NOBLE BANK S.A. GROUP

DETAILED CONSOLIDATED QUARTERLY REPORT

FOR THE SECOND QUARTER OF 2008,

PREPARED IN ACCORDANCE WITH

INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONTENTS

1. SELECTED FINANCIAL FIGURES

	PLN'000		EUR'000	
FIGURES RELATING TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS	**1 Jan.2008 – 30 June 2008**	**1 Jan.2007 – 30 June 2007**	**1 Jan.2008 – 30 June 2008**	**1 Jan.2007- 30 June 2007**
Interest income	95,359	19,624	27,421	5,099
Fee and commission income	102,197	77,395	29,387	20,110
General administrative costs	73,371	58,416	21,098	15,179
Operating profit (loss)	98,784	69,973	28,406	18,181
Gross profit	98,784	69,464	28,406	18,049
Net profit	80,378	56,129	23,113	14,584
Net profit attributable to shareholders in the parent company	78,125	56,129	22,465	14,584
Net profit attributable to minority interests	2,253	0	648	0
Earnings per share (PLN/EUR) attributable to shareholders in the parent company	0.36	0.28	0.10	0.07
Diluted earnings per share (PLN/EUR) attributable to shareholders in the parent company	0.36	0.26	0.10	0.07
Cash flows from operating activities	501,809	-2,036	144,298	-529
Net cash flows from investing activities	-412,861	-1,399	-118,720	-364
Net cash flows from financial activities	-7,914	154,189	-2,276	40,064
Total net cash flows	81,034	150,754	23,302	39,171
	30 June 2008	**31 Dec.2007**	**30 June 2008**	**31 Dec.2007**
Amounts due from banks	646,608	657,070	192,776	183,437
Loans to customers	2,076,002	1,175,899	618,926	328,280
Total assets	3,500,961	2,092,562	1,043,754	584,188
Financial liabilities measured at fair value through profit and loss – deposits from customers	333,694	0	99,485	0
Amounts due to customers	1,770,848	938,021	527,949	261,871
Issue of debt securities	354,717	353,911	105,753	98,803
Total liabilities	2,886,498	1,556,221	860,562	434,456
Total equity	614,463	536,341	183,192	149,732
Equity attributable to shareholders in the parent company	607,546	530,477	181,130	148,095
Minority interests	6,917	5,864	2,062	1,637
Share capital	215,178	215,178	64,152	60,072
Number of shares	215,178,156	215,178,156	215,178,156	215,178,156
Solvency ratio	19.5%	22.1%	19.5%	22.1%

	PLN'000		**EUR'000**	
FIGURES RELATING TO INDIVIDUAL FINANCIAL STATEMENTS	**1 Jan.2008 – 30 June 2008**	**1 Jan.2007 – 30 June 2007**	**1 Jan.2008 – 30 June 2008**	**1 Jan.2007- 30 June 2007**
Interest income	94,359	19,758	27,133	5,134
Fee and commission income	23,773	13,518	6,836	3,512
General administrative costs	25,615	12,994	7,366	3,376
Operating profit (loss)	106,517	56,609	30,629	14,709
Gross profit	106,517	56,609	30,629	14,709
Net profit	92,972	45,884	26,735	11,922
Cash flows from operating activities	480,047	1,629	138,040	423
Net cash flows from investing activities	-387,004	565	-111,285	147
Net cash flows from financial activities	-6,714	154,189	-1,931	40,064
Total net cash flows	86,329	156,383	24,824	40,634

	30 June 2008	**31 Dec.2007**	**30 June 2008**	**31 Dec.2007**
Amounts due from banks	610,996	618,056	182,158	172,545
Loans to customers	2,090,070	1,185,650	623,120	331,002
Total assets	3,452,989	2,019,558	1,029,452	563,807
Financial liabilities measured at fair value through profit and loss – deposits from customers	333,694	0	99,485	0
Amounts due to customers	1,794,619	956,686	535,036	267,082
Issue of debt securities	354,717	353,911	105,753	98,803
Total liabilities	2,878,494	1,536,979	858,176	429,084
Total equity	574,495	482,579	171,276	134,723
Share capital	215,178	215,178	64,152	60,072
Number of shares	215,178,156	215,178,156	215,178,156	215,178,156
Solvency ratio	18.0%	21.4%	18.0%	21.4%

The above selected financial figures, which are the key items shown in the abridged consolidated and individual financial statements, have been converted to the Euro as follows:

- The assets and liabilities items have been converted from the Polish currency to the euro at the average exchange rate as published by the National Bank of Poland and applicable as at 30 June 2008, i.e. EUR 1.00 = PLN 3.3542, and as at 31 Dec. 2007, i.e. PLN 3.5820.
- The profit and loss account items and cash flow statement items have been converted from the Polish currency to the euro at an exchange rate determined as the arithmetic mean of the average exchange rates of the National Bank of Poland applicable as at the last day of each month of the period of six months ended 30 June 2008 and the period of six months ended 30 June 2007 (EUR 1.00 = PLN 3.4776 and EUR 1.00 = PLN 3.8486, respectively).

2. INTRODUCTION TO DETAILED CONSOLIDATED QUARTERLY REPORT

2.1. General

The Parent's details are as follows:

Noble Bank S.A.
ul.Domaniewska 39b
02-675 Warszawa

Noble Bank Group S.A. ("the Group") consists of Noble Bank S.A. as the controlling (parent) company ("Bank", "Noble Bank", "Parent", "Company") and its subsidiaries: Open Finance S.A. and Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.

The Company was registered, on 31 October 1990, under number H 1954 with the Commercial Register, Section B, based on a decision of the District Court of Lublin, 11th Commercial & Registration Division. On 8 June 2001, it was registered under number KRS 0000018507 with the National Court Register in Lublin. On 8 June 2006, a change of the Bank's name and registered office address was registered with the District Court for the capital city of Warsaw, 13th Commercial Division of the National Court Register.

The legal basis for the operation of the Parent is its Articles of Association, drawn up in the form of a notary deed dated 21 September 1990 (as amended).

The Parent and the companies that are part of the Group were established for an indefinite period.

The Parent of the Group is Getin Holding S.A.

Shares in Noble Bank S.A. are listed in the banking sector of the Warsaw Stock Exchange.

This detailed consolidated quarterly report consists of the abridged consolidated financial statements of the Group and the abridged individual financial statements of Noble Bank.

The financial figures in this report cover the balance sheet as at 30 June 2008; the profit and loss account for the second quarter of the financial year, i.e. for the period from 1 April 2008 to 30 June 2008, and for the first two quarters of 2008, i.e. from 1 January 2008 to 30 June 2008; a statement of changes in equity and the cash flow statement for the period from 1 January 2008 to 30 June 2008.

The comparative figures in this report cover the balance sheet as at 31 December 2007; the profit and loss account for the second quarter of the previous financial year, i.e. from 1 April 2007 to 30 June 2007, and for the first two quarters of 2007, i.e. from 1 January 2007 to 30 June 2007; a statement of changes in equity and the cash flow statement for the period from 1 January 2007 to 30 June 2007.

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2.2. Management Bodies

As at 30 June 2008, the Parent's Management Board consisted of the following persons:

1. Jarosław Augustyniak – Board Chairman
2. Maurycy Kuhn – Board Member
3. Krzysztof Spyra – Board Member

As at 30 June 2008, the Parent's Supervisory Board consisted of the following persons:

1. Krzysztof Rosiński – Board Chairman
2. Marek Kaczałko – Deputy Board Chairman
3. Michał Kowalczewski – Board Member
4. Dariusz Niedośpiał – Board Member
5. Remigiusz Baliński – Board Member

On 31 July 2008, an Extraordinary Shareholders Meeting appointed Mr Radosław Stefurak as member of the Parent's Supervisory Board.

2.3. Organisation of the Group

Name	Registered office	Main line of business	Bank's share in the capital		Degree of dependency/ Consolidation method
			30 June 2007	3 Dec. 2007	
Noble Bank S.A.	ul.Domaniewska 39b, Warszawa	banking services	-	-	parent
Open Finance S.A.	ul.Wołoska 18, Warszawa	financial intermediation	100%	100%	subsidiary/full
Noble Funds TFI S.A.	ul.Wołoska 18, Warszawa	investment fund management	70.0%	70.0%	subsidiary/full

Under the Investment Agreement dated 31 March 2006 between Noble Bank and the natural persons who were shareholders in Noble Funds TFI S.A. as at 30 June 2008, Noble Bank has the option to require (from 28 June 2007 to 31 Dec.2012) the above natural persons to sell all their shares to Noble Bank. The price would depend on the operation of Noble Funds TFI S.A., the net value of its assets and its financial results as at the date of exercising the option, as well as on its financial results for the period of 12 months preceding the date of exercising the option.

Additionally, the above natural persons have the option to require Noble Bank to acquire their shares. This option may be exercised from 1 Jan.2012 to 31 Dec.2012. The price would depend on, among other things, the operation of Noble Bank TFI S.A., the net value of its assets and its financial results for the period during which the option may be exercised.

As at 30 June 2008, there is no reliable data based on which the value of the options could be determined. For this reason, the above options are not included in the balance sheet as at 30 June 2008. As at 31 June 2008 and 31 December 2007, the Parent did not have any investments in co-dependent entities or affiliated entities.

2.4. Accounting Policy

These abridged consolidated financial statements have been prepared in accordance with the historical cost principle, except for the financial instruments measured at fair value. These abridged consolidated financial statements are presented in the Polish currency ("PLN") and all the figures, unless otherwise stated, are expressed in PLN '000.

These abridged consolidated financial statements have been prepared based on the assumption that the Group's companies will continue their operations in the foreseeable future, i.e. for a period of at least 12 months from the balance sheet date. As at the date of these financial statements, no circumstances were identified that could threaten the continuity of operations by the Group's companies.

Accounting policy

a) Statement of compliance with International Financial Reporting Standards

These abridged consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), in particular International Financial Standard 34 and IFRS approved by the EU. As at the date of approval of these financial statements for publication, taking into account both the continuing process of implementing IFRS within the EU and the Group's activities, no differences exist between the IFRS in effect and the IFRS approved by the EU with regard to the Group's accounting policy.

IFRS comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC")

The Group's subsidiaries maintain their books of account in accordance with the accounting principles set forth in the Accounting Act of 29 September 1994 ("the Act"), as amended, and in accordance with the regulations issued based on the Act ("Polish accounting standards"). These consolidated financial statements include adjustments not included in the books of accounts maintained by the Group's companies. The adjustments have been included in these financial statements to ensure compliance of these financial statements of the Group's companies with IFRS.

In 2008, the Group made no changes to its accounting principles.

b) Currency of measurement and presentation

The currency of measurement in respect of the Parent and other companies covered by these consolidated financial statements and the currency of presentation used in these financial statements is the Polish *zloty*.

c) Consolidation

These consolidated financial statements comprise the financial statements of Noble Bank and its subsidiaries. The financial statements of the subsidiaries are always prepared for the same reporting period as the financial statements of the Parent, using consistent accounting principles and based on uniform accounting principles applied to business transactions and events of similar nature. In order to eliminate any inconsistencies between the accounting principles used, adjustments are made.

All significant balances and transactions between the Group's entities, including unrealised profits resulting from transactions within the Group, have been eliminated. Unrealised losses are also eliminated, unless they indicate an impairment loss.

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The Group's subsidiaries are subject to consolidation for such a period during which the Group has control of them. The Parent is deemed to have control of a subsidiary if the Parent holds, either directly or indirectly, through its subsidiaries, more than half of all the voting rights in that subsidiary, unless it is possible to prove that the Parent does not have control of such a subsidiary in spite of holding such voting rights. The Parent is also deemed to have control of a subsidiary if the Parent can influence the financial and operational policies of its subsidiary (Detailed requirements are defined by IAS 27 and IFRIC 12).

e) Significant accounting principles

The significant accounting principles described below have been applied to all the reporting periods presented in these consolidated financial statements by all of the Group's entities.

Conversion of items expressed in foreign currencies

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 and recorded at their historical cost are converted to PLN at the average exchange rate of the National Bank of Poland applicable as at the balance sheet date. Any currency exchange gains or losses are recognised in the profit and loss account.

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, and items measured at fair value are converted at the average exchange rate of the National Bank of Poland applicable as at the date of measurement. Currency exchange differences in respect of non-monetary items measured at fair value through the profit and loss account are recognised in the 'gains and losses from change in fair value' item in the profit and loss account. Currency exchange differences in respect of non-monetary items such as financial assets available for sale are recognised in the revaluation reserve.

The following exchange rates were used for balance sheet measurement purposes:

Currency	**30 June 2008**	**31 Dec. 2007**
EUR	3.3542	3.5820
USD	2.1194	2.4350
CHF	2.0907	2.1614
GBP	4.2271	4.8688
JPY	0.0202	0.0217

Financial assets and liabilities

A financial asset or liability is recognised in the Group's balance sheet when the Group becomes a party to a transaction. Transactions to acquire or sell financial assets measured at fair value through profit or loss, held-to-maturity financial assets and financial assets available for sale, including standardised transactions to buy and sell financial assets, are recognised in the balance sheet always as at the date of the transaction. Loans and receivables are recognised upon payment of funds to the borrower.

Recognition of financial instruments

A financial asset or liability is recognised in the Group's balance sheet when the Group becomes a party to a contract for such an asset or liability. Transactions to acquire or sell financial assets are recognised on the date of the transaction.

All financial instruments initially recognised are measured to fair value adjusted, in the case of financial instruments other than classified as measured to fair value through profit or loss, by those transaction costs which can be attributed directly to the acquisition or issue of a financial asset or a financial liability.

The Group's financial instruments are divided into the following categories: financial instruments measured at fair value through the profit and loss account, financial assets held to maturity, loans and receivables, financial assets available for sale, and other financial liabilities.

Other financial assets and liabilities held for trading

Other financial assets and liabilities held for trading are measured at fair value with gains and losses recognised in the profit and loss account. This category is further divided into debt securities and capital securities, loans and receivables acquired or recognised in this category as intended for sale in the short term.

Financial instruments measured at fair value through the profit and loss account

This category is divided into two subcategories:

- financial assets held for trading - acquired or intended for resale in the short term and derivative instruments;
- financial assets and financial liabilities designated, when initially recognised, as financial assets measured at fair value through the profit and loss account.

Financial assets held for trading and financial assets designated, when initially recognised, as financial assets measured at fair value through the profit and loss account are recognised at fair value in the balance sheet.

Derivative financial instruments

Derivative financial instruments not subject to hedge accounting are recognised as at the date of the transaction and measured at fair value as at the balance sheet date. Changes in fair value are recognised, respectively, in profit (loss) on assets and liabilities measured at fair value through profit or loss, or in foreign exchange gain (loss) (FX swap, FX forward and CIRS transactions) correspondingly to receivables/liabilities from derivative financial instruments.

The result of the final settlement of derivative transactions is recognised in the item 'Gain (loss) on financial instruments measured at fair value through profit or loss or, in the case of foreign-currency financial derivatives (FX swap, FX forward and CIRS transactions), in the item "Foreign exchange gain (loss) ".

The notional amounts of derivative transactions are recognised in off-balance sheet items at the date of the transaction and throughout their duration. Off-balance sheet items expressed in foreign currencies are re-estimated at the end of the day and at the average exchange rate of the National Bank of Poland (fixed as at the valuation date).

The fair value of financial instruments in the market is the market price of such instruments. In other cases, the fair value is determined using the measurement model inputs to which have been obtained from an active market.

Financial assets held to maturity

Financial assets held to maturity are non-derivative financial assets with fixed or determinable payments or with fixed maturity that the Group has the positive intention and ability to hold to maturity, other than:

- classified, at initial recognition, as financial assets measured at fair value through profit and loss,
- classified as financial assets available for sale,
- financial assets that fall within the definition of loans and receivables.

Financial assets held to maturity are measured at amortised cost using the effective interest rate and taking into account impairment losses. Accrued interest, discount or premium are recognised in the net interest income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables arise when the Group lends amounts to customers for purposes other than generating short-term commercial profits. This category comprises amounts due from banks and customers, including purchased receivables and investments in debt securities unless they are quoted in an active market.

Loans and receivables are measured in the balance sheet at amortized cost using the effective interest rate and taking into account impairment losses.

Accrued interest and commission income amortised using the effective interest rate method are recognised in income interest. Commission not recognised in interest income and settled on a straight-line basis is recognised in fee and commission income. Impairment losses are recognised through in profit and loss as impairment losses of loans and leases.

Financial assets available for sale

Financial assets available for sale are non-derivative financial assets designated as available for sale or not classified as financial assets measured at fair value through profit or loss, loans and receivables or financial assets held to maturity.

Financial assets available for sale are measured in the balance sheet at fair value. Changes in the fair value of an assert are carried to revaluation reserve until the asset is excluded from the balance sheet, when the cumulative profit or loss recognised in equity is recognised in the profit and loss account. In the case of debt instruments, interest income and discount or premium are recognised in interest income using the effective interest rate method.

Where the fair value of an asset cannot be determined, the asset is recognised at the cost of acquisition, taking into account impairment losses. Impairment losses are recognised in the profit and loss account.

Financial liabilities

Financial liabilities are amounts due to banks and customers, loans taken out by the Group and less transaction costs.

Financial liabilities not held for trading, except for deposits from customers denominated in PLN at a fixed interest rate and made on or after 1 April 2008 for a term not longer than 1 year, are recognised in the balance sheet at amortised cost using the effective interest rate method. Deposits from customers denominated in PLN at a fixed rate and made on or after 1 April 2008 for a term longer than 1 year, are designated by the Company, at initial recognition, as instruments measured at fair value through profit or loss. This approach significantly reduces possible inconsistencies in the measurement of deposits and IRS derivatives made in connection with the interest rate risk management method used by the Company.

Removal from the balance sheet

A financial asset is removed from the Group's balance sheet upon expiry of the contractual rights to cash flows related to the asset or upon transfer by the Group of the contractual rights to such cash flows.

When the Group transfers a financial asset, the Group evaluates the extent to which it retains the risks and rewards of ownership of the asset. In this case:

- where substantially all the risks and rewards of ownership of a financial asset are transferred, the Group removes the asset from its balance sheet; where substantially all the risks and rewards of ownership of a financial asset are retained, the Group continues to recognise the asset in its balance sheet;
- where the Group does not transfer or retain substantially all the risks and rewards of ownership of a financial asset, the Group evaluates whether it has retained control of the asset. Where the Group retains control of the asset, the asset continues to be recognised in the Group's balance sheet.

A financial asset or part of a financial asset is derecognised when the Group loses control of the asset or part of the asset, i.e. when the Group realises the rights to specific contractual rewards, when such rights expire or when the Group renounces such rights.

A financial liability or part of a financial liability is removed from the Group's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any evidence that a financial asset is impaired. If any such evidence exists, the Group determines the amount of impairment losses. A financial asset or a group of financial assets is impaired and impairment losses are 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 (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes in particular:

- significant financial difficulty of the issuer or obligor;
- a breach of contract by the issuer or obligor, such as a default or delinquency in interest or principal payments;
- the lender, for economic or legal reasons relating to the issuer or obligor's financial difficulty, granting to the issuer of obligor a concession that the lender would not otherwise consider;
- it becoming highly probable that the issuer of obligor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties of the issuer or obligor.

Loans, repurchased receivables, other receivables

The most important category of financial assets recognised in the Group's balance sheet at amortised cost and, at the same time, exposed to impairment is credit receivables. The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset and/or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired is and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Expected, future losses are not taken into account in estimates of the current impairment.

If the Group identifies evidence that an asset or a group of assets is impaired, the amount of impairment loss is calculated as the difference between the book value of a credit receivable and its economic value measured as the current value of expected future cash flows discounted using the effective contract interest rate of contracts as at the date on which such evidence occurs for a given financial asset.

Impairment losses are recognised in the profit and loss account. Impairment losses are measured for all the credit receivables for which individual evidence of impairment is identified.

If the Group determines that no objective evidence of impairment exists for an individually assessed loan, whether significant or not, it includes the loan in a group of loans with similar credit risk characteristics and collectively assesses them for impairment. Such collective assessment is made using historical recoveries of similar groups of assets.

When evidence of impairment ceases to exist, impairment losses are terminated through the profit and loss account.

Loans granted by Wschodni Bank Cukrownictwa (the old group of loans)

In the opinion of the Group, there is evidence that the entire old group of loans is impaired. The amount of impairment losses has been determined by discounting the expected cash flows in successive periods, estimated on the basis of historical recovery rates for that group of loans and on the basis of the current results of debt recovery.

The value of loans and impairment losses on the old group of loans are re-assessed as at the end of each quarter.

Repurchased receivables

The Group assesses the value of repurchased receivables based on discounted expected future cash flows from those receivables. The value of repurchased receivables is re-assessed as at the end of each quarter, taking into account the recoveries from those receivables and possible changes in estimated future cash flows.

Monthly payments-in from repurchased receivables, expected to be recovered within the anticipated period are discounted as follows:

$$V = R_1 \frac{1}{(1+IRR)}^{(1/12)} + R_2 \frac{1}{(1+IRR)}^{(2/12)} + \ldots\ldots + R_n \frac{1}{(1+IRR)}^{(n/12)}$$

R – payments-in from repurchased receivables as at the end of successive forecast months,

IRR – Internal Rate of Return for cash flows

The IRR is calculated at purchase and is subject to change in successive reporting periods to reflect changes in market interest rates. It takes into account the price paid for a receivable and the period within which the Group expects to recover the receivable.

Loans provided as part of the Group's strategy, launched in 2006, to build a private-banking platform (a new group of loans).

As a result of an analysis of the risks involved in the new group of loans, no evidence of impairment has been identified to date. In this situation, the Group makes provision for potential losses that may have occurred on that group of loans but which have not yet been reported.

Due to its short history of providing mortgage loans, Noble Bank does not have the required number of observations regarding the performance of its group of mortgage loans to be able to calculate real time series. As a result, the Group uses a ratio, the value of which is estimated to the best of the Group's knowledge, which takes into account, in an approximate manner (while maintaining the required level of caution), the possibility of losses that have not yet been reported.

In determining the value of the said ratio, the following criteria were used:

- The group of loans has a short history.
- No historical data exists as to changes to such a group of loans.
- Long loan periods – as the Polish real property market is changing rapidly, it is difficult to determine the future value of the security on such loans.

The value of the ratio was determined based on loss ratios for mortgage loans for the entire banking sector in Poland and on the loss ratio for new loans provided by Noble Bank. As a result, the value of the ratio that is the basis for making provision for impairment losses on the "new group of loans" was determined at the level of 0.8% for mortgage loans and 1.3% for financial loans (loans secured with customers' financial assets) as at 30 June 2008. The ratio will be analysed against the above criteria and updated quarterly.

Investments held to maturity

The Group assesses whether there is objective evidence that an individual held-to-maturity investment is impaired. If there is objective evidence of impairment, the amount of impairment losses is equal to the difference between the carrying amount of an asset and the current value of estimated future cash flows (excluding future credit losses not incurred) discounted using the effective interest rate as at the date on which such evidence occurs for that financial asset.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed either directly or by adjusting the impairment loss account balance. The amount of the reversal is recognised through profit and loss.

Financial assets available for sale

The Group assesses, as at each balance sheet date, whether there is objective evidence that an individual financial asset or a group of financial asset is impaired.

If the Group identifies objective evidence that an available-for-sale asset is impaired, the amount of the cumulative loss recognised in the revaluation reserve is removed from the revaluation reserve and recognised directly in the profit and loss account, although that asset has not been removed from the balance sheet.

In the case of capital instruments qualified as available for sale, the previously recognised impairment loss is not reversed through the profit and loss account to the amount previously recognised in equity, and the surplus is recognised in the profit and loss account.

In the case of debt instruments available for sale, impairment loss is assessed based on the same criteria as for financial assets measured at amortised cost. When evidence of impairment ceases to exist, the amount of reversed impairment loss is recognised in the profit and loss account.

Offsetting financial instruments

Financial assets and financial liabilities are offset and recognised net in the balance sheet if the Group holds a valid legal right to offset the recognised amounts and intends to settle the amounts net, or to realize a given asset and settle the liability.

Tangible fixed assets and intangible assets

Tangible fixed assets

Tangible fixed assets are recognised at acquisition or manufacturing cost less depreciation and any impairment losses. The initial cost of a tangible fixed asset comprises its acquisition price and all the costs directly attributable to the acquisition and preparation of an asset to be put into operation. The initial cost also includes the costs of replacement of parts of plant and equipment when incurred if the criteria for recognition are met. Any costs incurred after the date when a fixed asset is put into operation, such as the costs of maintenance and repairs, are recognised in profit or loss when incurred.

Fixed assets, when acquired, are divided into component parts that are items of significant value and to which a separate period of economic life can be allocated. The costs of general overhauls are also a component part.

Depreciation is provided on the straight-line over the estimated useful life of the respective asset. The useful lives of assets are as shown below:

Type of Asset	Useful Life
Investments in third-party assets	rental duration – up to 10 years
Plant and equipment	8 – 17 years
Computer units	3 years
Means of transport	5 years
Office equipment, furniture	5 years

A tangible fixed asset can be removed from the balance sheet when the asset is sold or when no economic gains are expected from continuing to use such an asset. All gains or losses resulting from the removal of such an asset from the balance sheet (such gains and loss calculated as the difference between possible net proceeds from the sale of the asset and the carrying amount of the asset) are recognised in the profit and loss account for that period in which the asset was removed.

Construction in progress applies to fixed assets under construction or assembly and is recognised at acquisition or manufacturing cost. Fixed assets under construction are not depreciated until their construction is completed and the assets are put into operation.

The residual value, useful life and depreciation method of assets are verified and, if necessary, corrected as at the end of each financial year.

When an asset is overhauled, the cost of overhaul is recognised in tangible fixed assets in the balance sheet if the criteria for such recognition are met.

Intangible assets

An intangible asset acquired in a separate transaction is initially measured at acquisition or manufacturing cost. The cost of acquisition of an intangible asset in a business combination is equal to the fair value as at the date of the combination. An initially recognised intangible asset is recognised at the cost of acquisition or manufacturing less depreciation and impairment losses. Expenditure on internally generated intangible assets, except for activated expenditure on development, is not activated and is recognised in the costs of the period in which it was incurred.

The Group assesses whether the useful life of an intangible asset is definite or indefinite. An intangible asset with a definite useful life is amortised throughout its useful life and subject to impairment tests every time that evidence is identified that the asset is impaired. The period and method of amortisation of intangible assets with a definite useful life are verified at least as at the end of each financial year. Changes in the expected useful life or in the expected method of consuming the economic benefits from an intangible asset are recognised through a change of, respectively, the period or method of amortisation, and treated as changes of the estimated values. Amortisation charges for intangible assets with a definite useful life are recognised in the profit and loss account, in the respective category for the function of that intangible asset.

Intangible assets with an indefinite useful life and those that are not used are, on an annual basis, subject to impairment tests in respect of individual assets or at the level of a cash-generating unit. In the case of other intangible assets, the Group assesses, on an annual basis, whether there is evidence that such assets are impaired. The useful lives are also subject to verification on an annual basis and, if necessary, corrected with effect from the beginning of the financial year.

Goodwill

Goodwill is the value created as a result of the acquisition of subsidiaries. Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Goodwill is recognised at cost less any accumulated impairment losses. Goodwill is not amortised. Instead, it is tested for impairment annually. The amount of impairment loss is determined by estimating the identifiable value of the cash-generating unit to which the goodwill relates. If the identifiable value of the cash-generating unit is lower than its carrying amount plus goodwill, the goodwill is impaired.

Trademark

An intangible asset acquired in a business combination, separable, determined in a reliable manner, and recognised separately from goodwill.

As the trademark is expected to contribute to generating net cash flows for an indefinite period of time, it is considered to be an asset with an indefinite useful life. The trademark is not amortised until its useful life is reclassified as definite. In accordance with IAS 36, the trademark will be tested for impairment annually and every time that evidence is identified that it is impaired.

A summary of the principles applied to the Group's intangible assets is shown below:

	Trademark	Goodwill	Computer software
Useful life	Indefinite	Indefinite	2-5 years
Amortisation method	Intangible assets with an indefinite useful life are not amortised or revalued.	Intangible assets with an indefinite useful life are not amortised or revalued.	using a straight-line method
Internally generated or acquired	Acquired	Acquired	Acquired
Tested for impairment and reviewing the recoverable value	Tested for evidence of impairment annually	Tested for evidence of impairment annually	Tested for evidence of impairment annually

The gain or loss resulting from the removal of an intangible asset from the balance sheet is measured as the difference between the net proceeds from the sale of the asset and the carrying amount of the asset, and is recognised in the profit and loss account when it is written off.

Business combinations

A business combination is the bringing together of separate entities or businesses into one reporting entity. The result of nearly all business combinations is that one entity, the acquirer, obtains control of one or more other businesses, the acquiree. All business combinations are accounted for by applying the purchase method. The purchase method views a business combination from the perspective of the combining entity that is identified as the acquirer. The acquirer purchases net assets and recognises the assets acquired and liabilities and contingent liabilities assumed, including those not previously recognised by the acquiree.

Applying the purchase method involves the following steps:

- identifying an acquirer;
- measuring the cost of the business combination;
- allocating, at the acquisition date, the cost of the business combination to the assets acquired and liabilities and contingent liabilities assumed.

The acquirer measures the cost of the business combination as the aggregate of

- the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree;
- any costs directly attributable to the business combination.

Tangible fixed asset held for sale and discontinued operations

Non-current assets or disposal groups that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Discontinued operations are an element of the Group's activities that is a separate, specialised field of the Group's operations or its geographical segment, or is a subsidiary acquired exclusively to be resold. The Group discloses an operation as discontinued when it is sold or classified as "held for sale".

Impairment of tangible assets

The carrying amounts of intangible assets are tested for impairment periodically. If the Group identifies evidence that a tangible asset is impaired, it is determined whether the current carrying amount of the asset is higher than the amount recoverable through further use or sale, i.e. the recoverable amount of the asset is estimated. If the recoverable amount is lower than the current carrying amount, the asset is impaired and the impairment loss is recognised through profit or loss.

The recoverable amount of a tangible asset is determined as the higher of two amounts: the amount expected to be received from sale less costs to sell and the asset's value in use. An asset's value in use is determined as the future cash flows expected to be derived from the asset, discounted with the current market rate of interest plus a margin against a risk specific to a given class of assets.

The impairment loss of an asset may be reversed only up to that carrying amount of the asset less the accumulated amortisation which would have been determined if the asset had not been impaired.

Cash and cash equivalents

Cash and cash equivalents are cash and balances with the central bank, current accounts and one-day deposits with other banks.

Bills of exchange eligible for rediscount by the central bank are Polish-currency bills of exchange that mature within three months.

Accrued expenses and deferred income

Accrued expenses (assets) are expenses recognised in the profit and loss account in future reporting periods, based on the passage of time. Accrued expenses are recognised in 'Other assets'.

Accrued expenses (liabilities) are provisions for good and services provided to the Group which are to be paid for in future reporting periods. These are recognised in 'Other liabilities'. Deferred income includes, among other items, amounts received during a reporting period for goods and services to be supplied in the future and certain types of income received in advance which will be recognised in the profit and loss account in future reporting periods. They, too, are recognised in 'Other liabilities'.

Provisions

A provision is made if the Group has a present obligation (legal or constructive) as a result of past events and if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and if a reliable estimate can be made of the amount of the obligation. If the Group may expect reimbursement of the expenditure required to settle a provision (for example, through insurance contracts), the Group recognises the reimbursement as a separate asset, but only and only when it is virtually certain that the reimbursement will be received. The expense relating to a provision is presented in the profit and loss account, net of the amount recognised for a reimbursement. Where the effect of the time value of money is material, the provision is discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and those risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as operating expense.

Employee benefits

In accordance with the Polish Labour Code and the Group's Pay Rules, the Group's employees are entitled to disability/retirement severance pay. Such severance pay is paid as a lump sum to an employee upon termination of his or her employment due to retirement or disability. The amount of severance pay depends on the number of the employee's years of service and his or her individual pay level. The Group recognises a provision for severance pay to assign the future costs to the periods to which they relate. Under IAS 19, disability/retirement severance pay is provided under termination benefit plans. An independent actuary determines the current amount of such liabilities as at each balance sheet date. The liabilities are equal to discounted payments to be made in the future, taking into account the employee turnover rate, and relate to the period until the balance sheet date. Demographic and employee turnover figures are based on historical data. Gains or losses resulting from actuarial calculations are recognised in the profit and loss account. The Group's current pay regulations do not provide for payment on anniversary benefits to the Group's employees.

Leasing

Finance leases that transfer substantially all the risks and rewards incident to ownership of the leased asset are recognised in the balance sheet as at the date of commencement of the lease term at the lower of the fair value of the asset and the present value of the minimum lease payments. Finance lease payments are apportioned between the finance charge and the reduction of the outstanding liability (the finance charge to be allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability). Finance charges are recognised directly in the profit and loss account.

Tangible fixed assets used under finance leases are depreciated over the shorter of the lease term and the life of the asset.

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are charged directly to income on a straight-line basis over the term of the relevant lease.

Equity

Equity is capital, reserves and funds made in accordance with the applicable laws, statutes and the Group's Articles of Association.

The Group's equity consists of share capital, supplementary, revaluation reserve, bet profit and retained profit (uncovered loss). All the amounts of capital, reserves and funds are recorded at nominal value.

Share capital

The Group's share capital is recorded at nominal value, in accordance with the Group's Articles of Association and incorporation records.

Where the Group acquires own shares, the amount paid for the instruments, including all the direct costs related to such acquisition, are recorded as a change in equity. The acquired own shares are recognised as own shares and disclosed as a reduction in equity until the shares are cancelled.

Dividends for a financial year that have been approved by the Group's General Shareholders Meeting but have not been paid as at the balance sheet date are disclosed as 'Other liabilities' in the balance sheet.

Where an entity is acquired, all the components of equity as described below relate to events from the date of on which the Group takes control of the acquired entity to the date on which the Group loses control of the acquired entity

Proceeds from sale of shares above their nominal value

Proceeds from the sale of shares above their nominal value (a surplus of the issue price over the nominal price) are the share issue premium less the direct costs incurred in connection with the share issue. Proceeds from the sale of shares above their nominal value is recorded as supplementary capital.

Revaluation reserve

Revaluation reserve is created as a result of revaluation of assets available for sale and is not available for distribution.

Retained earnings

Retained earnings are created as a portion of the Group's profit that is retained by the Company for purposes set out in the Group's Articles of Association or other regulations (the remaining amount of the share capital and the reserve capital, including the general risk fund), or are the previous years' profit (loss), or current net profit.

Current net profit is the profit and loss account result less corporation tax.

Share-based payment transactions

<u>Equity-settled transactions</u>

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined using a pricing model. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of the controlling entity ("market conditions'").

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date'). The cumulative expense recognised for equity-settled transactions at each balance sheet date until the vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the controlling entity's Management Board, at that date, based on the best available estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the paragraph above.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Cash-settled transactions

Cash-settled transactions are initially measured at fair value at the grant date using a relevant model and taking into the account the terms and conditions upon which the options were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is re-measured at each balance sheet date up to and including the settlement date with changes in fair value recognised through profit or loss.

Income

Income from a transaction is recognised in the amount in which it is probable that economic benefits associated with the transaction will flow to the Group and if the amount of income can be measured reliably. In recognising income, the criteria described below apply.

Net interest income

Interest income and expense generated by financial assets and liabilities is recognised through profit or loss at amortised cost using the effective interest rate method. The following financial assets and liabilities are measured at amortised cost:

- loans and other receivables not held for trading,
- financial assets held until maturity,
- non-derivative financial assets not held for trading and which are not derivatives, except for deposits from customers at a fixed interest rate, denominated in PLN and made on or after 1 April 2008 for a period not longer than 1 year.

The effective interest rate is the rate that exactly discounts the expected stream of future cash payments through maturity or the next market-based repricing date to the current net carrying amount of the financial asset or financial liability. That computation should include all fees and points paid or received between parties to the contract for the asset or liability, excluding possible future credit losses.

The choice of the measurement method for interest coupons, fees and commission and some other external expenses associated with financial instruments (the effective interest method or the straight-line method) depends on the character of the instrument. Financial instruments with defined cash flow schedules are measured using the effective interest rate method. In the case of financial instruments without defined cash flow schedules, it is impossible to calculate the effective interest rate and therefore fees and commission are measured using the straight-line method over a period of time.

The method for recognising the different types of deferred fee/commission through profit or loss as fee and commission income and, generally, whether it should be deferred and not recognised wholly through profit or loss, depends on the economic character of the fee/commission concerned.

Deferred fees and commission income includes, for example, loan approval fees, loan fees, loan release fees, fees for backing a loan with additional collateral and similar. Such fees are an integral part of the return generated by the financial instrument concerned. This category also includes fees and charges for changing the terms and conditions of contracts, which modifies the originally calculated effective interest rate. Each significant change to the terms and conditions of a contract for a financial instrument results, in the economic sense, in the financial instrument with the previous characteristics expiring and a financial instrument with new characteristics being established. This category includes fees for an amendment of a schedule for future cash flow, loan agreement restructuring charges, fees for deferment of loan payments and similar. The types of fees and charges mentioned above are deferred and recognised through profit or loss using the effective interest rate method or the straight-line method, depending on the character of the product.

In addition, if it is probable that a loan agreement will be executed, the fees and charges for the Group's obligation to execute the agreement is considered as remuneration for continuing involvement to purchase the financial instrument, deferred and recognised as an adjustment of the effective rate of return at the time of execution of the agreement (using the effective interest rate method or the straight-line method, depending on the character of the product).

In the case of an asset where evidence is identified that the asset is impaired, interest income is recognised through profit or loss based on net exposure determined as the difference between gross exposure and impairment loss, using the effective interest rate used in the determination of the impairment loss.

Net interest income also includes net income on interest charged and paid in connection with CIRS and IRS derivative instruments.

Net fee and commission income

As noted above, fees and commission recognised through profit or loss using the effective interest rate method are recognised as net interest income.

Fees and commission that are not recognised using the effective interest rate method but are recognised over time using the straight-line method or as a lump sum, are recognised as 'Net fee and commission income'. Fee and commission income includes fee and commission resulting from transaction services.

Such income includes fees and commission, recognised as a lump sum, for transaction services where the Group acts as an agent or provides services such as distribution of investment fund units, processing bank transfers, payments and similar services.

Income from financial intermediation

The Group recognises revenue and costs to sell products based on estimates, in accordance with the following.

In the profit and loss account, the Group recognises income from the sale of financial products in the month in which the customer's application was received by the purchaser's bank and/or by other financial institutions, and the commission expense due to the financial adviser for the sale of financial products.

The amount of income is determined at the fair value of the payment received or due.

In accordance with IRS 18, revenue from the sale of a product is recognised in the profit and loss account when all the following conditions have been met:

- the entity has transferred to the buyer the significant risks and rewards of ownership of the product (the provision by the customer of a loan application form as required by the buyer's bank);

- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably. The Group assumes that at least 61-67% of loan applications (depending on the distributor), at least 87% of deposit applications and at least 79% of savings plan applications are closed.

Gain (loss) on financial instruments measured at fair value

Gain (loss) on financial instruments measured at fair value is determined taking into account the value of deposits from customers at a fixed rate, denominated in PLN and made on or after 1 April 2008 for a period longer than 1 year, the value of IRS derivative instruments measured at fair value, and the value of currency swap derivative instruments in the part relating to measurement of swap points.

Foreign exchange gain (loss)

Foreign exchange gain (loss) is determined taking into account positive and negative exchange rate differences, both realised and unrealised, which result from the daily measurement of FX assets and liabilities at the average National Bank of Poland exchange rate of the Polish currency against a given foreign currency as applicable at the balance sheet date and which affect foreign exchange income or expense. Foreign exchange gain (loss) also includes the value of CIRS and Forward derivative instruments at fair value and the value of Swap derivative instruments, excluding the part relating to measurement of swap points, presented in gain (loss) on financial instruments measured at fair value.

Other operating income and expenses

Other operating income and expenses are income and expenses not directly related to the Group's banking activities. They include, in particular, the result from sale and liquidation of fixed assets, revenue from sale of other services, penalties and fines received and paid.

Dividend income

Dividend income is recognised in the profit and loss account at the dividend record date, if the dividend is paid from profits made after the record date.

Income tax

For the purposes of financial reporting, deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts presented in the financial statements.

Deferred tax is recognised with reference to all positive temporary differences

- except when the deferred income tax arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss, and
- in the event of positive temporary differences that arise from investments in subsidiaries or affiliated entities and from participation in joint undertakings, except where the dates of reversal of the temporary differences are subject to the investor's control or where it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets recognised with reference to all negative temporary differences, as well as unexercised tax concessions and unexercised tax losses transferred to the following years, in the amount which corresponds to the probability of generating taxable income sufficient for realisation of the aforementioned differences, assets and losses:

- except when the deferred tax assets related to negative temporary differences arise from initial recognition of as asset or liability in a transaction other than a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss, and
- in the event of negative temporary differences that arise from investments in subsidiaries or affiliated entities and from participation in joint undertakings, a deferred tax asset is recognised in the balance sheet only in such an amount in which it is probable that the aforementioned temporary differences will be reversed in the foreseeable future and that the Group generates taxable income sufficient for deduction of the negative temporary differences.

The carrying amount of a deferred tax asset is verified at each balance sheet date and is subject to a respective decrease by the amount that corresponds to the lower probability of generating taxable income sufficient for partial or full realisation of the deferred tax asset.

Deferred tax assets and provisions for deferred tax are measured using tax rates that are expected to apply when the related deferred tax asset is realized or the provision for deferred tax is released, based on tax rates (and laws) applicable as at the balance sheet date or that certain to be applicable as at the date balance sheet date.

Tax related to items recognized directly in shareholders' equity is recognised in shareholders' equity and not in the profit and loss account.

Contigent liabilities granted

As part of its operations, the Group executes transactions that, at the time of execution, are not recognised in the balance sheet as assets or liabilities, but which result in contigent liabilities.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the entity's control;
- or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured reliably.

Off-balance sheet liabilities that carry credit risk are provided in accordance with IAS 37.

Financial guarantees are treated and recognised in accordance with IAS 39.

The Group does not apply hedge accounting.

2.5. Important figures based on professional judgment and estimates

Professional judgement

Classification of leases

The Group classifies leases as either finance or operating, based on its assessment of the extent to which the benefits and risks of ownership are transferred to the lessor and the lessee. Such assessment is based on the economic content of each transaction

Measurement of loans granted by Wschodni Bank Cukrownictwa (" old group of loans")

In the opinion of the Group, there is evidence that the entire old group of loans is impaired. The amount of impairment losses has been determined by discounting the expected cash flows in successive periods, estimated on the basis of historical recovery rates for that group of loans.

Measurement of newly purchased receivables

The value of repurchased receivables based on discounted expected future cash flows from those receivables in subsequent periods, estimated based on the expected recovery rates and current results of debt recovery.

Closing ratio for loans, deposits and savings plans

The Group recognises commission income from the loan applications submitted (but for loans not yet paid out) as well as applications for opening deposits and savings plans submitted (but not yet opened) with other financial institutions based on the "closing ratio". This ratio is based on historical data for the likelihood of a loan applied for being actually paid out or of a deposit or a savings plan being actually opened. This ratio is also used in determining the amount of provision for commission to be paid to Noble Bank advisers for such loans, deposits and savings plans.

IBNR ratio

Due to its short history of providing mortgage loans, Noble Bank's record of observations on changes in the quality of its mortgage loans and financial loans over time is not large enough to enable the Company to estimate the loss ratios based on historical data. As a result, the Bank found it appropriate to apply a ratio at a value - estimated to the best of the Bank's knowledge – that would, in an approximate manner, take into account the anticipated amount of impairment of the Bank's mortgage loans and financial loans. In determining the value of the loss ratio, the Bank used loss-related data for groups of mortgage loans and financial loans for the entire banking sector in Poland. As a result, the value of the ratio used as the basis for creating an impairment allowance for the "new group of loans" was set at 0.8% for mortgage loans and 1.3% for financial loans.

Trademark and goodwill

The trademark and goodwill are tested for impairment annually. Any impairment loss is recognised through profit and loss.

Uncertainty of estimates

In preparing financial statements in conformity with IFRS, the Company is required to make estimates and assumptions that affect the reported amounts. 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 future events that 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 Company, the actual results may be different from these estimates.

Estimates made as at a particular balance sheet date reflect the conditions as at the same date (e.g. currency exchange rates, the central bank's interest rates, market prices).

The assessment of impairment of financial assets as at the balance sheet date was made in conformity with IAS 39, using the pricing model adopted as at the date of switching to IFRS. In building the pricing model for the assessment of impairment of financial assets, the Bank applied the following assumptions:

- The loan portfolio was divided into categories of homogenous loans and a category of individually significant loans.
- The category of homogenous loans were further divided into two categories: loans at risk of impairment and loans at no risk of impairment.
- The value of the portfolio of loans at no risk of impairment was assessed - depending on the product and because no database of historical data was available – using expert indicators.
- The value of the portfolio of loans at risk of impairment was assessed using estimated recover rates.
- For those categories of products for which historical recover rates could not be estimated and because relevant data were not available, expert indicators were applied.

The main areas for which the Group made estimates include:

Impairment of loans

The Group assesses, at each balance sheet date, whether there is any objective evidence that a financial asset or a group of assets is impaired. The Group assesses whether there is any evidence indicating a reliably measurable decrease in estimated future cash flows relating to the Bank's loan portfolio, before such a decrease can be allocated to a particular loan in order to estimate the level of impairment. The Group's estimates may take in account observable data indicating an unfavourable change in the debt repayment ability of a particular category of borrowers or in the economic situation in a particular country or part of the country, which is related to problems in this group of financial assets. Historical losses are corrected on the basis of data from ongoing observations in order to include the effect of those market factors which did not exist in the period in which such observations were made and exclude the effect of such circumstances which existed historically and which do not exist now. The methodology and assumptions for estimating amounts of cash flows and the periods in which they will occur will be reviewed on a regular basis in order to reduce the differences between the estimated and actual amounts of losses.

In the opinion of the Group, there is evidence that the entire old group of loans is impaired. The amount of impairment losses has been determined by discounting the expected cash flows in successive periods, estimated on the basis of historical recovery rates for that group of loans and on the basis of the current results of debt recovery.

Fair value of financial instruments

The fair value of financial instruments not traded on active markets is measured using measurement techniques. All the models are subject to approval before they are used and are calibrated to ensure that the results achieved reflect the actual figures and comparable market prices. As far as possible, only observable data from active markets are used in the models.

Impairment of other fixed assets

The Group assesses, at each balance sheet date, whether there is any evidence that any fixed asset is impaired. If such evidence is identified, the Group assesses the recoverable amount. In estimating the useful value of a fixed asset, the Group makes assumptions about the amounts and dates of future cash flows that the Group may receive from a particular fixed asset as well as assumption about other factors. In estimating the fair value of a fixed asset less the costs of sale of the same asset, the Group uses the available market data in this regard or measurements by independent assessors, which in principle are also based on estimates.

Other estimated figures

The Group's provision for retirement severance pay is determined using the actuarial method by an independent actuary as the current value of the Group's future liabilities to employees, based on the head count and pay levels at the date of the revaluation. The provision for retirement pay is subject to revaluation on an annual basis and is determined based on a number of assumptions about the microeconomic conditions as well as assumptions about staff rotation, death risk and other factors

As regards some of the Group's short-term employee liabilities (bonuses for high-level management), the Group assesses the amount of such benefits as at the balance sheet date. The final amount of such benefits is determined by way of a decision of the Supervisory Board. The actual amounts are verified on an ongoing basis in the balance sheet periods for consistency with the estimated amounts and the assumptions made.

3. ABRIDGED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2008, PREPARED IN ACCORDANCE WITH IFRS

3.1. Consolidated Profit & Loss Account

	1 Apr.2008 – 30 June 2008	1 Jan.2008 – 30 June 2008	1 Apr.2007 – 30 June 2007	1 Jan.2007- 30 June 2007
Interest income	53,580	95,359	10,881	19,624
Interest expense	-37,493	-65,067	-3,615	-6,564
Net interest income	**16,087**	**30,292**	**7,266**	**13,060**
Fee and commission income	53,874	102,197	42,077	77,395
Fee and commission expense	-9,142	-15,248	-4,144	-8,714
Net fee and commission income	**44,732**	**86,949**	**37,933**	**68,681**
Gain (loss) on financial instrument measured at fair value	-32	-32	457	457
Gain (loss) on other financial instruments	49	-77	2,305	2,683
Foreign exchange gain (loss)	29,217	50,001	11,279	15,777
Other operating income	1,285	10,728	13,439	23,130
Other operating expense	-2,893	-3,774	-4,339	-4,970
Other net operating income and expense	**27,626**	**56,846**	**23,141**	**37,077**
Impairment losses of loans and leases	2,060	-1,932	5,446	9,571
General administrative costs	-38,323	-73,371	-30,568	-58,416
Profit (loss) on operating activities	**52,182**	**98,784**	**43,218**	**69,973**
Gain (loss) on sale of investments	0	0	-509	-509
Gross profit	**52,182**	**98,784**	**42,709**	**69,464**
Corporation tax	-10,192	-18,406	-11,581	-13,335
Net profit	**41,990**	**80,378**	**31,128**	**56,129**
Net profit attributable to shareholders in the parent company	**40,982**	**78,125**	**31,128**	**56,129**
Net profit attributable to minority shareholders	**1,008**	**2,253**	**0**	**0**

<u>Net profit per ordinary share</u>

FIGURES IN PLN'000	1 Apr.2008 – 30 June 2008	1 Jan.2008 – 30 June 2008	1 Apr.2007 – 30 June 2007	1 Jan.2007- 30 June 2007
Net profit attributable to ordinary shareholders	40,982	78,125	31,128	56,129
Weighted average number of ordinary shares issued, used for the calculation of basic profit per share	215,178	215,178	200,673	200,427
Profit per ordinary share	0.19	0.36	0.16	0.28
Weighted average number of ordinary shares issued, used for the calculation of diluted profit share	215,178	215,178	215,178	215,178
Diluted profit per ordinary share	0.19	0.36	0.14	0.26

3.2. Consolidated Balance Sheet

	30 June 2008 (PLN'000)	31 Dec. 2007 (PLN'000)
Cash and balances with the Central Bank	111,633	25,972
Amounts due from banks	646,608	657,070
Derivative financial instruments	33,992	18,003
Loans to customers	2,076,002	1,175,899
Financial instruments available for sale	462,026	52,910
Intangible assets	102,624	102,715
Tangible fixed assets	20,014	16,279
Fixed assets classified as held for sale	53	61
Income tax assets	25,240	15,826
Current income tax assets	2,606	2,291
Deferred income tax assets	22,634	13,535
Other assets	22,769	27,827
TOTAL ASSETS	**3,500,961**	**2,092,562**
LIABILITIES AND EQUITY		
Liabilities		
Amounts due to other banks and financial institutions	346,742	195,391
Derivative financial instruments	4,678	1,197
Financial liabilities measured at fair value through profit or loss – deposits from customers	333,694	0
Amounts due to customers	1,770,848	938,021
Issue of debt securities	354,717	353,911
Corporation tax liabilities	1,097	1,750
Other liabilities	28,199	30,108
Provision for deferred income tax	46,471	28,706
Provisions	52	7,137
TOTAL LIABILITIES	**2,886,498**	**1,556,221**
Equity attributable to shareholders in the parent company	**607,546**	**530,477**
Share capital	215,178	215,178
Retained profit (uncovered loss)	20,214	-3,298
Net profit	78,125	126,457
Other funds, reserves and capital	294,029	192,140
Minority interests	**6,917**	**5,864**
Total equity	**614,463**	**536,341**
TOTAL LIABILITIES AND EQUITY	**3,500,961**	**2,092,562**

3.3 Changes in consolidated equity

	Attributable to shareholders in the parent company							
		Other funds and capital						
Figures in PLN'000	Share Capital	Retained profit (uncovered loss)	Supplementary Capital	Revaluation Reserve	Net profit	Total	Minority Interests	Total Equity
As at 1 Jan. 2008	**215,178**	**-3,298**	**192,140**	**0**	**126,457**	**530,477**	**5,864**	**536,341**
Available-for-sale financial assets as measured, less deferred tax	0	0	0	-1,056	0	-1,056	0	-1,056
Net loss recognised directly in equity	**0**	**0**	**0**	**-1,056**	**0**	**-1,056**	**0**	**-1,056**
Net profit	0	0	0	0	78,125	78,125	2,253	80,378
Total income and expense recognised in equity	**0**	**0**	**0**	**-1,056**	**78,125**	**77,069**	**2,253**	**79,322**
Previous period's profit carried forward to retained profit (uncovered loss)	0	23,512	102,945	0	-126,457	0	0	0
Dividend paid	0	0	0	0	0	0	-1,200	-1,200
As at 31 June 2008	**215,178**	**20,214**	**295,085**	**-1,056**	**78,125**	**607,546**	**6,917**	**614,463**

	Attributable to shareholders in controlling entity							
			Other funds and capital					
Figures in PLN'000	**Share Capital**	**Retained profit (uncovered loss)**	**Supplementary Capital**	**Revaluation Reserve**	**Net profit**	**Total**	**Minority Interests**	**Total Equity**
As at 1 Jan. 2007	**200,178**	**-4,760**	**736**	**-278**	**53,250**	**249,126**	**0**	**249,126**
Available-for-sale financial assets as measured, less deferred tax	0	0	0	258	0	258	0	258
Net profit recognised directly in equity	**0**	**0**	**0**	**258**	**0**	**258**	**0**	**258**
Current net profit	0	0	0	0	56,129	56,129	0	56,129
Total income and expense recognised in equity	**0**	**0**	**0**	**258**	**56,129**	**56,387**	**0**	**56,387**
Issue of shares	15,000	0	138,939			153,939	0	153,939
Previous period's profit (loss) allocated	0	1,462	51,788	0	-53,250	0	0	0
Minority interests acquired	0	0	0	0	0	0	1,919	1,919
As at 30 June 2007	**215,178**	**-3,298**	**191,463**	**-20**	**56,129**	**459,452**	**1,919**	**461,371**

3.4. Consolidated Cash Flow Statement

	1 Jan.2008- 30 June 2008 (PLN'000)	1 Jan.2007 – 30 June 2007 (PLN'000)
Cash flows from operating activities		
Net profit	80,378	56,129
Total adjustments:	421,431	-58,165
Amortisation and depreciation	3,379	2,771
Profit from investing activities	-4,383	-794
Interest and dividends	6,714	0
Change in amounts due from banks	5,839	-6,438
Change in derivative financial instruments (asset)	-15,989	-6,168
Change in loans to customers	-900,103	-377,712
Change in securities available for sale	0	36,431
Change in deferred tax assets	-8,851	805
Change in other assets	5,058	-3,018
Change in amounts due to other banks and financial institutions	151,351	109,246
Change in derivative financial instruments (liability)	3,481	790
Change in amounts due to customers and in financial liabilities measured at fair value through profit or loss (deposits from customers)	1,166,521	187,165
Change in liabilities from issue of debt securities	806	0
Change in provisions and in provision for deferred tax	10,680	-7,930
Change in other liabilities	-2,104	14,141
Other adjustments	0	-1,367
Income tax paid	-10,460	-5,056
Current tax liability (profit & loss account)	9,492	8,969
Net cash from operating activities	**501,809**	**-2,036**
Cash flows from investing activities		
Investing inflows	**4,404,100**	**4,705**
Sale of investment securities	4,399,712	2,448
Interest received	4,388	2,257
Investing outflows	**-4,816,961**	**-6,104**
Purchase of investment securities	-4,809,938	0
Purchase of intangible and tangible fixed assets	-7,023	-6,104
Net cash used in investing activities	**-412,861**	**-1,399**
Cash flows from financing activities		
Inflows from issue of shares	0	153,939
Other financing inflows	0	250
Interest paid	-6,714	0
Dividend paid to minority shareholders	-1,200	0
Net cash used in financing activities	**-7,914**	**154,189**
Increase in cash and cash equivalents	81,034	150,754
Opening balance of cash and cash equivalents	40,061	12,689
Closing balance of cash and cash equivalents	**121,095**	**163,443**
Restricted-use cash and cash equivalents	0	0

3.5. Deferred income tax assets, provisions and impairment losses in the first quarter of 2008

As at 30 June 2008, the following items for deferred income tax assets, provisions and impairment losses were reported in the Group's abridges consolidated financial statements:

	30 June 2008 (PLN'000)	31 Dec. 2007 (PLN '000)
1.Deferred income tax assets	**22,634**	**13,535**
2.Provision for deferred income tax	**46,471**	**28,706**
3.Provisions, including	**52**	**7,137**
Provision for restructuring	0	7,085
Provision for pensions	52	52

Impairment losses of assets	31 June 2008 (PLN'000)	31 Dec. 2007 (PLN '000)
Loans to customers	88,240	81,866
Financial instruments available for sale	1,451	42
Other assets	8,406	8,914
Total impairment losses of assets	98,097	90,822

3.6. Interest income and expense

Interest income	1 Apr.2008- 30 June 2008 PLN'000	1 Jan.2008- 30 June 2008 PLN'000	1 Apr.2007- 30 June 2007 PLN'000	1 Jan.2007- 30 June 2007 PLN'000
Income from deposits				
Income from loans to customers				
Interest income from financial instruments available for sale				
Interest income from derivatives				
Other interest income				
Total				

	PLN'000	PLN'000	PLN'000	PLN'000
Expense on deposits	1,091	2,409	1,369	2,670
Expense on amounts due to customers	28,454	47,830	1,917	3,191
Expense on issue of own debt securities	6,431	12,347	0	0
Interest expense on financial lease	49	81	25	45
Interest expense on loans taken	1,468	2,370	304	415
Other interest expense	0	30	0	243
Total	**37,493**	**65,067**	**3,615**	**6,564**

3.7. Fee and commission income

Fee and commission income	1 Apr.2008-30 June 2008 PLN'000	1 Jan.2008-30 June 2008 PLN'000	1 Apr.2007-30 June 2007 PLN'000	1 Jan.2007-30 June 2007 PLN'000
- from intermediation	46,110	85,590	34,973	65,826
- from sale of investment fund units	6,223	13,353	4,550	6,808
- from portfolio management services and other asset management fees	740	1,729	2,554	3,011
- other	801	1,525	0	1,750
Total	**53,874**	**102,197**	**42,077**	**77,395**

Fee and commission expense	1 Apr.2008-30 June 2008 PLN'000	1 Jan.2008-30 June 2008 PLN'000	1 Apr.2007-30 June 2007 PLN'000	1 Jan.2007-30 June 2007 PLN'000
- on intermediation	7,807	13,119	3,238	7,567
- on cash and non-cash payment transactions	666	1,350	670	911
- other	689	779	236	236
Total	**9,142**	**15,248**	**4,144**	**8,714**

3.8. General administrative costs

General administrative costs	1 Apr.2008-30 June 2008 PLN'000	1 Jan.2008-30 June 2008 PLN'000	1 Apr.2007-30 June 2007 PLN'000	1 Jan.2007-30 June 2007 PLN'000
Employee benefits	16,963	35,451	16,767	34,968
Materials and energy	1,508	2,596	196	821
External services	16,553	28,388	11,710	19,084
- marketing, representation and advertising	7,357	12,544	4,840	7,661
- IT services	428	744	242	459
- rentals and leases	5,181	9,095	3,030	5,425
- security and cash processing services	36	51	16	25
- renovation services	285	376	335	381
- telecommunications and postal services	1,398	2,448	898	1,518
- legal services	254	575	242	371
- advisory services	287	480	570	625
- insurance	100	199	73	103
- other	1,227	1,876	1,464	2,516
Other material costs	486	1,515	164	306
Taxes, fees and charges	605	1,028	266	441
BFG* contributions	230	423	11	25
Amortisation and depreciation	1,517	3,379	1,454	2,771
Other	461	591	0	0
Total	**38,323**	**73,371**	**30,568**	**58,416**

/*BFG stands for *Bankowy Fundusz Gwarancyjny*, or Bank Guarantee Fund/

3.9. Group's significant achievements

In 2008, the Group continues to expand its distribution network. In 2008, Open Finance has opened 8 branches. As at 30 June 2008, Noble Bank offered financial products at 8 of its branches and Open Finance S.A. provided financial services through a network of 33 branches and 21 Open Direct offices. The Open Direct offices provided a full range of services through mobile advisers.

In 2008, the Group focused on pursuing a strategy of selling financial products developed by both the Group's companies and external entities. Noble Bank is targeting its private-banking services at wealthy customers, offering them customised credit and personal investment solutions. In 2008, Noble Bank began offering credit cards. Metro Bank S.A's brand Metrobank is rapidly expanding its portfolio of mortgage loans and loans secured with securities. In 2008, the bank's loan portfolio exceeded PLN 2,000 million and monthly sales exceeded PLN 160 million. The rapid growth of the loan portfolio is accompanied by credit risk being kept under control. Metrobank prides itself on a close-to-zero loan portfolio loss rate.

Noble Bank was ranked first in the "efficient operation" category in a survey called "the 50 largest banks in Poland 2008" by the financial monthly *Bank*. The following were taken into account: revenue growth rate, revenue growth rate per employee, return on capital and the operating costs to operating income ratio.

Also, Noble Bank was ranked first in the "Best Small & Medium-Sized Banks" category in a survey called "Best Banks 2008" organised by *Gazeta Bankowa*. In addition to excellent ROC and ROA values, the Bank performed best in terms of the costs/income ratio.

3.10. The Group's financial results for the second quarter of 2008

The Group's Q2 2008 net profit attributable to shareholders in the parent company amounted to PLN 40,982 thousand, which was an increase of 32% compared to the second quarter of 2007 and 10% compared to the first quarter of 2008.

The results for the individual companies within the Group (excl. companies excluded from consolidation; in the case of Noble Funds TFI S.A., including profit attributable to minority shareholders) for the period second quarter of 2008 are as follows:

Net profit	**1 Apr.2008-30 June 2008 PLN'000**	**1 Jan.2008-30 June 2008 PLN'000**
Noble Bank S.A.	34,457	92,972
Open Finance S.A.	8,572	17,014
Noble Funds TFI S.A.	3,360	7,509

The Group's result on banking activities for the second quarter of 2008 was PLN 90,053 thousand, which was an increase of 52% compared to the second quarter of 2007 and of 17% from the first quarter of 2008. Interest income and fee and commission income increased, compared the second quarter of 2007, by 103% (or PLN 54,496 thousand) to PLN 107,454 thousand. This increase was the result of fast sales growth, mostly at Open Finance S.A. and Noble Bank.

The Group's results were significantly affected by commission income from financial intermediation services, interest income (mostly from mortgage loans) and net foreign exchange income. Fee and commission income in the second quarter of 2008 amounted to PLN 53,874 thousand, compared to PLN 42,077 thousand for the same period of 2007. Net foreign exchange income for the second quarter of 2008 was PLN 29,217 thousand, compared to PLN 11,279 thousand for the same period of 2007. The Group's Q2 2008 interest income amounted to PLN 53,580 thousand, compared to PLN 10,881 thousand in the same period of 2007.

3.11. Factors and events, particularly non-standard ones, significantly affecting the Group's results

No non-standard events significantly affecting the Group's financial results occurred in the reporting period.

3.12. Seasonal or cyclic events within the Group's activities in the second quarter of 2008

No events subject to seasonal fluctuations or cyclic in character occur in the Group's activities. Thus the results presented in this report do not reflect any significant fluctuations during the year.

3.13. Issue, redemption and repayment of debt securities and capital securities

No issue, redemption and repayment of debt securities and capital securities occurred during the reporting period.

3.14. Dividends

On 27 March 2008, an Ordinary Shareholders Meeting of Open Finance S.A. decided to allocate a net profit of PLN 28,699 thousand for the financial year ended 31 December 2007 and a supplementary fund of PLN 1,301 thousand for the previous years, to pay dividend to the only shareholder, Noble Bank S.A. The total amount of dividend paid was PLN 30,000 thousand or PLN 60 per ordinary share. No preference shares in Open Finance S.A. are held by any shareholder.

On 17 April 2008, an Ordinary Shareholders Meeting of Noble Funds TFI S.A. decided to allocate part of the net profit for the financial year ended 31 December 2007 (PLN 4,000 thousand) to pay dividend to the company's shareholders. The amount of dividend per ordinary share was PLN 39.98. No preference shares in Noble Funds TFI S.A. are held by any shareholder.

Noble Bank did not pay any dividend in 2008. The company's Management Board does not plan to pay dividend in 2008.

3.15. Events after 30 June 2008 not covered by these statements but which might significantly affect the Group's future financial results

No events that might significantly affect the Group's future financial results occurred after 30 June 2008.

3.16. Changes in contingent assets and liabilities

OFF-BALANCE SHEET ITEMS	30 June 2008 PLN'000	31 Dec.2007 PLN'000
1.Contingent liabilities granted and received	**242,733**	**143,232**
1.Contingent liabilities received	242,733	143,232
a) financial	241,610	142,846
b) guarantees	1,123	386
2.Liabilities received	0	0
II. Commitments arising out of sale and repurchase transactions	**1,656,479**	**1,007,312**
TOTAL OFF-BALANCE SHEET ITEMS	**1,899,212**	**1,150,544**

3.17 Changes in the organisation of subordinated entities in the second quarter of 2008

No changes in the organisation of the Group's subordinated entities occurred in the first quarter of 2008.

DETAILED CONSOLIDATED QUARTERLY REPORT – Q2 2008 (FIGURES IN PLN'000)

3.18. Position of the Management Board on the possibility of achieving previously published forecasts for results in the light of the results presented in this quarterly report in relation to the forecasted result

The Group does not publish forecasts.

3.19. Shareholders holding, directly or indirectly, at least 5% of the total number of votes at the Group's General Shareholders Meetings as at 30 June 2008

Shareholding Structure 30 June 2008	Total Shares	Votes	Percentage share in total votes at general shareholders meeting
Getin Holding S.A.	155,899,666	155,899,666	72.46%
ASK Investments S.A.	14,819,840	14,819,840	6.89%
A Nagelkerken Holding B.V.	5,750,000	5,750,000	2.67%
International Consultancy Strategy Implementation	5,750,000	5,750,000	2.67%
H.P.Holding 3 B.V.	5,750,000	5,750,000	2.67%
Minority shareholders	27,208,650	27,208,650	12.64%
Total	**215,178,156**	**215,178,156**	**100.00%**

3.20. Information on changes in shares held by members of the Management Board and the Supervisory Board (since the submission of the last periodic report)

Name	Title	Shares as at 31 March 2008	Acquisition of shares in the reporting period	Sale of shares in the reporting period	Shares as at 30 June 2009
Remigiusz Baliński	Supervisory Board Member	22,333	0	0	22,333
Jarosław Augustyniak*	Management Board Chairman	10,697,947	0	0	10,697,947
Maurycy Kuhn**	Management Board Member	10,697,947	0	0	10,697,947
Krzysztof Spyra***	Management Board Member	10,689,947	0	0	10,689,947

* through	ASK Investments S.A.	4,939,947
	H.P.Holding 3 B.V.	5,750,000
	as a private individual	8,000
		10,697,947
** through	ASK Investments S.A.	4,939,947
	A.Nagelkerken Holding B.V.	5,750,000
	as a private individual	8,000
		10,697,947
*** through	ASK Investments S.A.	4,939,947
	International Consultancy Strategy Implementation	5,750,000
		10,689,947

3.21. Proceedings pending before courts of law

No lawsuit whose value is at least 10% of the Issuer's equity is pending before a court of law regarding the liabilities and receivables of the Group or any of its subsidiaries.

There are not two or more lawsuits regarding liabilities and receivables with a total value of at least 10% of the Group's equity.

As regards liabilities, the total value of lawsuits is PLN 544 thousand.

As regards receivables, the total of value of lawsuits is PLN 3,396 thousand.

3.22. Information on transactions of over EUR 500,000 between the Company or its subsidiary and an affiliated entity unless such transactions are typical and routine, made under market economy conditions

No such transactions occurred in 2008.

3.23. Information on the provision, by the Issuer or its subsidiary, of loan guarantees or guarantees for at least 10% of the value of the Issuer's equity

No such guarantees were provided in 2008.

3.24. Other information that, according to the Company, is of significance for the assessment of its personnel, material and financial situation, its profit (or loss) and changes of same

No significant events other than those described above occurred.

3.25. Factors that, according to the Company, will affect its financial results within at least the next quarter

According to the Company, the Company's future results will be affected by macroeconomic factors, in particular Poland's overall economic situation and GDP growth, the willingness of households to take out mortgage loans and save money. The Group's future financial results may also be affected by changes in the exchange rate of the Polish currency against foreign currencies, changes in interest rates and the situation in the stock market.

4. OPERATING SEGMENTS

The division of the Group's activities into industry segments is based on the Group's internal organisational structure. As a result, the division reflects the lines of business of the Group's companies, except for financial intermediation services provided by the Bank, which have been reclassified from the banking segment to the financial intermediation segment.

The Group performs its business activities in the following *industry segments*:

Banking

The Group's objects in this segments are to provide banking services and to carry out the following business activities: accepting call deposits and term deposits and managing accounts for such deposits, managing other bank accounts, providing loans (including cash loans), providing and confirming bank guarantees, opening and confirming letters of credit, issuing bank securities, processing financial transactions, processing cheques, bills of exchange and warrants, issuing payment cards and processing payment card transactions, processing futures transactions, purchasing and selling debts, storing valuable items and securities, providing safe deposit boxes, purchasing and selling foreign-exchange assets, providing and confirming sureties, providing services related to issue of securities, providing money transfer services and processing foreign-exchange transactions.

The Group carries out its business activities throughout Poland, providing private-banking services: current accounts for individual customers, savings accounts, deposit accounts, consumer loans, mortgage loans, term deposits, in both the Polish and foreign currencies.

Financial intermediation

The Group's object in this area is to provide financial intermediation services related to credit, deposit, savings and investment products. The Group's personal finance services include providing legal information, expert advice and compiling offers for banking products. The broadly defined intermediation services include offers for and analyses of the savings plans, deposit accounts, foreign currency programmes and investment funds offered by the Group.

Investment fund management

The Group's objects in this area are to deposit funds gathered from customers for investment fund units, to provide securities trading advisory services, to manage stakes of securities as requested by customers, to create and manage investment funds: treasury funds, stock funds and mixed funds.

Transactions between the different industry segments are carried out under normal, commercial conditions. The assets and liabilities in this segment include operational assets and liabilities, which constitute a major part of the balance sheet, but do not include items such as taxes or loans.

The activity of the each of the companies within the Group has been fully (including consolidation adjustments) assigned to a particular segment, except for financial intermediation services provided by the Bank, which have been reclassified from the banking segment to the financial intermediation segment.

The basic and only division is a division into industry segments. For reasons of irrelevance, the Group does not apply geographical segmentation.

The accounting principles used in the presentation of figures related to operating segments comply with IAS 14.

Transactions between operating segments are settled in such a manner as if they concerned unrelated parties – using current market prices.

DETAILED CONSOLIDATED QUARTERLY REPORT – Q2 2008 (FIGURES IN PLN'000)

1 Jan.2008 – 30 June 2008	**Banking**	**Financial Intermediation**	**Asset & Fund Management**	**Total**
Interest income	95,155	122	82	95,359
Interest expense	-64,985	-57	-25	-65,067
Net interest income	30,170	65	57	30,292
Fee and commission income	1,313	85,802	15,082	102,197
Fee and commission expense	-170	-13,762	-1,316	-15,248
Net commission income	1,143	72,040	13,766	86,949
Gain (loss) on financial instruments measured at fair value	-32	0	0	-32
Gain (loss) on other financial instruments	29	0	-106	-77
Foreign exchange gain (loss)	50,005	-4	0	50,001
Other operating income	9,595	1,130	3	10,728
Other operating expense	-1,438	-2,291	-45	-3,774
General administrative costs	-25,388	-44,530	-3,453	-73,371
Impairment losses of loans and leases	-1,932	0	0	-1,932
Profit (loss) on operating activities	62,152	26,410	10,222	98,784
Gross profit	62,152	26,410	10,222	98,784
Income tax	-11,347	-5,118	-1,941	-18,406
Net profit	**50,805**	**21,292**	**8,281**	**80,378**
Net profit attributable to shareholders in the parent company	50,805	21,292	6,028	78,125
Net profit attributable to minority shareholders	0	0	2,253	2,253

DETAILED CONSOLIDATED QUARTERLY REPORT – Q2 2008 (FIGURES IN PLN'000)

5. ABRIDGED INDIVIDUAL FINANCIAL STATEMENTS OF NOBLE BANK S.A

5.1. Profit & Loss Account

	1 Apr.2008-30 June 2008	1 Jan.2008-30 June 2008	1 Apr.2007-30 June 2007	1 Jan.2007-30 June 2007
Interest income	52,701	94,359	10,865	19,758
Interest expense	-37,561	-65,856	-3,539	-6,568
Net interest income	**15,140**	**28,503**	**7,326**	**13,190**
Fee and commission income	11,595	23,773	7,250	13,518
Fee and commission expense	-4,001	-9,458	-2,314	-4,365
Net fee and commission income	**7,594**	**14,315**	**4,936**	**9,153**
Dividend received	2,800	32,800	0	0
Gain (loss) in financial instruments measured at fair value	-32	-32	457	457
Gain (loss) on other financial instruments	120	29	2,305	2,683
Foreign exchange gain (loss)	29,220	50,005	11,279	15,777
Other operating income	557	9,882	11,723	21,564
Other operating expense	-824	-1,438	-2,399	-2,912
Other net operating income and expense	**31,841**	**91,246**	**23,365**	**37,569**
Impairment losses of loans and leases	2,060	-1,932	5,543	9,691
General administrative costs	-14,643	-25,615	-8,142	-12,994
Profit (loss) on operating activities	**41,992**	**106,517**	**33,028**	**56,609**
Gross profit	**41,992**	**106,517**	**33,028**	**56,609**
Income tax	-7,535	-13,545	-9,305	-10,725
Net profit	**34,457**	**92,972**	**23,723**	**45,884**

5.2. Balance Sheet

	30 June 2008 (PLN'000)	31 Dec. 2007 (PLN'000)
ASSETS		
Cash and balances with the Central Bank	111,633	25,965
Amounts due from banks	610,996	618,056
Derivative financial instruments	33,992	18,003
Loans to customers	2,090,070	1,185,650
Financial instruments available for sale	461,667	52,445
Investments in subordinated entities	89,606	89,537
Intangible assets	3,028	2,968
Tangible fixed assets	11,098	8,807
Fixed assets classified as held for sale	53	61
Income tax assets	22,118	10,144
Current income tax assets	2,606	2,291
Deferred income tax assets	19,512	7,853
Other assets	18,728	7,922
TOTAL ASSETS	**3,452,989**	**2,019,558**
LIABILITIES AND EQUITY		
Liabilities		
Amounts due to other banks and financial institutions	346,742	194,374
Derivative financial instruments	4,678	1,197
Financial liabilities measured at fair value through profit or loss – deposits from customers	333,694	0
Amounts due to customers	1,794,619	956,686
Issue of debt securities	354,717	353,911
Other liabilities	8,085	8,196
Provision for deferred tax	35,907	15,478
Provisions	52	7,137
TOTAL LIABILITIES	**2,878,494**	**1,536,979**
Equity	**574,495**	**482,579**
Share capital	215,178	215,178
Retained profit (uncovered loss)	955	955
Net profit	92,972	93,374
Other funds, reserves and capital	265,390	173,072
Total equity	**574,495**	**482,579**
TOTAL LIABILITIES AND EQUITY	**3,452,989**	**2,019,558**

5.3. Changes in equity

	Attributable to shareholders in controlling entity					
			Other funds and capital			
Figures in PLN'000	**Share Capital**	**Retained profit (uncovered loss)**	**Supplementary Capital**	**Revaluation Reserve**	**Net profit**	**Total Equity**
As at 1 Jan.2008	**215,178**	**955**	**173,072**	**0**	**93,374**	**482,579**
Available-for-sale financial assets as measured, less deferred tax	0	0	0	-1,056	0	-1,056
Profit (loss) recognised directly in equity	**0**	**0**	**0**	**-1,056**	**0**	**-1,056**
Net profit	0	0	0	0	92,972	92,972
Total income and expense recognised in equity	**0**	**0**	**0**	**-1,056**	**92,972**	**91,916**
Previous period's profit carried forward to retained profit (uncovered loss)	0	0	93,374	0	-93,374	0
As at 30 June 2008	**215,178**	**955**	**266,446**	**-1,056**	**92,972**	**574,495**

	Attributable to shareholders in controlling entity					
			Other funds and capital			
Figures in PLN'000	Share Capital	Retained profit (uncovered loss)	Supplementary Capital	Revaluation Reserve	Net profit	Total Equity
As at 1 Jan.2007	**200,178**	**-4,760**	**736**	**-278**	**38,435**	**234,311**
Available-for-sale financial assets as measured, less deferred tax	0	0	0	258	0	258
Profit (loss) recognised directly in equity	**0**	**0**	**0**	**258**	**0**	**258**
Current net profit	0	0	0	0	45,884	45,884
Total income and expense recognised in equity	**0**	**0**	**0**	**258**	**45,884**	**46,142**
Issue of shares	15,000		138,939	0	0	153,939
Previous period's profit (loss) allocated	0	5,715	32,720	0	-38,435	0
As at 31 March.2007	**215,178**	**955**	**172,395**	**-20**	**45,884**	**434,392**

5.4. **Cash Flow Statement**

	1 Jan.2008- 30 June 2008 (PLN'000)	1 Jan.2007 – 30 June 2007 (PLN'000)
Cash flows from operating activities		
Net profit	92,972	45,884
Total adjustments:	387,075	-44,255
Amortisation and depreciation	1,323	917
Profit from investing activities	-4,383	-938
Interest and dividends	-26,086	0
Change in amounts due from banks	7,721	4,432
Change in derivative financial instruments (asset)	-15,989	-6,168
Change in loans to customers	-904,420	-372,990
Change in securities available for sale	0	36,431
Change in deferred tax assets	-11,411	4,562
Change in other assets	-806	-1,021
Change in amounts due to other banks and financial institutions	152,368	109,246
Change in derivative financial instruments (liability)	3,481	790
Change in amounts due to customers and in financial liabilities measured at fair value through profit or loss (deposits from customers)	1,171,627	185,979
Change in liabilities from issue of debt securities	806	0
Change in provisions and in provision for deferred tax	13,344	-11,389
Change in other liabilities	-185	3,552
Other adjustments	0	-1,777
Income tax paid	-4,842	-2,038
Current tax liability (profit & loss account)	4,527	6,157
Net cash from operating activities	**480,047**	**1,629**
Cash flows from investing activities		
Investing inflows	**4,426,900**	**4,705**
Sale of investment securities	4,399,712	2,448
Dividend received	22,800	0
Interest received	4,388	2,257
Investing outflows	**-4,813,904**	**-4,140**
Purchase of investment securities	-4,809,938	0
Purchase of intangible and tangible fixed assets	-3,897	-4,140
Other investing outflows	-69	0
Net cash used in investing activities	**-387,004**	**565**
Cash flows from financing activities		
Issue of shares	0	153,939
Other financing inflows	0	500
Interest paid	-6,714	0
Other financing outflows	0	-250
Net cash used in financing activities	**-6,714**	**154,189**
Increase in cash and cash equivalents	86,329	156,383
Opening balance of cash and cash equivalents	27,909	4,243
Closing balance of cash and cash equivalents	**114,238**	**160,626**
Restricted-use cash and cash equivalents	0	0

Signatures of all the members of Noble Bank's Management Board:

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Jarosław Augustyniak, Management Board Chairman

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Maurycy Kuhn, Management Board Member

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Krzysztof Spyra, Management Board Member

Warsaw, 12 August 2008