



GETIN NOBLE

BANK • SPÓŁKA AKCYJNA

GETIN NOBLE BANK S.A. CAPITAL GROUP

**Consolidated half-year report
for the 6-month period ended 30 June 2014**

Warsaw, 12 August 2014

GETIN NOBLE BANK S.A. CAPITAL GROUP

Consolidated half-year report
for the 6-month period ended 30 June 2014
(data in PLN thousand)



SELECTED FINANCIAL DATA

Data from the consolidated income statement	01.01.2014- 30.06.2014	01.01.2013- 30.06.2013 (restated)	01.01.2014- 30.06.2014	01.01.2013- 30.06.2013 (restated)
	PLN thousand	PLN thousand	EUR thousand	EUR thousand
Net interest income	728,137	639,759	174,262	151,818
Net fee and commission income	228,256	193,818	54,628	45,994
Profit before tax	223,512	183,854	53,492	43,629
Net profit	266,135	150,705	63,693	35,763
Net profit attributable to equity holders of the parent	265,936	150,362	63,645	35,682
Total comprehensive income for the period	305,457	91,713	73,104	21,764
Net cash flows	1,668,518	(1,354,670)	399,320	(321,469)

Data from the consolidated statement of financial position	30.06.2014	31.12.2013	30.06.2014	31.12.2013
	PLN thousand	PLN thousand	EUR thousand	EUR thousand
Total assets	68,331,994	63,617,095	16,422,407	15,339,770
Total equity	5,084,445	4,780,455	1,221,958	1,152,695
Equity attributable to equity holders of the parent	5,082,498	4,775,105	1,221,490	1,151,405
Share capital	2,650,143	2,650,143	636,916	639,020

Number of shares	2,650,143,319	2,650,143,319	2,650,143,319	2,650,143,319
Total capital ratio/ Capital adequacy ratio *	12.5%	12.4%	12.5%	12.4%

* Total capital ratio presented as at 30 June 2014 was calculated in accordance with the Regulation of the European Parliament and of the Council (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR) applicable from 1 January 2014. As at 31 December 2013 the presented capital adequacy ratio was calculated in accordance with the legal standards applicable as at 31 December 2013.

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Data from the standalone income statement	01.01.2014- 30.06.2014	01.01.2013- 30.06.2013 (restated)	01.01.2014- 30.06.2014	01.01.2013- 30.06.2013 (restated)
	PLN thousand	PLN thousand	EUR thousand	EUR thousand
Net interest income	713,954	617,752	170,868	146,595
Net fee and commission income	186,728	161,638	44,689	38,357
Profit before tax	318,455	195,374	76,215	46,363
Net profit	271,417	160,829	64,957	38,165
Total comprehensive income for the period	310,383	101,798	74,283	24,157
Net cash flows	1,505,559	(1,757,913)	360,320	(417,160)

Data from the standalone statement of financial position	30.06.2014	31.12.2013	30.06.2014	31.12.2013
	PLN thousand	PLN thousand	EUR thousand	EUR thousand
Total assets	67,786,138	63,263,327	16,291,220	15,254,467
Total equity	4,819,237	4,508,854	1,158,220	1,087,204
Share capital	2,650,143	2,650,143	636,916	639,020

Number of shares	2,650,143,319	2,650,143,319	2,650,143,319	2,650,143,319
Total capital ratio/ Capital adequacy ratio *	12.6%	12.4%	12.6%	12.4%

* Total capital ratio presented as at 30 June 2014 was calculated in accordance with the Regulation of the European Parliament and of the Council (EU) No 575/2013 of 26 June 2013 on prudential requirements for credit institutions and investment firms (CRR) applicable from 1 January 2014. As at 31 December 2013 the presented capital adequacy ratio was calculated in accordance with the legal standards applicable as at 31 December 2013.

The selected financial figures comprising the basic items of the consolidated and standalone financial statements have been converted into euro in accordance with the following principles:

- the items of assets, liabilities and equity have been converted in accordance with the average exchange rates announced by the National Bank of Poland as at 30 June 2014, i.e. 1 EUR = 4.1609 PLN and as at 31 December 2013, i.e. 1 EUR = 4.1472 PLN.
- the items of the income statement as well as the items of the statement of cash flows have been converted in accordance with exchange rates constituting arithmetic means of the average exchange rates established by the National Bank of Poland as at the last day of every month within 6-month period ended 30 June 2014 and 2013 (1 EUR = 4.1784 PLN and 1 EUR = 4.2140 PLN respectively).

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I. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. INTERIM CONSOLIDATED INCOME STATEMENT

	Note	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014	01.04.2013- 30.06.2013 (restated)	01.01.2013- 30.06.2013 (restated)
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
CONTINUED ACTIVITY					
Interest income		914,881	1,817,246	961,544	1,995,570
Interest expense		(550,399)	(1,089,109)	(639,465)	(1,355,811)
Net interest income	II.6	364,482	728,137	322,079	639,759
Fee and commission income		161,680	337,557	145,828	295,826
Fee and commission expense		(55,105)	(109,301)	(49,986)	(102,008)
Net fee and commission income	II.7	106,575	228,256	95,842	193,818
Dividend income		2,917	2,917	2,384	2,386
Result on financial instruments measured at fair value through profit or loss		40,272	48,604	3,118	9,772
Result on other financial instruments		6,397	6,416	27,301	29,219
Net foreign exchange gains		10,639	24,727	14,266	32,447
Other operating income		28,111	52,092	58,259	120,675
Other operating expense		(48,840)	(80,783)	(49,350)	(76,582)
Net other operating income and expense	II.8	(20,729)	(28,691)	8,909	44,093
Administrative expenses	II.9	(237,310)	(472,007)	(216,997)	(425,251)
Net impairment allowances on financial assets and off-balance sheet provisions	II.10	(163,313)	(320,442)	(143,149)	(340,723)
Operating profit		109,930	217,917	113,753	185,520
Share of profits /(losses) of associates		5,113	5,595	1,509	(1,666)
Profit before tax		115,043	223,512	115,262	183,854
Income tax	II.11	20,939	42,623	(15,081)	(33,149)
Net profit		135,982	266,135	100,181	150,705
of which attributable to:					
equity holders of the parent		135,886	265,936	100,019	150,362
non-controlling interests		96	199	162	343
<i>Weighted average number of shares</i>		<i>2,650,143,319</i>	<i>2,650,143,319</i>	<i>2,650,143,319</i>	<i>2,650,143,319</i>
Earnings per share in PLN:					
basic, for profit for the period attributable to equity holders of the parent		0.05	0.10	0.04	0.06
diluted, for profit for the period attributable to equity holders of the parent		0.05	0.10	0.04	0.06

Details for restatement of comparative data for 2013 are presented in Note II 3.6.

2. INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014	01.04.2013- 30.06.2013 (restated)	01.01.2013- 30.06.2013 (restated)
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
Net profit for the period		135,982	266,135	100,181	150,705
Items that may be reclassified to profit or loss, of which:		29,218	39,322	(46,083)	(58,992)
Exchange differences on translation of foreign operations		42	39	44	44
Valuation of available-for-sale financial assets		45,976	54,011	(62,136)	(87,665)
Cash flow hedges	II.16	(9,958)	(5,516)	5,189	14,781
Tax effect related to items that may be reclassified to profit or loss	II.11	(6,842)	(9,212)	10,820	13,848
Net other comprehensive income		29,218	39,322	(46,083)	(58,992)
Total comprehensive income for the period		165,200	305,457	54,098	91,713
Attributable to:					
equity holders of the parent		165,104	305,258	53,936	91,370
non-controlling interests		96	199	162	343

3. INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30.06.2014 PLN thousand	31.12.2013 PLN thousand
ASSETS			
Cash and balances with the Central Bank		4,188,513	2,629,838
Amounts due from banks and financial institutions		1,502,928	1,379,820
Financial assets held for trading		14,729	5,114
Financial assets at fair value through profit or loss		170,362	-
Derivative financial instruments		194,649	241,389
Loans and advances to customers	II.12	45,679,658	45,353,193
Finance lease receivables	II.12	3,146,885	2,599,201
Financial assets, of which:		10,742,274	8,871,495
available-for-sale		10,615,532	8,758,290
held-to-maturity		126,742	113,205
Investments in associates	II.13	363,257	357,492
Intangible assets		219,524	205,034
Property, plant and equipment		337,920	323,236
Investment properties		278,472	150,806
Non-current assets held for sale		-	9,449
Income tax assets, of which:		692,812	637,076
receivables relating to current income tax		14,690	8
deferred tax assets	II.11	678,122	637,068
Other assets		800,011	853,952
TOTAL ASSETS		68,331,994	63,617,095
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks and financial institutions		4,021,454	3,139,509
Derivative financial instruments		434,933	481,340
Amounts due to customers	II.14	54,366,921	51,486,360
Debt securities issued, of which:		3,827,097	3,158,409
subordinated debt		2,090,469	1,824,250
Liabilities relating to current income tax		-	1,144
Other liabilities		564,648	543,245
Provisions	II.15	32,496	26,633
Total liabilities		63,247,549	58,836,640
Equity attributable to equity holders of the parent		5,082,498	4,775,105
Share capital		2,650,143	2,650,143
Retained earnings		166,628	(264,257)
Net profit		265,936	399,725
Other capital		1,999,791	1,989,494
Non-controlling interests		1,947	5,350
Total equity		5,084,445	4,780,455
TOTAL LIABILITIES AND EQUITY		68,331,994	63,617,095

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4. INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent								Non-controlling interests	Total equity
	Share capital	Retained earnings	Net profit	Other capital				Total		
				Reserve capital	Revaluation reserve	Foreign exchange differences	Other capital reserves			
PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	
As at 01.01.2014	2,650,143	135,468	-	2,084,585	(135,865)	(107)	40,881	4,775,105	5,350	4,780,455
Comprehensive income for the period	-	-	265,936	-	39,283	39	-	305,258	199	305,457
Purchase of non-controlling interests in a subsidiary	-	2,135	-	-	-	-	-	2,135	(3,317)	(1,182)
Distribution of last year profit and cover of previous years losses	-	29,025	-	(29,025)	-	-	-	-	-	-
Dividends for non-controlling interests	-	-	-	-	-	-	-	-	(285)	(285)
As at 30.06.2014	2,650,143	166,628	265,936	2,055,560	(96,582)	(68)	40,881	5,082,498	1,947	5,084,445

(restated)	Attributable to equity holders of the parent								Non-controlling interests	Total equity	
	Share capital	Retained earnings	Net profit	Other capital				Total			
				Reserve capital	Revaluation reserve	Share based payments-equity component	Foreign exchange differences				Other capital reserves
PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand		
As at 01.01.2013	2,650,143	53,809	-	2,090,186	(120,347)	7,381	-	37,493	4,718,665	2,978	4,721,643
Adjustments for changes in accounting policies	-	(362,825)	-	-	(250)	-	-	-	(363,075)	-	(363,075)
As at 01.01.2013 after adjustment	2,650,143	(309,016)	-	2,090,186	(120,597)	7,381	-	37,493	4,355,590	2,978	4,358,568
Comprehensive income for the period	-	-	150,362	-	(59,036)	-	44	-	91,730	343	91,713
Distribution of last year profit and cover of previous years losses	-	44,759	-	(44,759)	-	-	-	-	-	-	-
Transfer of POM valuation reserve to other capital reserves	-	-	-	-	-	(7,381)	-	7,381	-	-	-
Creation of capital reserves for purchase of own shares	-	-	-	(126,007)	-	-	-	126,007	-	-	-
Dividends for non-controlling interests	-	-	-	-	-	-	-	-	-	(57)	(57)
As at 30.06.2013	2,650,143	(264,257)	150,362	1,919,420	(179,633)	-	44	170,881	4,446,960	3,264	4,450,224

Details for restatement of comparative data for 2013 are presented in Note II 3.6.

5. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	01.01.2014- 30.06.2014 PLN thousand	01.01.2013- 30.06.2013 (restated) PLN thousand
Cash flow from operating activities			
Net profit		266,135	150,705
Adjustments:		237,200	(2,964,127)
Amortisation and depreciation	II.9	36,888	34,439
Share of (profits)/ losses of associates		(5,595)	1,666
Foreign exchange (gains)/ losses		(1,265)	8,564
(Gains)/ losses from investing activities		(958)	(130,278)
Interests and dividends		93,879	69,734
Change in amounts due from banks and financial institutions		(13,265)	(522,593)
Change in financial assets held for trading		(9,615)	1,340
Change in financial assets at fair value through profit or loss		(170,362)	-
Change in derivative financial instruments (assets)		44,945	115,522
Change in loans and advances to customers		(326,465)	(2,392,778)
Change in finance lease receivables		(547,684)	(306,698)
Change in available-for-sale financial instruments		(1,813,491)	(2,418,655)
Change in held to maturity financial instruments		(1,537)	-
Change in deferred tax assets		(41,054)	(403)
Change in other assets		53,941	119,602
Change in amounts due to banks and financial institutions		45,693	54,095
Change in derivative financial instruments (liabilities)		(49,080)	302,119
Change in amounts due to customers		2,880,561	1,900,989
Change in debt securities issued		16,307	189,646
Change in other liabilities		21,403	13,607
Change in provisions		5,863	1,429
Other adjustments		33,917	(5,276)
Income tax paid		(23,469)	(25,281)
Current tax expense	II.11	7,643	25,083
Net cash flows used in operating activities		503,335	(2,813,422)
Cash flows from investing activities			
Sale of shares in a subsidiary/ associate		-	155,614
Sale of intangible assets and property, plant and equipment		14,103	1,422
Sale of investments in financial instruments		-	40,938
Dividends received		2,917	2,384
Acquisition of shares in a subsidiary		(26,180)	(55,174)
Purchase of intangible assets and property, plant and equipment		(206,513)	(121,087)
Purchase of investments in financial instruments		(12,000)	-
Net cash flows used in investing activities		(227,673)	24,097
Cash flows from financing activities			
Proceeds from issue of debt securities		1,457,381	1,811,059
Proceeds from loans taken		837,556	744,771
Redemption of issued debt securities		(805,000)	(1,049,000)
Dividends paid to non-controlling interests		(285)	(57)
Interest paid		(96,796)	(72,118)
Net cash flows from financing activities		1,392,856	1,434,655
Net increase/(decrease) in cash and cash equivalents		1,668,518	(1,354,670)
Cash and cash equivalents at the beginning of the period		3,051,220	4,017,609
Cash and cash equivalents at the end of the period		4,719,738	2,662,939

II. NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The parent of the Group is Getin Noble Bank S.A. (“the Bank”, “the parent”, “the Issuer”) with its registered office in Warsaw at Przyokopowa Str. 33, registered pursuant to the decision of the District Court of Warsaw, XII Commercial Department of the National Court Register on 25 April 2008 under entry No. 0000304735. The parent company has been granted with statistical number REGON 141334039.

The ownership structure of significant batches of shares of the parent entity as of the date of these interim condensed consolidated financial statements 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.	1,011,728,750	1,011,728,750	38.18%	38.18%
Leszek Czarnecki (directly)	264,626,609	264,626,609	9.99%	9.99%
ING Otwarty Fundusz Emerytalny	220,000,000	220,000,000	8.30%	8.30%
Getin Holding S.A.	200,314,774	200,314,774	7.56%	7.56%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	174,300,000	174,300,000	6.58%	6.58%
Other shareholders	779,173,186	779,173,186	29.39%	29.39%
Total	2,650,143,319	2,650,143,319	100.00%	100.00%

The parent company of the Bank and the Capital Group is Mr. Leszek Czarnecki, who directly and through his subordinated entities has 55.86% share in Getin Noble Bank S.A. Data on the shares held by Mr. Leszek Czarnecki and its subordinated entities are presented in the following table:

	Number of shares	Number of votes at AGM	% share in share capital	% share in votes at AGM
LC Corp B.V.	1,011,728,750	1,011,728,750	38.18%	38.18%
Leszek Czarnecki (directly)	264,626,609	264,626,609	9.99%	9.99%
Getin Holding S.A.	200,314,774	200,314,774	7.56%	7.56%
Fundacja Jolanty i Leszka Czarneckich	3,519,273	3,519,273	0.13%	0.13%
RB Investcom sp. z o.o.	101,850	101,850	0.004%	0.004%
Idea Expert S.A.	7,799	7,799	0.0003%	0.0003%
Total	1,480,299,055	1,480,299,055	55.86%	55.86%

1.1. The Management Board and the Supervisory Board of the Bank

As at the date of approval of these interim condensed consolidated financial statements, composition of the management and the supervisory board of Getin Noble Bank S.A. was as follows:

Management Board of Getin Noble Bank S.A.	
President of the Management Board	Krzysztof Rosiński
Members of the Management Board	Marcin Dec
	Karol Karolkiewicz
	Krzysztof Spyra
	Radosław Stefurak
	Maciej Szczechura
	Grzegorz Tracz

Supervisory Board of Getin Noble Bank S.A.	
President of the Supervisory Board	Leszek Czarnecki
Vice-President of the Supervisory Board	Rafał Juszczyk
Members of the Supervisory Board	Remigiusz Baliński
	Michał Kowalczewski
	Jacek Lisik

With effect from 1 January 2014 Mr. Marcin Dec became a member of the Management Board of the Bank in accordance with a resolution of the Supervisory Board dated 7 November 2013.

On 27 March 2014 the Supervisory Board of the Bank adopted a resolution appointing members of the Management Board remained unchanged for the next joint term of office ending on the date of the General Meeting approving the Bank's financial statements for the year 2016.

On 24 April 2014 the Shareholders General Meeting of the Bank adopted a resolution appointing members of the Supervisory Board remained unchanged for the next joint term of office ending on the date of the General Meeting approving the Bank's financial statements for the year 2016.

In the 6-month period ended 30 June 2014 and until the date of approval of these interim condensed consolidated financial statements there were no other changes in the composition of the Bank's Management Board and Supervisory Board.

1.2. Information on the Capital Group with an indication of consolidated entities

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.

The entities comprising the Group have been incorporated for an indefinite term.

The Group is active in the following areas of business:

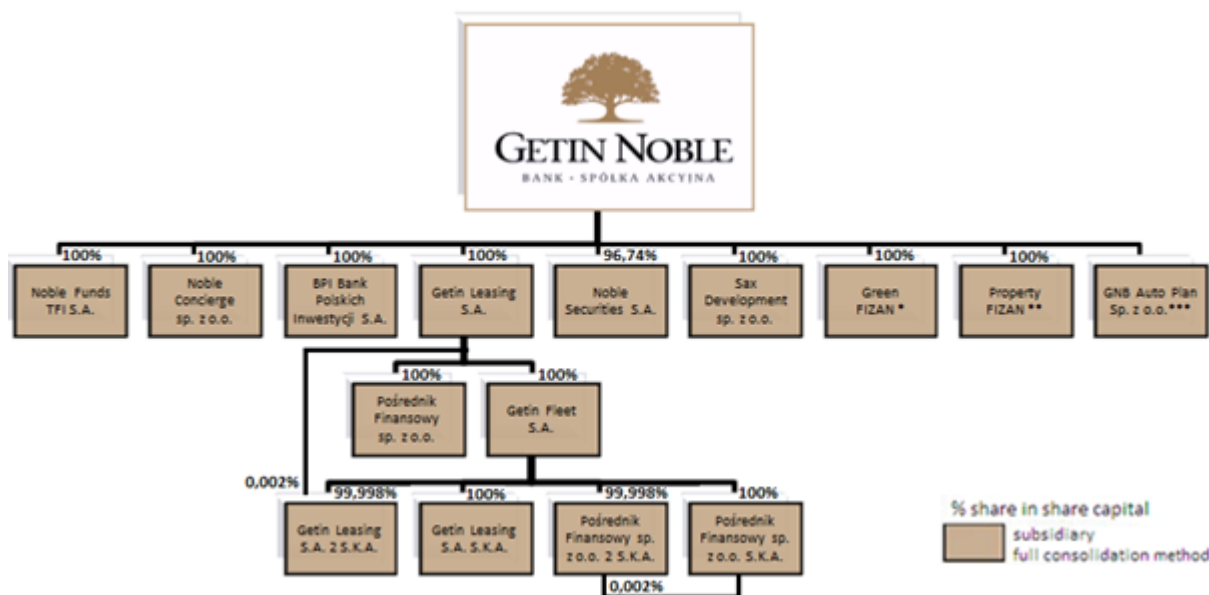
- banking services,
- leasing services and long-term vehicles rental,
- financial intermediary services,
- investment funds,
- brokerage services.

Getin Noble Bank S.A. is a universal bank offering numerous products in the area of financing, saving and investing as well as a wide spectrum of additional services which are provided to clients using a variety of channels, including traditional banking outlets and the Internet platform.

Retail banking is conducted under the Getin Bank brand, which specialises in sale of cash, mortgage and car loans. Getin Bank offers also 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 units. Noble Bank represents the private banking segment, 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 subsidiaries: Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A., Noble Securities S.A. brokerage house, Noble Concierge sp. z o.o. and Getin Leasing S.A. Group. In co-operation with the above-mentioned companies, Getin Noble Bank S.A. provides its clients with access to brokerage and concierge services, investment fund units and certificates, as well as lease products and vehicles rental services.

Presented below is an organisational chart of entities 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 30 June 2014:



* Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (Non-public assets closed-end investment fund)

** Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (Non-public assets closed-end investment fund); holds 100% shares in three special purpose entities: Etrick Investments sp. z o.o., Redmile Investments sp. z o.o. and Lakeford Investments sp. z o.o.

*** Special purpose entity („SPV”), with which the Bank conducted a securitisation transaction of loan portfolio; the Group does not hold any equity interest in the entity.

All subsidiaries are consolidated with the full consolidation method.

The Group holds 42.15% share in the equity of an associate Open Finance S.A., valued with the equity method.

As at 30 June 2014 and 31 December 2013 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 the those entities, except for Noble Securities S.A. in which the Bank held 97.26% share in votes as at 30 June 2014 and 31 December 2013.

1.3.Changes in the Group structure in the first half of 2014

On 28 January 2014 Getin Noble Bank S.A. and Getin Leasing S.A. went into an agreement to purchase 214 shares of the company according to the resolution of the Extraordinary Shareholders Meeting of Getin Leasing S.A. dated 18 December 2013 on the squeeze-out of minority shareholders. Price of the acquired shares amounted to PLN 1,181 thousand. As of 30 June 2014 the Bank was the sole shareholder of Getin Leasing S.A.

In connection with the entry into force on 1 January 2014 of IFRS 10 *Consolidated Financial Statements*, the Bank carried out an analysis of the nature of its investments held to identify the entities over which the Bank exercises control. Following the evaluation, there was no need to amend the current structure of the Group.

2. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved by the Management Board of the parent company on 12 August 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1. Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU, in particular in accordance with IAS 34 *Interim Financial Reporting*, and in areas not covered by the above standards in accordance with the Accounting Act of 29 September 1994 as amended and the respective secondary legislation issued on its basis, as well as the requirements relating to issuers of securities registered or applying for registration on an official quotations market.

IFRS comprise standards and interpretations accepted by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

The Group applies "carve out" in IAS 39 endorsed by the European Commission Regulation as described in the consolidated financial statements of the Group for the 12-month period ended 31 December 2013.

3.2. Entity entitled to audit financial statements

The entity entitled to audit half-year consolidated and standalone financial statements is Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw.

3.3. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with the historical cost principle, except for the financial instruments measured at fair value.

The interim condensed consolidated financial statements have been prepared based on the assumption that the Group entities would continue their activities in the foreseeable future, i.e. for a period of at least 12 months from the reporting date. As of the date of approval of these interim condensed consolidated financial statements no circumstances were identified which could threaten the continuity of the Group's entities operations.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2013.

3.4. Functional and reporting currency

The interim condensed consolidated financial statements are presented in the Polish currency (PLN) and all the figures, unless otherwise stated, are expressed in PLN thousands. Polish zloty is the functional currency of the parent company and the other entities included in the consolidated financial statements and the reporting currency of the consolidated financial statements.

3.5. Changes in the applied standards and interpretations

Standards and interpretations applied for the first time in 2014

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations applicable for annual periods beginning on or after 1 January 2014, as follows:

- IFRS 10 *Consolidated financial statements*, as adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- IFRS 11 *Joint arrangements*, as adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- IFRS 12 *Disclosure of interest in other entities*, as adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- IAS 27 (as amended in 2011) *Separate financial statements*, as adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- IAS 28 (as amended in 2011) *Investments in associates and joint ventures*, as adopted by the EU on 11 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IFRS 10 *Consolidated financial statements*, IFRS 11 *Joint arrangements* and IFRS 12 *Disclosure of interest in other entities* – transition guidance, as adopted by the EU on 4 April 2013 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IFRS 10 *Consolidated financial statements*, IFRS 12 *Disclosure of interest in other entities* and IAS 27 *Separate financial statements* – investment entities, as adopted by the EU on 20 November 2013 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IAS 32 *Financial instruments: presentation* - Offsetting financial assets and financial liabilities, as adopted by the EU on 13 December 2012 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IAS 36 *Impairment of Assets* – Recoverable amounts disclosures for non-financial assets, as adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014),
- Amendments to IAS 39 *Financial instruments: recognition and measurement* – Novation of derivatives and continuation of hedge accounting, as adopted by the EU on 19 December 2013 (effective for annual periods beginning on or after 1 January 2014).

Application of the above changes to the standards had no significant impact on the accounting policies of the Group or on its financial position and results of operations.

Standards and interpretations published and adopted by the EU, but are not yet effective

The following standards, amendments to standards and interpretations have been published and adopted by the EU, but are not yet effective:

- Interpretation IFRIC 21 *Levies* (effective for annual periods beginning on or after 17 June 2014).

In the reporting period the Group has not early adopted the above interpretation that was issued but is not yet effective. The Group estimates that the interpretation would not have any significant impact on the financial statements, if it has been adopted by the Group at the reporting date.

3.6. Changes in accounting policies – restatement of comparative data

The comparative data for the 6-month period ended 30 June 2014 presented in the interim condensed consolidated financial statements have been restated to reflect the changes in presentation implemented in the current reporting period and changes to the accounting policies that have been made by the Group in 2013.

Change in presentation relates to transferring the costs of promotions and rewards for customers from "Fee and commission expense" to "Other operating expense". The restatement of comparative information due to the change in presentation had no impact on the net financial results for the 6-month period ended 30 June 2013.

Item of the consolidated income statement for the period 01.01.2013 - 30.06.2013	Data before restatement	Presentation adjustment	Restated data
	PLN thousand	PLN thousand	PLN thousand
Fee and commission expense	(105,053)	3,045	(102,008)
Other operating expense	(73,537)	(3,045)	(76,582)

In 2013 the Getin Noble Bank S.A. Group modified the accounting policy on recognition of revenue from sale of insurance products distributed together with the loan products of the Bank. The commission for insurance products distributed by the Bank is recognised as income taking into account the assessment of connection between insurance product and credit product. Detailed changes in this regard are described in the consolidated financial statements of the Group for the year ended 31 December 2013.

Total effect of adjustments due to the changes in accounting principles (policies) introduced in 2013 on the comparative figures presented in the interim condensed consolidated financial statements is presented below:

Consolidated statement of changes in equity for the period 01.01.2013 - 30.06.2013	Total equity as at 01.01.2013	Net profit for the period 01.01.2013- 30.06.2013	Total equity as at 30.06.2013
	PLN thousand	PLN thousand	PLN thousand
Equity before restatement	4,721,643	162,677	4,825,271
adjustment due to change in accounting principles for recognition of revenue from insurance	(448,241)	(14,780)	(463,021)
deferred tax on change in accounting principles for recognition of revenue from insurance	85,166	2,808	87,974
Total adjustments	(363,075)	(11,972)	(375,047)
Equity restated taking into account the retrospective change in accounting principles (policies)	4,358,568	150,705	4,450,224

GETIN NOBLE BANK S.A. CAPITAL GROUP
Interim condensed consolidated financial statements
for the 6-month period ended 30 June 2014
(data in PLN thousand)



Consolidated income statement for the period 01.01.2013 - 30.06.2013	Getin Noble Bank S.A. Capital Group	Adjustments		Restated consolidated data
	PLN thousand	PLN thousand		PLN thousand
Interest income	1,935,154	60,416	1)	1,995,570
Interest expense	(1,355,811)	-		(1,355,811)
Net interest income	579,343	60,416		639,759
Fee and commission income	371,022	(75,196)	2)	295,826
Fee and commission expense	(102,008)	-		(102,008)
Net fee and commission income	269,014	(75,196)		193,818
Dividend income	2,386	-		2,386
Result on financial instruments measured at fair value through profit or loss	9,772	-		9,772
Result on other financial instruments	29,219	-		29,219
Net foreign exchange gains	32,447	-		32,447
Other operating income	120,675	-		120,675
Other operating expense	(76,582)	-		(76,582)
Net other operating income and expense	44,093	-		44,093
Administrative expenses	(425,251)	-		(425,251)
Net impairment allowances on financial assets and off-balance sheet provisions	(340,723)	-		(340,723)
Operating profit	200,300	(14,780)		185,520
Share of profits /(losses) of associates	(1,666)	-		(1,666)
Profit before tax	198,634	(14,780)		183,854
Income tax	(35,957)	2,808	3)	(33,149)
Net profit	162,677	(11,972)		150,705
of which attributable to:				
equity holders of the parent	162,334	(11,972)		150,362
non-controlling interests	343	-		343

- 1) Adjustment of interest income due to changes in the insurance revenue recognition resulting from recognition of part of the revenue with the effective interest rate method,
- 2) Adjustment of fee and commission income due to changes in the insurance revenue recognition resulting from deferred part of the revenue because of the potential returns of commissions in the event of early termination of the insurance contract and resulting from recognition of part of the revenue with the effective interest rate method,
- 3) Recognition of income tax due to the above adjustments related to changes in the insurance revenue recognition.

3.7. Selected accounting policies

The Group's accounting policies were presented in the annual consolidated financial statements of the Getin Noble Bank S.A. Capital Group for the year ended 31 December 2013 which was approved on 28 February 2014 and published on 3 March 2014 and is available on the website: <http://gnb/pl/>.

Presented below are some of the accounting policies applied by the Group:

Consolidation rules

The consolidated financial statements comprise the financial statements of Getin Noble Bank S.A. as a parent company and its subsidiaries. The financial statements of the Bank and its subsidiaries used in the preparation of the consolidated financial statements shall have the same reporting date. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

The parent company prepares consolidated financial statements using uniform accounting principles (policies) for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

Subsidiaries

The Bank, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee.

An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Bank controls an investee if and only if it has all the following:

- a) power over the investee,
- b) exposure, or rights, to variable returns from its involvement with the investee, and
- c) the ability to use its power over the investee to affect the amount of the investor's returns.

Consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee.

Consolidated financial statements:

- a) combine like items of assets, liabilities, equity, income, expenses and cash flows of the Bank with those of its subsidiaries,
- b) offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary,
- c) eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). IAS 12 *Income Taxes* applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

The Bank shall attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The Bank shall present non-controlling interests in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are equity transactions. When the proportion of the equity held by non-controlling interests changes, the Bank shall adjust the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interests in the subsidiary. The Bank shall recognise directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

If the Bank loses control of a subsidiary, it shall:

- a) derecognise the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost,
- b) derecognise the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them),
- c) recognise the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control,
- d) recognise if the transaction, event or circumstances that resulted in the loss of control involves a distribution of shares of the subsidiary to owners in their capacity as owners, that distribution,
- e) reclassify to profit or loss, or transfer directly to retained earnings the amounts recognised in other comprehensive income in relation to the subsidiary,
- f) recognise any investment retained in the former subsidiary at its fair value at the date when control is lost and subsequently accounts for it and for any amounts owed by or to the former subsidiary in accordance with relevant IFRSs,
- g) recognise any resulting difference as a gain or loss in profit or loss attributable to the parent.

Investments in associates

Associates are those entities over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

Where the Bank holds 20% or more of the voting power (directly or through subsidiaries) on an investee, it will be presumed the Bank has significant influence unless it can be clearly demonstrated that this is not the case. If the holding is less than 20%, the entity will be presumed not to have significant influence unless such influence can be clearly demonstrated.

The Bank loses significant influence over an investee when it loses the power to participate in the financial and operating policy decisions of that investee.

With respect to the accounting for investments in associates the Group applies the equity method, under which, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss, and the investor's other comprehensive income includes the investor's share of the investee's other comprehensive income. If an investor's share of losses of an associate equals or exceeds its interest in the associate, the investor discontinues recognising its share of further losses.

Profits and losses resulting from upstream and downstream transactions between the Bank and its subsidiaries and an associate are recognised in the Group's consolidated statements only to the extent of the unrelated investors' interest in the associate. The Bank's interest in the associate's profit or loss from those transactions is eliminated.

At the end of each reporting period, the Group assesses the existence of circumstances which indicate the impairment of net investment in the associate. If such evidence exists, the Group estimates the recoverable amount, i.e. the value in use of the investment or fair value less costs to sell of an asset, depending on which one is higher. And if the asset carrying amount exceeds its recoverable amount, the Group recognises impairment losses in the income statement.

Foreign currency translation

Transactions expressed in foreign currencies are converted to PLN at the exchange rate applicable as at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are converted to PLN at average exchange rate of the National Bank of Poland applicable as at the reporting date. The resulting exchange rate differences are recognized under financial income (expense) or, in the cases provided for in the accounting policies, capitalized at the value of assets. Non-monetary assets and liabilities denominated in foreign currencies and recorded at their historical cost are converted to PLN at the exchange rate applicable at the date of the transaction. The non-monetary assets and liabilities measured at fair value are converted at the average exchange rate applicable as at the date of the measurement at fair value.

4. SIGNIFICANT VALUES BASED ON PROFESSIONAL JUDGEMENT AND ESTIMATES

While preparing financial statements in accordance with IFRS, the Group is required to make estimates and assumptions that affect the amounts reported in the financial statements. These assumptions and estimates are reviewed on an ongoing basis by the Group's management and based on historical experience and various other factors, including such expectations as to the future events which seem justified in a particular situation. Although these estimates are based on the best knowledge of the current conditions and of the activities undertaken by the Group, the actual results may be different from these estimates. Estimates made as at the end of the given reporting period reflect the conditions as at the given date (e.g. currency exchange rates, interest rates, market prices).

During the 6-month period ended 30 June 2014 the Group did not change the areas for which estimates were made.

5. CORRECTION OF PRIOR PERIOD ERRORS

In the 6-month period ended 30 June 2014 the Group did not make any corrections of prior period errors.

6. NET INTEREST INCOME

Net interest income	01.01.2014- 30.06.2014 PLN thousand	01.01.2013- 30.06.2013 (restated) PLN thousand
Interest income related to:	1,817,246	1,995,570
loans and advances to customers and finance lease *	1,448,392	1,520,637
amounts due from banks and financial institutions	15,164	20,811
available-for-sale and held-to-maturity financial assets	145,432	138,326
derivative financial instruments	184,324	286,276
obligatory reserve	23,934	29,520
Interest expense related to:	1,089,109	1,355,811
amounts due to customers	887,322	1,179,559
amounts due to banks and financial institutions	42,211	20,344
derivative financial instruments	66,616	76,214
debt securities issued	92,960	79,694
Net interest income	728,137	639,759

* Comparative data for 2013 have been adjusted by PLN 60,416 thousand due to change in accounting principles for recognition of revenue from insurance – details for restatement are presented in Note II 3.6.

7. NET FEE AND COMMISSION INCOME

Net fee and commission income	01.01.2014- 30.06.2014 PLN thousand	01.01.2013- 30.06.2013 (restated) PLN thousand
Fee and commission income related to:	337,557	295,826
loans, advances and leases granted	40,655	42,327
bank accounts service	34,113	25,151
payment cards and credit cards	27,785	19,627
investment products and asset management	112,684	85,611
insurance products *	101,746	106,271
brokerage activities	19,344	15,249
other fee and commission income	1,230	1,590
Fee and commission expense related to:	109,301	102,008
loans, advances and leases granted	10,931	8,417
payment cards and credit cards	21,119	14,460
investment and deposit products and asset management	56,604	48,796
insurance products **	13,246	26,449
brokerage activities	4,174	1,564
other fee and commission expense	3,227	2,322
Net fee and commission income	228,256	193,818

* Comparative data for 2013 have been adjusted by PLN -75,196 thousand due to change in accounting principles for recognition of revenue from insurance – details for restatement are presented in Note II 3.6.

** In 2014 the Group changed rules of recording commission returns due to customer cancellation of insurance – so far it was presented as the commission expense, and starting from 2014 it reduces commission income from insurance products.

8. NET OTHER OPERATING INCOME AND EXPENSE

Net other operating income and expense	01.01.2014- 30.06.2014 PLN thousand	01.01.2013- 30.06.2013 PLN thousand
Other operating income:	52,092	120,675
rental income	7,515	14,763
gain from bargain purchase of Dexia Kommunalkredit Bank Polska S.A. and the organised part of the DnB Nord business	-	62,578
recovered legal and debt collection costs	10,860	11,060
revenues from sales of products and services, goods and materials	2,862	3,900
revenues from lease activities	15,642	11,226
revenues from brokerage activities	2,470	1,961
other income	12,743	15,187
Other operating expense:	80,783	76,582
rental costs	6,879	14,055
cost of products, goods and materials sold	5,204	4,259
debt collection and monitoring of receivables, including legal costs	25,219	21,149
recognition of provisions and impairment charges for other assets	13,824	8,166
costs related to purchase of the organised part of the DnB Nord business	-	8,422
costs related to investment products	2,904	9,570
costs of promotions and rewards for customers	15,455	3,045
other expense	11,298	7,916
Net other operating income and expense	(28,691)	44,093

9. ADMINISTRATIVE EXPENSES

Administrative expenses	01.01.2014- 30.06.2014 PLN thousand	01.01.2013- 30.06.2013 PLN thousand
Employee benefits	204,575	184,690
Use of materials and energy	17,684	18,473
External services, of which:	163,679	147,829
marketing and advertising	33,077	27,627
IT services	12,288	11,786
lease and rental	63,077	54,965
security and cash processing services	3,642	3,632
telecommunication and postal services	23,735	24,177
legal and advisory services	4,685	3,396
other external services	23,175	22,246
Other taxes and charges	5,563	6,722
Payments to the Bank Guarantee Fund and the Polish Financial Supervision Authority	39,001	28,214
Amortisation and depreciation	36,888	34,439
Other expenses	4,617	4,884
Total	472,007	425,251

GETIN NOBLE BANK S.A. CAPITAL GROUP

 Interim condensed consolidated financial statements for the 6-month period ended 30 June 2014
 (data in PLN thousand)

10. IMPAIRMENT ALLOWANCES ON FINANCIAL ASSETS AND OFF-BALANCE SHEET PROVISIONS

	Loans and advances to customers				Total PLN thousand	Amounts due from banks PLN thousand	Available-for- sale financial assets PLN thousand	Finance lease receivables PLN thousand	Off-balance sheet provisions PLN thousand	Total PLN thousand
	corporate	car	mortgage	retail						
	PLN thousand	PLN thousand	PLN thousand	PLN thousand						
Impairment allowances/ provisions as at 01.01.2014	282,881	753,762	1,883,899	1,434,837	4,355,379	710	12,470	107,619	6,420	4,482,598
Net change in impairment allowances/ provisions recognised in the income statement	34,352	29,298	140,939	98,389	302,978	(35)	750	17,843	(1,094)	320,442
Utilisation - write-offs	(91)	(5,361)	(18,400)	(3,321)	(27,173)	-	-	(3,240)	-	(30,413)
Utilisation - sale of the portfolio	(8,985)	(248)	(259,135)	(251,783)	(520,151)	-	-	-	-	(520,151)
Net other increases/ (decreases)	(4,078)	(6,860)	(46,810)	(21,869)	(79,617)	-	-	747	-	(78,870)
Impairment allowances/ provisions as at 30.06.2014	304,079	770,591	1,700,493	1,256,253	4,031,416	675	13,220	122,969	5,326	4,173,606

	Loans and advances to customers				Total PLN thousand	Amounts due from banks PLN thousand	Available-for- sale financial assets PLN thousand	Finance lease receivables PLN thousand	Off-balance sheet provisions PLN thousand	Total PLN thousand
	corporate	car	mortgage	retail						
	PLN thousand	PLN thousand	PLN thousand	PLN thousand						
Impairment allowances/ provisions as at 01.01.2013	245,881	695,658	1,845,801	1,329,385	4,116,725	-	1,532	81,590	1,714	4,201,561
Net change in impairment allowances/ provisions recognised in the income statement	35,494	50,508	127,111	111,361	324,474	732	-	15,507	10	340,723
Utilisation - write-offs	(1,530)	(2,840)	(1,624)	(1,410)	(7,404)	-	-	(625)	-	(8,029)
Utilisation - sale of the portfolio	-	(27,120)	(1,679)	(29,735)	(58,534)	-	-	-	-	(58,534)
Net other increases/ (decreases)	(686)	(8,683)	(39,744)	(18,515)	(67,628)	-	-	(3,074)	7	(70,695)
Impairment allowances/ provisions as at 30.06.2013	279,159	707,523	1,929,865	1,391,086	4,307,633	732	1,532	93,398	1,731	4,405,026

11. INCOME TAX

Current income tax is calculated according to Polish tax regulations. The basis of calculation is the pre-tax accounting profit adjusted for non-deductible costs, non-taxable income and other income and expenses changing the tax base as defined in the Act on Corporate Income Tax of 15 February 1992 with later amendments.

For purposes of financial reporting, deferred tax is calculated using the liability method in respect of temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Main components of income tax expense	01.01.2014- 30.06.2014 PLN thousand	01.01.2013- 30.06.2013 (restated) PLN thousand
Current income tax	7,643	25,083
Current tax charge	4,718	23,649
Adjustments related to current tax from previous years	2,925	1,434
Deferred income tax	(50,266)	8,066
Related to origination and reversal of temporary differences	(65,000)	(42,256)
Adjustments related to deferred tax from previous years	(344)	8,892
Tax loss from previous years	15,078	41,430
Tax charge/ (benefit) in the consolidated income statement	(42,623)	33,149
Current income tax	-	-
Deferred income tax	9,212	(13,848)
Related to origination and reversal of temporary differences, of which:	9,212	(13,848)
related to available-for-sale financial assets	10,260	(16,656)
related to cash flow hedges	(1,048)	2,808
Tax charge/ (benefit) in the consolidated statement of comprehensive income	9,212	(13,848)
Total main components of tax charge/ (benefit)	(33,411)	19,301

Significant impact on the tax benefit recognised in the consolidated income statement for the 6-month period ended 30 June 2014 have deductible temporary differences between the value of leased fixed assets and the value of the net investment in the lease in the amount of PLN 89,202 thousand, and between the book value and tax value of lease receivables in the amount of PLN 3,112 thousand arising in leasing companies operating as limited joint-stock partnerships (SKA).

Deductible temporary differences are recognised in SKA in connection with the fact that the limited joint-stock partnerships began to apply the amended Act on income tax from legal persons. SKA operating in the Group will be liable to pay income tax in the IV quarter of 2015, i.e. from the first financial year starting after 1 January 2014. From that moment the temporary differences will be subject to utilisation.

Deferred income tax	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Deferred tax assets	997,670	944,225
Deferred tax liabilities	319,548	307,157
Net deferred tax assets	678,122	637,068

The Group did not recognise deferred tax liability for potential payment of a dividend by entities of Getin Leasing S.A. Group operating as limited joint-stock partnerships, which results from the fact that the Bank as the

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parent company of the Group controls the dividend policy of its subsidiaries and in accordance with current business and financial plans of the Group, profits of SKA will not be divided and distributed in the foreseeable future, but will be used for their further development and increasing market competitiveness.

12. LOANS AND ADVANCES TO CUSTOMERS AND FINANCE LEASE RECEIVABLES

Loans and advances to customers	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Loans and advances	49,217,414	49,171,231
Purchased receivables	325,898	362,095
Payment cards and credit cards receivables	167,762	175,246
Total	49,711,074	49,708,572
Impairment allowances	(4,031,416)	(4,355,379)
Total net	45,679,658	45,353,193

30.06.2014	Gross value of unimpaired loans	Gross value of impaired loans	Allowances for unimpaired loans	Allowances for impaired loans	Total net
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
corporate loans	5,046,190	481,095	(36,329)	(267,750)	5,223,206
car loans	2,900,964	978,260	(31,547)	(739,044)	3,108,633
mortgage loans	31,467,639	3,728,789	(142,892)	(1,557,601)	33,495,935
retail loans	3,497,296	1,610,841	(86,818)	(1,169,435)	3,851,884
Total	42,912,089	6,798,985	(297,586)	(3,733,830)	45,679,658

31.12.2013	Gross value of unimpaired loans	Gross value of impaired loans	Allowances for unimpaired loans	Allowances for impaired loans	Total net
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
corporate loans	4,681,583	382,732	(34,298)	(248,583)	4,781,434
car loans	3,024,913	946,700	(38,218)	(715,544)	3,217,851
mortgage loans	32,006,501	3,659,150	(137,250)	(1,746,649)	33,781,752
retail loans	3,246,421	1,760,572	(58,241)	(1,376,596)	3,572,156
Total	42,959,418	6,749,154	(268,007)	(4,087,372)	45,353,193

In the first half of 2014 Getin Noble Bank SA sold its loan receivables, which consisted of impaired loans and receivables written off in the books of the Bank. The nominal value of the portfolio being subject to assignment agreements amounted in total to PLN 851.3 million.

30.06.2014	Gross value of unimpaired receivables	Gross value of impaired receivables	Allowances for unimpaired receivables	Allowances for impaired receivables	Total net
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Finance lease receivables	3,079,776	190,078	(4,773)	(118,196)	3,146,885

31.12.2013	Gross value of unimpaired receivables	Gross value of impaired receivables	Allowances for unimpaired receivables	Allowances for impaired receivables	Total net
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Finance lease receivables	2,534,763	172,057	(5,549)	(102,070)	2,599,201

13. INVESTMENTS IN ASSOCIATES

The carrying value of the Getin Noble Bank S.A. investments in associates (i.e. cost adjusted with the share of change in the net assets) is presented in the table below:

Investments in associates	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Open Finance S.A.	363,257	357,492
Total	363,257	357,492

Change in investment in associates	01.01.2014- 30.06.2014 PLN thousand	01.01.2013- 30.06.2013 PLN thousand
At the beginning of the period	357,492	386,075
Purchase/ (sale) of shares	-	(53,107)
Share of profit/ (loss) *	5,765	12,750
At the end of the period	363,257	345,718

* Share of profit of associates included in the consolidated income statement was adjusted for the elimination of the Bank's share of unrealised gains on transactions between the Bank and entities of Open Finance S.A. Group.

Selected information on the associate as at 30 June 2014 and for the 6-month period ended 30 June 2014 are presented below:

Entity	Total assets PLN thousand	Total liabilities PLN thousand	Revenues PLN thousand	Net profit PLN thousand	% share
Open Finance S.A.*	660,310	225,305	194,005	13,678	42.15%

* Financial data of Open Finance S.A. Capital Group.

The fair value of the investment in Open Finance S.A., for which there are published price quotations amounted to PLN 216,498 thousand as at 30 June 2014.

14. AMOUNTS DUE TO CUSTOMERS

Amounts due to customers	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Amounts due to corporate entities	10,024,617	9,636,722
Current accounts and overnight deposits	1,433,140	1,701,407
Term deposits	8,591,477	7,935,315
Amounts due to budgetary entities	3,902,808	2,342,485
Current accounts and overnight deposits	1,176,625	1,058,319
Term deposits	2,726,183	1,284,166
Amounts due to natural persons	40,439,496	39,507,153
Current accounts and overnight deposits	5,645,945	5,911,960
Term deposits	34,793,551	33,595,193
Total	54,366,921	51,486,360

Structure of amounts due to customers by maturity	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Current accounts and overnight deposits	8,255,708	8,671,686
Term liabilities with due date:	46,111,213	42,814,674
up to 1 month	10,637,628	9,141,328
from 1 month to 3 months	13,274,670	12,044,624
from 3 months to 6 months	8,963,918	10,042,990
from 6 months to 1 year	8,138,995	4,821,462
from 1 year to 5 years	3,477,980	5,109,076
over 5 years	1,618,022	1,655,194
Total	54,366,921	51,486,360

15. PROVISIONS

	Restructuring provision	Provision for litigation	Provision for employee benefits	Provision for issued commitments and guarantees	Total
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Balance as at 01.01.2014	-	4,304	15,909	6,420	26,633
Recognition/ actualisation	5,716	1,553	3,014	8,516	18,799
Utilisation	-	(2,030)	(892)	-	(2,922)
Reversal	-	-	(404)	(9,610)	(10,014)
Balance as at 30.06.2014	5,716	3,827	17,627	5,326	32,496

In accordance with IAS 37 *Provisions, contingent liabilities and contingent assets* the Group recognised in the statement of financial position a provision for future liabilities resulting from restructuring of employment in Getin Noble Bank S.A. The provision was created on the basis of the employment reorganisation plan in connection with realisation of the Bank's strategy and adapting its structure to the current market situation.

	Restructuring provision	Provision for litigation	Provision for employee benefits	Provision for issued commitments and guarantees	Total
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Balance as at 01.01.2013	2,355	4,235	12,356	1,714	20,660
Recognition/ actualisation	-	-	3,661	1,025	4,686
Utilisation	(1,703)	(1)	(975)	-	(2,679)
Reversal	(652)	-	(266)	(1,015)	(1,933)
Other increases/ (decreases)	-	-	1,508	7	1,515
Balance as at 30.06.2013	-	4,234	16,284	1,731	22,249

16. HEDGE ACCOUNTING

In the Group only Getin Noble Bank S.A. applies the hedge accounting and hedges against changes in cash flows for mortgage loan portfolio denominated in CHF and EUR with separated portfolio explicitly determined CIRS float-to-fixed CHF/PLN and EUR/PLN hedging transactions and cash flow hedge of PLN deposits portfolio with separated from real CIRS transactions explicitly determined portfolio of IRS fixed-to-float hedging transactions. During the hedge period the Bank assesses the effectiveness of hedge relationship. The change of fair value of hedging instruments is recognised in revaluation reserve in the amount of effective part of hedge. Ineffective part of hedge is recognised in the income statement.

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Effective part recognised in revaluation reserve after the date of redesignation of hedge relationship is subject to gradual reclassification (amortization in profit or loss account), in accordance with the schedule developed by the Bank, until the maturity term of initial portfolio. The value of effective change in fair value of hedging instruments, presented in revaluation reserve as at 30 June 2014, amounts to PLN -98,449 thousand. Cash flows relating to hedged transactions will be realised from 1 July 2014 to 15 December 2020, i.e. to maturity date of the longest CIRS transaction.

The maturity dates of CIRS hedging transactions (in nominal value) as at 30 June 2014 and 31 December 2013 are as follows:

30.06.2014	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Receivables	-	1,193,640	487,540	11,044,030	3,887,596	16,612,806
Liabilities	-	1,301,348	582,182	11,161,680	3,852,675	16,897,885

31.12.2013	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Receivables	150,250	659,730	2,744,564	10,481,821	1,534,275	15,570,640
Liabilities	169,080	676,320	2,941,992	10,525,208	1,521,720	15,834,320

The fair value of cash flow hedging instruments as at 30 June 2014 and 31 December 2013 is presented below. As the fair value of the hedging instrument its carrying value is given.

	30.06.2014 PLN thousand	31.12.2013 PLN thousand
CIRS - positive valuation	63,780	110,857
CIRS - negative valuation	(413,349)	(444,077)

The change in fair value of cash flow hedge recognised in revaluation reserve is presented below:

Comprehensive income from cash flow hedge	01.01.2014-30.06.2014 PLN thousand	01.01.2013-30.06.2013 PLN thousand
Accumulated comprehensive income at the beginning of the period (gross)	(116,026)	(163,036)
Gains/(losses) on hedging instrument	(40,076)	(307,302)
Amount transferred from other comprehensive income to income statement, of which:	34,560	322,083
interest income	(120,134)	(188,399)
gains/(losses) on foreign exchange	154,694	510,482
Accumulated comprehensive income at the end of the period (gross)	(121,542)	(148,255)
Tax effect	23,093	28,168
Accumulated comprehensive income at the end of the period (net)	(98,449)	(120,087)
Ineffective cash flow hedges recognised through profit and loss	(10,293)	(7,230)
Effect on other comprehensive income in the period (gross)	(5,516)	14,781
Deferred tax on cash flow hedge	1,048	(2,808)
Effect on other comprehensive income in the period (net)	(4,468)	11,973

Getin Noble Bank S.A. applies fair value hedge accounting. The Bank uses hedge of fair value of the PLN deposits portfolio based on a fixed rate against changes in fair value due to the risk of changes in a benchmark interest rate WIBOR.

Hedging instrument is a part or all of the cash flows arising from IRS transactions concluded by the Bank. The Bank designates hedging relationships based on sensitivity analysis of the fair value of the hedged portfolio of deposits and portfolio of hedging instruments to the risk of changes in a benchmark interest rate WIBOR. This analysis is based on a measure of "BPV" and "duration". The effectiveness of the hedging relationship is measured on a monthly basis.

Fair value of IRS transactions designated as hedging instruments under fair value hedge of PLN fixed-rate deposits against interest rate risk as at 30 June 2014 and 31 December 2013 is presented in the following table:

	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Fair value of IRS transactions constituting accounting hedges under the fair value hedge of retail customer deposits against interest rate risk	7,199	1,563

During the reporting period, the Bank recognised the following amounts arising from changes in the fair value of the hedging instrument and the hedged item:

	01.01.2014 - 30.06.2014		01.01.2013 - 30.06.2013	
	Of the hedging instrument	Of the hedged item	Of the hedging instrument	Of the hedged item
	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Gains	5,636	-	-	3,260
Losses	-	5,708	3,517	-
Total	5,636	5,708	3,517	3,260

17. SEASONALITY OF OPERATIONS

There are not any significant seasonal fluctuation factors in the Group activities and thus the presented results of the Group are not subject to significant fluctuations during the year.

18. ISSUE, REDEMPTION AND REPURCHASE OF SECURITIES ISSUED

During the 6-month period ended 30 June 2014, the following issues and redemptions of bonds were made by Getin Noble Bank S.A.:

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Type of securities issued	Issue date	Redemption date	Number of securities	Nominal value PLN thousand
Getin Noble Bank Bonds PP3-IX	2014-02-14	2021-02-15	100,000	100,000
Getin Noble Bank Bonds PP3-X	2014-03-12	2021-03-12	80,000	80,000
Getin Noble Bank Bonds PP3-XI	2014-04-07	2021-04-07	81,583	81,583
Total subordinated bonds			261,583	261,583
Getin Noble Bank Bonds 1/2014	2014-01-10	2014-04-10	500	50,000
Getin Noble Bank Bonds 2/2014	2014-01-10	2014-07-10	500	50,000
Getin Noble Bank Bonds 3/2014	2014-01-10	2015-01-09	200	20,000
Getin Noble Bank Bonds 4/2014	2014-01-15	2014-07-15	400	40,000
Getin Noble Bank Bonds 5/2014	2014-01-16	2015-01-21	400	40,000
Getin Noble Bank Bonds 6/2014	2014-01-16	2014-07-15	450	45,000
Getin Noble Bank Bonds 7/2014	2014-01-30	2014-07-30	500	50,000
Getin Noble Bank Bonds 8/2014	2014-01-30	2014-04-30	200	20,000
Getin Noble Bank Bonds 9/2014	2014-02-14	2014-08-14	700	70,000
Getin Noble Bank Bonds 10/2014	2014-02-14	2014-05-16	500	50,000
Getin Noble Bank Bonds 11/2014	2014-02-21	2014-05-21	300	30,000
Getin Noble Bank Bonds 12/2014	2014-02-21	2014-08-21	700	70,000
Getin Noble Bank Bonds 13/2014	2014-02-28	2014-08-28	250	25,000
Getin Noble Bank Bonds 14/2014	2014-03-05	2014-06-13	500	50,000
Getin Noble Bank Bonds 15/2014	2014-03-05	2014-09-05	300	30,000
Getin Noble Bank Bonds 16/2014	2014-04-10	2014-07-25	350	35,000
Getin Noble Bank Bonds 17/2014	2014-04-10	2014-10-10	350	35,000
Getin Noble Bank Bonds 18/2014	2014-04-30	2014-08-07	400	40,000
Getin Noble Bank Bonds 19/2014	2014-05-16	2014-09-12	300	30,000
Getin Noble Bank Bonds 20/2014	2014-05-16	2014-11-14	200	20,000
Getin Noble Bank Bonds 21/2014	2014-05-21	2014-09-19	300	30,000
Getin Noble Bank Bonds GNB14001	2014-06-30	2017-06-30	35,000	350,000
Total other bonds			43,300	1,180,000
Total			304,883	1,441,583

Type of redeemed securities	Issue date	Redemption date	Number of securities	Nominal value PLN thousand
Getin Noble Bank Bonds 42/2013	2013-10-11	2014-01-10	450	45,000
Getin Noble Bank Bonds 43/2013	2013-10-14	2014-01-15	400	40,000
Getin Noble Bank Bonds 44/2013	2013-10-30	2014-01-30	200	20,000
Getin Noble Bank Bonds 45/2013	2013-11-04	2014-01-30	650	65,000
Getin Noble Bank Bonds 46/2013	2013-11-14	2014-02-14	700	70,000
Getin Noble Bank Bonds 47/2013	2013-11-14	2014-02-14	500	50,000
Getin Noble Bank Bonds 48/2013	2013-11-22	2014-02-21	500	50,000
Getin Noble Bank Bonds 49/2013	2013-11-22	2014-02-21	500	50,000
Getin Noble Bank Bonds 50/2013	2013-11-29	2014-02-28	250	25,000
Getin Noble Bank Bonds 51/2013	2013-12-05	2014-03-05	700	70,000
Getin Noble Bank Bonds 52/2013	2013-12-05	2014-06-05	1,200	120,000
Getin Noble Bank Bonds 1/2014	2014-01-10	2014-04-10	500	50,000
Getin Noble Bank Bonds 8/2014	2014-01-30	2014-04-30	200	20,000
Getin Noble Bank Bonds 10/2014	2014-02-14	2014-05-16	500	50,000
Getin Noble Bank Bonds 11/2014	2014-02-21	2014-05-21	300	30,000
Getin Noble Bank Bonds 14/2014	2014-03-05	2014-06-13	500	50,000
Total			8,050	805,000

On 28 April 2014 the Supervisory Board of Getin Noble Bank S.A. approved a Public Subordinated Bond Issue Programme adopted by the Management Board. The bonds will be issued in several series to a maximum amount of PLN 750 million, they will be dematerialised securities in bearer form and will be introduced to the alternative trading system Catalyst organised by the Warsaw Stock Exchange. On 11 June 2014 the Polish Financial Supervision Authority approved the issue prospectus drawn up by the Bank.

On 12 June 2014 the Supervisory Board of Getin Noble Bank S.A. adopted a resolution on the consent to change the functioning debt issue program, established under the issue agreement and the dealership agreement concluded on 20 October 2005 by the Issuer and BRE Bank S.A. (currently mBank S.A.). As part of the adopted amendments the value of the functioning Issue Programme has been increased from PLN 1.5 billion to PLN 2 billion, the maturity of the securities has been clarified and nominal value of newly issued bonds has been established as PLN 1 thousand or a multiple of this amount.

On 7 July 2014 the Supervisory Board of Getin Noble Bank S.A. approved a Public Bond Issue Programme adopted by the Management Board. The bonds will be issued in several series in a public offering pursuant to art. 9 item 1 of the Bonds Act to a maximum amount of PLN 1,5 billion, they will be dematerialised securities in bearer form and will be introduced to the alternative trading system Catalyst organised by the Warsaw Stock Exchange. On 12 August 2014 the Polish Financial Supervision Authority approved the issue prospectus drawn up by the Bank.

In the first half of 2014 the Bank's subsidiary – Getin Leasing S.A. launched the Bond Issue Programme with a value of not more than PLN 300 million. In June 2014 the company issued bonds with a total value of PLN 15.8 million.

19. DIVIDENDS PAID AND PROPOSED

In the reporting period the parent entity did not pay or declare any dividends.

On 24 April 2014 the General Shareholders Meeting of Getin Noble Bank S.A. decided to allocate the Bank's full profit for the year 2013 to cover undivided net loss of the Bank from previous years arising from an adjustment of retained earnings made in the financial statements for 2013 due to the change in accounting policy.

20. CONTINGENT LIABILITIES

The Bank has commitments to grant loans. These commitments comprise approved but not fully utilised loans, unused credit card limits and unused overdraft limits on current accounts. The Bank issues guarantees and letters of credit which serve as security in case the Group's customers will discharge their liabilities towards third parties. The Bank charges fee for these commitments issued which are settled in accordance with the nature of the given instrument.

Provisions are recognised for contingent liabilities with the risk of loss of value of the underlying assets. If, at the balance sheet date, objective evidence has been identified that assets underlying contingent liabilities are impaired, the Bank creates a provision in the amount of a difference between statistically estimated part of the off-balance sheet exposure (balance sheet equivalent of current off-balance sheet items) and the present value of estimated future cash flows. The created provision does not reduce the value of the assets underlying the off-balance sheet contingent liabilities and is recognised in the Bank's statement of financial positions under "Provisions" and in the income statement.

Contingent liabilities granted	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Financial	2,121,867	2,448,799
Guarantees	124,498	115,224
Total	2,246,365	2,564,023

Contingent liabilities granted	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Contingent financial liabilities granted	2,121,867	2,448,799
to financial entities	27,242	1,003
to non-financial entities	1,739,881	2,095,502
to budgetary entities	354,744	352,294
Guarantees granted	124,498	115,224
to financial entities	12,536	10,777
to non-financial entities	110,874	103,359
to budgetary entities	1,088	1,088

Contingent liabilities received	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Financial	288,322	250,000
Guarantees	289,142	456,702
Total	577,464	706,702

21. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value is the price that would be obtained for the sale of an asset or paid to transfer a liability in a transaction carried out in the normal manner between market participants at the measurement date. For many financial instruments their market values are not available, therefore fair values are estimated using various valuation techniques. The fair value of financial assets and liabilities was measured using a model based on estimates of present value of future cash flows by discounting cash flows using market interest rates.

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

The principal methods and assumptions used in estimating the fair value of financial assets and liabilities that in the consolidated statement of financial position are not stated at fair value are as follows:

Cash and balances with the Central Bank

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

Amounts due from banks and financial institutions

The amounts due from banks consist primarily of deposits concluded in the interbank market and securities for derivatives transactions (CIRS). Deposits made in the interbank market are fixed-rate short-term deposits. For this reason, it was assumed that the fair value of amounts due from banks is equal to their book value.

Loans and advances to customers and finance lease receivables

The fair value was calculated for loans with a fixed payment schedule. For contracts where such payments have not been defined (e.g. bank overdraft), it is assumed that the fair value is equal to the carrying value. Similar assumption is accepted for payments due and the agreements with the impairment.

In order to calculate the fair value, based on the information recorded in transactional systems, for each loan agreement a schedule of principal and interest cash flows is identified, which are grouped by type of interest rate, start date, type of product and the currency in which the agreement is performed. So established cash flows were discounted using rates which take into account the current margins for each product type. In the case of foreign currency loans for which there is no adequate new loans trial in the period considered, a margins are established as for loans in PLN adjusted for historical differences between the margins for loans in PLN and in foreign currencies. Comparison of the amount of cash flows associated with the agreement discounted with the interest with its book value, determines the difference between the fair value and the carrying amount. Identifying right interest rate to discount the cash flow is based on the currency of the agreement, the product and date of the cash flow.

Amounts due to banks and financial institutions

It is assumed that the fair value of deposits from other banks and floating-rate loans taken out in the interbank market is their carrying amount.

Amounts due to customers

The fair value was calculated for fixed-rate deposits with a fixed maturity. For demand deposits, it is assumed that the fair value is equal to their book value. In order to calculate the fair value on the basis of data from transactional systems future principal and interest cash flows are determined, which are grouped according to the currency of the period of the original deposit, the nature of the product and date of cash flows. The calculated cash flows are discounted with interest rate constructed as the sum of the market rate of the yield curve for each currency and deposits and completion date profit margins on deposits run in the final month of the period. The margin is calculated by comparing interest rates on deposits granted in the last month with market interest. The discounting period is defined as the difference between the end of the deposit (the accepted accuracy of the calendar month) and the date on which the report is presented. Calculated in this way, the discounted value is compared to the carrying value, with the result that we get the difference between the carrying value and fair value of the portfolio of contracts taken to the calculation.

Debt securities issued

It was assumed that the fair value of issued bonds that are not traded on an active market is their carrying amount. The fair value of debt securities listed on the Catalyst bond market was estimated on the basis of market quotations.

Due to the fact that for the majority of financial assets and liabilities carried at amortised cost (other than those described in detail above) using the effective interest rate the period of the next revaluation does not exceed 3 months, the carrying value of these items is not materially different from their fair values.

Presented below is a summary of the carrying amounts and fair values of financial assets and liabilities:

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As at 30.06.2014	Carrying amount PLN thousand	Fair value PLN thousand
ASSETS:		
Cash and balances with the Central Bank	4,188,513	4,188,513
Amounts due from banks and financial institutions	1,502,928	1,502,928
Loans and advances to customers	45,679,658	45,049,795
Finance lease receivables	3,146,885	3,170,082
Held-to-maturity financial assets	126,742	125,983
LIABILITIES:		
Amounts due to banks and financial institutions	4,021,454	4,021,454
Amounts due to customers	54,366,921	54,778,597
Debt securities issued	3,827,097	3,837,152

As at 31.12.2013	Carrying amount PLN thousand	Fair value PLN thousand
ASSETS:		
Cash and balances with the Central Bank	2,629,838	2,629,838
Amounts due from banks and financial institutions	1,379,820	1,379,820
Loans and advances to customers	45,353,193	45,011,186
Finance lease receivables	2,599,201	2,634,015
Held-to-maturity financial assets	113,205	112,588
LIABILITIES:		
Amounts due to banks and financial institutions	3,139,509	3,139,509
Amounts due to customers	51,486,360	51,789,184
Debt securities issued	3,158,409	3,162,815

The Group classifies the individual financial assets and liabilities measured and presented in the financial statements at fair value by applying the following hierarchy:

Level 1

Financial assets and liabilities measured at fair value based on market quotations available in active markets for identical instruments. To this category the Group classifies available-for-sale debt and equity financial assets for which there exists an active market and a portfolio of liquid debt and equity securities of Brokerage House traded on a regulated market.

Level 2

Financial assets and liabilities measured using techniques based on market quotations directly observed or other information based on market quotations. To this category the Group classifies debt and equity securities of limited liquidity in the portfolio of Brokerage House traded on a regulated market, available-for-sale the NBP bills valued on the basis of the reference curve, investment certificates valued at the price announced by the fund and derivatives.

Level 3

Financial assets and liabilities measured using techniques based quotations which cannot be directly observed on the market. To this category the Group classifies shares and equity instruments that are not traded on a regulated market, valued at cost less impairment losses and financial assets which fair value is determined using internal valuation models.

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The carrying amounts of financial instruments at fair value by 3 hierarchy levels as at 30 June 2014 and 31 December 2013 are presented below:

As at 30.06.2014	Level 1 PLN thousand	Level 2 PLN thousand	Level 3 PLN thousand	Total PLN thousand
ASSETS:				
Financial assets held for trading	929	4,695	9,105	14,729
Financial assets at fair value through profit or loss	-	-	170,362	170,362
Derivative financial instruments	-	171,074	23,575	194,649
Available-for-sale financial assets	5,173,595	5,298,920	143,017	10,615,532
LIABILITIES:				
Derivative financial instruments	-	434,933	-	434,933

As at 31.12.2013	Level 1 PLN thousand	Level 2 PLN thousand	Level 3 PLN thousand	Total PLN thousand
ASSETS:				
Financial assets held for trading	724	1,201	3,189	5,114
Derivative financial instruments	-	241,389	-	241,389
Available-for-sale financial assets	4,936,158	3,699,340	122,792	8,758,290
LIABILITIES:				
Derivative financial instruments	-	481,340	-	481,340

In the 6-month period of 2014 and 2013 there were no movements between level 1 and level 2 of the fair value hierarchy, neither any instrument was moved from level 1 or level 2 to level 3 of fair value hierarchy.

Valuation techniques and inputs when measuring fair value of financial assets and liabilities classified at level 2 and 3 of the fair value hierarchy are as follows:

Derivative financial instruments

Option transactions characterised by a non-linear values profile are measured on the basis of valuation models (Black, 76, replication model, Bachelier model, Monte Carlo simulation) with parameters corresponding to the valued instruments. The market inputs in this case are foreign exchange rates, index levels, volatility surfaces of the option strategies and data allowing the construction of discount curves.

Other derivatives of the linear nature are valued based on discounted cash flow model using the discount curves and projection curves, generated on the basis of market quotations for financial instruments. Discount curves are constructed according to the concept of discounting on the basis of the cost of security, using OIS rates, SWAP points quotations, FRA transactions, IRS, tenor basis swaps and CCBS credit. In addition, for the instruments based on a variable interest rate curve the projection curve is constructed, based on quotations of FRA transactions, IRS and the appropriate reference indices.

Valuation of the put option on held shares portfolio, classified at level 3 of the fair value hierarchy, is made with the Black-Scholes model using the current market parameters and the fair value of the shares derived from the valuation of the company. The fair value of the option amounted to PLN 23,575 thousand. If share value increases by 1%, the fair value of the option will be reduced by PLN 382 thousand, if share value drops by 1%, the value of the option will increase by PLN 390 thousand.

The NBP bills

The measurement is based on the reference curve, constructed on the basis of short-term interbank deposits.

Shares and equity instruments without quoted market price

The Group considers the best measure of fair value of shares and equity instruments that do not have a quoted market price in an active market to be the cost less any impairment losses.

Shares classified as financial assets at fair value through profit or loss are valued based on a valuation made by an independent entity specialising in this type of service. The valuation is carried out using the income method and the indicator method based on market indicators (P/E and BV) of a group of comparable companies. Each of these methods are granted equal weight.

Corporate bonds

Measurement of available-for-sale debt securities categorised within Level 3 of the fair value hierarchy is based on a discounted cash flow model, and the discount rate for unrealised cash flows is based on market discount rate determined from the zero-coupon curve plus a risk premium, appropriate for a given security. The risk premium as an unobservable input on the market, is calculated by an entity providing services of corporate bonds placement. Depending on the type of paper and the issuer, the premium is calculated as:

- The issue margin for securities issued in the last six months, if the issuer is not affiliated with the Bank,
- adjusted margin of other securities of the same issuer,
- adjusted margin of securities of other issuer (group of issuers) similar in its characteristics to the issuer of the measured securities.

The fair value of securities measured in accordance with the above valuation model (using margins in the range of 1% to 4%) amounted to PLN 70,691 thousand. In case of upward shift of risk margins by 25 basis points the fair value decreases by PLN 407 thousand, in case of downward shift of risk margins by 25 basis points the fair value increases by PLN 411 thousand.

Principles for the measurement of corporate securities are included in the procedure introduced by the Resolution of the Management Board of the Bank. The measurement is made in the Bank's transaction system based on the prices calculated by the Controlling and Market Risk Department – a unit responsible for the valuation of financial instruments in the Bank. The unit price of the securities is estimated periodically on the basis of the discounted cash flow model as described above.

22. CAPITAL RATIO

The capital ratio as at 30 June 2014 was calculated in accordance with the Regulation of the European Parliament and of the Council (EU) No 575/2013 of 26 June 2013 on prudential requirements and investment firms (CRR). Until the date of publication of these consolidated financial statements the national law has not been yet revised (so-called national options), therefore, in accordance with the guidelines of financial supervision, when calculating the capital ratio the Group adopted the pre-existing rules in the unregulated areas, including the risk weights for loans secured by mortgages.

Capital ratio	30.06.2014 PLN thousand
Tier 1 capital	4,523,123
Tier 2 capital	1,850,704
TOTAL OWN FUNDS	6,373,827
TOTAL CAPITAL REQUIREMENTS	4,073,350
CAPITAL RATIOS	
Tier 1 capital ratio	8.9%
Total capital ratio	12.5%

Based on the content of article 26 par. 2 of the CRR, Getin Noble Bank S.A. intends to apply to the Polish Financial Supervision Authority for permission to include in Common Equity Tier 1 capital the profit for the first half of 2014 verified by the auditor, and the Bank estimates that it should result in an increase in Tier 1 capital ratio by approx. 0.2 percentage points.

The capital adequacy ratio as at 31 December 2013 amounted to 12.4% and was calculated in accordance with the regulations applicable to the end of 2013.

23. INFORMATION ON OPERATING SEGMENTS

The following reporting operating segments occur within the Group:

- Banking

The scope of Group's activities covered by this segment is providing banking services and conducting business activity in the area of: accepting cash deposits payable on demand or on maturity date, running the deposit accounts, running other bank accounts, granting loans, issuing and confirming bank guarantees and opening and confirming letters of credit, issuing bank securities, running banking cash settlements, granting cash loans, cheque and bill of exchange operations and operations relating to warrants, issuing payment cards and carrying out operations with the use of these cards, term financial operations, purchases and sales of cash debts, safeguarding of items and securities and providing safe boxes, running purchase and sale of foreign currencies, granting and confirming guarantees, performing ordered activities, connected with the issue of securities, intermediary in monetary transfers and settlements in foreign exchange transactions. The Group conducts its activity in this segment throughout the country, provides private banking services - current accounts for individual customers, savings accounts, deposits, consumer and mortgage loans, term deposits, both in zlotys and foreign currencies.

This segment contains also leasing activity including lease of vehicles, machinery and equipment as well as fleet management and concierge services.

The segment's income includes all income recognised by Getin Noble Bank S.A., BPI Bank Polskich Inwestycji S.A., Getin Leasing S.A. Group, Noble Concierge sp. z o.o. and GNB Auto Plan sp. z o.o., as well as Green FIZAN. Assets of this segment comprise assets of Getin Noble Bank S.A., BPI Bank Polskich Inwestycji S.A., Getin Leasing S.A. Group, Noble Concierge sp. z o.o. and GNB Auto Plan sp. z o.o., as well as Green FIZAN.

- Financial intermediary

The scope of Group's activities covered by this segment is providing services related to financial intermediation - loans, savings, investment intermediation, as well as personal finance include legal information, experts advices, banking offers comparison.

In this segment the Group also conducts brokerage activities associated with the securities and commodities, provides services in the preparation of investment analysis, financial analysis and other recommendations of a general nature relating to transactions in financial instruments.

The segment's income includes all income recognised by Noble Securities S.A. In the financial intermediary segment's income the share in profits of associate Open Finance S.A. is also included. Assets of the segment include assets of Noble Securities S.A.

- Asset and fund management

The scope of this segment is placing cash collected by means of public offering of unit fund, advising with respect to securities transactions, managing securities portfolios on demand, creating and managing investment funds, as well as rental services and property management.

The segment's income includes income recognised by Noble Funds TFI S. A., Sax Development sp. z o. o., Property FIZAN, as well as Ettrick Investments sp. z o. o., Redmile Investments sp. z o. o. and Lakeford Investments sp. z o. o. The segment assets include assets of Noble Funds TFI S. A., Sax Development sp. z o. o., Property FIZAN, as well as Ettrick Investments sp. z o. o., Redmile Investments sp. z o. o. and Lakeford Investments sp. z o. o.

None of operating segments of the Group was combined with other segment in order to create the above reporting operating segments.

The Management Board monitors separately operational results of segments in order to make decisions relating to allocation of resources, assessment of results of such allocation and the results of activities. The basis for the assessment of the financial performance is pre-tax profit or loss. Income tax is monitored on the Group's entities level.

Transaction costs used in transactions between operating segments are established on the arm's length basis, similar to the transactions with unrelated third parties.

01.01.2014 - 30.06.2014	Banking 1)	Financial intermediary	Asset and fund management	Adjustments		Total
	PLN thousand	PLN thousand	PLN thousand	PLN thousand		PLN thousand
Revenues						
<i>external</i>	2,162,929	25,802	25,516	2,004		2,216,251
<i>internal</i>	284,688	6,995	4,338	(296,021)		-
Total segment revenues	2,447,617	32,797	29,854	(294,017)	2)	2,216,251
Profit before tax						
<i>external</i>	198,407	12,168	7,113	5,824		223,512
<i>internal</i>	110,323	1,251	2,372	(113,946)		-
Segment profit / (loss) before tax	308,730	13,419	9,485	(108,122)	3)	223,512
Segment assets as at 30.06.2014	72,908,053	345,159	200,923	(5,122,141)	4)	68,331,994

1) Banking segment income includes interest income amounting to PLN 1,971,417 thousand. Profit before tax also includes interest expense amounting to PLN 1,251,367 thousand.

2) Income presented in segments does not include consolidation adjustments and eliminations.

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- 3) Profit before tax presented in segments does not include consolidation adjustments and eliminations.
- 4) Assets presented in segments do not include consolidation adjustments and eliminations.

01.01.2013 - 30.06.2013 (restated)	Banking 1)	Financial intermediary	Asset and fund management	Adjustments		Total
	PLN thousand	PLN thousand	PLN thousand	PLN thousand		PLN thousand
Revenues						
external	2,434,727	20,084	25,266	(29,303)		2,450,774
internal	165,839	8,521	764	(175,124)		-
Total segment revenues	2,600,566	28,605	26,030	(204,427)	2)	2,450,774
Profit before tax						
external	185,998	35,921	13,321	(51,386)		183,854
internal	16,353	(13,732)	(2,593)	(28)		-
Segment profit / (loss) before tax	202,351	22,189	10,728	(51,414)	3)	183,854
Segment assets as at 31.12.2013	66,833,588	240,170	183,897	(3,640,560)	4)	63,617,095

- 1) Banking segment income includes interest income amounting to PLN 2,126,627 thousand. Profit before tax also includes interest expense amounting to PLN 1,499,907 thousand.
- 2) Income presented in segments does not include consolidation adjustments and eliminations.
- 3) Profit before tax presented in segments does not include consolidation adjustments and eliminations.
- 4) Assets presented in segments do not include consolidation adjustments and eliminations.

24. 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.

The consolidated financial statements comprise financial statements of Getin Noble Bank S.A. and the financial statements of subsidiaries mentioned in the note II 1.2.

30.06.2014	Statement of financial position						
	Assets – loans and purchased receivables PLN thousand	Assets – financial instruments PLN thousand	Assets – other receivables PLN thousand	Liabilities – deposits PLN thousand	Liabilities – other PLN thousand	Impairment allowances PLN thousand	Financial liabilities and guarantees granted PLN thousand
Associates:	-	74,632	9,041	2,810	2,577	1	-
Entities of Open Finance S.A. Group	-	74,632	9,041	2,810	2,577	1	-
Entities related by the parent:	226,735	13,430	150,158	25,062	6,814	1,035	5,909
Entities of Getin Holding S.A. Group	28,451	38	148,063	130,941	6,675	146	4,765
Entities of LC Corp B.V. and LC Corp S.A. Group	198,281	13,392	2,094	123,487	-	888	980
Other entities	3	-	1	2,634	139	1	164
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	1,025	-	-	14,855	-	5	1,708

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31.12.2013	Statement of financial position						
	Assets – loans and purchased receivables	Assets – financial instruments	Assets – other receivables	Liabilities – deposits	Liabilities – other	Impairment allowances	Financial liabilities and guarantees granted
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Associates:	-	74,848	12,170	2,812	5,699	7	-
Entities of Open Finance S.A. Group	-	74,848	12,170	2,812	5,699	7	-
Entities related by the parent:	191,237	15,232	335,952	260,098	20,719	944	2,892
Entities of Getin Holding S.A. Group	43,217	38	333,936	56,167	20,238	308	2,674
Entities of LC Corp B.V. and LC Corp S.A. Group	148,011	15,194	2,016	202,229	-	635	60
Other entities	9	-	-	1,702	481	1	158
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	1,077	-	6,160	8,303	-	6	1,650

01.01.2014-30.06.2014	Income statement			
	Interest and commission income	Interest and commission expense	Other purchases	Other sale
	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Associates:	2,946	35,285	1,159	1,098
Entities of Open Finance S.A. Group	2,946	35,285	1,159	1,098
Entities related by the parent:	16,270	27,470	17,164	11,854
Entities of Getin Holding S.A. Group	11,859	25,782	3,418	11,657
Entities of LC Corp B.V. and LC Corp S.A. Group	4,403	1,678	10,616	191
Other entities	8	10	3,130	6
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	16	102	-	83

01.01.2013-30.06.2013	Income statement			
	Interest and commission income	Interest and commission expense	Other purchases	Other sale
	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Associates:	5,615	55,691	879	5,174
Entities of Open Finance S.A. Group	5,615	55,691	879	5,174
Entities related by the parent:	30,102	19,091	13,057	70,239
Entities of Getin Holding S.A. Group	26,073	14,596	3,047	69,872
Entities of LC Corp B.V. and LC Corp S.A. Group	4,022	4,455	5,578	174
Other entities	7	40	4,432	193
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	40	163	-	57

On 20 March 2014 Getin Noble Bank S.A. entered into an agreement requiring Getin Holding S.A. to sell 858,334 ordinary registered shares of Towarzystwo Ubezpieczeń Europa S.A., with a total nominal value of PLN 3,433 thousand, representing a total of 9.08% of the share capital and entitling to a total of 9.08% of votes at the general meeting of shareholders for a total price of PLN 165,658 thousand. The settlement of the transaction and transfer of shares took place on 8 April 2014. At the same time, on 8 April 2014 the Bank and Getin Holding S.A. went into agreement under which the Bank has established to Getin Holding S.A. a registered pledge on the shares with the right exercise of their right to vote to the pledged amount of EUR 50,015 thousand.

The TU Europa S.A. shares were classified as financial assets at fair value through profit or loss, and its fair value as at 30 June 2014 amounted to PLN 170,362 thousand. In addition, Getin Noble Bank S.A. has a put option

to sell these shares, that fair value as at 30 June 2014 amounted to PLN 23,575 thousand. The option valuation is recognised in the 'Result on financial instruments at fair value through profit or loss in the income statement and as "Derivative financial instruments" in the statement of financial position.

In the Group operate option schemes for the management of the Bank and its subsidiaries, which conditions were described in the consolidated financial statements of the Getin Noble Bank S.A. Capital Group for the year ended 31 December 2013.

In the first half of 2014 the Bank settled the last tranche of the Management Share Option Scheme. The settlement was in cash. As at 30 June 2014 the Group recognised a liability in the amount of PLN 923 thousand due to the valuation of call option and put option for shares of Noble Securities S.A. as at 31 March 2014. Due to the valuation of the incentive program for members of the Supervisory Board and Management Board of Getin Fleet S.A. the Group recognised a liability in the amount of PLN 1,716 thousand.

25. SUBSEQUENT EVENTS

After 30 June 2014 there were no events which were not disclosed in these financial statements which may significantly impact the future financial results of the Getin Noble Bank S.A. Capital Group.

Signatures of the Getin Noble Bank S.A. Management Board Members:

Krzysztof Rosiński - President of the Management Board

Marcin Dec - Member of the Management Board

Karol Karolkiewicz - 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

Signature of the person responsible for the preparation of the financial statements:

Barbara Kruczyńska-Nurek - Chief Accountant Director of the Bank

Warsaw, 12 August 2014

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III. INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

1. INTERIM STANDALONE INCOME STATEMENT

	Note	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014	01.04.2013- 30.06.2013 (restated)	01.01.2013- 30.06.2013 (restated)
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
CONTINUED ACTIVITY					
Interest income		921,400	1,829,093	959,096	2,000,043
Interest expense		(562,894)	(1,115,139)	(650,130)	(1,382,291)
Net interest income		358,506	713,954	308,966	617,752
Fee and commission income		134,164	281,211	123,064	254,378
Fee and commission expense		(47,990)	(94,483)	(44,760)	(92,740)
Net fee and commission income		86,174	186,728	78,304	161,638
Dividend income		110,700	111,234	19,158	19,160
Result on financial instruments measured at fair value through profit or loss		37,599	42,985	(451)	1,647
Result on other financial instruments		6,318	6,345	24,763	77,625
Net foreign exchange gains		10,609	24,396	13,908	31,780
Other operating income		18,808	32,201	49,402	69,324
Other operating expense		(43,319)	(72,508)	(46,678)	(71,592)
Net other operating income and expense		(24,511)	(40,307)	2,724	(2,268)
Administrative expenses		(214,012)	(424,099)	(196,606)	(386,586)
Net impairment allowances on financial assets and off-balance sheet provisions		(154,033)	(302,781)	(134,768)	(325,374)
Operating profit		217,350	318,455	115,998	195,374
Profit before tax		217,350	318,455	115,998	195,374
Income tax		(23,128)	(47,038)	(18,185)	(34,545)
Net profit		194,222	271,417	97,813	160,829

Details for restatement of comparative data for 2013 are presented in Note IV 1.1.

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**2. INTERIM STANDALONE STATEMENT OF COMPREHENSIVE INCOME**

	Note	01.04.2014- 30.06.2014	01.01.2014- 30.06.2014	01.04.2013- 30.06.2013 (restated)	01.01.2013- 30.06.2013 (restated)
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
Net profit for the period		194,222	271,417	97,813	160,829
Items that may be reclassified to profit or loss, of which:		28,867	38,966	(46,118)	(59,031)
Valuation of available-for-sale financial assets		45,595	53,622	(62,125)	(87,659)
Cash flow hedges		(9,958)	(5,516)	5,189	14,781
Tax effect related to items that may be reclassified to profit or loss		(6,770)	(9,140)	10,818	13,847
Net other comprehensive income		28,867	38,966	(46,118)	(59,031)
Total comprehensive income for the period		223,089	310,383	51,695	101,798

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3. INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION

	Note	30.06.2014 PLN thousand	31.12.2013 PLN thousand
ASSETS			
Cash and balances with the Central Bank		4,188,509	2,629,827
Amounts due from banks and financial institutions		1,058,364	1,131,384
Financial assets at fair value through profit or loss		170,362	-
Derivative financial instruments		189,673	237,623
Loans and advances to customers		49,349,262	48,397,459
Financial assets, of which:		10,594,972	8,741,075
available-for-sale		10,510,262	8,668,804
held-to-maturity		84,710	72,271
Investments in subsidiaries and associates	IV.2	417,056	391,071
Intangible assets		211,320	197,888
Property, plant and equipment		188,622	200,168
Investment properties		250,476	139,692
Non-current assets held for sale		-	9,449
Income tax assets, of which:		384,149	422,591
receivables relating to current income tax		14,116	8
deferred tax assets		370,033	422,583
Other assets		783,373	765,100
TOTAL ASSETS		67,786,138	63,263,327
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks and financial institutions		3,650,326	2,768,477
Derivative financial instruments		434,762	481,217
Amounts due to customers		55,076,443	52,348,702
Debt securities issued, of which:		3,320,944	2,670,464
subordinated debt		2,090,469	1,827,154
Other liabilities		453,806	460,486
Provisions		30,620	25,127
Total liabilities		62,966,901	58,754,473
Equity			
Share capital		2,650,143	2,650,143
Retained earnings		-	(362,825)
Net profit		271,417	310,755
Other capital		1,897,677	1,910,781
Total equity		4,819,237	4,508,854
TOTAL LIABILITIES AND EQUITY		67,786,138	63,263,327

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4. INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Net profit	Other capital				Total equity
				Reserve capital	Revaluation reserve	Other capital reserves	Total	
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
As at 01.01.2014	2,650,143	(52,070)	-	2,007,172	(136,962)	40,571	1,910,781	4,508,854
Comprehensive income for the period	-	-	271,417	-	38,966	-	38,966	310,383
Distribution of last year profit and cover of previous years losses	-	52,070	-	(52,070)	-	-	(52,070)	-
As at 30.06.2014	2,650,143	-	271,417	1,955,102	(97,996)	40,571	1,897,677	4,819,237

(restated)	Share capital	Retained earnings	Net profit	Other capital				Total equity	
				Reserve capital	Revaluation reserve	Share based payments-equity component	Other capital reserves		Total
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	
As at 01.01.2013	2,650,143	(193,518)	-	2,161,631	(120,768)	7,381	37,493	2,085,737	4,542,362
Adjustments for changes in accounting policies	-	(362,825)	-	-	(250)	-	-	(250)	(363,075)
As at 01.01.2013 after adjustment	2,650,143	(556,343)	-	2,161,631	(121,018)	7,381	37,493	2,085,487	4,179,287
Comprehensive income for the period	-	-	160,829	-	(59,031)	-	-	(59,031)	101,798
Distribution of last year profit and cover of previous years losses	-	193,518	-	(193,518)	-	-	-	(193,518)	-
Transfer of POM valuation reserve to other capital reserves	-	-	-	-	-	(7,381)	7,381	-	-
Creation of capital reserves for purchase of own shares	-	-	-	(126,007)	-	-	126,007	-	-
As at 30.06.2013	2,650,143	(362,825)	160,829	1,842,106	(180,049)	-	170,881	1,832,938	4,281,085

Details for restatement of comparative data for 2013 are presented in Note IV 1.1.

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5. INTERIM STANDALONE STATEMENT OF CASH FLOWS

	Note	01.01.2014- 30.06.2014 PLN thousand	01.01.2013- 30.06.2013 (restated) PLN thousand
Cash flow from operating activities			
Net profit		271,417	160,829
Adjustments:		(88,752)	(3,369,277)
Amortisation and depreciation		32,036	32,496
Foreign exchange (gains)/ losses		(1,304)	8,520
(Gains)/ losses from investing activities		(971)	(149,718)
Interests and dividends		(31,345)	36,697
Change in amounts due from banks and financial institutions		19,897	(553,914)
Change in financial assets at fair value through profit or loss		(170,362)	-
Change in derivative financial instruments (assets)		46,155	115,377
Change in loans and advances to customers		(951,803)	(2,758,070)
Change in available-for-sale financial instruments		(1,798,024)	(2,118,739)
Change in held-to-maturity financial instruments		(439)	-
Change in deferred tax assets		52,550	24,498
Change in other assets		(18,273)	(44,624)
Change in amounts due to banks and financial institutions		45,597	68,131
Change in derivative financial instruments (liabilities)		(49,128)	302,375
Change in amounts due to customers		2,727,741	1,655,868
Change in debt securities issued		13,897	(6,300)
Change in other liabilities		(6,680)	8,100
Change in provisions		5,493	1,316
Other adjustments		10,319	8,409
Income tax paid		(17,500)	(1,285)
Current tax expense		3,392	1,586
Net cash flows used in operating activities		182,665	(3,208,448)
Cash flows from investing activities			
Sale of shares in a subsidiary/ associate		-	155,614
Sale of intangible assets and property, plant and equipment		14,069	1,228
Dividends received		111,234	19,160
Acquisition of shares in a subsidiary		(26,180)	(57,084)
Purchase of intangible assets and property, plant and equipment		(158,479)	(119,356)
Purchase of investments in financial instruments		(12,000)	-
Net cash flows used in investing activities		(71,356)	(438)
Cash flows from financing activities			
Proceeds from issue of debt securities		1,441,583	1,811,059
Proceeds from loans taken		837,556	744,771
Redemption of issued debt securities		(805,000)	(1,049,000)
Interest paid		(79,889)	(55,857)
Net cash flows from financing activities		1,394,250	1,450,973
Net increase/(decrease) in cash and cash equivalents		1,505,559	(1,757,913)
Cash and cash equivalents at the beginning of the period		2,795,008	3,878,637
Cash and cash equivalents at the end of the period		4,300,567	2,120,724

IV. NOTES TO INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The interim condensed standalone financial statements of Getin Noble Bank S.A. have been prepared for the 6-month period ended 30 June 2014 and include the comparative data for the 6-month period ended 30 June 2013 and as at 31 December 2013.

The interim condensed standalone financial statements have been prepared in accordance with the International Financial Reporting Standards ('IFRS') adopted by the EU, in particular in accordance with IAS 34 *Interim Financial Reporting*.

Accounting policies used to prepare the interim condensed standalone financial statements are consistent with those that were used to prepare the Bank's annual financial statements for the year ended 31 December 2013 except for new standards and interpretations relating to reporting periods beginning after 1 January 2014 described in the note II 3.5 of the Getin Noble Bank Group's interim condensed consolidated financial statements presented in this report. Moreover, the accounting policies used to prepare the financial statements of the Bank are the same as used for the purpose of preparing the Getin Noble Bank Group's consolidated financial statements except for the valuation of subsidiaries and associates valued at cost.

The interim condensed standalone financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Getin Noble Bank S.A. financial statements for the year ended 31 December 2013.

The Bank as a parent company prepared also the consolidated financial statements of Getin Noble Bank S.A. Capital Group that were approved on 12 August 2014.

The entity entitled to audit half-year consolidated and standalone financial statements is Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw.

1.1. Changes in accounting policies – restatement of comparative data

The comparative data for the 6-month period ended 30 June 2014 presented in the interim condensed standalone financial statements have been restated to reflect the changes in presentation implemented in the current reporting period and changes to the accounting policies that have been made by the Bank in 2013.

Change in presentation relates to transferring the costs of promotions and rewards for customers from "Fee and commission expense" to "Other operating expense". The restatement of comparative information due to the change in presentation had no impact on the net financial results for the 6-month period ended 30 June 2013.

Item of the standalone income statement for the period 01.01.2013 - 30.06.2013	Data before restatement	Presentation adjustment	Restated data
	PLN thousand	PLN thousand	PLN thousand
Fee and commission expense	(95,785)	3,045	(92,740)
Other operating expense	(68,547)	(3,045)	(71,592)

In 2013 the Getin Noble Bank S.A. modified the accounting policy on recognition of revenue from sale of insurance products distributed together with the loan products of the Bank. The commission for insurance products distributed by the Bank is recognised as income taking into account the assessment of connection between insurance product and credit product. Detailed changes in this regard are described in the financial statements of the Bank for the year ended 31 December 2013.

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Total effect of adjustments due to the changes in accounting principles (policies) introduced in 2013 on the comparative figures presented in the interim condensed standalone financial statements is presented below:

Statement of changes in equity for the period 01.01.2013 - 30.06.2013	Total equity as at 01.01.2013 PLN thousand	Net profit for the period 01.01.2013- 30.06.2013 PLN thousand	Total equity as at 30.06.2013 PLN thousand
Equity before restatement	4,542,362	172,801	4,656,132
adjustment due to change in accounting principles for recognition of revenue from insurance	(448,241)	(14,780)	(463,021)
deferred tax on change in accounting principles for recognition of revenue from insurance	85,166	2,808	87,974
Total adjustments	(363,075)	(11,972)	(375,047)
Equity restated taking into account the retrospective change in accounting principles (policies)	4,179,287	160,829	4,281,085

Income statement for the period 01.01.2013 - 30.06.2013	Getin Noble Bank S.A. PLN thousand	Adjustments PLN thousand		Restated data PLN thousand
Interest income	1,939,627	60,416	1)	2,000,043
Interest expense	(1,382,291)	-		(1,382,291)
Net interest income	557,336	60,416		617,752
Fee and commission income	329,574	(75,196)	2)	254,378
Fee and commission expense	(92,740)	-		(92,740)
Net fee and commission income	236,834	(75,196)		161,638
Dividend income	19,160	-		19,160
Result on financial instruments measured at fair value through profit or loss	1,647	-		1,674
Result on other financial instruments	77,625	-		77,625
Net foreign exchange gains	31,780	-		31,780
Other operating income	69,324	-		69,324
Other operating expense	(71,592)	-		(71,592)
Net other operating income and expense	(2,268)	-		(2,268)
Administrative expenses	(386,586)	-		(386,586)
Net impairment allowances on financial assets and off-balance sheet provisions	(325,374)	-		(325,374)
Operating profit	210,154	(14,780)		195,374
Profit before tax	210,154	(14,780)		195,374
Income tax	(37,353)	2,808	3)	(34,545)
Net profit	172,801	(11,972)		160,829

- 1) Adjustment of interest income due to changes in the insurance revenue recognition resulting from recognition of part of the revenue with the effective interest rate method,
- 2) Adjustment of fee and commission income due to changes in the insurance revenue recognition resulting from deferred part of the revenue because of the potential returns of commissions in the event of early termination of the insurance contract and resulting from recognition of part of the revenue with the effective interest rate method,

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- 3) Recognition of income tax due to the above adjustments related to changes in the insurance revenue recognition.

2. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Getin Noble Bank S.A. holds shares in the following subsidiaries and associates:

Investments in subsidiaries and associates	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Noble Funds TFI S.A.	63,076	63,076
Noble Concierge Sp. z o.o.	469	469
Noble Securities S.A.	40,657	40,852
Getin Leasing S.A.	27,547	26,366
Sax Development Sp. z o.o.	105,005	105,005
BPI Bank Polskich Inwestycji S.A.	57,084	57,084
Green Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych	43,078	43,078
Property Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych	40,999	16,000
Open Finance S.A.	39,141	39,141
Total	417,056	391,071

On 28 January 2014 Getin Noble Bank S.A. and Getin Leasing S.A. went into an agreement to purchase 214 shares of the company according to the resolution of the Extraordinary Shareholders Meeting of Getin Leasing S.A. dated 18 December 2013 on the squeeze-out of minority shareholders. Price of the acquired shares amounted to PLN 1,181 thousand. As of 30 June 2014 the Bank was the sole shareholder of Getin Leasing S.A.

3. SEASONALITY OF OPERATIONS

There are not any significant seasonal fluctuation factors in the Bank activities and thus the presented results of the Bank are not subject to significant fluctuations during the year.

4. DIVIDENDS PAID AND PROPOSED

In the reporting period the Bank did not pay or declare any dividends.

On 24 April 2014 the General Shareholders Meeting of Getin Noble Bank S.A. decided to allocate the Bank's full profit for the year 2013 to cover undivided net loss of the Bank from previous years arising from an adjustment of retained earnings made in the financial statements for 2013 due to the change in accounting policy.

5. CAPITAL RATIO

The capital ratio as at 30 June 2014 was calculated in accordance with the Regulation of the European Parliament and of the Council (EU) No 575/2013 of 26 June 2013 on prudential requirements and investment firms (CRR). Until the date of publication of these financial statements the national law has not been yet revised (so-called national options), therefore, in accordance with the guidelines of financial supervision, when calculating the capital ratio the Group adopted the pre-existing rules in the unregulated areas, including the risk weights for loans secured by mortgages.

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Capital ratio	30.06.2014 PLN thousand
Tier 1 capital	4,477,749
Tier 2 capital	1,850,704
TOTAL OWN FUNDS	6,328,453
TOTAL CAPITAL REQUIREMENTS	4,021,600
CAPITAL RATIOS	
Tier 1 capital ratio	8.9%
Total capital ratio	12.6%

Based on the content of article 26 par. 2 of the CRR, Getin Noble Bank S.A. intends to apply to the Polish Financial Supervision Authority for permission to include in Common Equity Tier 1 capital the profit for the first half of 2014 verified by the auditor, and the Bank estimates that it should result in an increase in Tier 1 capital ratio by approx. 0.2 percentage points.

The capital adequacy ratio as at 31 December 2013 amounted to 12.4% and was calculated in accordance with the regulations applicable to the end of 2013.

6. OTHER ADDITIONAL INFORMATION

Other additional information that are significant for proper evaluation of assets, financial position and the Bank's financial results were included in the interim condensed consolidated financial statements of Getin Noble Bank S.A. Capital Group, which is part of this report.

7. SUBSEQUENT EVENTS

After 30 June 2014 there were no events which were not disclosed in these financial statements which may significantly impact the future financial results of the Getin Noble Bank S.A.

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Signatures of the Getin Noble Bank S.A. Management Board Members:

Krzysztof Rosiński - President of the Management Board

Marcin Dec - Member of the Management Board

Karol Karolkiewicz - 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

Signature of the person responsible for the preparation of the financial statements:

Barbara Kruczyńska-Nurek - Chief Accountant, Director of the Bank

Warsaw, 12 August 2014

V. DIRECTORS' REPORT OF THE CAPITAL GROUP AND THE ISSUER

1. Financial results and financial position of the Capital Group and the Issuer in the first half of 2014

In the first half of 2014 the Getin Noble Bank S.A. Capital Group achieved a net profit for the shareholders of the parent company in the amount of PLN 265,9 million, an increase of 77% (i.e. by PLN 115.5 million) compared to the same period of the previous year. Consolidated net profit for the second quarter of 2014 amounted to PLN 136 million and was higher than the result achieved in the second quarter of 2013 by PLN 35.8 million.

Net interest income in the first half of 2014 amounted to PLN 728.1 million. A growth of PLN 88.4 million (i.e. by 14%) in relation to the comparable period of 2013 has been achieved by the continuous optimization of the cost of financing the Group; interest expenses decreased in the same time by nearly 20%.

Net fee and commission income of PLN 228.3 million was higher than the result achieved in the corresponding period of 2013 by PLN 34.4 million (i.e. by 18%). The implementation of the Getin Up strategy by the Bank brings the intended effects – increase in the number of bank accounts and customers actively using personal account. In the first half of 2014 the fee and commission income from bank accounts increased by over 35%.

Net foreign exchange gains for the 6-month period of 2014 amounted to PLN 24.7 million and was lower than the result achieved in the corresponding period of 2013 by PLN 7.7 million (i.e. by 24%). The decrease in net foreign exchange gains is associated with the Bank withdrawal from sale of loans in foreign currencies and gradually declining balance of foreign currency loans.

The decrease in other operating income in the first half of 2014 compared to the previous year is due to the recognition in this line in 2013 a gain on bargain purchase of Dexia Kommunalkredit Bank Polska S.A.

In the second quarter of 2014 the Group recognised in other operating expenses the amount of PLN 5.7 million for restructuring provision, which results from the reorganisation of the current employment structure in Getin Noble Bank S.A.

Group's administrative costs in the first half of 2014 amounted to PLN 472.0 million. An increase compared to the same period of the previous year by 11% was mainly due to growth in scale of operations related, inter alia, with the acquisition in the second quarter of 2013 the organised part of the bank DnB Nord Polska S.A., and the introduction of an additional fees for the Bank Guarantee Fund (prudential levy).

Getin Noble Bank S.A. gradually lowers the cost of credit risk – in the first half of 2014 the impairment charge to the consolidated income statement amounted to PLN 320.4 million and was lower by 6% (PLN 20.3 million) compared to the same period last year.

The structure of the net impairment allowances for basic types of loans are as follows:

	01.01.2014- 30.06.2014	01.01.2013- 30.06.2013 (restated)	<i>Change</i>
	PLN thousand	PLN thousand	%
Mortgage loans	140,939	127,111	+11%
Car loans	98,389	111,361	-12%
Retail loans	29,298	50,508	-42%
Corporate loans and finance lease receivables	52,195	51,001	+2%
Other financial assets and off-balance sheet provisions	(379)	742	-
Total	320,442	340,723	-6%

Significant contribution to the consolidated profit of Getin Noble Bank S.A. Group achieved in the first half of 2014 has leasing activity in the company organised in the form of a limited joint-stock partnership (SKA), which in accordance with applicable tax law will not be liable to corporate income tax until 31 October 2015. After the amendment of the tax law, under the transitional provisions, the SKA operating in the Group will become liable to pay corporate income tax on 1 November 2015. Therefore, in accordance with the accounting law and provisions of IAS 12, the company recognised a deferred tax asset arising on the difference between the carrying value and the tax value of assets under lease agreements (both contracts entered into before the change of law and after the change) which relates to tax costs and tax revenues generated in the future, that is since SKA paying corporate income tax. The Getin Leasing S.A. Group achieved in the first half of 2014 a net profit of PLN 81.5 million.

The value of loan sales in the first half of 2014 was higher by PLN 404.7 million compared to the same period last year. The highest growth rates were recorded in terms of the lease (increase by 63%) and in segments of loans with shorter repayment period: retail loans (growth by 29%), and corporate loans (increase by 17%). The Bank gradually withdraws from sale of long-term mortgages – in the first half of 2014 sales of mortgage loans decreased compared to the first half of 2013 by 44% and accounted for 12% of total Bank's sales (in the same period of the previous year this share was 23%).

The value of loans and advances to customers and finance lease receivables increased since the end of 2013 by PLN 0.9 billion to the level of PLN 48.8 billion. In the first half of 2014 Getin Noble Bank S.A. made a number of sales transactions of impaired loan receivables. The nominal value of the sold portfolio amounted to PLN 851.3 million.

As at 30 June 2014 the balance of amounts due to customers amounted to PLN 54.4 billion (an increase by PLN 2.9 billion compared to the end of 2013) and the balance of debt securities issued was PLN 3.8 billion, i.e. growth by PLN 0.7 billion since the end of 2013.

On 16 January 2014 the Supervisory Board of Getin Noble Bank S.A. approved the program of issue of the bank securities. According to the adopted terms, the total nominal value of the planned issue cannot be higher than PLN 2 billion. Under the program, the bank securities are issued in tranches, in dematerialised form as registered securities; they are not subject to a public offer or admission to trading on a regulated market. The issue date and their financial parameters will be determined by the Bank in terms of the issue each tranche, depending on the financial needs and the situation in the debt securities market.

In June 2014 Getin Noble Bank S.A. issued bonds worth PLN 350 million directed only to institutional investors.

In the first half of 2014 Getin Noble Bank S.A. signed another loan agreements with the European Investment Bank of a total value of EUR 200 million, which were installed in March and May 2014.

On 20 March 2014 Getin Noble Bank S.A. entered into an agreement requiring Getin Holding S.A. to sell 858,334 ordinary registered shares of Towarzystwo Ubezpieczeń Europa S.A., with a total nominal value of PLN 3,433 thousand, representing a total of 9.08% of the share capital and entitling to a total of 9.08% of votes at the general meeting of shareholders for a total price of PLN 165,658 thousand. The settlement of the transaction and transfer of shares took place on 8 April 2014. At the same time, on 8 April 2014 the Bank and Getin Holding S.A. went into agreement under which the Bank has established to Getin Holding S.A. a registered pledge on the shares with the right exercise of their right to vote.

2. Significant achievements of the Capital Group and the Issuer

Getin Noble Bank S.A. gradually improves the quality of service and provides its customers with the latest solutions in the field of banking. The Bank consistently focuses on optimizing the net interest income, improved balance sheet structure by increasing more rapidly rotating credit products, increasing recurring commissions from transaction banking. It develops the banking based on strong and stable relationships with the customers. It dynamically expands activities in the area of local government units (JST). The Bank's share in the deposit market for this sector amounted at the end of the first half of 2014 to 11.4% (an increase compared to the end of 2013 by 2.7 percentage points), while in the loans market 2.4% (an increase compared to the end of 2013 by 0.5 percentage points).

Effectiveness of Getin Noble Bank S.A. was confirmed also by many awards and recognitions:

- Getin Bank received the first prize in the category of "financial services" for the card with display in the "Future is Now" at the Cristal Festival international festival of creation and advertising held in France. MasterCard Display card has been recognised by the jury of the most creative and innovative design of solutions introduced this year in the financial sector.
- Getin Bank received the award in the category "Best advertising spot of a bank" in the fifth anniversary edition of the "Złoty Bankier" largest consumer poll, which is awarded to the best banks in Poland.
- In the "Jakość na Bank" ranking published by Puls Biznesu, Getin Bank was in the top three of the best banks in Poland and within one year improved its result by 12 positions in the ranking - the result of Getin Noble Bank is the most spectacular promotion (the poll covered 9 areas relating directly to the institution and the employee including atmosphere of a conversation, sales prospect, employee engagement, and even his personal appearance).
- Getin Bank was ranked in the top cash loans by Totalmoney.pl – the Getin Bank offer was recognised as one of the most affordable on the market; Getin took first place in the ranking of cash loans for external customers (people who are not associated with the bank through its products and do not intend to open the bank account) and second place in the ranking of cash loans for internal customers (existing customers of the lending bank).
- Money.pl honoured the Getin Bank mobile application as one of the best banking applications of 2014 (third place) – among the main advantages of Getin Bank mobile offer, the ranking authors mentioned payment options using NFC (prepared in collaboration with T-Mobile mobile operator), iKASA service, which allows cashless payments in Biedronka, and easy customization of Getin Mobile application with the ability to add or remove tiles with owned products; they also appreciated the ability to log on with the graphic symbol so-called snake, without the need to rewrite the long login and convenient payments via QR.
- Getin Bank took first place in the "Best Bank for Deposits and Investment" prepared by the experts of the Comperia.pl – high position in the ranking is thanks to an adequate mix of attractive deposit products with a wide range of investment and savings solutions. Getin Bank customers can take advantage of many ways to save and invest, including three types of deposits – mobile, term deposits in zloty and foreign currency or brokerage accounts that can be linked to your personal account. The offer of the Bank includes also units of many investment funds.
- Getin Bank's car loan was recognised the best on the market, according to TotalMoney.pl and eBroker.pl experts; in the Totalmoney.pl ranking Getin Bank won the title of market leader in car loans.
- Getin Noble Bank was one of the first affiliate to partnership programme of the Credit Information Bureau "BIK PASS", where you can in a simple and transparent way acknowledge the financial credibility of the borrower.

- In the ranking of personal accounts of Bankier.pl and Wirtualna Polska, Getin Noble Bank took the first two places – the number one was "Getin UP" account and the second place took "Konto Perfekcyjne" available on the Getin Online platform. In the ranking of personal accounts prepared by Bankier.pl, the second place tie won "Konto Doskonałe" of Open Online.
- Noble Fund Stabilnego Wzrostu Plus won the quarterly ranking of Rzeczpospolita "Stabilna czołówka najskuteczniejszych" published on 24 April 2014 in the category "best fund of stable growth." The Sub-Fund has been awarded for high investment results.
- According to data published by the Central Register of Vehicles and Drivers (CEPiK) after the first quarter of 2014, Getin Leasing registered the most leased cars, which confirms the strength of the company in this segment of the financial market.

Getin Bank was the first bank in Poland introducing an innovative multi-functional Visa SimplyOne card – it allows the users to select one of the two functions of Visa payment cards stored in one "plastic" with the microprocessor. The card enables customers to use debit and credit functions, that is to make transactions charged to the funds available in your account or personal loan limit.

In the first half of 2014 Getin Noble Bank S.A. implemented the first self-service bank branches called Getin Point. The Bank has installed 6 points of this type, which can serve customers in Warsaw, Lodz, Krakow, Gdansk and Katowice. Through a Getin Point self-service branch you can open a personal account, pick up a payment card, open a term deposit, check account balance, make a transfer and pay cash for a deposit, bill or pay off credit card. The integration with the Bank's internal systems enables fully autonomous use of the possibilities of the traditional branch. Each Getin Point is also equipped with the tools to enable video conferencing with hotline consultant who will answer all your questions, and if necessary, conduct a client through the steps of identification process and help you take advantage of offered products and services.

On 19 May 2014 Noble Funds TFI S.A. launched an innovative service in the market - Noble Funds Online, which allows remote submission of orders and instructions in the online channel (via the Internet) and mobile channel (via mobile applications). The implemented service allows concluding agreements with the simultaneous purchase of investment funds entirely online, without the need to sign any documents or arrange a visit of the courier.

3. The most significant factors and events, especially unusual events, affecting financial results

In the first half of 2014 Getin Noble Bank SA sold its loan receivables, which consisted of impaired loans and receivables written off in the books of the Bank. The nominal value of the portfolio being subject to assignment agreements amounted in total to PLN 851.3 million.

In response to changing customer behavior model and the dynamic development of modern distribution channels, the Management Board of the Bank decided to reorganise the existing employment structure. As a result of the restructuring of sales channels with the lowest profitability and adjusting the scale of activity of support areas to the needs of the implemented strategy, the Bank will reduce its workforce by approximately 400 staff.

4. The Management Board's explanation of the differences between actual financial results and previously publicised forecasts

Getin Noble Bank S.A. did not publish forecasts for 2014.

5. The Issuer's or Issuer's subsidiaries' significant related party transactions concluded on other than arm's length basis

In the first half of 2014 there were no significant related party transactions concluded on other than arm's length basis by the Issuer or its subsidiaries.

6. Information on significant transactions of purchase or sale of property, plant and equipment

In the first half of 2014 in the Group there were no significant transaction of purchase or sale of property, plant and equipment. As at 30 June 2014 there were no significant commitments due to the purchase of property, plant and equipment.

7. Information on impairment allowances for financial assets, property, plant and equipment, intangible assets and other assets, as well as reversals of such allowances

The amount of impairment allowances as at 30 June 2014 is presented in the following table:

Impairment allowances for assets	30.06.2014 PLN thousand	31.12.2013 PLN thousand
Amounts due from banks and financial institutions	675	710
Available-for-sale financial assets	13,220	12,470
Intangible assets	18,426	18,426
Property, plant and equipment	14,406	15,247
Investment properties	1,242	-
Assets held for sale	905	905
Other assets	14,598	12,362
Total	63,472	60,120

Data relating to impairment allowances on loans and advances and lease receivables are presented in Note II.10 of these interim condensed consolidated financial statements. In the first half of 2014 the Group reversed write-downs for impairment of other assets in the amount of PLN 281 thousand.

8. Information on changes in economic and business conditions, which have a significant impact on the fair value of financial assets and financial liabilities of the entity

Recent data readings indicate a reduction in the growth of the Polish economy. Industrial production in the first three months of the year grew by 4.2%, 5.3% and 5.5% y/y respectively, but the second quarter brought a slowdown of this trend. The reports in the coming months of the second quarter were respectively at a level of 5.4%, 4.4%, and particularly negative surprise turned out to be a June reading of 1.7% y/y. The risk factors for growth of the Polish economy remain uncertainty as to the condition of our major trading partners and the difficult geopolitical situation in the region due to the crisis in Ukraine.

Recent publications of inflation rate indicate a continued absence of inflationary pressure. The growth rate of prices in the second quarter of 2014 measured by the CPI was at the level of 0.3%, 0.2% and 0.3% y/y respectively month by month, and forecasts indicate a high probability of occurrence of temporary deflation, understood as prices fall y/y in coming months. Under these conditions, the Monetary Policy Council has decided to move away from the announcement to maintain interest rates unchanged and financial market implies that the next step of the monetary authorities will be to reduce interest rates.

In the second quarter of 2014 PLN exchange rate remained volatile in the band of fluctuation EUR/PLN 4.09-4.21 and USD/PLN 3.00-3.10. The inflow of funds from foreign investors is a stabilizing factor for PLN quotations,

but in the event of an escalation of the Ukraine crisis, it cannot ruled out turbulences in quotations of emerging market currencies, including PLN.

The economic situation consistent with market forecasts, and the lack of significant changes in business conditions, did not significantly affect the fair value of financial assets and financial liabilities of the entity, regardless of whether those assets and liabilities are recognised at fair value or amortised cost.

9. Holdings of shares of the Issuer, or rights to them by managing and supervising persons and the changes that occurred in the period from the previous quarterly report

Holdings of shares of Getin Noble Bank S.A. by managing and supervising persons as at the date of the consolidated quarterly report and changes that occurred in the period from the previous quarterly report are the following:

Members of the Supervisory and Management Board	Number of the Bank's shares on their own account as at 15.05.2014	Purchase/ (sale) of shares in the reporting period	Number of the Bank's shares on their own account as at 12.08.2014
Leszek Czarnecki ¹⁾	264,626,609	-	264,626,609
Remigiusz Baliński	521,530	-	521,530
Krzysztof Rosiński	2,954,739	(844,166)	2,110,573
Marcin Dec	13,762	-	13,762
Karol Karolkiewicz	76,737	-	76,737
Krzysztof Spyra ²⁾	-	-	-
Radosław Stefurak	126,315	-	126,315
Maciej Szczechura	22,936	-	22,936
Grzegorz Tracz	192,691	-	192,691

¹⁾ To the best knowledge of Mr. Leszek Czarnecki, President of the Supervisory Board, his subordinate entities holds the following shares of the Bank: LC Corp B.V. – 1,011,728,750 shares, Getin Holding S.A. – 200,314,774 shares, Fundacja Jolanty i Leszka Czarneckich – 3,519,273 shares, RB Investcom Sp. z o.o. – 101,850 shares, Idea Expert S.A. - 7 799 shares.

²⁾ To the best knowledge of Mr. Krzysztof Spyra, Member of the Management Board, his subordinate entities holds the following shares of the Bank: KKBBK Investments Ltd. – 16,593,999 shares.

10. Information on significant legal proceedings relating to liabilities or receivables of the Issuer, as well as on significant legal settlements

No single legal proceeding concerning liabilities or receivables of the Issuer or Issuer's subsidiaries which value would amount to at least 10% of own funds of the Issuer, occurs in the Getin Noble Bank S.A. Group.

There are also no two or more proceedings concerning liabilities or receivables, which total value constitutes at least 10% of the Issuer's own funds.

11. Information on suretyships of loans and guarantees granted by the Issuer's or Issuer's subsidiaries' exceeding 10% of the Issuer's equity

In the first half of 2014 the Issuer or Issuer's subsidiaries neither guaranteed credit or loans nor granted guarantees – in total to one entity or subordinate of this entity, if the total value of existing guarantees accounts for at least 10% of the Issuer's equity.

12. Information on failure to repay a loan or a breach of significant provisions of the loan agreement in respect of which there were no corrective action taken until the end of the reporting period

In the first half of 2014 in the Getin Noble Bank S.A. Capital Group there was no situation of failure to repay a loan or a breach of significant provisions of loan agreement in respect of which there were no corrective action taken until the end of the reporting period.

13. For financial instruments measured at fair value - information about changing the way (method) it is determined

In the first half of 2014 in the Getin Noble Bank S.A. Capital Group there were no changes in valuation rules for financial instruments.

14. Information on the changes in the classification of financial assets as a result of changes of the objective or use of these assets

In the first half of 2014 in the Getin Noble Bank S.A. Capital Group there were no reclassification of assets between categories.

15. Factors that in the Issuer's opinion will affect its financial results within at least next quarter, including description of main threats and risks

The Group companies' business is closely related to the economic development of the country and the situation on the financial markets. Factors that may affect the further development and future performance of the Group are the following:

- fluctuations of interest rates and exchange rates deviating from the assumptions of the Group and unfavourable situation on the financial markets could have a negative impact on the financial results, level of capital adequacy and liquidity of the Group companies,
- credit risk and the related impairment losses – lack of implementation of planned activities to improve the quality of the loan portfolio may have a negative impact on the level of write-downs and the size of the profits,
- the risk of worsening the condition of the Polish economy, unfavourable trends in the labour market and in terms of individual consumption can caused low activity of investors on the secondary market.
- operations of the Group entities (in particular Noble Securities S.A. and Noble Funds TFI S.A.) are strongly linked with the sentiment prevailing on the Polish and global financial markets. Negative attitudes of customers to invest in the capital market and a reduction in margins due to significant competition among Brokerage Houses and Investment Funds, may have a negative impact on the operations and financial performance of companies.

16. Other information which is in opinion of the Issuer, significant for the assessment of its human resources, economic and financial situation, financial results and their changes, as well as information significant for the assessment of its ability to settle its liabilities

The Getin Noble Bank S.A. Capital Group entities settle their liabilities on time. No significant changes relating to assessment of companies ability to settle their liabilities were identified.

17. Statements of the Management Board

Truth and fairness of the presented financial statements

According to the best knowledge of the Bank's Management Board, financial data for the first half of 2014 and comparative data presented in the interim condensed standalone financial statements of Getin Noble Bank S.A. and in the interim condensed consolidated financial statements of Getin Noble Bank S.A. Capital Group were prepared in accordance with International Financial Reporting Standards adopted by the EU and reflect truly and fairly the economic and financial situation of the Bank and the Capital Group as well as their financial result.

The Director's report of the Capital Group and the Issuer for the first half of 2014 includes true picture of the Capital Group and Getin Noble Bank S.A. development, achievements and situation, including the description of main threats and risks.

Appointment of the certified auditor of the financial statements

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp.k. – the entity entitled to audit financial statements, that performed the review of the interim condensed standalone financial statements of Getin Noble Bank S.A. and the interim condensed consolidated financial statements of Getin Noble Bank S.A. Capital Group, was appointed in compliance with the law. Both the entity and the individual certified auditors, performing the review, met conditions to issue unbiased and independent review report, in accordance with existing provisions of the law and professional standards.

Signatures of the Getin Noble Bank S.A. Management Board Members:

Krzysztof Rosiński - President of the Management Board

Marcin Dec - Member of the Management Board

Karol Karolkiewicz - 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, 12 August 2014