

GETIN Holding S.A.

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KRS 0000004335

District Court in Wrocław, the 6th Commercial Division of the National Court Register

Getin Noble Bank S.A. 07 1560 1108 0000 9060 0038 6802

NIP: 895-16-94-236

Share capital: PLN 759,069,368 (fully paid up)

www.getin.pl**(Current Report No. 36/2018)****20.08.2018****Information on the impact of provisions, impairment allowances and adjustments made by a subsidiary company on the Issuer as at 30 June 2018**

Getin Holding S.A. (the Issuer) hereby reports that it has been notified that Idea Bank S.A., its subsidiary company based in Warsaw (the Bank), in which the Issuer holds 54.43% shares and 55.04% votes at general meetings of the Bank shareholders, while drawing up the Bank's financial statement for the 6 months in 2018, as required by the International Financial Reporting standards, it learned that it is necessary to disclose provisions and impairment loss in the Bank's consolidated and standalone semiannual financial statement, which will have a material impact on the Bank's financial result for Q2 2018, and consequently on the Issuer's financial result for Q2 2018.

In Current report 94/2018 dated 17 August 2018, the Bank reported that as at 30 June 2018, its consolidated and standalone result will be charged with the following items:

- 1) impairment allowances due to loss of value of receivables from EasyDebt Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty, whose investment certificates of c. PLN 46 million are owned by GetBack S.A.;
- 2) provision for potential claims from clients resulting from the Issuer's share in the process of offering c. PLN 14 million worth GetBack S.A. bonds;
- 3) provision for refunds of commission for c. PLN 42 million worth investments products with insurance capital fund;
- 4) provision for refunds of commission for c. PLN 72 million worth insurance products related to loan contracts.

The Issuer reports that the aforementioned provisions and the impairment allowance of PLN 174 million in the Bank's consolidated and standalone financial result will be charged to the result generated by Getin Holding Group in Q2 2018, including the consolidated financial result generated by Getin Holding Group attributable to the parent company shareholders in the amount of PLN 95 million.

The Bank has also informed that it learned about the necessity of making adjustments to the Bank's equity at both the consolidated and standalone level as at 31 December 2017 estimated for c. PLN 145 million and c. PLN 164 million, respectively, including:

- 1) adjustments to the insurance income and costs settlement in the amount of c. PLN 94 million at the consolidated level, and c. PLN 133 million at the standalone level, 2) adjustments to the income and costs settlement of insurance products for which delays in the registration of termination of contracts were identified, in the amount of c. PLN 51 million, both at the standalone and consolidated levels.

The Issuer reports that the aforementioned adjustments to the Bank's consolidated equity as at 31 December 2017 will be charged to the consolidated equity of Getin Holding Group as at 31 December 2017 in the amount of PLN 145 million, including the consolidated equity of Getin Holding Group attributable to the parent company shareholders in the amount of PLN 79 million.

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Furthermore, the Bank has informed that it received information that there are circumstances indicating loss of the investment in Tax Care S.A., and in consequence it carried out a goodwill impairment test which indicated impairment loss of c. PLN 144 million. The Bank has informed that the afore figure will impact the Bank Capital Group's consolidated financial result for Q2 2018.

The Issuer reports that the aforementioned impairment allowance in the Bank's consolidated result will be charged to Getin Holding Group's consolidated financial result for Q2 2018 in the amount of PLN 144 million, including the consolidated Getin Holding Group's financial result attributable to the shareholders of the parent entity in the amount of PLN 78 million.

The Issuer informs that all figures are gross amounts and the aforementioned data will be further verified by an auditor and are subject to change.

Legal basis: Art. 17(1) of the Regulation of the European Parliament and Council number 596/2014 dated 16 April 2014 on market abuse – insider information.