



GETIN NOBLE

BANK • SPÓŁKA AKCYJNA

**DIRECTORS' REPORT
OF THE GETIN NOBLE BANK S.A. CAPITAL GROUP
FOR THE 12-MONTH PERIOD ENDED
31 DECEMBER 2012**

Warsaw, 28 February 2013

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1. Activities of the Bank and the Group entities in 2012

1.1. Significant factors affecting the Group's results

The year 2012 was another successful year for Getin Noble Bank S.A. ("the Bank", "the Issuer") and the Getin Noble Bank S.A. Capital Group ("the Group"). The legal merger of Getin Noble Bank S.A. and Get Bank S.A. completed in June 2012 brought an increase of total assets of the merged Bank by PLN 1 billion and the number of customers by 80 thousand. At the end of 2012 total assets of the Bank exceeded PLN 59 billion.

The consistent implementation of the relationship banking development plan has enabled the systematic increase in the number of customers and customer bank accounts. Number of clients increased by nearly 20% last year and amounted to 2.2 million at the year end. The Bank also increased in 2012 its market share in loans and deposits by about 0.2 percentage points.

In 2012 the Bank consistently pursued a strategy of strengthening its capital base and changing the balance sheet structure by reducing sale of long-term mortgage loans and increasing sale of high-margin products with shorter maturities (including retail loans, car loans, SMEs and leases). The result was an increase in 2012 of the Bank's regulatory funds by nearly 40% (PLN 1.5 billion) and a change in the structure of the balance sheet through reduction by nearly 20% in the share of sales of mortgage loans in the total sales of the new loans.

In 2012 the Bank successfully completed two public issues of shares, whose purpose was to increase the capital adequacy ratio and raise funds for potential acquisitions.

In regard to mergers and acquisitions in the fourth quarter of 2012 Getin Noble Bank S.A. signed a preliminary agreement to acquire an organised part of DnB NORD Polska S.A. Bank serving over 35 thousand customers mainly in the segment of housing communities and small and medium-sized enterprises, as well as signed with Dexia Kommunalkredit Bank AG a preliminary agreement to acquire 100% share in Dexia Kommunalkredit Bank Polska S.A., which is a financial institution specializing in the service of local governments, entities controlled by the local governments and infrastructure projects. Both transactions should be completed in the first half of 2013 providing the fulfillment of all conditions precedent contained in the agreements.

These successes were correlated with positive financial results. Consolidated net profit of the Group for the year 2012 amounted to PLN 386 million.

Internal conditions

The main factors affecting the Group's results for 2012 included the following:

- development of loan and lease receivables – increase in net loans and lease receivables compared to as at 31 December 2011 by 4% to PLN 44.2 billion,
- value of loan sale in 2012 at PLN 11 billion (decrease by 12% compared to 2011) achieved by changing the product mix through share reduction of long-term mortgage loans,
- increase in cost of obtaining customer deposits in 2012 and in the volume of customer deposits by 7% to PLN 50.2 billion (including an increase in 2012 in deposits with maturity of over 5 years by PLN 1.5 billion) contributed to the increase in interest expense,
- decrease in sale of investment products - in 2012 Getin Noble Bank S.A. Group reached fee and commission income related to investment products and deposits of PLN 379 million (decrease by 17% compared to 2011),
- effective cost management in the Group – obtaining one of the lowest cost/income ratio in the banking market of 37.3%; according to the Polish Financial Supervision Authority the average ratio for the banking sector amounted to about 50.5% as at 30 September 2012,
- reduction of impairment allowances on loans and other receivables by PLN 250 million.

At the end of 2012 the capital adequacy ratio of the Getin Noble Bank S.A. Capital Group amounted to 12.2%. The Group achieved an increase in the capital adequacy ratio by 2.2 percentage points compared to the end of 2011. This growth was possible due to increase of the Group's own funds by PLN 1.6 billion through appropriation of profit for 2011 to increase the reserve capital, recognition of the Group's net profit for the first half of 2012 in the own funds, allocation of PLN 0.8 billion from the issue of long-term subordinated securities to supplementary funds and increase of the share capital of Getin Noble Bank S.A. of PLN 0.3 billion through the issue of new shares.

The level of capital requirements has increased by PLN 0.44 billion, mainly due to growth of the Bank's loan receivables and increase in risk weights for foreign currency loans that went into effect in June 2012.

External conditions

Macroeconomic situation

In 2012 Polish economic growth dynamic reminded within a downward trend.

According to preliminary data published by the Polish statistics office GUS the GDP rose in 2012 by 2.0% in comparison to previous year. This proves slowdown in economic growth, as in the previous year, GDP growth stood at 4.3%. In 2012, domestic demand increased by 0.1% (in 2011 it was 3.4%), private consumption 0.5% (2.5%), while 0.6% of gross expenditure (9%).

The deteriorating condition of the Polish economy was the result of, inter alia, weakening industrial production and a substantial decline in private consumption growth total of 1.2% y/y in the first quarter up to 0.1% y/y in the third quarter. The ongoing stagnation on the labour market, employment in the enterprise sector, and decline in the level of remuneration are indicated as reasons of the fall in demand. Factor that positively affected Polish GDP was foreign exchange. The contribution of net exports to growth remained positive throughout 2012. Aggregated economic growth in the first quarter of 2012 amounted to 3.6% y/y, in the second quarter of 2012 fell to 2.3% y/y and in the third quarter reached 1.4% y/y. Preliminary estimates of 2012 economic growth, oscillate between 2.1% y/y.

From January to September the CPI inflation ratio remain beyond the inflation target established at 3.5% prompting the Monetary Policy Council to raise interest rates in May by 25 basis points. The decline in inflation to 3.4% y/y in October, and maintaining inflation target as specified in the policy of National Polish Bank was the beginning of the series of interest rate cuts, and led to a reduction in the reference rate at the end of 2012, to 4.25% from 4.75%. As a result of the interest rate cuts the CPI inflation ratio fell to 2.8 y/y on November and to 2.4 y/y in December.

Financial market

Sensitivity to changes in the world economic situation and returning debt crisis led to high volatility of PLN in 2012, which weakness against the EUR reached 4.52 in January. In the first quarter of 2012, the Polish currency strengthened significantly due to better moods, and EUR / PLN rate fell to 4.09 in March. In the second quarter, the exchange rate was affected by the European debt crisis and political change in Greece, which led to a significant weakening of the currency to a level of 4.42 in June. PLN strengthened in the second half of the year and EUR / PLN rate stabilized at an average of 4.12.

Progressive inflow of foreign capital on the domestic bond market is supported by expectations of further interest rate cuts, falling inflation, Polish credibility in the international market and low interest rates on international markets led to lower levels of the Polish debt yields to historically low levels. The profitability of Polish bonds fell at the end of 2012 to levels of 3.12% from 4.70% at the end of 2011 in the two-year, 3.20% from 5.30% in the five years, and 3.76% from 5.90% in the decade.

At the same time it should be noted that 36% involvement of non-residents in Polish bonds and the uncertainty as to the expectations of the economic situation are important risk factors affecting the shape and level of the Polish yield curve.

Banking sector

The situation in banking sector reflects the state of polish economy. Lower propensity to invest among enterprises and increase of the risk premium for banks led to a slowdown in credit growth. Retail loans market remains stagnant, and high market penetration does not indicate growth in this segment. The credit-side of the balance sheet of the sector indicate stabilization in the segment of corporate deposits and stable growth of retail deposits sector. Drop in lending, increase in the cost of risk and falling interest rates together with the growing balance of deposits with interest rates prevailing market, poses a major challenge for 2013 over the banking sector.

1.2. Significant events and achievements

The most significant events and achievements in 2012 affecting the Group's activities:

- Split-off of Getin Holding S.A. on 2 January 2012, which resulted in the separation of Get Bank S.A. and Getin Noble Bank S.A. from the structure of Getin Holding S.A. Capital Group.
- Legal merger of Get Bank S.A. and Getin Noble Bank S.A. on 1 June 2012 by transferring all the assets of Getin Noble Bank S.A. to Get Bank S.A. as the acquiring company (merger by acquisition).
- Sale in March 2012 by Getin Noble Bank S.A. the whole held package of shares of an associate Idea Bank S.A., representing 37.05% of its share capital and entitling to 39.44% of votes at the company's General Meeting – the consolidated income statement of the Group includes PLN 91 million of net profit from the transaction.
- Another bond issues by Getin Noble Bank S.A. within the Public Bond Issue Program - in 2012 the Polish Financial Supervision Authority approved the inclusion in the supplementary funds the amount of PLN 789 million acquired through the issue of subordinated bonds.
- Sale of receivables consisting of impaired loans and receivables written-off from the Bank's accounting books - the nominal value of the portfolio principal covered by the assignment agreements in 2012 totalled to PLN 418 million.
- Signing by Getin Noble Bank S.A. in October 2012 a preliminary agreement to acquire an organised part of DnB NORD Polska S.A. specialised in the segment of housing communities and small and medium-sized enterprises, as well as signing in November 2012 a preliminary agreement to acquire 100% share in Dexia Kommunalkredit Bank Polska S.A., which is a financial institution specializing in the service of local governments, entities controlled by the local governments and infrastructure projects.
- Conclusion in December 2012 a transaction of securitization of Getin Noble Bank S.A. car loans of over PLN 1 billion – the transaction objective is to obtain medium-term financing for the Bank through the private issue of bonds by GNB Auto Plan sp. z o.o. (SPV) worth PLN 519 million with a rating of Aa3(sf) given by Moody's Investor Services secured by pledge on the assets of the SPV.
- Initiating by the Bank the GETIN UP project in the fourth quarter of 2012, which aim is to offer customers modern and functional, but also the most friendly banking products and to improve the quality of customer service. The first phase of the long-term project was an implementation of modern online and mobile banking.
- According to data from the National Depository for Securities, a brokerage firm Noble Securities S.A. recorded the highest, 25% rate of growth in the number of brokerage accounts among all brokers operating on the Polish capital market in 2012.
- In September 2012 the brokerage firm Noble Securities S.A. launched its first foreign branch (in Romania).
- In 2012 the assets of the investment funds managed by Noble Funds TFI S.A. increased by 56.5%. to the level of PLN 1.8 billion. The market share of the company in the market for investment funds in the last year increased from 0.99% to 1.22%.

Awards and recognitions:

Getin Noble Bank S.A. successfully implements the strategy of building a universal and customer-friendly Polish financial institution. The effectiveness of these measures was confirmed by independent experts, who in 2012 recognised the Bank and its subsidiaries in a number of prestigious rankings.

- Getin Noble Bank S.A. took first place in the ranking of Comperia.pl as the most versatile bank in the II half of 2012. In this expert ranking participated financial institutions, which in addition to professional services, offer their customers the most attractive banking products.
- Editors of the Monitor Rynkowy, a supplement to the Dziennik Gazeta Prawna, awarded Getin Noble Bank S.A. "Symbol Polskiego Banku" in 2012. According to the jury, the Bank is an excellent example of the institution with Polish majority capital, which successfully competes in a market dominated by foreign entities.
- Getin Bank brand once again was among the winners of the Most Valuable Polish Brands ranking, moving up to 3rd place among the bank brands ranked by value. In the ranking of brands, in which participated all industries, Getin Bank ranked 14th position, moving up two places in relation to the ranking in 2011.

- Noble Bank received the highest 5-star rate in the rating prepared by Forbes magazine, thus occupying a prominent place in the competition among several banks. Private banking ranking, which is the first comprehensive assessment in this category of services, was developed in co-operation with MillwardBrown SMG/KRC Institute. The bank assessment consisted of detailed analysis of the range of products and services, as well as qualitative research carried out with the participation of "mystery shopper." In 2012 Noble Bank has also been recognised as one of the strongest brands on the Polish market - a group of experts has once again honored the Bank with the Superbrand title. This prize is awarded worldwide to brands that have achieved a significantly strong position and recognition in their market categories.
- Noble Bank was awarded first place in the poll "The most interesting Bank Logo of 2012". This is the first edition of the poll organised by the Banking Magazine – it aimed to identify a bank logo, which is characterized by the most clear message and an interesting graphic form for the potential recipient. In the competition participated 36 logos of banking institutions operating in Poland.
- In 2012 Getin Noble Bank S.A. moved up in the top 1000 world banks ranking published by "The Banker" magazine by 300 ranks in comparison to the previous year.
- Noble Securities S.A. for the fourth time was awarded the "Platynowy Megawat" - the award granted by the Polish Power Exchange for outstanding achievements in activities on the markets organised by the institution. During the 2012 summary Noble Securities S.A. has been recognised for its activities on the electricity market with physical delivery as the most active broker. The brokerage house has also been awarded two titles of "Broker of the Year 2012". The first award was granted for the highest level of order execution on the Property Rights Market in 2012. The second title of the "Broker of the Year 2012" was the recognition for the highest activity of Noble Securities S.A. in the Register of Certificates of Origin.

Assessment of financial creditworthiness - ratings

On 1 June 2012 Fitch Ratings published a confirmation of the rating for the merged Getin Noble Bank S.A., that was given on 7 January 2010 for the acquired Bank and later confirmed on 22 June 2011, i.e.:

Fitch Ratings	01.06.2012	rating outlook
Issuer Default (IDR)	BB	stable
Short-term	B	
National Long Term Rating	BBB (pol)	stable
Viability Rating	bb	
Support Rating	3	
Support Rating Floor	BB	

Confirmation of the IDR and Viability Rating reflects the Bank's strong result before risk costs, improved liquidity and a stable base of deposits of individuals. These factors offset the reduced quality of assets, declining, but still significant risk of high exposure to mortgage loans denominated in foreign currency and dependence on the interbank market in order to protect the structural currency mismatch.

Moody's Investor Service agency maintained the rating for the merged Getin Noble Bank S.A. that was given to the acquired Bank on 28 April 2010 at the following level:

Moody's Investor Service Ltd	28.04.2010	rating outlook
Financial Strength Rating	D-	stable
Long-term Deposit Rating	Ba2	stable
Short-term Deposit Rating	not prime	stable

2. Organisation of the Getin Noble Bank S.A. Capital Group

2.1. Share capital and shareholding structure of the Group's parent entity

As at 31 December 2012 the issued share capital of Getin Noble Bank S.A. amounted to PLN 2,650,143,319 and consisted of 2,650,143,319 shares with a nominal value of PLN 1.00 each. The Bank's shares include registered and bearer non preference shares, each of which gives right to one vote at the Bank's General Meeting. All of the Bank's shares are admitted to public trading on the regulated market.

As at the date of the publication of this report the structure of significant shareholders of Getin Noble Bank S.A. according to the information held by the Bank were as follows:

	Number of shares	Number of votes at AGM	% of share capital	% of votes at AGM
dr Leszek Czarnecki (directly)	271,307,949	271,307,949	10.24%	10.24%
Indirectly through:				
LC Corp B. V.	1,033,035,603	1,033,035,603	38.98%	38.98%
Getin Holding S.A.	150,096,884	150,096,884	5.66%	5.66%
Other subordinated entities	3,720,546	3,720,546	0.14%	0.14%
ING Otwarty Fundusz Emerytalny	192,352,805	192,352,805	7.26%	7.26%
Other shareholders	999,629,532	999,629,532	37.72%	37.72%
Total	2,650,143,319	2,650,143,319	100.00%	100.00%

As at the date of approval of the annual report for 2012, the Management Board of Getin Noble Bank S.A. did not have any information on agreements which may result in changes of the proportion in shares held by existing shareholders of the Group parent company in the future.

The Management Option Scheme existing in the Bank due to the expiry of the Resolution of the Extraordinary Shareholders Meeting of Getin Noble Bank S.A. dated 30 March 2011 on the issue of subscription warrants to purchase shares of the Bank as a result of the merger of Getin Noble Bank S.A. and Get Bank S.A., it was reclassified in 2012 as a transaction share-based payments settled in cash.

2.2. Getin Noble Bank S.A. shares on the stock exchange

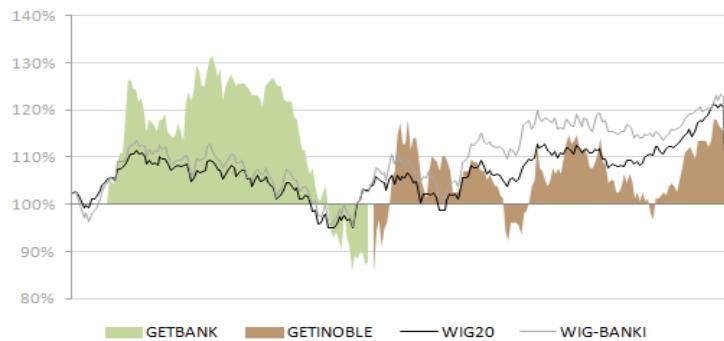
All shares of merged Getin Noble Bank S.A. are introduced to public trading on the main market of Warsaw Stock Exchange. Shares A – H-series, of former Ger Bank S.A., was introduced to public trading on 20 January 2012 and up to 18 June 2012 were quoted under the abbreviated name of 'GETBANK'. On the 18 June 2012, all 144,617,688 I – series shares of the merged Getin Noble Bank S.A. were admitted to trading on the main market of WSE under the abbreviated name of 'GETNOBLE'. At the same time as of 18 June 2012 all, i.e. 953,763,097 shares of the formerly Getin Noble Bank S.A. labelled with the code PLNOBLE00017 were excluded from the exchange trading. Moreover 200,000,000 J-series ordinary bearer shares and 60,000,000 K-series ordinary bearer shares were introduced in normal course to public trading on the main market of WSE on 30 November 2012.

On debut, i.e. on 20 January 2012, the share price of the formerly Get Bank S.A. amounted to PLN 1.56. The PLGETBK00012 closing share price fluctuated between PLN 1.34 (on 5 and 18 June) and PLN 2.05 (on 16 March). As at 31 December 2012, the Bank's capitalization was PLN 4,744 million, whereas its book value amounted to PLN 4,722 million.

The price of shares labelled PLNOBLE00017, up to the date of excluding, fluctuated from PLN 3.35 (on 29 and 30 May) and PLN 4.8 (on 2 April).

In 2012 WIG20 index fell rose by 20.45% and WIG-Banks by 22.64% (in comparison with 31.12.2011).

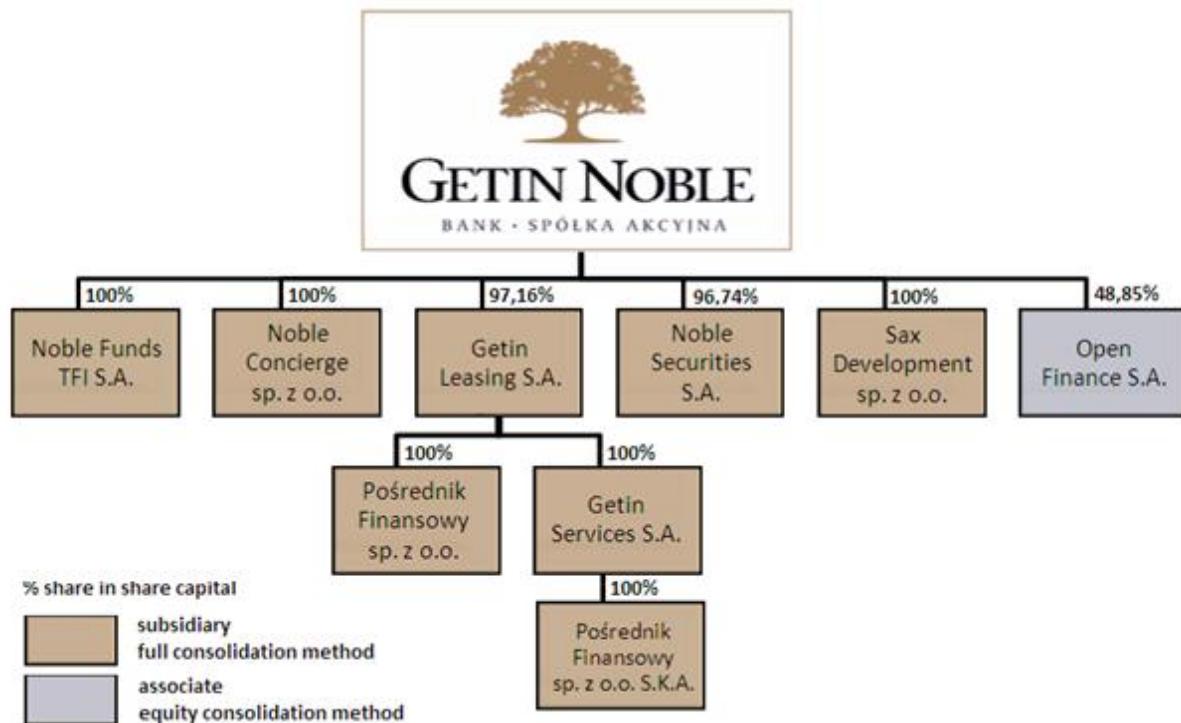
Getin Noble Bank S.A. shares quotation and Warsaw Stock Exchange indices (as at 31.12.2011 = 100)



2.3. Structure of the Group and its changes

Getin Noble Bank S.A. Capital Group ("the Capital Group", "the Group") consists of Getin Noble Bank S.A. as the parent entity and its subsidiaries. The Bank holds also an investment in an associate.

Presented below is an organisational chart of subsidiaries and associated included in the consolidated financial statements of the Getin Noble Bank S.A. Capital Group with information on the nature of the relationships within the Group as at 31 December 2012:



As at 31 December 2012 and 2011 the Bank's share in the total number of voting rights in its subsidiaries and associates was equal to the Bank's share in share capital of those entities, except for Noble Securities S.A. in which the Bank held 97.26% share in votes as at 31 December 2012 (98.10% as at 31 December 2011).

In connection with the transaction of securitisation of the Getin Noble Bank S.A. car loans carried out in December 2012, the Bank performed an analysis of the risks, benefits and the business sense of the special purpose entity, GNB Auto Plan Sp. z o.o. ("Special Purpose Entity", "SPV") under the provisions of IAS 27 *Consolidated and Separate Financial Statements* and SIC 12 *Consolidation - Special Purpose Entities*. On the basis of the conclusions, it was stated that the substance of the relationship between the SPV and the Bank

indicates that the SPV is controlled by the Bank. Therefore, the SPV has been consolidated using the full method, despite the fact that the Group does not hold any equity interest in the entity.

On 2 January 2012 as a result of the split-off of Getin Holding S.A. with its registered office in Wrocław, 893,786,767 shares in Getin Noble Bank S.A., which accounted for 93.71% of its share capital and entitled to 893,786,767 (93.71%) votes at the General Meeting of Getin Noble Bank S.A. were transferred to Get Bank S.A. The split-off of Getin Holding S.A. occurred on 2 January 2012, i.e. on the date of registration by the District Court of Warsaw, XIII Commercial Department of the National Court Register, of share capital increase in Get Bank S.A. from PLN 103,060,000 to PLN 2,245,525,631 through the issue in a public offer of 2,142,465,631 ordinary bearer shares of H series of a nominal value of PLN 1.00 each. As a result of the transfer of the above mentioned shares, Getin Holding S.A. no longer directly held any shares in Getin Noble Bank S.A., and through Get Bank S.A. indirectly owned 93.71% of the share capital.

On 19 January 2012 as a result of issue of H Series ordinary bearer shares of Get Bank S.A., which took place in connection with the split-off of Getin Holding S.A. in accordance with art. 529 § 1 point 4 of the Act of 15 September 2000, the share of Getin Holding S.A. in the share capital of Get Bank S.A. declined to 4.51% of the Bank share capital, resulting in Getin Holding S.A. ceased to be the parent entity of Get Bank S.A. and indirectly of Getin Noble Bank S.A. At the same time on 19 January 2012 Mr. Leszek Czarnecki became the parent to Get Bank S.A. in connection with the acquisition, directly and indirectly of 1,197,323,225 shares in Get Bank S.A., and thus acquired indirectly 893,786,767 shares in Getin Noble Bank S.A., which represents 93.71% of its share capital and entitles to 893,786,767 (93.71%) votes at Getin Noble Bank S.A. General Meeting.

On 7 February 2012 the Management Boards of Get Bank S.A. and Getin Noble Bank S.A. agreed, and the Supervisory Boards of both Banks approved the Plan to merger Getin Noble Bank S.A. and Get Bank S.A. prepared in accordance with art. 499 § 1 and § 2 of the CCC. The Banks merger was according to art. 492 § 1 point 1 of the CCC in conjunction with article 124 point 1 of the Banking Act, by transferring all the assets of Getin Noble Bank S.A. to Get Bank S.A. as the acquiring company (merger by acquisition) with simultaneous increase of the share capital of Get Bank S.A. through the issue of 144,617,688 shares of I series with a nominal value of PLN 1.00 each, which were granted to all existing shareholders of Getin Noble Bank S.A. other than Get Bank S.A. According to art. 494 § 1 of the CCC, from the merger day Get Bank S.A. took all the rights and responsibilities of Getin Noble Bank S.A.

On 1 June 2012 the District Court of Warsaw, XIII Commercial Department of the National Court Register issued a decision, under which, on 1 June 2012 in the Companies Register of the National Court Register was made an entry of the merger of Get Bank S.A. and Getin Noble Bank S.A. under the name of Getin Noble Bank S.A. ("Merged Bank"). At the same time the Registration Court issued a decision to change the Bank's firm from Get Bank S.A. to Getin Noble Bank S.A.

In addition to the merger of Get Bank S.A. and Getin Noble Bank S.A. described above, the following changes in the structure of the Group took place in the 12-month period ended 31 December 2012:

On 2 January 2012 the non-controlling shareholders of a subsidiary Noble Funds TFI S.A., holding in total 30% of shares in the company, informed about the execution of the call option, i.e. their right to sell the shares in Noble Funds TFI S.A. owned by them to Getin Noble Bank S.A. The transfer of rights to the shares commenced on 1 March 2012. In result of this transaction since 1 March 2012 Getin Noble Bank S.A. owns 100% of the share capital of Noble Funds TFI S.A.

On 24 January 2012 Getin Noble Bank S.A. sold 150,000 shares in its subsidiary Introfactor S.A., representing 100% of the company's share capital.

On 16 March 2012 Getin Noble Bank S.A. sold to Getin Holding S.A. the whole held package of 9,872,629 shares of an associate Idea Bank S.A., representing 37.05% of its share capital and entitling to 39.44% of votes at the company's General Meeting.

On 8 June 2012 the company Earchena Investments Ltd requested the Bank to sale the additional shares of Noble Securities S.A. under a sale agreement dated 25 November 2010 and later amendments. Transaction of the sale of the shares was completed on 4 July 2012 and Getin Noble Bank S.A. sold to Earchena Investments Ltd 34,947 shares of Noble Securities S.A. representing 1% of its share capital and entitling to 0.84% of votes at the company's General Meeting.

Pośrednik Finansowy sp. z o.o. S.K.A. was incorporated in August 2012 and registered on 4 October 2012, in which the general partner is Pośrednik Finansowy sp. z o.o. and the sole shareholder is Getin Services S.A.

On 10 October 2012 Getin Noble Bank S.A. purchased 50 shares with a nominal value of PLN 100 each in Sax Development Sp. z o.o. with its registered office in Wrocław, representing 100% of the company's share capital.

On 22 October 2012 the Management Board of the Bank adopted a resolution to increase the company's share capital by PLN 10 million through the issue of 100 thousand of new shares with a nominal value of PLN 100 each. By way of a share capital increase of Sax Development Sp. z o.o., Getin Noble Bank S.A. acquired 100 thousand of new shares for the amount of PLN 105 million in cash.

In December 2012 a subsidiary of the Bank - Getin Finance Plc based in London, has been removed from the register in connection with the termination of its activities. The company was established in 2006 to issue bonds under the program of medium-term bonds issue on the international markets.

Related party transactions

The Getin Noble Bank S.A. Group understands related party as the Group's associates with their subordinated entities and entities related to the ultimate parent – Mr. Leszek Czarnecki.

Transactions of Getin Noble Bank S.A. and its subsidiaries with related parties are made on an arm's length basis. The details of transactions made by the Group entities with the related parties are presented in the Note II.45 to the consolidated financial statements of Getin Noble Bank S.A. Capital Group for the year ended 31 December 2012.

As at 31 December 2012 the total value of Getin Noble Bank's exposure arising from loans to its related parties amounted to PLN 685 million (PLN 233 million at the end of 2011).

3. Scope of activities, products and services of the Group companies

3.1. Getin Noble Bank S.A.

Getin Noble Bank S.A. is a universal bank offering numerous products in the area of financing, saving and investing and a wide spectrum of additional services which are provided to clients using a variety of channels, including traditional banking outlets and the Internet platform. The Bank's offer is addressed to individual clients, small and medium-sized enterprises, local government authorities and large corporations.

Retail banking is conducted under the Getin Bank brand, which specializes in the sale of cash and mortgage loans and is a leader in the sale of car loans. Getin Bank offers a number of investment products and deposits, it is also an active player in the segment of financial services dedicated to small and medium-sized enterprises, as well as local government authorities.

Noble Bank represents the private banking section, which is dedicated to wealthy clients. In addition to standard financial products, Noble Bank offers real estate advisory, legal and tax support, art banking, brokerage and concierge services.

The product offer of the Bank is supplemented by the products offered by its affiliates, such as Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A., Noble Securities S.A. brokerage house, Noble Concierge sp. z o.o. and Getin Leasing S.A. In co-operation with the above-mentioned companies, Getin Noble Bank provides its clients with access to brokerage services, concierge services, investment fund units and investment fund certificates, insurance and lease products.

Retail banking

Mortgage loans

Mortgage loans are offered under the Bank's own brand: Getin Noble Bank S.A. – Mortgage Branch. This is a section of Getin Noble Bank S.A. specializing in the granting of mortgage loans. Loans are distributed through the network of the Bank's own outlets (Mortgage Loan Centers), Noble Bank Private Banking branches, as well as through companies Open Finance, Home Broker and the networks of specialized financial intermediary companies working in a commission-based system.

Mortgage loans are offered for the purchase of apartments or houses on the secondary and primary markets, for construction of houses, renovation, modernization or finishing of apartments, purchase or construction of business premises, repayment of loans (consolidation) and other purposes (advances). The Bank's product offer has been modified and Getin Noble Bank started to be perceived as an entity which focuses on innovation in financial services. Such an approach resulted in creation of a number of new products. Significant share in sale of mortgage loans had also Rodzina na Swoim program which ended in 2012.

In order to limit the level of credit risk, the changes were made also to the rules for calculating the creditworthiness of customers applying for a mortgage loan. Significant impact on the shape of the existing product range had SII Recommendation and T Recommendation.

Car loans

Car loans were one of the main products offered by Getin Noble Bank. Getin Noble Bank once again is the definite leader on the market of car loans in Poland, with a market share of about 40%.

Car loans are mainly sold through the network of over 800 agents actively co-operating with the Bank, car dealers and second-hand dealers as well as the Bank's own employees.

The Bank grants loans for the purchase of all types of vehicles. Loans granted by the Bank additionally include the financing of a wide spectrum of purchase-related costs, such as costs of additional car equipment, car insurance, borrower's insurance as well as costs of usage and maintenance of the vehicle financed by a loan.

In particular the Bank provides a full service for Opel and Chevrolet dealers in cooperation with General Motors Poland and Chevrolet Poland Sales made through these brands is growing steadily, in 2012 there was an increase in sale of loans by 70% and growth in sale of leases by 15%.

There is a stable increase in sale made by the Bank's own employees (Call Centre) – in 2012 growth in sale both car loans and lease by 10%.

2012 was the second consecutive year in which a significant complement to the Bank's offer of financing the purchase of a vehicles was a lease, carried out in cooperation with the Bank's subsidiary - Getin Leasing S.A. In 2012 Getin Leasing took the 6th place in the country among leasing companies in respect of financing of passenger cars and trucks up to 3.5T.

Moreover, the Bank offers a loan for Dealers and Second-hand dealers businesses to finance their stocks.

Retail loans

Consumer loans are mainly provided through the network of the Bank's own outlets and franchise outlets.

Building of new portfolio is based mainly on the offer addressed to existing clients and clients from new sectors which are characterized by lower credit risk. To increase competitiveness of its offer, the Bank makes it suitable to the market demand on the ongoing basis. Frequent winnings in the rankings organised by Totalmoney.pl for best cash loan indicate high competitiveness of the products. In 2012 Getin Noble Bank eight times took 1st place in this category.

The Bank's main lending products include:

- cash loan,
- consolidation loan,
- promotional offers relating to cash and consolidation loans,
- e-mail offers for Bank existing customers,
- credit limits on current account.

In 2012 Getin Noble Bank S.A. rapidly increased lending of installment loans for financing the purchase of goods and services available in an offer of the Bank's Partners. Installment loans are sold through external sales network. In 2012 it was started an effective sales process of ROR packages to installment borrowers through the unified channel.

Deposits

In 2012 in the area of deposits the Bank focused on the more durable binding customers to the Bank. To achieve this, in addition to campaigns used for several years to attract term deposits, the focus was primarily on the acquisition of personal accounts, which form the basis of binding customers to the Bank and motivate them to keep the funds on the term deposits. In 2012 both in stationary networks and online, the functionality and attractiveness of ROR was increased. The Noble Bank network offered a new personal account with attractive interest rate and with an extensive online banking and the world's first metal debit card. The customers of Getin Bank received the two basic accounts with a number of benefits associated with it. At the end of the year the Bank introduced a Getin UP account. This account is one of the most modern in the market and enables mobile payments, non-standard transferring measures (without knowing the NRB of the recipient), the use of the card with display (which could also serve as a token), and provides a number of opportunities for active saving. These actions resulted in increased number of RORs and customers both in the stationary networks and online channels.

In the area of deposits the aim in 2012 was to keep such balances to maintain the proper liquidity, while optimizing costs. In 2012 the Bank acquired nearly PLN 1.4 billion of the retail term deposits.

Payment cards

Getin Noble Bank offers a wide spectrum of credit and debit cards which satisfy a variety of clients, including those in the business sector. The Bank issues cards under the two main settlement systems i.e. Visa and MasterCard. A new MasterCard Display card was implemented as a first of its kind product in the world.

Visa credit cards are offered as Gold or Silver, under MasterCard settlement system are offered credit cards: World, World Business and Business Executive, as well as MasterCard Debit and Platinum Debit. All cards issued under the Getin brand include contactless payment functions.

Complementing the offer are debit and credit products issued in NFC technology. In this way the Bank has the ability to personalize and manage a payment card on the client's phone completely remote using the infrastructure of mobile operators.

For the segment of top affluent reserved are cards from the Noble palette made of solid metal. Platinum debit card and Elite credit card together form a duet of the most prestigious products in this segment in Europe. With NFC technology as the first Bank in Poland we offer the customers these cards also available on smartphone, in order to meet the expectations of the customers not only demanding but also valuing innovation and safety.

Private Banking

Getin Noble Bank provides private banking services to wealthy clients under the Noble Bank brand. The Bank operates the nationwide network dedicated exclusively to private banking. All branches of Noble Bank are located in the centers of big cities and designed in such a way to provide clients with full convenience and discreetness of business meetings.

The focus of the Bank is comprehensive advice on customers personal finance. Special dedicated product lines, asset management services and brokerage services are addressed to a selected group of clients. Noble Securities S.A. brokerage house offers to the Bank's customers a wide range of services related to the capital market, so that the Bank's customers have access to a number of corporate bonds issues. In cooperation with Noble Funds TFI S.A. the Bank offers its customers the wealth management services. The Noble Bank's customers can also take advantage of concierge service developed by Noble Concierge sp. z o.o.

In 2012 the Bank was the first to introduce the service of corporate private banking, that allows the Private Banking customers also support of their businesses. In this way, the services provided by the Bank have become even more comprehensive.

Corporate banking

The Bank continues to develop its activity in the sector of small and medium-sized enterprises, state budget entities and clients from the SME sector. The Bank is modifying its loan offer according to the changes in economic situation.

Loan products

The main lending products offered by the Bank are as follows:

- Loan in current account and in loan account,
- Investment loan,
- Loan for business entities working with local authorities or state budget entities,
- Receivables purchasing for business entities working with local authorities or state budget entities,
- Bank guarantees,
- Factoring
- Financing of the purchase of property, plant and equipment in the form of lease,
- Financing of property development projects,
- Financing of public health service entities,
- Loan products dedicated for small and medium-sized enterprises.

Selected deposit products

"Moja Firma" Bank Account:

- four types of current accounts adjusted to requirements of corporate customers,

- free of charge cash transfer (including transfer to Social Insurance Institution and Tax Office),
- premium for the account balance for active users,
- free of charge legal assistance and legal support,
- services available under the account agreement: TELE GB, GB24, SMS Service, standing orders, direct debit,
- availability to apply for debit in the account.

The main changes made in 2012 to the corporate product offer included:

- Guarantee Line,
- Credit for deposit,
- Loans for Freelancers,
- Credit cards,
- PSD – changes related to the new law on payment services,
- Loans for farmers.

Treasury products for corporate clients

In 2012 the Bank developed active sale of treasury products to its corporate clients. The treasury products were offered mainly to small and medium-sized enterprises. The turnover of all transactions made by the Bank clients exceeded PLN 1.1 billion. The products offered by the Bank enable carrying out basic treasury transactions (foreign currency exchange), hedging against currency risk (forward transactions) and investing surplus funds on attractive terms.

In 2012 the Bank offered the following treasury products to corporate clients:

- spot foreign currency exchange transactions,
- forward currency transactions,
- foreign exchange option (vanilla options and exotic options),
- dual currency deposit,
- treasury bills,
- negotiable deposits.

Appropriate regulations, agreements and procedures were also developed for entering into treasury transactions within the transaction limits or cash collateral. The Bank's offer of variable treasury products enables it to fully realize the corporate banking development strategy.

3.2. Business areas of the Bank's subsidiaries

Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.

The company conducts activities relating to creating and managing of investment funds, including brokerage in sale and purchase of share units and management of collective securities portfolio, investment portfolios management, in which one or greater number of financial instruments is included (so called asset management), and investment advisory.

Investment Funds

As at 31 December 2012 the company managed the following funds:

- Noble Funds Fundusz Inwestycyjny Otwarty with 7 separated subfunds:
 - Noble Fund Skarbowy,
 - Noble Fund Mieszany,
 - Noble Fund Akcji,
 - Noble Fund Akcji Małych i Średnich Spółek,
 - Noble Fund Stabilnego Wzrostu Plus,
 - Noble Fund Timingowy,
 - Noble Fund Global Return.
- Noble Funds Specjalistyczny Fundusz Inwestycyjny Otwarty with separatek subfund Noble Fund Africa,
- Noble Fund 2DB Fundusz Inwestycyjny Zamknięty,
- Noble Fund Opportunity Fundusz Inwestycyjny Zamknięty,
- Debito Niestandardowy Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty,

- Property Solutions Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych,
- Distressed Assets Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych,
- Noble Fund Macro Total Return Fundusz Inwestycyjny Zamknięty.

Services and products of Noble Funds TFI are offered in banks, brokerage houses, financial advisory companies and insurance companies. The number of distributors amounts to 23 companies as at the end of the year.

Noble Funds Fundusz Inwestycyjny Otwarty

Noble Fund Skarbowy is addressed to risk-averse investors, appreciating the stability of invested funds, seeking the alternative for long-term bank deposits or direct investments in treasury bonds or bills.

Noble Fund Akcji is addressed to investors accepting higher level of risk connected with seasonal fluctuations of stock indexes, expecting higher long-term rate of return.

Noble Fund Mieszany is addressed to investors accepting moderate level of investment risk, seeking institutions, which will actively manage funds between equity market and debt instruments market.

Noble Fund Akcji Małych i Średnich Spółek is addressed to investors accepting high level of investment risk connected with seasonal fluctuations of stock indices, particularly in short-term, interested in investing on the equity market from the segment of small and medium enterprises (companies not being a part of WIG20 index), expecting in longer term extraordinary profits.

Noble Fund Stabilnego Wzrostu Plus is addressed to investors who expect profits higher than secure investment like bank deposits and bonds, simultaneously keeping risk at moderate level.

Noble Fund Timingowy is a product within which the subfund management strives for achieving positive rate of return, irrespective of market business cycle.

Noble Fund Global Return is addressed to investors accepting at least average risk level and seeking instruments securing assets during bear market, but using positive market trends during bull market.

Noble Funds Specjalistyczny Fundusz Inwestycyjny Otwarty

Noble Fund Africa is addressed to investors accepting high level of risk. The subfund aim is to reach extraordinary rate of return from investment in long-term period by obtaining exposure to selected companies from African countries.

Noble Fund Opportunity Fundusz Inwestycyjny Zamknięty

Noble Fund Opportunity FIZ uses market potential, mismatch and other specific investment opportunities appearing at the capital market (mainly Polish). Fund assets are actively allocated between shares of small and medium enterprises, allotment certificates (PDA), shares in LTD companies and bonds. The involvement in shares and securities depends on the current stock exchange situation.

Noble Fund Macro Total Return Fundusz Inwestycyjny Zamknięty

Noble Fund Macro Total Return FIZ is a fund whose objective is the use of short-term and medium-term growth trends with limited risk (the use of "stop loss"). The Fund invests in shares and future contracts on major world indices (in developed markets and the developing world), as well as for raw materials. The feature of the fund is multicurrency.

Distressed Assets Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych

The managers of *Distressed Assets FIZAN* focus on investments in corporate bonds and other forms of debt, looking for attractive investment opportunities. The Fund intends to engage in a process of financial restructuring of enterprises, where the situation is so promising that the renegotiation of the terms of repayment of bonds allow for the operation of the company and for the fund - to recover the investment. Issuance of series A investment certificates of the Fund was carried out on 5 December 2012.

Asset Management

Apart from investment fund management, the company provides asset management services. It is addressed to customers prepared to invest at least PLN 2 million. For these customers, the company offers three standard investment strategies to choose: Strategia Timingowa, Strategia Akcyjna and Strategia Bezpieczna. For customers having assets higher than PLN 5 million individual strategies are offered.

Strategia Timingowa assumes active adaptation of involvement in shares and other share-related securities within 0%-100% range to current stock exchange situation. *Strategia Timingowa* does not allow using of the financial leverage. In 2012 the rate of return of *Strategia Timingowa* amounted to 18,05%.

In *Strategia Akcyjna* involvement in share or share-related securities fluctuates between 80% and 100% of portfolio value. Investments consist mainly of shares admitted to trading on the organized market in the Republic of Poland, but also in other EU or OECD membership countries. *Strategia Akcyjna* does not allow using of the financial leverage. Comparative reference for assessing the effectiveness of management is weighted rate of return - based in 90% on WIG and in 10% on the yield of 52-week treasury bills.

For *Strategia Bezpieczna* it is characteristic that the possibility of investing in shares and other share-related parties is excluded and that the area of investment is limited to secure debt instruments.

The investment policy in *Individual Strategy* is established taking into account investment preferences of customers with regards to expected rate of returns and accepted risk profile. With reference to investment preferences of customer, appropriate comparable reference is determined, which allows to evaluate results of the investment manager properly.

Noble Securities S.A.

The core business of the company are brokerage activities related to securities and stock commodities market. Noble Securities S.A. prepares investment analysis, financial analysis and other recommendations of a general nature relating to transactions on financial instruments.

The main areas of the company' activities include:

- brokerage services in trading of financial instruments on the Warsaw Stock Exchange,
- brokering in commodities and financial instruments on the markets organised by the Polish Power Exchange S.A.,
- supporting businesses by providing investment banking services, including support for public offerings of securities,
- providing services in the Forex market, including the use of Noble Markets modern trading platforms providing access to CFD contracts for the largest stock exchanges worldwide,
- offering to companies support in execution of Public Relations and Investor Relations campaigns with respect to public issue of shares,
- participation in KDPW as: core activity, animator, the sponsor of share issue.

Brokerage activities

Noble Securities S.A. acts as agent in trading of financial instruments on the Warsaw Stock Exchange and in the Alternative Trading System conducted by the WSE – on NewConnect and Catalyst markets. The company supports its clients in planning activities preceding the Initial Public Offering, its debut on the Warsaw Stock Exchange and subsequent issues of securities. The offer of brokerage services is available throughout the whole country. Customers are serviced in person in Customer Service Points, by phone and online.

The Noble Securities S.A. offer for forex transactions include hundreds of financial instruments: currency pairs, commodities and goods, as well as global stock indices. Through Noble Markets (NS Forex MT4 and MT5) modern trading platforms, the company also offers access to the CFD contracts for the largest stock exchanges worldwide.

Investment banking

The company supports customers in establishing strategies of development of their activities as well as setting financial strategy and determining if capital or debt financing should be used. Noble Securities provides strategic advisory services, procure funds services and services of merger and acquisition preparation.

The company supports clients in optimizing the capital structure and choosing the investment strategies by advisory in respect of public shares offering on the Warsaw Stock Exchange S.A. and in the Alternative Trading System NewConnect. The offer of Noble Securities includes also public subscriptions with rights issue and issues connected with transferring of company from the BondSpot or NewConnect to regulated market of the GPW. Noble Securities operates also in the non-public market, providing a wide range of services, starting from making shares available for employees, through carrying out deposit of securities and share registers, ending with preparation and conducting of non-public issues and transactions of shares sale as well as bonds issues.

Energy market

Noble Securities S.A. under the Act of 26 October 2000 on the Commodity Exchange offers to its customers the service of intermediary in exchange transactions of purchase and sale of electricity, property rights and the CO2 emission allowances.

Currently the brokerage house acts as intermediary in transactions in all Markets for Electricity and Gas on the stock exchange.

Noble Concierge Sp. z o.o.

The company provides prestige concierge services for customers. These are all types of information, reservation and organizational services for clients excluding services against the law, the ethic and moral rules as well as the social coexistence rules and services connected with customer's business or work activity.

The company organizes events for Getin Noble Banks' clients and Wine&Food Noble Night event. Travel Agency, which operates within the company's structures, offers standard travelling, as well as individual tailored travels.

Getin Leasing S.A.

Getin Leasing conducts activities related to lease financing of vehicles, medical equipment, machinery and other equipment to lessees. The company's product offering complements the Bank's loans offer aiming primarily for customers in the segment of small and medium-sized businesses as well as corporate and public sector clients. The company provides its customers with financing in the form of operating and financial lease.

To adjust the offer to market demand, the company offers its customers the following products:

Vat-Margin Lease

Finance (capital) lease, where lessor purchases the leased object from supplier on the basis of invoice Vat margin or invoice exempted from Vat.

Lease with deferred schedule

Operating lease extended by the functionality of deferring of leased asset transfer to customer with the possibility of leased object price adjustment.

WNT Lease

Operating lease dedicated to transactions in which the supplier of leased asset is an entity from EU membership country.

Consumer Lease

Operating lease dedicated to natural persons for financing purchase of cars and motorcycles.

Insurance in installments

The product is available for operating leases, where the insurance is financed in leasing installments.

Sax Development sp. z o.o.

The company was purchased in order to provide rental services and property management.

4. Financial situation and results of the Group

4.1. Consolidated income statement

The main items of the consolidated income statement of the Group for 2012 and changes in relation to previous year are as follows:

PLN thousand	2011 (restated)	2012	change y/y
Net interest income	1,371,770	1,247,578	-9.1%
Net fee and commission income	871,458	768,937	-11.8%
Net other result*	934,829	221,283	-76.3%
General administrative expenses	-867,462	-833,840	-3.9%
Impairment allowances on financial assets and off-balance sheet provisions	-1,225,424	-975,263	-20.4%
Profit before tax	1,094,992	455,910	-58.4%
Income tax	-115,723	-70,134	-39.4%
Net profit	979,269	385,776	-60.6%
attributable to equity holders of the parent	979,650	371,146	
attributable to non-controlling interests	-381	14,630	

* Net other result includes dividend income, result on financial instruments measured at fair value through profit or loss, result on other financial instruments, foreign exchange result, other operating income and expense and share of profits of associates.

In 2012 the Getin Noble Bank S.A. Capital Group generated consolidated net profit amounting to PLN 386 million, i.e. lower than in 2011 by more than 60%. The net profit attributable to equity holder of the parent company amounted to PLN 371 million, i.e. PLN 609 million (62%) less than in 2011. The lower level of profit compared to the same period last year is primarily associated with the recognition in a result of 2011 of profit from the sale of the shares and the settlement of loss of control in the Open Finance S.A. (recognition in this respect of a net profit of PLN 620 million).

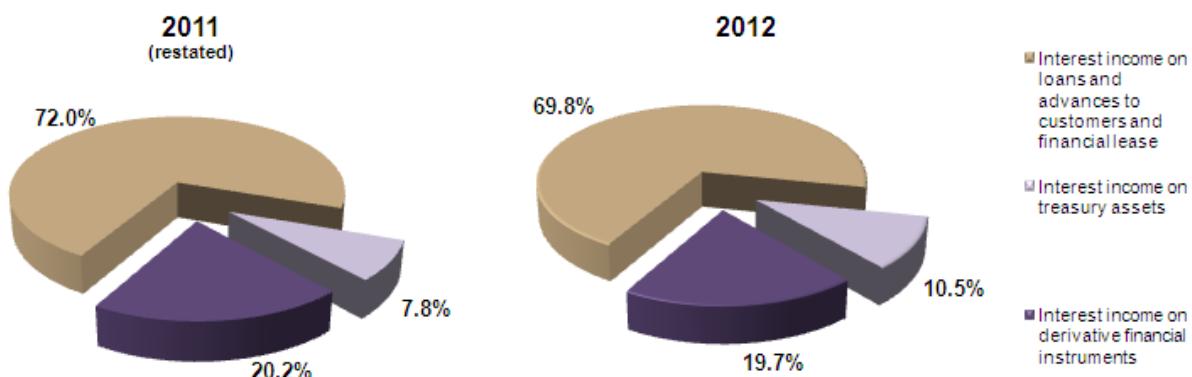
The largest contribution to the Group's results among the subsidiaries had Noble Securities S.A. brokerage house, which in 2012 generated net profit of more than PLN 21 million and Noble Funds TFI S.A. with a net profit of PLN 15 million. In respect of investments in associates in the consolidated financial PLN 60 million was recognized as share in the profits of Open Finance S.A. and Idea Bank S.A. (until March 2012).

Net interest income

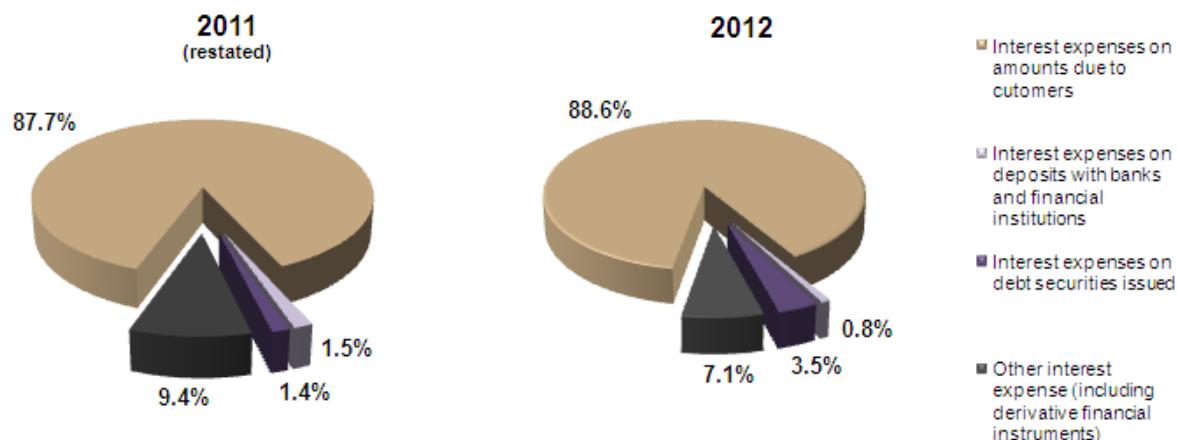
Net interest income was determined by interests from deposit-loan activities. Interest income on loans and leasing (taking into account effective interest rate) accounted for 69.8% of the Group interest income, and interest expense from client's deposits accounted for 88.6% of the Group interest expense.

Within interest income on loan and leasing activity, more than 57% of interests accounts for interests from mortgage loans. The interest expense accounted for 2.6% of the costs associated with the subordinated debt.

Structure of interest income in 2011 and 2012



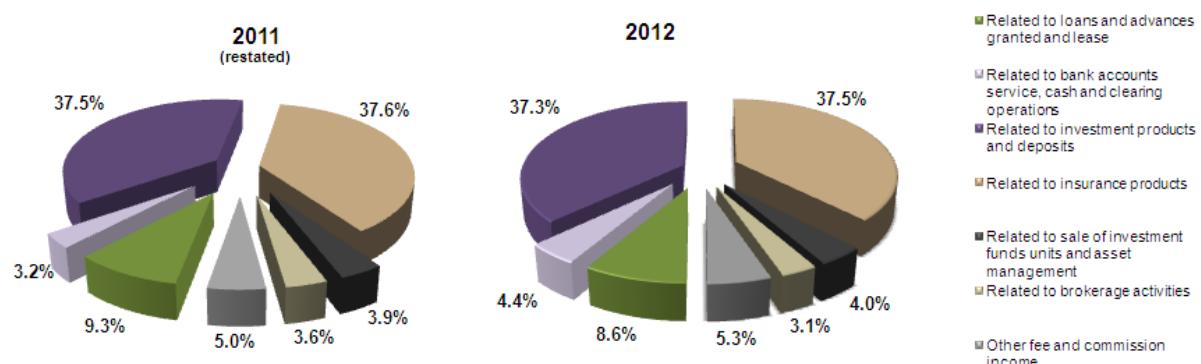
Structure of interest expense in 2011 and 2012



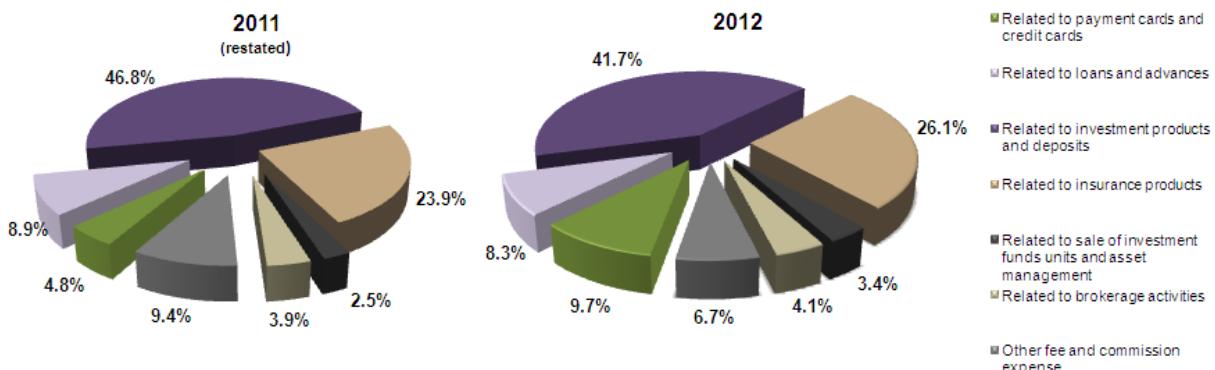
Net fee and commission income

In 2012 net fee and commission income of the Group decreased by 12% compared to the results in 2011. A slight decrease in net fee and commission income was due to achieving the lower net result on commissions from insurance products (drop in 2012 by PLN 58.9 million, i.e. by 16%). The main component of the fee and commission income is still income from insurance and investment products and deposits.

Structure of fee and commission income in 2011 and 2012



Structure of fee and commission expense in 2011 and 2012



Net other result

Net other result achieved in 2012 (dividend income, result on financial instruments measured at fair value through profit or loss, result on other financial instruments, foreign exchange result, other operating income and expense and share of profits of associates) was lower than the result achieved in 2011, which is associated with the following:

- obtaining in 2011 the profit from sale of shares and the settlement of loss of control in Open Finance S.A. and Idea Bank S.A.,
- changes in market conditions affecting the valuation of financial instruments measured at fair value, which resulted in 2012 in a loss on financial instruments at fair value through profit or loss in the amount of PLN -42.5 million, compared to the profit achieved in 2011 of PLN 37.4 million,
- a lower sale volume of loans indexed to foreign currencies in 2012 and thus a lower result on foreign exchange - a decrease compared to 2011 by PLN 62.8 million.

General administrative expenses

Despite the increase in scale of operations, in 2012 there was a reduction in the costs incurred by the Group by 4%. The Bank fees to the Bank Guarantee Fund increased, but the biggest item in the Group's costs - employee benefits remained at the same level as in 2011. The Group incurred lower expenses related to external services, mainly in marketing and advertising costs. Cost / income ratio of the Group for the year 2012 was 37.3%.

Impairment allowances on financial assets and off-balance sheet provisions

In 2012 Getin Noble Bank S.A. reported an overall decrease in the cost of credit risk. Increase in impairment allowances in 2012 in the amount of PLN 975.3 million was by 20% lower compared to the impairment allowances increase in 2011. There has been a positive change in all credit areas.

The structure of the impairment increase in 2011 and 2012 for basic credit products is presented in the following table:

PLN thousand	2011 (restated)	2012	Change
Mortgage loans	773,610	676,526	-12.5%
Car loans	182,704	93,244	-49.0%
Retail loans	149,550	125,527	-16.1%
Corporate loans and leases	119,560	79,966	-33.1%
TOTAL	1,225,424	975,263	-20.4%

Key financial ratios

	2011 (restated)	2012	Change in p.p.
ROE net	30.1%	9.7%	- 20.4
ROA net	2.0%	0.7%	- 1.3
C/I (cost to income)	27.3%	37.3%	10.0
Capital adequacy ratio	10.0%	12.2%	2.2

4.2. Statement of financial position

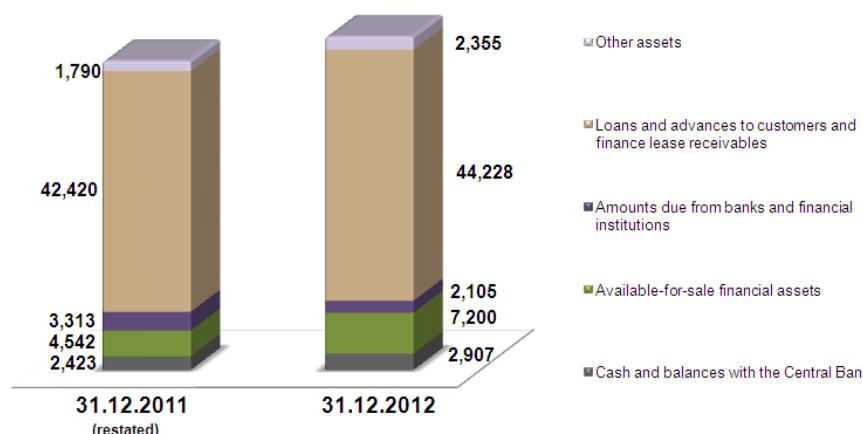
ASSETS

As at 31 December 2012 total assets of the Getin Noble Bank Capital Group amounted to PLN 58.8 billion and were higher by 8% compared to the value at the end of 2011. The main factors influencing the growth of assets are the following:

- the development of loan production, due to attractive loan offer and obtaining stable funding sources in the form of customer deposits (growth in 2012 in amounts due to customers by 6.3% to the level of PLN 50.2 billion),
- issue of securities, of which long-term securities included in the supplementary funds of the Bank - in 2012, there was an increase in the balance of the issued securities by PLN 1.2 billion, of which PLN 0.3 billion are bonds issued by GNB Auto Plan sp. z o.o. within the securitisation transaction (excluding the bonds purchased by Getin Noble Bank S.A.),
- the increase of capital base – policy of profit retaining with appropriation to Bank own funds and issue of shares.

The strengthening of the zloty in 2012 resulted in a decrease in total assets - increase in the value of the zloty against foreign currencies contributed to the decline in the value of foreign currency credit balance expressed in zloty by approximately PLN 1.3 billion.

Structure of the Group assets as at the end of 2011 and 2012 (in PLN million)



The main part of the Group assets are loans, advances to customers and receivables due to finance lease (75% of the total assets). The Group has been allocating the surplus of funds in securities (12% of total assets) and interbank deposits (4%). Cash and cash balances with the NBP amounted to 5% of the total assets.

Loan portfolio and finance lease receivables

In 2012 the Getin Noble Bank S.A. Group increased the carrying amount of loans and advances to customers and finance lease receivables by 4% to the level of PLN 44.2 billion. The value of loans granted by Getin Noble Bank S.A. in 2012 amounted to PLN 11 billion and was lower than the value of loans granted in 2011 by 12%.

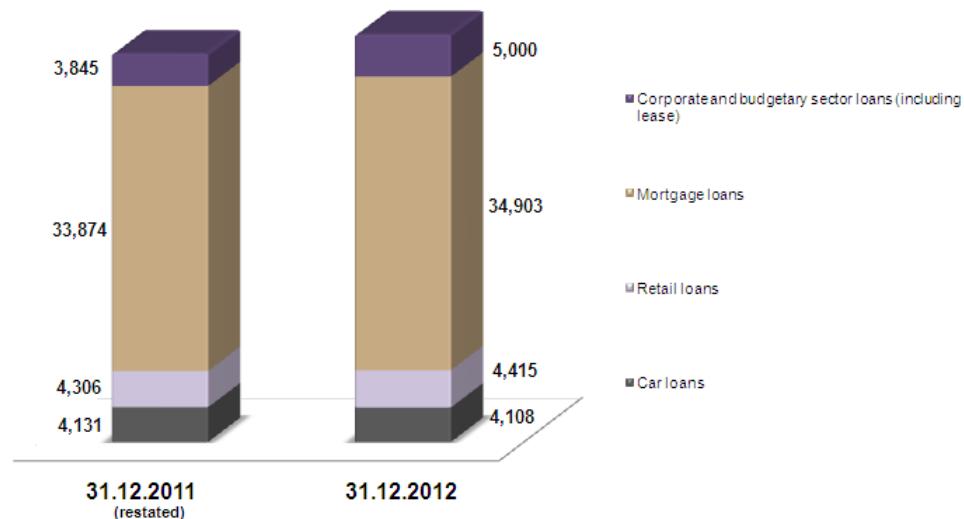
In 2012 the Bank directed its activities to carry out the objective of the strategic changes in the structure of credit sales by focusing on sales of short and faster amortising loan products:

Share in sale of loans	2011 (restated)	2012	Change in p.p.
Mortgage loans	55%	35%	- 20
Other loans	45%	65%	+20

The structure of loans was dominated by loans in zloty, which accounted for 97% of all loans.

The average interest profitability (taking into account the effective interest rate), related to loan portfolio achieved in 2012 amounted to 7.1%. The profitability is determined by the currency structure of loan portfolio, within which the loans in foreign currencies or denominated in foreign currencies account for 37%, and their interest profitability is lower due to lower reference rates.

The Group loan and lease receivables as at the end of 2011 and 2012 (in PLN million)



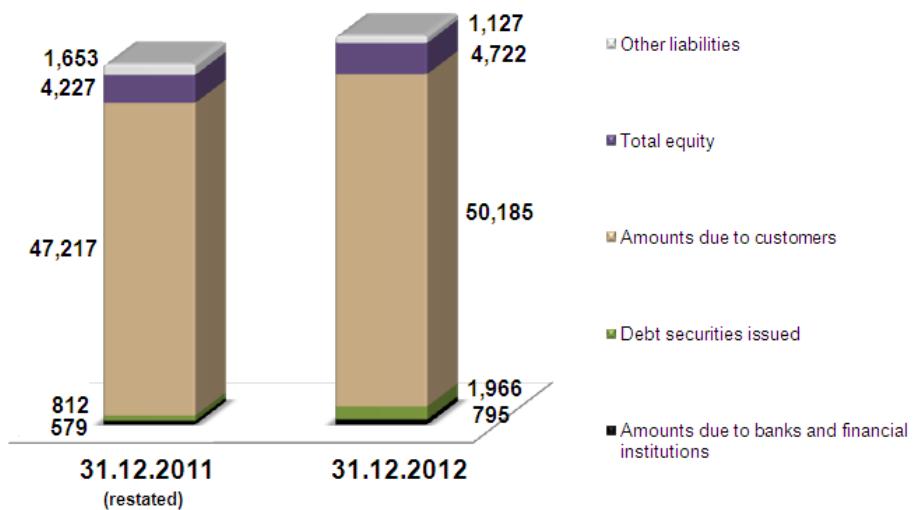
EQUITY AND LIABILITIES

Customer deposits are the main source of funding of the Bank's loan activity. Amounts due to customers account for 85% of total liabilities and equity (increase in 2012 by PLN 3 billion).

In 2012 the Group increased the balance of issued Securities by nearly PLN 1.2 billion, of which PLN 0.8 billion were long-term securities included in the supplementary funds of Getin Noble Bank S.A. and PLN 0.3 billion related to bonds issued by GNB Auto Plan sp. z o.o. within the securitisation transaction (excluding the bonds purchased by Getin Noble Bank S.A.).

The equity of the Group increased by nearly PLN 0.5 billion. Change in the structure of the equity at the end of 2012 compared to the restated end of 2011 is the result of the merger of Get Bank S.A. and Getin Noble Bank S.A. in 2012.

Structure of the Group equity and liabilities as at the end of 2011 and 2012 (in PLN million)



Deposit base

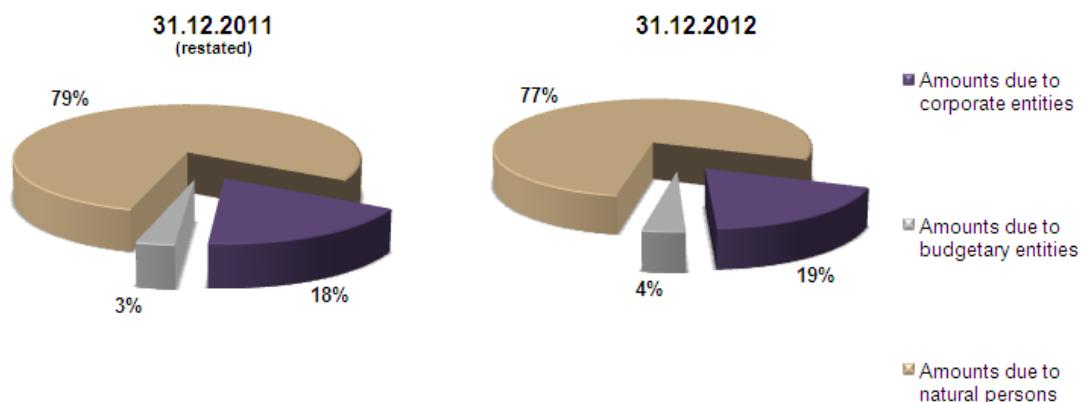
Customer deposits of non-financial and public entities are the main source of funding of operating activity of the Group. In 2012 the Group increased the value of amounts due to customers by 6.3% to the level of PLN 50.2 billion.

The term deposits are majority amounts due to customers (account for 91% of the Group's deposit base) – in 2012 the increase of term deposits balance was recorded by PLN 2.7 billion to the level of PLN 45.5 billion.

In 2012 Getin Noble Bank S.A. placed a particular emphasis on the acquisition of deposits with extended maturity and increased the scale of customer relationship with the Bank by a growth in sales of personal accounts and IKE accounts. The amounts due to customers due over 5 years increased in 2012 from PLN 0.3 billion to PLN 1.8 billion.

The largest share of customer deposits are deposits of the individuals (77% of amounts due to customers), which increased in 2012 by PLN 1.8 billion (i.e. by 5%) to PLN 38.9 billion. Deposits from corporate entities increased in 2012 by PLN 0.9 billion (i.e. by 10%) to PLN 9.4 billion, and amounts due to the public entities increased in 2012 by PLN 0.4 billion (i.e. by 29%) to PLN 1.9 billion.

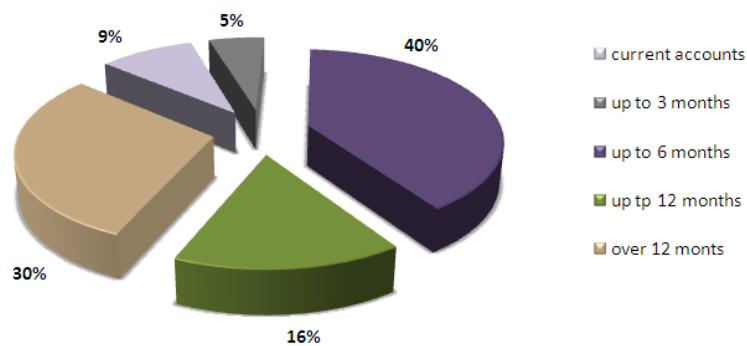
Structure of amounts due to customers as at the end of 2011 and 2012



In 2012 Getin Noble Bank S.A. incurred the average cost of interest of customer deposits amounted to 5.5% and was higher than in 2011 by 0.7 percentage points. The increase in the cost of customer deposits was primarily the result of the end of offering the attractive customer deposits with daily capitalization of interest at the beginning of 2012.

At the end of 2012 the share of deposits with the initial term of 12 months or longer in total deposits was 30%.

Structure of customer deposits by original maturity as at the end of 2012



4.3. Off-balance sheet items

The main items of the Group off-balance sheet are liabilities and receivables related to execution of currency derivative transactions classified to banking portfolio (mainly CIRS transactions). Transactions related to the exchange of currency for the development of foreign currency loans, which took place mainly during period until the end of 2008. The nominal value of liabilities due to foreign exchange derivative transactions amounted as at 31 December 2012 to PLN 19.8 billion (an increase in 2012 of PLN 0.1 billion, i.e. by 1%).

The Group liabilities arising from granted loans and guarantees of loans repayments as at 31 December 2012 amounted to PLN 3.6 billion (an increase in 2012 of PLN 1.6 billion, i.e. by 79%).

PLN thousand	31.12.2011 (restated)	31.12.2012	change y/y
Contingent liabilities given	2,035,629	3,638,589	79%
financial	2,025,644	3,366,992	66%
guarantees	9,985	271,597	2620%
Contingent liabilities received	318,891	360,790	13%
financial	110,420	102,205	-7%
guarantees	208,471	258,585	24%
Liabilities related to sale/purchase transactions	38,555,241	39,689,690	3%
Other off-balance sheet items	13,016,881	16,982,026	30%
Total	53,926,642	60,671,095	13%

In 2012 the Group entities did not grant any sureties or guarantees – total for one entity or its subsidiary, which total value accounted for equivalent of at least 10% of the consolidated equity.

5. Risk management

Methods and objectives in the financial risk management

Entities of the Getin Noble Bank S.A. Capital Group carrying out their business activities, are subject to the following key risks: credit risk, liquidity risk, market risk (including interest rate risk and currency risk), solvency risk and operational risk.

The objective of asset and liability management policy is to optimize the structure of the statement of financial position and off-balance sheet to achieve the assumed proportion of income in relation to the risk incurred. The Management Boards of particular entities are responsible for managing risk at the strategic level and for the purpose of operational management, their set up committees responsible for particular areas of risk, such as: Credit Committee, Consultative Committee, Asset/Liability Committee and Operational Risk Committee. These committees are responsible for the management of subordinate areas of risk at an operational level and for monitoring the level of risk, as well as for setting the current policy within the strategy adopted by the management boards, taking into account the limits of internal and supervisory regulations.

Each Group entity in the management of market risks takes into account the regulations of the markets in which it operates and the requirements of the relevant supervisory bodies, particularly the Polish Financial Supervision Authority. Corporate governance for financial risk management policy is carried out by the Supervisory Board of the Group entities.

5.1. Credit risk

Credit risk is the potential loss of an entity associated with the failure by a customer of a financial liability or part thereof in terms specified in the contract. The risk is managed according to internal procedures to identify, measure, monitor and control risk. The Bank uses models to identify and measure credit risk associated with its activities, allocated to the profile, scale and complexity of risk. Credit risk management in the Bank is to ensure the safety of the loan business, while maintaining a rational approach to risk.

The Bank has implemented internal regulations that enable to assess the level of credit risk that is inherent in a loan granted to a client and in other services carrying credit risk, as well as the level of risk acceptability (in particular, the Management Board has adopted and the Supervisory Board has approved parameters of "risk appetite" for the Bank's retail portfolio). Creditworthiness of individuals is evaluated both at the stage of granting a loan and at the subsequent stage of monitoring it in the light of the procedural rules on the level of the required creditworthiness and for some retail products - in accordance with the scoring model. For small and medium-size enterprises, there may be an additional assessment of the entity's reliability on the basis of available information (eg. type of industry, legal status etc), depending on the loan and the nature of the entity.

To ensure objectivity of the credit risk assessments, the sales process (client procurement) has been separated from the process of evaluating and accepting client credit risk in the structures of the sales areas. Each area has a separate acceptance centre which is responsible for the evaluation and acceptance of the particular credit applications.

The procedure of making credit decisions is approved by the Bank's Management Board. Credit authorization limits are granted to the Bank's staff on an individual basis, depending on their skills, experience as well as the functions fulfilled. In the acceptance centres may operate a Credit Committees, that take credit decisions exceeding the authorization limits granted to the Bank's individual employees. The Bank's Credit Committee located in the Bank's headquarters is responsible for credit decisions exceeding the authorization limits granted to the Credit Committees in the acceptance centres. At the Bank's head office there is the Credit Committee responsible for credit decisions exceeding the authorization limits granted to the Credit Committees in the acceptance centres and the Consultative Committee, which is an advisory body, assessing requests for loans secured by mortgages under the competence of the Credit Committee (according to the Bank's competence mode and rules of the Consultative Committee). Credit decisions which exceed the Bank's Credit Committee's authorization limits are made by the Management Board.

The Bank uses a wide range of legally allowed collaterals, applying them according to the product characteristics and the area of operation. The rules governing the selection, application and implementation of collaterals are detailed in the internal regulations and product procedures of the particular sales areas. The collateral should ensure satisfaction of the Bank's claims if there occurs a threat that a borrower cannot repay a loan.

The Bank applies a risk monitoring system which includes individual risk monitoring (related to particular clients) and overall monitoring of the Bank's entire loan portfolio. As part of the monitoring of individual risk, the Bank performs periodic assessments of the borrower's financial and economic standing, timeliness of payments to the Bank as well as the value and condition of accepted collaterals. Both the scope and the frequency of the above reviews are in line with external regulations and depend in particular on the type of the borrower, the amount of the loan exposure and the form of collateral.

The Bank monitors and evaluates the quality of the loan portfolio in accordance with the systemic approach based on the internal procedure that includes the monitoring of the portfolio, both by the criterion of separate units in the sales areas and the credit risk area. The results of the analyses are presented in periodic reports. Conclusions from such analyses are used for the purpose of ongoing credit risk management in the Bank.

Given its foreign currency receivables, the Bank also regularly analyses the impact of exchange rate fluctuations on the quality of the credit exposure portfolio, and as regards mortgage credits the Bank also examines the impact of changing exchange rates on the level of exposure hedging. Moreover, the Bank also conducts stress tests to check the impact of the risk of changing interest rates and the rate of unemployment on the generated credit risk. The above analyses are conducted semi-annually.

In its procedures and internal regulations the Bank included the rules of managing bank risks, including the credit concentration risk. The Bank implemented and periodically monitors the credit concentration limits and large exposure limits, and additionally the Bank sets up and monitors internal thresholds of product and sector concentration.

The Bank included in its procedures the rules of risk management (including credit risk) in its subsidiaries. It periodically reviews the financial situation of the entities that have credit exposures to the Bank and the loan portfolio quality generated by them (it is applicable for companies exposed to credit risk).

The value of the Bank's loans, advances to customers and other receivables due from customers, including those purchased, is periodically assessed to find out whether there has been any impairment of their value and to set impairment write-downs in accordance with IAS 39 and IAS 37. If there is an objective evidence that an impairment loss was incurred, the impairment write-down equals the difference between the balance sheet value of an asset and the current value of the estimated future cash flows.

The debt collection and restructuring processes are exercised within the Debt Collection Area in the Bank. The debt collection operations ensure the comprehensive handling of matters processed via telephone calls, regular mail, text messages, e-mails and directly in the form of the Bank's local negotiators' visits. The Bank has a full range of debt collection processes at its disposal, which are tailored to the individual cases.

5.2. Market risk

Market risk is defined as uncertainty as to whether interest rates, exchange rates or quotations of securities and other financial instruments held by the Group will have values other than those initially projected, thus causing unexpected profits or losses on the positions held.

The objective of the asset and liability management policy in the Group is to ensure optimization of the structure of the statement of financial position and off-balance sheet items to achieve the projected income to risk ratio. The principal source of foreign exchange risk of the Group are items of Getin Noble Bank S.A. Monitoring the

level of risk within the Group is carried out by periodic measurements of risk on a consolidated basis for the Group.

Foreign exchange risk

The main objective of currency risk management is to manage the structure of foreign currency assets and liabilities as well as off-balance sheet items within the generally accepted prudence norms set forth by the Banking Law and the adopted internal limits.

Operational management of foreign exchange risk is the responsibility of the Treasury Department, and the supervision of compliance with prudential limits is performed by the Asset/Liability Committee.

Calculation of the Bank's exposure to currency risk and of the capital requirement for that risk to be covered is performed on a daily basis and reported as a part of management information.

The Bank has adopted the so called basic method of calculating capital requirements relating to currency risk exposure. The capital requirement related to currency risk is calculated as 8% of total currency exposure in absolute terms. The analysis of the Bank's exposure to currency risk is made by analysis of foreign exchange position in relation to own funds, measurement of the Value of Risk (VaR) and stress tests.

The Controlling and Market Risk Department submits monthly reports to the Asset/ Liability Committee on the foreign exchange result and currency risk management, including the Bank's exposure in the individual currencies and compliance with the limits set for currency exposure. Information about the level of the Group's currency risk is reported on a quarterly basis.

To reduce the exposure to foreign exchange risk, in 2012 Getin Noble Bank applied limits on the share of the currency position in its own funds and the value at risk VaR (1 day; 99.9%) - the foreign exchange risk was kept within the agreed limits. The Bank's overall currency position and within the key currencies is presented in the table below:

Exposure (PLN thousand)	31.12.2011 (restated)		31.12.2012	
	amount	% of own funds	amount	% of own funds
USD	548	0.01%	-9,565	0.18%
EUR	329	0.01%	3,672	0.07%
CHF	21,033	0.55%	19,320	0.36%
Overall*	24,560	0.64%	26,185	0.49%

* Overall exposure – sum of long exposures (excess of "+" assets) or short exposures (with "-") for all currencies (depending on which absolute figure is higher).

The analysis of the Group exposure to foreign exchange risk is carried out through the currency position and measurement of the value at risk (VaR). VaR is the maximum possible loss on the Group currency exposure with the pre-determined materiality level.

In 2012, the level of foreign exchange risk of the Group stood at a level not requiring maintenance of capital to cover it.

Interest rate risk

The objective of interest rate management policy of the Group is to mitigate the risk of a decline in the expected interest income due to changes in market interest rates and the risk of changes in the value of open balance sheet items and off-balance sheet items sensitive to changes in market interest rates by setting and compliance with limits restricting the maximum level of interest rate risk, preparing periodic analyzes examining the level of interest rate risk and sensitivity of profit or loss on the interest rate changes.

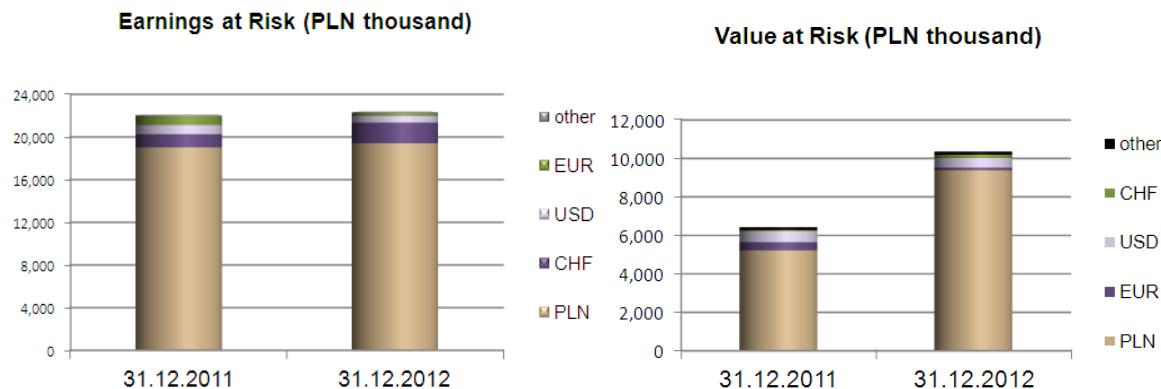
Monitoring of interest rate risk is conducted, among others, by:

- analyzing the breakdowns of assets and liabilities and off-balance sheet items sensitive to changes in interest rates by currency and repricing dates,
- analyzing the basis risk, profitability curve risk and customer option risk,
- testing sensitivity of the financial result to interest rate (the EaR method),
- analyzing the Value at Risk of the Bank's portfolio related to market valuation (VaR),

- stress tests showing the susceptibility of the Bank to losses in case of unfavorable market conditions or in case the key assumptions of the Bank become invalid,
- analysis of the level and influence on the Bank interest margin.

Sensitivity analysis for interest rate risk is made at least once a month for the exposure of the Bank and quarterly for the Group exposure.

To reduce the exposure to interest rate risk, in 2012 Getin Noble Bank S.A. applied limits on the share of the value at risk (VaR) (1 day; 99.9%) in own funds and the EaR share in the planned net interest income for a given financial year - the interest rate risk was kept within the limits.



Interest rate risk in leasing activities is eliminated by obtaining financing (sale of receivables) with correlated principles of interest rate overestimation. Lease assets are based on variable rate of interest with the possibility of its overestimation in case of WIBOR 3M change (for agreements denominated in PLN) or LIBOR 3M (for CHF denominated agreements). They are also financed by liabilities with variable rate of interest, being subject to analogical principles of interest rate overestimation. Interest rates on leasing products are adjusted in proportion to change in interest rate of liabilities.

5.3. Liquidity risk

The primary objective of liquidity management is to minimize the risk of losing current, short-, medium- and long-term liquidity by ensuring the capability to fulfill current and future liabilities on a timely basis. In 2012 Getin Noble Bank S.A. and its subsidiaries settled their liabilities on time.

The principal source of liquidity risk of the Group are items of Getin Noble Bank S.A. Monitoring the level of risk within the Group is carried out by periodic measurements of risk on a consolidated basis for the Group.

Medium- and long-term liquidity risk management belongs to the competence of the Management Board, whereas current and short-term liquidity risk management is the responsibility of the Treasury Department. The Asset/Liability Committee performs consulting role in process of liquidity risk management and monitors monthly the liquidity risk based on information prepared by the Department of Controlling and Market Risk.

The following analyses are used to perform an assessment of liquidity risk:

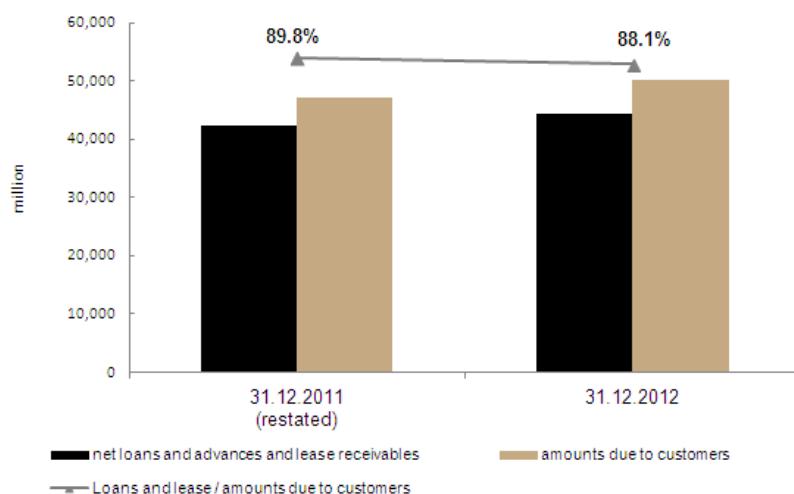
- supervisory liquidity norms,
- gap analysis, i.e. an analysis of the mismatch between the maturities of assets and liabilities, which covers all balance sheet items by maturity, under contractual and real-terms scenarios,
- analysis of liquidity ratios within specific time horizons by maturity, under contractual and real-terms scenarios,
- selected ratios of the statement of financial position,
- the Bank's sensitivity to funds outflow.

The gap ratios, the level of liquid assets, selected balance sheet ratios and the level of use of liquidity limits (including compliance with liquidity norms) are monitored on a daily basis. Moreover, forecasts of liquidity levels for the next periods are prepared and the assessment of probability of deteriorating liquidity situation (the scenario analysis) is made. Information about the level of the Group liquidity risk is reported to the Asset/ Liability Committee on a quarterly basis.

Liquidity analyses rest on internal models reflecting the specific of the Bank's business. Customer deposits are a key source of financing the granted loans; the loan to deposit ratio does not exceed 100%. Among stable sources of funds the prevailing items are deposits of retail clients, however, stable funds from corporate clients' deposits complement the overall base of stable funding sources. The Bank issued in 2012 long-term debt securities of total amount of PLN 0.8 billion, which were an additional source of finance for lending activity of the Bank.

In 2012 the securitization transaction was carried out as a result of which the Group acquired - in exchange for giving up rights to future cash flows arising from the securitized car loans - medium-term funding of operations through non-public issue of bonds by GNB Auto Plan sp. z o.o. worth PLN 518.7 million with a rating of Aa3(sf) given by Moody's Investor. Getin Noble Bank S.A. purchased a part of the bonds issued by a company of PLN 225.7 million.

Loans to deposit ratio



The Bank prepares forecasts of liquidity levels for the next periods and makes the assessment of probability of deterioration in the liquidity situation (the scenario analysis). Analyses are an important element in the asset and liability management process. The Bank has a special procedure in case of a situation resulting in significant rise in liquidity risk, i.e. "The contingency plan for sustaining liquidity in Getin Noble Bank S.A. in critical situations".

During the reporting period the Bank kept supervisory liquidity measures on the required by the Polish Financial Supervision Authority level, whereas the level of M1 and M4 measures increased in 2012.

5.4. Operational risk

Getin Noble Bank S.A. manages the operational risk in accordance with the "Operational Risk Management Strategy" issued by the Management Board and approved by the Bank's Supervisory Board, which reflects prudence provisions arising from the Banking Law and applicable resolutions and recommendations issued by banking supervision authorities and includes a description of the principles already in place as well as those under development and planned for the future.

Operational risk management involves all processes and systems linked with banking operations which ensure clients financial services provided within the Bank's business. At all levels of the Bank's organizational structure as well as in the related and external entities there are the following groups of units, people and functions responsible for tasks involving operating risk management provided on the following three levels:

- The first, basic level – units and employees dealing with operational risk management in their day-to-day activities;
- The second, supervisory level – managers performing functional control;
- The third, superior level – functioning in a centralized form, main function of operational risk management, realized by people fulfilling tasks of separated operational risk management unit, which is part of Security Department and Operational Risk Department and Operational Risk Committee.

The leading role in operational risk management is fulfilled by the Bank's Supervisory Board and the Management Board. The Management Board is supported by a dedicated committee - namely Operational Risk Committee, which performs consulting services in the process of operational risk management.

The main, superior role in operational risk management in the Bank is performed by designated employees of an independent operational risk management unit, which is part of the Security and Operational Risk Department.

The Bank has an operational risk measurement and reporting system in place supported by appropriate software dedicated to operational risk management. The operational risk reporting system includes reports prepared for internal management and external supervisory purposes. Operational risk measurement is performed with use of IT system, supporting the process of operational risk management by calculating:

- required amount of equity to cover operational risk, including regulatory capital;
- ratios representing the level of Bank's exposure to operational risk, also called the Bank's sensitivity to operational risk;
- aggregated volume of actual losses.

Depending on the magnitude and profile of operational risk, proper adjusting and preventive activities are applied, which are adequate to the diagnosed risk and ensure the selection and implementation of effective measures to modify the risk. In particular, the following methods are used to protect against operational risk:

- development and implementation of business continuity plans (including contingency plans) to ensure the Bank's ability to continue operations at a defined level;
- insurance against the effects of errors or operational events which are not easily predictable and may give rise to significant financial consequences;
- outsourcing of the activities.

The efficiency of the security measures and methods used by the Bank to mitigate operational risk is monitored by continuous monitoring, collection and analyzing of operational events and operational risk profile observations and control of qualitative and quantitative changes in operational risk.

5.5. Compliance risk

Compliance risk is defined as the risk of negative effect due to failure the Group entities to comply with the provisions of the law, internal regulations, standards and codes of conduct. Strategic goal of compliance risk management is:

- to ensure the Group entities compliance with law and adopted standards and the Bank's acting as a entity that is reliable, fair and honest;
- mitigating the risk of occurring financial losses or legal sanction risk resulting from breach of regulations and ethical standards;
- building and maintaining positive relationships with other market participants, including shareholders, customers, business partners and market regulators.

The compliance risk management includes risk identification, assessment of the risk profile, risk monitoring, risk mitigation and reporting of risks.

In the process of compliance risk identification Getin Noble Bank S.A. performs current analyses of law provisions in force, cautionary regulations, internal rules and regulations, as well as Banks conduct standards. It also gathers information on the cases of non-conformity and their reasons. Performance of risk assessment allows the Bank to specify the character and the potential range of financial losses, or potential legal sanctions. Monitoring of compliance risk aims at identification of vital, as far as negative outcomes of compliance are concerned, areas of the Bank's activities; thus allowing proper precautions to be taken. The process of compliance risk reduction includes the following aspects: preventive – i.e. allowing risk reduction through implementation of procedures and solutions ensuring conformity; mitigating – i.e. risk management upon identification of compliance and aimed at alleviating the possible negative outcomes of risks. The preventive risk reduction takes place especially due to the implementation and development of new business models, as well as introduction of new products. Reporting includes the identification process results as well as compliance risk assessment, information concerning compliance cases, and the most crucial changes within the regulatory environment. The recipients of reports are the Operating Risk Committee, President of the Management Board, the Bank's Management Board and the Supervisory Board.

In the process of compliance risk management the Bank takes into account risks resulting from activities performed by entities of the Getin Noble Bank S.A. Capital Group.

5.6. Capital management

The level of the Group capital is tailored to the business. The measure of capital adequacy is capital adequacy ratio which shows the relationship of the own funds (after obligatory adjustments) to the risk weighted assets and off-balance sheet items. For the purpose of capital adequacy ratio risk weights are assigned to assets and off-balance sheet items in accordance to among others level of credit risk, market risk, currency risk and interest rate risk.

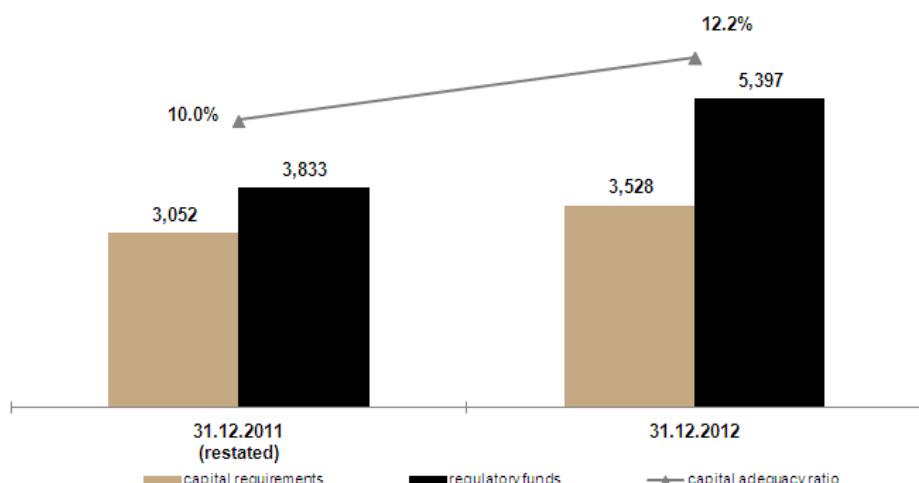
The main objective of capital management in the Getin Noble Bank S.A. Capital Group is to maintain appropriate credit rating and secure capital ratios, assure safe continuation of operating activity of the Bank and other Group entities and increase value for its shareholders. The capital is managed at the level of individual entities of the Group and management control is exercised by the functions of the supervisory boards of these entities.

In order to maintain or correct the capital structure, the Group entities may pay dividends to the shareholders, return capital to the shareholders or issue new shares or subordinated debt.

Getin Noble Bank S.A. adjusts the level of own capital to profile, scale and complexity of risk present in its operations. Within the level of maintained capital and capital adequacy calculation, the Bank applies to applicable legal regulations and set strategic goals. Within preferred capital structure, Getin Noble Bank S.A. assumes to maintain the structure with prevailing share of own funds (Tier 1).

In 2012, efforts were made to raise the Group capital adequacy ratio above 12%, including appropriation of profit for 2011 to reserve capital, the issue of J series and K series shares as well as issue of subordinated bonds by Getin Noble Bank S.A. As a result the Group capital adequacy ratio increased from 10.0% to 12.2% in 2012.

Capital adequacy as at the end of 2011 and 2012 (in PLN million)



6. The Group prospects and growth factors

The Getin Noble Bank S.A. Capital Group fulfills a mission of creating value for its shareholder by achieving the following strategic objectives:

- achieving a high level of profitability and effectiveness;
- achieving Getin Noble Bank S.A. being a one of the top five banks in Poland in all major bank evaluation categories (particularly in respect of own funds, assets, loans and deposits, profits on banking operations and first and foremost net profit);
- ensuring a stable and liquidity-safe growth of the Group;
- controlling the level of risk inherent in the Group business (including credit risk).

In 2013 the Group will be oriented towards the following goals and actions:

- maintaining the "entrepreneurial character" of managing the organization, as a key driver of competitive advantage;
- taking actions towards completion of acquisitions resulted from preliminary agreements signed in 2012 to

buy the organized part of DnB NORD Polska S.A. Bank and Dexia Kommunalkredit Bank Polska S.A.,

- improving the image of Getin Noble Bank S.A. and the quality of customer service ('GETIN UP' Brand – banking of the new generation), continuing to build customer-oriented approach - the 'bank of first choice' - which knows the needs of its clients, offering them an ever wider range of products and building lasting relationships with customers,
- increasing the level of customer relationship,
- increasing the level of recurring revenues,
- further improving the quality of the sold loan portfolio,
- taking action to maintain a safe structure of assets and liabilities - in particular in cross-currency and liquidity (lengthening the average maturity of deposits, limited sale of foreign currency loans, securitization of portfolio, as a source of acquisition of the liquidity).
- maintaining the capital adequacy ratio above 12%.

The Group's investment plans include capital expenditures on IT and fixed assets, including financing of the 'GETIN UP' project realised by Getin Noble Bank S.A.

The Group activity is closely linked with the economic development of the country and the situation on the financial markets. For the Group's expected financial position a key item will be economic development of the country and stability of PLN exchange rates. An important element will be also the quality of loan portfolio, and realization of plans for its improvement.

7. Corporate governance

7.1. Compliance with best practices

Getin Noble Bank S.A., which shares are admitted for trading on the Warsaw Stock Exchange main market applied in 2012 the corporate governance rules for joint stock companies issuing shares, convertible or pre-emptive bonds admitted to public trading adopted by the Warsaw Stock Exchange Supervisory Board in July 2007 called the Code of Best Practices for WSE Listed Companies.

Principles of corporate governance in the form of "Code of Best Practices of WSE Listed Companies" are attached to Resolution No. 12/1170/2007 of the Warsaw Stock Exchange on 4 July 2007 and entered into force on 1 January 2008. On 19 May 2010, the Warsaw Stock Exchange in Warsaw in Resolution No. 17/1249/2010 changed the above mentioned document, with the effect from 1 July 2010 (except the rule set out in Part IV paragraph 10 Best Practices of WSE Listed Companies which is effective from 1 January 2012). On 31 August and 19 October 2011 the Board adopted subsequent amendments to the Code of Best Practices and set the effective date of the rule above mentioned as at 1 January 2013. Last amendments was launched by Resolution No. 19/1307/2012 dated 21 November 2012 effective from 1 January 2013.

The document can be accessed at the official website of the Warsaw Stock Exchange dedicated to corporate governance (www.corp-gov.gpw.pl/publications.asp).

In 2012 Getin Noble Bank S.A. complied with the Code of Best Practices for WSE Listed Companies, with the exclusion of the following provisions:

I. RECOMMENDATIONS FOR BEST PRACTICE FOR LISTED COMPANIES

„1. A company should pursue a transparent and effective information policy using both traditional methods and modern technologies and latest communication tools ensuring fast, secure and effective access to information.

Using such methods to the broadest extent possible, a company should in particular:

- maintain a company website whose scope and method of presentation should be based on the model investor relations service available at: <http://naszmodel.gpw.pl/>;
- ensure adequate communication with investors and analysts, and use to this purpose also modern methods of Internet communication;
- enable online broadcasts of General Meetings over the Internet, record General Meetings, and publish the recordings on the company website.”

The Bank withdrew from application of this rule in respect to Internet broadcasts of the General Meeting and recording of the course of proceeding and publishing it on the Bank's website, because of economic reasons. In the Bank's Management Board opinion the costs of the Internet broadcasting of the General Meeting, are not

reasonable because of the current shareholders structure of the Bank. Moreover, according to the Bank's Management Board being not compliant with this recommendation to the aforesaid extent does not pose any risk, as the Company publishes on its website all the legally required information and documents, enabling investors to acquaint with the subjects discussed during the General Meeting.

„5. A company should have a remuneration policy and rules of defining of policy. The remuneration policy should in particular determine the form, structure, and level of remuneration of members of supervisory and management bodies. Commission Recommendation of 14 December 2004 fostering an appropriate regime for the remuneration of directors of listed companies (2004/913/EC) and Commission Recommendation of 30 April 2009 complementing that Recommendation (2009/385/EC) should apply in defining the remuneration policy for members of supervisory and management bodies of the company.”

In 2012 the Bank partially adapted to the requirements of this recommendation to the extent that results from the resolutions No. 258/2011 and 259/2011 of the Polish Financial Supervision Authority dated 4 October 2011. The Bank does not apply the provisions of the recommendation in terms of going beyond the content of the regulations generally applicable in Poland. Taking into account that according to the recommendations of the European Commission, Poland is obliged to take the necessary measures to support the adoption of principles contained in these recommendations, for the full implementation of the above mentioned principle, the Bank believes it is necessary to regulate the manner of implementation of recommendations in a consistent manner for all listed companies and in line with the prevailing Polish legal system. In so far as relevant regulations are introduced, the Bank immediately takes steps to adapt to it. Within the scope of the provisions of the resolutions No. 258/2011 and 259/2011 the Bank has adapted its internal regulations with effect from the date of entry into force of the resolutions of the Commission, i.e. at 31 December 2011, in particular by adopting a policy for variable components of remuneration of managers and establishing the Remuneration Committee within the Supervisory Board.

„9. The WSE recommends to public companies and their shareholders that they ensure a balanced proportion of women and men in management and supervisory functions in companies, thus reinforcing the creativity and innovation of the companies' economic business.

In opinion of the Bank's Management Board the main criterion for selection of members of the Management Board and the Supervisory Board is their professional attitude and competencies for the applied position, so other conditions like gender of the candidate should not matter. Therefore, the Bank does not consider it legitimate to impose the parity and the choice of the members of the Management and the Supervisory Board is to be decided by eligible authorities.

„12. A company should enable its shareholders to participate in a General Meeting using electronic communication means through:

- 1) real-life broadcast of General Meetings,
- 2) real-time bilateral communication where shareholders may take the floor during a General Meeting from a location other than the General Meeting,
- 3) exercise their right to vote during a General Meeting either in person or through a plenipotentiary.”

The Bank's Management Board withdrew from application of this rule in respect to points 1 and 2 because of economic reasons and the current shareholders structure. The costs related to servicing the broadcast and real-time communication with shareholders in the Bank's opinion are disproportionate to the potential benefits. Moreover, according to the Bank's Management Board being not compliant with this recommendation to the aforesaid extent does not pose any risk, as the Company publishes on its website all the legally required information and documents, enabling investors to acquaint with the subjects discussed during the General Meeting.

III. BEST PRACTICE FOR SUPERVISORY BOARD MEMBERS:

„6. At least two members of the supervisory board should meet the criteria of being independent from the company and entities with significant connections with the company. The independence criteria should be applied under Annex II to the *Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board*. Irrespective of the provisions of point (b) of the said Annex, a person who is an employee of the company or an associated company cannot be deemed to meet the independence criteria described in the Annex. In addition, a relationship with a shareholder precluding the independence of a member of the supervisory

board as understood in this rule is an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting."

The rule was not applied in by the Getin Noble Bank S.A. (former Get Bank S.A.) until 10 July 2012. On that day Mr. Jacek Lisik was appointed to the Supervisory Board as an independent member. This fact meant that the criterion was met of at least two independent members of the Supervisory Board referred to in paragraph 6 of Part III of the Code of Best Practice for WSE Listed Companies. The first independent member of the Supervisory Board was Mr. Michał Kowalczewski, which on 27 March 2012 was awarded the status of an independent member of the Supervisory Board.

The Bank's shareholders with major shareholding

The ownership structure of significant batches of Getin Noble Bank S.A. shares as of the date of these report according to the information available to the Bank is as follows:

	Number of shares	Number of votes at AGM	% share in share capital	% share in votes at AGM
LC Corp B.V.	1,033,035,603	1,033,035,603	38.98%	38.98%
Leszek Czarnecki (directly)	271,307,949	271,307,949	10.24%	10.24%
ING Otwarty Fundusz Emerytalny	192,352,805	192,352,805	7.26%	7.26%
Getin Holding S.A.	150,096,884	150,096,884	5.66%	5.66%
Other shareholders	1,003,350,078	1,003,350,078	37.86%	37.86%
Total	2,650,143,319	2,650,143,319	100.00%	100.00%

Special rights and limitations concerning the Issuer's equity securities

All shares of Getin Noble Bank S.A. are ordinary bearer shares with no special control rights.

The Bank's Articles of Association does not introduce any limitations concerning voting rights, like limitation for holders of specific share or amount of shares or time limits concerning execution of voting rights. It also does not contain resolutions regarding separation of capital rights and shareholding.

There are also no limitations in trading in equity securities issued by the Bank.

7.2. Supervisory and management authorities of the Bank

The functioning and rights of the General Shareholders Meeting

The General Shareholders Meeting is the superior governing body of the Bank. The General Meeting is convened as an ordinary or extraordinary one pursuant to the generally applicable regulations, the Bank's Articles of Association and the Rules of the General Shareholders Meeting. Corporate documents are available at the Bank's website.

The General Shareholders Meeting, among other matters specified in the Bank's Articles of Association, has the authority to:

- review and approve the Bank's financial statements for the previous financial year,
- review and approve the Directors' Report on the Bank's operations in a financial year,
- adopt resolution on the distribution of profits or covering of losses,
- acknowledge the fulfillment of duties by the members of Supervisory and Management Board,
- appoint and recall members of the Supervisory Board,
- amend the Bank's Articles of Association,
- adopt resolutions to increase or decrease the Bank's share capital,
- adopt resolutions on the redemption of the Bank's shares, terms and conditions thereof,
- adopt resolutions on issuing convertible bonds or bonds with pre-emptive rights to acquire shares and subscription warrants,
- adopt resolutions to sell or lease the company's business or an organized part thereof and to establish a limited property right thereon,

- adopt resolutions regarding other issues submitted for consideration by the entitled entities, pursuant to the Articles of Association and the applicable regulations.

The Company's shareholders exercise their rights pursuant to the generally applicable regulations, the Bank's Articles of Association and the Rules of the General Shareholders Meeting.

Amendments to the Bank's Articles of Association

Amendments to the Bank's Articles of Association are made by the General Meeting, in a way and course defined in Code of Commercial Companies, so the amendments require the resolution of the General Meeting and National Court Register entry. Moreover, according to article 34.2 of Banking Law Act, the amendments in the Bank's Articles of Association concerning the privilege or limitation of voting rights in the Bank being a joint stock company, require the approval of the Polish Financial Supervision Authority, as well as the following amendments:

- Bank's name,
- the registered office, scope of Bank's activities with the consideration of transactions mentioned in article 69.2, p. 1-7 of the act dated 29 July 2005 on trade in financial instruments, which the Bank is going to execute according to article 70.2 of the resolution,
- the Bank's authorities and their competencies, with particular consideration of competencies of the Management Board members, which are mentioned in article 22b.1 of the Banking Law Act, and the rules of decision making, Bank's basic organizational structure, the rules of making statements on property rights and duties, course of establishing internal regulations and course of making decisions on assuming obligations or disposal of assets, which total value in relation to one subject exceeds 5% of the equity,
- rules of the internal control system,
- the Bank's own funds and its financial economy.

Composition and functioning of the Supervisory Board

The Supervisory Board shall act pursuant to provisions of the Banking Law Act, the Commercial Companies Code, other universally binding applicable regulations and pursuant to the Articles of Association and Rules of the Supervisory Board. The Supervisory Board shall exercise on-going supervision over the Bank's business to the extent provided for by the laws referred to above. The Supervisory Board shall consist of 5 to 8 members appointed and dismissed by the General Meeting in a course determined in the Articles of Association. The Supervisory Board shall exercise its duties collectively, however may delegate its members to exercise separate supervisory duties individually. Members of the Supervisory Board shall be appointed for the joint term of office of three years.

As at the date of this report, the composition of the Bank's Supervisory Board was as follows:

Function in the Supervisory Board	Composition as at 28.02.2013
Chairman of the Supervisory Board	dr Leszek Czarnecki
Vice-Chairman of the Supervisory Board	Rafał Juszczak
Members of the Supervisory Board	Remigiusz Baliski
	Michał Kowalczewski
	Jacek Lisik

In 2012 and until the date of approval of this report the following changes occurred in the composition of the Supervisory Board of Getin Noble Bank S.A. (former Get Bank S.A.):

From the date of registration of the Getin Holding S.A. split-off i.e. 2 January 2012, Mr. Krzysztof Rosiński, Łukasz Chojnacki, Maurycy Kühn and Jakub Malski ceased to be members of the Supervisory Board of Get Bank S.A., and entered into force resolution of the Extraordinary General Meeting of Get Bank S.A. of 9 December 2011 on the appointment of new members of the Supervisory Board: Mr. Leszek Czarnecki, Rafał Juszczak, Michał Kowalczewski i Longin Kula.

On 10 July 2012 the Extraordinary General Meeting adopted a resolution on the appointment on the same day of Mr. Jacek Lisik to the Supervisory Board. At the same time Mr. Longin Kula ceased to be a member of the Supervisory Board, in accordance with his resignation submitted on 22 March 2012.

Audit Committee

The tasks of the Audit Committee are executed by the whole Supervisory Board of the Bank. The objective of executing by the Supervisory Board the tasks of Audit Committee is fulfilling its supervisory duties within the processes of financial reporting, risk management, internal control system and audit process. The Supervisory Board appointed coordinator for the tasks of the Audit Committee and the permanent advisor of the Supervisory Board, who shall be obliged to assist the Supervisory Board in matters related to the exercise by the Supervisory Board tasks of Audit Committee, which include, in particular:

- monitoring of the financial reporting process,
- monitoring of the effectiveness of the internal control and risk management systems,
- monitoring of the work of the internal audit,
- monitoring of the financial review activities in the company and monitoring the independence of the auditor and the company authorized to audit financial statements.

The Supervisory Board in the exercise of the tasks of the Audit Committee may request the Board of Directors and employees of certain information in the field of accounting, finance, internal control, internal audit and risk management, which is necessary to carry out its activities.

Remuneration Committee

The Bank has a Remuneration Committee. The Committee consists of two members appointed by the Supervisory Board among its Members, an absolute majority of votes. In its activities Committee takes into consideration careful and stable risk management, equity and liquidity, with particular attention to the long-term welfare of the Bank as well as satisfying the expectations of shareholders and investors. Among the activities of Remuneration Committee is issuing an opinion on the policy of the variable components of the remuneration of managers at the Bank, including in particular the amount and components of remuneration. The Committee monitors and issues an opinion on remuneration of managers related to risk management as well as compliance of the Bank activities with law and internal regulations.

The composition, principles, appointing, dismissing and rights of the Management Board

The Bank's Management Board acts on the basis of provisions of the Act of 29 August 1997 – the Banking Law, the Act of 15 September 2000 – Code of Commercial Companies, the Bank's Articles of Association and the Rules of the Management Board, which defines the detailed scope of organization and procedures for the Management Board's acting and procedures of adopting resolutions, making decisions and expressing opinions. The Management Board manages the affairs of the Bank and represents it outside. The members of the Management Board fulfill their duties personally. The Management Board makes decision within its competencies during the meetings convened in accordance with provisions of the Management Board's Rules. The Management Board's meetings hold at least once a week and are convened by the President of the Management Board, who also chairs them. In case of his absence, the President is replaced by another member of the Management Board indicated by the President. Conclusions of the Management Board's meetings are made through resolutions. In order for a resolution to be valid the presence of majority of the Management Board members is required. The participation in a meeting is also possible by means of remote communication, especially by means of phone or video communication, enabling identification of meeting participant. The Management Board's resolutions shall be passed by the absolute majority of the votes. In case of equality of votes, the vote of the Management Board's President is decisive. After fulfillment of conditions determined in the Rules of the Management Board, resolutions may be adopted by the Management Board also in special course , without convening and taking place of the Management Board, i.e. (i) by circular by means of remote communication, particularly by voting with the use of e-mail, or fax and then placing a signature to resolutions by the Management Board's members in accordance with given vote, (ii) by voting in writing by signing by each member of the Management Board of proposed resolution (cards with signatures of the Management Board's members to given resolution) with indication whether member votes "for", "against" or "abstain from voting" and submitting signed resolution to the Management Board's President.

The Management Board's composition as at the date of this report was as follows:

Function in the Management Board	Composition as at 28.02.2013
President of the Management Board	Krzysztof Rosiński
Members of the Management Board	Karol Karolkiewicz
	Maurycy Kühn
	Krzysztof Spyra
	Radosław Stefurak
	Maciej Szczechura
	Grzegorz Tracz

During the 12-month period ended 31 December 2012 and until the date of approval of these consolidated financial statements the following changes occurred in the composition of the Bank's Management Board:

On 30 May 2012 Mr. Marcin Dec and Mr. Radosław Radowski resigned from the position held by them in the Management Board on the date of the legal merger of Get Bank S.A. and Getin Noble Bank S.A. At the same time on 30 May 2012 the Supervisory Board appointed the Management Board from the date of the legal merger of Get Bank S.A. and Getin Noble Bank S.A.: Mr. Krzysztof Rosiński to serve as Vice-president and Mr. Maurycy Kühn, Mr. Krzysztof Spyra, Mr. Maciej Szczechura and Mr. Grzegorz Tracz to be a member of the Board.

The Supervisory Board passed also a resolution to appoint Mr. Krzysztof Rosiński to act as the President of the Management Board on the following cumulative conditions: the consent of the Polish Financial Supervision Authority to obtain the function and to resign by Mr. Radosław Stefurak from the President of the Management Board. The Supervisory Board decided also – in case of resignation of Mr. Radosław Stefurak as President of the Management Board - to appoint him for a member of the Board, and if the resignation is submitted prior to obtaining the consent of the Polish Financial Supervision Authority, referred to above, the Supervisory Board decided to entrust the duties of the President of the Management Board to Mr. Krzysztof Rosiński. On 20 June 2012 Mr. Grzegorz Śłoka resigned from his position as the Management Board Member and Mr. Radosław Stefurak resigned from the position of President of the Management Board. Consequently, on 20 June 2012 Mr. Krzysztof Rosiński took the position of Vice-president and acting President, and Mr. Radosław Stefurak a the Member of the Management Board. On 29 January 2013 the Polish Financial Supervision Authority approved the appointment of Mr. Krzysztof Rosiński to the President of the Management Board of Getin Noble Bank S.A.

Committees

According to the Head Office Organizational Regulations adopted by the Board, at the Bank operate the following committees, which operate under separate internal arrangements:

- Asset/Liability Committee

Asset/Liability Committee (ALCO) acts as a consultative and advisory body, assisting the Bank's Management Board in the effective management of assets and liabilities of the Bank to ensure the implementation of the current financial plans and secure long-term development of the Bank. The scope of ALCO includes mainly: liquidity risk, interest rate risk, currency risk.

- Credit Committee of the Bank

The Bank's Credit Committee is the consultative and/or decision-making body, according to the credit decision mode adopted in the Bank, dealing with all matters relating to the credit risk of the ongoing transactions. In assessing the credit risk, the Credit Committee considers matters related to the lending activity, such as: requests for a loan or other type of engagement being beyond the competence of individual units, and applications for a loan containing derogations from the existing procedures and internal regulations; applications for setting exposure limits to customers of the Bank and exposure limits to borrowers, issuers and other banks. The Bank's Credit Committee consists of four members and their deputies, including the Chairman and Vice Chairman (s) who are appointed by the CEO from among the members of the Bank's Management Board or employees of the Bank with the principle that person who are called by virtue of his post are responsible for reviewing claims and management of credit risk in the Bank.

- **Consultative Committee of the Bank**

Consultative Committee supports Credit Committee of the Bank and consists of two to four members appointed by the Member of the Management Board responsible for the Credit Risk and Debt Collection.

The core activities of the Committee is to analyze credit applications (i.a. mortgage loans) including verification of client, investment, collateral and giving and opinion on the application. Recommendations given by Consultative Committee are not valid. The deliberations of the Committee held an ad hoc basis, by teleconference or, exceptionally using e-mail.

- **Operational Risk Committee**

Operational Risk Committee fulfills the supporting role to the Bank's Management Board with regard to: operational risk management - through the exercise of consultative and advisory functions in the process of operational risk management and the management of compliance risk - because of its close association with the legal risk constituting a category of operational risk - by the performance of advisory function, recommending specific procedure for the management of compliance risk.

- **Debt Collection Committee**

The scope of the Debt Collection Committee relates to outstanding credit exposures and other receivables of the Bank, in particular regarding the mode and method of investigation of the Bank's claims in legal proceedings, execution, bankruptcy, initiation, suspension, cancellation or take hold of enforcement proceedings, a settlement regarding repay the debt; remission. The Committee consists of: member of the Management Board supervising the debt collection area - as the Committee's President, Managing Director of the Debt Collection Area, the Director of Credit Risk Management Department or his deputy, the Director of the Litigation and Enforcement Department, and the Director of Tax Department.

- **Product Committee of the Bank**

The Bank's Product Committee is the consultative body dealing with all issues related to the assessment of the adequacy of the offered investment products to the needs of customers of the Bank. Committee performs its duties in accordance with the principles of transparency of the structure of products and its documentation.

Remuneration of members of the Supervisory Board and the Management Board

Detailed information regarding the remuneration of Bank's managing and supervising persons was described in the note II.45 to the consolidated financial statements of the Getin Noble Bank S.A. Capital Group for the year ended 31 December 2012.

Bank's agreements with members of the Management Board

The contracts of Krzysztof Rosiński – the President of the Management Board of Getin Noble Bank S.A. and the following Members of the Management Board – Maciej Szczechura, Grzegorz Tracz and Karol Karolkiewicz, envisage a payment of additional remuneration amounting to salary received and due within full 6 calendar months following the agreement termination date in case of termination of agreement by the Company or dismissal of Manager from the function in the Company's Management Board before the lapse of the term on which agreement was concluded, except for termination of agreement without notice in case of gross breach of provisions of the agreement.

The additional remuneration mentioned above, will be due to Mr. Krzysztof Rosiński also in case of termination of the agreement from his side before the lapse of term on which the agreement was concluded, because of the fact that other entity than on the date of signing of this agreement, will become the parent entity of the Company, with the exception of situation when the change of the parent entity relates to entity in relation to which the shareholder of the Company - Mr. Leszek Czarnecki, has dominant position in accordance with relevant provisions of the Code of Commercial Companies.

With reference to other members of the Management Board, the Bank did not conclude any agreements envisaging compensation in case of their resignation or dismissal from given post without valid reason or when their dismissal occurs due to merger of the Company by acquisition.

Holdings of the Bank shares by managing and supervising persons

Holdings of shares of Getin Noble Bank S.A. by managing and supervising persons as at the date of the report are the following:

Members of the Supervisory/ Management Board	Function	Number of the Bank shares on the own account
Leszek Czarnecki ¹⁾	President of the Supervisory Board	271,307,949
Rafał Juszczał	Vice-president of the Supervisory Board	-
Remigiusz Baliński	Member of the Supervisory Board	493,625
Michał Kowalczewski	Member of the Supervisory Board	-
Jacek Lisik	Member of the Supervisory Board	-
Krzysztof Rosiński	President of the Management Board	2,314,076
Karol Karolkiewicz	Member of the Management Board	53,801
Maurycy Kühn ²⁾	Member of the Management Board	228,688
Krzysztof Spyra ³⁾	Member of the Management Board	-
Radosław Stefurak	Member of the Management Board	105,990
Maciej Szczecchura	Member of the Management Board	-
Grzegorz Tracz	Member of the Management Board	192,691

- ¹⁾ To the best knowledge of Mr. Leszek Czarnecki, President of the Supervisory Board, his subordinate entities own the following shares of the Bank: LC Corp B.V. 1,033,035,603 shares, Getin Holding S.A. 150,096,884 shares, Fundacja Jolanty i Leszka Czarneckich 3,608,129 shares, RB Investcom Sp. z o.o. 104,422 shares, Idea Expert S.A. 7,995 shares.
- ²⁾ To the best knowledge of Mr. Maurycy Kühn, Member of the Management Board, his subordinate entities own the following shares of the Bank: A. Nagelkerken Holding B.V. with its registered office in the Netherlands 13,457,009 shares, ASK Investments S.A. with its registered office in Luxembourg 32,153,579 shares.
- ³⁾ To the best knowledge of Mr. Krzysztof Spyra, Member of the Management Board, his subordinate entities own the following shares of the Bank: International Consultancy Strategy Implementation B.V. with its registered office in the Netherlands 9,428,945 shares, ASK Investments S.A. with its registered office in Luxembourg 32,153,579 shares.

7.3. Internal control and risk management systems relating to the financial statements

The process of preparation of financial statements in Getin Noble Bank S.A. is realized within Financial Department, and its basis is the accounting policy adopted by the Management Board of the Bank and accounting organization in the Bank. The substantive control of the preparation of the financial statements is exercised by the Chief Accountant of the Bank and the Managing Director of the financial division.

In order to ensure true and fair information in the financial statements, in the Bank exists an internal control system, being the element of the Bank's management system, which consists of: control mechanisms, test of compliance of activities with the generally applicable legal regulations and internal Bank's policies, and an internal audit.

The internal control system consists of the following items:

- risk control mechanisms – relate to all employees and include procedures relating to banking and banking activities, limits and self-control tasks performed in order to mitigate errors in the Bank's operations, to report deficiencies and to ensure the fairness of accounting records,
- functional control – performed by every employee with respect to quality and correctness of performing their tasks, as well as performed by their direct supervisors and their co-workers, resulting from the organizational structure of the Bank,
- institutional control/ internal audit – performed by the separated and independent unit – Internal Audit Department, whose objective is to identify and assess the risk in each area of the Bank's operations.

The objective of the internal control system is to support the Bank's management, including decision processes, which lead to ensure effectiveness of the Bank's operations, credibility of the financial reporting and compliance with the legal acts and internal regulations through ensuring the compliance of the performed tasks with the procedures and ongoing reaction for irregularities, and monitoring of the effectiveness of the implemented control mechanisms. As a part of the internal control systems the Bank identifies the risk relating to each operation, transaction, product and process resulting from the organizational structure of the Bank.

Significant task of the internal control system is to secure the assets, to review of loan exposures, to mitigate and to identify errors in data processing, to ensure the credibility of the accounting records, to improve the effectiveness of operations and to stimulate the complying with the agreed strategy and policy of the Bank.

Operating of the internal control system and risk management with respect to the financial statements preparation process are based on the control mechanisms embedded in the reporting systems and on the ongoing verification of the compliance with the accounting records and other documents underlying the financial statements as well as the regulations regarding the accounting standards and financial reporting.

The control mechanisms cover the tasks performed in the Bank including: competences, regulations, limits and procedures relating to the activities of Getin Noble Bank S.A. and control activities performed by its employees and its supervisors, which relate to the performed activities. Mechanisms are of control nature and are incorporated both in the internal regulations and IT system of the Bank.

Auditor of the financial statements

On 30 May 2012 the Supervisory Board of the Bank made the resolution on the appointment of Deloitte Polska Sp. z o.o. Sp. k. (former Deloitte Audit Sp. z o.o.) with its registered office in Warsaw as the statutory auditor of the financial statements for 2012. The agreement with respect to the review of the interim standalone and consolidated financial statements of the Bank and audit of the standalone and consolidated financial statements of Getin Noble Bank S.A. for 2012 was signed on 12 June 2012. The Bank did not use the auditing services of the company in previous reporting periods.

The detailed information on the auditor remuneration is presented in the note II.46 to the consolidated financial statements of the Getin Noble Bank S.A. Capital Group for the year ended 31 December 2012.

8. Corporate social responsibility

Getin Noble Bank S.A. actively supports charities that help children in need. In the strategy of social actions the Bank focuses on improving the quality of life for disadvantaged children, or those in a difficult economic situation.

For three years, the Getin Noble Bank S.A. Capital Group cooperates with the Association of SOS Children's Villages, a public benefit organisation committed to helping abandoned and orphaned children as well as children from dysfunctional families. The Bank co-financed the purchase of 10 apartments for the pupils of the Association. The Bank also supports the Association by co-organizing promotional campaigns in the 1% tax and giving material gifts.

In 2012, Getin Noble Bank actively promoted the wider social awareness among its employees as part of the employee volunteering project called 'Zgrana Ekipa'. The aim is to build the company's value based on a bottom-up initiative and support of the needy. The main goal of the policy of social responsibility remains a particular aid that can change someone's life. Thanks to the Bank's financial support, 35 employees divided into 9 project teams implemented 9 social projects. These projects were mostly one-day and the contribution of employees consisted of, among others the physical work performed for the beneficiaries and/or premises occupied by them, the training of the beneficiaries in the hard and soft skills, as well as the organization of recreation and rest of the beneficiaries. Due to volunteers of the "Zgrana Ekipa" over 300 people have benefited from the participation in educational and sport activities. The beneficiaries last year were healthy children, physically and mentally disabled children at the kindergarten age, children with intellectual disabilities at the primary and secondary school age, children from orphanages, disabled and lonely seniors, as well as oncology hospice residents.

Dr. Leszek Czarnecki along with Noble Bank, under which was established for this purpose a special Foundation - St. Antony's College Oxford Noble Foundation, founded a long-term Programme on Modern Poland at Oxford University. As part of the agreement between the Founder and the St. Antony's College, the Foundation will provide to the University the initial amount of approximately PLN 6 million. This amount will provide the opportunity to develop the programme, to constitute its director, the organise numerous scientific events, publications, and - crucial for the Programme - the opportunity to cooperate with a number of centers in Oxford and Beyond it. The programme will eventually affect the way of teaching, thinking and talking about Poland in intellectual and political circles around the world.

9. Additional information

Significant agreements

On 2 October 2012 Getin Noble Bank S.A. entered with DnB NORD S.A. Bank with its registered office in Warsaw ('The Company') into a preliminary conditional agreement under which, after the fulfillment of conditions precedent, it will acquire the organized part of the banking business of the Company, i.a. branches together with its banking activities. The Bank will also acquire the Company's employees.

The acquisition of the organized part of the banking business will be after the fulfillment of all conditions precedent specified in the agreement, including approval of the PFSA for the acquisition of the banking business of the company and approval of the majority of the company's customers to transfer to Getin Noble Bank S.A. the credit portfolio forming part of an organized part of the banking business of the Company, deposits and active bank accounts. The contract expires in the event of failure of conditions precedent within 9 months from the date of the contract.

On 7 November 2012 Getin Noble Bank S.A. entered with Dexia Kommunalkredit Bank AG into a preliminary agreement to acquire 100% of Dexia Kommunalkredit Bank Polska S.A. for maximum purchase price of 70% of its net book value. The contract parties estimate the value of the transaction at approximately PLN 57 million. Finalization of the agreement depends on, among others not raising objections by the Polish Financial Supervision Authority and the Office of Competition and Consumer Protection. Closing of the transaction is expected in 2013.

On 19 December 2012 Getin Noble Bank S.A. entered into significant agreements on transaction of car loans securitization. The main agreements establishing the structure of the transaction are:

- Sale agreement of car loans portfolio by the Bank with a value of PLN 1,007,120 thousand to GNB Auto Plan sp. z o.o. with its registered office in Warsaw ("SPV") for the price of the outstanding principal balance. The transaction is expected to provide the Bank with medium-term financing through the non-public issue by the SPV of bonds amounted to PLN 518,666 thousand with a rating of Aa3(sf) given by Moody's Investor Services secured by pledge on the assets of the SPV.
- Subordinated loan agreement with a value of PLN 488,454 thousand granted to the SPV by Getin Noble Bank S.A. The purpose of the loan is to finance the purchase of the receivables in part not financed by issue of bonds. The loan will be subordinated to the preference and secured bonds. Payment of interest on the loan will be made in a cascading payments from the funds held by the SPV, while the repayment of the principal will take place only after the full redemption of the bonds.

Changes in the basic principles of managing the company

In 2012 there were no significant changes with respect to the methods of managing the Bank.

Bank's co-operation with international public institutions

In 2012 Getin Noble Bank S.A. continued its co-operation with the European Bank for Reconstruction and Development and the European Investment Bank under already signed agreements.

As part of the loan agreement concluded in 2010 between Getin Noble Bank S.A. and the European Investment Bank, Getin Noble Bank S.A. received EUR 50 million for the development of activities in the SME sector and to strengthen the market position of a subsidiary - Getin Leasing SA, which will be paid out in a maximum of 5 installments, starting from December 2012. The loan is secured with a financial pledge of SP bonds belonging to Getin Noble Bank S.A. The loan period is up to 12 years after the use of each installment.

Information on significant agreements between the Bank and the central bank or supervision authorities

In 2012 Getin Noble Bank did not conclude any significant agreements with the central bank or supervision authorities. The Bank co-operates on a regular basis with the National Bank of Poland with respect to the agreement on the technical loan and transfer of rights to securities and the agreement on the lombard loan and the pledge being the collateral for that loan.

Explanation of differences between actual financial results and previously published forecasts

Getin Noble Bank S.A. Capital Group did not publish forecasts for 2012 financial results.

Description of the use of the proceeds from the issue of Securities by the Issuer

In 2012 Getin Noble Bank S.A. made further issues of bonds, including subordinated bonds issued under the Public Bond Issuance Programme. The purpose of the bond issue by the Bank is to increase the Bank's own funds to allow for further development of its activities. In 2012 the Polish Financial Supervision Authority approved the inclusion in the supplementary funds of Getin Noble Bank S.A. the amount of PLN 789 million acquired by the Bank through the issue of series F bonds and public issue of bonds series PP-I - PP-V and PP2-I - PP2-IV.

In the IV quarter of 2012 the Bank issued 200 million ordinary bearer shares of serie J and 60 million ordinary bearer shares of serie K. The purpose of the share issue of serie J is to increase the level of the Getin Noble Bank S.A. own funds resulting in raising the level of the capital adequacy ratio, which will enable further organic growth. The purpose of the share issue of serie K is to ensure the potential acquisition of other entities while maintaining required levels of capital adequacy ratio.

The funds raised by the issue of securities by the time of all targets are met, increase the Bank liquid assets and are invested at a market conditions, including purchasing government securities and interbank deposits.

Execution titles and value of collaterals

In 2012 there were 38,869 execution titles issued of the total value of PLN 1,277 million. The fair value of the collaterals for individually impaired loans calculated as the sum of discounted future cash flows from collaterals, repayments and settlements as well as recovery of the loans amounted to PLN 792 million as at the end of 2012.

Significant legal proceedings

In 2012 the entities of the Getin Noble Bank S.A. Capital Group were not subject to any proceedings relating to liabilities or receivables which value would exceed 10% of the consolidated equity.

Information on the control system in employee share schemes

There are no employee share schemes in the Bank.

10. Statements of the Management Board

10.1. Truth and fairness of the financial statements

According to the best knowledge of the Management Board, the consolidated financial statements of the Getin Noble Bank S.A. Capital Group for the year ended 31 December 2012 and the comparative data have been prepared in accordance with the International Financial Reporting Standards and reflect the economic and financial standing of the Getin Noble Bank S.A. Capital Group and the Group's financial result in a true, fair and transparent way.

Furthermore, the Directors' Report of the Getin Noble Bank S.A. Capital Group gives a true view of the development, achievements and situation of the Group in 2012, including a description of the key threats and risks.

10.2. Appointment of the auditor of the financial statements

Deloitte Polska Sp. z o.o. Sp. k. (former Deloitte Audyt Sp. z o.o.) – the auditor of the consolidated financial statements of the Getin Noble Bank S.A. Capital Group for the year ended 31 December 2012 was appointed in compliance with the law. This entity and its certified auditors performing the audit fulfilled conditions for expressing the unbiased and independent opinion on the audited consolidated financial statements, in accordance with the applicable law and professional standards.

The Management Board of Getin Noble Bank S.A.:

Krzysztof Rosiński
President of the Management Board

Karol Karolkiewicz
Member of the Management Board

Maurycy Kühn
Member of the Management Board

Krzysztof Spyra
Member of the Management Board

Radosław Stefurak
Member of the Management Board

Maciej Szczechura
Member of the Management Board

Grzegorz Tracz
Member of the Management Board

Warsaw, 28 February 2013