128 614	41 825	55 369	79 459	9 143	784	847 506
Internal	9 500	-	-	128	-	18	(9 646)	-
Interest expense	(277 719)	(33 739)	(21 018)	(20 452)	(46 806)	(5 402)	3 322	(401 814)
External	(277 711)	(33 038)	(21 018)	(15 101)	(46 806)	(2 479)	(5 661)	(401 814)
Internal	(8)	(701)	-	(5 351)	-	(2 923)	8 983	-
Net interest income	264 093	94 875	20 807	35 045	32 653	3 759	(5 540)	445 692
External	254 601	95 576	20 807	40 268	32 653	6 664	(4 877)	445 692
Internal	9 492	(701)	-	(5 223)	-	(2 905)	(663)	-
Fee and commission income	94 549	41 117	12 536	18 580	11 979	306	(653)	178 414
External	94 267	41 001	12 534	18 580	11 979	(2)	55	178 414
Internal	282	116	2	-	-	308	(708)	-
Fee and commission expense	(41 036)	(4 905)	(5 820)	(4 798)	-	(168)	248	(56 479)
External	(41 036)	(4 901)	(5 820)	(4 246)	-	(168)	(308)	(56 479)
Internal	-	(4)	-	(552)	-	-	556	-
Net fee and commission income	53 513	36 212	6 716	13 782	11 979	138	(405)	121 935
External	53 231	36 100	6 714	14 334	11 979	(170)	(253)	121 935
Internal	282	112	2	(552)	-	308	(152)	-
Other net operating income and expenses	(49 327)	3 408	16 419	14 308	22 912	93	10 407	18 220
External	(49 343)	3 408	16 419	14 317	22 912	93	10 414	18 220
Internal	16	-	-	(9)	-	-	(7)	-
Net operating income	268 279	134 495	43 942	63 135	67 544	3 990	4 462	585 847
External	258 489	135 084	43 940	68 919	67 544	6 587	5 284	585 847
Internal	9 790	(589)	2	(5 784)	-	(2 597)	(822)	-
Net income from revaluation write-downs due to impairment of financial assets and provisions for off-balance sheet liabilities	(164 005)	(41 241)	(2 100)	(8 712)	(7 794)	233	(433)	(224 052)
Administrative expenses	(210 016)	(38 820)	(30 354)	(46 363)	(46 721)	(2 302)	(1 779)	(376 355)
Internal	-	(2 054)	(1 289)	(1 964)	(1 619)	(124)	7 050	-
Operating profit	(105 742)	54 434	11 488	8 060	13 029	1 921	2 250	(14 560)
Share in profits (losses) of entities consolidated under the equity method	3 393	-	-	-	1 578	-	(1 578)	3 393
Profit / (loss) before income tax	(102 349)	54 434	11 488	8 060	14 607	1 921	672	(11 167)
Net profit / (loss) for the period from continuing operations	(78 422)	44 501	8 031	6 429	10 708	1 596	(13 256)	(20 413)

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Consolidated income statement for 6 months of 2018 per segments (unaudited, transformed data)

	Banking services segment in Poland	Banking and debt collection services segment in Ukraine	Banking services segment in Belarus	Banking and leasing services segment in Romania	Leasing and financial services segment in Russia	Financial services segment in Poland	Other segments and consolidation adjustments	Getin Holding Capital Group
Interest income	525 052	91 333	37 417	49 378	63 237	16 511	(11 456)	771 472
External	513 265	91 333	37 417	49 090	63 237	16 478	652	771 472
Internal	11 787	-	-	288	-	33	(12 108)	-
Interest expense	(221 896)	(25 258)	(15 900)	(16 677)	(34 834)	(9 770)	6 836	(317 499)
External	(221 853)	(23 801)	(15 233)	(11 329)	(34 726)	(4 862)	(5 695)	(317 499)
Internal	(43)	(1 457)	(667)	(5 348)	(108)	(4 908)	12 531	-
Net interest income	303 156	66 075	21 517	32 701	28 403	6 741	(4 620)	453 973
External	291 412	67 532	22 184	37 761	28 511	11 616	(5 043)	453 973
Internal	11 744	(1 457)	(667)	(5 060)	(108)	(4 875)	423	-
Fee and commission income	158 016	20 797	11 327	16 697	11 118	(264)	67	217 758
External	157 718	20 797	11 323	16 697	11 118	5	100	217 758
Internal	298	-	4	-	-	(269)	(33)	-
Fee and commission expense	(320 332)	(3 078)	(4 810)	(3 591)	-	(583)	213	(332 181)
External	(320 332)	(3 074)	(4 810)	(2 982)	-	(583)	(400)	(332 181)
Internal	-	(4)	-	(609)	-	-	613	-
Net fee and commission income	(162 316)	17 719	6 517	13 106	11 118	(847)	280	(114 423)
External	(162 614)	17 723	6 513	13 715	11 118	(578)	(300)	(114 423)
Internal	298	(4)	4	(609)	-	(269)	580	-
Other net operating expense and income	(160 324)	7 092	13 808	13 101	21 354	29	2 607	(102 333)
External	(160 345)	7 092	13 680	13 084	21 362	29	2 765	(102 333)
Internal	21	-	128	17	(8)	-	(158)	-
Net operating income	(19 484)	90 886	41 842	58 908	60 875	5 923	(1 733)	237 217
External	(31 547)	92 347	42 377	64 560	60 991	11 067	(2 578)	237 217
Internal	12 063	(1 461)	(535)	(5 652)	(116)	(5 144)	845	-
Net income from revaluation write-downs due to impairment of financial assets and provisions for off-balance sheet liabilities	(158 854)	(24 397)	(1 940)	(7 636)	(7 088)	202	6	(199 707)
Administrative expenses	(225 893)	(32 317)	(32 971)	(40 980)	(43 904)	(3 103)	(1 785)	(380 953)
Internal	-	(1 849)	(1 075)	(1 807)	(1 589)	(260)	6 580	-
Operating profit	(404 231)	34 172	6 931	10 292	9 883	3 022	(3 512)	(343 443)
Share in profits (losses) of equity method	11 632	-	-	-	1 209	-	(1 209)	11 632
Profit / (loss) before income tax	(392 599)	34 172	6 931	10 292	11 092	3 022	(4 721)	(331 811)
Net profit / (loss) for the period from continuing operations	(368 414)	27 882	4 071	8 201	8 507	2 464	(4 739)	(322 028)

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Segment assets as at 30.06.2019 (unaudited data)	Banking services segment in Poland	Banking services segment in Ukraine	Banking services segment in Belarus	Banking and leasing services segment in Romania	Leasing and financial services segment in Russia	Financial services segment in Poland	Other segments and consolidation adjustments	Getin Holding Capital Group
Segment assets	20 555 148	734 681	852 582	2 318 287	1 182 920	252 089	(147 683)	25 748 024

Segment assets as at 31.12.2018	Banking services segment in Poland	Banking and debt collection services segment in Ukraine	Banking services segment in Belarus	Banking and leasing services segment in Romania	Leasing and financial services segment in Russia	Financial services segment in Poland	Other segments and consolidation adjustments	Getin Holding Capital Group
Segment assets	20 471 580	594 830	789 815	2 285 793	1 014 100	289 514	(219 932)	25 225 700

2.9 Interest income and expenses

Interest income and similar to interest income	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
Income from financial instruments measured at amortized cost:	788 439	716 873
Revenue from loans and advances granted to customers	510 758	454 782
Interest on financial leases	254 727	229 766
Revenues from agreements with hospitals	7 899	14 940
Income from debt securities measured at amortized cost	4 551	909
Income from deposits in other banks	6 917	11 698
Revenues from contracts with local government units	1 238	1 994
Interest on the mandatory reserve	849	1 817
Other interest	1 500	967
Interest income on financial assets measured at fair value through profit and loss	23 497	29 207
Income similar to interest on financial assets measured at fair value through profit and loss	35 570	25 392
Total	847 506	771 472

Interest expense	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
Interest expenses from liabilities to customers	325 509	249 916
Interest expense on loans	45 141	26 589
Costs due to the issue of own debt securities	23 022	30 825
Interest expense on liabilities from the purchase of shares	768	2 358
Costs arising from other deposits on the money market	1 495	3 975
Other interest expenses	5 879	3 836
Total	401 814	317 499

2.10 Fee and commission income and expenses

Fee and commission income	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
From intermediation in the sales of loans and investment products	52 907	63 741
From granted loans and advances	26 013	49 985
From settlement and cash operations	13 429	11 303
From the servicing of bank accounts	23 532	21 015
From debit and credit cards	16 312	13 819
From financial leasing	3 600	2 856
From factoring	34 696	43 857
Other	7 925	11 182
Total	178 414	217 758

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Fee and commission expense	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
For brokerage, including:	26 940	300 521
- costs related to reimbursement of remuneration for the sale of insurance products	13 467	141 411
- costs related to reimbursement of remuneration for the sale of investment products	-2 580	126 535
Due to payment and credit cards	17 594	14 535
Due to settlement and cash operations	2 636	2 484
Due to loans and advances	164	499
Due to securities operations	354	1 278
Due to factoring	2 245	3 391
Other	6 546	9 473
Total	56 479	332 181

2.11 Other operating income and expenses

Other operating income	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
Proceeds from sales of post-lease equipment	20 566	18 805
Received penalties, damages and fines	11 780	12 663
Income from consulting services	8 410	7 889
Income from sales of products and services	6 575	3 970
Income from rent	4 839	2 540
Profit from sale of non-financial assets	574	266
Reversal of impairment losses on other assets	9 623	-
Revenues from leasing activities	4 745	4 609
Reversal of provisions	11 727	2 598
Release of the provision related to the sale of GetBack	-	23 205
Other income	8 749	5 015
Total	87 588	81 560

Other operating expenses	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
Costs from the sales of post-lease equipment	18 589	16 020
Debt collection and monitoring of loan receivables	8 243	7 613
Impairment of other assets	45 067	204 851
Provisions for future liabilities	1 445	19
Loss from the sale of non-financial fixed assets	473	2 201
Write-offs on bad debts	968	1 615
Costs of legal and administrative proceedings	314	14 586
Result on liquidation of fixed assets	9 581	-
Other expenses	5 945	5 804
Total	90 625	252 709

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2.12 Change in provisions for impaired receivables and off-balance sheet liabilities

(unaudited data)	Receivables from customers	Receivables from banks	Financial lease receivables	Other receivables measured at amortized cost	Provision for off-balance liabilities	Debt instruments measured at amortized cost	Debt instruments measured at fair value through other comprehensive income	Total
Value of write-downs/ provisions at the beginning of the period - 01.01.2019	2 591 557	1 376	94 310	14 635	9 800	31 709	813	2 744 200
Creation	450 573	23	32 452	266	6 524	6 560	538	496 936
Reversal	(240 337)	(80)	(23 265)	(293)	(8 909)	-	-	(272 884)
Change in write-downs/net provisions recognised in the P&L	210 236	(57)	9 187	(27)	(2 385)	6 560	538	224 052
Write-offs	(25 030)	-	(5 627)	-	-	-	-	(30 657)
Other increases	106 521	-	40	-	-	9 030	-	115 591
Other decreases	(47 714)	(1 188)	(894)	(7 718)	-	(7 740)	(168)	(65 422)
Foreign exchange differences	13 789	9	8 061	-	(3)	-	-	21 856
Net other increases/decreases	72 596	(1 179)	7 207	(7 718)	(3)	1 290	(168)	72 025
Value of write-downs/ provisions at the end of the period - 30.06.2019	2 849 359	140	105 077	6 890	7 412	39 559	1 183	3 009 620

(unaudited data)	Receivables from customers	Receivables from banks	Financial lease receivables	Other loans and receivables	Provision for off-balance liabilities	Debt instruments measured at amortized cost	Debt instruments measured at fair value through other comprehensive income	Total
Value of write-downs/ provisions at the beginning of the period - 01.01.2018	1 106 583	751	126 290	75	8 151	-	-	1 241 850
Adjustment for the initial implementation of IFRS 9	533 461	700	10 926	2 038	13 030	565	1 466	562 186
Value of write-downs/ provisions at the beginning of the period - 01.01.2018	1 640 044	1 451	137 216	2 113	21 181	565	1 466	1 804 036
Creation	429 851	138	23 041	267	12 467	7 666	434	473 864
Reversal	(239 646)	(122)	(15 912)	(475)	(17 184)	-	(818)	(274 157)
Change in write-downs/net provisions recognised in the P&L	190 205	16	7 129	(208)	(4 717)	7 666	(384)	199 707
Write-offs	(7 546)	-	(10 033)	-	-	-	-	(17 579)
Other increases	72 908	1	50	-	-	-	-	72 959
Other decreases	(40 350)	(103)	(430)	-	(1)	(262)	-	(41 146)
Foreign exchange differences	35 316	1	(970)	-	(4)	-	-	34 343
Net other increases/decreases	67 874	(101)	(1 350)	-	(5)	(262)	-	66 156
Value of write-downs/ provisions at the end of the period - 30.06.2018	1 890 577	1 366	132 962	1 905	16 459	7 969	1 082	2 052 320

2.13 Administrative expenses

Administrative costs	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
Payroll/employee benefits	183 146	172 881
Materials and energy consumption	7 388	8 413
Third party services, including:	89 210	101 711
- marketing, representation and advertising	16 072	13 177
- IT services	15 100	14 462
- rent and leases	24 902	39 938
- security and cash processing services	3 750	5 219
- maintenance and repairs	2 035	2 693
- telecommunication and postal services	6 494	7 022
- legal services	2 917	1 847
- advisory services	5 799	5 176
- insurance	1 230	1 348
- other	10 911	10 829
Other material costs	677	1 130
Taxes and charges	4 001	8 571
Tax on assets	632	32 671
Fees and contributions to the Bank Guarantee Fund and Polish Financial Supervision Authority	38 495	27 009
Depreciation	52 131	27 597
Other	675	970
Total	376 355	380 953

2.14 Income tax

Major components of tax expense	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
Consolidated income statement		
Current income tax	28 392	25 391
Current tax charge	15 974	29 348
Adjustments related to the tax from previous years	3 379	(5 335)
Other taxes	9 039	1 378
Deferred income tax	(19 146)	(35 174)
Due to timing differences	25 533	(46 002)
Due to the changes in the tax rates and new tax charges	99	132
The amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense	121	-
Tax loss from the current and previous years	(44 899)	10 696
Tax expense / (tax income) disclosed in the consolidated profit and loss statement	9 246	(9 783)
Consolidated equity		
Deferred income tax	3 384	(7 960)
Due to timing differences:	3 384	(7 960)
related to financial instruments	1 715	(7 570)
related to the effect of cash-flow hedge accounting	1 666	(272)
other	3	(118)
Tax expense / (tax income) disclosed in consolidated equity	3 384	(7 960)
Total basic components of tax expense / (tax income)	12 630	(17 743)

Reconciliation of the tax expense (tax income) disclosed in the consolidated income statement with the income tax calculated as the product of the gross financial result and the statutory tax rate of 19%:

	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited, transformed data)
Profit (loss) before tax	(11 167)	(331 811)
Tax at the rate applicable in Poland, amounting to 19%	(2 122)	(63 044)
Impact of different tax rates applicable in other countries	(22)	28 937
Tax effect of non-taxable revenues	(6 610)	(36 938)
Tax effect of costs that do not constitute tax deductible costs	16 491	54 165
Adjustments regarding current income tax from previous years	-	30
Tax losses not included	31	5 822
Other items affecting the amount of tax expense	1 478	1 245
Tax expense / (tax income) recognized in the consolidated profit and loss account	9 246	(9 783)

	30.06.2019 (unaudited data)	31.12.2018
Assets due to deferred income tax	70 800	79 918
Deferred income tax	26 284	47 200

2.15 Receivables from customers

Receivables from customers	30.06.2019 (unaudited data)	31.12.2018
Loans and advances to customers measured at amortized cost including:	19 852 723	20 087 211
Loans and advances	10 106 724	10 239 568
Factoring receivables	601 172	630 789
Purchased receivables	8 931 678	9 008 831
Debit and credit card receivables	212 652	207 546
Realized guarantees and sureties	497	477
Financial assets measured at fair value through profit or loss	132	202
Total	19 852 855	20 087 413
Provision for impairment (-)	(2 849 359)	(2 591 557)
Net total	17 003 496	17 495 856

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Receivables from customers 30.06.2019 (unaudited data)	Gross value Stage 1	Gross value Stage 2	Gross value Stage 3	Purchased or originated credit- impaired (POCI) assets	Write-down for loans and advances in Stage 1	Write-down for loans and advances in Stage 2	Write-down for loans and advances in Stage 3	Impairment losses on POCI assets	Total net value
- investment loans	1 942 193	374 580	1 143 121	582	(29 037)	(20 627)	(516 306)	(494)	2 894 012
- operational loans	2 318 523	485 524	1 986 256	1 203	(125 089)	(105 034)	(1 489 988)	(1 020)	3 070 375
- car loans	56 676	16 622	101 973	-	(442)	(1 372)	(84 023)	-	89 434
- mortgages	1 905	202	1 232	-	(58)	(2)	(3)	-	3 276
- consumer loans	1 527 962	57 412	303 907	-	(48 022)	(19 070)	(252 535)	-	1 569 654
- factoring receivables	20 274	230 841	350 057	-	(894)	(6 239)	(143 734)	-	450 305
- purchased receivables	8 801 909	125 692	4 077	-	(2 164)	(188)	(3 018)	-	8 926 308
Total	14 669 442	1 290 873	3 890 623	1 785	(205 706)	(152 532)	(2 489 607)	(1 514)	17 003 364

Receivables from customers 31.12.2018	Gross value Stage 1	Gross value Stage 2	Gross value Stage 3	Purchased or originated credit- impaired (POCI) assets	Write-down for loans and advances in Stage 1	Write-down for loans and advances in Stage 2	Write-down for loans and advances in Stage 3	Impairment losses on POCI assets	Total net value
- investment loans	2 234 163	414 802	1 098 077	604	(37 687)	(21 680)	(452 023)	(141)	3 236 115
- operational loans	2 447 347	555 581	1 768 802	1 312	(142 076)	(114 975)	(1 278 153)	(1 459)	3 236 379
- car loans	82 417	22 760	99 361	-	(752)	(2 009)	(80 073)	-	121 704
- mortgages	1 776	399	1 271	-	(62)	-	(14)	-	3 370
- consumer loans	1 367 952	46 438	304 529	-	(39 521)	(14 539)	(256 196)	-	1 408 663
- factoring receivables	27 711	359 391	243 687	-	(1 357)	(11 197)	(127 551)	-	490 684
- purchased receivables	8 755 918	249 540	3 373	-	(7 032)	(316)	(2 744)	-	8 998 739
Total	14 917 284	1 648 911	3 519 100	1 916	(228 487)	(164 716)	(2 196 754)	(1 600)	17 495 654

2.16 Receivables from finance leases

Finance lease receivables as at 30.06.2019 (unaudited data)	Gross investment in finance leases	Current value of minimum lease payments
Up to 1 year	925 456	812 149
From 1 to 5 years	1 276 428	1 188 271
Over 5 years	13 798	13 795
Total	2 215 682	2 014 215
Unearned financial revenue	(201 467)	-
Net investment in finance leases	2 014 215	2 014 215
Current value of minimum lease payments	2 014 215	2 014 215
Provision for impairment (-)	(105 077)	-
Carrying amount	1 909 138	-

Finance lease receivables as at 31.12.2018	Gross investment in finance leases	Current value of minimum lease payments
Up to 1 year	799 183	696 412
From 1 to 5 years	1 210 032	1 127 155
Over 5 years	6 551	6 544
Total	2 015 766	1 830 111
Unearned financial revenue	(185 655)	-
Net investment in finance leases	1 830 111	1 830 111
Current value of minimum lease payments	1 830 111	1 830 111
Provision for impairment (-)	(94 310)	-
Carrying amount	1 735 801	-

2.17 Other receivables measured at amortized cost

Other receivables measured at amortised cost (in thousands PLN)	30.06.2019 (unaudited data)	31.12.2018
Receivables due to agreements with hospitals	181 197	199 497
Receivables from loans granted to health organizations	20 664	27 153
Receivables arising from agreements with local government units	42 102	42 401
Other loans	20 030	13 273
Gross total of other loans and receivables	263 993	282 324
Impairment of other loans and receivables (-)	(6 890)	(14 635)
Net total of other loans and receivables	257 103	267 689

2.18 Investment securities

Investment securities	30.06.2019 (unaudited data)	31.12.2018
Debt securities measured at fair value through OCI	3 546 600	2 015 290
- issued by central banks	2 189 233	949 881
- issued by the State Treasury	1 357 367	1 065 409
Equity securities measured at fair value through OCI	128 571	107 539
- issued by other banks	37 391	24 705
- issued by other financial entities	91 180	82 834
Debt securities measured at amortized cost	272 323	251 905
- issued by central banks	41 864	20 402
- issued by other banks	-	717
- issued by other financial entities	188 652	188 295
- issued by non-financial entities	15 112	15 602
- issued by the State Treasury	26 695	26 889
Gross total of investment securities	3 947 494	2 374 734
Impairment of debt securities measured at amortized cost (-)	(39 559)	(31 709)
Net total of investment securities	3 907 935	2 343 025

2.19 Investments in associates

Changes in investments in associates	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited data)
Balance at the beginning of the period	298 575	396 554
Adjustment concerning the initial application of IFRS 9	-	(68 754)
Balance at the beginning of the period after adjustment	298 575	327 800
Acquisition of entity	-	4 788
Share in profits (losses)	1 396	23 226
Dividends	(71 499)	-
Impairment	(513)	(11 108)
Classified as held for sale	(1)	-
Balance at the end of the period	227 958	344 706

On 26.04.2019, Idea Money S.A. sold all of its shares in the associate company MuSE Finance Ltd.

as at 30.06.2019 (unaudited data)

Name of entity	Share in net assets after acquisition	Date of acquisition	Acquisition price	Including paid for in cash	Revaluation write-off	Carrying amount
Idea Getin Leasing S.A.	27,21%	28.09.2017	4 859	4 859	-	221 793
Idea Box ASI S.A.	22,71%	23.11.2015	6 084	6 084	(513)	2 871
Idea 24/7	27,21%	03.04.2017	4 281	4 281	(4 281)	-
Open Finance S.A.	9,64%	31.12.2015	93 962	93 962	(90 668)	3 294

as at 31.12.2018

Name of entity	Share in net assets after acquisition	Date of acquisition	Acquisition price	Including paid for in cash	Revaluation write-off	Carrying amount
Idea Getin Leasing S.A.	27,21%	28.09.2017	4 859	4 859	-	289 545
Idea Box S.A.	22,71%	23.11.2015	6 084	6 084	-	5 736
Idea 24/7	27,21%	03.04.2017	4 281	4 281	(4 281)	-
Open Finance S.A.	9,64%	31.12.2015	93 962	93 962	(90 668)	3 294
Muse Finance	25,85%	17.05.2018	4 590	4 590	(4 590)	-

2.20 Liabilities due to customers

Liabilities due to customers	30.06.2019 (unaudited data)	31.12.2018
Liabilities due to corporate entities	2 019 421	2 089 029
Funds on current accounts and overnight deposits	1 335 907	1 375 515
Term deposits	682 696	712 477
Other	818	1 037
Liabilities due to state budget entities	850	11 367
Funds on current accounts and overnight deposits	850	8 494
Term deposits	0	2 873
Liabilities due to individuals	19 139 939	17 681 048
Funds on current accounts and overnight deposits	1 279 752	949 272
Term deposits	17 853 003	16 724 765
Other	7 184	7 011
Total liabilities due to customers	21 160 210	19 781 444

Liabilities due to customers by maturity based on the remaining period from the balance sheet date to the date of repayment	30.06.2019 (unaudited data)	31.12.2018
Funds on current accounts and overnight deposits	2 616 509	2 332 685
Term liabilities by maturity:	18 535 696	17 440 710
up to 1 month	6 218 206	4 095 740
from 1 to 3 months	8 164 877	9 547 213
from 3 to 6 months	1 692 738	1 841 110
from 6 months to 1 year	1 672 278	1 285 985
from 1 to 5 years	714 762	602 512
over 5 years	72 835	68 150
Other	8 005	8 049
Total	21 160 210	19 781 444

2.21 Liabilities arising from the issue of debt securities

Liabilities from the issue of debt securities	30.06.2019 (unaudited data)	31.12.2018
Liabilities from the issue of	711 811	790 750
bonds	711 706	790 512
certificates	105	238
Interest	5 940	6 548
Total	717 751	797 298

Liabilities from the issue of debt securities by maturity date	30.06.2019 (unaudited data)	31.12.2018
Liabilities from the issue of debt securities, with a repayment period:	717 751	797 298
up to 1 month	83 373	45 100
from 1 to 3 months	45 754	21 109
from 3 months to 1 year	161 789	246 926
from 1 to 5 years	363 913	441 810
more than 5 years	62 922	42 353
Total	717 751	797 298

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List of bonds issued in the first half of 2019 by the Group companies:

Issuer	Bond series	Number of bonds in pcs.	Nominal value of 1 bond in thous.PLN	Nominal value of securities in thous. PLN	Issue date	Redemption date
Getin Holding	A10	3 580	1	3 580	19.02.2019	19.02.2020
Getin Holding	A11	461	1	461	19.02.2019	19.05.2020
Idea Bank Rumunia	E	1 400	4	5 985	15.01.2019	15.07.2019
Total				10 026		

List of bonds redeemed in the first half of 2019 by the Group companies:

Issuer	Bond series	Number of bonds in pcs.	Nominal value of 1 bond in thous.PLN	Nominal value of securities in thous. PLN	Issue date	Redemption/r epayment date
Getin Holding	A6	15 000	1	15 000	27.04.2018	27.04.2019
Getin Holding	A7	15 902	1	15 902	02.05.2018	02.05.2019
Carcade	BO-02	<i>repayment of part of the nominal value</i>		678	25.04.2016	21.01.2019
Carcade	BO-02	<i>repayment of part of the nominal value</i>		710	25.04.2016	22.04.2019
Carcade	BO-03	<i>repayment of part of the nominal value</i>		12 295	14.06.2017	13.03.2019
Carcade	BO-03	<i>repayment of part of the nominal value</i>		12 284	14.06.2017	12.06.2019
MW Trade	A2016	10 000	1	10 000	26.01.2016	28.01.2019
MW Trade	B2016	10 000	1	10 000	25.02.2016	25.02.2019
MW Trade	EMWT26041901	10	10	100	27.04.2018	26.04.2019
Idea Bank Romania	D	27 000	1	26 319	27.01.2017	27.01.2019
Total				103 288		

List of bonds issued in the first half of 2018 by the Group companies:

Issuer	Bond series	Number of bonds in pcs.	Nominal value of 1 bond in thous.PLN	Nominal value of securities in thous. PLN	Issue date	Redemption/r epayment date
Getin Holding	A6	15 000	1	15 000	27.04.2018	27.04.2019
Getin Holding	A7	15 902	1	15 902	02.05.2018	02.05.2019
Getin Holding	A8	1 064	1	1 064	17.05.2018	17.08.2019
Getin Holding	A9	18 000	1	18 000	29.05.2018	29.08.2019
MW Trade	B2018	20 000	1	20 000	17.04.2018	17.04.2020
MW Trade	EMWT26041901	10	10	100	27.04.2018	26.04.2019
Total				70 066		

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List of bonds redeemed in the first half of 2018 by the Group companies:

Issuer	Bond series	Number of bonds in pcs.	Nominal value of 1 bond in thous.PLN	Nominal value of securities in thous. PLN	Issue date	Redemption/r payment date
Getin Holding	A4	50 000		50 000	17.05.2017	17.05.2018
Carcade	BO-02	<i>repayment of part of the nominal value</i>		8 306	25.04.2016	22.01.2018
Carcade	BO-02	<i>repayment of part of the nominal value</i>		8 310	25.04.2016	23.04.2018
Carcade	BO-02	1 538 334	0,02	30 866	25.04.2016	26.04.2018
Carcade	BO-03	<i>repayment of part of the nominal value</i>		12 391	14.06.2017	14.03.2018
Carcade	BO-03	<i>repayment of part of the nominal value</i>		12 388	14.06.2017	13.06.2018
MW Trade	BMWT19011801	85	10	850	21.07.2016	19.01.2018
MW Trade	BMWT26021801	26	10	260	26.08.2016	26.02.2018
MW Trade	C2016	30 000	1	10 000	17.03.2016	17.03.2018
MW Trade	BMWT21031801	290	10	2 900	21.09.2016	21.03.2018
MW Trade	BMWT27031801	106	10	1 060	27.09.2016	27.03.2018
MW Trade	BMWT18041801	10	10	100	18.10.2016	18.04.2018
MW Trade	BMWT23051801	160	10	1 600	23.11.2016	23.05.2018
MW Trade	CMWT23051801	270	10	2 700	23.05.2017	23.05.2018
MW Trade	CMWT23051802	198	10	1 980	23.05.2017	23.05.2018
MW Trade	D2016	30 300	1	30 300	10.06.2016	10.06.2018
MW Trade	CMWT20061801	240	10	2 400	20.06.2017	20.06.2018
MW Trade	MWT062018	23 000	1	23 000	26.06.2015	26.06.2018
Total				199 411		

2.22 Other provisions

	30.06.2019 (unaudited data)	31.12.2018
Other provisions, including:	40 349	32 634
Restructuring provision	20 108	-
Provisions for claims / litigation	11 840	19 076
Provisions for off-balance sheet liabilities	7 412	9 800
Other provisions	989	3 758

2.23 Impairment allowances for assets

	30.06.2019 (unaudited data)	31.12.2018	Change
Property, plant and equipment	15 098	572	14 526
Investment property	4 496	4 496	-
Intangible assets	590 742	590 742	-
Receivables from customers	2 849 359	2 591 557	257 802
Receivables from banks and other financial institutions	140	1 376	(1 236)
Receivables from financial leases	105 077	94 310	10 767
Other receivables measured at amortized cost	6 890	14 635	(7 745)
Debt instruments measured at amortized cost	39 559	31 709	7 850
Investments in associates	95 462	99 539	(4 077)
Non-current assets held for sale	4 111	4 200	(89)
Other assets	59 629	69 930	(10 301)
Total impairment allowances for assets	3 770 563	3 503 066	267 497

2.24 Contingent liabilities

Off-balance sheet items	30.06.2019 (unaudited data)	31.12.2018
1. Granted contingent liabilities	838 277	826 252
financial	829 868	813 559
guarantee	8 409	12 693
2. Liabilities related to the realisation of buy/sell transactions	115 880	115 880
3. Other off-balance sheet items	978 699	1 051 514
Total off-balance sheet items	1 932 856	1 993 646

2.25 Components of other comprehensive income

Other comprehensive income	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited data)
Exchange differences on the translation of foreign entities	21 189	20 097
Profits and losses on investments in debt instruments measured at fair value through other comprehensive income	(439)	(5 909)
Profit and losses on investments in equity instruments at fair value through other comprehensive income	19 263	(28 684)
Change in fair value resulting from the change in the credit risk of a financial liability designated measured at fair value through the profit and loss account	(70)	(891)
The effect of cash flow hedge accounting	7 577	(1 159)
Other	-	(768)
Total other comprehensive income	47 520	(17 314)

Income tax relating to components of other comprehensive income	01.01.2019 - 30.06.2019 (unaudited data)	01.01.2018 - 30.06.2018 (unaudited data)
Exchange differences on the translation of foreign entities - non-taxable amount	21 189	20 097
<i>Amount before income tax</i>	21 189	20 097
Income tax amount	-	-
Profits and losses on investments in debt instruments measured at fair value through other comprehensive income	(439)	(5 909)
<i>Amount before income tax</i>	(583)	(6 540)
Income tax amount	144	631
Profit and losses on investments in equity instruments measured at fair value through other comprehensive income	19 263	(28 684)
<i>Amount before income tax</i>	21 030	(35 414)
Income tax amount	(1 767)	6 730
Change in fair value resulting from the change in the credit risk of a financial liability measured at fair value through the profit and loss account	(70)	(891)
<i>Amount before income tax</i>	25	(1 100)
Income tax amount	(95)	209
The effect of cash flow hedge accounting	7 577	(1 159)
<i>Amount before income tax</i>	9 243	(1 431)
Income tax amount	(1 666)	272
Other	-	(768)
<i>Amount before income tax</i>	-	(886)
Income tax amount	-	118
Income tax relating to components of other comprehensive income	(3 384)	7 960

2.26 Dividends paid and proposed for payment

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

2.27 Seasonality or cyclicity of operations

In the Group's operations there are no significant events subject to seasonal or cyclical fluctuations, therefore the presented results of the Group do not show significant fluctuations during the year.

2.28 Transactions with related parties

The entire Getin Holding Group is controlled by Dr. Leszek Czarnecki, Ph.D.

The consolidated financial statements as at 30.06.2019 include the financial statements of Getin Holding S.A. and the financial statements of the subsidiaries listed in note 2.2.

The following related entities are not subject to full consolidation:

Associates:

- Idea Box ASI S.A.
- Open Finance S.A.
- Idea Getin Leasing S.A
- Idea 24/7 Inc.
- MuSE Finance Ltd (until 26.04.2019r.)

Entities related to Getin Holding S.A. via the parent entity - Dr. Leszek Czarnecki and via associates:

- LC Corp B.V.
- Fundacja Jolanty i Leszka Czarneckich
- Fundacja Noble - Noble Foundation
- DocFLOW S.A.
- LR BULLION sp. z o.o.
- Noble Finance S.A.
- BIK S.A.
- RB Investcom sp. z o.o.
- RB Computer sp. z o.o.
- RB Consulting sp. z o.o.
- NF Ubezpieczenia sp. z o.o.
- SKY DRESS sp. z o.o w likw.
- Getin Noble Bank S.A.
- Noble Securities S.A.
- Nobel Funds TFI S.A.
- Noble Concierge sp. z o.o.
- Sax Development sp. z o.o.
- PROEKSPERT sp. z o.o.
- Prefstal sp. z o.o.
- Agencja Rozwoju Lokalnego S.A.
- Konwin Kruszwica sp. z o.o. w upadłości
- Debtor NSFIZ
- Property FIZAN
- Ettrik Investments sp z o.o.
- Projekt Mielno sp z o.o.

- Nieruchomościowa Grupa Inwestycyjna sp. z o.o.
- Suburban Investments Group sp. z o.o.
- Środkowoeuropejska Grupa Inwestycyjna sp. z o.o.
- Projekt Kolonia Brzeziny Wielkie sp. z o.o.
- Lakeford Investments sp. z o.o.
- Redmile Investments sp. z o.o.
- Projekt Janki sp. z o.o.
- Open Finance Wierzytelności Detalicznych NSFIZ
- Open Finance FIO Akcji Małych i Średnich Spółek
- TU Europa S.A.
- TU na Życie Europa S.A.
- PSA TU Europa UA Życie - Ukraine
- PSA TU Europa UA - Ukraine
- Open Life TU Życie S.A.
- Open Life Serwis sp. z o.o.
- Open Brokers S.A.
- Home Broker S.A.
- Getin Leasing S.A. S.K.A.
- EXPERT UBEZPIECZENIA sp. z o.o.
- EXPERT UBEZPIECZENIA 1 sp. z o.o.
- GETIN Fleet S.A.
- Idea Getin Leasing S.A. 2 S.K.A.
- Idea GETIN Leasing Spółka Akcyjna Automotive S.K.A.
- Expert Finance Service sp. z o.o.
- GETIN Leasing 2 sp. z o.o.
- Getin Leasing 2 sp. z o.o. sp. k.
- GETIN Rent sp. z o.o.
- GETIN Leasing 4 sp. z o.o.
- Centrum Asysty Szkodowej sp. z o.o.
- Multifinance Expert sp. z o.o.
- Europejski Dom Brokerski sp. z o.o.
- IL Intermediary sp. z o.o.
- Abiline Polska sp. z o.o. sp. k.
- Akademia Psyche sp. z o. o. sp. k.
- Aktywny Świat Dawid Sikora sp.k.
- Artmare sp. z.o.o. sp. k
- Baking & Gastro Solutions Paulina Urbańczyk sp.k.
- C.A.D. Catchers sp. z o.o.
- CSR Centrostal sp. z o.o.
- Design Medica sp. zo.o.
- 13Devils Company Mateusz Mikulski sp.k.
- DNS II Marcin Malinowski sp.k.
- ECE-MED SERWIS sp. z o.o.
- ECO-CORN Trade sp.z o.o.
- Esan Chemical sp. z o.o.
- D.J.W. Everlasting Flowers Damian Wolski sp.k.
- Fabryka Pierogów Bakalarz sp. k.

- Fix&Go Stasica Tomasz sp.k.
- Folkownia Artur Borowicz sp.k.
- Food Farm Sebastian Moraś sp. k.
- Form2Form Z. Szmitkowski sp. k.
- GABINET WETERYNARYJNY "CHART" JOANNA WOZNA sp. k.
- GLOBAL RACKS PROJECT TRACKING sp. z o.o. sp. k.
- GMV Technika Adam Kowalski sp. k.
- Green Tec Solutions sp. z o.o.
- Hulaj Duszo Wyroby Sarmackie Remigiusz Pawłowski sp.k.
- Imbryk-Eko Stanisław Fik sp.k.
- IMFOODEX sp. z o.o.
- JMJ Koma Recykling sp. z.o.o. sp.k.
- Kansai Electric Hikaru Oki sp. k.
- Karmelkowo Daniel Kiska sp.k.
- Kawiarnie P.Czempińska sp.k.
- Komendowska sp. k.
- Liccu sp. z o.o.
- M3B sp. z o.o. sp. k.
- Marek Kocik sp.k.
- MDK Medical sp. z o.o.
- MediaGet Joachim Humel sp. k.
- Metrica Artur Kopa sp. k.
- MWP-PROD sp. z o.o.
- Piwoczas sp. z o.o.
- PRO-EKO JANUSZ ROSTKOWSKI sp. K.
- Polsakiewicz sp. k.
- Scuba World P. Noszczyński sp. k.
- She Cosmetic Lab sp. z o.o.
- Si Bella Alicja Korcz sp. k.
- Simple Coworking Chrzanowska Monika sp.k.
- Silexis Krzysztof Wolny sp.k.
- SmartSpace Paweł Radzinski sp.k.
- Soldier Equipment Karolina Stubińska sp.k.
- SULLIVAN Andrzej Zachodny sp.k.
- Superiore sp. z o.o.
- Tax Team IB sp. z o.o.
- VESTRAFON sp. z o.o.
- Kaitos Ltd, Larnaca, Cypr
- Greenpoint S.A.
- Drukarnia Ekspres sp. z o.o.
- Ekspres Packaging sp. z o.o.
- Tri Pack sp. z o.o.
- Restaurant SPV sp. z o.o.
- Happy Miles S.A.

The transactions concluded by the entities of the Group are carried out under terms that do not significantly differ from market conditions.

As part of its lending activities to related entities, the Group applies standard credit conditions:

- transactions are concluded in accordance with the principles and conditions approved by the banks in the Group;
- assessments of the credibility of subsidiaries are based on the same principles which apply when the banks in the Group evaluate the creditworthiness of customers,
- the principles for providing security for the financing of transactions are in accordance with the instructions on the legal collateral applicable in the banks of the Group;

the banks belonging to the Group also apply general principles of monitoring payments, as well as rules for the termination of contracts and collection of debts.

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	Gross receivables	Liabilities	Impairment loss on non-performing receivables	Interest income	Interest expense	Commission income	Commission expense	Financial liabilities and guarantees granted
Parent entity	30 742	583	-	1 262	-	-	-	-
Associates	216 835	11 074	(38 926)	13 758	224	884	391	-
Idea Box ASI S.A.	1 767	700	-	45	2	-	251	-
Open Finance S.A.	21 986	-	-	534	-	7	13	-
Idea Getin Leasing S.A. i and subsidiaries	102 423	10 374	(3)	10 690	222	877	127	-
Idea 24/7 Inc.	90 659	-	(38 923)	2 489	-	-	-	-
Other entities, including:	132 333	130 041	(6 180)	2 851	2 773	23 333	306	-
LC Corp BV	39 026	18	-	1 795	-	-	-	-
Fundacja Jolanty i Leszka Czarneckich	60	-	-	1	-	-	-	-
RB Investcom sp. z o.o.	4 916	-	(1)	76	-	-	-	-
Noble Finance S.A.	261	-	-	4	-	-	-	-
Getin Noble Bank S.A.	27 800	128 464	(1)	225	2 772	-	59	-
Noble Securities S.A.	136	-	-	2	-	-	247	-
Noble Funds TFI S.A.	198	-	-	3	-	-	-	-
Biuro Informacji Kredytowej S.A. (BIK S.A.)	1	-	-	-	-	-	-	-
Home Broker S.A.	5	-	-	-	-	-	-	-
Open Brokers S.A.	132	-	-	2	-	-	-	-
Property FIZAN	15	-	-	-	-	-	-	-
Happy Miles S.A.	104	43	-	2	-	-	-	-
DocFLOW S.A.	593	78	-	11	-	-	-	-
TU Europa S.A.	1 272	-	-	-	-	15 982	-	-
TU na Życie Europa S.A.	140	-	-	-	-	2 840	-	-
Open Life TU Życie S.A.	22 778	-	-	7	-	4 511	-	-
Drukarnia Ekspres sp. z o.o.	10 588	-	(17)	222	-	-	-	-
Kaitos Ltd	13 078	1 185	(90)	420	-	-	-	-
Greenpoint S.A.	748	-	-	10	-	-	-	-
Restaurant SPV sp. z o.o.	884	20	(8)	33	-	-	-	-
Abiline Polska Sp. z o.o. Sp. k.	131	101	(1)	3	-	-	-	-
Akademia Psyche Sp. z o.o. Sp. K.	70	-	(2)	2	-	-	-	-
Aktywny Świat Dawid Sikora Sp.k.	-	19	-	-	-	-	-	-
C.A.D. Catchers Sp. z o.o.	66	-	(57)	-	-	-	-	-
CSR Centrostal Sp. z o.o.	-	1	-	-	-	-	-	-
Design Medica sp. zo.o.	124	-	(98)	-	-	-	-	-
DNS II Marcin Malinowski Sp.k.	535	-	(489)	-	-	-	-	-
ECE-MED SERWIS Sp. z o.o.	206	-	(173)	-	-	-	-	-
Esan Chemical Sp. z o.o.	196	-	(142)	-	-	-	-	-
D.J.W. Everlasting Flow ers Damian Wolski	450	1	(5)	7	-	-	-	-
Fabryka Pierogów Bakalarz Sp. k.	142	-	(98)	-	-	-	-	-
Fix&Go Stasica Tomasz Sp.k.	125	-	(93)	3	-	-	-	-
Folkownia Artur Borowicz Sp.k.	112	-	(34)	1	-	-	-	-
Food Farm Sebastian Moraś Sp. k.	550	-	(501)	-	-	-	-	-
GMV Technika Adam Kowalski Sp. k.	72	22	(61)	-	-	-	-	-
Green Tec Solutions Sp. z o.o.	1 499	-	(638)	-	-	-	-	-
Hulaj Duszo Wyroby Sarmackie Remigiusz	128	-	-	2	-	-	-	-
IMFODEX Sp. z o.o.	973	63	(767)	-	-	-	-	-
Kansai Electric Hikaru Oki Sp. k.	99	1	(65)	3	-	-	-	-
Karmelkow o Daniel Kiska Sp.k.	333	-	(300)	-	-	-	-	-
Kaw iarnie P.Czempińska Sp.k.	659	-	(594)	-	-	-	-	-
Komendowska Sp. k.	35	-	(33)	-	-	-	-	-
Liccu Sp. z o.o.	236	-	(192)	-	-	-	-	-
MDK Medical Sp. z o.o.	140	22	(118)	-	-	-	-	-
MediaGet Joachim Humel Sp. k.	181	-	(59)	3	-	-	-	-
Metrica Artur Kopa Sp.k.	280	-	(206)	-	-	-	-	-
Pw oczas sp. z o.o.	406	-	(361)	-	-	-	-	-
PRO-EKO JANUSZ ROSTKOWSKI Sp. K.	436	-	(407)	-	-	-	-	-
Polskiew icz Sp. k.	25	-	(22)	-	-	-	-	-
Scuba World P. Noszczyński Sp. k.	-	-	-	-	1	-	-	-
She Cosmetic Lab Sp. z o.o.	249	-	(15)	5	-	-	-	-
Simple Cow orking Chrzanowska Monika	150	-	(132)	-	-	-	-	-
Silexis Krzysztof Wolny Sp.k.	180	-	(72)	2	-	-	-	-
Soldier Equipment Karolina Stubińska Sp.k.	293	3	(7)	5	-	-	-	-
SULLIVAN Andrzej Zachodny Sp.k.	250	-	(214)	-	-	-	-	-
Superiore Sp. z o.o.	138	-	(101)	1	-	-	-	-
Tax Team IB sp. z o.o.	43	-	(1)	1	-	-	-	-
VESTRAFON sp. z o.o.	86	-	(5)	-	-	-	-	-

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	Gross receivables	Liabilities	Impairment loss on non-performing receivables	Interest income	Interest expense	Commission income	Commission expense	Financial liabilities and guarantees granted
Parent entity	50 000	-	-	-	-	-	-	-
Associates	636 899	23 144	(41 867)	12 459	186	564	2 131	900
Idea Box S.A.	1	895	-	5	-	-	-	-
Open Finance S.A.	23 956	-	(41 867)	-	-	-	-	-
Idea Getin Leasing S.A i spółki zależne	612 942	22 249	-	12 453	186	564	2 131	900
Other entities, including:	78 252	142 246	(51)	27 926	3 539	(33 655)	10 106	-
LC Corp BV	7 768	1 000	-	-	-	-	-	-
RB Computer sp. z o.o.	-	12	-	-	-	-	34	-
RB Investcom sp. z o.o.	1	-	-	48	-	46	-	-
NF Ubezpieczenia sp. z o.o. (daw niej Total Money sp. z o.o.)	-	-	-	4	-	-	-	-
Getin Noble Bank S.A.	16 472	138 584	(51)	73	2 885	-	31	-
Noble Securities S.A.	27	27	-	-	-	-	349	-
Nobel Funds TFI S.A.	6	-	-	-	-	-	-	-
Noble Concierge sp. z o.o.	456	7	-	-	-	-	2	-
BIK S.A.	351	-	-	-	-	-	-	-
Property FIZAN	15	-	-	-	-	-	-	-
Happy Miles S.A.	24	487	-	-	1	-	-	-
DocFLOW S.A.	1	367	-	26	-	-	-	-
TU Europa S.A.	(892)	482	-	17 463	647	(26 203)	-	-
TU na Życie Europa S.A.	587	41	-	9 673	2	-	9 690	-
Open Life TU Życie S.A.	20 926	1	-	-	4	(7 513)	-	-
Drukarnia Ekspres sp. z o.o.	10 317	-	-	218	-	15	-	-
Kaitos Ltd	15 091	836	-	270	-	-	-	-
Greenpoint S.A.	-	-	-	2	-	-	-	-
RESTAURANT SPV sp.z o.o.	769	-	-	25	-	-	-	-
Abiline Polska Sp. z o.o. Sp. k.	178	-	-	4	-	-	-	-
Akademia Psyche Sp. z o.o. Sp. K.	87	-	-	4	-	-	-	-
C.A.D. Catchers Sp. z o.o.	73	-	-	-	-	-	-	-
CND Sp.z o.o.	32	-	-	5	-	-	-	-
Design Medica sp. zo.o.	118	-	-	-	-	-	-	-
ECO-CORN Trade Sp.z o.o.	-	-	-	8	-	-	-	-
D.J.W. Everlasting Flowers Damian Wolski Sp.k.	446	-	-	7	-	-	-	-
Fabryka Pierogów Bakalarz Sp. k.	151	-	-	-	-	-	-	-
Fix&Go Stasica Tomasz Sp.k.	136	-	-	2	-	-	-	-
Folkow nia Artur Borowicz Sp.k.	105	-	-	2	-	-	-	-
GMV Technika Adam Kowalski Sp. k.	86	-	-	-	-	-	-	-
Green Tec Solutions Sp. z o.o.	1 463	-	-	27	-	-	-	-
Hulaj Duszo Wyroby Sarmackie Remigiusz Pawlow ski Sp.k.	128	-	-	2	-	-	-	-
Kansai Electric Hikaru Oku	134	-	-	2	-	-	-	-
Liccu Sp. z o.o.	226	-	-	-	-	-	-	-
MediaGet Joachim Humel Sp. k.	201	-	-	3	-	-	-	-
Metrica Artur Kopa Sp.k.	364	-	-	-	-	-	-	-
PRO-EKO JANUSZ ROSTKOWSKI Sp. K.	423	-	-	-	-	-	-	-
Polskiew icz Sp. k.	42	-	-	1	-	-	-	-
RAMSTUS Sp. z o.o.	138	-	-	6	-	-	-	-
She Cosmetic Lab Sp. z o.o.	327	-	-	9	-	-	-	-
Silexis Krzysztof Wolny Sp.k.	179	-	-	3	-	-	-	-
Soldier Equipment Karolina Stubińska Sp.k.	319	-	-	6	-	-	-	-
Superiore Sp. z o.o.	142	-	-	3	-	-	-	-
Tax Team IB sp. z o.o.	63	-	-	2	-	-	-	-
VESTRAFON sp. z o.o.	88	-	-	-	-	-	-	-

2.29 Identified non-compliance with the law

In the first half of 2019 and until the date of preparation of these interim condensed consolidated financial statements, non-compliance with legal regulations, including Banking Law, was identified in the scope of:

- Capital adequacy at both the level of Idea Bank (Poland) and the Idea Bank (Poland) Group, as described in detail in Note 2.4.2. containing the statement on going concern of Idea Bank (Poland).
- Exceeding the liquidity standard resulting from the Resolution No. 386/2008 of the Polish Financial Supervision Authority of 17.12.2008 on setting liquidity standards binding for banks, in the scope of the M3 ratio (the ratio of coverage of illiquid assets with own funds). As at 31.12.2018, the M3

ratio reached 0.50, as at 26.04.2019, 0.96, and as at 29.04.2019, the level of 0.98, with the limit specified in § 5 point 7 of PFSA Resolution 386/2008 amounting to 1. On 24.04.2019, the Bank converted own funds at the end of 2018 in connection with the finalization of works on the preparation of the financial statements for the year ended 31.12.2018. As a result of additional write-offs and provisions made as part of this process, in particular in the area of credit risk, investments in subsidiaries, revaluation of the company or deferred tax, the Bank's own funds have decreased significantly. As at 09.09.2019, the M3 ratio was 1.82;

- The requirements set out in Art. 395 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26.06.2013 on prudential requirements for credit institutions and investment companies, amending Regulation (EU) No. 648/2012, i.e. the limit for a group of entities related by capital or organization with the shareholder of Idea Bank (Poland), Mr. Leszek Czarnecki, as at 30.06.2019 amounted to 39.07%, and the limit which is based on 25% of the recognized capital for related entities in this group not being institutions, amounted to 105.97%. On 05.04.2019, the Management Board of Idea Bank (Poland) notified the Polish Financial Supervision Authority of non-compliance with the requirements set out in Art. 395 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26.06.2013 on prudential requirements for credit institutions and investment firms, amending Regulation (EU) No. 648/2012;
- The limit resulting from Art. 79a paragraph 4 point 1) of the Banking Law, i.e. the sum of credits, cash loans, bank guarantees and sureties towards members of the Management Board or the bank's Supervisory Board or a person holding a managerial position at the bank, as well as entities related by capital or organization of the above-mentioned persons exceeded 10% of basic funds. As at 30.06.2019, the limit was exceeded by 234.22%.

2.30 Ongoing supervision authorities' inspections at the Idea Bank (Poland) Group

By the decision of 10.10.2018, the President of the Office of Competition and Consumer Protection (UOKiK) initiated proceedings against Idea Bank (Poland) regarding suspicion that the bank applies practices which violate collective consumer interests.

Five charges have been made against the bank, which are essentially divided into two groups and concern:

- Misleading consumers that GetBack bonds will bring guaranteed profit within a year or that they are as secure as a bank deposit or treasury bonds and giving misleading information to customers that access to GetBack bonds is limited and the offer is unique and that they will be only sold for a short time to put pressure on their immediate purchase.
- Proposing GetBack bonds to people for whom they were inappropriate in terms of acceptable investment risk. This concerned both bank deposit holders, structured deposits, life insurance with UFK, as well as new customers of Idea Bank.

On 01.08.2019, UOKiK issued a partial decision on the matter, concluding that practices that violate collective consumer interests, i.e. the dissemination of false or misleading information about GetBack bonds (their characteristics or availability), were applied. The partial decision did not involve the imposition of a financial penalty on the Bank.

On 02.09.2019, Idea Bank (Poland) appealed against this decision.

The decision issued by the Office is a partial decision, therefore in the pending proceedings the bank may be subject to a penalty of 10% of its turnover for the year preceding the penalty for each infringement.

Currently, the proceedings conducted by the UOKiK regarding the remaining allegations are still under way, and the bank is providing explanations and required materials at the request of the authority.

By letter dated 10.04.2019, the President of the Office of Competition and Consumer Protection asked Idea Bank (Poland) to provide information and necessary documents in connection with the investigation aimed at preliminarily determining whether in connection with the issue, or offering to consumers, of investment certificates of investment funds created, managed or represented by Trigon Towarzystwo Funduszy Inwestycyjnych S.A., there has been a violation of the law justifying the initiation of proceedings in the case of practices violating collective consumer interests or undertaking actions specified in separate acts. Idea Bank (Poland) provided the Office with the materials requested by the UOKiK. By letter dated 12.07.2019, the President of the Office of Competition and Consumer Protection called on the bank to provide additional information, which was also provided by the Bank.

The Investment Certificates of the Closed Investment Funds of Trigon TFI, in accordance with the statutory provisions, were to be characterized by a guarantee of achieving a specific rate of return and partial, cyclical payments of capital tranches. The guarantor of the above liabilities was to be GetBack S.A. Due to the failure of GetBack S.A. to fulfil its guarantee obligations, the fund did not reach the assumed investment objective.

By letter dated 18.06.2019, the President of the Office of Competition and Consumer Protection (UOKiK) announced the initiation of proceedings to recognise the provisions of standard contracts used by the Bank as prohibited. The provisions challenged by UOKiK concern modification clauses in the regulations and contracts used by the Bank in relations with consumers: Regulations on lending to consumers; Credit card regulations for individual customers; Regulations for maintaining bank accounts, providing electronic banking services and issuing and using debit cards at Idea Bank S.A. for individual customers; Regulations for maintaining bank accounts, providing electronic banking services and issuing and using debit cards at Idea Bank S.A. Lion's Bank branch in Warsaw for individual clients; Credit Limit Agreement in the account for financial assets; Loan agreement "Financial loan; Financial Loan Agreement". The Bank does not agree with the allegations presented and responded to them in a letter sent to UOKiK.

By letter dated 16.07.2019, the Polish Financial Supervision Authority notified Idea Bank (Poland) of the initiation of an administrative procedure *ex officio* regarding the imposition of a financial penalty referred to in Art. 138 section 3 point 3a of the Act of 29.08.1997 Banking Law (the "Act"). The proceedings were initiated in relation to the suspected violation by the bank of the provisions of the Statute and the provisions of:

- 1) The Act,
- 2) Regulations of the Minister of Development and Finance dated 06.03.2017 on the risk management system and the internal control system, remuneration policy and a detailed method of estimating internal capital in banks,
- 3) Ordinance of the Minister of Finance dated 24.09.2012 regarding the procedure and terms of procedure for investment companies and banks referred to in Art. 70 item 2 of the Act on trading in financial instruments and custodian banks,
- 4) Ordinance of the Minister of Development and Finance dated 25.04.2017 on detailed technical and organizational conditions for investment companies and banks referred to in Art. 70 item 2 of the Act on trading in financial instruments and custodian banks

and in connection with the creation by the bank of a threat to the interests of participants in trading in financial instruments.

If the Polish Financial Supervision Authority finds the above violations, the Commission has the right to impose on the bank a financial penalty of up to 10% of the revenue shown in the last audited financial statements, and in the absence of such a report - a financial penalty of up to 10% of the forecasted revenue determined on the basis of the economic and financial situation of the bank. When setting the amount of a financial penalty, the Polish Financial Supervision Authority shall, in particular, take into account the gravity of the violation and its duration, the reasons for the violation, the financial situation of the bank on which the fine is imposed, and previous infringements by the bank.

By letter dated 16.08.2019, the Polish Financial Supervision Authority notified Idea Bank (Poland) of the initiation of an administrative procedure ex officio regarding the application of the supervisory measure referred to in Art. 138 section 3 point 3 of the Banking Law of 29.08.1997. The subject of administrative proceedings will be an assessment of whether the possible use of a supervisory measure in the form of the possibility of limiting the scope of the bank's activities may contribute to reducing the risk of conducted operations and thus support the remedial actions carried out by the bank. This type of measure may relate to the bank's ability to perform certain activities as well as the conditions for their performance.

On 19.04.2018, the Head of the Lower Silesian Customs and Tax Office in Wrocław initiated a customs and tax audit regarding the reliability of the tax bases declared by Idea Money S.A. and the correctness of calculation and payment of corporate income tax for 2016. The audit has not ended by the date of signing these financial statements.

On 24.04.2018, the Head of the Lower Silesian Customs and Tax Office in Wrocław initiated a customs and tax audit regarding the reliability of the tax bases declared by Idea Bank (Poland) and correctness of calculation and payment of corporate income tax for 2016. The audit has not ended by the date of signing these financial statements.

On 03.09.2019, the Head of the Lower Silesian Customs and Tax Office in Wrocław initiated a customs and tax audit regarding compliance with the provisions of the tax law in corporate income tax for 2018.

2.31 Post-balance sheet events

On 09.07.2019, the liquidation of Assets Service Finance sp.z o.o. was formally started.

On 16.07.2019, the subsidiary Idea Bank (Poland) received a notification about the initiation of administrative proceedings by the Polish Financial Supervision Authority pursuant to Art. 61 §4 of the Act of 14.06.1960 Code of Administrative Procedure in connection with Art. 11 paragraph 5 of the Act of 21.07.2006 on supervision of the financial market regarding the imposition of a financial penalty referred to in Art. 138 section 3 point 3a of the Banking Act of 29.08.1997.

On 30.07.2019, the company Tax Care S.A. filed for bankruptcy with the District Court for the capital city of Warsaw. The submission of the application by the company was carried out in performance of obligations arising from the provisions of the Bankruptcy Law. Submission of the application and preparation of the restructuring application is part of the remedial actions of the Idea Bank (Poland) Group. As a result of filing for bankruptcy, the Idea Bank (Poland) Group decided that it lost control of the company and deconsolidated it. As a result of losing control over Tax Care S.A. and deconsolidation of the Company, the Group recognized a positive result of approx. PLN 23.4 million gross and PLN 22 million net on a consolidated basis.

On 14.08.2019, the company Tax Care S.A. filed a request to open a restructuring procedure with the District Court for the capital city of Warsaw.

On 16.08.2019, Idea Bank (Poland) received a notification of initiation ex officio by the PFSA, pursuant to Art. 61 § 1 and § 4 of the Act of 14.06.1960 Code of Administrative Procedure in connection with Art. 11 paragraph 5 and 12 paragraph 1 of the Act of 21.07.2006 on financial market supervision, of administrative proceedings regarding the application of the supervisory measure referred to in Art. 138 section 3 point 3 of the Banking Law of 29.08.1997.

On 10.09.2019, a temporary court supervisor was appointed by the interim court in proceedings regarding the declaration of bankruptcy of Tax Care. At the same time, the court decided to refuse to open accelerated arrangement proceedings. The decision is not final and the company intends to appeal against it.

On 16.09.2019, the Management Board of Idea Bank (Poland) decided to allow a private equity fund, which is interested in the potential acquisition of the bank's shares and has so far participated in a limited due diligence process, to participate in an extended due diligence procedure.

_____ 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, 23th of September 2019

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 data given in PLN thousand
 Interim condensed separate financial statements of Getin Holding

3. Interim condensed separate financial statements of Getin Holding S.A.

INTERIM SEPARATE INCOME STATEMENT

		01.04.2019- 30.06.2019	01.01.2019 - 30.06.2019	01.04.2018- 30.06.2018	01.01.2018 - 30.06.2018
	Note	(unaudited data)	(unaudited data)	(unaudited, transformed data)	(unaudited, transformed data)
Income from dividends	3.3	39 613	87 153	14 616	18 571
Income from financial assets measured at amortized cost		171	515	603	1 222
Other financial income		425	735	271	534
Other income	3.5	3 692	7 227	3 458	6 877
Total income		43 901	95 630	18 948	27 204
Loss from sale/liquidation of investments		-	(135)	-	-
Operating expenses	3.6	(4 271)	(8 665)	(4 334)	(8 351)
Financial expenses	3.7	(3 224)	(6 990)	(4 327)	(7 764)
Other operating expenses	3.8	(10 358)	(10 366)	(7 345)	(7 385)
Total expenses		(17 853)	(26 156)	(16 006)	(23 500)
Result on financial instruments measured at fair value through profit and loss	3.4	499	3 063	(1 890)	(1 890)
Result on impairment losses on financial assets and provisions for contingent liabilities		2	8	6	6
Profit before income tax		26 549	72 545	1 058	1 820
Corporate income tax	3.9	(5 124)	(13 876)	780	622
Net profit (loss)		21 425	58 669	1 838	2 442
Profit (loss) per ordinary share (in PLN)					
Weighted average number of issued ordinary shares (in pcs.)		189 767 342	189 767 342	189 767 342	189 767 342
Earnings per share - basic for the period		0,11	0,31	0,01	0,01
Weighted average number of issued ordinary shares (in pcs.)		189 767 342	189 767 342	189 767 342	189 767 342
Earnings per share - diluted for the period (in PLN)		0,11	0,31	0,01	0,01

INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	01.04.2019- 30.06.2019	01.01.2019 - 30.06.2019	01.04.2018- 30.06.2018	01.01.2018 - 30.06.2018
	(unaudited data)	(unaudited data)	(unaudited data)	(unaudited data)
Profit / (Loss) for the period	21 425	58 669	1 838	2 442
Items that will not be transferred to the profit and loss account:				
Gains and losses on investments in equity financial instruments measured at fair value through other comprehensive income	(12 020)	12 686	(23 370)	(41 398)
Income tax on other comprehensive income	-	-	4 441	7 866
Other comprehensive income	(12 020)	12 686	(18 929)	(33 532)
Total of comprehensive income for the period	9 405	71 355	(17 091)	(31 090)

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INTERIM SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	30.06.2019 (unaudited data)	31.12.2018
ASSETS			
Fixed Assets		1 033 058	1 035 961
Property, plant & equipment		2 178	1 996
Assets due to the right of use		4 009	-
Intangible assets		41	49
Investments in subsidiaries	3.10	811 983	822 341
Equity financial instruments measured at fair value through profit or loss	3.11	115 880	115 880
Equity financial instruments measured at fair value through other comprehensive income	3.11	37 391	24 705
Deferred tax assets		12 484	21 072
Long-term loans granted measured at amortized cost	3.12	-	4 134
Lease receivables		245	-
Derivative financial instruments measured at fair value through profit or loss	3.13	48 847	45 784
Current Assets		49 962	35 830
Short- term loans granted measured at amortized cost	3.12	-	19 309
Lease receivables		170	-
Other receivables		30 190	1 327
Prepayments		386	419
Cash and cash equivalents		19 216	14 775
Total Assets		1 083 020	1 071 791
EQUITY AND LIABILITIES			
Shareholders' Equity		837 830	766 475
Share capital		759 069	759 069
Supplementary capital		336 184	1 023 891
Reserve capital		24 831	24 831
Revaluation reserves		(333 509)	(346 195)
Retained earnings		(7 414)	(7 414)
Net profit (loss)		58 669	(687 707)
Long- term liabilities and provisions for liabilities		155 082	101 375
Financial liabilities due to the issue of debt securities measured at amortized cost	3.14	-	25 000
Liabilities from received loans and advances measured at amortized cost	3.15	104 767	30 500
Lease liabilities		2 969	151
Other financial liabilities measured at amortized cost	3.16	47 339	45 715
Provisions		7	9
Short- term liabilities		90 108	203 941
Financial liabilities due to the issue of debt securities measured at amortized cost	3.14	48 255	50 357
Liabilities from received loans and advances measured at amortized cost	3.15	35 696	34 142
Lease liabilities		1 683	89
Other financial liabilities measured at amortized cost	3.16	-	113 960
Other liabilities		1 901	605
Accrued liabilities		2 573	4 788
Total Equity and liabilities		1 083 020	1 071 791

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**INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY (unaudited data)
 for the 6 month period ended 30.06.2019**

	Share capital	Supplementary capital The surplus from the sale of shares above the nominal value	Supplementary capital created in accordance with statute	Reserve capital	Revaluation reserve	Retained earnings	Net profit (loss)	Total equity
At 01.01.2019	759 069	127 418	896 473	24 831	(346 195)	(7 414)	(687 707)	766 475
Profit (loss) for the period	-	-	-	-	-	-	58 669	58 669
Other comprehensive income	-	-	-	-	12 686	-	-	12 686
Total comprehensive income for the period					12 686		58 669	71 355
Coverage of loss from the previous year with supplementary capital			(687 707)			-	687 707	-
Transactions with shareholders	-	-	(687 707)	-	-	-	687 707	-
At 30.06.2019	759 069	127 418	208 766	24 831	(333 509)	(7 414)	58 669	837 830

**INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY (unaudited data)
 for the 6 month period ended 30.06.2018**

	Share capital	Supplementary capital The surplus from the sale of shares above the nominal value	Supplementary capital created in accordance with statute	Reserve capital	Revaluation reserve	Retained earnings	Net profit (loss)	Total equity
At 01.01.2018	759 069	127 418	929 050	24 831	(212 812)	(7 388)	(32 577)	1 587 591
Adjustment concerning the initial application of IFRS 9	-	-	-	-	-	(26)	-	(26)
At 01.01.2018 after adjustment	759 069	127 418	929 050	24 831	(212 812)	(7 414)	(32 577)	1 587 565
Profit (loss) for the period							2 442	2 442
Other comprehensive income					(33 532)			(33 532)
Total comprehensive income for the period					(33 532)		2 442	(31 090)
Coverage of loss from the previous year with supplementary capital			(32 577)				32 577	
Transactions with shareholders			(32 577)				32 577	
At 30.06.2018	759 069	127 418	896 473	24 831	(246 344)	(7 414)	2 442	1 556 475

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INTERIM SEPARATE CASH FLOW STATEMENT

	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
Note	(unaudited data)	(unaudited data)
Cash flows from operating activities - indirect method		
Gross profit (loss)	72 545	1 820
Total adjustments:	(20 854)	11 914
Depreciation	952	288
Foreign exchange (profits)/losses	12	-
Net interest	28 136	2 637
Profit (loss) from investing activities	(11)	(36)
Change in receivables	(28 772)	(289)
Change in provisions	(2)	10
Change in liabilities, excluding loans and advances	3.18 (20 994)	3 517
Change in accruals	(2 182)	(2 351)
Income tax paid	(5 288)	(1 067)
Impairment loss on the investment in Getin International S.A.	10 358	7 344
Result on financial instruments measured at fair value	(3 063)	1 890
Others	-	(29)
Net cash flow from operating activities	51 691	13 734
Cash flows from investing activities		
Sale of intangible assets and property, plant and equipment	21	36
Purchase of intangible assets and property, plant and equipment	(441)	(228)
Purchase of financial assets	-	(10 561)
Interest received	498	1 081
Interest paid	(24 267)	-
Repayment of granted loans	23 314	9 512
Repayment of a liability for shares of a subsidiary	(90 000)	-
Net cash flow from investing activities	(90 875)	(160)
Cash flows from financing activities		
Repayment of financial lease liabilities	(844)	(15)
Repayment of received loans and advances	(38 892)	(5 116)
Inflows from received loans/advances	114 267	-
Inflows from the issue of debt securities	4 041	49 966
Redemption of debt securities	(30 902)	(50 000)
Interest paid	(4 045)	(4 283)
Net cash flow from financing activities	43 625	(9 448)
Increase/decrease in cash and cash equivalents	4 441	4 126
Cash at the beginning of the period	14 775	8 811
Cash at the end of the period	19 216	12 937
including restricted cash	-	-

3.1. Information about principles applied during the preparation of the financial statements

The interim separate condensed consolidated financial statements of Getin Holding cover the 6 month period ended 30.06.2019 and contain comparable data for the 6 month period ended 30.06.2018, which was reviewed by an auditor and financial data as at 31.12.2018, which was audited by an auditor.

The entity authorized to review the interim condensed separate financial statements is Grant Thornton Polska Limited Liability Limited Partnership.

The interim condensed separate financial statements were prepared by Getin Holding together with the interim condensed consolidated financial statements and were approved for publication by the Management Board on 23.09.2019.

The 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 statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the annual financial statements of Getin Holding for the year ended 31.12.2018.

The accounting policies used to prepare the interim condensed separate financial statements are consistent with the policies adopted during the preparation of the Company's annual financial statements for the year ended 31.12.2018, except for the following:

- IFRS 16 "Leases" - approved by the EU on 31.10.2017 (effective for annual periods beginning on or after 01.01.2019)

IFRS 16 "Leases" introduces new lease accounting principles, primarily by eliminating the division into operational and financial leases which has been used so far. Under the new standard, for virtually every contract that meets the definition of a lease, except for contracts shorter than 12 months and relating to low value assets, the lessee will be required to recognize "the right to use assets" in the balance sheet and the obligation to pay the lease payments. In addition, the lessee will be required to recognize the cost of depreciation of the leased asset separately from the lease liability's interest expenses in the profit and loss account. As far as the lessor is concerned, the standard should not have a significant impact on the accounting treatment used to date, i.e. the lessor will continue to recognize two types of lease separately depending on the nature of the lease agreement.

The company decided to apply the simplified approach i.e. the retrospective approach from 01.01.2019 with the combined effect of the initial application of this standard recognized on the date of initial application. The company did not transform comparative data.

As at the date of the initial application, the Company as a lessee valued:

- a) a right of use asset according to cost,
- b) a lease liability in the amount of the present value of lease payments outstanding as at that date.

Lease payments are discounted using the interest rate of the lease, if the rate can be easily determined. Otherwise, the Company applies the incremental borrowing rate of the lessee.

Getin Holding used a simplified approach for short-term lease contracts (contract duration does not exceed 12 months) and low-value assets.

The company as a lessor classifies each indirect sublease as a finance lease or operating lease in the following manner:

- a) if the main lease is a short-term lease, the sublease is classified as an operating lease,
 b) otherwise, the sublease is classified by reference to the asset component due the right of use resulting from the main lease.

The Company assesses whether the contract includes a lease with respect to each potential lease element. As at the date of initial application of IFRS 16, as a result of the analysis, lease and sub-lease agreements for office space were identified as finance lease agreements as at 01.01.2019.

As at the date of implementation of IFRS 16, the Company recognized an asset due to the right of use, a liability under leasing and a lease receivable.

The implementation of IFRS 16 did not affect the Company's equity, it only affects the statement of financial position, which is presented in the table below:

	in thousand PLN
Recognition of right-of-use assets	4 704
Identification of lease liabilities	5 210
Recognition of financial lease receivables	506

- making changes to the standards and new interpretations applicable to annual periods beginning beginning on or after 01.01.2019.

The application of the above changes to the standards did not have a material impact on the financial position and results of the Company's operations.

The issue of continuation of the operations of the Company and the subsidiary Idea Bank S.A. (Poland) is described in note 2.4.2 of this consolidated half year report.

3.2. Presentational change of comparable data

In the fourth quarter of 2018, Getin Holding made a change in the presentation of the impairment losses of investments in subsidiaries to better reflect economic events, as well as increase the transparency and clarity of the data presented in the financial statements.

The impact on comparative data is shown below:

INCOME STATEMENT	01.01.2018 - 30.06.2018		
	Historical data ¹⁾	Adjustment	Transformed data ²⁾
Financial expenses	(15 108)	7 344	(7 764)
Other operating expenses	(41)	(7 344)	(7 385)
Total expenses	(23 500)	-	(23 500)

¹⁾ disclosed in the Company's financial statements for the period of 6 months ended on 30.06.2018

²⁾ disclosed in these financial statements

3.3. Dividend income

In the first half of 2019 Getin Holding received PLN 87,153 thousand dividend income, which includes dividends from:

- Carcade sp. z o.o in the amount of PLN 5,248 thousand,
- Idea Bank S.A.(Belarus) in the total amount of PLN 21,744 thousand,
- Idea Bank S.A. (Ukraine) in the amount of PLN 23,847 thousand.

- TU Europa S.A. in the amount of PLN 7,001 thousand,
- Getin International S.A. by decision of the Ordinary General Meeting dated 27.06.2019 in the amount of PLN 9,958 thousand. The dividend was received on 08.07.2019.
- New Finance Service sp. z o.o. pursuant to resolution 3/2019 dated 05.06.2019 in the amount of PLN 19,355 thousand. The dividend is to be paid by 31.12.2020.

In the first half of 2018 Getin Holding received PLN 18,571 thousand dividend income, including income: from TU Europa S.A. in the amount of PLN 3,955 thousand, from MW Trade S.A. in the amount of PLN 1,977 thousand, from Getin International S.A. in the amount PLN 10,669 thousand and from Carcade sp. z o.o. in the amount of PLN 1,970 thousand.

3.4. Result on financial instruments measured at fair value

In the first half of 2019, the result on financial instruments measured at fair value included the valuation of put options and the block of 7.46% shares in TU Europa in the total amount of PLN 3,063 thousand (in the first half of 2018: PLN (1,890) thousand).

3.5. Other income

Other income	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
	(unaudited data)	(unaudited data)
Income from consultancy and advisory services	7 033	6 729
Reversal of an impairment loss on an investment in a subsidiary *	135	-
Other	59	148
Total	7 227	6 877

* information on impairment allowances is presented in note 3.10.

3.6. Operating expenses

Operating expenses	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
	(unaudited data)	(unaudited data)
Salaries and employee benefits	6 313	6 023
Depreciation	952	288
Costs of legal and consulting services	222	167
Other material costs and services	1 085	1 791
Taxes and fees	93	82
Total	8 665	8 351

3.7. Financial expenses

Financial expenses	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
	(unaudited data)	(unaudited, transformed data)
Fee and commission expenses	306	346
Interest on received loans and advances	2 489	1 169
Interest on bonds	1 749	1 979
Interest on liabilities for the purchase of shares	769	2 358
Interest on other liabilities	-	505
Valuation of a potential liability for the sale of TU Europa S.A.	1 624	1 374
Negative exchange rate differences	-	32
Other financial expenses	53	1
Total	6 990	7 764

3.8. Other operating expenses

Other operating expenses	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
	(unaudited data)	(unaudited, transformed data)
Impairment loss on investments in subsidiaries *	10 358	7 344
Other	8	41
Total	10 366	7 385

* information on impairment allowances is presented in note 3.10.

3.9. Income tax

Income tax	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
	(unaudited data)	(unaudited data)
Income statement		
<u>Current income tax</u>	5 288	1 067
Other taxes (e.g. withholding tax)	5 288	1 067
<u>Deferred income tax</u>	8 588	(1 689)
Relating to the origination and reversal of temporary differences	11 787	274
Associated with equity financial assets measured at fair value through profit or loss	274	(621)
Current and prior year tax losses	(3 473)	(1 342)
Tax charge disclosed in the income statement	13 876	(622)
Equity		
<u>Deferred income tax</u>	-	(7 866)
Related to equity financial assets measured at fair value through Other comprehensive income	-	(7 866)
Tax charge disclosed in equity	-	(7 866)
Total basic components of tax expense in the income statement and equity	13 876	(8 488)

3.10. Investments in subsidiaries

Subsidiaries*	The value in the balance sheet as at	
	30.06.2019	31.12.2018
Carcade Sp. z o.o.	110 812	110 812
Idea Bank S.A. (Ukraine)	199 668	199 668
Getin International S.A. ¹⁾	3 568	13 926
MW Trade S.A.	27 097	27 097
Idea Bank S.A. (Poland)	126 172	126 172
Idea Bank S.A. (Belarus)	129 229	129 229
Assets Service Finance sp. z o.o.	-	-
Idea Bank S.A (Romania)	215 422	215 422
Getin Investment in liquidation sp. z o.o. ²⁾	-	-
New Finance Service sp. z o.o. ³⁾	15	15
Seret Invest sp z o.o. ³⁾	-	-
Total	811 983	822 341

* the percentage share of Getin Holding in subsidiaries is presented in note 2.2 of the interim condensed consolidated financial statements of the Getin Holding Group

¹⁾ The decrease in value results from the write-down of Getin International S.A. in the amount of PLN 10,358 thousand up to the amount of the entity's net assets

²⁾ On 05.02.2019 the application for the company to be removed from the National Court Register became valid. Due to this fact, Getin Holding reversed the revaluation write-down and recognized in the books the loss due to the liquidation of the company.

³⁾ On 15.03.2019, the process of merging New Finance Service sp. z o.o. and Seret Invest sp. z o.o. was completed. Seret Invest sp. z o.o. has been removed from the register.

3.11. Equity financial assets

Equity financial assets measured at fair value through profit or loss

The equity financial assets measured at fair value through profit or loss includes a block of 7.46% shares of TU Europa S.A.

The fair value measurement as at 30.06.2019 and as at 31.12.2018 assumed the price of PLN 164.35 per share. As at 30.06.2019 and 31.12.2018, the fair value of shares of TU Europa was PLN 115,880 thousand.

Equity financial assets measured at fair value through other comprehensive income

Equity financial instruments measured at fair value through other comprehensive income include the block of 6.39% shares of Getin Noble Bank S.A. The result from valuation of the shares package in the first half of 2019 was calculated on the basis of the quotation of the company listed on the Warsaw Stock Exchange as at 28.06.2019 (PLN 0.56 per share) and was included in the other comprehensive income of the Company in the amount of PLN 12,686 thousand. The valuation method used is a valuation option for equity instruments in accordance with IFRS 9.

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Change in capital financial assets measured at fair value through other comprehensive income	01.01.2019 - 30.06.2019	01.01.2018 - 30.06.2018
	(unaudited data)	(unaudited data)
Net value at the beginning of the period	24 705	108 170
Fair value changes, included in:	12 686	(41 398)
- revaluation reserve	12 686	(41 398)
Net value at the end of the period	37 391	66 772

3.12. Loans granted measured at amortized cost

As at 30.06.2019, Getin Holding S.A. does not have loans granted to subsidiaries.

As at 31.12.2018, the loans granted to subsidiaries included:

Long-term loans granted as at 31.12.2018

Contractor	Carrying amount (in thousands)	Currency	Date of granting	Date of maturity	Interest conditions
New Finance Service sp. z o.o.*	4 134	PLN	05.07.2017	30.09.2020	WIBOR 3M+4,5%
Total	4 134				

*the long-term portion of the loan; as at 31.12.2018, the total capital to be repaid is PLN 23,307 thousand, the maturity date includes the repayment of the last instalment of capital

Short-term loans granted as at 31.12.2018

Contractor	Carrying amount (in thousands)	Currency	Date of granting	Date of maturity	Interest conditions
New Finance Service sp. z o.o.*	14 096	PLN	05.07.2017	in accordance with the agreements	WIBOR 3M+4,5%
New Finance Service sp. z o.o.*	5 077	PLN	04.08.2017	in accordance with the agreements	WIBOR 3M+4,5%
Value of accrued interest	136	PLN			
Total	19 309				

* the short-term portion of the loan capital

3.13. Derivative financial instruments measured at fair value through profit or loss

The company holds an option for selling a 7.46% stake in TU Europa. The valuation of the put option on the owned stake in TU Europa S.A. was made using the Black-Scholes model, which adopted current market parameters and parameters derived from the valuation of TU Europa S.A.

As at 30.06.2019, the option was valued at PLN 48,847 thousand. As at 31.12.2018, the valuation of the put option on the 7.46% stake of shares amounted to PLN 45,784 thousand.

3.14. Financial liabilities from the issue of debt securities measured at amortized cost

Financial liabilities due to the issue of debt securities measured at amortized cost	Payment deadline - capital	30.06.2019	31.12.2018
A5 series bonds	20.06.2020	25 038	25 042
A6 series bonds	27.04.2019		15 135
A7 series bonds	02.05.2019		16 030
A8 series bonds ¹⁾	17.08.2019	1 070	1 070
A9 series bonds ²⁾	29.08.2019	18 080	18 080
A10 series bonds	19.02.2020	3 603	-
A11 series bonds	19.05.2020	464	-
Total		48 255	75 357
- short- term		-	25 000
- long- term		48 255	50 357

¹⁾ the liability from the issue of A8 series bonds was repaid on 17.08.2019.

²⁾ the liability from the issue of A9 series bonds was repaid on 29.08.2019.

In the first half of 2019 Getin Holding made the following bond issues through the brokerage house Noble Securities S.A:

- 3,580 bonds of A10 series with a total face value of PLN 3,580 thousand, the interest rate was set at 5.55%; maturity date is on 19.02.2020,

- 461 bonds of A11 series with a total face value of PLN 461 thousand, the interest rate was set at 5.60%; maturity date is on 19.05.2020.

In 2018 Getin Holding made the following bond issues through the brokerage house Noble Securities S.A:

- 15 thousand bonds of A6 series with a total face value of PLN 15,000 thousand, the interest rate was set at 5.05%; maturity date is on 27.04.2019,

- 15,902 bonds of A7 series with a total face value of PLN 15,902 thousand, the interest rate was set at 5.00%; maturity date is on 02.05.2019,

- 1,064 bonds of A8 series with a total face value of PLN 1,064 thousand, the interest rate was set at 5.02%; maturity date is on 17.08.2019,

- 18 thousand bonds of A9 series with a total face value of PLN 18,000 thousand, the interest rate was set at 5.04%; maturity date is on 29.08.2019,

3.15. Financial liabilities due to loans and advances received, measured at amortized cost

Long-term financial liabilities due to loans and advances received, measured at amortized cost	30.06.2019 (unaudited data)	31.12.2018
Liabilities due to loans received from Idea Bank S.A.	10 500	10 500
Liabilities due to loans received from Getin Noble Bank S.A.	94 267	20 000
Total	104 767	30 500

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Short-term financial liabilities due to loans and advances received, measured at amortized cost	30.06.2019 (unaudited data)	31.12.2018
Liabilities due to loans received from Idea Bank S.A.	1 500	11 500
Liabilities due to loans received from Getin Noble Bank S.A.	33 750	5 000
Liabilities due to an advance from Getin International S.A.	-	17 630
Interest on loans and advances	446	12
Total	35 696	34 142

3.16. Other financial liabilities measured at amortized cost

Long-term other financial liabilities measured at amortized cost	30.06.2019 (unaudited data)	31.12.2018
Potential commitment to Talanx International AG and Meiji Yasuda	47 339	45 715
Razem	47 339	45 715

Short-term other financial liabilities measured at amortized cost	30.06.2019 (unaudited data)	31.12.2018
Liabilities due to the purchase of shares	-	113 960
Razem	-	113 960

3.17. Getin Holding S.A. transactions with related parties

	01.01.2019-30.06.2019 (unaudited data)					30.06.2019 (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
Subsidiaries:	369	1 177	7 400	124	80 152	30 059	37 306
Getin International S.A.		7	41		9 958	9 966	
Idea Money S.A.		684					25 038
Idea Bank S.A. (Poland)		479					12 000
Idea Bank S.A. (Ukraine)			1 823	116	23 847	471	
Idea Bank S.A. (Belarus)			1 292		21 744		
New Finance Services Sp. z o.o.	369		231		19 355	19 548	
MW Trade S.A.			124				
Idea Fleet S.A.		7		8			268
Idea Bank S.A. (Romania)			763			74	
Carcade Sp. z o.o.			1 593		5 248		
Idea Leasing IFN S.A.			1 517				
Idea Investment S.A.(Romania)			16				
Associates			2	1			
Idea 24/7 Inc.			2				
Idea Getin Leasing S.A.				1			
Dominant shareholder	-	-	-	-	-	-	-
The parent company	-	-	-	-	-	-	-
Other affiliates:	130	2 772	58	395	-	19 361	128 464
Getin Noble Bank S.A.	127	2 772	52	10		19 038	128 464
Noble Securities S.A.				373		41	
Noble Concierge sp. z o.o.				1			
RB Investcom Sp. z o.o.	3		6			282	
RB Computer Sp. z o.o.				11			

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	01.01.2018-30.06.2018 (unaudited data)					31.12.2018	
	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
Subsidiaries:	1 164	1 837	7 307	5	14 616	24 386	64 924
Getin International S.A.		505	41		10 669	8	17 642
Idea Investment S.a.r.l.*		685					
Idea Bank S.A. (Poland)	29	643					22 000
Idea Bank S.A. (Ukraine)			1 655			740	
Idea Bank S.A. (Belarus)			1 271	2			
New Finance Service sp.z o.o.	1 135		180			23 443	
Idea Money S.A.*							25 042
MW Trade S.A.			260		1 977		
Idea Fleet S.A.		4		3			240
Getin Investment sp z o.o. in liquidation			3				
Idea Bank S.A. (Romania)			713			194	
Carcade Sp z o.o.			1 744		1 970	1	
Idea Leasing IFN S.A. (Romania)			1 408				
Idea Investment S.A. (Romania)			32				
Dominant shareholder							
The parent company							
Other affiliates:	58	2 885	96	431		8 856	138 510
Getin Noble Bank S.A.	58	2 885	50	46		8 843	138 498
Noble Securities S.A.				349		12	
Noble Concierge sp. z o.o.				2			
RB Investcom Sp. z o.o.			46			1	
RB Computer Sp. z o.o.				34			12

on 31.12.2018 Idea Investment Sarl merged with Idea Money S.A. Idea Money S.A. became the acquiring company

3.18. Additional data to the cash flow statement

	Change in		
	Balance sheet	Cash flow	Difference
Change in liabilities excluding loans and advances	(106 628)	(15 784)	(90 844)

The difference between the change in liabilities, excluding loans and advances, shown in the balance sheet and the change shown in the cash flow statement results from:

- the change in liabilities arising from finance leases in the amount of PLN (844) thousand presented in financing activities
- the change in liabilities arising from the repayment of a liability concerning the price for shares of a subsidiary in the amount of PLN (90,000) thousand settled in accordance with the contract dated 16.03.2012, including annexes and presented in investment activities

	As at 01.01.2019	Changes resulting from cash flows from financing activities	Changes resulting from non-cash transactions			As at 30.06.2019
			Changes resulting from obtaining or losing control over subsidiaries or other enterprises	The effect of exchange rate changes	Other changes*	
Long-term financial liabilities due to the issue of debt securities measured at amortized cost	75 357	(28 852)			1 750	48 255
Other financial liabilities measured at amortized cost	45 715	-			1 624	47 339
Finance lease liabilities	240	(844)		46	5 210	4 652
Liabilities due to received loans and advances measured at amortized cost	64 642	73 321		12	2 488	140 463

* other changes include interest accrued during the period and recognition of the lease liability in accordance with IFRS 16

Liquidity risk

The Company's goal is to maintain a balance between the continuity and flexibility of financing the Company's investments and its ongoing operations, through the use of shares or bonds and the favourable placement of excess liquidity.

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Sources of liquidity are also dividends from subsidiaries, revenues from consultancy and advisory services rendered to subsidiaries and revenues from the sale of investments.

The tables below present the financial assets and liabilities of the Company as at 30.06.2019 and as at 31.12.2018 by maturity on the basis of contractual payments:

30.06.2019	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 year to 5 years	above 5 years	Assets / Liabilities with unspecified maturity	Total
Assets:	27 627	6 027	131	16 034	115 880	37 393	203 092
Cash and cash equivalents	13 212	6 002				2	19 216
Securities					115 880	37 391	153 271
Lease receivables	14	25	131	245			415
Other receivables	14 401			15 789			30 190
Financial liabilities:							
Liabilities from received loans and advances measured at amortized cost	6 696	6 250	22 750	104 767			140 463
Other financial liabilities measured at amortized cost					47 339		47 339
Financial liabilities due to the issue of debt securities measured at amortized cost		19 176	29 079				48 255
Liabilities due to finance leases measured at amortized cost	131	274	1 279	2 968			4 652
Liabilities:	6 827	25 700	53 108	107 735	47 339	-	240 709
Gap:	20 800	(19 673)	(52 977)	(91 701)	68 541	37 393	(37 617)

The Company monitors cash flows on an ongoing basis and has a financial plan that ensures the timely settlement of liabilities. The liquidity position has improved significantly as a result of the partial repayment of short-term liabilities. The Company is carrying out activities aimed at reducing the liquidity gap and better matching assets and liabilities in terms of liquidity.

Getin Holding plans to continue activities involving the repayment of its other short-term liabilities mainly from funds derived from dividends received from subsidiaries.

31.12.2018	up to 1 month	from 1 to 3 months	from 3 months to 1 year	from 1 year to 5 years	above 5 years	Assets / Liabilities with unspecified maturity	Total
Assets:	17 627	8 878	7 578	4 134	115 880	24 706	178 803
Long-term loans granted measured at amortized cost				4 134			4 134
Short-term loans granted measured at amortized cost	4 853	6 878	7 578				19 309
Cash and cash equivalents	12 774	2 000				1	14 775
Securities					115 880	24 705	140 585
Financial liabilities:							
Liabilities from the purchase of shares measured at amortized cost		114 267					114 267
Liabilities from received loans and advances measured at amortized cost	17 642	1 250	15 250	30 500			64 642
Other financial liabilities measured at amortized cost					45 715		45 715
Financial liabilities due to the issue of debt securities measured at amortized cost		134	50 223	25 000			75 357
Liabilities due to finance leases measured at amortized cost	3	7	79	151			240
Liabilities:	17 645	115 658	65 552	55 651	45 715	-	300 221
Gap:	(18)	(106 780)	(57 974)	(51 517)	70 165	24 706	(121 418)

3.19. Post-balance sheet events

Significant events that occurred after the balance sheet date are described in Note 2.31 of the interim condensed consolidated financial statements.

_____ 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, 23rd of September 2019