



GETIN NOBLE BANK S.A. CAPITAL GROUP

Consolidated half-year report
for the 6-month period ended 30 June 2016

GETIN NOBLE BANK S.A. CAPITAL GROUP

Consolidated half-year report for the 6-month period ended 30 June 2016
(data in PLN thousand)



TABLE OF CONTENTS:

I.	INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	3
1.	Interim consolidated income statement	3
2.	Interim consolidated statement of comprehensive income	4
3.	Interim consolidated statement of financial position	5
4.	Interim consolidated statement of changes in equity	6
5.	Interim consolidated statement of cash flows	7
II.	NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	8
1.	General information about the Bank	8
2.	Management and Supervisory Board of the Bank	8
3.	Information about the Capital Group	9
4.	Approval of the consolidated financial statements	11
5.	Significant accounting policies	11
6.	Significant values based on professional judgement and estimates	16
7.	Correction of prior period errors	17
8.	Net interest income	17
9.	Net fee and commission income	18
10.	Result on investments in subsidiaries, associates and joint ventures	18
11.	Net other operating income and expense	19
12.	Administrative expenses	19
13.	Net impairment allowances on financial assets and off-balance sheet provisions	20
14.	Income tax	21
15.	Loans and advances to customers	21
16.	Investments in associates	26
17.	Investments in joint ventures	27
18.	Amounts due to customers	27
19.	Provisions	28
20.	Hedge accounting	28
21.	Seasonality of operations	30
22.	Issue, redemption and repurchase of securities	30
23.	Dividends paid and proposed	31
24.	Contingent liabilities	32
25.	Fair value of financial assets and liabilities	32
26.	Capital ratio	36
27.	Information on operating segments	37
28.	Related party transactions	39
29.	Events having a significant impact on the Group's operations	41
30.	Subsequent events	42
III.	INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS	46
1.	Interim standalone income statement	46
2.	Interim standalone statement of comprehensive income	47
3.	Interim standalone statement of financial position	48

GETIN NOBLE BANK S.A. CAPITAL GROUP

Consolidated half-year report for the 6-month period ended 30 June 2016
(data in PLN thousand)



4. Interim standalone statement of changes in equity	49
5. Interim standalone statement of cash flows	50
IV. NOTES TO INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS	51
1. Basis of preparation	51
2. Investments in subsidiaries, associates and joint ventures	53
3. Seasonality of operations	54
4. Dividends paid and proposed	54
5. Capital ratio	54
6. Related party transactions	55
7. Other additional information	57
8. Subsequent events	57
V. DIRECTORS' REPORT OF THE CAPITAL GROUP AND THE ISSUER	60
1. Financial results and financial position of the Capital Group and the Issuer after the first half of 2016	62
2. The most significant factors and events, especially unusual events, affecting financial results	65
3. Awards and recognitions received	67
4. Assessment of financial creditworthiness - ratings	68
5. Factors that in the Issuer's opinion will affect its financial results within at least next quarter, including description of main threats and risks	68
6. 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	69
7. Other information	70
8. Statements of the Management Board	72

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)



I. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Interim consolidated income statement

	Note	01.04.2016- 30.06.2016	01.01.2016- 30.06.2016	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
CONTINUED ACTIVITY					
Interest income	II.8	693,209	1,401,453	738,502	1,532,012
Interest expense	II.8	(367,184)	(752,395)	(453,829)	(976,113)
Net interest income		326,025	649,058	284,673	555,899
Fee and commission income	II.9	72,126	154,318	138,378	283,377
Fee and commission expense	II.9	(47,699)	(93,553)	(49,345)	(99,399)
Net fee and commission income		24,427	60,765	89,033	183,978
Dividend income		11,396	11,419	14,077	14,077
Result on financial instruments measured at fair value through profit or loss and net foreign exchange gains		3,212	21,032	10,613	15,873
Result on other financial instruments		19,600	19,603	1,284	12,649
Result on investments in subsidiaries, associates and joint ventures	II.10	-	45,420	1,452	134,646
Other operating income	II.11	13,472	29,905	12,150	36,564
Other operating expense	II.11	(26,008)	(60,119)	(28,942)	(63,938)
Net other operating income and expense		(12,536)	(30,214)	(16,792)	(27,374)
Administrative expenses	II.12	(214,545)	(438,915)	(237,744)	(488,350)
Net impairment allowances on financial assets and off-balance sheet provisions	II.13	(132,187)	(289,334)	(66,937)	(195,353)
Operating profit		25,392	48,834	79,659	206,045
Share of profits of associates		(16,519)	(14,927)	3,401	4,615
Share of profits of joint ventures		-	304	9,372	9,372
Tax on certain financial institutions		(163)	(38,273)	-	-
Profit before tax		8,710	(4,062)	92,432	220,032
Income tax	II.14	(6,398)	(11,876)	(22,430)	(11,265)
Net profit		2,312	(15,938)	70,002	208,767
Attributable to:					
equity holders of the parent		1,130	(17,136)	70,002	198,588
non-controlling interests		1,182	1,198	-	10,179
<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/(loss) for the period attributable to equity holders of the parent		0.00	(0.01)	0.03	0.07
diluted, for profit for the period/(loss) attributable to equity holders of the parent		0.00	(0.01)	0.03	0.07

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)



2. Interim consolidated statement of comprehensive income

	Note	01.04.2016- 30.06.2016	01.01.2016- 30.06.2016	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
Net profit for the period		2,312	(15,938)	70,002	208,767
Items that may be reclassified to profit or loss, of which:		(65,673)	36,956	34,694	3,154
Valuation of available-for-sale financial assets		(32,790)	22,321	(54,285)	(27,909)
Cash flow hedges	II.20	(48,287)	23,306	97,118	31,804
Tax effect related to items that may be reclassified to profit or loss	II.14	15,404	(8,671)	(8,139)	(741)
Net other comprehensive income		(65,673)	36,956	34,694	3,154
Total comprehensive income for the period		(63,361)	21,018	104,696	211,921
Attributable to:					
equity holders of the parent		(64,543)	19,820	104,696	201,742
non-controlling interests		1,182	1,198	-	10,179

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)



3. Interim consolidated statement of financial position

	Note	30.06.2016 PLN thousand	31.12.2015 PLN thousand
ASSETS			
Cash and balances with the Central Bank		6,174,553	2,724,472
Amounts due from banks and financial institutions		1,285,049	2,294,916
Financial assets held for trading		8,795	17,870
Financial assets measured at fair value through profit or loss		161,882	166,817
Derivative financial instruments		117,085	168,911
Loans and advances to customers	II.15	47,449,060	49,225,014
Financial assets, of which:		11,645,060	12,695,546
available-for-sale		11,473,214	12,541,224
held-to-maturity		171,846	154,322
Investments in associates	II.16	321,674	347,112
Investments in joint ventures	II.17	-	172,338
Intangible assets		273,253	268,547
Property, plant and equipment		287,257	307,678
Investment properties		707,671	695,152
Non-current assets held for sale		442,546	439,432
Income tax assets, of which:		313,883	336,030
receivables relating to current income tax		5,015	4,031
deferred tax assets		308,868	331,999
Other assets		903,732	896,634
TOTAL ASSETS		70,091,500	70,756,469
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to banks and financial institutions		4,300,535	3,828,812
Derivative financial instruments		1,584,515	1,520,459
Amounts due to customers	II.18	55,053,826	55,726,221
Debt securities issued		3,615,193	4,093,061
of which subordinated debt		2,254,176	2,133,337
Other liabilities		269,237	401,006
Deferred tax liabilities		1,087	-
Provisions	II.19	27,681	23,063
Total liabilities		64,852,074	65,592,622
Equity attributable to equity holders of the parent			
Share capital		2,411,630	2,650,143
Retained earnings		170,918	78,878
Net profit/(loss)		(17,136)	44,166
Other capital		2,668,496	2,390,655
Non-controlling interests		5,518	5
Total equity		5,239,426	5,163,847
TOTAL LIABILITIES AND EQUITY		70,091,500	70,756,469

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016
(data in PLN thousand)



4. Interim consolidated statement of changes in equity

2016	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	Other capital reserves			
PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	
As at 01.01.2016	2,650,143	123,044	-	2,470,570	(120,796)	40,881	5,163,842	5	5,163,847
Comprehensive income for the period	-	-	(17,136)	-	36,956	-	19,820	1,198	21,018
Reduction of the share capital of the parent company	(238,513)	-	-	-	-	238,513	-	-	-
Distribution of last year profit	-	(2,372)	-	2,372	-	-	-	-	-
Sale of non-controlling interests in a subsidiary Noble Funds TFI	-	50,246	-	-	-	-	50,246	4,315	54,561
As at 30.06.2016	2,411,630	170,918	(17,136)	2,472,942	(83,840)	279,394	5,233,908	5,518	5,239,426

On 25 February 2016 the Financial Supervision Authority approved the changes to the Banks' Articles of Association as regard the reduction the share capital by the amount of PLN 238,513 thousand, from the amount of PLN 2,650,143 thousand to the amount of PLN 2,411,630 thousand by reduction of the nominal value of one share from PLN 1.00 to PLN 0.91. Sums resulting from the share capital reduction were transferred to a separate reserve fund.

2015	Attributable to equity holders of the parent						Total	Non-controlling interests	Total equity
	Share capital	Retained earnings	Net profit	Other capital					
				Reserve capital	Revaluation reserve	Other capital reserves			
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
As at 01.01.2015	2,650,143	453,551	-	2,130,687	(164,368)	40,881	5,110,894	191	5,111,085
Adjustments for changes in accounting policies	-	(35,093)	-	-	-	-	(35,093)	-	(35,093)
As at 01.01.2015 after adjustment	2,650,143	418,458	-	2,130,687	(164,368)	40,881	5,075,801	191	5,075,992
Comprehensive income for the period	-	-	198,588	-	3,154	-	201,742	10,179	211,921
Purchase of non-controlling interests in a subsidiary	-	(197)	-	-	-	-	(197)	(181)	(378)
Distribution of last year profit	-	(339,883)	-	339,883	-	-	-	-	-
Sale of non-controlling interests in a subsidiary	-	70,220	-	-	-	-	70,220	74,451	144,671
Settlement of loss of control over a subsidiary	-	(69,720)	-	-	-	-	(69,720)	(84,635)	(154,355)
As at 30.06.2015	2,650,143	78,878	198,588	2,470,570	(161,214)	40,881	5,277,846	5	5,277,851

GETIN NOBLE BANK S.A. CAPITAL GROUPInterim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)

**5. Interim consolidated statement of cash flows**

	Note	01.01.2016- 30.06.2016	01.01.2015- 30.06.2015
		PLN thousand	PLN thousand
Cash flow from operating activities			
Net profit		(15,938)	208,767
Adjustments:		4,540,776	592,884
Amortisation and depreciation	II.12	41,552	35,967
Share of (profits)/ losses of associates		14,927	(4,615)
Share of (profits)/ losses of joint ventures	II.17	(304)	(9,372)
(Gains)/ losses from investing activities		196,439	84,076
Interests and dividends		115,564	89,865
Change in amounts due from banks and financial institutions		861,936	(1,210,990)
Change in financial assets held for trading		9,075	4,297
Change in derivative financial instruments (assets)		55,269	(876)
Change in financial assets measured at fair value through profit or loss		4,935	(86)
Change in loans and advances to customers		1,775,954	(1,451,563)
Change in available-for-sale financial instruments		1,086,088	1,433,545
Change in held to maturity financial instruments		(13,524)	(2,072)
Change in deferred tax assets		23,131	5,578
Change in other assets		(7,098)	(258,143)
Change in non-current assets held for sale		11,553	-
Change in amounts due to banks and financial institutions		1,016,198	(821,373)
Change in derivative financial instruments (liabilities)		79,491	1,368,952
Change in amounts due to customers		(672,395)	1,283,172
Change in debt securities issued		11,855	(4,920)
Change in other liabilities		(131,769)	61,999
Change in provisions		5,705	122
Other adjustments		57,178	(13,181)
Income tax paid		2,686	(3,632)
Current tax expense	II.14	(3,670)	6,134
Net cash flows from operating activities		4,524,838	801,651
Cash flows from investing activities			
Sale of shares in a subsidiary		-	25
Sale of intangible assets and property, plant and equipment		38,353	6,713
Sale of investments in financial instruments		-	10,000
Dividends received		11,419	14,077
Purchase of shares in a subsidiary		-	(85,414)
Purchase of intangible assets and property, plant and equipment		(107,279)	(172,962)
Purchase of investments in financial instruments		(4,000)	(56,645)
Interest received on investments in financial instruments		1,826	1,281
Net cash flows used in investing activities		(59,681)	(282,925)
Cash flows from financing activities			
Proceeds from issue of debt securities		120,000	324,500
Proceeds from loans taken		-	107,060
Redemption of issued debt securities		(609,723)	(794,692)
Repayment of loans		(544,475)	-
Interest paid		(128,809)	(105,223)
Net cash flows used in financing activities		(1,163,007)	(468,355)
Net increase/(decrease) in cash and cash equivalents		3,302,150	50,371
Cash and cash equivalents at the beginning of the period		3,088,854	3,924,997
Cash and cash equivalents at the end of the period		6,391,004	3,975,368

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



II. NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. General information about the Bank

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 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%
Nationale-Nederlanden Otwarty Fundusz Emerytalny (former ING Otwarty Fundusz Emerytalny)	180,000,000	180,000,000	6.79%	6.79%
Getin Holding S.A.	200,314,774	200,314,774	7.56%	7.56%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	132,543,000	132,543,000	5.00%	5.00%
Other shareholders	860,930,185	860,930,185	32.48%	32.48%
Total	2,650,143,318	2,650,143,318	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%

2. Management and Supervisory Board of the Bank

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

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



Management Board of Getin Noble Bank S.A.

President of the Management Board	Krzysztof Rosiński
Vice President of the Management Board	Artur Klimczak
Members of the Management Board	Krzysztof Basiaga
	Marcin Dec
	Karol Karolkiewicz
	Radosław Stefurak
	Maciej Szczuchura

Supervisory Board of Getin Noble Bank S.A.

President of the Supervisory Board	dr Leszek Czarnecki
Vice President of the Supervisory Board	Remigiusz Baliński
Members of the Supervisory Board	Krzysztof Bielecki
	Mariusz Grendowicz
	Jacek Lisik

Mr. Grzegorz Tracz resigned from the position of Member of the Management Board of the Getin Noble Bank S.A. with effect from 7 June 2016.

In the 6-month period ended 30 June 2016 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.

3. Information about the Capital Group

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,
- 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 customer deposits, as well as in sale of retail loans. Getin Bank offers also a number of investment products, it is also an active player in the segment of financial services dedicated to corporate clients, as well as local government units. Noble Bank represents the private banking segment, which is dedicated to wealthy clients.

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. 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.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



Presented below is information on subsidiaries included in these consolidated financial statements of the Getin Noble Bank S.A. Capital Group:

	% share in capital/ votes held by the Group	
	30.06.2016	31.12.2015
Noble Securities S.A.	100%	100%
Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.	70.03%	100%
Noble Concierge sp. z o. o.	100%	100%
BPI Bank Polskich Inwestycji S.A.	100%	100%
Sax Development sp. z o. o.	100%	100%
Property Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych ¹⁾	100%	100%
LAB sp. z o. o.	100%	100%
LAB sp. z o.o. sp. k.	100%	100%
Debtor Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty	100%	100%
GNB Leasing Plan Ltd. ²⁾	0%	0%

¹⁾ Property Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych (Non-public assets closed-end investment fund) holds 100% share in 9 special purpose entities

²⁾ Special purpose entity (SPV), with which the Bank carried out a securitisation transaction; the Group does not hold any equity interest in the entity.

All subsidiaries are consolidated using the full method.

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

Due to the substance of the relationship between Getin Noble Bank S.A. and a special purpose entities – GNB Leasing Plan Ltd. with which the Bank carried out a securitization transaction, the entity has been consolidated using the full method, despite the fact that the Group does not hold any equity interest in the entity.

As at 30 June 2016 the Bank's share in the total number of voting rights in its subordinated entities was equal to the Bank's share in share capital of the those entities.

3.1. Changes in the Capital Group in I quarter of 2016

Sale of shares of Getin Leasing S.A.

On 10 February 2016 Getin Noble Bank S.A. signed an agreement with LC Corp B.V. to sell 50.72% of owned shares in Getin Leasing S.A. Closing of the transaction took place on 29 February 2016, thus as at 30 June 2016 the Group has no investment in joint venture. The final price agreed by the parties amounted to PLN 180 million.

Sale of shares of Noble Funds TFI S.A.

On 29 April 2016 the Bank completed the sale transaction of 3 packages of 9993 shares of Noble Funds TFI S.A. each constituting 29.97% of its share capital.

Settlement of the securitization transaction

In April 2016 the Bank made a final settlement and closed the securitization transaction of the portfolio of car loans, carried out in December 2012 with the special purpose entity – GNB Auto Plan Sp. z o.o. Transaction was settled in accordance with the approved plan, bonds issued by the company were redeemed, loans and securitization liabilities fully settled.

4. Approval of the consolidated financial statements

These interim condensed consolidated financial statements were approved by the Management Board of the parent company on 30 August 2016.

5. Significant accounting policies

5.1. Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, in particular in accordance with IAS 34, 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 2015.

5.2. 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.

5.3. Basis of preparation

In these interim condensed consolidated financial statement a fair value model was adopted for investment properties and financial instruments measured at fair value through profit or loss, including derivatives and available-for-sale financial instruments, except those when fair value cannot be reliably measured. Other items of financial assets and liabilities (including loans and advances to customers) are recognised at amortised cost less impairment allowances or acquisition cost less impairment allowances.

These 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 2015.

5.4. 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.

5.5. Changes in the applied standards and interpretations

Standards and interpretations applied for the first time in 2016

The accounting policies adopted in the preparation of the interim condensed consolidated and standalone financial statements are consistent with those applied in the preparation of the Group's consolidated financial statements and the Bank's financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations applicable for annual periods beginning on or after 1 January 2016:

- Amendments to IAS 19 Employee Benefits - Defined Benefit Plans: Employee Contributions – as adopted by EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015),
- Amendments to IFRS Annual Improvements to IFRSs (2010–2012 Cycle) - as adopted by EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015),
- Amendments to IAS 16 Property, plant and equipment and IAS 41 Agriculture - as adopted by EU on 23 November 2015 (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IFRS 11 Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations - as adopted by EU on 24 November 2015 (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 16 Property, plant and equipment and IAS 38 Intangible assets - Clarification of acceptable methods of depreciation and amortisation – as adopted by EU on 2 December 2015 (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IFRS Annual Improvements to IFRSs 2012-2014 Cycle – as adopted by EU on 15 December 2015 (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 1 - Presentation of the financial statements - Disclosure Initiative - as adopted by EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016),
- Amendments to IAS 27 Separate Financial Statements - Equity Method in Separate Financial Statements – as adopted by EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016).

Application of the above changes to the standards had no significant impact on the accounting policies of the Group and the Bank or on its financial position and results of operations, except for amendments to IAS 27 on the separate financial statements of the Bank.

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

As at 30 August 2016 there were no standards and interpretations published and adopted by the EU, but not yet effective.

New standards and amendments to existing standards issued by the International Accounting Standards Board (IASB), but not yet adopted by EU

IFRS as adopted by the EU do not differ significantly from the regulations issued by the IASB, with the exception of the following new standards and amendments to standards, which as at 30 August 2016 have not yet been adopted by the EU (following effective dates refer to the standards in the full version):

- IFRS 9 Financial Instruments - effective for annual periods beginning on or after 1 January 2018,

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



- IFRS 14 Regulatory Deferral Accounts - effective for annual periods beginning on or after 1 January 2016; The European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- IFRS 15 Revenue from contracts with customers and subsequent changes - effective for annual periods beginning on or after 1 January 2018,
- IAS 16 Leases - effective for annual periods beginning on or after 1 January 2019,
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception; effective for annual periods beginning on or after 1 January 2016,
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sales or contributions of assets between an investor and its associate/joint venture and subsequent changes; the effective date of the amendments to these standards is deferred indefinitely until the research project on the equity method has been concluded,
- Amendments to IAS 7 Statement of Cash Flows - Disclosure initiative; effective for annual periods beginning on or after 1 January 2017,
- Amendments to IAS 12 Income tax - Recognition of Deferred Tax Assets for Unrealised Losses; effective for annual periods beginning on or after 1 January 2017,
- Amendments to IFRS 2 *Share-based Payment* - Classification and Measurement of Share-based Payment Transactions; effective for annual periods beginning on or after 1 January 2018.

The Group and the Bank estimates that except for IFRS 9, the above standards and amendments to standards would not have significant impact on the financial statements of the Bank and the Group, if it has been adopted by the Group and the Bank at the reporting date. The Bank took actions to implement IFRS 9, impact of first-time adoption of the new standard on the financial statements of the Group and the Bank is to be significant, but its reliable estimate is not possible.

At the same time, hedge accounting for financial assets and liabilities remain besides the regulations adopted by the EU, because its principles have not been approved for use in the EU.

The Group and the Bank estimates that the adoption of hedge accounting of the portfolio of financial assets and liabilities under IAS 39 *Financial Instruments: Recognition and Measurement* would not have any significant impact on the consolidated and standalone financial statements, if it has been adopted at the reporting date.

In the reporting period the Group and the Bank have not early adopted the above changes to standards. The Group and the Bank estimates that the changes to standards would not have any significant impact on the financial statements, if they have been adopted at the reporting date.

5.6. 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 2015 which was approved and published on 18 March 2016 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

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



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 Bank obtains control of the investee and cease when the Bank 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 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,

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



- 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 and joint ventures

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.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A joint control is the contractually agreed sharing of control of an agreement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

With respect to the accounting for investments in associates and joint ventures the Group applies the equity method, under which, on initial recognition the investment 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 or joint venture equals or exceeds its interest in the associate or joint venture, 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 or a joint venture are recognised in the Group's consolidated statements only to the extent of the unrelated investors' interest in the associate or the joint venture. The Bank's interest in the associate's or the joint venture'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 or the joint venture. 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.

6. 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).

Impairment of loans and advances to customers

The value of loan portfolio of the Group is periodically assessed whether any indicators of impairment exist and what is the level of impairment allowances in accordance with IAS 39. Impairment loss is incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology and assumptions for estimating amounts of cash flows and the periods in which they occur is subject to review on a regular basis.

In the first half of 2016 Getin Noble Bank S.A. has changed the methodology taking into account the IRB project in progress. An important component of the new model is the extension of the historical data and the number of attributes used to estimation based on the work conducted under the IRB project. The change mainly concerned default identification and effective default recovery, and thus the estimation of the portfolio parameters (i.a. transition to quantitative matrices, revision of methodology of parameters estimation to new default indications as well as introduction of deeper structure of portfolios for the purposes of estimation of recovery rate and cure rate to make them better suited to credit risk. Following these changes models used for calculation of write-downs have been updated. Due to the complex and multifaceted nature of the changes and the adaptation to the IT systems, the reliable estimate of their impact on impairment allowances as at 30 June 2016 is not possible on the date of this report.

Commissions for insurance

The Group offering insurance products to its customers, recognises revenue from insurance services based on professional judgement whether the sale of the insurance is limited to the provision of insurance products or the sale of insurance is linked to the lending product. If combined product is identified, the remuneration for the sale of insurance product is allotted and recognised as a part of amortized cost of lending product and as commission income related to agency services. Allotment is made according to the ratio of the fair value of the lending product and the fair value of agency services in relation to the sum of these two values.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



If the Bank performs activities or services related to the insurance product, or if the performance of such activities is likely, the commission for the agency services (in accordance with fair value allotment) is recognised in accordance with IAS 18 for the duration of the insurance contract according to the degree of completion of the service or activity.

In addition, the Bank estimates the share of commission that will be returned (e.g. due to the termination of the insurance contract by the customer, prepayments or other) in the periods after the sale of an insurance product. The estimated part of commission is deferred up to the value of expected returns.

Fair value of financial assets and liabilities

The fair value of derivatives, financial assets and financial liabilities not quoted on active markets is determined based on widely recognized measurement methods. All the models are subject to approval before application and calibrated to ensure that the results achieved reflect the actual data and comparable market prices. As far as practicable, the models use only observable data from an active market; however, under certain circumstances, the Bank estimates the relevant uncertainties (such as the counterparty risk, volatility and market correlations). Change in the assumptions adopted for these factors may affect the measurement of certain financial instruments.

Items of deferred tax assets

Component of deferred tax asset has been estimated and recognized based on the assumption that future tax profits will be achieved which will allow for its utilization. The decrease in the tax results in the future could make this assumption unjustified.

7. Correction of prior period errors

In the 6-month period ended 30 June 2016 the Group did not make any corrections of prior period errors.

8. Net interest income

	01.01.2016- 30.06.2016	01.01.2015- 30.06.2015
	PLN thousand	PLN thousand
Interest income related to:		
loans and advances to customers and finance lease	1,150,114	1,245,253
amounts due from banks and financial institutions	3,958	10,798
available-for-sale and held-to-maturity financial assets	124,321	112,637
derivative financial instruments	109,115	148,221
obligatory reserve	13,945	15,103
Total interest income	1,401,453	1,532,012
Interest expense related to:		
amounts due to customers	667,273	832,011
amounts due to banks and financial institutions, including derivative financial instruments	1,887	63,045
debt securities issued	83,235	81,057
Total interest expense	752,395	976,113
Net interest income	649,058	555,899

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



9. Net fee and commission income

	01.01.2016- 30.06.2016 PLN thousand	01.01.2015- 30.06.2015 PLN thousand
Fee and commission income related to:		
loans, advances and leases	16,552	26,810
bank accounts service	18,764	26,018
payment cards and credit cards	23,592	18,530
investment products and asset management	46,094	97,602
insurance products	32,197	99,857
brokerage activities	16,206	12,525
other fee and commission income	913	2,035
Total fee and commission income	154,318	283,377
Fee and commission expense related to:		
loans, advances and leases	4,076	9,099
payment cards and credit cards	22,982	20,298
investment and deposit products and asset management	51,544	54,964
insurance products	5,353	6,110
brokerage activities	4,329	5,076
other fee and commission expense	5,269	3,852
Total fee and commission expense	93,553	99,399
Net fee and commission income	60,765	183,978

10. Result on investments in subsidiaries, associates and joint ventures

During 6-month period of 2016 the Bank sold 50.72% of shares of Getin Leasing S.A. and 29.97% of shares of Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.

Presented below is the settlement of a Group's result on sale of the shares of Getin Leasing S.A.:

Result on sale of the shares in joint venture	01.01.2016- 30.06.2016 PLN thousand
Revenue from sale of shares	180,043
Shares sold valued under the equity method	(134,602)
Transaction costs	(21)
Profit before tax	45,420
Income tax *	(5,690)
Net profit	39,730

* in line "income tax" was settled a provision for deferred income tax recognized in 2015

Sale of shares of Noble Funds TFI did not result in a loss of control over the subsidiary and the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration received was recognised directly in equity and attributed to the owners of the parent.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



11. Net other operating income and expense

	01.01.2016- 30.06.2016 PLN thousand	01.01.2015- 30.06.2015 PLN thousand
Other operating income:		
rental income	3,868	4,960
recovered legal and debt collection costs	4,437	2,782
revenues from sales of products and services,	6,187	5,794
gain on sale of non-financial fixed assets	2,714	691
revenues from lease activities	-	13,445
revenues from brokerage activities	2,502	2,482
other income	10,197	6,410
Total other operating income	29,905	36,564
Other operating expense:		
rental costs	1,187	2,369
cost of products and services sold	4,615	6,074
debt collection and monitoring of receivables, including legal costs	16,298	18,617
recognition of provisions and impairment charges for other assets	7,506	7,589
costs related to investment products	1,582	2,004
costs of promotions and rewards for customers	9,063	14,109
fair value measurement of investment property	9,908	4,306
other expense	9,960	8,870
Total other operating expense	60,119	63,938
Net other operating income and expense	(30,214)	(27,374)

12. Administrative expenses

	01.01.2016- 30.06.2016 PLN thousand	01.01.2015- 30.06.2015 PLN thousand
Employee benefits	198,585	197,381
Use of materials and energy	11,295	15,041
External services, of which:	115,300	163,106
marketing and advertising	7,812	39,703
IT services	18,373	16,299
lease and rental	51,766	57,580
security and cash processing services	3,039	3,376
telecommunication and postal services	16,144	19,969
legal and advisory services	4,248	4,738
other external services	13,918	21,441
Other taxes and charges	5,650	4,221
Payments to the Bank Guarantee Fund and the Polish Financial Supervision Authority	62,031	67,044
Amortisation and depreciation	41,552	35,967
Other expenses	4,502	5,590
Total administrative expenses	438,915	488,350

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



13. Net impairment allowances on financial assets and off-balance sheet provisions

2016	Loans and advances to customers				Total loans and advances	Amounts due from banks	Available-for-sale financial assets	Off-balance sheet provisions	Impairment allowances on non-financial assets	Total
	corporate	car	mortgage	retail						
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Impairment allowances/ provisions as at 01.01.2016	248,744	185,270	1,351,978	586,130	2,372,122	1,101	11,379	2,865	-	2,387,467
Net change in impairment allowances/ provisions recognised in the income statement	32,288	6,907	148,559	92,710	280,464	(471)	(1,175)	3,016	7,500	289,334
Utilisation - write-offs	(196)	(82)	(3,373)	(2,628)	(6,279)	-	-	-	-	(6,279)
Utilisation - sale of the portfolio	(5,995)	(18,611)	(148)	(62,895)	(87,649)	-	-	-	-	(87,649)
Net other increases/ (decreases)	(5,201)	(4,233)	(25,201)	(18,737)	(53,372)	-	-	-	-	(53,372)
Impairment allowances/ provisions as at 30.06.2016	269,640	169,251	1,471,815	594,580	2,505,286	630	10,204	5,881	7,500	2,529,501

2015	Loans and advances to customers				Total loans and advances	Amounts due from banks	Available-for-sale financial assets	Finance lease receivables	Off-balance sheet provisions	Total
	corporate	car	mortgage	retail						
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Impairment allowances/ provisions as at 01.01.2015	331,314	506,723	1,829,631	905,318	3,572,986	880	12,586	139,040	4,570	3,730,062
Net change in impairment allowances/ provisions recognised in the income statement	14,162	(31,842)	164,885	38,395	185,600	611	-	11,171	(2,029)	195,353
Utilisation - write-offs	(1,277)	(660)	(1,460)	(3,646)	(7,043)	-	-	(571)	-	(7,614)
Utilisation - sale of the portfolio	(94,291)	(221,499)	(32,648)	(366,413)	(714,851)	-	-	-	-	(714,851)
Net other increases/ (decreases)	(5,987)	(2,180)	(10,378)	(24,998)	(43,543)	-	-	(149,640)	-	(193,183)
Impairment allowances/ provisions as at 30.06.2015	243,921	250,542	1,950,030	548,656	2,993,149	1,491	12,586	-	2,541	3,009,767

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



14. 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.

	01.01.2016- 30.06.2016 PLN thousand	01.01.2015- 30.06.2015 PLN thousand
Consolidated income statement		
Current income tax	(3,670)	6,134
Current tax charge	(3,647)	3,175
Adjustments related to current tax from previous years	(23)	2,959
Deferred income tax	15,546	5,131
Related to origination and reversal of temporary differences	9,114	80,654
Adjustments related to deferred tax from previous years	-	478
Utilisation of tax loss from previous years	7,250	-
Tax loss from current year	(818)	(76,001)
Tax charge in the consolidated income statement	11,876	11,265
Consolidated statement of comprehensive income		
Current income tax	-	-
Deferred income tax	8,671	741
Related to origination and reversal of temporary differences, of which:	8,671	741
related to available-for-sale financial assets	4,243	(5,302)
related to cash flow hedges	4,428	6,043
Tax charge in the consolidated statement of comprehensive income	8,671	741
Total main components of tax charge	20,547	12,006

	30.06.2016 PLN thousand	31.12.2015 PLN thousand
Deferred tax assets	513,232	567,315
Deferred tax liability	205,451	235,316
Net deferred tax assets	308,868	331,999
Net deferred tax liability	1,087	-

The deferred tax asset due to the current year tax loss amounted to PLN 818 thousand as at 30 June 2016. It is expected to be utilised within the terms in accordance with the provisions of the law on income tax from legal persons.

15. Loans and advances to customers

	30.06.2016 PLN thousand	31.12.2015 PLN thousand
Loans and advances	44,676,853	45,909,845
Purchased receivables	5,192,012	5,600,442
Payment cards and credit cards receivables	85,481	86,849
Total	49,954,346	51,597,136
Impairment allowances	(2,505,286)	(2,372,122)
Total, net	47,449,060	49,225,014

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



30.06.2016	Gross value of unimpaired loans	Gross value of impaired loans	Allowances for unimpaired loans and advances	Allowances for impaired loans and advances	Total net
corporate loans	8,956,658	780,452	(17,312)	(252,328)	9,467,470
car loans	2,073,434	319,180	(7,899)	(161,352)	2,223,363
mortgage loans	28,267,287	4,669,524	(48,729)	(1,423,086)	31,464,996
retail loans	3,736,206	1,151,605	(40,477)	(554,103)	4,293,231
Total	43,033,585	6,920,761	(114,417)	(2,390,869)	47,449,060

31.12.2015	Gross value of unimpaired loans	Gross value of impaired loans	Allowances for unimpaired loans and advances	Allowances for impaired loans and advances	Total net
corporate loans	9,763,059	826,844	(15,620)	(233,124)	10,341,159
car loans	2,366,684	357,589	(9,268)	(176,002)	2,539,003
mortgage loans	28,883,623	4,473,842	(46,252)	(1,305,726)	32,005,487
retail loans	3,747,721	1,177,774	(41,348)	(544,782)	4,339,365
Total	44,761,087	6,836,049	(112,488)	(2,259,634)	49,225,014

During 6-month period of 2016 Getin Noble Bank S.A. sold receivables, which consisted of both impaired loans, receivables written off from the Bank's accounts, as well as the portfolio of loans without impairment. The nominal value of portfolio covered by the assignment agreements totalled to PLN 902 million (the carrying amount of the portfolio amounted to PLN 806 million, of which PLN 755 million was the portfolio of unimpaired lease receivables).

CHF loans

Presented below is the information about the portfolio and the quality of mortgage loans denominated to and indexed in CHF:

30.06.2016	Gross value of unimpaired loans PLN thousand	Gross value of impaired loans PLN thousand	Allowances for unimpaired loans and advances PLN thousand	Allowances for impaired loans and advances PLN thousand	Total net PLN thousand
mortgage loans	11,568,124	1,801,789	(34,751)	(306,388)	13,028,774

31.12.2015	Gross value of unimpaired loans PLN thousand	Gross value of impaired loans PLN thousand	Allowances for unimpaired loans and advances PLN thousand	Allowances for impaired loans and advances PLN thousand	Total net PLN thousand
mortgage loans	11,614,974	1,767,117	(30,303)	(271,740)	13,080,048

Forbearance

The aim of the loan restructuring by the Bank is to maximize the efficiency of difficult debt management, i.e. to obtain the highest recoveries while minimizing the incurred costs related to the recovery of debts, ultimately aggravating the debtor.

The restructuring involves changing the terms of the loan repayment, which are individually set to each contract. Restructured exposures are exposures, which has been granted facilities in the form of a settlement with the debtor, who is experiencing or soon will be experiencing difficulties in meeting their financial obligations.

Restructuring of loan exposure is a renegotiation or amendment of the conditions of the loan agreement, receivables or investments held-to-maturity, resulting from the financial difficulties of the debtor or issuer.

Restructuring of loan exposure includes activities such as:

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



- capitalization of due receivables and determination a new installments repayment schedule,
- renewal of repayment terms of debt both as regards the principal amount and interest (grace period in terms of principal and/or interest),
- postponement (extension) of principal and interest repayment dates differently in relation to the current repayment schedule (individual repayment schedule),
- withdrawal from charging interest for a certain time of the whole or part of the debt,
- periodic accumulation of interest,
- change in the financial conditions of transaction (in particular, changing the interest rate, extending the term of the loan),
- cancellation of a part of the outstanding principal,
- redemption or cancellation of debt recovery of all or a part of an unpaid interest, due until the date of signing the agreement,
- resignation from charging and collecting of all or a part of the interest due on debt, starting from the date of signing the agreement (contract), if repayment of the debt will be within the period specified in the contract,
- change of payment order provided for in the agreement (payments first for the repayment of principal),
- providing debtor in specific cases with new banking products that will support the implementation of the restructuring program, only if there is an evidence of the validity of this,
- conversion of all or a part of debt into shares or interests in property of the debtor, acquisition of the debtor's assets in exchange for the release of all or a part of the debt,
- release / sale of collateral,
- refinancing of debt (meaning the use of debt contracts to provide total or partial repayment of other debt agreements, of which the debtor is not able to deliver on past conditions).

The Bank renegotiates contracts with debtors who find themselves in financial difficulties and are not able to meet the original terms of the loan agreement. Assessment of ability of a debtor to meet the conditions referred to in the restructuring annex (debt repayment on fixed dates) is an element of the restructuring process. The Bank providing facilities to the customer (forbearance) makes appropriate entries in the system, which allows the identification of the restructured loan portfolio. Restructured exposures are covered by the monitoring process. The debt after at least two years of quarantine period, in which at least half of the period it was regularly serviced, loses the status of restructured exposure and is known to be healed exposure / timely settled.

For the purposes of the calculation of impairment allowances in accordance with IAS 39 and IAS 37 the Bank also introduced a definition of restructured exposure as the exposure that has been restructured and that is during a probable restructuring. The exposure is considered to be restructured until a probable restructuring, which is a minimum 12 months from the date of restructuring. If the exposure is not being repaid in a timely manner, a probable restructuring period is extended. Each time through a process of restructuring the Bank performs an impairment test to assess whether there has been a loss of cash flows associated with the restructuring. If this test indicates a significant impairment loss, the exposure is treated as impaired exposure.

Each restructured exposure is tested for impairment resulting from restructuring, as well as for the occurrence of other defined indications of impairment. In case of individually significant exposures, this test is carried out as an individual assessment and in case of a loss of value recognition, an impairment allowance is calculated using a method of estimating cash flows for individually significant exposures. Exposures individually insignificant are subject to collective assessment and in case of a loss of value recognition, an impairment allowance is calculated using statistical methods. If for the individually

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



significant or individually insignificant contract no impairment indicators have been recognised, an allowance for incurred but not reported losses (IBNR) is calculated, however, the exposures during the probable restructuring are treated as exposures with increased risk, and for these exposures higher levels of impairment are calculated than for other contracts, for which an IBNR allowance has been recognised.

The following are data for the restructured exposures recognised in the calculation of impairment allowances in accordance with IAS 39 and IAS 37:

Restructured exposures 30.06.2016	Gross value of unimpaired loans PLN thousand	Gross value of impaired loans PLN thousand	Allowances for unimpaired loans and advances PLN thousand	Allowances for impaired loans and advances PLN thousand	Total net PLN thousand
Loans and advances:					
assessed individually	377,225	1,530,960	(4,899)	(499,658)	1,403,628
assessed collectively	347,815	1,528,533	(13,557)	(559,160)	1,303,631
Total	725,040	3,059,493	(18,456)	(1,058,818)	2,707,259

Restructured exposures 31.12.2015	Gross value of unimpaired loans PLN thousand	Gross value of impaired loans PLN thousand	Allowances for unimpaired loans and advances PLN thousand	Allowances for impaired loans and advances PLN thousand	Total net PLN thousand
Loans and advances:					
assessed individually	443,874	1,457,036	(6,922)	(443,580)	1,450,408
assessed collectively	548,823	1,634,968	(22,131)	(567,617)	1,594,043
Total	992,697	3,092,004	(29,053)	(1,011,197)	3,044,451

Restructured exposures – geographical structure 30.06.2016	Gross value PLN thousand	Allowances including IBNR PLN thousand	Total net value PLN thousand
Poland	3,727,638	(1,062,395)	2,665,243
Great Britain	20,238	(6,679)	13,559
Ireland	19,844	(6,075)	13,769
Other countries	16,813	(2,125)	14,688
Total	3,784,533	(1,077,274)	2,707,259

Restructured exposures – geographical structure 31.12.2015	Gross value PLN thousand	Allowances including IBNR PLN thousand	Total net value PLN thousand
Poland	3,980,863	(1,025,650)	2,955,213
Great Britain	66,955	(6,795)	60,160
Ireland	20,096	(5,146)	14,950
Other countries	16,787	(2,659)	14,128
Total	4,084,701	(1,040,250)	3,044,451

Restructured exposures – by type of debtor 30.06.2016	Gross value PLN thousand	Allowances including IBNR PLN thousand	Total net value PLN thousand
Loans and advances:			
financial institutions other than banks	13,676	(7,404)	6,272
non-financial institutions other than natural persons	574,089	(216,469)	357,620
natural persons	3,190,150	(853,295)	2,336,855
local government units	6,618	(106)	6,512
Total	3,784,533	(1,077,274)	2,707,259

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



Restructured exposures – by type of debtor 31.12.2015	Gross value PLN thousand	Allowances including IBNR PLN thousand	Total net value PLN thousand
Loans and advances:			
financial institutions other than banks	14,991	(7,953)	7,038
non-financial institutions other than natural persons	674,990	(225,243)	449,747
natural persons	3,387,044	(806,922)	2,580,122
local government units	7,676	(132)	7,544
Total	4,084,701	(1,040,250)	3,044,451

Restructured exposures – by type of loan 30.06.2016	Gross value PLN thousand	Allowances including IBNR PLN thousand	Total net value PLN thousand
corporate loans	200,898	(63,058)	137,840
car loans	149,470	(77,642)	71,828
mortgage loans	3,082,679	(783,946)	2,298,733
retail loans	351,486	(152,628)	198,858
Total	3,784,533	(1,077,274)	2,707,259

Restructured exposures – by type of loan 31.12.2015	Gross value PLN thousand	Allowances including IBNR PLN thousand	Total net value PLN thousand
corporate loans	215,854	(66,911)	148,943
car loans	204,033	(92,557)	111,476
mortgage loans	3,237,373	(707,318)	2,530,055
retail loans	427,441	(173,464)	253,977
Total	4,084,701	(1,040,250)	3,044,451

Restructured exposures - by overdue 30.06.2016	Gross value PLN thousand	Allowances including IBNR PLN thousand	Total net value PLN thousand
not overdue and overdue up to 30 days	1,536,414	(135,658)	1,400,756
overdue over 30 to 90 days	356,865	(45,204)	311,661
overdue over 90 days	1,891,254	(896,412)	994,842
Total	3,784,533	(1,077,274)	2,707,259

Restructured exposures - by overdue 31.12.2015	Gross value PLN thousand	Allowances including IBNR PLN thousand	Total net value PLN thousand
not overdue and overdue up to 30 days	1,867,340	(120,150)	1,747,190
overdue over 30 to 90 days	478,090	(63,954)	414,136
overdue over 90 days	1,739,271	(856,146)	883,125
Total	4,084,701	(1,040,250)	3,044,451

Restructured exposures - change	01.01.2016- 30.06.2016 PLN thousand
At the beginning of the period, net	3,044,451
Value of exposures recognized in the period	493,641
Value of exposures derecognized in the period	(764,955)
Repayments /other changes	(28,855)
Revaluation of impairment allowances	37,023
At the end of the period, net	2,707,259

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



16. Investments in associates

Information on associates of the Group are the following:

	% share in share capital and rights to votes by the Group	
	30.06.2016	31.12.2015
Open Finance S.A.	42.15%	42.15%

Open Finance S.A. is consolidated in the consolidated financial statements with equity method.

	01.01.2016- 30.06.2016	01.01.2015- 30.06.2015 restated
	PLN thousand	PLN thousand
Investments in associates at the beginning of the period	347,112	334,919
Share of profit/ (loss) *	(17,938)	6,132
Impairment allowances	(7,500)	
Investments in associates at the end of the period	321,674	341,051

* 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.

Presented below is a summary of the financial data of the associate. The amounts shown come from the consolidated financial statements of the Open Finance S.A. Capital Group prepared in accordance with IFRS.

	30.06.2016	31.12.2015
	PLN thousand	PLN thousand
Non-current assets	496,239	524,951
Current assets	103,115	110,922
Current liabilities	119,800	128,241
Non-current liabilities	125,569	110,162

	01.01.2016- 30.06.2016	01.01.2015- 30.06.2015
	PLN thousand	PLN thousand
Sales revenues	175,202	180,284
Net profit *	(42,556)	14,552
Total comprehensive income *	(42,556)	14,552

* Attributable to equity holders of the parent

The fair value of the investment in Open Finance S.A., for which there are published price quotations amounted to PLN 66,897 thousand as at 30 June 2016.

Test for impairment of an investment in an associate Open Finance S.A.

In accordance with IAS 36, to determine whether impairment of an investment in an associate is recognised its carrying amount is compared to its recoverable amount i.e. higher of fair value less costs to sell and value in use. The value in use was estimated based on the projected future results of Open Finance Capital Group S.A. in respect of the budgets approved by the Management Board of the company. Cash flow projections were developed for the three-year planning period, and the residual value was assumed in the form of constant flow on the basis of the results in the third period of the projection.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



The discount rate was determined on the basis of the cost of equity of Open Finance S.A. calculated with the use of beta value for comparable companies. The discount rate was increased due to the occurring uncertainty as to maintain the current level of risk-free interest rate and to reflect the risk of non-compliance with the financial projections of the company.

Apart from flows resulting from projected profits of the Open Finance S.A. Capital Group, the business synergy between an associate and Getin Noble Bank S.A. was examined. The financial effects of the identified areas of synergy were estimated and discounted using the rate covering the risk of non-implementation of synergies.

The recoverable amount of an investment in an associate is the value of cash flows discounted at the above assumptions plus the balance of cash and assets in the consolidated statement of financial position of Open Finance S.A. Capital Group. As a result of comparison of the recoverable amount with carrying value of the investment, in the first half of 2016 an impairment allowance on the investment in an associate was recognised in the amount of PLN 7.5 million.

17. Investments in joint ventures

On 10 February 2016 Getin Noble Bank S.A. signed an agreement with LC Corp. BV to sell 50.72% of owned shares in Getin Leasing S.A. Closing of the transaction took place on 29 February 2016, thus as at 30 June 2016 the Group has no investment in joint venture.

	01.01.2016- 30.06.2016 PLN thousand
Investments in joint ventures at the beginning of the period	172,338
Share of profit/ (loss)	304
Dividend paid	(38,040)
Sale of shares	(134,602)
Investments in joint ventures at the end of the period	-

18. Amounts due to customers

	30.06.2016 PLN thousand	31.12.2015 PLN thousand
Amounts due to corporate entities	7,713,816	8,875,920
current accounts and overnight deposits	1,721,138	1,659,689
term deposits	5,992,678	7,216,231
Amounts due to budgetary entities	4,453,833	3,175,828
current accounts and overnight deposits	1,681,302	1,286,456
term deposits	2,772,531	1,889,372
Amounts due to natural persons	42,886,177	43,674,473
current accounts and overnight deposits	6,541,831	6,040,340
term deposits	36,344,346	37,634,133
Total amounts due to customers	55,053,826	55,726,221

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



	30.06.2016 PLN thousand	31.12.2015 PLN thousand
Current accounts and overnight deposits	9,944,271	8,986,485
Term liabilities with due date:	45,109,555	46,739,736
up to 1 month	9,268,930	12,276,000
from 1 month to 3 months	13,400,714	11,639,112
from 3 months to 6 months	11,385,754	12,036,247
from 6 months to 1 year	6,290,673	6,574,090
from 1 year to 5 years	3,343,937	2,694,373
over 5 years	1,419,547	1,519,914
Total amounts due to customers	55,053,826	55,726,221

19. Provisions

2016	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
Provisions as at 01.01.2016	-	4,477	15,721	2,865	23,063
Recognition/ actualisation	3,247	859	2,488	4,931	11,525
Utilisation	(2,718)	(1,600)	(674)	-	(4,992)
Reversal	-	-	-	(1,915)	(1,915)
Provisions as at 30.06.2016	529	3,736	17,535	5,881	27,681

2015	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
Provisions as at 01.01.2015	394	3,827	16,411	4,570	25,202
Recognition/ actualisation	-	-	4,077	2,318	6,395
Utilisation	(155)	-	(669)	-	(824)
Reversal	(239)	(350)	(511)	(4,347)	(5,447)
Other decreases	-	-	(606)	-	(606)
Provisions as at 30.06.2015	-	3,477	18,702	2,541	24,720

20. 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.

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 2016, amounts to PLN -48,565 thousand. Cash flows relating to hedged transactions will

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



be realised from 1 July 2016 to 24 February 2021, i.e. to maturity date of the longest CIRS transaction.

The maturity dates of CIRS hedging transactions (in nominal value) as at 30 June 2016 and 31 December 2015 are as follows:

	30.06.2016	
	Receivables PLN thousand	Liabilities PLN thousand
Maturity dates of CIRS hedging transactions:		
up to 1 month	338,350	406,770
over 1 month to 3 months	120,024	122,031
over 3 months to 1 year	1,357,996	1,505,049
over 1 year to 5 years	10,020,531	11,285,419
Total CIRS hedging transactions	11,836,901	13,319,269

	31.12.2015	
	Receivables PLN thousand	Liabilities PLN thousand
Maturity dates of CIRS hedging transactions:		
up to 1 month	370,110	390,348
over 1 month to 3 months	448,800	590,910
over 3 months to 1 year	3,294,016	3,494,687
over 1 year to 5 years	7,136,212	8,154,558
Over 5 years	193,865	196,970
Total CIRS hedging transactions	11,443,003	12,827,473

The fair value of cash flow hedging instruments as at 30 June 2016 and 31 December 2015 is presented below. As the fair value of the hedging instrument its carrying value is given.

	30.06.2016	31.12.2015
	PLN thousand	PLN thousand
CIRS - positive valuation	-	12,424
CIRS - negative valuation	(1,472,535)	(1,450,010)

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

	01.01.2016- 30.06.2016	01.01.2015- 30.06.2015
	PLN thousand	PLN thousand
Accumulated comprehensive income at the beginning of the period (gross)	(131,550)	(188,738)
Gains/(losses) on hedging instrument	(248,358)	(1,452,878)
Amount transferred from other comprehensive income to income statement, of which:	271,664	1,484,682
interest income	(114,888)	(101,737)
gains/(losses) on foreign exchange	386,552	1,586,419
Accumulated comprehensive income at the end of the period (gross)	(108,244)	(156,934)
Tax effect	20,566	29,817
Accumulated comprehensive income at the end of the period (net)	(87,678)	(127,117)
Ineffective cash flow hedges recognised through profit and loss	(429)	(10,094)
Effect on other comprehensive income in the period (gross)	23,306	31,804
Deferred tax on cash flow hedge	(4,428)	(6,043)
Effect on other comprehensive income in the period (net)	18,878	25,761

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



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 2016 and 31 December 2015 is presented in the following table:

	30.06.2016 PLN thousand	31.12.2015 PLN thousand
Fair value of IRS transactions constituting accounting hedges under the fair value hedge of retail customer deposits against interest rate risk	13,171	13,212

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:

	01.01.2016 - 30.06.2016		01.01.2015 - 30.06.2015	
	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	-	-	-	4,781
Losses	41	1,260	5,913	-
Total	41	1,260	5,913	4,781

Since 1 January 2016 to 30 June 2016 the Bank recognized amortization of changes in the fair value of the hedged item in the amount of PLN 621 thousand and since 1 January 2015 to 30 June 2015 in the amount of PLN 1,516 thousand.

21. 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.

22. Issue, redemption and repurchase of securities

During the 6-month period ended 30 June 2016, the following issues and redemptions of bonds were made by Getin Noble Bank S.A:

Type of securities issued	Issue date	Redemption date	Number of securities	Nominal value PLN thousand
Getin Noble Bank Bonds PP5-II	2016-03-31	2023-03-31	35,000	35,000
Getin Noble Bank Bonds PP5-III	2016-04-29	2023-04-28	35,000	35,000
Getin Noble Bank Bonds PP5-IV	2016-05-31	2023-05-31	50,000	50,000
Total			120,000	120,000

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



Type of redeemed securities	Issue date	Redemption date	Number of securities	Nominal value PLN thousand
Getin Noble Bank Bonds GNB15012	2015-07-10	2016-01-11	535	53,500
Getin Noble Bank Bonds SP-I	2015-03-23	2016-01-28	2,082	2,082
Getin Noble Bank Bonds SP-I	2015-03-23	2016-02-11	3,882	3,882
Getin Noble Bank Bonds GNB15016	2015-11-25	2016-02-25	150	15,000
Getin Noble Bank Bonds SP-I	2015-03-23	2016-03-10	711	711
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-03-11	1,089	10,890
Getin Noble Bank Bonds 32/2013	2013-06-20	2016-03-18	70	7,000
Getin Noble Bank Bonds 11/2013	2013-03-28	2016-03-29	30	15,000
Getin Noble Bank Bonds GNB15016	2015-10-13	2016-04-12	150	15,000
Getin Noble Bank Bonds SP-I	2015-03-23	2016-05-06	1,067	1,067
Getin Noble Bank Bonds 23/2013	2013-05-15	2016-05-16	80	40,000
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-05-19	52	520
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-05-24	83	830
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-05-27	1,641	16,410
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-06-02	10,639	106,390
Getin Noble Bank Bonds GNB14018	2014-12-19	2016-06-02	5,000	50,000
Getin Noble Bank Bonds SP-I	2015-03-23	2016-06-02	268	268
Getin Noble Bank Bonds GNB14003	2014-07-18	2016-06-02	6,500	65,000
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-06-06	2,361	23,610
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-06-08	1,739	17,390
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-06-14	5,005	50,050
Getin Noble Bank Bonds SP-I	2015-03-23	2016-06-14	90	90
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-06-17	1,500	15,000
Getin Noble Bank Bonds SP-I	2015-03-23	2016-06-17	878	878
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-06-22	2,065	20,650
Getin Noble Bank Bonds SP-I	2015-03-23	2016-06-22	353	353
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-06-24	100	1,000
Getin Noble Bank Bonds GNB14001	2014-06-30	2016-06-28	1,499	14,990
Getin Noble Bank Bonds SP-I	2015-03-23	2016-06-29	249	249
Total			49,868	547,810

On 21 March 2016 the Bank asked the Polish Financial Supervision Authority for acceptance of the "Plan of sustained profitability improvement" within the meaning of Article 142 of the Polish Banking Law Act. This fact, in accordance with Issue Terms of Coupon Bonds, entitles bondholders to written request for earlier redemption of bonds at nominal value specified in Issue Terms plus interest accrued to the date of earlier redemption. Therefore the Bank redeemed bonds in the amount of PLN 394 million as at 30 August 2016 (of which bonds at the amount of PLN 10 million were redeemed before 30 June). The remaining amount that may be requested for earlier redemption is maximum PLN 138 million (of nominal value).

23. Dividends paid and proposed

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

On 18 April 2016 the General Shareholders Meeting of Getin Noble Bank S.A. decided to allocate the Bank's full profit for the year 2015 to increase the reserve capital.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



24. Contingent liabilities

The Group 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 Group issues guarantees and letters of credit which serve as security in case the Group's customers will discharge their liabilities towards third parties. The Group 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 Group 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 statement of financial positions under "Provisions" and in the income statement.

	30.06.2016	31.12.2015
	PLN thousand	PLN thousand
Financial contingent liabilities granted	2,304,237	2,096,910
to financial entities	313,944	187,454
to non-financial entities	1,494,530	1,856,147
to budgetary entities	495,763	53,309
Guarantees granted	170,498	170,405
to financial entities	5,047	5,039
to non-financial entities	159,380	158,467
to budgetary entities	6,071	6,899
Total contingent liabilities granted	2,474,735	2,267,315

	30.06.2016	31.12.2015
	PLN thousand	PLN thousand
Financial	130,000	300,000
Guarantees	323,136	356,154
Total contingent liabilities received	453,136	656,154

25. 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.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)



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

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:

GETIN NOBLE BANK S.A. CAPITAL GROUPInterim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



	30.06.2016		31.12.2015	
	Carrying amount PLN thousand	Fair value PLN thousand	Carrying amount PLN thousand	Fair value PLN thousand
ASSETS				
Cash and balances with the Central Bank	6,174,553	6,174,553	2,724,472	2,724,472
Amounts due from banks and financial institutions	1,285,049	1,285,049	2,294,916	2,294,916
Loans and advances to customers	47,449,060	45,639,191*	49,225,014	47,376,279*
Held-to-maturity financial assets	171,846	170,645	154,322	152,265
LIABILITIES				
Amounts due to banks and financial institutions	4,300,535	4,300,535	3,828,812	3,828,812
Amounts due to customers	55,053,826	55,970,870	55,726,221	56,355,527
Debt securities issued	3,615,193	3,286,619	4,093,061	3,818,010

* The methodology for fair value measurement of the portfolio of loans and advances applied by the Group involving the identified cash flows discounted with interest rates taking into account the current margins for the type of product, resulted in an increase in credit spreads had a negative impact on the valuation of the portfolio at fair value. In the Group's opinion the current margins reflect the best currently existing market conditions, but at the same time their growth causes a decrease in the fair value of the "old" loan portfolio.

The Group classifies the individual 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

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, derivatives as well as investment properties.

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.

The carrying amounts of financial instruments at fair value by 3 hierarchy levels as at 30 June 2016 and 31 December 2015 are presented below:

30.06.2016	Level 1 PLN thousand	Level 2 PLN thousand	Level 3 PLN thousand	Total PLN thousand
ASSETS				
Financial assets held for trading	1,317	-	7,478	8,795
Financial assets measured at fair value through profit or loss	-	-	161,882	161,882
Derivative financial instruments	-	74,339	42,746	117,085
Available-for-sale financial assets	10,528,100	501,773	443,341	11,473,214
LIABILITIES				
Derivative financial instruments	-	1,584,515	-	1,584,515

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



31.12.2015	Level 1 PLN thousand	Level 2 PLN thousand	Level 3 PLN thousand	Total PLN thousand
ASSETS				
Financial assets held for trading	1,764	-	16,106	17,870
Financial assets measured at fair value through profit or loss	-	-	166,817	166,817
Derivative financial instruments	-	129,075	39,836	168,911
Available-for-sale financial assets	8,482,523	3,799,477	259,224	12,541,224
LIABILITIES				
Derivative financial instruments	-	1,520,459	-	1,520,459

In the 6-month period of 2016 and 2015 there were no movements between level 1 and level 2 of the fair value hierarchy, neither any asset or liability was moved from level 1 or level 2 to level 3 of fair value hierarchy.

As at 30 June 2016 fair value of investment properties in the amount of PLN 707,671 thousand was classified within level 3 of fair value hierarchy.

Valuation techniques and inputs when measuring fair value of 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 42,746 thousand. If share value increases by 1%, the fair value of the option will be reduced by PLN 609 thousand, if share value drops by 1%, the value of the option will increase by PLN 618 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.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



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 0.58% to 4.29%) amounted to PLN 311,375 thousand. In case of upward shift of risk margins by 25 basis points the fair value decreases by PLN 2,046 thousand, in case of downward shift of risk margins by 25 basis points the fair value increases by PLN 2,064 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 Market Risk and Valuation 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.

Investment properties

The fair value of investment properties as at 30 June 2016 was measured based on the valuation carried out on that day by independent valuers and Real Estate Valuation Unit in Getin Noble Bank S.A., which are skilled to make investment properties valuation, as well as experienced in such valuations made in locations where assets of the Group are situated. The valuation of the investment properties was carried out by reference to market prices of similar properties using the average price adjustment method or pair comparison in comparative approach. In case of lack of transactions concerning similar properties, the value of a property was specified by investment method in accordance with income approach, straight capitalisation technique. Estimating the fair value of properties, most favourable and best use approach was used (what is the valid use of these properties).

26. Capital ratio

As at 30 June 2016 the capital ratio 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).

	30.06.2016 PLN thousand	31.12.2015 PLN thousand
Tier 1 capital	5,109,900	5,054,315
Tier 2 capital	1,394,193	1,472,065
TOTAL OWN FUNDS	6,504,093	6,526,380
TOTAL CAPITAL REQUIREMENTS	3,333,518	3,643,222
CAPITAL RATIOS		
Tier 1 capital ratio	12.3%	11.1%
Total capital ratio	15.6%	14.3%

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



On 22 October 2015 the Polish Financial Supervision Authority (KNF) announced the banks introducing the additional security buffer increasing requirements for capital ratios by 1.25 percentage points. In effect from 1 January 2016 the minimum capital ratios recommended by the Polish Financial Supervision Authority will rise to level of 10.25% for Tier 1 capital ratio and 13.25% for the total capital ratio.

Additionally, on 23 October 2015, the Management Board of the Bank received from the Polish Financial Supervision Authority a recommendation on the amount of additional capital requirement for the own funds to cover the risk arising from foreign currency mortgage loans to households. In March 2016 the Commission pointed out that the adequate level of own funds on covering the additional requirement concerning shareholders' equity in order to hedge mortgage FX loan risk should be kept both for the Bank as well as for the Capital Group.

Having verified the Capital Group, the Commission recommended to keep own funds on covering the additional equity requirement on 2,01 p.p. level in order to hedge mortgage FX loan risk that should composed of at least 75% of Tier 1 (equivalent of 1,51 p.p.).

It means that the minimum capital ratios, taking into account the additional capital requirement recommended by the Commission and ordered to be reached by the end of June 2016, on a consolidated basis are as follows:

- Tier 1 Capital ratio T1= 11.76%
- Total capital ratio TCR= 15.26%

As at 30 June 2016, the Group achieved the required level of capital ratios

27. 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 concierge services, and until 31 March 2015 leasing activity including lease of vehicles, machinery and equipment as well as fleet management.

The segment's income includes all income recognised by Getin Noble Bank S.A., BPI Bank Polskich Inwestycji S.A., Noble Concierge sp. z o.o. and GNB Auto Plan sp. z o.o., GNB Leasing Plan Ltd., as well as Getin Leasing S.A. Group for the first quarter of 2015. Assets of this segment comprise assets of Getin Noble Bank S.A., BPI Bank Polskich Inwestycji S.A., Noble Concierge sp. z o.o. and GNB Leasing Plan Ltd.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



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. and LAB sp. z o.o. 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. and LAB sp. z o.o.

Asset 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., entities of Property FIZAN Group and Debtor NS FIZ. The segment assets include assets of Noble Funds TFI S. A., Sax Development sp. z o. o., entities of Property FIZAN Group and DEBTOR NS FIZ.

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. Amounts of revenues, profit before tax and total assets presented in segments does not include consolidation adjustments and eliminations.

01.01.2016 - 30.06.2016	Banking PLN thousand	Financial intermediary PLN thousand	Asset management PLN thousand	Consolidation adjustments PLN thousand	Total PLN thousand
Revenues of segments					
External	1,800,583	29,784	33,135	3,072	1,866,574
Internal	166,351	8,268	6,235	(180,854)	-
Total revenues of segments	1,966,934	38,052	39,370	(177,782)	1,866,574
Profit before tax of segments					
External	132,123	58	7,744	(143,987)	(4,062)
Internal	65,091	2,373	(1,148)	(66,316)	-
Total profit/ (loss) of segments	197,214	2,431	6,596	(210,303)	(4,062)
Segments assets as at 30.06.2016	72,974,538	444,384	1,250,578	(4,578,000)	70,091,500

Banking segment income includes interest income amounting to PLN 1,480,978 thousand, and Profit before tax also includes interest expense amounting to PLN 847,457 thousand.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



01.01.2015 - 30.06.2015	Banking	Financial intermediary	Asset management	Consolidation adjustments	Total
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Revenues of segments					
External	2,117,480	20,598	45,409	(6,275)	2,177,212
Internal	122,290	5,132	4,027	(131,449)	-
Total revenues of segments	2,239,770	25,730	49,436	(137,724)	2,177,212
Profit before tax of segments					
External	196,749	16,395	8,052	(1,164)	220,032
Internal	11,205	227	(4,745)	(6,687)	-
Total profit/ (loss) of segments	207,954	16,622	3,307	(7,851)	220,032
Segments assets as at 30.06.2015	71,300,891	385,837	585,413	(1,896,614)	70,375,527

Banking segment income includes interest income amounting to PLN 1,615,707 thousand, and Profit before tax also includes interest expense amounting to PLN 1,078,218 thousand.

28. Related party transactions

The Getin Noble Bank S.A. Capital Group understands related party as the Group's associates 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 3.

Related entities, within its operations, hold current accounts in Getin Noble Bank S.A., on which they carry out clearing operations and deposit cash on term deposits.

Within loan activities to related parties, the Bank applies standard loan conditions:

- transactions are concluded in accordance with accepted by the Bank rules and conditions
- the assessment of reliability of related entities, is based on rules applicable during the assessment of creditworthiness of the Bank's other customers
- the rules for funding transactions hedge are in accordance with the instruction of legal hedge applicable in the Bank
- the Bank applies general rules of monitoring of payments and rules of termination of agreements and receivables collection.

Additionally, the Bank purchases debts from related entities and acts as an agent in sale of insurance policies and investment products offered by related entities and also uses intermediary services related to sale of own products.

All of transactions between the Bank and its related parties, except agreements described below, resulted from operating activities of the Bank.

Sale of shares of Getin Leasing S.A.

On 10 February 2016 Getin Noble Bank S.A. signed an agreement with LC Corp. BV to sell 50.72% of owned shares in Getin Leasing S.A. Closing of the transaction took place on 29 February 2016, thus as at 30 June 2016 the Group has no investment in joint venture. The final price agreed by the parties amounted to PLN 180 million.

The sale of shares of Noble Funds TFI

On 29 April 2016 the Bank completed the sale transaction of 3 packages of 9993 shares of Noble Funds TFI S.A. each constituting 29.97% of its share capital, two of which were sold to related parties: Open Finance S.A. and RB Investcom.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



Settlement of the securitization transaction

In April the Bank made a final settlement and closed the securitization transaction of the portfolio of car loans, carried out in December 2012 with the special purpose entity – GNB Auto Plan Sp. z o.o.

Sale of portfolio of receivables

In the first half of 2016 the Bank sold to Idea Bank S.A. the portfolio of unimpaired lease receivables at the nominal value of PLN 660 million.

30.06.2016	Statement of financial position						Off-balance
	Assets – loans and purchased receivables. PLN thousand	Assets – financial instruments PLN thousand	Assets – other receivables PLN thousand	Liabilities – deposits PLN thousand	Liabilities – other liabilities PLN thousand	Impairment allowances PLN thousand	Financial liabilities and guarantees granted PLN thousand
Associates – Open Finance S.A. Capital Group	-	80,678	28,205	11,022	487	4	-
Entities related to the ultimate parent	5,107,721	83,104	333,751	283,261	2,145	92	3,078
Entities of Getin Leasing S.A. Capital Group	4,879,292	74,510	63	25,567	393	14	735
Entities of Getin Holding S.A. Capital Group	25,006	8,594	165,252	23,532	1,561	10	2,292
Entities of LC Corp B.V. and LC Corp S.A. Group	203,421	-	168,435	231,999	102	68	41
Other entities	2	-	1	2,163	89	-	10
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	486	-	-	15,854	-	-	1,863

01.01.2016-30.06.2016	Income statement				
	Interest and commission income PLN thousand	Interest and commission expense PLN thousand	Other purchases PLN thousand	Other sale PLN thousand	Dividend income PLN thousand
Associates – Open Finance S.A. Capital Group	3,069	15,800	8,109	21,900	-
Entities related to the ultimate parent	128,722	20,296	17,632	205,601	38,040
Entities of Getin Leasing S.A. Capital Group	111,472	11,427	2,018	3,599	38,040
Entities of Getin Holding S.A. Capital Group	12,340	7,517	357	952	-
Entities of LC Corp B.V. and LC Corp S.A. Group	4,894	1,343	13,910	180,071	-
Other entities	16	9	1,347	20,979	-
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	13	98	-	-	-

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period ended 30 June 2016

(data in PLN thousand)



31.12.2015	Statement of financial position						Off-balance
	Assets – loans and purchased receivables.	Assets – financial instruments	Assets – other receivables	Liabilities – deposits	Liabilities – other liabilities	Impairment allowances	Financial liabilities and guarantees granted
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Associates:	-	80,903	7,810	12,047	1,876	-	-
Entities of Open Finance S.A. Capital Group	-	80,903	7,810	12,047	1,876	-	-
Joint ventures:	5,313,271	14,986	1,285	61,600	964	83	472
Entities of Getin Leasing S.A. Capital Group	5,313,271	14,986	1,285	61,600	964	83	472
Entities related to the ultimate parent:	262,294	8,783	332,312	309,874	17,660	409	12,341
Entities of Getin Holding S.A. Capital Group	31,041	8,783	332,179	69,360	16,207	48	10,656
Entities of LC Corp B.V. and LC Corp S.A. Group	231,250	-	133	238,208	1,451	361	1,676
Other entities	3	-	-	2,306	2	-	9
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	324	-	-	6,717	-	-	2,024

01.01.2015-30.06.2015	Income statement				
	Interest and commission income	Interest and commission expense	Other purchases	Other sale	Dividend income
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Associates – Open Finance S.A. Capital Group	4,964	30,996	994	3,666	-
Joint ventures – Getin Leasing S.A. Capital Group	51,985	244	1,127	1,316	-
Entities related to the ultimate parent	16,208	4,684	19,347	289,840	-
Entities of Getin Holding S.A. Capital Group	11,890	2,558	3,151	289,781	-
Entities of LC Corp B.V. and LC Corp S.A. Group	4,311	2,122	13,263	50	-
Other entities	7	4	2,933	9	-
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	12	113	-	-	-

29. Events having a significant impact on the Group's operations

In the first quarter of 2016 the Bank implemented a new strategy of Getin Noble Bank for the years 2016-2018, which was presented with the announcement of the results for 2015. The new Strategy envisages the continuation of Getin Up strategy adopted in 2012, through the construction of a viable and effective universal bank with sustainable and recurring sources of income. Among the main pillars of the new Strategy are the following:

- reduction in the perspective of three years the premium cost of deposits in relation to the market for approx. 60 bps,
- transformation of service network based on a new segmentation of Customers, divided into three main segments: retail Getin, Noble Personal Banking for Customers premium and Noble Private Banking for affluent customers,
- implementation of the new digital strategy with a particular emphasis on the development of mobile banking, which further development will ensure the possibility of carrying out all banking operations on the smartphone, as well as provide the highest satisfaction with ease of use and the possibility to contact the Bank through the application,
- maintaining leadership position in the automotive segment and the continuation of cooperation with the Getin Leasing Group, which will cover both the purchase of receivables, as well as intermediation in the sale of car loans,

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



- further organic growth in the local government sector and maintaining position among the leaders in financing developers.

In preparing the new strategy, the Management Board took into account the current results of the Bank, as well as the risk of periodic balance sheet loss caused by additional external burdens, and made the decision, approved by the Supervisory Board to submit to the Polish Financial Supervision Authority a request for approval of the "Plan for a sustainable improvement in profitability", which meets the requirements of Article. 142 of the Banking Law. In the opinion of the Management Board the transformation of Getin Noble Bank defined this way, providing for the reconstruction of retail banking, maintaining a leading position in the automotive segment, as well as the digitization of services, will contribute to the sustainable growth of the Bank's business efficiency and thus will improve its profitability.

By letter dated 13 June 2016 PFSA requested to complete/verify submitted Plan. The completed Plan approved by Management Board and Supervisory Board was submitted to Polish Financial Supervision Authority on 11 August.

Tax on certain financial institutions

Since February 2016 banks are payers of tax calculated on total assets decreased by PLN 4 billion and the amount of own funds and purchased government bonds; this tax is not considered to be deductible for the corporate income tax. Net profit of the Bank is debited by the amount of PLN 38.3 million of the tax on certain financial institutions. According to the Act on tax on certain financial institutions dated 15 January 2016, the bank concerned remediated in accordance with Article. 142 of the Banking Law is exempt from the tax on financial institutions. As a result of "Plan for a sustainable improvement in profitability" submitted to the Polish Financial Supervision Authority in March 2016, the Bank is exempt from payment of the tax on financial institutions.

Final allocation of the settlement of the Visa Europe Limited

In the second quarter of 2016 was finalized the acquisition of the Visa Europe Limited by Visa Inc. As a result of the settlement the Group received:

- 1/ EUR 3.7 million in cash, PLN 16.4 million as translated at the exchange rate from 21.06.2016
- 2/ 1.357 VISA Inc. preferred Series C shares. The preferred shares will be converted into ordinary shares of Visa Inc to 2028. The conversion factor of preferred shares into ordinary shares may be decreased depending on the current and potential litigation, in which one of the parties will be Visa Inc.
- 3/ Deferred payment of EUR 0.3 million paid in second quarter of 2019.

The Bank measures fair value of preferred shares taking into account the risk of restricted transferability of shares as well as the risk of decrease of conversion factor. The preferred shares are classified as available-for-sale financial assets. On the date of settlement of the transaction the valuation of these shares amounted to PLN 4.5 million.

30. Subsequent events

On 8 July 2016 the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court ("Court") made an entry concerning the registration of the share capital reduction by 1 share.

The share capital reduction is another step in the consolidation of shares for adjusting the number of shares of the Issuer to a fixed exchange ratio. To effectively carry out this process acquisition of one own share by the Issuer was required, its redemption, reduction of share capital and registration of a change in the Articles of Association of the Company. The amended value of the share capital and number of shares will allow to carry out the whole process and to establish a new nominal value of the shares at a level of PLN 2.73 each.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



On 2 August 2016 the President's Office presented a new draft law "on the principles of reimbursement of certain debts arising from loan and credit agreements" relating to loans denominated and indexed to foreign currencies. The draft provides for the obligation to return the benefits collected at start and repayment of the loan due to the spread higher than specified in the draft law, which assumes respectively 0.5% deviation from the buying and selling exchange rate of the currency announced by the National Polish Bank – the amounts resulting from the application of higher spreads would be refundable. The draft provides for the obligation to return the spreads that occurred to be excessive, according to the approach adopted by the legislature, with interest amounting to half of the statutory interest.

Possible implementation of the law changes related to conversion or repayment of spreads on loans indexed/ denominated presents a risk of significant additional burden on the Bank. The Bank did not estimate the amount of additional burden resulting from the presented in the draft law "on the principles of reimbursement of certain debts arising from loan and credit agreements" proposals concerning the return of the so-called FX spreads (including interest) due to:

a/ the existence of ambiguity in interpretation, including as to the correctness of the conversion formulas used in the draft law (indicated also by independent analysts and institutions),

b/ the need to perform a very detailed analysis of the history of each loan account that could be covered by the regulation (which requires, among other things the creation of additional IT tools).

On 8 August 2016 the Bank has received information that the Polish Financial Supervision Authority, as part of its administrative proceedings in order to identify Getin Noble Bank as other systemically important institution, on the basis of an assessment performed in accordance with Article 39 paragraph 1 of the Act of 5 August 2015 on macro-prudential oversight of the financial system and crisis management in the financial sector decided to ask the Financial Stability Committee ("the Committee") to express an opinion on the identification of the Bank as other systemically important institution and impose on the Bank a buffer in the amount equivalent to 0.25% of the total risk exposure calculated in accordance with Article 92 paragraph 3 of the EU Regulation No. 575/2013.

On 17 August 2016 the Bank was informed about the decision, in which the Committee expressed a positive opinion on the identification of Getin Noble Bank S.A. by the KNF as other systemically important institution and the imposition on the Bank by the KNF (consolidated and standalone) a buffer of other systemically important institution in the amount equivalent to 0.25%.

As at the date of publication of this report, the Bank has not received information about the date of introduction of the buffer of other systemically important institution and its impact on the Group's required capital ratios.

On 9 August 2016 the Management Board and the Supervisory Board approved the revised "Plan of sustained improvement in profitability", within the meaning of Article 142 of the Banking Law ("Plan"). The plan was submitted to the Polish Financial Supervision Authority on 11 August 2016.

On 9 August 2016 the Management Board and the Supervisory Board expressed a positive opinion on the intention to commence work on the merger process of a subsidiary Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. with Open Finance Towarzystwo Funduszy Inwestycyjnych S.A. On 24 August 2016 the plan of merger of Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. with Open Finance Towarzystwo Funduszy Inwestycyjnych S.A. with its registered office in Warsaw was signed. The merger will take place, pursuant to Article 492 paragraph 1 point 1 of Code of Commercial Companies, by transferring all assets of the Acquired Company to the Acquiring Company (merger by acquisition) with a simultaneous increase of the share capital of Noble Funds TFI through a new share issue, which Noble Funds TFI will give to the shareholders of Open Finance TFI. Following the merger, the shareholders of Open Finance TFI will become shareholders of Noble Funds TFI on the date of merger, i.e. on the day the merger is recorded in the register appropriate for the seat of Noble Funds TFI. In connection with the merger, the shareholders of Open Finance TFI in exchange for shares

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



in Open Finance TFI will be awarded shares of Noble Funds TFI in the following ratio: for 63.8174931 (sixty-three and 8174931/10000000) shares in Open Finance TFI with a nominal value of PLN 1 (one) each, 1 (one) share of Noble Funds TFI with a nominal value of PLN 5 (five) will be awarded.

It is expected that the transaction will be finalized in the first half of 2017. In connection with the planned transaction, the Bank expects a loss of self-control over the merged entity.

After 30 June 2016 there were no other events which were not disclosed in these financial statements which may significantly impact the financial results of the Getin Noble Bank S.A. Capital Group for the 6-month period ended 30 June 2016 as well as its the future financial results.

GETIN NOBLE BANK S.A. CAPITAL GROUP

Interim condensed consolidated financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)



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

Krzysztof Rosiński
President of the Management Board

Artur Klimczak
Vice President of the Management Board

Krzysztof Basiaga
Member of the Management Board

Marcin Dec
Member of the Management Board

Karol Karolkiewicz
Member of the Management Board

Radosław Stefurak
Member of the Management Board

Maciej Szczechura
Member of the Management Board

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

Beata Kisielewska
Director of Accounting Department

Warsaw, 30 August 2016

GETIN NOBLE BANK S.A.Interim condensed standalone financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)

**III. INTERIM CONDENSED STANDALONE FINANCIAL STATEMENTS****1. Interim standalone income statement**

	Note	01.04.2016- 30.06.2016	01.01.2016- 30.06.2016	01.04.2015- 30.06.2015 restated	01.01.2015- 30.06.2015 restated
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
CONTINUED ACTIVITY					
Interest income		696,424	1,420,958	734,890	1,531,007
Interest expense		(381,097)	(790,953)	(465,292)	(998,500)
Net interest income		315,327	630,005	269,598	532,507
Fee and commission income		45,176	109,446	121,116	237,399
Fee and commission expense		(40,688)	(78,746)	(42,688)	(84,924)
Net fee and commission income		4,488	30,700	78,428	152,475
Dividend income		11,393	77,753	14,077	29,036
Result on financial instruments measured at fair value through profit or loss and net foreign exchange gains		(523)	14,700	8,252	10,807
Result on other financial instruments		19,559	19,172	1,282	12,647
Result on investments in subsidiaries, associates and joint ventures	IV.2	43,997	209,603	-	131,188
Other operating income		9,410	21,652	8,075	15,126
Other operating expense		(20,549)	(51,830)	(25,796)	(50,707)
Net other operating income and expense		(11,139)	(30,178)	(17,721)	(35,581)
Administrative expenses		(200,205)	(411,276)	(225,825)	(450,205)
Net impairment allowances on financial assets and off-balance sheet provisions		(149,178)	(305,850)	(62,965)	(181,355)
Operating profit		33,719	234,629	65,126	201,519
Share in profits (losses) of associates under the equity method		(16,519)	(14,927)	3,401	4,615
Tax on certain financial institutions		(163)	(38,273)	-	-
Profit before tax		17,037	181,429	68,527	206,134
Income tax		(7,898)	(37,131)	(19,096)	(43,464)
Net profit		9,139	144,298	49,431	162,670

Details for restatement of comparative data for 2015 are presented in Note IV 1.1.

GETIN NOBLE BANK S.A.

Interim condensed standalone financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)

**2. Interim standalone statement of comprehensive income**

	Note	01.04.2016- 30.06.2016	01.01.2016- 30.06.2016	01.04.2015- 30.06.2015 restated	01.01.2015- 30.06.2015 restated
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
Net profit for the period		9,139	144,298	49,431	162,670
Items that may be reclassified to profit or loss, of which:		(65,108)	36,995	34,686	2,886
Valuation of available-for-sale financial assets		(32,093)	22,367	(54,295)	(28,241)
Cash flow hedges		(48,287)	23,306	97,118	31,804
Tax effect related to items that may be reclassified to profit or loss		15,272	(8,678)	(8,137)	(677)
Net other comprehensive income		(65,108)	36,995	34,686	2,886
Total comprehensive income for the period		(55,969)	181,293	84,117	165,556

GETIN NOBLE BANK S.A.Interim condensed standalone financial statements for the 6-month period
ended 30 June 2016

(data in PLN thousand)

**3. Interim standalone statement of financial position**

	Note	30.06.2016 PLN thousand	31.12.2015 restated PLN thousand	1.01.2015 restated PLN thousand
ASSETS				
Cash and balances with the Central Bank		6,174,548	2,724,460	2,840,565
Amounts due from banks and financial institutions		1,106,856	2,008,466	1,410,839
Financial assets held for trading			-	-
Financial assets measured at fair value through profit or loss		161,882	166,817	170,371
Derivative financial instruments		106,666	159,074	242,013
Loans and advances to customers		48,183,295	50,455,467	49,114,356
Financial assets, of which:		11,339,113	12,390,902	11,328,004
available-for-sale		11,167,267	12,236,580	11,232,147
held-to-maturity		171,846	154,322	95,857
Investments in subsidiaries, associates and joint ventures	IV.2	1,353,823	1,321,746	858,682
Intangible assets		269,061	264,055	219,983
Property, plant and equipment		183,267	202,371	190,619
Investment properties		421,256	478,585	378,531
Non-current assets held for sale		36,691	19,432	4,494
Income tax assets, of which:		291,095	335,920	374,609
receivables relating to current income tax		5,015	4,031	13,215
deferred tax assets		286,080	331,889	361,394
Other assets		810,630	1,235,094	731,464
TOTAL ASSETS		70,438,183	71,762,389	67,864,530
LIABILITIES AND EQUITY				
Liabilities				
Amounts due to banks and financial institutions		3,929,265	3,457,657	4,451,229
Derivative financial instruments		1,582,508	1,519,279	742,340
Amounts due to customers		55,092,208	55,812,803	53,092,293
Debt securities issued		2,401,101	2,829,820	3,313,904
of which subordinated debt		2,245,392	2,124,286	2,092,427
Other liabilities		2,142,061	3,037,409	1,179,955
Provisions		26,047	21,721	23,355
Total liabilities		65,173,190	66,678,689	62,803,076
Equity				
Share capital		2,411,630	2,650,143	2,650,143
Retained earnings		235,992	224,325	581,764
Net profit		144,298	12,786	-
Other capital		2,473,073	2,196,446	1,829,547
Total equity		5,264,993	5,083,700	5,061,454
TOTAL LIABILITIES AND EQUITY		70,438,183	71,762,389	67,864,530

Details for restatement of comparative data for 2015 are presented in Note IV 1.1.

4. Interim standalone statement of changes in equity

2016	Share capital	Retained earnings	Net profit	Other capital			Total equity
				Reserve capital	Revaluation reserve	Other capital reserves	
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
As at 01.01.2016	2,650,143	1,119	-	2,277,449	(121,574)	40,571	4,847,708
Adjustments for changes in accounting policies	-	235,992	-	-	-	-	235,992
As at 01.01.2016 after adjustment	2,650,143	237,111	-	2,277,449	(121,574)	40,571	5,083,700
Comprehensive income for the period	-	-	144,298	-	36,995	-	181,293
Reduction of the share capital	(238,513)	-	-	-	-	238,513	-
Distribution of last year profit	-	(1,119)	-	1,119	-	-	-
As at 30.06.2016	2,411,630	235,992	144,298	2,278,568	(84,579)	279,084	5,264,993

On 25 February 2016 the Financial Supervision Authority approved the changes to the Banks' Articles of Association as regard the reduction the share capital by the amount of PLN 238,513 thousand, from the amount of PLN 2,650,143 thousand to the amount of PLN 2,411,630 thousand by reduction of the nominal value of one share from PLN 1.00 to PLN 0.91. Sums resulting from the share capital reduction were transferred to a separate reserve fund.

2015 restated	Share capital	Retained earnings	Net profit	Other capital			Total equity
				Reserve capital	Revaluation reserve	Other capital reserves	
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
As at 01.01.2015	2,650,143	322,347	-	1,955,102	(166,126)	40,571	4,802,037
Adjustments for changes in accounting policies	-	259,417	-	-	-	-	259,417
As at 01.01.2015 after adjustment	2,650,143	581,764	-	1,955,102	(166,126)	40,571	5,061,454
Comprehensive income for the period	-	-	162,670	-	2,886	-	165,556
Distribution of last year profit	-	(322,347)	-	322,347	-	-	-
As at 30.06.2015	2,650,143	259,417	162,670	2,277,449	(163,240)	40,571	5,227,010

GETIN NOBLE BANK S.A.

Interim condensed standalone financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)

**5. Interim standalone statement of cash flows**

	Note	01.01.2016- 30.06.2016	01.01.2015- 30.06.2015 restated
		PLN thousand	PLN thousand
Cash flow from operating activities			
Net profit		144,298	162,670
Adjustments:		4,282,969	1,110,227
Amortisation and depreciation		38,914	32,768
Share of (profits)/ losses of associates		14,927	(4,615)
(Gains)/ losses from investing activities		39,668	2,414
Interests and dividends		3,897	63,397
Change in amounts due from banks and financial institutions		896,455	(1,162,028)
Change in derivative financial instruments (assets)		55,851	1,743
Change in financial assets measured at fair value through profit or loss		4,935	(86)
Change in loans and advances to customers		2,272,172	(1,525,202)
Change in available-for-sale financial instruments		1,087,431	1,446,574
Change in held to maturity financial instruments		(13,524)	(975)
Change in deferred tax assets		45,809	40,789
Change in other assets		424,464	(231,449)
Change in amounts due to banks and financial institutions		1,016,083	(821,368)
Change in derivative financial instruments (liabilities)		78,664	1,368,721
Change in amounts due to customers		(720,595)	2,049,506
Change in debt securities issued		(909)	151
Change in other liabilities		(895,348)	(148,521)
Change in provisions		4,326	62
Other adjustments		30,733	(4,157)
Income tax paid		(984)	(847)
Current tax expense		-	3,350
Net cash flows from operating activities		4,527,267	1,272,897
Cash flows from investing activities			
Sale of intangible assets and property, plant and equipment		78,828	6,507
Sale of investments in financial instruments		-	10,000
Dividends received		77,753	29,036
Acquisition of shares in a subsidiary		(107,651)	(85,399)
Purchase of intangible assets and property, plant and equipment		(73,329)	(120,327)
Purchase of investments in financial instruments		(4,000)	(56,645)
Interest received on investments in financial instruments		1,826	1,281
Net cash flows used in investing activities		(26,573)	(215,547)
Cash flows from financing activities			
Proceeds from issue of debt securities		120,000	324,500
Proceeds from loans taken		-	107,060
Repayment of loans		(544,475)	-
Redemption of issued debt securities		(547,810)	(561,000)
Interest paid		(83,476)	(93,714)
Net cash flows used in financing activities		(1,055,761)	(223,154)
Net increase/(decrease) in cash and cash equivalents		3,444,933	834,196
Cash and cash equivalents at the beginning of the period		2,757,246	2,908,960
Cash and cash equivalents at the end of the period		6,202,179	3,743,156

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 2016 and include the comparative data for the 6-month period ended 30 June 2015 and as at 31 December 2015.

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.

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 2015 except for new standards and interpretations relating to reporting periods beginning on or after 1 January 2016 described in the note II 5.5 of the Getin Noble Bank Group's interim condensed consolidated financial statements presented in this report.

On 1 January 2016 the Bank changed the accounting rules (policies) on the recognition of investments in associates in connection with the entry into force of the revised IAS 27. As a result, investments in associates recognized at cost so far, after the change are recognized under the equity method, under which, on initial recognition the investment 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 or joint venture, the investor discontinues recognising its share of further losses.

Profits and losses resulting from upstream and downstream transactions between the Bank and its associate are recognised in the Bank's financial 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 Bank will assess the existence of circumstances indicating the impairment of net investment in the associate. If such evidence exists, the Bank will estimate 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 Bank recognises impairment losses in the income statement.

Change in accounting policy is applied retrospectively in accordance with IAS 8, therefore, the Bank adjusted the opening balance of the carrying value of investments in associates as well as equity, as if the amended rules (policy) had always been applied. Restatement of comparative data is presented in the note IV. 1.1.

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 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 2015.

These interim condensed standalone financial statements have been approved by the Management Board of the Bank on 30 August 2016. The Bank as a parent company prepared also the consolidated financial statements of Getin Noble Bank S.A. Capital Group that were approved on 30 August 2016.

1.1. Changes in accounting policies – restatement of comparative data

Accounting policies were presented in the financial statements of the Getin Noble Bank S.A. for the year ended 31 December 2015 which was approved on 18 March 2016 and is available on the website: <http://gnb.pl/>.

Since 1 January 2016 the Bank changed the accounting policies on the recognition of investments in associates in connection with the entry into force of the revised IAS 27.

The comparative data for the 6-month period ended 30 June 2015 presented in these interim condensed standalone financial statements have been restated to present changes in accounting policies and presentation changes introduced by the Bank in 2016.

Change in accounting policy

In connection with the entry into force of the revised IAS 27 Separate Financial Statements, since 1 January 2016 the Bank changed the accounting policies on the recognition of investments in associates. Until 31 December 2015 investments in associates in the separate financial statements were measured at cost. Since 1 January 2016 with respect to the accounting for investments in associates the Bank applies the equity method as defined in IAS 28.

Change in accounting policy is applied retrospectively in accordance with IAS 8, therefore, the Bank adjusted the opening balance of the carrying value of investments in associates as well as equity, as if the amended rules (policy) had always been applied. In the opinion of the Bank application of the equity method for valuation of investments in associates will better reflect the value of those investments in the financial statements of the Bank – making the presentation more useful and reliable, moreover the change ensures coherent approach to the valuation of investments in associates in separate financial statements of the Bank and in the consolidated financial statements of the Getin Noble Bank S.A. Capital Group.

The impact of changes in accounting policies on comparative data presented in these interim condensed financial statements, are presented below

Presentation change of comparative data for the period of 1.01.2015-30.06.2015r. and as at 30.06.2015r.

Item in the standalone income statement for the period of 01.01.2015 - 30.06.2015	Data before restatement PLN thousand	Restated data PLN thousand	Restated data PLN thousand
Share in profits (losses) of associates under the equity method	-	4,615	4,615

Presentation change of comparative data in statement of financial position as at 31.12.2015r.

Statement of financial position As at 31. 12. 2015	Data before restatement PLN thousand	Restated data PLN thousand	Restated data PLN thousand
Loans and advances to customers	50,519,167	(63,700)	50,455,467
Investments in subsidiaries, associates and joint ventures	1,013,776	307,970	1,321,746
Amounts due to customers	55,804,525	8,278	55,812,803
Retained earnings	-	224,325	224,325
Net profit	1,119	11,667	12,786

GETIN NOBLE BANK S.A.

Interim condensed standalone financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)



Presentation change of comparative data in statement of financial position as at 1.01.2015r. (opening balance)

Statement of financial position As at 01. 01. 2015	Data before restatement	Restated data	
	PLN thousand	PLN thousand	PLN thousand
Loans and advances to customers	49,174,999	(60,643)	49,114,356
Investments in subsidiaries, associates and joint ventures	527,814	330,868	858,682
Amounts due to customers	53,081,485	10,808	53,092,293
Retained earnings	322,347	259,417	581,764

2. Investments in subsidiaries, associates and joint ventures

Getin Noble Bank S.A. holds shares in the following subordinated entities:

30.06.2016	The percentage share / Voting rights held by the Bank	Gross value PLN thousand	Impairment allowances	Carrying value
Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.	70.03%	44,174		44,174
Noble Concierge sp. z o. o.	100%	469		469
Noble Securities S.A.	100%	41,742		41,742
Sax Development sp. z o. o.	100%	105,005		105,005
BPI Bank Polskich Inwestycji S.A.	100%	57,084		57,084
Property Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych	100%	374,997	(17,000)	357,997
LAB Sp. z o. o.	100%	13		13
LAB Sp. z o.o. sp.k.	100%	13		13
Debtor Niestandaryzowany Sekurytyzacyjny Fundusz Inwestycyjny Zamknięty	100%	425,652		425,652
Total investments in subsidiaries		1,004,149	(17,000)	1,032,149
Open Finance S.A.	42.15%	329,174	(7,500)	321,674
Total investments in associates		329,174	(7,500)	321,674
Total investment in subordinated entities		1,378,323	(24,500)	1,353,823

On 10 February 2016 Getin Noble Bank S.A. signed an agreement with LC Corp. BV to sell 50.72% of owned shares in Getin Leasing S.A. Closing of the transaction took place on 29 February 2016.

Presented below is the settlement of a Bank's result on sale of the shares of Getin Leasing S.A.:

	01.01.2016- 30.06.2016
	PLN thousand
Revenue from sales of shares	180,043
Book value of shares sold	(14,235)
Transaction costs	(202)
Profit before tax	165,606
Income tax	(31,465)
Net profit	134,141

On 29 April 2016 the Bank completed the sale transaction of 3 packages of 9993 shares of Noble Funds TFI S.A. each constituting 29.97% of its share capital for a total amount of PLN 63 million. Following the transaction the Bank recognised profit before tax in the amount of PLN 44 million.

Presented below is the settlement of a Bank's result on sale of the shares of Noble Funds Towarzystwo Funduszy

GETIN NOBLE BANK S.A.

Interim condensed standalone financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)



Inwestycyjnych S.A.:

Sale of shares of Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A	01.01.2016- 30.06.2016 PLN thousand
Revenue from sales of shares	62,931
Book value of shares sold	(18,902)
Transaction costs	(31)
Profit before tax	43,998
Income tax	(8,360)
Net profit	35,638

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 18 April 2016 the General Shareholders Meeting of Getin Noble Bank S.A. decided to allocate the Bank's full profit for the year 2015 to increase the reserve capital.

5. Capital ratio

As at 30 June 2016 the capital ratio 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).

	30.06.2016	31.12.2015 restated
	PLN thousand	PLN thousand
Tier 1 capital	5,078,157	4,899,158
Tier 2 capital	1,394,193	1,472,065
TOTAL OWN FUNDS	6,472,350	6,371,223
TOTAL CAPITAL REQUIREMENTS	3,309,798	3,607,207
CAPITAL RATIOS		
Tier 1 capital ratio	12.3%	10.9%
Total capital ratio	15.6%	14.1%

On 22 October 2015 the Polish Financial Supervision Authority (KNF) announced the banks introducing the additional security buffer increasing requirements for capital ratios by 1.25 percentage points. In effect from 1 January 2016 the minimum capital ratios recommended by the Polish Financial Supervision Authority will rise to level of 10.25% for Tier 1 capital ratio and 13.25% for the total capital ratio.

Additionally, on 23 October 2015, the Management Board of the Bank received from the Polish Financial Supervision Authority a recommendation on the amount of additional capital requirement for the own funds to cover the risk arising from foreign currency mortgage loans to households. The Commission recommended to keep own funds on covering the additional equity requirement on 2,03 p.p. which should consist of at least 75% of Tier 1 capital (equivalent to 1.52 pp.).

The above-mentioned recommendation should be respected by the Bank from the date of its receipt until its cancellation – i.e. until such time as the Polish Financial Supervision Authority considers – based on the analysis and supervisory evaluation – that the risk associated with foreign exchange mortgage loans, giving rise to the imposition of additional capital requirement for the Bank, has significantly changed. The Polish Financial Supervision Authority also recommended the development and delivery of the Bank's action plan aimed at achieving required levels of capital ratios, no later than by the end of June 2016 taking into account its levels applicable from 1 January 2016.

As at 30 June 2016 the Bank achieved required levels of capital ratios.

6. Related party transactions

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

Related entities, within its operations, hold current accounts in Getin Noble Bank S.A., on which they carry out clearing operations and deposit cash on term deposits. Within loan activities to related parties, the Bank applies standard loan conditions:

- transactions are concluded in accordance with accepted by the Bank rules and conditions,
- the assessment of reliability of related entities, is based on rules applicable during the assessment of creditworthiness of the Bank's other customers,
- the rules for funding transactions hedge are in accordance with the instruction of legal hedge applicable in the Bank,
- the Bank applies general rules of monitoring of payments and rules of termination of agreements and receivables collection.

Additionally, the Bank purchases debts from related entities and acts as an agent in sale of insurance policies and investment products offered by related entities and also uses intermediary services related to sale of own products.

All of transactions between the Bank and its related parties, except agreements described below, resulted from operating activities of the Bank.

Sale of shares of Getin Leasing S.A.

On 10 February 2016 Getin Noble Bank S.A. signed an agreement with LC Corp. BV to sell 50.72% of owned shares in Getin Leasing S.A. Closing of the transaction took place on 29 February 2016, thus as at 30 June 2016 the Group has no investment in joint venture. The final price agreed by the parties amounted to PLN 180 million.

Sale of shares of Noble Funds TFI S.A.

On 29 April 2016 the Bank completed the sale transaction of 3 packages of 9993 shares of Noble Funds TFI S.A. each constituting 29.97% of its share capital, two of which were sold to related parties: Open Finance S.A. and RB Investcom.

Settlement of the securitization transaction

In April the Bank made a final settlement and closed the securitization transaction of the portfolio of car loans, carried out in December 2012 with the special purpose entity – GNB Auto Plan Sp. z o.o.

Sale of portfolio of receivables

In the first half of 2016 the Bank sold to Idea Bank S.A. the portfolio of unimpaired lease receivables at the nominal value of PLN 660 million.

GETIN NOBLE BANK S.A.

Interim condensed standalone financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)



30.06.2016	Statement of financial position						Off-balance
	Assets – loans and purchased receivables	Assets – financial instruments	Assets – other receivables	Liabilities – deposits	Liabilities – other liabilities.	Impairment allowances	Financial liabilities and guarantees granted
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Subsidiaries	843,719	1,453	21,079	370,575	1,897,994	4	20,205
Associates –	-	80,678	28,116	11,022	403	4	-
Open Finance S.A. Capital Group							
Entities related to the ultimate parent	5,107,721	83,104	331,674	283,261	482	91	3,078
Entities of Getin Leasing S.A. Capital Group	4,879,292	74,510	59	25,567	393	14	735
Entities of Getin Holding S.A. Capital Group	25,006	8,594	163,188	23,532	-	9	2,292
Entities of LC Corp B.V. and LC Corp S.A. Group	203,421	-	168,426	231,999	-	68	41
Other entities	2	-	1	2,163	89	-	10
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	486	-	-	15,854	-	-	1,863

01.01.2016- 30.06.2016	Income statement				
	Interest and commission income	Interest and commission expense	Other purchases	Other sale	Dividend income
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Subsidiaries	44,963	61,465	4,940	43,704	28,319
Associates –	3,008	15,440	8,102	21,254	-
Open Finance S.A. Capital Group					
Entities related to the ultimate parent	121,521	13,451	16,440	204,217	38,040
Entities of Getin Leasing S.A. Capital Group	111,216	11,427	1,965	3,106	38,040
Entities of Getin Holding S.A. Capital Group	5,461	672	63	83	-
Entities of LC Corp B.V. and LC Corp S.A. Group	4,839	1,343	13,066	180,049	-
Other entities	5	9	1,346	20,979	-
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	13	98	-	-	-

31.12.2015	Statement of financial position						Off-balance
	Assets – loans and purchased receivables	Assets – financial instruments	Assets – other receivables	Liabilities – deposits	Liabilities – other liabilities	Impairment allowances	Financial liabilities and guarantees granted
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Subsidiaries	1,787,280	3,086	48,241	938,413	2,253,940*	143	165
Associates –	-	80,903	7,722	12,047	1,637	-	-
Open Finance S.A. Capital Group							
Joint ventures –							
Getin Leasing S.A. Capital Group	5,313,271	14,986	1,283	61,600	748	83	472
Entities related to the ultimate parent	262,294	8,783	329,248	309,874	15,822	409	12,341
Entities of Getin Holding S.A. Capital Group	31,041	8,783	329,118	69,360	14,374	48	10,656
Entities of LC Corp B.V. and LC Corp S.A. Group	231,250	-	130	238,208	1,446	361	1,676
Other entities	3	-	-	2,306	2	-	9
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	324	-	-	6,717	-	-	2,024

GETIN NOBLE BANK S.A.

Interim condensed standalone financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)



01.01.2015- 30.06.2015	Income statement				
	Interest and commission income	Interest and commission expense	Other purchases	Other sale	Dividend income
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Subsidiaries	83,589	31,307	7,260	1,160	14,959
Associates –					
Open Finance S.A. Capital Group	3,858	30,712	933	3,002	-
Joint ventures –					
Getin Leasing S.A. Capital Group	51,985	244	1,127	1,019	-
Entities related to the ultimate parent	11,552	4,684	15,713	289,305	-
Entities of Getin Holding S.A. Capital Group	7,286	2,558	270	289,296	-
Entities of LC Corp B.V. and LC Corp S.A. Group	4,259	2,122	12,510	-	-
Other entities	7	4	2,933	9	-
Members of the Management Board and the Supervisory Board of Getin Noble Bank S.A.	12	113	-	-	-

7. Other additional information

Other additional information, relevant to the proper assessment of the financial position and results of the Bank are described in interim condensed consolidated financial statements of Getin Noble Bank S.A. Capital Group, which is part of this report.

8. Subsequent events

On 8 July 2016 the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court ("Court") made an entry concerning the registration of the share capital reduction by 1 share.

The share capital reduction is another step in the consolidation of shares for adjusting the number of shares of the Issuer to a fixed exchange ratio. To effectively carry out this process acquisition of one own share by the Issuer was required, its redemption, reduction of share capital and registration of a change in the Articles of Association of the Company. The amended value of the share capital and number of shares will allow to carry out the whole process and to establish a new nominal value of the shares at a level of PLN 2.73 each.

On 2 August 2016 the President's Office presented a new draft law "on the principles of reimbursement of certain debts arising from loan and credit agreements" relating to loans denominated and indexed to foreign currencies. The draft provides for the obligation to return the benefits collected at start and repayment of the loan due to the spread higher than specified in the draft law, which assumes respectively 0.5% deviation from the buying and selling exchange rate of the currency announced by the National Polish Bank – the amounts resulting from the application of higher spreads would be refundable. The draft provides for the obligation to return the spreads that occurred to be excessive, according to the approach adopted by the legislature, with interest amounting to half of the statutory interest.

Possible implementation of the law changes related to conversion or repayment of spreads on loans indexed/ denominated presents a risk of significant additional burden on the Bank. The Bank did not estimate the amount of additional burden resulting from the presented in the draft law "on the principles of reimbursement of certain debts arising from loan and credit agreements" proposals concerning the return of the so-called FX spreads (including interest) due to:

a/ the existence of ambiguity in interpretation, including as to the correctness of the conversion formulas used in the draft

law (indicated also by independent analysts and institutions),

b/ the need to perform a very detailed analysis of the history of each loan account that could be covered by the regulation (which requires, among other things the creation of additional IT tools).

On 8 August 2016 the Bank has received information that the Polish Financial Supervision Authority, as part of its administrative proceedings in order to identify Getin Noble Bank as other systemically important institution, on the basis of an assessment performed in accordance with Article 39 paragraph 1 of the Act of 5 August 2015 on macro-prudential oversight of the financial system and crisis management in the financial sector decided to ask the Financial Stability Committee ("the Committee") to express an opinion on the identification of the Bank as other systemically important institution and impose on the Bank a buffer in the amount equivalent to 0.25% of the total risk exposure calculated in accordance with Article 92 paragraph 3 of the EU Regulation No. 575/2013.

On 17 August 2016 the Bank was informed about the decision, in which the Committee expressed a positive opinion on the identification of Getin Noble Bank S.A. by the KNF as other systemically important institution and the imposition on the Bank by the KNF (consolidated and standalone) a buffer of other systemically important institution in the amount equivalent to 0.25%.

As at the date of publication of this report, the Bank has not received information about the date of introduction of the buffer of other systemically important institution and its impact on the Group's required capital ratios.

On 9 August 2016 the Management Board and the Supervisory Board approved the revised "Plan of sustained improvement in profitability", within the meaning of Article 142 of the Banking Law ("Plan"). The plan was submitted to the Polish Financial Supervision Authority on 11 August 2016.

On 9 August 2016 the Management Board and the Supervisory Board expressed a positive opinion on the intention to commence work on the merger process of a subsidiary Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. with Open Finance Towarzystwo Funduszy Inwestycyjnych S.A. On 24 August 2016 the plan of merger of Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. with Open Finance Towarzystwo Funduszy Inwestycyjnych S.A. with its registered office in Warsaw was signed. The merger will take place, pursuant to Article 492 paragraph 1 point 1 of Code of Commercial Companies, by transferring all assets of the Acquired Company to the Acquiring Company (merger by acquisition) with a simultaneous increase of the share capital of Noble Funds TFI through a new share issue, which Noble Funds TFI will give to the shareholders of Open Finance TFI. Following the merger, the shareholders of Open Finance TFI will become shareholders of Noble Funds TFI on the date of merger, i.e. on the day the merger is recorded in the register appropriate for the seat of Noble Funds TFI. In connection with the merger, the shareholders of Open Finance TFI in exchange for shares in Open Finance TFI will be awarded shares of Noble Funds TFI in the following ratio: for 63.8174931 (sixty-three and 8174931/10000000) shares in Open Finance TFI with a nominal value of PLN 1 (one) each, 1 (one) share of Noble Funds TFI with a nominal value of PLN 5 (five) will be awarded.

It is expected that the transaction will be finalized in the first half of 2017. In connection with the planned transaction, the Bank expects a loss of self-control over the merged entity.

After 30 June 2016 there were no other events which were not disclosed in these financial statements which may significantly impact the financial results of Getin Noble Bank S.A. for the 6-month period ended 30 June 2016 as well as the future financial results of the Bank.

GETIN NOBLE BANK S.A.

Interim condensed standalone financial statements for the 6-month period
ended 30 June 2016
(data in PLN thousand)



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

Krzysztof Rosiński
President of the Management Board

Artur Klimczak
Vice President of the Management Board

Krzysztof Basiaga
Member of the Management Board

Marcin Dec
Member of the Management Board

Karol Karolkiewicz
Member of the Management Board

Radosław Stefurak
Member of the Management Board

Maciej Szczechura
Member of the Management Board

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

Beata Kisielewska
Director of Accounting Department

Warsaw, 30 August 2016

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

Selected financial data

Consolidated income statement	01.04.2016- 30.06.2016	01.01.2016- 30.06.2016	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015
	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Net interest income	326,025	649,058	284,673	555,899
Net fee and commission income	24,427	60,765	89,033	183,978
Profit (loss) before tax	8,710	(4,062)	92,432	220,032
Net profit (loss)	2,312	(15,938)	70,002	208,767
Net profit (loss) attributable to equity holders of the parent	1,130	(17,136)	70,002	198,588
Total comprehensive income for the period	(63,361)	21,018	104,696	211,921

Consolidated income statement	01.04.2016- 30.06.2016	01.01.2016- 30.06.2016	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015
	tys. EUR	tys. EUR	tys. EUR	tys. EUR
Net interest income	74,011	148,170	69,105	134,467
Net fee and commission income	5,545	13,872	21,613	44,503
Profit (loss) before tax	1,977	(927)	22,438	53,224
Net profit (loss)	525	(3,638)	16,993	50,499
Net profit (loss) attributable to equity holders of the parent	257	(3,912)	16,993	48,037
Total comprehensive income for the period	(14,384)	4,798	25,415	51,262

Consolidated statement of financial position	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	PLN thousand	PLN thousand	tys. EUR	tys. EUR
Loans and advances to customers	47,449,060	49,225,014	10,721,740	11,551,100
Total assets	70,091,500	70,756,469	15,838,097	16,603,653
Amounts due to customers	55,053,826	55,726,221	12,440,137	13,076,668
Total equity	5,239,426	5,163,847	1,183,917	1,211,744
Tier 1 capital	5,109,900	5,054,315	1,154,649	1,186,041
Tier 2 capital	1,394,193	1,472,065	315,036	345,434
Total capital ratio	15.6%	14.3%	15.6%	14.3%
Number of shares	2,650,143,319	2,650,143,319	2,650,143,319	2,650,143,319

GETIN NOBLE BANK S.A. CAPITAL GROUP

Directors' Report of the Capital Group and the Issuer for the 6-month period ended 30 June 2016



Standalone income statement	01.04.2016- 30.06.2016	01.01.2016- 30.06.2016	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015
	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Net interest income	315,327	630,005	269,598	532,507
Net fee and commission income	4,488	30,700	78,428	152,475
Profit before tax	17,037	181,429	68,527	206,134
Net profit	9,139	144,298	49,431	162,670
Total comprehensive income for the period	(55,969)	181,293	84,117	165,556

Standalone income statement	01.04.2016- 30.06.2016	01.01.2016- 30.06.2016	01.04.2015- 30.06.2015	01.01.2015- 30.06.2015
	tys. EUR	tys. EUR	tys. EUR	tys. EUR
Net interest income	71,582	143,820	65,446	128,808
Net fee and commission income	1,019	7,008	19,039	36,882
Profit before tax	3,868	41,417	16,635	49,862
Net profit	2,075	32,941	12,000	39,348
Total comprehensive income for the period	(12,706)	41,386	20,420	40,046

Standalone statement of financial position	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	PLN thousand	PLN thousand	tys. EUR	tys. EUR
Loans and advances to customers	48,183,295	50,455,467	10,887,650	11,839,837
Total assets	70,438,183	71,762,389	15,916,435	16,839,702
Amounts due to customers	55,092,208	55,812,803	12,448,810	13,096,985
Total equity	5,264,993	5,083,700	1,189,694	1,192,937
Tier 1 capital	5,078,157	4,899,158	1,147,476	1,149,632
Tier 2 capital	1,394,193	1,472,065	315,036	345,434
Total capital ratio	15.6%	14.1%	15.6%	14.1%
Number of shares	2,650,143,319	2,650,143,319	2,650,143,319	2,650,143,319

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 2016, i.e. 1 EUR = 4.4255 PLN and as at 31 December 2015, i.e. 1 EUR = 4.2615 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 3- and 6-month period ended 30 June 2016 and 2015 (1 EUR = 4.4051 PLN, 1 EUR = 4.3805 PLN and 1 EUR = 4.1194 PLN, 1 EUR = 4.1341 PLN respectively).

1. Financial results and financial position of the Capital Group and the Issuer after the first half of 2016

In the first half of 2016 Getin Noble Bank has implemented a New Strategy for the years 2016-2018 and "Plan of a sustained improvement in profitability", reported to KNF in March 2016, which meets the requirements of Article 142 of the Banking Law.

The New Strategy involves the creation of a viable and effective universal bank with sustainable and recurring sources of income. The transformation of Getin Noble Bank defined in this way, providing for the reconstruction of retail banking, maintaining a leading position in the automotive segment, as well as the digitization of services will contribute to the sustainable growth of the Bank's business efficiency and thus improve its profitability. The main pillars of the New Strategy include:

- reduction the premium cost of deposits in relation to the market for approx. 60 bps in the perspective of three years,
- transformation of service network based on a new segmentation of customers, divided into three main segments: retail Getin, Noble Personal Banking for premium customers and Noble Private Banking for affluent customers,
- implementation of the new digital strategy with a particular emphasis on the development of mobile banking, which further development is to ensure the possibility of carrying out all banking operations by the smartphone, as well as provide the highest satisfaction with ease of use and the possibility to contact the Bank through the application,
- maintaining a leadership position in the automotive segment and the continuation of cooperation with the Getin Leasing Group, which will cover both the purchase of receivables, as well as intermediation in the sale of car loans,
- further organic growth in the local government sector and maintaining a position among the leaders in financing developers.

In the second quarter of 2016 the Getin Noble Bank Group achieved positive financial result in the amount of PLN 2.3 million, compared to a loss in the first quarter of 2016 in the amount of 18.3 million. The results of the second quarter included a bank tax in the amount of PLN 0.2 million related to the adjustment of the tax base made for the period of February and March this year. The total impact of the tax from financial institutions on the results of the first half of 2016 was PLN 38.3 million.

The total assets of the Group as at the end of June 2016 amounted to PLN 70.1 billion and was lower by 0.9% compared to the end of December 2015.

In the second quarter of 2016 the Bank carried out activities aimed at the gradual implementation of the objectives included in the strategy, in particular it continued program to strengthen the capital position of the Bank in accordance with the guidelines of the Polish Financial Supervision Authority, which resulted in the surplus above the required levels of capital ratios in accordance with the recommendations of the Polish Financial Supervision Authority:

	Required ratio since 30.06.2016		Achieved ratio 30.06.2016	
	standalone	consolidated	standalone	consolidated
Tier 1 capital ratio	11.77%	11.76%	12.27%	12.26%
Total capital ratio	15.28%	15.26%	15.64%	15.61%

Key elements of the financial result of the Getin Noble Bank S.A. Capital Group in the first half of 2016:

- net interest income amounted to PLN 649.1 million and was higher than in the comparable period of 2015 by PLN 93.2 million (i.e. 16.8%). The increase in net interest income was primarily due to the decrease in interest expense by 22.9% (i.e. PLN 223.7 million), while the drop in interest income by PLN 130.6 million (i.e. 8.5%). Reduction in the level of realized interest income and expenses is primarily a result of changes in market interest rates (significant decrease in 2015), which directly affected the level of interest rates on customer deposits and loans based on market rates adjusted for margins;
- net fee and commission income amounted to PLN 60.8 million and was lower than the result achieved in the same period of 2015 by PLN 123.2 million (i.e. 67.0%). The decrease is primarily due to obtaining a significantly lower commission income from the sale of insurance and investment products, as well as a temporary self-restraint in terms of sales activities (actions aimed at reducing the capital requirement for credit risk in order to strengthen the capital position of the Bank);
- the result on other financial instruments (except for instruments measured at fair value through profit or loss and investments in subsidiaries, associates and joint ventures) amounted to PLN 19.6 million and was higher than that achieved in the same period of 2015 by PLN 7.0 million (i.e. 55.0%). A higher result is largely the result of the recognition in June 2016 of PLN 22.4 million from the conversion transaction of VISA EUROPE shares on VISA INC;
- in the first half of 2016 Getin Noble Bank S.A. conducted a sale transaction of 50.72% of its shares in Getin Leasing S.A. – as of 30 June 2016 the Group has no investments in Getin Leasing S.A. The net result of the Group in this respect amounted to PLN 39.7 million;
- on 29 April 2016 the Bank realized a sale of shares in Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. constituting 29.97% of the share capital for a total amount of PLN 63 million. The sale of shares did not result in loss of control over a subsidiary, and the difference between the amount of the adjustment of non-controlling interest and the fair value of the amount received was recognised in the equity in the consolidated financial statements;
- administrative expenses of the Group amounted to PLN 438.9 million and decreased compared to the same period of 2015 by PLN 49.4 million, i.e. 10.1%. Reduction in costs is a result of the implemented cost optimization activities under the program of sustained improvement in the profitability;
- allowances for impairment of financial assets in the amount of PLN 289.3 million were higher compared to the same period last year by PLN 94.0 million; in the first half of 2015 the Bank realized sales of loan portfolios, which resulted in a favorable outcome to the level of impairment allowances compared to the first half of 2016; in the second quarter of 2016 the increase in allowances charged to the income statement was lower than in the first quarter of 2016 by PLN 25 million;
- the Group's financial result was charged with participation in the negative result of an associate (Open Finance) in the amount of PLN 17.9 million and additionally created write-off in the amount of PLN 7.5 million for the investment in the entity;
- the Group paid tax on certain financial institutions in the amount of PLN 38.3 million;
- value of credit sales during the first 6 months of 2016 was PLN 3.7 billion and was lower by 22% compared to the same period last year. This decrease was mainly due to restriction on sales of loans in connection with the optimization of the risk-weighted assets, in order to achieve the expected levels of the Group's capital adequacy;

- outstanding balance of loans and advances to customers fell in the first half of 2016 by PLN 1.8 billion to the level of PLN 47.4 billion, which is mostly the result of optimization of credit sales and a sale of active loans and purchased loans held in the portfolio. The carrying value of loans and receivables sold by Getin Noble Bank in the first 6 months of 2016 amounted to PLN 806 million.

Impaired loans

Within the defined indicators of impairment, the Group recognises a condition associated with delays in repayment of more than 3 months, the so-called hard indicators (e.g. swindling of a loan/ credit, termination of the credit agreement, significant financial difficulties of a borrower that lower the counterparty risk categories, customer's death) and the so-called soft indicators (e.g. obtaining an information about financial problems of a borrower, job loss, income reduction, not paying debts to other institutions, unknown place of resident or non-disclosure of client assets, loan is disputed by the debtor in court, exposure is in quarantine, another exposure of the same client infecting with impairment within the defined product groups, significant deterioration in results of the assessment scoring, debt restructuring resulting in loss of cash flows).

Currently defined evidence of impairment are not identical with the occurrence of permanent delay in the repayment of the exposure and largely relate to exposures that are and will be repaid regularly and exposure will pay off in full at maturity. The grading of such exposures significantly increases the volume of exposures in the so-called impairment, while their coverage with the write-offs, taking into account the actual risk of default, is significantly lower than other exposures in default. This fact has a direct impact on reducing the total coverage ratio for impaired loans.

30.06.2016	Gross value	Allowance	Coverage ratio
Corporate loans	9,737,110	269,640	2.8%
Non-impaired loans	8,956,658	17,312	0.2%
Impaired loans	780,452	252,328	32.3%
overdue 90+	411,192	232,787	56.6%
of which up to 2 years of quantitative default	197,672	101,056	51%
of which from 2 to 4 years of quantitative default	134,977	64,570	48%
of which from 4 to 6 years of quantitative default	43,866	35,797	82%
of which over 6 years of quantitative default	34,677	31,364	90%
hard evidence of impairment	308,599	17,294	5.6%
soft evidence of impairment	60,661	2,247	3.7%
Car loans	2,392,614	169,251	7.1%
Non-impaired loans	2,073,434	7,899	0.4%
Impaired loans	319,180	161,352	50.6%
overdue 90+	245,656	150,722	61.4%
of which up to 2 years of quantitative default	159,548	87,320	55%
of which from 2 to 4 years of quantitative default	51,385	34,643	67%
of which from 4 to 6 years of quantitative default	23,247	18,099	78%
of which over 6 years of quantitative default	11,476	10,660	93%
hard evidence of impairment	33,214	4,982	15.0%
soft evidence of impairment	40,310	5,648	14.0%
Mortgage loans	32,936,811	1,471,815	4.5%
Non-impaired loans	28,267,287	48,729	0.2%
Impaired loans	4,669,524	1,423,086	30.5%

GETIN NOBLE BANK S.A. CAPITAL GROUP

Directors' Report of the Capital Group and the Issuer for the 6-month period ended 30 June 2016



overdue 90+	2,646,051	1,220,167	46.1%
<i>of which up to 2 years of quantitative default</i>	1,256,680	395,572	31%
<i>of which from 2 to 4 years of quantitative default</i>	664,323	357,742	54%
<i>of which from 4 to 6 years of quantitative default</i>	587,110	363,136	62%
<i>of which over 6 years of quantitative default</i>	137,938	103,717	75%
hard evidence of impairment	896,983	128,810	14.4%
soft evidence of impairment	1,126,490	74,109	6.6%
Retail loans	4,887,811	594,580	12.2%
Non-impaired loans	3,736,206	40,477	1.1%
Impaired loans	1,151,605	554,103	48.1%
overdue 90+	816,371	501,132	61.4%
<i>of which up to 2 years of quantitative default</i>	632,459	356,151	56%
<i>of which from 2 to 4 years of quantitative default</i>	106,700	74,396	70%
<i>of which from 4 to 6 years of quantitative default</i>	38,728	32,790	85%
<i>of which over 6 years of quantitative default</i>	38,484	37,795	98%
hard evidence of impairment	76,207	11,529	15.1%
soft evidence of impairment	259,027	41,442	16.0%
Total	49,954,346	2,505,286	5.0%

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

Due to the significant external burdens, which were not related to the Bank's direct operations, and significantly contributed to the net profit of the fourth quarter of 2015, in the March 2016 Getin Noble Bank applied to the Polish Financial Supervision Authority for the acceptance of "Plan of sustained improvement in profitability" within the meaning of Article 142 of the Banking Law. On 9 August 2016 the Bank's Management Board and the Supervisory Board approved the revised "Plan of sustained improvement in profitability", which was on 11 August 2016 submitted to the Polish Financial Supervision Authority.

Regulatory environment

- tax from certain financial institutions – since February 2016 banks are subject to a tax calculated on total assets decreased by PLN 4 billion and the value of own funds and purchased government bonds; this tax is not considered deductible for the corporate income tax; in the period not yet covered by "Plan of sustained improvement in profitability", i.e. in the first quarter of 2016, the Group was charged PLN 38.3 million of tax from certain financial institutions, which has been recognized in the income statement.
- contribution to the Bank Guarantee Fund – in 2016 total fees for BFG have increased compared to 2015 – from 0.239% to 0.246% of the total risk exposure.

Sale of shares in Getin Leasing S.A.

On 10 February 2016 Getin Noble Bank S.A. signed an agreement with LC Corp B.V. to sell 50.72% of owned shares in Getin Leasing S.A. As at 30 June 2016 the Group has no investments in joint ventures.

The Group's financial result for the first half of 2016 includes the net profit arising from the sale of Getin Leasing S.A. in the amount of PLN 39.7 million.

Sale of shares in Noble Funds TFI S.A

On 29 April 2016 the Bank completed the sale transaction of 3 packages of 9993 shares of Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A. each constituting 29.97% of its share capital. The final price agreed by the parties was PLN 63 million. The transaction had no impact on the net financial result of the Getin Noble Bank S.A. Capital Group.

Capital adequacy

An important element that has an impact on the Bank's financial result in 2016 was the improvement of the capital base in order to achieve the levels of capital ratios in the amount expected by the Polish Financial Supervision Authority. The expected value of capital ratios takes into account:

- value of the conservation buffer of 1.25 p.p. in terms of capital ratio based on Tier 1 capital ratio (CET 1) and the total capital ratio (TCR) applicable in that amount from 1 January to 31 December 2016 – resulting from the provisions of the Act of 5 August 2015 on macro-prudential oversight of the financial system and crisis management in the financial system
- individual additional capital requirements in terms of the Bank's own funds to cover risks associated with the portfolio of foreign currency mortgage loans to households in the amount of 2.03 p.p. to the total capital ratio (TCR) and 1.52 p.p. to the level of Tier I capital ratio (CET 1) on a standalone basis, which the Bank is required to meet until 30 June 2016 – on the basis of an individual recommendation of KNF dated 23 October 2015.

Ratios required on a consolidated basis to achieve from 30 June 2016 were the following

- Tier 1 capital ratio (CET 1): 11.76%
- total capital ratio (TCR): 15.26%.

Performing the capital plan designed to meet the expected requirements, the Group at the end of June 2016 achieved the capital adequacy ratios (both on a consolidated basis and at the Bank's standalone level) above the levels expected by the Polish Financial Supervision Authority. The ratios for the Group at the end of the first half of 2016 amounted to:

- Tier 1 capital ratio (CET 1): 12.3%,
- total capital ratio (TCR): 15.6%.

Currency market

At the turn of 2015 and 2016 significant changes in the exchange rate of PLN against EUR were observed. After downgrade of Poland's credit rating (from A- to BBB+) and change in outlook from positive to negative made by the S&P rating agency in January 2016, the Polish currency significantly depreciated against euro. The EUR/PLN exchange rate on 21 January 2016 reached the maximum level of 4.4987 over the four years preceding that date.

In the second quarter of 2016 the banking sector in Poland was affected by the turmoil in the financial markets. Particularly dynamic was the end of the half-year, which brought significant changes in exchange rates strengthened by the result of a referendum in the UK (Brexit). Victory of supporters to leave the EU by the Great Britain resulted in large movements on the major currencies and the Polish zloty lost decisively to the major currencies, including the Swiss franc. In the following weeks systematic up for the losses by the Polish currency was observed, to which helped the interventions carried out by the European central banks, Swiss Central Bank and the Bank of England.

By the end of the first half of 2016 the exchange rates stabilized and as at 30 June 2016 their reached the level of 4.4255 for EUR and 4.0677 for CHF. Exchange rate for GBP gradually reduced – as of 30 June 2016 it amounted to 5.3655 and was successfully declining to reach in August 2016 the level of under 5,000. This is the lowest level of the exchange rate for the currency since the beginning of 2014.

Other events

In the first half of 2016 Getin Noble Bank S.A. sold receivables, which consisted of both impaired loans, receivables written off from the Bank's accounts, as well as the portfolio of loans without impairment. The nominal value of the portfolio covered by the assignment agreements totalled to PLN 901.8 million, their carrying value was PLN 805.9 million (of which over 90% was non-impaired portfolio of lease receivables disposed for the purpose of improving capital ratios).

One of the key strategic objectives of the Bank is to reduce the cost of funding and the distance to the comparative banks. Thanks to effective actions, cost of financing is steadily falling, as well as the difference to the average cost of the peer group of Polish banks is reducing. The first half of 2016 was another period with the reported decline in interest rates on deposits. It is so important, because the Bank increased in the first months of the year the balance of deposits – in the context of potential additional short-term liquidity needs related to, among others, increased volatility on exchange rates resulting from the referendum in the UK (Brexit) and making public the information about the entry into Plan of Reorganization. The decrease in financing costs directly translates into a decrease in interest expense arising from customer deposits.

3. Awards and recognitions received

In the first half of 2016 products offered by Getin Noble Bank repeatedly occupied the leading position in the prestigious ranking organized, among others, by Rzeczpospolita, Wprost, bankier.pl and totalmoney.pl. Awarded products include:

In June 2016 Getin Bank was awarded "Portfel Roku Wprost 2016" for the best current account for individual customers. The jury awarded a flagship personal account of the Bank – Getin UP, which combines the practical aspects of the offer, such as ease of use, intuitive solutions and attractive conditions of the account, with a comprehensive package of innovative features associated with the account, using the potential of new technologies. "Portfel Roku Wprost" is an award for the best companies in the financial industry. The aim of the contest, initiated and organized by "Wprost" is the promotion of the most interesting, new on the market, financial products and services, as well as to distinguish the most competitive proposals, pointing the best to meet the needs of customers.

Getin UP Free account was on the first place in the ranking of the best accounts for young people, developed by journalists of "Rzeczpospolita". The banks' offers have been analyzed in terms of the amount of fees, access to mobile services and capabilities associated with the payment card, prepared for customers aged 18 to 24.

Getin UP account was on the first place in ranking of the best personal accounts, prepared by analysts of Bankier.pl portal. The high position on the list is thank to attractive terms of the offer, including the lack of fees for the account, card or cash withdrawals from ATMs. The authors of the ranking looked at the proposals of 21 banks in terms of the needs and expectations of three model groups of clients, chosen based on the amount of their monthly income. In each of the analyzed categories the personal account of Getin Bank was the best.

Getin UP account were also first in the ranking of the best bank accounts for two. Experts of TotalMoney.pl portal checked where and under what conditions the couple can set up a joint personal account. The Getin Bank's offer, which was on the first place in the classification has been considered most advantageous proposal on the market.

Getin Bank's car loan took first place in the ranking prepared by Totalmoney.pl. The winning prejudged the lowest interest of the loan. The winning offer applies both to loans for the purchase of a new and used car.

4. Assessment of financial creditworthiness - ratings

On February 2016 Fitch Ratings informed on reduction of Long-term foreign currency IDR from 'BB' to 'BB-' and National Long-Term Rating from 'BBB(pol)' to 'BBB-(pol)'. Viability Rating was downgraded from 'bb' to 'bb-'.

These changes was driven primarily by the introduction of new tax burdens in the form of bank tax. Current ratings of the Bank from Fitch Ratings:

Fitch Ratings	rating	outlook
Issuer Default (IDR)	BB-	stable
Short-term	B	-
National Long Term Rating	BBB- (pol)	stable

In the first half of 2016 Moody's rating agency did not make any changes in the assessment of the condition and the outlook for Getin Noble Bank. Current ratings from Moody's Investor Service Ltd.:

Moody's Investor Service	rating	outlook
Long-term Deposit Rating	Ba2	stable
Short-term Deposit Rating	not prime	-

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

Further results generated by the Group will depend on both internal and external factors.

The Bank's operations will focus on the objectives and tasks set out in the Strategy for the years 2016-2018 and Plan of sustained improvement in profitability.

Regulatory environment

Possible implementation of the law changes related to conversion or repayment of spreads on loans indexed/ denominated presents a risk of significant additional burden on the Bank. At this stage a precisely estimation of the amounts resulting from the presented in the draft law "on the principles of reimbursement of certain debts arising from loan and credit agreements" proposals concerning the return of the so-called FX spreads (including interest) is impossible. This is due to:

a/ the existence of ambiguity in interpretation, including as to the correctness of the conversion formulas used in the draft law (indicated also by independent analysts and institutions),

b/ the need to perform a very detailed analysis of the history of each loan account that could be covered by the regulation (which requires, among other things the creation of additional IT tools).

In the context of the target calculation of the financial effect of the introduction of the Act and its impact on the Bank, it is necessary to eliminate these differences of interpretation or clarify the necessary issues, such as e.g. the way of verification of customers applications.

Foreign exchange and financial market

The Bank has a significant portfolio of foreign currency and CHF-indexed loans and therefore is sensitive to fluctuations in the exchange rate of the currency. Potential changes in exchange rates in the future might unfavourably affect the Bank's financial results and the level of capital adequacy.

A further decrease in interest rates may adversely affect the financial results and the level of customers' propensity to save in banks for, among other things, investing their savings in investment funds managed by TFI.

In case of competitors' activities of increasing the offered interest rates of customer deposits, the need to adjust pricing to the competition banks will adversely affect the financial results of the Group.

The favourable situation in the economy, including the good financial standing of companies and further reduction of the unemployment rate will positively affect the quality of loan portfolios.

Other events

On 8 August 2016 the Bank was informed that the Polish Financial Supervision Authority, as a part of administrative proceedings in order to identify Getin Noble Bank as other systemically important institution, on the basis of an assessment in accordance with Article 39 paragraph 1 of the Act of 5 August 2015 on macro-prudential oversight of the financial system and crisis management in the financial sector, decided to ask the Financial Stability Committee ("the Committee") to express an opinion on the identification of the Bank as other systemically important institution and impose on it a buffer in the amount equivalent to 0.25% of the total risk exposure calculated in accordance with Article 92 paragraph 3 of the EU Regulation No. 575/2013. The Polish Financial Supervision Authority will take a decision after receiving an answer from the Committee. As at the date of publication of this report, the Bank has not received information about the date of introduction of the buffer for other systemically important institution and its impact on the Bank's required capital ratios.

Activities of the Group companies (in particular Noble Securities S.A. and Noble Funds TFI S.A.) are strongly linked with the sentiment prevailing on both the Polish and foreign markets. Unfavourable attitude of customers to invest in the capital market and lower margins due to significant competition among brokerage houses and investment companies, may have a negative impact on the operations and financial results of companies. In the case of recovery on the Stock Exchange it can be expected to improve the results obtained from the brokerage business.

6. 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 Members of the Management Board and Supervisory Board as at the date of these 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 shares on the own account as at the submission date of the report for the year 2015	Purchase/ (sale) of shares in the reporting period	Number of the Bank shares on the own account as at the submission date of the report for I half of 2016
Leszek Czarnecki ¹⁾	264,626,609	-	264,626,609
Remigiusz Baliński	521,530	-	521,530
Krzysztof Rośiński	2,110,573	-	2,110,573
Marcin Dec	374,762	-	374,762
Karol Karolkiewicz	76,737	-	76,737
Radosław Stefurak	126,315	-	126,315
Maciej Szczuchura	22,936	-	22,936

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.

7. Other information

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

Getin Noble Bank S.A. did not publish forecasts for 2016.

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

In the first half of 2016 there were no significant related party transactions concluded on other than arm's length basis by the Issuer or its subsidiaries.

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

In the first half of 2016 in the Group there were no significant transaction of purchase or sale of property, plant and equipment. As at 30 June 2016 there were no significant commitments due to the purchase of property, plant and equipment.

7.4. 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 2016 is presented in the table below:

	30.06.2016	31.12.2015
	PLN thousand	PLN thousand
Amounts due from banks and financial institutions	630	1,101
Loans and advances to customers	2,505,286	2,372,122
Available-for-sale financial assets	10,204	11,379
Intangible assets	16,681	16,681
Property, plant and equipment	12,678	13,827
Other assets	23,612	23,092
Total impairment allowances for assets	2,569,091	2,438,202

In the first half of 2016 the Group reversed write-downs for impairment of other assets in the amount of PLN 172 thousand.

7.5. 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

In the first half of 2016 there were no significant changes in economic and business conditions, which would have a significant impact on the fair value of financial assets and financial liabilities of the entity, regardless of whether those assets and liabilities are recognized at fair value or adjusted purchase price (amortized cost).

7.6. 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.

7.7. 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 2016 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.

7.8. 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 2016 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.

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

In the first half of 2016 in the Getin Noble Bank S.A. Capital Group there were no changes in valuation rules for financial instruments.

7.10. 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 2016 based on internal analysis of the horizon of maintaining investments in the portfolio, the Getin Noble Bank S.A. Group reclassified municipal bonds of the nominal value of PLN 13.8 million from available-for-sale portfolio to the held-to-maturity.

7.11. 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.

8. 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 2016 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 2016 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.

GRUPA KAPITAŁOWA GETIN NOBLE BANK S.A.

Sprawozdanie z działalności Grupy Kapitałowej i Emitenta za okres 6 miesięcy zakończony dnia 30 czerwca 2016 roku



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

Krzysztof Rosiński
President of the Management Board

Artur Klimczak
Vice President of the Management Board

Krzysztof Basiaga
Member of the Management Board

Marcin Dec
Member of the Management Board

Karol Karolkiewicz
Member of the Management Board

Radosław Stefurak
Member of the Management Board

Maciej Szczechura
Member of the Management Board

Warsaw, 30 August 2016