GETIN NOBLE BANK SPÓŁKA AKCYJNA

MANAGEMENT BOARD'S REPORT
FOR THE PERIOD FROM 1 JANUARY 2009 TO 31 DECEMBER 2009

The growth of Getin Noble Bank S.A. in 2009

Getin Noble Bank S.A. (the "Bank", "Getin Noble Bank", the "Company"), until 4 January 2010 operating as Noble Bank S.A., having its registered office in Warsaw at ul. Domaniewska 39B, registered with the District Court for the Capital City of Warsaw, 13th Economic Division of National Court Register under KRS number: 0000018507. As at 31 December 2009, the share capital of Noble Bank S.A. amounted to PLN 215,178,156.

Getin Noble Bank S.A. is one of the most dynamically developing banks in Poland. In 2009 the value of loans granted and deposits collected by this bank has materially increased. The procedures applicable in the company, the compliance with the recommendations of the Polish Financial Supervision Authority, the operating processes and employees' experience ensured a relatively low loss ratio of the loans granted, and, as a consequence, customer deposit security.

In 2009, the scope of the Bank's offering included: financial advisory services, property advisory services, mortgage financing, investment accounts, and structured deposits. The offering is addressed to demanding customers of above-average wealth. As at 31 December 2009, the Company had 612 employees. In 2009 two new branches were set up (in Łódź and Warsaw). The activities in the financial year ended on 31 December 2009 focused specially on increased effectiveness of customer service and continuing improvement of the quality of services provided.

The Company also develops its capital group.

On 6 February 2009, Noble Bank S.A. was informed by its subsidiary, Open Finance S.A., having its registered office in Warsaw ("Open Finance"), that on 6 February 2009 Open Finance and Getin Holding S.A., having its registered office in Wrocław ("Getin Holding"), concluded an agreement to purchase 500 (in words: five hundred) registered shares in Panorama Finansów S.A., having its registered office in Warsaw (the "Company"), with a par value of PLN 1000 (one thousand zlotys) each, corresponding to 100% of the Company's share capital and conferring 100% of votes during the General Meeting of Shareholders of the Company, at the price of PLN 500,000.00 (five hundred thousand zlotys 00/100).

On 13 August 2009, Noble Bank S.A. and Getin Holding S.A., having its registered office in Wrocław ("Getin Holding"), concluded a conditional agreement to sell the shares of Noble Securities S.A. (previously Dom Maklerski Polonia Net S.A.), having its registered office in Kraków ("Noble

Securities”). The title to shares was transferred on 17 November 2009, after the parties completed all activities provided for in the Sale Agreement, through a brokerage house.

The agreement referred to all registered shares of Noble Securities held by Getin Holding, i.e. with a par value of PLN 1.00 each, corresponding to 79.76% of the share capital and conferring 10,328,593 votes during the general meeting of Noble Securities, which corresponds to 82.73% of all votes. The buying price amounted to PLN 11,929,596.92, which corresponded to PLN 4.28 per share.

Having settled the above-mentioned transactions, the Bank holds 2,787,289 registered shares of Noble Securities with a par value of PLN 1.00 each, corresponding to 79.76% of the share capital and conferring 10,328,593 votes during the general meeting, which corresponds to 82.73% of all votes.

On 8 December 2009, an agreement to purchase 100% of the shares of GMAC Bank Polska Spółka Akcyjna (“GMAC”), having its registered office in Warsaw, was concluded. The share sale agreement was concluded between Noble Bank S.A. and the sole shareholder of GMAC, i.e. GMAC Inc., having its registered office in Wilmington Delaware, the United States of America (the “Seller”).

The agreement covers the purchase of 9,872,629 (nine million eight hundred seventy two thousand six hundred twenty nine) shares of GMAC with a par value of PLN 2 (two) each, totalling PLN 19,745,258 (nineteen million seven hundred forty five thousand two hundred fifty eight). The shares purchased correspond to 100% of the share capital of GMAC and confer 100% of votes during the general meeting of shareholders of this company.

The legal title to GMAC’s shares will be transferred to Getin Noble Bank S.A. after all conditions precedent specified in the agreement have been satisfied (the Closing Date). The following conditions precedent are specified in the agreement:

- obtainment of UOKiK’s (Office of Competition and Consumer Protection) approval of the purchase of GMAC’s shares,
- obtainment of KNF’s (Polish Financial Supervision Authority) approval of the purchase of GMAC’s shares,
- presentation of mutual declarations of true guarantees contained in the agreement as at the Closing Date,
- concluding a contract of mandate with a brokerage house,
- concluding a deposit agreement between the Seller and a brokerage house,
- concluding a fiduciary agreement by the Bank,
- concluding an agreement concerning the acceptance of financing liability by the Bank,
- remitting a fiduciary deposit to the fiduciary account and further to the account of GMAC International Finance B.V.,
- payment of the buying price for GMAC ‘s shares by the Bank to the Seller’s account.

The total buying price of the shares referred to in the agreement was determined as 95% of the carrying value to be indicated by the auditor in the financial statements of GMAC as at the Closing Date (the “Buying Price”). The agreement indicates that, as at 31 July 2009, the said carrying value was PLN 130,821,946 (one hundred thirty million eight hundred twenty one thousand nine hundred forty six). The Buying Price shall be payable to the Seller’s account on the Closing Date. The responsibility of the Seller for the breach of any provision of the agreement was indicated in the agreement as equivalent to the Buying Price or was limited to PLN 20,000,000 (twenty million), depending on the type of breach.

No relationship exists between the Bank and the persons managing or supervising the Company, and the Sellers of the above-described assets.

GMAC Bank Polska S.A. was not consolidated as at 31 December 2009.

<u>An outline of underlying economic and financial figures disclosed in the annual financial statements, involving a description of factors and events, including atypical ones, materially affecting the issuer's activity and profit/loss in the financial year, including an outline of issuer's prospective performance in the coming financial year</u>

An outline of underlying economic and financial figures:

In 2009, Noble Bank S.A. generated net profit of PLN 175,393 thousand. The assumptions concerning net profit adopted by the Shareholders of Noble Bank S.A. in the financial plan for the year 2009 were exceeded.

Over the year, the sales model used by the Bank resulted in a considerable increase in the revenues due to interest and commissions. The profit of Noble Bank S.A. was materially affected by dividends received from subsidiaries. In 2009, the Company received a dividend of PLN 35,000 thousand from Open Finance S.A. and a dividend of PLN 16,729 thousand from Noble Funds TFI S.A.

The value of loans granted by the Company considerably increased over the year. Their balance sheet value increased from PLN 3,874,509 thousand as at 31 December 2008 to PLN 6,818,339 thousand as at 31 December 2009.

At the same time, the Company managed to materially increase the value of customer deposits. The value of liabilities to customers increased from PLN 3,483,511 as at the end of 2008 to PLN 7,744,018 as at end of December 2009.

Description of factors and events, including atypical ones, materially affecting the issuer's activity and profit:

In 2009, the Company received PLN 51,729 thousand in dividends from its subsidiaries: Open Finance S.A. (PLN 35,000 thousand) and Noble Funds TFI S.A (PLN 16,729 thousand).

The marketing campaign and the increased effectiveness of the financial advisers of Noble Bank S.A. enabled the Company to increase the volume of mortgage loans sales, annexes to loan agreements and the volume of deposit products sales, which was reflected in the realization of profit in excess of the originally anticipated level.

On 23 October 2009, Noble Bank S.A. received tax interpretation from the Director of the Tax Chamber in Warsaw, acting on behalf of the Minister of Finance, based on which in 2009 the Company released a portion of its deferred tax provision. Therefore, the net profit of the Bank for the period ended on 31 December 2009 was increased by PLN 64,100 thousand.

Other significant atypical events which could materially affect the assets, liabilities, equity, and profit/loss of Noble Bank were not recorded.

Prospects for the issuer's business growth in the coming financial year:

On 4 January 2010, the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Division of the National Court Register, issued a decision based on which, on 4 January 2010, the merger of Noble Bank S.A. and Getin Bank S.A. into an entity under a new name of Getin Noble Bank S.A. was entered into the Register of Entrepreneurs of the National Court Register.

The merger of Noble Bank S.A. and Getin Bank S.A. was effected based on Art. 124 par 1 and par. 3 of the Banking Law, in connection with Art. 492 §1 sec 1 of the Code of Commercial Companies, by way of transfer of all assets of Getin Bank S.A. to Noble Bank S.A., accompanied by a simultaneous increase in the share capital of Noble Bank S.A. due to a new issue of shares. The merger will have a material impact on the growth of the distribution network, the Company's market standing and its financial performance in the subsequent years. Following the merger, the Company will also intensively develop the sales of its products.

The projected dynamic growth of the Bank's product sales (mainly loans) will be connected with the need for further obtainment of loan financing sources. The plans include special emphasis on the sales of deposit products – including structured ones.

Further growth of the capital group is planned. On 8 December a conditional agreement to purchase 100% of the shares of GMAC Bank Polska Spółka Akcyjna (the "Bank"), having its registered office in Warsaw, was concluded.

Description of important risk factors and hazards to the Company's growth, including respective levels of exposure

Adopted financial risk management methods and objectives

An important part of the risk management process is the correct selection and experience of employees, the implemented procedures and the processes in operation. The adopted methods of risk management and their selection are supervised by members of the Bank's authorities, that is, the Management Board and the Supervisory Board. One of the objectives of the assets and liabilities management policy is to optimise the structure of balance sheet and off-balance sheet items to maintain the planned proportion of income assumed to risk incurred. The Bank's Management Board is responsible for managing risk at the strategic level and it has established two committees for operational management purposes: the Credit Committee and the Assets and Liabilities Management Committee. These committees are responsible for managing their respective risk areas at the operational level, monitoring risk levels and developing current policies under the strategy adopted by the Bank's Management Board in line with internal limits and supervisory regulations. The existing regulations concerning market risk management take into consideration the requirements included in the Supervisory Recommendations of KNF. In its business, the Bank is exposed to a number of risks the most important of which include: credit risk, liquidity risk, market risk and operational risk. In accordance with the resolution of the Commission for Banking Supervision (KNB), the Bank is responsible for calculating the capital required as coverage for respective types of risk, and thus, it must maintain its equity funds at a level commensurate with the exposure. The resolution of KNB governs the method of calculating the solvency ratio, and includes, apart from the credit risk, capital requirements due to other types of risks (including but not limited to currency risk, interest rate risk) in the capital adequacy calculation.

1. Credit risk

Credit risk management in Getin Noble Bank S.A., and in particular credit risk management in the Bank aims to ensure safe lending activities and maintained rational approach to risk. The Bank controls credit risk through the implementation and observance of internal procedures for the granting and monitoring of granted loans and through day-to-day reviews of the financial standing of borrowers and loan repayments. The Bank carries out intensive debt collection activity. These activities focus on intensified debt collection with reference to the loan portfolio. Issues related to management of irregular loans, their restructuring and collection of respective debts are given priority treatment.
The lending process in the Bank is split into five stages, including: registration of the loan application, review of the application concluded with a decision, preparation of the loan agreement, disbursement of funds and monitoring. The Bank has in place internal manuals that provide detailed descriptions of the lending process participants and their respective functions. At all levels the decisions are made in a multistage system. The Bank performs a two-stage valuation of real properties declared as the collateral for granted loans to this end making use of appraisal reports and valuations of real property prepared by its own officers. The final credit decisions are made according to the distribution of competences depending on the credit amount and product type, approved by the resolution of the Bank's Management Board and the resolution of the Supervisory Board.

The Bank has in place detailed loan monitoring procedures. Under these procedures the Bank's activity taken up in case of irregular repayment of loans is divided into three stages, i.e. monitoring, debt collection and enforcement. All the activities making up respective stages are described in detail (naming the persons in charge) in internal manuals of the Bank. The internal regulations of the Bank concerning agreements covered by restructuring and debt collection activities include the following:
1. bank's retail receivables monitoring manual,
2. business customers monitoring manual,
3. mortgaged receivables monitoring manual.

The process of managing and monitoring of the risk of concentration in the Bank complies with the provisions of KNF's Resolution No. 384/2008. The Bank monitors the risk of concentration, and if such a risk occurs, a capital requirement is formed in the value consistent with the contents of Appendix No. 12 to the above-mentioned resolution.
The Bank manages the credit risk in case of foreign currency loans and foreign currency indexed loans, both at the stage of granting of the loan and during loan monitoring. Verifying the credit worthiness of the borrower applying for a loan, advance or another product the value of which is determined by foreign exchange rates, the Bank considers the currency risk due to the fluctuations of the exchange rate of the Polish zloty to foreign currencies and the risk of changes in the interest rate and its impact on the borrower's credit worthiness.

The Bank performs regular reviews of the impact of currency movements and the impact of interest rate movements on credit risk incurred by the Bank. It analyzes the impact of the currency risk on the quality of both the portfolio of mortgaged credit exposures and collaterals in the form of real properties. Twice a year (according to Recommendation S it is required at least once a year), the Bank performs extreme conditions tests with regard to the impact of the debtors' currency risk on the credit risk incurred by the Bank.

The tests are carried out on the assumption that the exchange rate of zloty drops down by 50% in relation to respective foreign currencies (30% required by the Recommendation), whereas it is assumed that the downward trend in the exchange rate will continue for 12 months.

The Bank analyzes the impact of interest rate changes on the credit risk incurred by the Bank. The extreme conditions testing of the impact of interest rate changes on the quality of the loan portfolio is performed upon the assumption that the interest rates will increase by 500 b.p. (Recommendation S requires 400 b.p.) and that the upward trend of such interest rates will continue for 12 months.

2. Market risk

Market risk is defined as uncertainty that interest rates, exchange rates or prices of securities and other financial instruments held by the Company will have values different from the originally assumed ones, resulting in the emergence of unexpected profits or losses due to such items.

Interest rate risk

The aim of measuring and managing the risk arising from the Company's holding of open positions which result from the mismatching of assets and liabilities as regards the interest rate binding dates is to minimise the risk involved in holding those positions. Market changes of interest rates, while open positions are kept, cause a risk of sustaining losses as well as achieving gains. Open positions sensitive to interest rate changes appear because a situation when interest income generating assets are matched with those generating interest expense, simultaneously with respect to revaluation amounts and dates, is virtually impossible. The main sources of interest rate risk are transactions conducted at the Bank's branches and those on the money market by the Treasury Department. Margin is the main source of the Bank's income, hence the interest rate risk mitigating limit adopted by the Bank can be regarded as prudent. In accordance with "The policy principles and methods of interest rate risk management at Noble Bank S.A.", the ALCO Committee approves the structure of the internal limit of the Bank's allowable exposure to interest rate risk and approves the amount of this limit. The limit structure is based on two components:

- the accumulated change in margins with regard to two percentage point changes in market interest rates; such changes are determined according to the repricing model. The model involves pooling assets and liabilities sensitive to interest rate changes in relevant time bands corresponding to revaluation dates for individual items, and then determining margins and their changes under conditions of a two percentage point change in interest rates (calculations are also made for a one percentage point change),
- the Bank's equity in the reporting period: the limit comprises the percentage share of a margin change (due to a two percentage point change in interest rates) in the Bank's equity.

In addition to the above analysis, the Bank also analyses the following risks:

- customer options risk,
- basis risk, and
- yield curve risk.

<u>Customer options risk</u>

Instruments that contain customer options include cash loans and advances that give the borrower the right of early repayment of the outstanding portion of a loan (advance) as well as some types of deposits that allow deposit holders to withdraw cash at any time without any penalties for the Bank's customer. The options risk analysis method is based on measuring the impact of market interest rate changes on the customers' propensity to withdraw from agreements made with the Bank. The portfolio of current deposits, term deposits and loans are measured separately. The analysis is based on the value at risk method.

<u>Basis risk</u>

The basis risk arises from an imperfect correlation of interest rates of instruments (with the same repricing intervals) that generate interest income and expense. The basis risk is measured by conducting a sensitivity analysis of assets and liabilities, as expressed in individual currencies and generating interest income and expense, to changes in the base interest rates for these currencies. The analysis is performed using repricing gaps separately for four currencies that are fundamental from the perspective of the Bank's needs, i.e. PLN, CHF, USD, EUR, and jointly for other currencies.

<u>Yield curve risk.</u>

The yield curve risk involves a change in the relation between interest rates that pertain to different periods, but apply to the same index or market. The relation changes when the shape of the yield curve flattens, steepens or reverses, in an interest rate cycle. The yield curve risk analysis method is based on measuring the sensitivity of the Bank's net interest income to changes in the relation between interest rates for different periods. The analysis is performed jointly for all currencies according to the Bank's total repricing gaps.

Sensitivity analysis

The Bank analyses the sensitivity to changes of market interest rates based on the funds gap management method (funding gap model). According to this method, assets and liabilities are divided into those which are sensitive or non-sensitive to possible changes in contractual interest rates in a defined future period. "Sensitive position" means that, in a defined future period, cash flows (interest) will change under the influence of changes in contractual interest rates (in the same direction and to the same extent). All balance sheet items on which no interest accrues are categorised as non-sensitive. Assets and liabilities (carrying values) are divided into future periods depending on repricing dates, instead of maturity dates. Dates when contractual rates change are called repricing dates. The main sources of interest rate risk are transactions conducted for customers and transactions on the money market. In accordance with "The policy principles and methods of interest rate risk management at Noble Bank S.A.", the ALCO Committee approves the structure of the internal limit of the Bank's allowable exposure to interest rate risk and approves the amount of this limit. The limit structure is based on two components:

accumulated change of margins under the influence of market interest rates changing by one percentage point; such changes are measured according to the repricing model. The model It involves pooling assets and liabilities sensitive to interest rate changes in relevant time bands corresponding to revaluation dates for individual items, and then determining margins and their changes under conditions of a one percentage point change in interest rates (calculations are also made for a two percentage point change),
- the Bank's equity in the reporting period. The limit comprises the percentage share of margin change (due to a one percentage point change of interest rates) in the Bank's equity.

Currency risk

The Bank as part of its operating activities aims at minimising currency risk through maintaining the total currency position at a level lower than the limit adopted in the official guidelines, "Currency risk management at Noble Bank S.A.". The value of the total currency position may not exceed 2% of the Bank's equity. The adopted limit is effective on each business day. The value of currency positions expressed in Polish zlotys is converted according to the average exchange rate of the National Bank of Poland as of the reporting date. The Risk and Controlling Department monitors whether the limit as set by the Management Board has not been exceeded.

Currency risk arises as a result of transactions made with customers. Managing this risk is effected through making opposite transactions on the interbank market. As a rule, the Bank does not undertake any speculative currency translations on the interbank market. The size of the limit and the Bank's applied policy reduce to negligible amounts the possibility of incurring a loss from adverse changes on the currency market. Currency risk reports are monitored by the Bank's Management Board on an ongoing basis. Decisions about the currency position amounts are made at the Treasury Department, taking into account the currency position limit.

Calculations of the Bank's exposure to currency risk and calculations of the capital requirement to cover the risk are conducted on a daily basis. The Bank has adopted the so-called basic method of calculating the capital requirement related to currency risk exposure. The capital requirement for currency risk is calculated as the product of 8% and the total currency position value in absolute terms.

3. Liquidity risk

Managing liquidity in the Company aims to ensure its capability of timely and satisfactory fulfilment of all contractual financial liabilities. Managing liquidity risk consists in shaping the structure of the balance sheet and off-balance sheet items in a way that ensures the attainment of strategic goals, including the maximization of the market value of equity by achieving the target net profit while maintaining exposure to financial risks at the level accepted by the Management Board.
Liquidity management is based on stating the Group's assets and liabilities according to the adjusted maturity dates (the gap method). It enables the analysis and control of liquidity items at the level of the entire Bank in the short-, medium- and long-term perspective. The objective of the gap method is to warn in advance about the emergence of mismatched assets and liabilities that would pose a threat to the Bank. The warning function makes it possible to respond in advance or to plan using an appropriate financial instrument to cover the negative gap. Based on the statement of the Bank's assets and liabilities, and the statement of its off-balance sheet items, ALCO sets liquidity limits that are monitored on an ongoing basis and the aim of which is to reduce the risk of the Bank's losing liquidity.

The monitoring and measurement of the risk of losing payment liquidity in Polish zlotys involves an analysis of:
1) the Bank's current cash position,
2) non-interest earning assets, mainly cash balances in the Bank's current account,
3) the amount of liquid assets and their share in the structure of all of the Bank's assets,
4) the trend of changes of individual balance sheet items within maturity time ranges,
5) the amounts of transactions conducted through the SORBNET banking module,

6) loan releases and repayments,
7) the level of deposits.

The data for the day-to-day monitoring of the payment liquidity in Polish zlotys are sourced from:
1) ongoing access to the Bank's current account balance in the Payment Systems Department at the National Bank of Poland in Warsaw, through the SORBNET system,
2) daily information on the planned volume of loans to be released,
3) daily information on operations performed by the Money Management Office,
4) weekly information on the Bank's selected items of assets and liabilities,
5) Webis monthly reporting.

The main sources of information on the level of the Bank's liquidity risk are monthly statements of mismatched assets and liabilities along with off-balance sheet items according to actual and adjusted maturity dates, and liquidity ratios calculated on this basis.

In order to manage liquidity in the best possible way, the Getin Noble Bank S.A. holds the following liquid assets in its portfolio: ash in the account with the Payment Systems Department at the National Bank of Poland, interbank deposits (overnight, tomnext), liquid securities.

The following are the basic indicators used to assess the Bank's payment liquidity:
1. short-term liquidity ratio: for the time band from on demand to three months,
2. medium-term liquidity ratio: for the time band from on demand to three years,
3. Long -term liquidity ratio: for the time band from on demand to more than three years.

The abovementioned ratios are calculated for the PLN and currency part of the balance sheet and in total after taking into consideration the adjustments of value of the balance sheet and off-balance sheet assets and liabilities. Forecasting the real cash flows is based on estimating the periods remaining to the maturity of assets and liabilities by way of a statement of these assets and liabilities in particular time bands, starting from the date of the statement.

Besides the balance sheet items, this statement also covers selected off-balance sheet items that might possibly cause an inflow or outflow of funds (sureties and guarantees as well as undrawn credit lines). The Bank measures and manages liquidity risk pursuant to its internal procedures and provisions of Resolution No. 386/2008 of the Commission for Banking Supervision on the determination of liquidity norms binding upon the banks. As part of calculating the supervisory liquidity measures, banks are obliged to maintain, on each business day, four liquidity measures at a level higher than limits set by the Commission for Banking Supervision.

4. Operational risk

Operational risk is the possibility of losses resulting from the adverse impact of the following factors (stimulating the existence of operational risk) on the Company: personnel, information technology, relations with customers and third parties, fixed assets and project management. In order to adequately categorise events related to operational risk, the following types of operational risk events were approved, specified by the Basel Committee and the banking industry as having a potential impact on the actual losses in the bank:

- internal fraud,
- external fraud,
- personnel and health and safety practices,
- customers, products and business practice,
- physical damage to assets,
- business interruptions and system failures,
- conducting transactions, delivery and process management.

For the purposes of efficient operational risk management, a five-stage management process has been implemented:

- Identification and assessment of operational risk in all banking products, banking operations, processes and systems. Making sure that before new products, processes and systems are presented or implemented in the Company's structures, their inherent operational risk is appropriately assessed.
- Assessment, ultimately by way of implementing a "self-assessment" system, and, on an ongoing basis, by means of risk ratios that indicate and estimate the impact of operational risk on the Bank's losses according to historical data on such losses (tracking and registering significant information on individual events resulting in losses). The historical data cover the period from the effective date of internal regulations on operational risk. The assessment process has an auxiliary function in:

  - the prioritisation of hazards,
  - the determination of appropriate access levels,
  - the assessment of security gaps.

- Creating a database of losses based on the registered individual events resulting in losses. Each event entered in the database is described at the appropriate gravity level.
- Monitoring by way of receiving regular reports from relevant units, functional groups, departments and internal audit carrying out periodical audits of operational risk (including, among others: establishing the identification criteria for particular types of events and incidents; providing access to knowledge and training for personnel).
- Reporting on the extent of the Company's exposure to losses from operational risk and events taking place. Reports are generated quarterly and submitted to the Bank's Supervisory Board, Management Board and Internal Audit.

As far as the operational risk management issues are concerned, the Bank observes the regulations contained in Recommendation M that deals with operational risk management in banks.

5. Hedge accounting in Getin Noble Bank S.A.

The Bank applies fair value hedge accounting for a portfolio hedge of PLN deposits based on fixed interest rate against the risk of change in the fair value due to the risk of change in the reference WIBOR interest rate. The hedging instrument in portfolio hedges of this type is the whole or partial portfolio of IRS derivative instruments. The Bank determines hedge relationships based on the analysis of sensitivity of the fair value of the hedged portfolio of deposits and the portfolio of hedging instruments to the risk of change in the reference WIBOR interest rate. This analysis is based on "BPV" and "duration" measures. The effectiveness of the hedge relationship is measured on a current, monthly basis.

In fair value hedges for portfolios, the costs due to interest on the hedged portion of the deposit portfolio are adjusted by revenues or costs due to interest on IRS hedging transaction, referring to the respective reporting period. At the same time, a change in the fair value of derivative instruments designated as hedging instruments in a respective period is included in the income statement under "Profit/loss on financial instruments at fair value", in the same line as the change in the fair value of the hedged item resulting from the hedged risk type. The change in the fair value of a portion of PLN deposits portfolio in the respective period designated as the hedged item is included in the balance sheet in a separate line under liabilities: "Adjustment of the fair value of amounts payable to other banks and financial institutions due to fair value hedges" (for interbank deposit hedging) or "Adjustment of the fair value of amounts payable to customers due to fair value hedges" (for individual deposit hedging). The balance sheet value of the hedged deposits portfolio is amortized by straight line method from the month following the month of the adjustment until the maturity of the hedged cash flows. The amount of amortization adjusts the "Cost of interest" in the profit and loss account.

The hedging instrument is part of or all cash flows from IRS transactions concluded by the Bank. A portion of IRS transactions used as a hedging instrument is determined on a monthly basis according to the balance at the end of the preceding month, in compliance with relevant methodology adopted by the Bank.

Indication of proceedings pending before court, an arbitration authority or public administration body, including information regarding proceedings instituted in relation to the issuer's payables or receivables corresponding to at least 10% of the value of the issuer's equity and two or more proceedings instituted in relation to payables and receivables the total values of which correspond respectively to at least 10% of the issuer's equity.

As at 31 December 2009 such proceedings were not recorded.

Information about key products and services offered by Getin Noble Bank S.A.

In 2009, the value of loans granted and deposits collected has materially increased in the Company. In the financial year ended on 31 December 2009 loans granted to customers were denominated in Polish zloty only. The procedures applicable at the Bank, the compliance with the recommendations of the Polish Financial Supervision Authority, the operating processes and employees' experience ensured a relatively low loss ratio of the loans granted, and, as a consequence, the security of deposits made by the Bank's customers.

In 2009, the scope of the Bank's offering included: financial advisory services, property advisory services, mortgage financing, investment accounts, and structured deposits. The offering is addressed to demanding customers of above-average wealth.

In 2009, the income on interest amounted to PLN 480,620 thousand (2008: PLN 251,262 thousand) and the income on commissions amounted to PLN 353,076 thousand (2008: PLN 39,943 thousand). In 2009, in comparison to 2008, the income on interest increased by 91% and the income on commissions increased by 784%.

Information on selling markets

The Company operates in the domestic market. No customer of the Company generates more than 10% of the Company's sales.

Information on agreements significant to the Company's business, including agreements concluded between shareholders and insurance, partnership or cooperation agreements known to the Company

As at 31 December 2009, Noble Bank S.A. had 7,544 deposits made by Towarzystwo Ubezpieczeń na Życie Europa S.A. The total value of those deposits as at 31 December 2009 amounted to PLN 1,559,894 thousand (capital – PLN 1,509,086 thousand, and interest – PLN 50,808 thousand). The last deposit matures in July 2014. Deposits are accepted on an arm's length basis.

The Company concluded a number of transactions concerning derivative instruments totalling PLN 4,390,791 thousand.

On 29 January 2009, the Management Boards of Getin Bank S.A. and Noble Bank S.A. agreed upon a merger plan, accepted by the Supervisory Boards of both banks, according to which the merger is to be effected through the transfer of all assets of Getin Bank S.A. to Noble Bank S.A. in exchange for the shares of Noble Bank S.A. On 18 June 2009, the General Meetings of the banks approved the above-mentioned merger plan and adopted a resolution on the merger to be filed for registration after the receipt of the Polish Financial Supervision Authority's decision stating that the information memorandum relating to the whole issue of J series shares in terms of form and content is equivalent to the disclosure required for a prospectus, and after the obtainment of all the required approvals from the Polish Financial Supervision Authority concerning the merger of Noble Bank S.A. and Getin Bank S.A. and the amendment to the Articles of Association of Noble Bank S.A. On 8 July 2009, the Polish Financial Supervision Authority approved the merger of Noble Bank S.A. and Getin Bank S.A. through the transfer of the assets of Getin Bank S.A. to Noble Bank S.A. in exchange for the shares of Noble Bank S.A., according to the merger plan. Concurrently, the Polish Financial Supervision Authority approved the fact that Mr Leszek Czarnecki, through Getin Holding, will execute the voting right conferred by the shares of Noble Bank S.A. corresponding to more than 75% of the total number of votes at the general meeting, and it also approved the amendments to the Articles of Association of Noble Bank S.A. to be effected on 10 July 2009 in connection with the merger of the two banks.

On 29 July 2009, Noble Bank S.A. requested the Polish Financial Supervision Authority to declare the equivalence of disclosures contained in the information memorandum prepared in connection with the public offering of J series shares and the intention of applying for admission of J series shares to trading in the regulated market. On 9 September 2009, Noble Bank S.A. was notified on the Polish Financial Supervision Authority's declaration of equivalence of disclosures made in above-mentioned information memorandum both in terms of form and content.

On 4 January 2010, the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Division of the National Court Register, issued a decision based on which, on 4 January 2010, the merger of Noble Bank S.A. and Getin Bank S.A. into an entity under a new name of Getin Noble Bank S.A. was entered into the Register of Entrepreneurs of the National Court Register.

The merger of Noble Bank S.A. and Getin Bank S.A. was effected based on Art. 124 par 1 and par. 3 of the Banking Law, in connection with Art. 492 §1 sec 1 of the Code of Commercial Companies, by way of transfer of all assets of Getin Bank S.A. to Noble Bank S.A., accompanied by a simultaneous increase in the share capital of Noble Bank S.A. due to a new issue of shares. The merger will have a material impact on the growth of the distribution network, the Company's market standing and its financial performance in the subsequent years. Following the merger, the Company will also intensively develop the sales of its products.

<u>Information on the Company's organisational or capital links with other entities and description of main domestic and foreign investments</u>

Getin Noble Bank is the parent company of Getin Noble Bank S.A. Capital Group. The Bank has investments in the following subsidiaries:

Company	Registered office	Core business activity	Bank's percentage share in equity	
			31.12.2009	31.12.2008
Open Finance S.A.	ul. Domaniewska 39, Warsaw	financial intermediation	100,0%	100,0%
Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.	ul. Domaniewska 39, Warsaw	management of investment funds	70,0%	70,0%
Introfactor S.A.	ul. Wołoska 18, Warsaw	other financial activity	100,0%	100,0%
Noble Concierge sp. z o.o.	ul. Domaniewska 39, Warsaw	other activities auxiliary to financial services	100,0%	100,0%
Noble Securities	ul. Lubicz 3/215, Kraków	brokerage services	79,8%	0,0%
Panorama Finansów S.A.	ul. Domaniewska 39, Warsaw	financial intermediation	100,0% *	0,0%

*- through a subsidiary – Open Finance S.A.

The above-presented stocks/shares in subsidiaries are not subject to any limitations of voting rights and disposal of these stocks/ shares.

Getin Holding S.A. jest the superior parent company and the direct holding company of Getin Noble Bank S.A. The Company understands associates to include the minority shareholders of the Bank: ASK Investments S.A., A. Negelkerken Holding B.V., International consultancy strategy Implementation B.V., and H.P. Holding 3 B.V. The group of associates also includes: the Management Board, Carcade Sp. z o.o., TU Europa S.A., TU na Życie Europa S.A., Getin Bank S.A. (this company merged with Noble Bank S.A. on 4 January 2010), Home Broker S.A. (previously JML S.A.), Fiolet - Powszechny Dom Kredytowy S.A., Panorama Finansów S.A., Noble Securities A.S., Leszek Czarnecki as the main shareholder of Getin Holding S.A. and members of the Management Board of the Company, members of the Supervisory Board of the Company and parties related to them.

As at 31 December 2009, the Company held the following securities available for sale in which the Company invested its cash surplus: securities issued by central banks totalling PLN 349,762 thousand, securities issued by other banks totalling PLN 118 thousand, securities issued by other financial institutions totalling PLN 67,583 thousand, securities issued by non-financial institutions totalling PLN 58 thousand and securities issued by the State Treasury totalling PLN 782,900 thousand.

All the subsidiaries mentioned above are consolidated.

Information on significant transactions concluded by the issuer or its subsidiary with associates other than on arm's length, including respective amounts and information on the nature of such transactions

All transactions are concluded on arm's length.

Information on loan and advance agreements concluded and terminated in the respective financial year

As at 31 December 2009, the Company had no loans or advances. During the financial year neither any new loans and advances were taken nor the Company's loans or advances were terminated.

Information on advances granted in the respective financial year, and particularly advances granted to the issuer's associates

As at 31 December 2009, the following subsidiaries made use of loans granted by the Bank:

Name of subsidiary	loan agreement amount	Disbursed in 2009	capital to be repaid as at 31.12.2009	Interest rate	Maturity
Introfactor S.A.	Limit 50.5 mln	10 mln	35.1 mln	WIBOR 3M + 1.2% margin	2011.08.08
Panorama Finansów S.A.	7.1 mln	4.7 mln	6.7 mln	WIBOR 3M + 4.01% margin	2011.10.07

Information on warranties and sureties received in the respective financial year, and in particular warranties and sureties granted to the issuer's subsidiaries

As at 31 December 2009 and as at 31 December 2008, the Company granted sureties and warranties valued as below:

Guarantee liabilities granted	31.12.2009 '000 PLN	31.12.2008 '000 PLN
1) Liabilities granted to non-financial entities:	1 972	692
- sureties	1 972	692
2) Liabilities granted to financial entities:	1 680	1 953
- sureties	1 680	1 953
Total liabilities granted	**3 652**	**2 645**

As at 31 December 2009, the Bank granted a surety regarding the payment of rent and other liabilities:
- up to PLN 460 thousand to Home Broker S.A. (previously **JML S.A.);**
- up to PLN 293 thousand to Dominata Sp. z o.o.;
- up to PLN 700 thousand to Łódzka Agencja Rozwoju Regionalnego;
- up to PLN 1,275 thousand to a subsidiary – Open Finance S.A.;
- and the sureties granted to other entities totalled PLN 924 thousand.

Description of the Company's use of proceeds from the issue of securities

In the financial year ended on 31 December 2009, the Company did not issue any securities.

On 4 January 2010 the share capital of Noble Bank S.A. was increased by PLN 738,584,941 as a result of issuing 738,584,941 new J series bearer equity shares numbered from 1 to 738,584,941 with a par value of PLN 1.00 each, meant for the shareholders of Getin Bank S.A. The issue was effected in connection with the resolution of the Extraordinary General Meeting of Noble Bank S.A. concerning the merger of Noble Bank S.A. and Getin Bank S.A. In connection with the issue, all the assets of Getin Bank S.A. were transferred to Noble Bank S.A. in exchange for the shares issued by Noble Bank S.A. to the shareholders of Getin Bank S.A.

Explanation of differences between financial results disclosed in the annual report and the previously published profit/loss forecast for the respective year

The Company did not publish any profit/loss forecasts.

Evaluation, including a substantiation, concerning the management of the financial resources, and in particular the capacity to fulfil obligations, and the specification of possible risks and measures undertaken or intended to be undertaken by the issuer to prevent such risks.

The Company is fully capable of fulfilling its financial obligations. Both earned and budgeted profit enables the Company to maintain full ability to satisfy the obligations incurred.

Evaluation of options concerning the implementation of investment projects, including capital investments in comparison with the volume of own resources, taking possible changes in the related structure of financing into account

The Company is planning to purchase GMAC Bank Polska S.A - as described above in “The growth of Noble Bank in 2009”, In addition, the projected investments of the Company are connected with setting up new branches. The Company has the required resources to fully accomplish these plans.

Description of external and internal factors that are essential to the issuer’s business growth and description of prospective issuer’s business growth at least until the end of the financial year following the financial year covered by the financial statements forming part of the annual, including elements of its market strategy

An essential factor to affect the further growth of the business is the merger of Noble Bank S.A. and Getin Bank S.A. effected on 4 January 2010. It contributes to the expansion of the sales network and significant extension of the range of products offered to which, among others, cash loans and auto loans have been added.

Slower or no economic growth, weaker zloty, increased interest rates, and as a consequence lower willingness of customers to take out mortgage and financial loans may result in decreased sales of loans (in particular loans denominated in foreign currencies). Loan sales may also be determined by new recommendations of KNF.

In addition, slower or no economic growth will contribute to the increase in the rate of unemployment, reduction in borrowers' income, and as a consequence, the risk of failure to repay the loans granted will be increased. It will have an impact on the amounts of provisions for loan receivables, and, as a consequence, on the financial performance of the Bank.

The further growth of the Company is determined by securing funds to finance lending. The Company pursues this goal by an active campaign to collect deposits – including the sale of structured deposits.

Another factor critical to further growth of the Company is the retention of qualified and experienced managerial staff in the Company.

Changes in the underlying management rules applicable to the Company and its capital group

In 2009 no significant changes in the methods of management applicable to the Company and its Capital Group were recorded.

Contracts concluded between the issuer and managers, providing for compensation in the event of resignation or dismissal from the position held without a valid reason or when they are recalled or dismissed due to the merger of the issuer’s business through acquisition

The contract with Mr Krzysztof Rosiński – the Vice-President of the Management Board of Getin Noble Bank S.A. - provides for payment of additional remuneration equivalent to the remuneration received by and due to the Manager over 6 full calendar months preceding the termination of the contract if this contract is terminated or cancelled by the Company or if Mr Krzysztof Rosiński is recalled from the position of the President of the Management Board of the Company, except for the termination without notice due to gross negligence of the provisions of the contract or an absence continuing for more than 90 days in total. The above-described remuneration shall also be paid to Mr Krzysztof Rosiński if the contract is terminated by an entity other than the one with whom the contract was concluded, which has become the parent company of this Company, except when the change of the parent company affects the company in which the shareholder of the Company, Mr Leszek Czarnecki, has a controlling shareholding in terms of relevant provisions of the Code of Commercial Companies.

The contract with Mr Radosław Stefurak – Member of the Management Board of Getin Noble Bank S.A. provides for a 6-month notice of termination.

The Bank did not conclude any contracts with the remaining Members of the Management Board providing for compensation in the event of resignation or dismissal from the position held without a valid reason or when they are recalled or dismissed due to the merger of the issuer's business through acquisition.

Amount of remuneration, awards or benefits, including those resulting from equity-based incentive or bonus schemes, including schemes based on pre-emptive bonds, convertible bonds, subscription warrants (in cash, in kind or in another form whatsoever), paid, payable or potentially payable to each member of the management and supervisory authorities of the issuer's business, irrespective of whether they were correctly appropriated to costs or whether they were an effect of the distribution of profit.

Information concerning the remuneration for the Management Board is presented in section XV of the financial statements.

Determination of the total number and par value of all stocks (shares) of the issuer and of the stocks and shares in the issuer's associates held by members of the issuer's management and supervisory authorities (per person).

As at 31 December 2009, the persons named below held (indirectly or directly) the following numbers of shares of Noble Bank S.A.

	Function	As at 31.12.2008	shares purchased in the reporting period	shares sold in reporting period	As at 31.12.2009
Remigiusz Baliński	Member of the Supervisory Board	22 333	-	-	22 333
Maurycy Kuhn	Member of the Management Board	10 304 447	24 147	-	10 328 594
Krzysztof Spyra	Member of the Management Board	10 389 947	-	-	10 389 947
Jarosław Augustyniak	President of the Management Board	10 697 947	-	-	10 697 947

Information of agreements known to the issuer (including those concluded after the balance-sheet date), which could lead to future changes in the proportion of shares held by the current shareholders

The proportion of shares held changed as a result of the merger of Noble Bank S.A. and Getin Bank S.A. on 4 January 2010.

Information on the employee share scheme control system

The Company has no employee share scheme.

Information concerning agreements with the parent company's auditor

On 17 December 2009, Noble Bank S.A. and Ernst & Young Audit sp. z o.o. signed an agreement concerning the audit of separate and consolidated financial statements for the financial year ended on 31 December 2009. The auditor's remuneration was determined at the level of PLN 150 thousand (net).

On 14 August 2009, Noble Bank S.A. and Ernst & Young Audit sp. z o.o. signed an agreement concerning the review of the separate and consolidated financial statements for the financial year ended on 30 June 2009. The auditor's remuneration was determined at the level of PLN 100 thousand (net).

On 27 March 2009, Noble Bank S.A. and Ernst & Young Audit sp. z o.o. signed an agreement concerning the review of interim short separate and consolidated financial statements for the financial year ended on 31 March 2009. The auditor's remuneration was determined at the level of PLN 110 thousand (net).

On 27 April 2009, Noble Bank S.A. and Ernst & Young Audit sp. z o.o. signed an agreement concerning assurance services (review) regarding pro-forma financial statements prepared as at 31 December 2008 and offering support to Noble Bank S.A. in works related to the issue of shares. The remuneration of the auditor was determined at the level of PLN 190 thousand (net).

The remuneration of Ernst & Young Audit sp. z o.o. for the audit and review of the financial statements of Noble Bank S.A. for the year 2008 amounted to PLN 300 thousand (net).

Information on the sources of financing of the Company's operating activities.

In 2009, the main sources of financing of the Company's operating activities were amounts payable to customers, amounts payable to banks and shareholders' equity. As at 31 December 2009, the amounts payable to customers and amounts payable by virtue of the issue of securities were respectively PLN 7,744,018 thousand and PLN 412,206 thousand, whereas the shareholders' equity as at 31 December 2009 amounted to PLN 766,050 thousand. To secure stable financing of its activities, the Company developed a package of deposit products, which, due to their innovative form and attractive terms and conditions, make it possible to set up a stable deposit base. The Company also obtains financing through cooperation with banks in the interbank transactions market and through cooperation with other financial institutions. As at 31 December 2009, the amounts payable to customers constituted 86% of all financing sources, amounts payable by virtue of the issue of securities – 5%, and shareholders' equity – 8% of all financing sources.

In 2009, the Company carried out its operations in Poland.

Information on the number and value of enforcement titles issued by the Company and on the value of collaterals established.

In 2009, the Group issued 1,935 enforcement titles totalling PLN 10,406 thousand. The fair value of the borrowers' assets pledged as collaterals as at 31 December 2009 amounted to PLN 9,293,629 thousand.

Information on significant agreements concluded between the Company and a central bank or regulatory authorities.

In 2009, no significant agreements were concluded between the Company and the central bank (except for SWAP transactions). In 2009 no significant agreements were concluded between the Bank and regulatory authorities either.

Information on loans taken out, agreements on advances, warranties and sureties other than relating to the operating activities of the Company, and on all contractual obligations resulting

from the debt securities or financial instruments issued, underwriting agreements and sureties given to subsidiaries.

In 2009, no loan, advance, warranty and surety agreements, other than relating to the operating activities of the Company, were signed. No underwriting agreements were concluded either.

As at 31 December 2009, Noble Bank S.A. granted a guarantee of PLN 1,275 thousand to Open Finance S.A.

In 2009, no deposit certificates were issued.

Description of the cooperation with international financing institutions and description of the Bank's credit policy.

The Company cooperated with international financial institutions mostly by selling their products to Polish customers.

The Bank's credit policy complies with the guidelines contained in budgets approved by the Supervisory Board and includes criteria closely connected with the control of identified risks – credit, currency, interest rate and liquidity risk. The Bank controls credit risk through the implementation and observance of internal procedures for the monitoring of granted loans and through day-to-day reviews of the financial standing of borrowers and loan repayments. In accordance with the resolution of KNF, the Bank is responsible for calculating the capital required as coverage for respective types of risk, and thus, it must maintain its equity funds at a level commensurate with the exposure. The resolution of KNF governs the method of calculating the solvency ratio, and includes, apart from the credit risk, capital requirements due to other types of risks (including but not limited to currency risk, interest rate risk) in the capital adequacy calculation.

Profile of the Bank's assets and liabilities and description of the main balance sheet items.

As at 31 December 2009, the amounts receivable from banks constituted 5% of the total assets of the Company and amounted to PLN 447,795 thousand. The amounts receivable from banks largely comprised term deposits and current accounts.

Loans and advances granted to customers as at 31 December 2009 made up 76% of the total assets and amounted to PLN 6,818,339 thousand. They largely comprised mortgage loans and loans secured with financial assets.

Financial instruments available for sale (mostly bonds, treasury bills, participation units) as at 31 December 2009 made up 13% of the total assets and amounted to PLN 1,195,341 thousand.

Amounts payable to customers (including financial liabilities at fair value through profit or loss) as at 31 December 2009 constituted 86% of the total liabilities of the Company and amounted to PLN 7,744,018 thousand. They largely comprised term deposits and current accounts.

Amounts payable by virtue of debt securities issued constituted 5 % of the total assets of the Company and as at 31 December 2009 amounted to PLN 412,206 thousand. The securities comprise three-year deposit certificates amounting to PLN 270,000,000 and five-year deposit certificates amounting to PLN 80,000,000. Interest on certificates is payable every three months based on 3M WIBOR rate increased by margin. On 15 September 2008, under the Bank Securities Issue Programme, Noble Bank S.A. launched another issue of two-year deposit certificates amounting to PLN 57,500,000. Interest on certificates is payable every six months based on 6M WIBOR rate increased by margin.

The shareholders' equity as at 31 December 2009 amounted to PLN 766,050 thousand and made up 8% of the total liabilities of the Company. Changes in equity during the year were mostly a result of the generated net profit of PLN 175,393 thousand and the paid dividend of PLN 44,784 thousand.

The structure of assets and liabilities from the point of view of the Company’s liquidity is presented below:

The table below presents the Company's assets and liabilities as at 31 December 2009 according to maturity dates (in thousands of PLN):

Balance sheet items	Up to 1 month inclusive	From 1 to 3 months inclusive	From 3 months to 1 year inclusive	Total below 12 months	From 1 to 5 years inclusive	Over 5 years	Total over 12 months	Undefined maturity	Total
Assets:									
Cash at hand and cash at Central Bank	239 817	-	-	239 817	-	-	-	-	239 817
Amounts receivable from banks	444 123	3 616	-	447 739	-	-	-	56	447 795
Derivative financial instruments	126 382	-	-	126 382	-	-	-	-	126 382
Loans and advances to customers	147 214	8 004	100 056	255 274	1 162 991	5 400 074	6 563 065	-	6 818 339
Financial instruments	349 762	-	204 982	554 744	572 852	-	572 852	67 745	1 195 341
Available for sale	349 762	-	204 982	554 744	572 852	-	572 852	67 745	1 195 341
Investments in subsidiaries	-	-	-	-	-	-	-	102 495	102 495
Intangible assets	-	-	-	-	-	-	-	5 441	5 441
Tangible fixed assets	-	-	-	-	-	-	-	13 961	13 961
Fixed assets classified as held for sale	-	-	-	-	-	-	-	8 457	8 457
Current tax receivable	-	-	6 042	6 042	-	-	-	-	6 042
Deferred tax assets	-	-	-	-	-	-	-	15 104	15 104
Other assets	35 507	-	766	36 273	2 432	-	2 432	15 616	54 321
Total assets:	**1 342 805**	**11 620**	**311 846**	**1 666 271**	**1 738 275**	**5 400 074**	**7 138 349**	**228 875**	**9 033 495**
Liabilities:									
Amounts payable to other banks and financial institutions	-	-	19 548	19 548	-	-	-	-	19 548
Derivative financial instruments	28 562	-	-	28 562	-	-	-	-	28 562
Amounts payable to customers	1 791 763	1 334 730	2 185 132	5 311 625	2 430 039	-	2 430 039	2 354	7 744 018
Debt securities payable	4 706	-	-	4 706	407 500	-	407 500	-	412 206
Other liabilities	53 341		600	53 941	2 218		2 218	6 900	63 059
Provisions	-	-	-	-	-	-	-	52	52
Total liabilities:	**1 878 372**	**1 334 730**	**2 205 280**	**5 418 382**	**2 839 757**	**-**	**2 839 757**	**9 306**	**8 267 445**
Capital	-	-	-	-	-	-	-	766 050	766 050
Total liabilities and equity	**1 878 372**	**1 334 730**	**2 205 280**	**5 418 382**	**2 839 757**	**-**	**2 839 757**	**775 356**	**9 033 495**
Liquidity gap	**(535 567)**	**(1 323 110)**	**(1 893 434)**	**(3 752 111)**	**(1 101 482)**	**5 400 074**	**4 298 592**	**(546 481)**	**-**

Structure of loans granted.

Loans granted as at 31 December 2009 were classified as follows:

As at 31 December 2009	Gross value of unimpaired loans '000 PLN	Gross value of impaired loans '000 PLN	Charges for unimpaired loans and advances (IBNR) '000 PLN	Impairment charges for impaired loans and advances '000 PLN	Total net value '000 PLN
- corporate loans	570 434	55 542	(2 397)	(27 442)	596 137
- housing loans	5 147 470	26 732	(21 022)	(7 044)	5 146 136
- consumer loans	1 066 647	45 584	(4 615)	(31 550)	1 076 066
Total	**6 784 551**	**127 858**	**(28 034)**	**(66 036)**	**6 818 339**

Structure of deposits held

As at 31 December 2009, the deposits held by the Company on other banks were split as below:

Structure of receivables from banks by maturity according to the period from the balance-sheet date to repayment date	31.12.2009 '000 PLN	31.12.2008 '000 PLN
Current accounts and ON deposits	98 166	7 614
Term receivables with maturities of:	349 573	936 520
up to 1 month	345 957	824 308
from 1 to 3 months	3 616	112 212
Interest	-	1 527
Other receivables	56	-
Total	**447 795**	**945 661**

Average basic interest rate used by the Company for deposits and loans during the financial year

As at 31 December 2009, the average effective interest rate on deposits, broken down into currencies, was as follows:

Receivables in EUR	0.29%
Receivables in PLN	3.50%
Receivables in USD	0.21%
Receivables in GBP	0.45%
Receivables in CHF	0.05%
Receivables in JPY	0.05%

As at 31 December 2009, the average effective interest rate on loan receivables, broken down by currencies, was as follows:

Receivables in EUR	2.74%
Receivables in PLN	10.20%

Receivables in USD	3.08%
Receivables in CHF	3.09%
Receivables in JPY	3.01%

Major achievements in research and development

No research and development work was conducted in 2009.

Purchase of treasury shares

On 28 November 2008, the Extraordinary General Meeting of Shareholders of Noble Bank S.A. resolved to purchase the treasury shares of Noble Bank S.A. and in that resolution authorised the Management Board of the Company to determine the detailed conditions for the purchase of shares. The Company's Management Board adopted the Rules for the Share Buy-Back Programme in a resolution of 5 December 2008.

In 2009, the Company bought back 2,488,000 treasury shares. The value of shares bought back in 2009 was PLN 7,150 thousand.

As at 31 December 2009, Noble Bank had purchased 2,635,000 treasury shares. The value of the shares purchased was PLN 7,625,918, and their par value was PLN 2,635,000. They represented 1.22% of all shares. The shares are meant for further resale.

Company's branches and offices

In 2009, the Bank operated through 10 branches, 4 of which were located in Warsaw, and the rest in Kraków, Poznań, Wrocław, Gdańsk, Łódź and Katowice.

Statement on compliance with corporate governance rules in 2009

In July 2007, the Supervisory Board of the Warsaw Stock Exchange adopted corporate governance rules for joint stock companies issuing shares, convertible or pre-emptive bonds admitted to public trading. The corporate governance rules in the form of the Code of Best Practices for WSE Listed Companies are provided in the Appendix to Resolution No. 12/1170/2007 of the WSE Supervisory Board dated 4 July 2007, and came into effect as of 1 January 2008. The document can be accessed at the official website of the Warsaw Stock Exchange dedicated to corporate governance, www.corp-gov.gpw.pl.

Pursuant to the provisions of the new code, on 28 April 2008, the Bank's Management Board prepared the "Statement of the Management Board of Noble Bank S.A. on non-compliance with certain rules specified in the Code of Best Practices for WSE Listed Companies". The said statement was amended by a statement included in current report No. 52/2008 of 19 August 2008.

In accordance with the above, the Bank complies with the Code of Best Practices for WSE Listed Companies with the exclusion of the following provisions:

"III. Best Practices for Supervisory Board Members

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

the independence of a Supervisory Board member as defined in this rule is construed as an actual and significant relationship with any shareholder who has the right to exercise at least 5% of all votes at the General Meeting.

The above rule is not and will not be observed. The Bank's authorities take the view that, in accordance with the general principle of majority rule and protection of minority shareholders' rights, a shareholder who has made a greater contribution to capital runs a higher financial risk, hence there are grounds for the shareholder's interests to be considered proportionately to the capital contributed. Thus, the shareholder should also have the right to propose Supervisory Board candidates who would ensure the implementation of the strategy adopted for the Bank. In the Bank's view, it enables the adequate and effective implementation of the Bank's strategy and sufficiently protects the interests of all shareholder groups and other groups associated with the Bank. Given the Bank's current shareholder structure, the rule in question excessively limits the corporate rights of majority shareholders and violates the principle of majority rule in a joint stock company. The Bank's General Meeting selects Supervisory Board Members from among individuals of high moral integrity who have the required education, professional and personal experience, and are able to devote the amount of time required to adequately perform their duties as Supervisory Board Members. In the opinion of the Management Board, these criteria ensure the effective work of Supervisory Board Members in the Bank's interests and, accordingly, in the interests of all of its shareholders.

7. The Supervisory Board should establish at least an internal audit committee. The committee should include at least one member independent of the company and entities with significant connections with the company, who has qualifications in accounting and finance. In companies where the Supervisory Board consists of the minimum number of members required by law, the tasks of the committee may be performed by the Supervisory Board.

The above rule is partially observed. On 18 August 2008, the Bank's Supervisory Board established an internal Audit Committee with the following members: Mr Remigiusz Baliński, Mr Dariusz Niedośpiał and Mr Radosław Stefurak. In addition, a permanent expert with qualifications in accounting and finance was appointed to assist the Audit Committee. On 15 December 2009, the Bank's Supervisory Board amended the Rules of the Audit Committee and granted the Supervisory Board the authority to perform the tasks of the Audit Committee. This amendment was necessitated by changes in the membership of the Bank's governing and supervisory bodies. Currently the Bank's Supervisory Board consists of the minimum number of members required by law, hence the tasks of the audit committee must be performed by the Supervisory Board.

As regards the independence of at least one member of the Audit Committee, the abovementioned rule is not observed by the Bank because rule no. 6 of Part III "Best Practices for Supervisory Board Members" is not observed.

IV. Best Practices for Shareholders

8. The General Meeting or the Supervisory Board should ensure that the company authorised to audit financial statements changes at least once every seven financial years.

This rule will not be observed. The Bank's authorities take the view that it is sufficient to change the auditor from among the auditors engaged by the company auditing the financial statements. This position complies with the applicable European regulations (Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts) that set out the rule of the independence of the key partner of the auditing company responsible for conducting the audit, According to this rule, the key partner should be changed at least once every seven years. In view of the above, the Bank considers it unnecessary to change the company authorised to audit the financial statements.

1.1. The Bank's shareholders with major direct and indirect shareholding in the Bank in 2009

Major Shareholders	No. of shares	Number of votes at the GM	% of the total number of shares
Getin Holding S.A.	**158 458 666**	**158 458 666**	73.64%
Maurycy Kuhn	**10 328 594**	**10 328 594**	4.80%
Krzysztof Spyra	**10 389 947**	**10 389 947**	4.83%
Jarosław Augustyniak	**10 697 947**	**10 697 947**	4.97%

Mr Leszek Czarnecki, PhD, is the controlling entity of Getin Holding S.A. (directly and through LC Corp B.V., in which he has a 100 percent shareholding, and other subsidiaries).

1.2. Description of the rules for appointing and recalling managing individuals and their powers, particularly their right to decide to issue or redeem shares. The composition of the Management Board and its changes that took place in the financial year 2009

Management Board Members are appointed and recalled by the Supervisory Board as required by the Banking Law. Members of the Management Board are appointed for a joint term of office of three years.

Members of the Supervisory Board are appointed and recalled by the General Meeting.

The Management Board manages the affairs of the Bank and represents it before third parties. The Management Board is responsible for any issues that are not reserved in the Articles of Association and applicable legal regulations as being within the competence of other bodies of the Bank. The Management Board operates pursuant to the rules approved by the Supervisory Board. The said rules specify which matters require a collective review and adoption of a resolution by the Management Board. The Management Board's competence to decide to issue or redeem shares in 2009 was limited by the Articles of Association. Pursuant to the Bank's Articles of Association of 2009, the General Meeting is responsible for adopting resolutions on increasing or decreasing the Bank's share capital. In 2009, the Bank's Management Board did not have the authority to increase the Bank's share capital and issue the Bank's shares under conditions specified by the provisions of Art. 444-446 of the Code of Commercial Companies.

The above was amended on 4 January 2010 when the District Court for the Capital City of Warsaw in Warsaw, 13th Economic Division of the National Court Register, registered amendments in the Bank's Articles of Association adopted on 18 June 2009 by way of Resolution No. IV/18/06/2009 and V/18/06/2009 of the Extraordinary General Meeting of Noble Bank S.A. Pursuant to Art. 11 of the amended Articles of Association, the Bank's Management Board is authorised, until 30 May 2012, to increase share capital once or a few times within the authorised capital by issuing bearer shares (authorised capital) according to the conditions specified therein.

As of 31 December 2009, the composition of the Bank's Management Board was as follows:
Jarosław Augustyniak, President of the Management Board,
Maurycy Kuhn, Member of the Management Board,
Krzysztof Spyra, Member of the Management Board,
Radosław Stefurak, Member of the Management Board,
Bogusław Krysiński, Member of the Management Board,
Krzysztof Rosiński, Member of the Management Board.

On 9 January 2009, the Supervisory Board appointed a new Member of the Management Board, Mr Bogusław Krysiński, who resigned from that post as of 31 December 2009.

At its meeting on 20 October 2009, the Bank's Supervisory Board appointed Mr Krzysztof Rosiński and Mr Radosław Stefurak as new Members of the Management Board as of 31 October 2009.

Mr Krzysztof Rosiński, the then Chairman of the Bank's Supervisory Board, and Mr Radosław Stefurak, the then Member of the Bank's Supervisory Board, resigned from their posts of Supervisory Board Members as of 30 October 2009.

At its meeting on 15 December 2009, the Bank's Supervisory Board entrusted Mr Remigiusz Baliński with the role of Vice-Chairman of the Supervisory Board.

Description of the rules for amending the Bank's Articles of Association

Amendments to the Bank's Articles of Association are made by the General Meeting according to the procedure pursuant to the Code of Commercial Companies, i.e. a resolution of the General Meeting and entry in the National Court Register are required to introduce amendments to the Company's Articles of Association. Furthermore, pursuant to Art. 34 par. 2 of the Banking Law, an amendment to the Bank's Articles of Association requires the approval of the Polish Financial Supervision Authority if such an amendment refers to preferred shares or shares with limited voting rights in the Bank organised as a joint stock company and:

1) the legal name of the Bank,
2) the Bank's registered office, the type and scope of its activity, in particular actions, referred to in Art. 69 par. items 1 to 7 of the Trading in Financial Instruments Act of 29 July 2005, that the Bank intends to conduct under Art. 70 par. 2 of the same act,
3) the Bank's governing bodies and their competence, and in particular the competence of Members of the Management Board referred to in Art. 22b par. 1 of the Banking Law, as well as procedures for decision-making, the basic organisation structure of the Bank, procedures for making representations with regard to property rights and obligations, procedures for issuing internal regulations and procedures for making decisions with regard to assuming obligations or disposing assets whose aggregate value in relation to one entity exceeds 5% of own funds,
4) the rules for the functioning of the internal control system,
5) the Bank's own funds and rules for financial management.

The functioning of the General Meeting and its essential powers. Description of the rights of shareholders and manner of exercising these rights, in particular the rules of the General Meeting of Shareholders, if such rules have been adopted, unless information in this respect follows directly from provisions of the law

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

The General Meeting of Shareholders, apart from other matters set out herein and in legal provisions, has the authority to:
1) review and approve the Bank's financial statements for the previous financial year, consisting of the balance sheet, profit and loss account, supplementary information and cash-flow statement,
2) review and approve the report on the Bank's operations in a financial year, prepared by the Management Board,
3) adopt resolutions on the distribution of profits or the covering of losses,
4) acknowledge the fulfilment of duties by the Supervisory Board and Management Board members,
5) appoint and recall members of the Supervisory Board and its Chairman,
6) amend the Bank's Articles of Association,
7) adopt resolutions to increase or decrease the Bank's share capital,
8) adopt resolutions on the redemption the Bank's shares, terms and conditions thereof and on issuing utility certificates,
9) adopt resolutions on issuing convertible bonds or bonds with pre-emptive rights to acquire shares,

10) determine the remuneration for the members of the Supervisory Board,
11) adopt resolutions to sell or lease the Company's business or an organised part thereof and to establish a limited property right thereon,
12) pass resolutions regarding other issues submitted by the Supervisory Board, the Management Board or shareholders, pursuant to these Articles of Association and the applicable laws.

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

Composition of the Supervisory Board and its changes that took place during the financial year 2009. Description of the activities of the supervisory bodies and their committees

The Supervisory Board is a permanent body supervising the operations of the Bank in all areas of its activity. The Supervisory Board consists of 5 to 7 members appointed by the General Meeting of Shareholders. A shareholder holding at least 10% of the share capital has the right to his representative in the Supervisory Board. Members of the Supervisory Board are appointed for a joint term of office of three years. The Supervisory Board acts pursuant to the generally applicable laws, the Bank's Articles of Association and the Rules of Supervisory Board.

As of 31 December 2009, the composition of the Bank's Supervisory Board was as follows:
Remigiusz Baliński, Vice-Chairman of the Supervisory Board,
Leszek Czarnecki, Member of the Supervisory Board,
Michał Kowalczewski, Member of the Supervisory Board,
Dariusz Niedośpiał, Member of the Supervisory Board,
Marek Grzegorzewicz, Member of the Supervisory Board.

By way of Resolution No. III/09.09.09 and Resolution No. IV/09/09/2009, the General Meeting of Shareholders on 9 September 2009 appointed Mr Leszek Czarnecki and Mr Marek Grzegorzewicz as Members of the Supervisory Board.

Audit Committee
On 18 August 2008, the Bank's Supervisory Board established an internal Audit Committee with the following members: Mr Remigiusz Baliński, Mr Dariusz Niedośpiał and Mr Radosław Stefurak. In addition, a permanent expert with qualifications in accounting and finance was appointed to assist the Audit Committee.

Mr Radosław Stefurak, the then Member of the Bank's Supervisory Board, resigned from his post of Supervisory Board Member as of 30 October 2009. In view of the above, on 15 December 2009, the Bank's Supervisory Board amended the Rules of the Audit Committee and granted the Supervisory Board the authority to perform the tasks of the Audit Committee.
Currently the Bank's Supervisory Board consists of the minimum number of members required by law, hence the tasks of the audit committee must be performed by the entire Supervisory Board of the Bank.

The Audit Committee is an advisory and opinion-forming body acting collectively within the Supervisory Board. The tasks Audit Committee adopts, by way of resolution, motions, opinions, recommendations, assessments and reports concerning the scope of its activity, and submits them in writing to the Supervisory Board. The objective of the Audit Committee is to support the Supervisory Board in fulfilling its supervisory duties within the processes of financial reporting, risk management, financial review as well as the internal control and audit system.

The responsibilities of the Audit Committee include in particular:
1) monitoring the financial reporting process,
2) monitoring the effectiveness of the internal control and risk management systems,
3) monitoring the work of the internal audit,

4) monitoring the financial review activities in the Company and monitoring the independence of the auditor and the company authorised to audit financial statements.

Description of the key characteristics of internal control and risk management systems applied in the Bank with regard to risk management in relation to the process of preparing financial statements and consolidated financial statements.

Internal control is conducted by the Management Board and individuals appointed by the Management Board pursuant to internal regulations. In the opinion of the Management Board, the internal audit and risk management systems functioning in the Company in relation to the process of preparing financial statements are sufficient and ensure the completeness of these statements and their compliance with applicable regulations.

The Management Board of Getin Noble Bank S.A.

Krzysztof Rosiński *Vice-President of the Management Board* *acting President of the Management Board*	Jarosław Augustyniak *First Vice-President*
Maurycy Kuhn *Member of the Management Board*	Krzysztof Spyra *Member of the Management Board*
Radosław Stefurak *Member of the Management Board*	Grzegorz Tracz *Member of the Management Board*

28 February 2010