GETIN NOBLE

BANK · SPÓŁKA AKCYJNA

GETIN NOBLE BANK S.A. CAPITAL GROUP

Consolidated quarterly report

for the 9-month period ended 30 September 2010

Warsaw, 9 November 2010

SELECTED FINANCIAL DATA

Consolidated financial statements data	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)
	PLN thousand		EUR thousand	
Interest income	2,111,537	1,974,494	527,528	448,820
Fee and commission income	919,233	626,659	229,653	142,445
Net impairment losses on loans, advances to customers and leasing receivables	(835,395)	(549,868)	(208,708)	(124,990)
Profit before tax	324,182	273,817	80,991	62,241
Net profit	348,476	247,983	87,060	56,369
Net profit attributable to equity holders of the parent	342,409	245,212	85,545	55,739
Net profit attributable to non-controlling interests	6,067	2,771	1,516	630
Net cash flow from operating activities	2,793,130	2,447,920	697,811	556,434
Net cash flow from investing activities	(121,068)	(114,987)	(30,247)	(26,138)
Net cash flow from financing activities	(1,551,511)	(1,944,333)	(387,616)	(441,964)
Total net cash flow	1,120,551	388,600	279,949	88,332

Consolidated financial statements data	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand		EUR thousand	
Loans and advances to customers	30,856,189	25,602,680	7,739,200	6,232,092
Financial instruments available for sale	2,814,903	3,849,286	706,020	936,976
Total assets	38,990,614	33,126,566	9,779,437	8,063,523
Total liabilities	35,830,873	30,233,777	8,986,926	7,359,373
Amounts due to other banks and financial institutions	488,512	737,519	122,526	179,524
Amounts due to customers	34,331,356	28,236,544	8,610,824	6,873,216
Equity	3,159,741	2,892,789	792,511	704,150
Equity attributable to equity holders of the parent	3,158,120	2,889,517	792,104	703,354
Share capital	953,763	953,763	239,218	232,161
Purchased own shares - nominal value	(696)	(2,635)	(175)	(641)
Number of shares	953,763,097	953,763,097	953,763,097	953,763,097
Capital adequacy ratio	10.32%	11.12%	10.32%	11.12%

Standalone financial statements data	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)
	PLN thousand		EUR thousand	
Interest income	2,097,663	1,978,466	524,062	449,723
Fee and commission income	733,833	523,524	183,334	119,002
Net impairment losses on loans, advances to customers and leasing receivables	(832,693)	(542,458)	(208,033)	(123,306)
Profit before tax	310,929	279,251	77,680	63,476
Net profit	350,205	261,057	87,492	59,341
Net cash flow from operating activities	2,805,131	784,877	700,810	178,410
Net cash flow from investing activities	(97,855)	(58,711)	(24,447)	(13,346)
Net cash flow from financing activities	(1,547,591)	(363,739)	(386,637)	(82,681)
Total net cash flow	1,159,685	362,427	289,726	82,383

Standalone financial statements data	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand		EUR thousand	
Loans and advances to customers	31,474,044	26,236,680	7,894,167	6,386,417
Financial instruments available for sale	2,785,494	3,847,266	698,644	936,485
Total assets	38,881,934	33,044,879	9,752,178	8,043,639
Total liabilities	35,719,971	30,173,382	8,959,110	7,344,672
Amounts due to other banks and financial institution	487,959	737,372	122,388	179,488
Amounts due to customers	34,539,452	28,278,492	8,663,018	6,883,426
Equity	3,161,963	2,871,497	793,068	698,967
Equity attributable to equity holders of the parent	953,763	953,763	239,218	232,161
Share capital	(696)	(2,635)	(175)	(641)
Purchased own shares - nominal value				
Number of shares	953,763,097	953,763,097	953,763,097	953,763,097
Capital adequacy ratio	10.01%	11.10%	10.01%	11.10%

The selected financial figures, which are the key items of the consolidated financial statements, were converted into EUR in accordance with the following principles:

- the individual items of assets, liabilities and equity items have been converted according to the average exchange rates announced by the National Bank of Poland as at 30 September 2010, i.e. 1 EUR = 3.9870 PLN, and as at 31 December 2009, i.e. 1 EUR = 4.1082 PLN.
- the individual items of the income statement as well as the items regarding the statement of cash flows have been converted according to the average exchange rates determined as the arithmetic mean of the average exchange rates established by the National Bank of Poland as at the last day of every month within the period of 9 months ended 30 September 2010 and 30 September 2009 (respectively 1 EUR = 4.0027 PLN and 1 EUR = 4.3993 PLN).

TABLE OF CONTENTS:

I. INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE 9-MONTH PERIOD ENDED 30 SEPTEMBER 2010 PREPARED IN ACCORDANCE WITH THE IFRS

1. INTERIM CONSOLIDATED INCOME STATEMENT

	Note	01.07.2010-30.09.2010	01.01.2010-30.09.2010	01.07.2009-30.09.2009	01.01.2009-30.09.2009
		(unaudited)		(restated unaudited)	
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
CONTINUED ACTIVITY					
Interest income	9.5	727,447	2,111,537	661,929	1,974,494
Interest expense	9.5	(466,071)	(1,343,483)	(445,321)	(1,410,630)
Net interest income		**261,376**	**768,054**	**216,608**	**563,864**
Fee and commission income	9.6	342,960	919,233	194,419	626,659
Fee and commission expense	9.6	(90,903)	(211,725)	(39,132)	(137,121)
Net fee and commissions income		**252,057**	**707,508**	**155,287**	**489,538**
Dividend income	9.12	13	2,757	2	2,074
Result on financial instruments measured at fair value through profit or loss		(24,020)	(513)	(31,496)	132,798
Result on other financial instruments		94,764	95,364	(182)	(1,754)
Foreign exchange result		28,985	93,718	12,913	88,234
Other operating income		16,215	73,999	16,536	46,748
Other operating expense		(20,540)	(50,532)	(11,161)	(29,120)
Net other operating income		**95,417**	**214,793**	**(13,388)**	**238,980**
Impairment losses on loans, advances to customers and leasing receivables	9.4	(259,353)	(835,395)	(180,639)	(549,868)
General administrative expenses	9.7	(178,822)	(530,778)	(152,296)	(468,697)
Operating profit		**170,675**	**324,182**	**25,572**	**273,817**
Profit before tax		**170,675**	**324,182**	**25,572**	**273,817**
Income tax	9.8	(33,563)	24,294	18,065	(25,834)
Net profit		**137,112**	**348,476**	**43,637**	**247,983**
Profit attributable to:					
- equity holders of the parent		134,320	342,409	42,654	245,212
- non-controlling interests		2,792	6,067	983	2,771
Earnings per share in PLN: *					
- profit for the period attributable to equity holders of the parent		0.14	0.36	0.04	0.26
- diluted profit for the period attributable to equity holders of the parent		0.14	0.36	0.04	0.26

* Earnings per share are calculated using the post-merger number of shares as at 30 September 2010.

2. INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	01.07.2010-30.09.2010	01.01.2010-30.09.2010	01.07.2009-30.09.2009	01.01.2009-30.09.2009
		(unaudited)		(restated unaudited)	
		PLN thousand	PLN thousand	PLN thousand	PLN thousand
Net profit for the period		**137,112**	**348,476**	**43,637**	**247,983**
Foreign exchange differences on revaluation of foreign entities		(16)	(3)	(293)	(37)
Valuation of financial instruments available for sale		15,657	5,700	(5,331)	(15,309)
Effect of cash flow hedge		(61,438)	(90,558)	(30,945)	(30,945)
Income tax relating to other comprehensive income		8,698	16,123	1,013	2,909
Net other comprehensive income		**(37,099)**	**(68,738)**	**(35,556)**	**(43,382)**
Total comprehensive income		**100,013**	**279,738**	**8,081**	**204,601**
Attributable to:					
- equity holders of the parent		97,221	273,671	7,098	201,830
- non-controlling interests		2,792	6,067	983	2,771

3. INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
		PLN thousand	PLN thousand
ASSETS			
Cash and balances with the Central Bank		1,980,401	909,004
Amounts due from banks and financial institutions		1,385,119	1,069,321
Financial assets held for trading		236	42
Derivative financial instruments		262,704	310,403
Loans and advances to customers	9.1	30,856,189	25,602,680
Receivables due to financial leasing		599,985	567,803
Financial instruments available for sale		2,814,903	3,849,286
Financial instruments held to maturity		0	0
Intangible assets		218,860	220,477
Property, plant and equipment		166,638	137,541
Investment properties		2,605	0
Income tax assets, including:		314,337	225,315
Receivables relating to current income tax		89	8,288
Deferred tax assets		314,248	217,027
Other assets	9.2	386,236	210,080
Assets held for sale		2,401	24,614
TOTAL ASSETS		**38,990,614**	**33,126,566**
LIABILITIES AND EQUITY			
Liabilities			
Amounts due to other banks and financial institutions		488,512	737,519
Derivative financial instruments		291,033	53,013
Amounts due to customers, including:	9.3	34,331,356	28,236,544
measured at fair value through profit or loss		0	17,907
Liabilities from the issue of debt securities		81,351	900,971
Current income tax liabilities		30,802	12,769
Other liabilities		598,674	286,964
Deferred tax liability		1,703	77
Provisions		7,442	5,920
Total liabilities		**35,830,873**	**30,233,777**
Equity attributable to the parent		**3,158,120**	**2,889,517**
Share capital		953,763	215,178
Equity from the merger		0	738,585
Purchased own shares - nominal value		(696)	(2,635)
Retained earnings		(32,531)	5,235
Net profit		342,409	308,893
Other capital		1,895,175	1,624,261
Non-controlling interests		**1,621**	**3,272**
Total equity		**3,159,741**	**2,892,789**
LIABILITIES AND EQUITY		**38,990,614**	**33,126,566**

4. INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(unaudited)	Attributable to equity holders of the parent											Non-controlling interest	Total equity
				Other capital									
	Share capital	Equity from the merger	Purchased own shares- nominal value	Reserve capital	Revaluation reserve	Foreign exchange differences	Benefits in the form of shares – capital component	Other reserves	Retained earnings	Net profit	Total		
	PLN thousand												
Equity as at 01.01.2010	**215,178**	**738,585**	**(2,635)**	**1,598,014**	**(11,810)**	**564**	**0**	**37,493**	**6,167**	**308,893**	**2,890,449**	**3,272**	**2,893,721**
Adjustments relating to changes in accounting policies									(932)		(932)		**(932)**
Equity as at 01.01.2010 after adjustments	**215,178**	**738,585**	**(2,635)**	**1,598,014**	**(11,810)**	**564**	**0**	**37,493**	**5,235**	**308,893**	**2,889,517**	**3,272**	**2,892,789**
The settlement of merger	738,585	(738,585)									–		–
Costs of merger				(2,111)							(2,111)		**(2,111)**
Comprehensive income for the period					(68,735)	(3)				342,409	273,671	6,067	**279,738**
Appropriation of the financial result for the previous reporting period				332,593					(23,700)	(308,893)	–		–
Dividends											–	(3,920)	(3,920)
Put options to the non-controlling interests									(14,066)		(14,066)	(3,798)	**(17,864)**
The fee for the registration of shares				(146)							(146)		**(146)**
Sale of own shares			1,939	8,036							9,975		**9,975**
Management option valuation							1,280				1,280		**1,280**
Equity as at 30.09.2010	**953,763**	**0**	**(696)**	**1,936,386**	**(80,545)**	**561**	**1,280**	**37,493**	**(32,531)**	**342,409**	**3,158,120**	**1,621**	**3,159,741**

(restated unaudited)	Attributable to equity holders of the parent										Non-controlling interest	Total equity
				Other capital								
	Other capital	Equity from the merger	Purchased own shares- nominal value	Reserve capital	Revaluation reserve	Foreign exchange differences	Other reserves	Retained earnings	Net profit	Total		
	PLN thousand											
Equity as at 01.01.2009	**215,178**	**738,585**	**(147)**	**1,094,938**	**8,763**	**648**	**32,500**	**62,627**	**520,715**	**2,673,807**	**8,932**	**2,682,739**
Adjustments relating to changes in accounting policies										–		–
Equity as at 01.01.2009 after adjustments	**215,178**	**738,585**	**(147)**	**1,094,938**	**8,763**	**648**	**32,500**	**62,627**	**520,715**	**2,673,807**	**8,932**	**2,682,739**
Comprehensive income for the period					(43,345)	(37)			245,212	201,830	2,771	**204,601**
Appropriation of the financial result for the previous reporting period				520,196				(44,321)	(475,875)	–		–
Dividends									(44,840)	(44,840)	(7,170)	**(52,010)**
Own shares redemption			(2,488)	(4,662)						(7,150)		**(7,150)**
Costs of capital registration				(80)						(80)		**(80)**
Acquisition of subsidiary							(839)	(8,058)		(8,897)	1,142	**(7,755)**
Equity as at 30.09.2009	**215,178**	**738,585**	**(2,635)**	**1,610,392**	**(34,582)**	**611**	**31,661**	**10,248**	**245,212**	**2,814,670**	**5,675**	**2,820,345**

5. INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2010-30.09.2010 (unaudited) PLN thousand	01.01.2009-30.09.2009 (restated unaudited) PLN thousand
Cash flow from operating activities		
Net profit	348,476	247,983
Total adjustments:	2,444,654	2,199,937
Depreciation	38,861	36,437
Foreign exchange differences	(83)	13,679
Profit (loss) of investing activities	(2,441)	(662)
Interest and dividend	31,535	78,845
Change in amounts due from banks	(266,604)	1,013,481
Change in financial assets held for trading	(194)	-
Change in derivatives financial instruments (assets)	3,557	(181,461)
Change in loans and advances to customers	(5,164,685)	(2,782,633)
Change in financial leasing receivables	(32,182)	81,374
Change in financial instruments available for sale	1,036,997	(1,479,454)
Change in financial instruments held to maturity	-	315
Change in deferred tax assets	(95,220)	(60,084)
Change in other assets	(175,092)	(24,715)
Change in amounts due to Central Bank	-	506,540
Change in amounts due to other banks and financial institutions	474,603	(992,264)
Change in derivatives instruments (liability)	208,811	(1,647,846)
Change in amounts due to customers	6,094,106	7,567,376
Change in amounts from the issue of debt securities	(22,120)	190,082
Change in the provisions and deferred tax liabilities	3,148	(18,369)
Change in other liabilities	308,719	6,658
Other adjustments	(23,294)	(7,502)
Income tax paid	(26,340)	(195,763)
Current tax expense (profit and loss account)	52,572	95,903
Net cash flow from operating activities	**2,793,130**	**2,447,920**
Cash flow from investing activities		
Dividend received	2,744	9,492
Sale of investment securities	2,105	5,016
Sale of intangible and fixed assets	6,348	1,369
Acquisition of subsidiary, net of cash acquired	(88,365)	(15,432)
Purchase of intangible and fixed assets	(43,900)	(45,704)
Purchase of investment securities	-	(69,228)
Other investment expenses	-	(500)
Net cash flow from investing activities	**(121,068)**	**(114,987)**
Cash flow from financing activities		
Proceeds from issue of shares	-	49,920
Redemption of issued debt securities	(797,500)	(1,693,005)
Dividends paid	(3,920)	(51,954)
Repayment of long-term loans	(723,530)	(153,786)
Sale/buyback of own shares	9,975	(7,149)
Interest paid	(34,279)	(88,359)
Other financial income/expense	(2,257)	-
Net cash flow from financing activities	**(1,551,511)**	**(1,944,333)**
Net change in cash and cash equivalents	1,120,551	388,600
Cash and cash equivalents at the beginning of the period	1,272,611	863,489
Cash and cash equivalents at the end of the period	**2,393,162**	**1,252,089**

(data in thousand PLN)

6. GENERAL INFORMATION

6.1 Description of the Group's organisation, with an indication of the entities subject to consolidation

The Getin Noble Bank S.A. Capital Group ("the Capital Group, "the Group") consists of Getin Noble Bank S.A. ("Bank", "Getin Noble Bank", "Parent Entity") and its subsidiaries. The Group's interim condensed consolidated financial statements cover the period of 9 months ended 30 September 2010 and contain comparative data for the periods of 9 months ended 30 September 2009 and as of 31 December 2009.

The Group's parent entity is Getin Noble Bank S.A., which until 4 January 2010 operated under the name of Noble Bank S.A., a joint-stock company with its registered office in Warsaw, Poland, at the address ul. Domaniewska 39B, registered on 31 October 1990 under number H 1954 in Section B of the Commercial Register by the District Court of Lublin, 11th Commercial & Registration Division. On 8 June 2001, Noble Bank S.A. was registered under number 0000018507 with the National Court Register. The legal basis for the operation of the parent Company is its Articles of Association, executed in the form of a notarial deed dated 21 September 1990 (as amended). The parent entity is registered for statistical purposes under (REGON) number 004184103.

The parent entity and the companies that are part of the Group are established for an indefinite period of time.

On 4 January 2010, the District Court for the City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, issued a decision to enter, on 4 January 2010, into the records of the Register of Entrepreneurs kept by the National Court Register, a merger between Noble Bank S.A. and Getin Bank S.A. under the name of Getin Noble Bank S.A.

The merger of Noble Bank S.A. and Getin Bank S.A. was carried out under Article 124(1) and (3) of the Banking Law Act in conjunction with Article 492(1)(1) of the Polish Code of Commercial Partnerships and Companies by transferring all the assets of Getin Bank S.A. to Noble Bank S.A. and, at the same time, increasing the share capital of Noble Bank S.A. through an issue of new shares.

As of 30 September 2010, the parent entity's Management Board consisted of the following persons:

Krzysztof Rosiński	–	President of the Management Board,
Maurycy Kühn	–	Member of the Management Board,
Krzysztof Spyra	–	Member of the Management Board,
Radosław Stefurak	–	Member of the Management Board,
Grzegorz Tracz	–	Member of the Management Board.

On 31 December 2009, Mr Bogusław Krysiński resigned from the position of Member of the Management Board of Noble Bank S.A. in relation to the expiry of the contract concluded with the company Noble Bank S.A.

On 15 December 2009, the Bank's Supervisory Board decided to appoint to the Management Board, with effect from the date of the merger between Noble Bank and Getin Bank (4 January 2010) Mr Grzegorz Tracz, as Member of the Bank's Management Board. At the same time, on 15 December 2009, the Supervisory Board appointed, with effect from the merger date (4 January 2010), Mr Jarosław Augustyniak as 1st Vice President of the Bank's Management Board and Mr Krzysztof Rosiński as Vice President of the Bank's Management Board, previously acting President of the Bank's Management Board.

On 5 August 2010 the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego) agreed to the appointment of Mr Krzysztof Rosiński to the position of President of the Management Board of Getin Noble Bank S.A. According to the provisions of the Banking Law Act and to the resolution of the Supervisory Board of Getin Noble Bank S.A. dated 5 March 2010, Mr Krzysztof Rosiński assumed the new position upon the decision of the Polish Financial Supervision Authority.

On 7 September 2010, the Bank's Supervisory Board appointed Mr Karol Karolkiewicz and Mr Maciej Szczechura as Members of the Management Board, with effect from 1 October 2010.

At the same time, Mr Jarosław Augustyniak, 1st Vice President of the Bank's Management Board, resigned from the position on 7 September 2010 in relation to the assumption of the duties of Acting President of the Management Board of GMAC Bank Polska S.A. with its registered office in Warsaw.

As of 30 September 2010, the composition of the Company's Supervisory Board was the following:

dr Leszek Czarnecki	–	President of the Supervisory Board,
Radosław Boniecki	–	Vice President of the Supervisory Board,
Remigiusz Baliński	–	Member of the Supervisory Board,.
Michał Kowalczewski	–	Member of the Supervisory Board,
Dariusz Niedośpiał	–	Member of the Supervisory Board.

The following changes took place regarding the composition of the Company's Supervisory Board in the reporting period: on 6 April 2010,the Ordinary General Meeting of Shareholders of Getin Noble Bank adopted a resolution to appoint the persons indicated above to a new term of office and to perform functions in the Supervisory Board. Mr Marek Grzegorzewicz, previously Member of the Supervisory Board, was not appointed to a new term of office. Mr Leszek Czarnecki, on the other hand, was appointed President of the Supervisory Board. On 17 May 2010 the Supervisory Board appointed Mr Radosław Boniecki to the position of Vice President of the Supervisory Board.

These consolidated financial statements were approved for publication by the parent entity's Management Board on 9 November 2010.

The entire Getin Noble Bank S.A. Group is directly controlled by Getin Holding S.A. The Getin Holding S.A. Group is controlled in its entirety by Mr Leszek Czarnecki.

Activities of the Group

<u>Banking</u>

The Group's objects in this area involve providing banking services and carrying out business activities as defined in the Articles of Association of the parent entity and in the Articles of Association of GMAC Bank Polska S.A.. The Group operates in the entire territory of Poland, providing services mainly to individuals, in both the Polish and foreign currencies.

In accordance with the parent entity's Articles of Association, the Bank's objects involve providing banking services and carrying out business activities as defined in the Bank's Articles of Association.

<u>Financial intermediation</u>

The Group's objects with regard to financial intermediation involve providing services related to the broadly defined area of personal finance, with the main areas including credit intermediation, deposit intermediation, investment intermediation, as well as financial market analyses and commentaries.

<u>Asset Management and Investment Fund Management</u>

The Group's objects in this area involve investing funds gathered by publicly offering of participation units in investment funds, providing advice on trading in securities, managing blocks of securities on behalf their holders, as well as establishing and managing Treasury securities funds, stock funds and mixed funds.

(data in thousand PLN)

As of 30 September 2010, the Getin Noble Bank S.A. Group consists of the following subsidiaries:

Entity	Headquarter	Main activity	Bank's percentage in share capital	
			30.09.2010	31.12.2009
Open Finance S.A.	ul. Domaniewska 39, Warszawa	financial intermediation	100.00%	100.00%
Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.	ul. Domaniewska 39, Warszawa	investment fund management	70.00%	70.00%
Introfactor S.A.	ul. Domaniewska 39, Warszawa	other financial activities	100.00%	100.00%
Noble Concierge Sp. z o.o.	ul. Domaniewska 39, Warszawa	activity supporting financial services	100.00%	100.00%
Noble Securities S.A.	ul. Lubicz 3/215, Kraków	brokerage services	79.76%	79.76%
Getin Leasing S.A.	ul. Powstańców Śl. 2-4, Wrocław	leases	93.18%	93.18%
Getin Services S.A.	ul. Powstańców Śl. 2-4, Wrocław	financial intermediation	93.18%*	93.18%
Pośrednik Finansowy Sp. z o.o.	ul. Powstańców Śl. 2-4, Wrocław	leases	93.18%*	93.18%
Getin Finance PLC	London, UK	financial services	99.99%	99.99%
Panorama Finansów S.A.	ul. Domaniewska 39, Warszawa	financial intermediation	100.00%**	100.00%
GMAC Bank Polska S.A.	ul. Wołoska 5, Warszawa	banking services	100.00%	-

* – through the subordinated entity Getin Leasing S.A.
** – through the subordinated entity Open Finance S.A.

All the above subsidiaries are subject to full consolidation.

On the basis of a resolution of the Extraordinary General Meeting of Shareholders of GMAC Bank Polska S.A. of 9 July 2010, since 13 October 2010 GMAC Bank Polska S.A. has been operating under the new name of IDEA Bank S.A.

As of 30 September 2010 and 31 December 2009, the Company's share of the total number of voting rights in its subsidiaries is equal to the Company's share in the share capital of the same subsidiaries, except for Noble Securities S.A., where the Company holds 82.73% of the voting rights.

6.2 Consequences of changes in the Group's structure

On 8 December 2009, an agreement was concluded related to the acquisition of 9,872,629 shares of the company GMAC Bank Polska S.A. (hereinafter referred to as "GMAC"), with its registered office in Warsaw, each share with the nominal value of 2.00 zlotys, with the total nominal value of PLN 19,745,258, representing 100% of the Company's share capital, and authorising the holders to 100% of the votes at the company's general meeting of shareholders. The share acquisition agreement was concluded between Getin Noble Bank S.A. and its sole shareholder GMAC, i.e. GMAC Inc. with its registered office in Wilmington Delaware, United States of America (hereinafter referred to as the "Seller"). As a result of the fulfilment of all the conditions precedent included in the said agreement, the legal title to GMAC shares passed to Getin Noble Bank S.A. on 30 June 2010. Getin Noble Bank S.A. acquired GMAC Bank Polska S.A. in order to consolidate the Group's position in the automotive loan market, as well as to build a corporate banking segment in the Getin Noble Bank S.A. Group on the basis of the newly purchased bank.

The acquisition of the subsidiary is accounted for below according to IFRS 3: The result was recognised in the Bank's operating income.

Figures in thousand PLN

Assets at the time of acquisition	141,904
Liabilities at the time of acquisition	2,977
Net assets at the time of acquisition	**138,927**
Group's share in net assets	138,927
Purchase price	132,218
including paid in cash	*132,218*
Gain on the acquisition of subsidiary	**6,709**

In the third quarter of 2010 and in the financial year 2009, no division, restructuring or discontinuation of activities took place in the Getin Noble Bank Group.

As of 30 September 2010 and 31 December 2009, the parent entity had no investments in any co-subsidiaries or affiliates.

6.3 The Group's financial results for the 9-month period ended 30 September 2010

In the period of 9 months ended on 30 September 2010, the net profit of the Getin Noble Bank S.A. Group, attributable to shareholders of the parent entity, amounted to 342,409 thousand PLN (245,212 thousand PLN in the 9-month period ended 30 September 2009).

The results achieved by the individual companies subject to consolidation (without consolidation exclusions, and in the case of the companies Noble Funds TFI, Noble Securities and the Getin Leasing group – with the part attributable to non-controlling shareholders) are the following:

Net profit according to IFRS	**01.01.2010-30.09.2010**	**01.01.2009-30.09.2009**
	thousand PLN	**thousand PLN**
Getin Noble Bank S.A.	350,205	261,057
Open Finance S.A.	55,538	60,930
Noble Funds TFI S.A.	12,543	8,357
Panorama Finansów S.A.	6,064	35
Noble Concierge Sp. z o.o.	(55)	15
Introfactor S.A.	(1,350)	289
Noble Securities S.A.	10,910	901
Grupa Getin Leasing S.A.	1,407	3,135
Getin Finance PLC	(125)	1,064
GMAC Bank Polska S.A.	755	not applicable

In the three quarters of 2010, the result of banking operations (defined as the sum of the gain/loss from interest, fees and commissions, income from dividend, gain/loss from financial instruments measured to fair value through financial gain/loss, from other financial instruments and from exchange positions) of the Getin Noble Bank S.A. amounted to 1,666,888 thousandPLN, which represented a 31% increase compared to the three quarters of 2009. The income from interest, fees and commissions in the period of 9 months ended on 30 September 2010 increased, compared to the period of 9 months ended on 30 September 2009, by 16.5%, i.e. by 429,617 thousand PLN, reaching the amount of 3,030,770 thousand PLN. This increase was due to the rapid growth of sales at Getin Noble Bank S.A. and to the introduction of new banking products.

Interest expense incurred in the period of 9 months ended on 30 September 2010 decreased by 5% compared to the interest expense incurred in the same period in 2009. This resulted directly from the decrease in the cost of acquiring deposits on the market.

The gain on exchange positions obtained in the period of 9 months ended on 30 September 2010 was 93,718 thousand PLN and exceeded by 5,484 thousand PLN the gain on exchange positions achieved in the period of nine months ended on 30 September 2009. In the third quarter of 2010, the Bank changed the presentation of foreign exchange differences due to write-down valuation by transferring the foreign exchange differences on write-down revaluation in the amount of 16,258 thousand PLN from the item "gain (loss) on revaluation write-downs related to impairment of credits, loans and lease receivables" to the item "gain (loss) on exchange positions".

The decrease in the gain on financial instruments measured to fair value through financial gain (loss) from 132,798 thousand PLN in the 9-month period ended on 30 September 2009 to -513 thousand PLN in the 9-month period ended on 30 September 2010 resulted mainly from the decrease of income due to the increased valuation of derivatives.

The gain on other financial instruments obtained in the period of 9 months ended on 30 September 2010 was 95,364 thousand PLN and exceeded by 97,118 thousand PLN the gain achieved in the period of 9 months ended on 30 September 2009, mainly as a result of the sale of TU Europa's shares in the third quarter of 2010. As a result of this transaction, the Bank recognised a gross profit on the sale of shares in the profit & loss account, in the amount of 98,249 thousand PLN.

7. BASIS OF PREPARATION AND ACCOUNTING POLICY

7.1 Basis of preparation of the interim condensed consolidated financial statements

These interim condensed consolidated financial statements have been prepared in accordance with the historical cost principle, except for financial instruments measured at fair value. The condensed consolidated financial statements are presented in Polish zlotys ("PLN"), and all the figures, unless otherwise stated, are expressed in thousands of zlotys.

These interim condensed consolidated financial statements have been prepared based on the assumption that the Group's companies will continue to carry on their business activities in the foreseeable future, i.e. for a period of at least 12 months from the end of the reporting period. As of the date of approving these financial statements, no circumstances were identified which could threaten the continuity of the activities of the Group's companies.

The interim condensed consolidated financial statements do not include all the information and disclosures that are required in annual consolidated financial statements and should therefore be read together with the Group's consolidated financial statements for the year ended on 31 December 2009.

These interim condensed consolidated financial statements were subject to a review by a key statutory auditor acting on behalf of the authorised entity, i.e. the company Ernst & Young Audit sp. z o.o. The review was carried out in line with the legislative provisions in force in Poland and to the Polish Financial Auditing Standards issued by the National Chamber of Statutory Auditors. The quarterly data for Q3 2010 and for Q3 2009 were not subject to a review or to an audit by a statutory auditor.

7.2 Accounting policy

a) Statement of compliance with International Financial Reporting Standards

The Group's interim condensed consolidated financial statements for the three quarters of 2010 ended on 30 September 2010 have been prepared according to IAS and IFRS requirements consistent with those applied during preparation of the Group's annual consolidated financial statements for the year ended on 31 December 2009, and also in line with IAS 34: Interim Financial Reporting, except for the application of modifications to the standard and for new interpretations in force for annual periods starting on or after 1 January 2010 and approved by the European Union ("IFRS-EU"). As of the date of approval of these statements for publication, taking into account the IFRS implementation process taking place in the EU and the Group's activity, there is no difference as far as the accounting principles applied by the Group are concerned between the IFRS standards that entered into force and the IFRS standards approved by the EU, except for the IAS 39 carve-out approved by the EU, as described in these statements.

The IFRS-EU include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

The Company may select its accounting policy within the scope of the IFRS-EU. The accounting policies used by the Company are described in Note 7 to these interim consolidated financial statements.

As described in Note 7, the Company applied the provisions of IAS 39 related to hedge accounting according to EU-approved IAS 39.

The Group's subsidiaries keep their own books of account according to the accounting policy (accounting principles) laid down by the Accounting Act of 29 September 1994 (Journal of Laws Dz. U. of 2009 No. 152, item 1223) ("Act") as amended and including regulations issued on its basis ("Polish Accounting Standards"). The interim consolidated financial statements contain adjustments not included in the books of account of the Group's entities, entered in order to ensure compliance of the said entities' financial statements with the IFRS.

b) Currency of measurement and currency of presentation

The currency of measurement applicable to the parent entity and other companies included in these consolidated financial statements, as well as the reporting currency for these interim condensed consolidated financial statements, is the Polish zloty.

c) Changes of accounting principles (accounting policy)

The accounting principles (policies) used in the preparation of these interim condensed consolidated financial statements are consistent with the accounting principles (policies) used in the preparation of the Group's annual consolidated financial statements for the year ended on 31 December 2009, except for the following changes to the standards and new interpretations applicable to annual periods beginning on or after 1 January 2010:

- IFRS 2 *Share-based payment - Group Cash-settled Share-based PaymentTransactions* – with effect from 1 January 2010. The purpose of this amendment is to explain the method of recognition of cash-settled share-based group payment transactions in the books of account. It replaces IFRIC 8 and IFRIC 11. Applying this change did not have an impact on the Group's financial situation or on the results of its activity.
- IFRS 3 *Business Combinations* (revised) and IAS 27 *Consolidated and Separate Financial Statements* (amended) effective from 1 July 2009. The revised IFRS 3 introduces some significant changes to the method of recognising business combinations taking place after that date. The changes relate to the valuation of non-controlling interests, recognition of costs directly connected with the transaction, initial recognition and subsequent valuation of conditional payment and accounting for business combinations achieved in stages. These changes have an influence on the value of goodwill recognised, on the gain or loss published for the period when the respective entity was acquired, as well as on the gain or loss reported in subsequent periods.

  The amended IAS 27 requires that changes in the ownership structure of a subsidiary be reported as transactions with owners, as long as the entity retains control of the subsidiary. Consequently, such transactions will not lead to the creation of goodwill or to recognition of profit or loss. The standard also changes the method of allocating losses incurred by subsidiaries and of recognising loss of control of the same. The changes made to IFRS 3 and IAS 27 will have an impact on future transactions involving acquisition or loss of control of subsidiaries as well as on transactions with non-controlling shareholders. The effect of changes to IFRS 3 is described in Note 7d,
- IAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*, effective from 1 July 2009. The changes relate to the designation of a unilateral risk in the hedged item and to the designation, in specific situations, of inflation as a hedged risk or a portion thereof. This change did not have an impact on the Group's financial situation or on the results of its activity.
- IFRIC 17 *Distributions of Non-cash Assets to Owners* – effective from 1 July 2009. This interpretation provides guidance related to the accounting for transactions that involve the issue of non-cash assets to owners in the form of reserve or dividend distribution. This interpretation did not have an impact on the Group's financial situation or on the results of its activity.
- Amendments to the *IFRS* (published in May 2008) – in May 2008 the Board published the first set of amendments to the standards it had published. Here are the amendments the Group applied with effect from 1 January 2010:
  - IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: the amendment explains that if a subsidiary meets the criteria of classification as intended for sale, all its assets and liabilities are

classified as intended for sale, even if after the sale transaction the parent entity keeps non-controlling interest in the said subsidiary. Application of this change is prospective and has no impact on the Group's financial situation or on the results of its activity.

- Amendments to the *IFRS* (published in April 2009) – in April 2009 the Board published the second set of amendments to the standards it had published, in particular in order to correct inaccurate and ambiguous wording. Different transitional provisions apply for the individual standards. The application of the following amendments caused changes to the accounting policy (principles), yet had no impact on the Group's financial situation or on the results of its activity.
  - IFRS 8 *Operating Segments*: explains that assets and liabilities of a segment should only be disclosed if such assets and liabilities are included in the measures used by the main body responsible for making operating decisions. Since the Group's main body responsible for operating decisions reviews the segment's assets, the Group continues to disclose the information required in Note 10
  - IAS 36 *Impairment of Assets*: clarifies that the largest unit permitted for allocation of the goodwill of an entity acquired as a result of business combination for the purpose of impairment testing is an operating segment as defined in IFRS 8 before aggregation for reporting purposes. This amendment has had no impact on the Group's financial statements since the annual impairment test is carried out before aggregation.
  - IAS 39 *Financial Instruments: Recognition and Measurement*: Clarifies that the prepayment option is considered as closely related to the host contract, if the exercise price of the option reimburses the lender for an amount up to the approximate present value of lost interest for the remaining period of the host contract. The remaining amendments to IAS 39 did not have an impact on the Group's financial situation, on the results of its activity, or on its accounting principles (policy).

Amendments to the following standards did not have an impact on the Group's accounting principles (policy), on its financial situation, or on the results of its activity:

- IFRS 2 *Share-based Payment*
- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*
- IAS 1 *Presentation of Financial Statements*
- IAS 7 *Cash Flow Statement*
- IAS 17 *Leases*
- IAS 38 *Intangible Assets*
- IFRIC 9 *Reassessment of Embedded Derivatives*
- IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*

The Group did not decide previously to apply any other standard, interpretation or amendment which had been published but had not come into effect yet.

The parent entity's Management Board does not envisage that the introduction of the above standards and interpretation (except IFRS 9) would have a significant impact on the accounting principles (policy) used by the Group. As far as IFRS 9 is concerned, the Group is currently analysing the impact of this standard on the consolidated financial statements.

d) Changes to the accounting principles applied – comparative data

In 2010, the Group made the following changes to its accounting principles:

1) the accounting principles used by Noble Bank S.A. and Getin Bank S.A. were standardised following the merger of the two banks and because it was necessary to obtain comparative data – adjustment of No. 10, 11 and 12 in the profit and loss account; changes also concerned separate presentation of the profit

and loss account and of the statement of comprehensive income. The above adjustments are for presentation purposes only.

2) changes as a result of amendments to IFRS 3, concerning: the costs of combination of jointly controlled entities (adjustment No. 12 in the statement of financial position).

3) change of presentation involving the transfer of foreign exchange rate differences from the measurement of revaluation write-downs on gain (loss) due to impairment of credits, loans and off-balance sheet items to the gain (loss) from exchange positions (adjustment No. 13 in the profit and loss account).

In addition, following the merger on 4 January 2010 of Noble Bank S.A. and Getin Bank S.A., as jointly controlled entities, now called Getin Noble Bank S.A., using the pooling of interests method (as described in more detail in Note 7e), the Group selected an accounting policy concerning the presentation of comparative data in such a manner as if both companies had always been combined.

The overall effect of the changes to the Group’s accounting principles and of the changes to the presentation of data connected with the above-described combination of jointly controlled entities on the comparative data as of 31 December 2009 and for the period of 9 months ended on 30 September 2009 is described below:

(data in thousand PLN)

Statement of financial position as of 31 December 2009

Balance sheet	Noble Bank S.A. Capital Group Consolidated statement of financial position	Getin Bank S.A. Capital Group Consolidated statement of financial position	Adjustments due to the merger		Adjustments due to changes in IFRS		Consolidated data
ASSETS							
Cash and balances with the Central Bank	239,979	669,025					909,004
Amounts due from banks and financial institutions	496,949	572,613	(241)	1			1,069,321
Financial assets held for trading,	42	–					42
Derivative financial instruments	126,382	219,563	(35,542)	2			310,403
Loans and advances to customers	6,738,671	18,829,021	34,988	3			25,602,680
Lease receivables	–	570,951	(3,148)	4			567,803
Financial instruments	1,197,361	2,651,925					3,849,286
Available for sale	1,197,361	2,651,925					3,849,286
Intangible assets	132,310	88,167					220,477
Property, plant and equipment	27,064	110,477					137,541
Deffered tax assets	27,492	197,606	105	5	112	13	225,315
Receivables from the current income tax	8,288	–					8,288
Deferred tax assets	19,204	197,606	105		112		217,027
Other assets	104,082	109,797	(2,755)	6	(1,044)	11	210,080
Assets held for sale	8,457	16,157					24,614
TOTAL ASSETS	**9,098,789**	**24,035,302**	**(6,593)**		**(932)**		**33,126,566**

Balance sheet	Noble Bank S.A. Capital Group Consolidated statement of financial position	Getin Bank S.A. Capital Group Consolidated statement of financial position	Adjustments due to the merger		Adjustments due to changes in IFRS		Consolidated data
LIABILITIES AND EQUITY							
Liabilities							
Amounts due to Central Bank	–	–					–
Amounts due to other banks and financial institutions	19,695	717,824					737,519
Derivative financial instruments	28,562	24,451					53,013
Liabilities measured at fair value through profit or loss	–	–					–
Liabilities to customers, including:	7,708,583	20,528,202	(241)	7			28,236,544
measured at fair value through profit or loss	17,907	–					17,907
Liabilities from the issue of debt securities	412,206	488,765					900,971
Current income tax liabilities	510	12,259					12,769
Other liabilities	144,077	148,790	(5,903)	8			286,964
Deferred tax liability	0	77					77
Provisions	52	5,868					5,920
TOTAL LIABILITIES	**8,313,685**	**21,926,236**	**(6,144)**		**–**		**30,233,777**
Equity attributable to the equity holders of the parent	783,351	2,107,547	(449)		(932)		**2,889,517**
Share capital	215,178	349,856	(349,856)	9			215,178
Equity from the merger	–	–	738,585	9			738,585
Purchased own shares - nominal value	(2,635)	–					(2,635)
Retained earnings	172,396	143,113	(449)		(932)	12	314,128
Other capital	398,412	1,614,578	(388,729)	10			1,624,261
Non-controlling interests	1,753	1,519					**3,272**
Total equity	**785,104**	**2,109,066**	**(449)**		**(932)**		**2,892,789**
TOTAL LIABILITIES AND EQUITY	**9,098,789**	**24,035,302**	**(6,593)**		**(932)**		**33,126,566**

Despite the changes to its accounting principles, the Group presents no comparative data as of 31 December 2008 because the changes affect the Group's balance sheet as of 31 December 2009 only.

The adjustments regarding consolidated financial information are directly related to the combination transaction and include the following:

1. an adjustment to the amounts due from banks and financial institutions by PLN -241 thousand – elimination of intra-group settlements in respect of current accounts;
2. an adjustment to derivative instruments by PLN -35,542 thousand with the purpose of making the presentation of the deferred credit product margin more coherent;
3. an adjustment to the loans and credits granted to customers by PLN 34,988 thousand, including an adjustment by PLN -554 thousand related to the elimination of intra-group transactions in respect of unsettled commissions due to Open Finance for selling Getin Bank S.A.'s loans, as well as an adjustment by PLN 35,542 thousand with the purposes of making the presentation of deferred credit product margin more coherent;
4. an adjustment to the receivables arising from financial leases by PLN -3,148 thousand – elimination of intra-group transactions in respect of lease contracts;
5. an adjustment to the deferred income tax asset by PLN 105 thousand – elimination of intra-group transactions in respect of Open Finance S.A.'s intermediation in the sale of loans provided by Getin Bank S.A.;.
6. an adjustment to other assets by PLN -2,755 thousand, in respect of intra-group receivables arising from supplies of goods and services;
7. an adjustment to the amounts due to customers by PLN -241 thousand – elimination of intra-group settlements in respect of current accounts;
8. an adjustment to other liabilities by PLN -5,903 thousand, including the following: by PLN -3,333 thousand – elimination of intra-group transactions in respect of lease contracts, and by PLN -2,570 thousand in respect of supplies of goods and services;
9. an adjustment to share capital by PLN 388,729 thousand, including the following:
   a) an adjustment by PLN 738,585 thousand, arising from an increase, following the merger of Noble Bank S.A. and Getin Bank S.A., in the share capital of Noble Bank S.A. from PLN 215,178 thousand to PLN 953,763 thousand by issuing 738,584,941 new J-series ordinary bearer shares numbered 1 to 738,584,941, with the nominal value of PLN 1.00 each, intended for shareholders in Getin Bank S.A.;
   b) an adjustment by PLN -349,856 thousand arising from elimination of Getin Bank S.A.'s share capital as a result of applying the pooling of interests method;
10. an adjustment to other capital by PLN -388,729 thousand, including the following:
    a) an adjustment by PLN -738,585 thousand arising from an increase, following the merger of Noble Bank S.A. and Getin Bank S.A., in the share capital of Noble Bank S.A. from PLN 215,178 thousand to PLN 953,763 thousand by issuing 738,584,941 new J-series ordinary bearer shares numbered 1 to 738,584,941, with the nominal value of PLN 1.00 each, intended for shareholders in Getin Bank S.A.;
    b) an adjustment by PLN 349,856 thousand arising from elimination of Getin Bank S.A.'s share capital as a result of applying the pooling of interests method;
11. an adjustment to other assets by PLN -1,044 thousand – costs related to the acquisition of shares in other entities;
12. an adjustment to retained earnings by PLN -1,044 thousand – costs related to the acquisition of shares in other entities less deferred tax in the amount of PLN 112 thousand;
13. an adjustment to the deferred income tax asset by PLN 112 thousand – adjustment of the costs related to the acquisition of shares in other entities.

(data in thousand PLN)

Income statement for the 9 month period ended 30 September 2009

Income statement	Noble Bank S.A. Capital Group consolidated Income statement	Getin Bank S.A. Capital Group consolidated Income statement	Adjustments due to the merger		Adjustments from changes in accounting policies		Consolidated data
Interest income	347,949	1,612,792	(5,912)	1	19,665	10	1,974,494
Interest expense	(333,051)	(1,063,832)	5,918	2	(19,665)	10	(1,410,630)
Net interest income	**14,898**	**548,960**	**6**				**563,864**
Fee and commission income	373,971	253,572	(884)	3			626,659
Fee and commission expense	(43,973)	(45,958)	562	4	(47,752)	11	(137,121)
Net fee and commission income	**329,998**	**207,614**	**(322)**				**489,538**
Dividend income	2	2,072					2,074
Result on financial instruments measured at fair value through profit and loss	(22,850)	169,993			(14,345)	12	132,798
Result on other financial instruments	(1,749)	(5)					(1,754)
Foreign exchange result	8,276	75,950			4,008	12.13	88,234
Other operating income	4,911	r44,321	r(2,484)	5			46,748
Other operating expense	(4,933)	(24,274)	87	6			(29,120)
Net operating income	**(16,343)**	**268,057**	**(2,397)**				**238,980**
Net impairment losses on credits, loans and off balances sheet liabilities	(9,908)	(552,298)	2,001	7	10,337	13	(549,868)
General administrative expense	(189,317)	(327,471)	339	8	47,752	11	(468,697)
Operating profit	**129,328**	**144,862**	**(373)**				**273,817**
Profit before income tax	**129,328**	**144,862**	**(373)**				**273,817**
Income tax	(2,717)	(23,188)	71	9			(25,834)
Net profit	**126,611**	**121,674**	**(302)**				**247,983**

The adjustments regarding consolidated financial information are directly related to the combination transaction and include the following:

1. an adjustment to interest income by PLN -5,912 thousand, including an adjustment arising from elimination of intra-group transactions in respect of income on interest related to interbank deposits and interest income from financial lease;
2. an adjustment to interest expense by PLN -5,918 thousand including an adjustment arising from elimination of intra-group transactions in respect of expense on interest related to interbank deposits and interest expense from financial lease;
3. an adjustment to fee and commission income by PLN -884 thousand, including the following: an adjustment arising from elimination of intra-group transactions regarding Noble Bank S.A.'s and Open Finance S.A.'s commission income from intermediation in the sale of Getin Bank S.A.'s products, an adjustment arising from elimination of intra-group transactions regarding insurance commission, and an adjustment arising from elimination of intra-group transactions regarding charges for the granting of guarantees and for other bank transactions;
4. an adjustment to fee and commission expenses by PLN -562 thousand, including the following: an adjustment arising from elimination of intra-group transactions regarding Noble Bank S.A.'s intermediation in the sale of Getin Bank S.A.'s products, an adjustment arising from elimination of intra-group transactions regarding Open Finance's costs of intermediation in the sale of Getin Bank S.A.'s loans (costs included in the measurement of loans and receivables), an adjustment arising from elimination of intra-group transactions regarding intermediation in processing credit card transactions, and an adjustment arising

from elimination of intra-group transactions regarding charges for the granting of guarantees;

5. an adjustment to other operating income by PLN 2,484 thousand, including the following: an adjustment by PLN -2,001 thousand arising from receivables sold, an adjustment by PLN -396 thousand arising from elimination of intra-group transactions related to intermediation in processing credit card transactions and an adjustment by PLN -87 thousand arising from elimination of intra-group transactions;
6. an adjustment to other operating income by PLN 87 thousand – elimination of intra-group transactions;
7. an adjustment to gain (loss) on impairment of credits, loans and off-balance sheet payables by PLN 2,001 thousand arising from receivables sold;
8. an adjustment to general administrative expenses by PLN 339 thousand – elimination of intra-group transactions;
9. an adjustment related to deferred income tax on the adjustments listed above;
10. an adjustment to interest income and expense by PLN 19,665 thousand regarding separate presentation of interest income and expense related to derivatives;
11. an adjustment to fee and commission expenses and to general operating costs by PLN 47,752 thousand regarding presentation of commission payments to employees of Open Finance S.A. previously presented in the general administrative costs item;
12. an adjustment to gain (loss) from financial instruments measured to fair value and to foreign exchange gain (loss) by PLN -14,345 thousand regarding presentation of CIRS and FX swap derivatives measured to fair value, previously presented in the foreign exchange gain (loss) item.

The amended IFRS 3 became effective on 1 January 2010; as a result, the costs of the merger between Noble Bank S.A. and Getin Bank S.A., previously presented in the “other assets” item, have been accounted for with the “other capital” item.

Since 1 January 2010, all additional costs (e.g. the cost of legal services, the costs of services provided by advisers, experts, auditors, etc.) related to acquisition of business entities other than jointly controlled entities are recognised in the profit and loss account in the period in which they are incurred. The costs incurred by 31 December 2009 have been recognised in the retained earnings/uncovered loss item.

In its consolidated financial statements, the Group measures its liability arising from individuals’ rights to call upon the Bank to purchase shares in Noble Funds TFI S.A. held by such individuals (a put option).

The put option is held by minority shareholders holding dividend-paying and voting shares, which affects the possibility to recognise that liability in the Group’s accounting books. Until 31 December 2009 the Group recognised a liability arising from the above-described put options held by non-controlling shareholders as follows:

– the Group calculated the value of the “non-controlling shareholders” item, taking into account minority shareholders’ share in Noble Funds TFI S.A.’s profit/loss for a given reporting period (and other changes in the capital) as of each balance sheet date as if the minority shareholders held no put options;
– the Group recognised a financial liability (equal to the then-current amount to be paid in respect of the put option) corresponding to the value of the “non-controlling shareholders” item calculated as described above; the difference between the higher value of the financial liability and the value of the “minority interests” item was presented as goodwill;
– the difference between the then-current value of the amount to be paid in respect of the put option and the fair value of the shares involved in the transaction (equivalent to the cost of the put option for the Group) was treated as the cost of services provided by individuals holding the right to call upon the Bank to purchase shares in Noble Funds TFI S.A. held by such individuals and recognised, in accordance with IFRS 2, in profit/loss (in each reporting period).

Following amendments to IFRS 3 and IAS 27, the Group changed the above policy with effect from 1 January 2010 as follows: the goodwill recognised as of 31 December 2009 will not be subject to further changes, and any changes in subsequent reporting periods of the difference between the value of the financial liability and the value of the "non-controlling shareholders" item so far recognised in the goodwill item are recognised in the equity item. The Group adopted the above-described policy based on the principle that amendments to IFRS 3 and IAS 27 should be applied prospectively. As of the date of these consolidated financial statements, the recognition, in accounting books, of the effect of the amendments to IFRS 3 and IAS 27 on the measurement of put options held by minority shareholders is not unambiguously defined in IFRS and debate is under way in the marketplace regarding the possible accounting solutions in this regard. The Group will change its accounting policies appropriately to ensure they are consistent with the general market practice as soon as this is finally established.

Following the merger between Noble Bank S.A. and Getin Bank S.A., starting from 31 December 2009 the Group presents a separate profit and loss account and a separate statement of comprehensive income. This presentation change does not affect the financial results presented in these statements.

e) Consolidation

These interim condensed consolidated financial statements cover the financial statements of Getin Noble Bank S.A. and the financial statements of the Bank's subsidiaries. The financial statements of the Bank's subsidiaries are prepared for the same reporting periods as the parent entity's statements, using consistent accounting principles and applying uniform accounting principles to similar transactions and events. Adjustments are made to eliminate any discrepancies in the application of accounting principles.

All significant balances and transactions between the Group's entities, including unrealized profits arising from intra-group transactions, have been fully eliminated. Unrealized losses are eliminated unless they are evidence of impairment.

A subsidiary of the Group is subject to consolidation from the date when the Group takes control of the subsidiary and ceases to be subject to consolidation on the date when such control ceases. The parent entity controls a company if the parent entity owns, indirectly or directly, through its subsidiaries, more than a half of the voting rights in the company unless it can be proved that such ownership does not mean that the parent entity controls the company. The parent entity controls a company also if the parent entity can influence the financial and operating policies of that company (detailed conditions are set out in IAS 27 and SIC 12).

Conversion of items expressed in foreign currencies

Transactions expressed in currencies other than the Polish zloty are converted into Polish zlotys at the exchange rate applicable as of the transaction date.

Monetary assets and liabilities expressed in currencies other than the Polish currency are, as of the balance sheet date, converted to PLN at the average exchange rate of the National Bank of Poland applicable as of the end of the reporting period. The foreign exchange differences created as a result of the conversion are included, respectively, under financial income or financial costs, or, in cases defined in the accounting principles (policy), capitalized in asset value. Non-monetary assets and liabilities recognised at their historical cost expressed in a foreign currency are converted to PLN at the exchange rate applicable as of the date of the transaction. Non-monetary assets and liabilities recognised at their fair value expressed in a foreign currency are converted to PLN at the exchange rate applicable on the date of their measurement to fair value.

(data in thousand PLN)

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

Currency	30.09.2010	31.12.2009
1 EUR	3.9870	4.1082
1 USD	2.9250	2.8503
1 CHF	2.9955	2.7661
1 GBP	4.6458	4.5986
100 JPY	3.5129	3.0890

Financial assets and liabilities

Classification

The Group classifies its financial assets in the following categories: financial assets valued at fair value through financial gain (loss), loans and receivables, financial assets available for sale, and investments held to maturity. The Management Board decides how to classify financial assets and liabilities upon their initial recognition.

Financial assets/liabilities measured at fair value through financial gain (loss)

Financial assets/liabilities measured at fair value through financial gain (loss) are financial assets or liabilities that meet any of the following conditions:

a) they are qualified as intended for trading. A financial asset or liability is qualified as intended for trading, if it is:
   - acquired or incurred mainly for the purpose of sale or buyback within a short time;
   - a part of a portfolio containing specific financial instruments managed jointly, for which there is confirmation of the actual pattern of short-term profit generation, or
   - a derivative (except financial guarantee contracts or derivatives that are designated and constitute effective hedging instruments);

b) designated by the entity upon initial recognition as measured at fair value through financial gain (loss). The entity classifies the said items as such only if this is allowed under paragraph 11A of IAS 39, or if it makes it possible to obtain more useful information, due to the fact that:
   - it eliminates or significantly reduces inconsistence with regard to measurement or recognition (sometimes described as “accounting mismatch”), which would arise otherwise due to a different method of measuring assets or liabilities or due to different recognition of the related profit or loss, or
   - if the group of financial assets, financial liabilities, or both, is managed, and its results measured according to fair value in line with documented risk management principles or investment strategy, and information about the group are transmitted on this basis within the entity to key management staff.

Loans and receivables

Loans and receivables are financial assets other than derivatives, for which payments have been or can be determined, not quoted on an active market, and not including:

a) financial assets which the entity intends to sell immediately or within a short time, qualified as intended for trading, and those designated by the entity upon initial recognition as measured at fair value through the financial result;
b) financial assets designated by the entity upon initial recognition as available for sale, or
c) financial assets whose holder may not essentially recover the full amount of the initial investment for a reason other than deterioration of loan servicing, if the assets are qualified as available for sales.

Financial assets available for sale

Financial assets available for sale – financial assets other than derivatives, designated as available for sale or other than:

a) loans and receivables;
b) investments held to maturity, or
c) financial assets measured at fair value through financial gain (loss).

Investments held to maturity

Investments held to maturity are financial assets other than derivatives, for which payments have been or can be determined, and which the entity definitely intends to keep and is capable of keeping until maturity, other than the following:

a) designated by the entity upon initial recognition as measured at fair value through financial gain (loss);
b) designated by the entity as available for sale, or
c) meeting the definition of loans and receivables.

Financial liabilities

Financial liabilities are all liabilities which:

a) represent contractual obligations to:
   - hand over cash or other financial assets to another entity, or
   - exchange financial assets or liabilities with another entity under potentially unfavourable conditions, or
b) represent a contract that will or may be accounted for in the entity’s own equity instruments, and is:
   - a non-derivative instrument under which the entity is or may be obliged to deliver a variable number of its own equity instruments, or
   - a derivative instrument which will or may be accounted for in a manner other than by the exchange of a determined amount of cash or other financial assets for a determined number of the entity’s own equity instruments. For this reason, the entity’s own equity instruments do not include instruments which are contracts concerning future receipt or issue by the entity of its own equity instruments.

Recognition

The effects of transactions and other events are recognised when they occur (and not upon cash receipt or payment), and disclosed in the books of account and in the financial statements for the period they relate to.

Removal from the statement of financial position

The group excludes a financial asset from the balance sheet only and exclusively when:

a) the contractual rights to cash flows from the financial assets expire, or
b) if it transfers a financial asset and the transfer meets the conditions for exclusion from the balance sheet.

The group excludes a financial liability (or a part of it) from its balance sheet only and exclusively when this liability has expired, i.e. when the obligation set forth in the contract has been fulfilled or redeemed, or when it has expired.

In particular, the Group charges loan receivables from the balance sheet to impairment write-downs, if such receivables are non-collectible, i.e.:

- the costs of further debt recovery exceed the related gain;
- the ineffectiveness of the enforcement with regard to the Bank's receivable has been confirmed by a suitable document issued by the competent enforcement proceedings authority, or the Bank obtained a decision on the conclusion of bankruptcy proceedings or on the dismissal or the bankruptcy petition due to the debtor having insufficient property;
- it is impossible to determine the debtor's property that can be used for enforcement purposes, and the debtor's whereabouts are unknown;
- the claims have become prescribed or written off.

Measurement

The value of assets and liabilities and the financial gain (loss) are determined and disclosed in the accounting books in a reliable and clear manner, presenting the Group's financial and economic standing. Upon initial recognition, the financial asset or liability is measured at fair value plus, in the case of financial assets or liabilities not qualified as measured at fair value through financial gain (loss), the transactions costs that can be directly attributed to the acquisition or issue of the financial asset or liability. For the purpose of measurement of a financial asset, after initial recognition it is classified as of the date of acquisition or creation into one of the following categories:

- investments held to maturity,
- loans and receivables,
- financial assets measured at fair value through financial gain (loss),
- financial assets available for sale.

After initial recognition, the Group measures financial assets, including derivatives that are assets, at fair value, without deducting the transaction costs that may be incurred upon sale or other method of asset disposal. Exception is made for the following financial assets:

a) loans and receivables measured at depreciated costs using the effective interest rate method,
b) investments held to maturity measured at depreciated costs using the effective interest rate method,
c) investments in equity instruments not quoted in the active market, whose fair value cannot be reliably measured, as well as in related derivatives which must be accounted for by delivering unquoted equity instruments measured at cost.

Financial assets available for sale are measured at fair value in the balance sheet. The effects of the change in fair value are charged to the revaluation reserve capital until the asset is excluded from the balance sheet or impairment is recognised; at that point the accumulated profit or loss recognised in equity is disclosed in the profit and loss account. Changes in fair value carried to the revaluation fund are presented in the statement of comprehensive income.

After initial recognition, the Group measures all financial liabilities at depreciated cost using the effective interest rate method, except for the following:

a) financial liabilities measured at fair value through net financial gain (loss). Such liabilities, including derivatives that are liabilities are measured at fair value, except for the following: liabilities which are derivatives associated with and accounted for by the supplier of equity instruments not quoted in the active market, whose fair value cannot be reliably measured: such derivatives are measured at cost;
b) financial liabilities arising from the transfer of financial assets not qualified for exclusion from the balance sheet or arising as a result of an approach resulting from keeping commitment;
c) financial guarantee contracts – after initial recognition, the issuer of such a contract measures it at the higher of the following values:
   - amount representing the most appropriate estimate of expenditure necessary to meet the current obligation under the financial guarantee, taking into account the probability of its enforcement;
   - amount recognised upon initial recognition, adjusted by the amount of commission accounted for in line with the provisions if IAS 18.

<u>Offsetting financial instruments</u>

The Group does not set off financial assets against financial liabilities, unless this is required or allowed under a standard or interpretation.

Financial assets and financial liabilities are offset and recognised net in the Group's balance sheet only 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 at the same time.

<u>Derivative financial instruments</u>

Derivatives are financial instruments that meet the three conditions listed below:

a) their value changes with the value of the interest rate fixed, the price of the financial instruments and of goods, the exchange rate, the price or interest rate index, the credit rating or index or another variable, assuming that in the case of a non-financial variable, the latter is not specific for the contractual party (the variable is sometimes referred to as the underlying instrument);
b) they do not require any initial net investment or the initial net investment required is lower than for other contract types for which similar reactions are expected to a change of market factors, and
c) they will be settled in the future.

Derivative financial instruments not subject to hedge accounting are recognised as of the date of the transaction and measured to fair value as of the end of the reporting period. The Group recognises changes in fair value, respectively, in the gains (losses) on financial instruments measured to fair value through profit and loss or in foreign exchange gain (loss) (FX swap, FX forward and CIRS transactions) correspondingly to receivables/payables arising from derivative financial instruments.

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

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

The fair value of financial instruments in a market is the market price of such instruments. In other cases, the fair value is determined based on a measurement model inputs to which have been obtained from an active market (particularly in the case of IRS and CIRS instruments using the discounted cash flow method).

Hedge accounting

The Group has adopted an accounting policy with regard to hedge accounting for cash flows hedging the interest rate risk in accordance with IAS 39 approved by the EU.

The IAS 39 carve-out approved by the EU allows the Company to designate a group of derivative instruments as a hedging instrument and removes certain limitations under IAS 39 regarding hedges for deposits and with regard to a hedging strategy that involves hedging less than 100% of cash flows. In accordance with IAS 39 approved by the EU, hedge accounting may apply to deposits, and a hedge is ineffective only if the re-measured value of cash flows in a given period of time is lower than the hedged value relating to that period of time.

In hedge accounting, hedges are classified as the following:

- fair value hedges against the risk of changes in the fair value of a recognised asset or liability, or
- cash flow hedges against changes in cash flows that can be attributable to a particular type of risk associated with a recognised asset, liability or a forecast transaction, or
- hedges for a net investment in a foreign entity.

A currency risk hedge for a substantiated future liability is accounted for as a cash flow hedge.

When a hedge is established, the Group formally designates and documents a hedging relationship as well as the objective of risk management and a strategy for establishing the hedge. The documents identify the hedging instrument, the hedged position or transaction, the character of the hedged risk and the method of evaluating the effectiveness of the hedging instrument in offsetting the risk of changes in the fair value of the hedged item or cash flows associated with the hedged risk. The hedge is expected to be highly effective in offsetting fair value changes or cash flow changes resulting from the hedged risk. The effectiveness of a hedge is evaluated on an ongoing basis to check whether the hedge is highly effective in all the reporting periods for which it was established.

The Group uses hedges against the volatility of cash flows for its portfolio of CHF-indexed mortgage loans with a separate group of clearly defined CIRS float-to-fixed CHF/PLN hedging transactions, as well as hedges against the volatility of cash flows for its portfolio of PLN deposits with a portfolio of clearly defined IRS fixed-to-float hedging transactions separated from actual CIRS transactions. During the hedging period, the Group measures the effectiveness of the hedging relationship. Any change in the fair value of hedging instruments is recognised in the revaluation reserve capital in the amount in which the hedge is effective. Any ineffective part of the hedge is recognised in the profit and loss account.

The effective part accumulated in revaluation reserve capital after the redesignation date of the hedging relationship is gradually reclassified (depreciated) according to a schedule, as prepared by the Group, to its profit and loss account over the period until the original portfolio of instruments expires.

Fair value hedging

As of 4 January 2010, the Group ceased to use fair-value hedge accounting for PLN deposits with a fixed interest rate.

Impairment of financial assets

At the end of each reporting period, the Group estimates whether there is any objective evidence suggesting the impairment of any financial asset. If such evidence is present, the Group determines the amounts of impairment write-downs. Impairment loss is incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Loans, repurchased receivables, other receivables

The Getin Noble Bank S.A. Group periodically assesses loans granted by the Group and its receivables, including repurchased receivables, for impairment and to determine impairment write-downs in accordance with IAS 39 and IAS 37.

If there is objective evidence that an impairment loss has been incurred in respect of loan and receivables or held-to-maturity investments measured at depreciated cost, the amount of the impairment write-down is equal to the difference between the carrying amount of the impaired asset and the current value of estimated future cash flows (excluding future credit losses not incurred), discounted using the original effective interest rate for the financial instrument. The carrying amount of an asset is determined through reserve accounting. The amount of the loss is recognised in the profit and loss account. The Group first assesses whether there is any objective evidence that a significant financial asset is impaired individually or that an insignificant financial asset is impaired individually or collectively with other insignificant financial assets. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes that asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets individually assessed for impairment in the case of which the Group makes an impairment write-down or continues to recognise such a write-down are not included in collective assessment for impairment.

Loans and receivables classified as individually significant are individually assessed for impairment. A loan or receivable is impaired and, as a result, an impairment write-down is recognised, if there is objective evidence that the loan or receivable is impaired as a result of one or more events that has or have an impact on the estimated future cash flows in respect of that loan or receivable. Such events include the following:

- the principal of a loan or the interest on the loan have not been paid or have been paid late;
- the debtor has significant financial difficulties resulting in the debtor's credit risk category being reduced;
- the loan is called due in full as a result of terminating the loan agreement (the loan is referred for recovery);
- the entity brings enforcement action against the debtor or becomes aware of pending enforcement proceedings against the debtor;
- a bankruptcy petition or a petition for reorganisation proceedings is filed against the debtor;
- an administrator is appointed for the debtor or the debtor suspends its activities (in the case of banking institutions);
- the loan is challenged by the debtor in court;
- the loan is subject to restructuring.

The impairment write-down in respect of an individually assessed loan is determined as the difference between the carrying amount of the loan and the current value of estimated future cash flows discounted using the original effective interest rate for that loan. In the case of secured loans, the current value of estimated future cash flows includes cash flows that can be recovered by enforcement of the security, less the costs of enforcement, and by selling the property offered as security if the enforcement is probable. The carrying amount of the loan is reduced by the corresponding impairment write-down.

Groups of homogeneous loans that are individually insignificant and individually significant loans for which individual assessment has shown no objective evidence of impairment are collectively assessed for impairment, including in respect of losses incurred but not yet reported (IBNR). In order to determine collective impairment, the Bank divides its loans into groups of loans with similar credit risk characteristics and assess the loans for objective evidence of their impairment. The main indicator of objective evidence of impairment is the past due period for the group of loans assessed for impairment.

The collective assessment process consists of the following stages:

- determining collective impairment write-downs for individually insignificant exposures for which at least one item of evidence of impairment is reported;
- determining the amount of losses incurred but not yet reported (IBNR) for exposures for which no evidence of impairment is identified;

The current value of estimated future cash flows for collectively measured exposures are estimated based on the following:

- anticipated future cash flows discounted using the effective interest rate corresponding to the group of loans concerned,
- historical data on past-due periods and repayment for particular groups of exposures.

Based on historical data, parameters of a group of loans necessary to estimate the amount of such charges are determined, i.e. insolvency probability (IP) and a recovery rate (RR). The above parameters are determined independently for each group of products, using statistical methods. The parameters are estimated on a historical exposure basis. In justified cases, the portfolio parameters may be adjusted manually to ensure that they reflect the impact of the current conditions. The Group regularly reviews the methodology and the assumptions adopted for the estimation of portfolio parameters in order to reduce the discrepancy between their actual and estimated values. Additionally, for the evaluation of the IBNR write-downs, the period of time is determined in which the losses incurred are disclosed (LIP).

For loans granted by the former Wschodni Bank Cukrownictwa (old portfolio), the value of impairment write-downs in respect of this group of loans is determined by discounting the expected cash flows in successive periods, estimated on the basis of historical recovery rates for that loan portfolio and on the basis of the current results of debt recovery. This information is updated as of the end of each quarter.

Receivables repurchased by Noble Bank S.A. (before the merger with Getin Bank S.A.) are measured using discounted future cash flows from these receivables. The value of repurchased receivables is re-measured as of the end of each quarter and takes into account the recoveries in respect of these receivables and possible changes of future cash flows. The interest rate used in discounting future cash flows is determined as of the balance sheet date as the sum of the risk-free interest rate and the lending margin determined as of the date when a given portfolio of receivables is purchased, based on the purchase price for that group of receivables and the original net cash flows.

Changes of lending margins are analysed, as of each balance sheet date, for instruments with similar conditions and credit risk characteristics. If the current lending margins used in current transactions for similar groups of receivables change significantly, the lending margins used in measuring the above-described receivable portfolios as of the balance sheet date are changed accordingly.

Investments held to maturity

The Group analyses 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 write-downs 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 of 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 write-down is reversed by adjusting the impairment write-down account balance. The amount of the reversal is recognised in profit and loss.

Financial assets available for sale

The Group assesses as of the end of each reporting period whether there is objective evidence that an individual financial asset and/or a portfolio of financial assets is impaired.

If the Company identifies objective evidence that an available-for-sale asset is impaired, the amount equal to the difference between the price of purchase of that asset (less any repayment of principal and interest) and its current fair value less any impairment write-downs in respect of that asset that have previously been recognised in the Group's profit and loss is removed from equity and moved to profit and loss. Reversed impairment losses of equity instruments classified as available for sale may not be recognised in profit and loss. If, in the subsequent period, the fair value of an available-for-sale debt instrument increases and if that increase can be objectively linked to an event that occurred after recognition of an impairment write-down in profit and loss, the amount of the reversed write-down is recognised in profit and loss.

<u>Contingent liabilities granted</u>

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 contingent 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 Group's control;
- a present obligation that arises from past events but is not recognised in the balance sheet because it is not probable that an outflow of cash or other assets will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

Off-balance sheet liabilities that carry the risk of a breach of contract by the principal are provided in accordance with IAS 37.

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

<u>Offsetting financial instruments</u>

Financial assets and financial liabilities are offset and recognised net in the Group's 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 at the same time.

<u>Tangible fixed assets</u>

Tangible fixed assets are recognised at acquisition or manufacturing cost less amortisation and any impairment write-downs. The initial cost of a tangible fixed asset comprises its acquisition price and all the costs directly attributable to the acquisition and preparation of the 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 and 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 complete overhauls are also a component part.

Depreciation is provided on a straight-line basis over the estimated useful life of the respective asset as indicated below:

Type	Period
Investments in third-party assets	rental duration – up to 10 years
Machinery	5 to 17 years
Computer units	4 to 5 years
Means of transport	2.5 to 5 years
Office equipment, furniture	5 to 7 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 statement of financial position (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 profit and loss 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 of and the depreciation method used for tangible assets are verified and, if necessary, corrected as of the end of each financial year.

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

<u>Investment property</u>

Investment property is real estate (land, buildings or parts of them or both items) which the Group treats as a source of income from rent or holds due to the related increase in value, or both, and such real estate is not:

a) used during performance of services or other administrative activities, or
b) intended for sale as part of the entity's ordinary business.

Investment property is recognised at acquisition price, taking into account the transaction costs. After initial recognition, the value of investment property is decreased by amortisation and impairment write-downs. Investment property is removed from the balance sheet upon disposal or permanent withdrawal from use, if no future benefits from its sale are envisaged. All profit or loss arising from the removal of an investment property item from the balance sheet are recognised in the profit and loss account in the period when the removal took place.

<u>Intangible assets</u>

An intangible asset acquired in a separate transaction is initially measured at acquisition or production cost.

The cost of acquisition of an intangible asset in a business combination is equal to its fair value as of the date of the combination. An initially recognised intangible asset with a definite useful life is recognised at the cost of acquisition or production less amortisation and impairment write-downs. Except development work, expenditure on internally generated intangible assets, except for capitalized expenditure on development, is not capitalized 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 depreciated 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 depreciation of intangible assets with a definite useful life are verified at least as of 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 depreciation, and treated as changes of the estimated values. Depreciation write-downs for intangible assets with a definite useful life are recognised in profit and loss, in the respective category for the function of that intangible asset.

Intangible assets with an indefinite useful life and those which 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, assessment is performed, on an annual basis, whether there is evidence that such assets are impaired. The useful life periods 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 write-downs. Goodwill is not depreciated, but only annually tested for impairment. 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 depreciation 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
Economic useful life	Indefinite	Indefinite	2-10 years
Amortization method	Indifinite life assets are not amortised or revalued	Indifinite life assets are not amortised or revalued	Straight-line
Internally generated or acquired	Acquired	Acquired	Acquired
Impairment testing / assesment of recoverable amount	Annual impairment test	Annual impairment test	Annually assessed for indications of impairement. If indications exist- impairment test

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 recorded in profit and loss when it is derecognised.

Combinations of jointly controlled business entities

A combination of jointly controlled entities or undertakings is a business combination where all the entities or undertakings are controlled by the same party or parties both before and after the combination and that control is not temporary (IFRS 3).

IFRS 3 is not applicable to business combinations involving jointly controlled entities or undertakings. In such a case (in accordance with IAS 8: "in the absence of a standard or an interpretation that specifically applies to a transaction, other event or condition"), the company's Management Board uses its judgement in developing and applying an accounting policy that results in information that is reliable (i.e. represents faithfully the financial position, reflects the economic substance of transactions, and not merely the legal form, is neutral, prudent and complete in all material respect) and that is relevant to the needs of users.

In making the judgement, the Management Board refers to, and consider the applicability of, the following sources:

- the requirements and guidance in standards and interpretations dealing with similar and related issues;
- the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the Framework.

In making the judgement, the Management Board may also consider the most recent pronouncements of other standard setting bodies that use a similar conceptual framework to develop standards.

In accounting for the combination of jointly controlled business entities in 2009 (acquisition by Open Finance S.A., the Group's subsidiary, of Panorama Finansów S.A. and acquisition by Getin Noble Bank S.A. of shares in Noble Securities S.A. from Getin Holding S.A.), the Group used the pooling of interests method. The Management Board believes that the pooling of interests method most reliably reflects the value of the assets, liabilities and equity acquired. In the case of the combination of jointly controlled business entities, the comparative data have been transformed as if the entities had always been combined.

Accounting for a business combination using the pooling of interests method involves adding up all the relevant asset, liabilities and equity items and the revenue and costs of the combined companies as of the date of the combination, after previously ensuring that their values are measured using the same measurement methods and after excluding the following:

- mutual receivables and liabilities and other similar accounts of the combined companies;
- revenue and costs of business transactions made between the combined companies in a given financial year before the combination;
- the profits or losses on business transactions made between the combined companies before the combination, executed for the values of the assets, liabilities and equity that are subject to the combination;
- the share capital of the company whose assets are acquired and the capital attributable to minority shareholders; after this exclusion, the difference between any other capital and the acquisition price for the company is recognised in the other reserve capital item.

The amended IFRS 3 became effective on 1 January 2010; as a result, the costs of the merger between Noble Bank S.A. and Getin Bank S.A., previously presented in the "other assets" item, have been accounted for with the "other capital" item.

Combinations of not jointly controlled business entities

A business combination of entities that are not jointly controlled 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. Combinations of business entities that are not jointly controlled 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 recognises the acquired assets and liabilities and the 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, as of 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.

Since 1 January 2010, all additional costs (e.g. the cost of legal services, the costs of services provided by advisers, experts, auditors, etc.) related to acquisition of business entities are recognised in the profit and loss account in the period in which they are incurred. The costs incurred by 31 December 2009 have been recognised in the retained earnings/uncovered loss item.

Fixed assets held for sale and discontinued operations

Non-current assets intended for sale include tangible fixed assets, if their carrying value is recovered mostly by sales transactions and not by continued use. This situation takes place if an asset (or a group of assets) is available for immediate sale in its current state, taking into account only the conditions usually and normally assumed for such assets, and if there is high likelihood that the sale will take place, i.e. a decision has been taken to fulfil the sale plan for the respective asset and an active programme has been initiated to find an acquirer and to end the disposal plan. The asset must also be offered for sale at a price that is reasonable bearing in mind the fair value, and it is expected that the sale of such an asset will be recognised as sale ended within one year after the day on which the asset was classified in the respective category.

Non-current assets intended for sale are recognised at the lower of the following values: the carrying value as at the classification date or the fair value, less the costs of disposal of the respective assets. Depreciation charges are not made for assets in this category.

If the criteria of classification as non-current assets intended for sale are not met, the Group ceases to recognise them as intended for sale and reclassifies them in the suitable asset category.

In this case, the respective asset is measured at the lower of the following:

- its carrying value as of the date preceding the classification of the asset as intended for sale, adjusted by depreciation or revaluation, which would have been recognised, had the asset not been classified as intended for sale;
- its value recovered as of the date of the decision on the absence of sale.

Discontinued operations is an element of the Group's activities that has been disposed of or classified as intended for sale, and is a separate, specialised field of the entity'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 disposed of or when the operation meets the criteria of activity intended for sale, whichever takes place earlier.

Impairment of fixed assets

The carrying amounts of individual assets are tested for impairment periodically. If the Group identifies evidence that an 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 write-down is recognised through profit or loss.

The recoverable amount of an 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 write-down in respect of an asset may be reversed only up to that carrying amount of the asset less the accumulated depreciation which would have been determined if the asset had not been impaired.

Cash and cash equivalents

Cash and cash equivalents disclosed by the Group include cash and balances in current accounts with the central bank as well as current accounts and one-day deposits with other banks.

Deferred and accrued expenses and deferred income.

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

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 the end of each reporting period. The liabilities are equal to discounted payments to be made in the future, taking into account the employee turnover rate, and relate to the reporting period. 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.

Provisions

A provision is made if:

- the Group has a present obligation (legal or constructive) as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate can be made of the amount of the obligation.

The Group creates provisions for:

a) Retirement severance pay

The Group creates provisions for retirement severance pay. The amount of provisions is determined according to valuation made by an independent actuary and updated at the end of each reporting period. The provision is recognised as a liability in “Provisions”.

b) Unused leave

The Group creates a provision in the full amount related to unused leave of the Group’s employees at the end of the reporting period on the basis of the unused leave balance. The provision is recognised as a liability in “Provisions”.

c) Other items

The Group creates provisions for legal obligations or highly probable obligations whose amount can be reliably estimated. Such obligations may result, for instance, from contracts concluded, such as employment agreements, as well as in relation to pending lawsuits.

Leasing

Finance leases that transfer substantially all the risks and rewards incident to ownership of the leased asset to the Group 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 other operating expenses and the reduction of the outstanding liability so as to produce a constant rate of interest on the remaining balance of the liability. Other operating expenses are recognised directly in profit and loss. 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 recognised as expenses in profit and loss on a straight-line basis over the term of the relevant lease.

The Group recognises assets under financial lease as balance sheet receivables at the amount equal to the net lease investment. The initial costs directly related to the conclusion of a lease agreement are taken into account in the initial value of the finance lease receivable and reduce the amount of income received during the lease period. Lease fees related to the specific financial period, with the exception of service costs, reduce the lease investment and constitute an element of the minimum lease fee; they are charged on the basis of the agreement performed simultaneously with the lease agreement. Financial lease income is recognised on an accrual basis, according to a fixed rate of return calculated on the basis of all cash flows related to the performance of the relevant lease agreement, discounted at the original effective interest rate.

The Group presents assets under operating leases in the suitable fixed asset group, according to the nature of the respective asset. Fixed asset under operating lease agreements are depreciated on a straight-line basis over the lease agreement period, taking into account residual value. The residual value is determined at the amount the Group could currently expect to obtain, taking into account the age and condition of the asset at the end of the lease agreement, after deducting the estimated disposal costs. Operating lease income is recognised as income on a straight-line basis over the agreement period, unless the application of a different systematic method reflects in a better manner the time distribution of the benefits obtained in relation to the asset under lease.

Other receivables

Other receivables are recognised at the amount of the payment due, less revaluation write-downs. Where the effect of the time value of money is material, the receivable amount is determined by discounting anticipated future cash flows up to the current value using a pre-tax discount rate that reflects current market assessments of the time value of money. If the discounting method has been applied, increase of the receivable amount in time is recognised in profit and loss.

Other liabilities

Other liabilities are recognised at the amount of the payment due. Where the effect of the time value of money is material, the payable amount is determined by discounting anticipated future cash flows up to the current value using a pre-tax discount rate that reflects current market assessments of the time value of money. If the discounting method has been applied, increase of the payable amount in time is recognised in profit and loss.

Equity

Equity is capital, reserves and funds created in accordance with the applicable laws, statutes and the Articles of Association. Equity consists of share capital, own shares bought back, retained earnings (undistributed profit/loss) and other capital.

Share capital

Share capital is recorded at nominal value, in accordance with the Articles of Association and incorporation records.

Dividends for a financial year that have been approved by the General Shareholders' Meeting but have not been paid as of the end of the reporting period are disclosed as "Other liabilities" in the balance sheet.

Repurchased own share

Where the Group repurchases its own capital instruments, the amount paid for such instruments, including the costs directly related to the such repurchase, are recognised as a change in equity. Repurchased shares at the nominal value are recognised as equity and any surplus of the costs incurred over the nominal value of the shares is disclosed as a reduction in other capital until the shares are cancelled or sold.

All of the capital items described below, where an entity is acquired, relate to events from the date control is taken of that entity until the date when control of that entity is lost.

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 are recorded as supplementary capital.

Retained earnings (undistributed profit/loss)

Retained earnings are created as a portion of the profit for the current financial year and from profit for previous financial years that has not been allocated to other capital or distributed among shareholders.

Other capital

Other capital includes the difference between the fair value of a payment received and the nominal value of the shares issued by the parent entity; revaluation reserve (revaluation of available-for-sale financial instruments), capital from cash flow hedge revaluation and the value of deferred tax for items treated as temporary differences recognised in revaluation reserve; retained profits created from profit write-offs for purposes set out in the Group's Articles of Association or other regulations. Other capital also includes other reserve capital from business combinations and valuation of benefits in the form of share options.

Share-based payment transactions

Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date on which they are granted. The fair value is determined using the selected 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 as of the end of each reporting period 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 parent entity's Management Board, at that date, based on the best available estimate of the number of equity instruments, 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 as of the date of the 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 as of the end of each reporting period 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 also apply.

Interest income

Interest income and expense generated by financial assets and liabilities are recognised through profit or loss at depreciated cost using the effective interest rate method.

The following financial assets and liabilities are measured at depreciated cost:

- loans granted and other receivables not held for trading,
- financial assets held until maturity,
- non-derivative financial liabilities not classified, when initially recognised, as financial liabilities measured at fair value through profit and loss.

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 flows paid or received by the Group under the contract for the relevant instrument, 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 fees. 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.

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 write-down, using the effective interest rate used in the determination of the impairment write-down.

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

Net 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 on a one-off basis, are recognised in the net fee and commission income item. Fee and commission income includes fee and commission resulting from transaction services and related to the performance of valid activities.

Such income includes the following recognised on a one-off basis: all fees for transaction services where the

Group acts as an agent or provides services such as distribution of investment fund units, investment products and structured products, as well as bank fee and commission income and expense not being an integral part of the effective interest rate for credit receivables.

The Group's recognises, on a one-off basis, in its commission income, commission received for intermediation in the sale of insurance products based on professional judgement whether a given amount of such income is a fee for the supply of services or a fee that is an integral part of the effective interest rate.

In making its judgement, the Group considers, among others, the following:

a) whether the insurance is purchased voluntarily,
b) the correlation between the lending margin and the execution of the insurance contract,
c) the possibility to purchase the insurance product concerned without the Bank's intermediation,
d) whether the loan agreement is separate from the insurance contract.

Cost commission paid to the sellers for the sale of bank products is settled over the product validity period.

Revenues from financial products brokerage

The Group recognises revenue and costs related to financial products sales based on estimates, in accordance with the principle set forth below.

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 to the purchaser's bank and/or to 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 IAS 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 purchaser the significant risks and rewards of ownership of the product (the provision by the customer of a loan application form as required by the purchaser'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 58.8% of loan applications (depending on the distributor), at least 87% of deposit applications and at least 80% of savings plan applications are closed.

Gain (loss) on financial instruments measured to fair value

Gain (loss) on financial instruments measured to fair value is determined taking into account the measurement of financial liabilities classified, when initially recognised, as liabilities measured at fair value through profit and loss and the value of derivative instruments (IRS, CIRS, FX SWAP, FX FORWARD) measured to fair value.

Foreign exchange result

Foreign exchange gain (loss) covers gains and losses on transactions to buy and to sell foreign currencies and re-measured assets and liabilities expressed in foreign currencies, including: unrealised value in respect of initial exchange of derivative instruments.

<u>Other operating income and expense</u>

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

Deferred tax

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

Provision for 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 are 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.

A deferred income tax asset that is not recognised is re-assessed as of the end of each reporting period and is recognised to the amount which corresponds to the probability of generating taxable income in the future sufficient for recovering that asset.

Deferred income tax assets and provisions for deferred income tax are measured using tax rates that are expected to apply when a deferred tax asset is realized or the provision is released, based on tax rates (and laws) that have been enacted as of the end of the reporting period or that will substantially be enacted by the end of the reporting period. Income tax that relates to items recognised directly in equity is recognised in equity, not in profit and loss.

The Group offsets deferred income tax assets against provisions for deferred income tax only if holds a valid and enforceable legal right to offset current income tax receivables against current income tax liabilities and if the deferred income tax is linked to the same taxpayer and the same tax authority.

Net profit per share

Net profit per share for each period is calculated by dividing the net profit for a given period by the average weighted number of shares in the relevant reporting period.

8. IMPORTANT FIGURES BASED ON PROFESSIONAL JUDGEMENT AND ESTIMATES

Professional judgement

Classification of leases

The Group classifies leases as either finance or operating leases, 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 portfolio)

The amount of impairment write-downs has been determined by discounting the expected cash flows in successive periods, estimated on the basis of historical recovery rates for that portfolio, in accordance with the description below. For discounting the expected cash flows, as of 30 September 2010 and 31 December 2009, the Bank uses a discount rate based on the interest rates for three-year bonds plus the risk interest rate.

Measurement of newly purchased groups of receivables

The value of impairment write-downs has been determined based on discounted expected future cash flows in subsequent periods, estimated based on the expected recovery rates for the receivables portfolios and on the current results of debt recovery.

Closing ratio for loans, term deposits and savings plans

The Group recognises commission income from the loan applications submitted to OF (but for loans not yet paid out), applications for term deposits and savings plans (submitted but not yet processed) with other financial institutions based on a closing ratio. This ratio is based on historical data for the likelihood of a loan applied for being actually paid out, a term deposit or a saving plan realised. This ratio is also used in determining the amount of provision for commission to be paid to the Group’s advisers in respect of such loans, term deposits and savings plans.

Portfolio factors in the measurement of exposures

Based on historical data, portfolio parameters necessary to estimate the amount of IBNR charges are determined, i.e. insolvency probability (IP) and a recovery rate (RR). The above parameters are determined independently for each group of products, using statistical methods. The parameters are estimated on a historical exposure basis. In justified cases, the portfolio parameters may be adjusted manually to ensure that they reflect the impact of the current conditions. Additionally, for portfolios where the historical exposure basis in insufficient, parameters are used as determined for portfolios with a similar risk profile. As of the time of the legal merger, the calculation of charges for Getin Noble Bank S.A.’s portfolios was based on parameters determined based on historical data for Getin Bank S.A.’s old portfolios, which data will, period by period, be extended to include data for the merged portfolios.

Deferred tax

In January 2010, Getin Noble Bank S.A. switched from the tax-based method to the accounting-based method for calculating FX differences for the purposes of calculating its current income tax. As a result, the exchange differences calculated in 2009 must be recognised in the taxable income/expenses in 2010. In accordance with the tax law interpretations obtained by the Group, this only applies to exchange differences affecting the profit or loss for 2009. This means that, in the case of the accounting-based method, exchange differences calculated before 2009 will not increase the amount of taxable income.

As a result of the above change, in the three quarters of 2010 the Bank released its provision for deferred tax related to the afore-mentioned exchange differences, in the amount of PLN 88,624,000.

Uncertainty of estimates

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

The main areas for which estimates were made by the Group include:

Impairment of loans

The Group assesses, as of the end of each reporting period, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. The Group assesses whether there is any data/evidence indicating a reliably measurable decrease in estimated future cash flows relating to a loan portfolio, before such a decrease can be assigned 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 assets. Historical losses are adjusted 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 to 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.

The value of impairment write-downs for the entire old portfolio has been determined based on discounted expected future cash flows in subsequent periods, estimated based on the expected recovery rates for the old portfolio and on the current results of debt recovery.

A degree of uncertainty also applies to estimates of impairment of groups of products (including parts of a portfolio at risk of impairment and the quality of a portfolio without risk of impairment, with write-downs made for the latter based on an IBNR ratio), which is the result of the assumptions made by the Group (as described in the section on professional judgement) and the specific character of the statistical models used.

Derivatives, financial assets and financial liabilities measured to fair value through profit and loss

The fair values of derivatives, financial assets and financial liabilities not traded on active markets are determined based on widely recognised pricing methods. All the pricing models are subject to approval before application and calibrated to ensure that the results achieved reflect the actual data and comparable market prices. As far as practicable, the models use only observable data from an active market. Changes of the assumptions relating to such factors may affect the prices of certain financial instruments.

The fair value of payables to customers is determined as follows:

The accounting value of deposits is determined as the sum of the current deposit balance and the accrued interest as of the date of measurement. The value is subsequently discounted until the date of measurement using a discounting factor appropriate for the maturity date from the market profitability curve increased by the average weighted margin for deposits from a given range of the period of deposit or the original period. The result is the fair value. Gain (loss) on measurement to fair value is presented in the profit and loss account under the "gain (loss) on financial assets and liabilities measured to fair value through profit and loss" item.

Fair value of other financial instruments

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

Impairment of other assets

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

Calculation of the provision for retirement severance pay

The provision for retirement severance pay is determined according to valuation carried out by an independent actuary and it is subject to revaluation on an annual basis.

Goodwill impairment

After initial recognition, goodwill is recognised at cost less any accumulated revaluation write-downs. Impairment tests are carried out once a year. As at each reporting date it is also determined whether there is evidence as to goodwill impairment.

The Group determines whether there are any circumstances as of the balance sheet date leading to the carrying value of goodwill being lower than the recoverable amount. An annual goodwill impairment test is performed for this purposes, regardless of whether there is any evidence of goodwill impairment or not. The test is performed according to IAS 36.

The recoverable amount is estimated according to the value in use of the cash generating units (hereinafter referred to as CGUs), attributed to goodwill.

Value in use is the present estimated value of the future cash flows the Group expects to derive from further use of the CGU. Value in use include the end (residual) value of the CGU. The residual value of the CGU is calculated by extrapolating cash flow projections beyond the forecast period, while applying a determined growth rate.

Forecasts related to future flows cover five years and are based on the following:

- historical data reflecting CGU potential with regard to cash flow generation,
- balance sheet and profit and loss account projections for the CGU as of the goodwill impairment test date,
- balance sheet and profit and loss account forecasts for the period covered by the forecast,
- assumptions included in the Bank's budget,
- analysis of the reasons for discrepancies between future cash flow forecasts and the actual flows obtained.

Future flows constituting the bases for value in use calculation reflect the value of potential dividends/additional capital contributions, taking into account a determined level of profit worked out and regulatory capital necessary to maintain the capital adequacy level assumed.

The present value of future cash flows is calculated using the adequate discount rate, taking into account the risk-free rate, the risk premium, the low capitalization premium and the specific risk premium.

The present value of future flows is compared to the carrying value (as of the date of the test) for the total of the following: goodwill and CGU net assets (CGU own funds and profits).

Deferred income tax asset

The Group recognises a deferred tax asset based on the assumption that taxable profit will be generated in the future allowing the Group to use the asset. If the Group's taxable results deteriorate in the future, the above assumption may be unjustified.

Other estimated figures

As of 30 September 2010, the Bank recognised remuneration under a portfolio insurance agreement for real estate constituting security for mortgage loans granted by the Bank, concluded with TU Europa S.A. The remuneration amount was recognised at discounted value due to the deferred cash inflow dates. The interest rate was determined taking into account TU's credit risk. The discounted remuneration amount was divided into two parts:

- for the current handling of monthly premium payments, determined according to market-based measurement of remuneration due for this service, i.e. at the rates applied by the insurance company for such services, recognised on a straight-line basis as income over a period of 60 months;
- for leading to the conclusion of real estate insurance agreements, recognised on a one-off basis as income, taking into account the estimated potential amount of remuneration reimbursement.

The Bank estimated the amount of potential remuneration reimbursement carried as deferred income on the basis of the probability of events that could lead to the remuneration being reimbursed. The above estimates are based on the analysis of the scale of customer complaints submitted and actually accepted, as well as on the behaviour of the mortgage loan portfolio in the past.

Even though the estimates used are based on the best knowledge, the actual results may be different. The conformity of the actual results with the estimates made is checked in the reporting periods.

9. ADDITIONAL EXPLANATORY NOTES

9.1 Loans and advances to customers

Loans and advances to customers	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand	PLN thousand
Loans and advances	32,723,092	26,742,961
Purchased receivables	297,354	237,929
Receivables from payment cards and credit cards	219,631	223,671
Guarantees and suretyships realized	197	205
Total	**33,240,274**	**27,204,766**
Impairment allowances for loans and advances	(2,384,085)	(1,602,086)
Total, net	**30,856,189**	**25,602,680**

As at 30 September 2010 (unaudited)	Gross value of loans and advances not impaired	Gross value of impaired loans and advances	Allowances for loans with no impairment	Allowances for loans and advances impaired	Total, net
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
- corporate loans	1,458,890	178,591	(18,641)	(131,164)	1,487,676
- car loans	3,438,754	640,865	(69,776)	(416,050)	3,593,793
- mortgage loans	22,814,986	1,045,673	(145,865)	(343,192)	23,371,602
- consumer loans	2,153,065	1,509,450	(101,815)	(1,157,582)	2,403,118
Total	**29,865,695**	**3,374,579**	**(336,097)**	**(2,047,988)**	**30,856,189**

As at 31 December 2009 (restated unaudited)	Gross value of loans and advances not impaired	Gross value of impaired loans and advances	Allowances for loans with no impairment	Allowances for loans and advances impaired	Total, net
	PLN thousand	PLN thousand	PLN thousand	PLN thousand	PLN thousand
- corporate loans	1,054,403	151,005	(7,480)	(116,412)	1,081,516
- car loans	3,306,523	377,012	(57,214)	(231,332)	3,394,989
- mortgage loans	18,517,858	427,218	(52,342)	(118,934)	18,773,800
- consumer loans	2,223,075	1,147,672	(171,662)	(846,710)	2,352,375
Total	**25,101,859**	**2,102,907**	**(288,698)**	**(1,313,388)**	**25,602,680**

9.2 Other assets

The increase in other assets in 2010 by the amount of PLN 176,156 thousand results mainly from the increase in settlements with Insurance Companies.

9.3 Amounts due to customers

Amounts due to customers	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand	PLN thousand
Amounts due to corporate entities	**8,502,628**	**5,918,294**
Cash in current accounts and O/N deposits	395,282	307,208
Term deposits	8,107,346	5,611,086
Amounts due to state budget entities	**1,311,164**	**1,010,934**
Cash in current accounts and O/N deposits	553,950	648,603
Term deposits	757,214	362,331
Amounts due to individuals	**24,517,564**	**21,307,316**
Cash in current accounts and O/N deposits	3,334,442	3,586,072
Term deposits	21,182,697	17,718,890
Other	425	2,354
Total amounts due to customers	**34,331,356**	**28,236,544**

Amounts due to customers by maturity from the reporting date	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand	PLN thousand
Current accounts and O/N deposits	4,283,674	4,541,883
Term liabilities with maturity:	30,047,257	23,692,307
- up to 1 month	4,895,257	4,984,368
- 1 to 3 months	7,595,510	6,230,481
- over 3 months and up to 6 months	7,306,674	7,329,829
- over 6 months and up to 1 year	7,865,211	2,526,182
- 1 to 5 years	2,384,305	2,621,447
- over 5 years	300	–
Other	425	2,354
Total	**34,331,356**	**28,236,544**

	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand	PLN thousand
Liabilities to customers with variable interest rate	4,306,729	7,048,144
Liabilities to customers with fixed interest rate	29,545,003	20,711,536
Non-interest bearing liabilities – interest	479,624	476,864

Liabilities to customers by the original maturity	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand	PLN thousand
Current accounts and O/N deposits	4,283,674	4,541,883
Term liabilities with maturity:	30,047,257	23,692,307
- up to 1 month	521,697	790,565
- 1 to 3 months	5,003,819	4,743,989
- 3 to 6 months	8,198,477	7,766,308
- 6 months to 1 year	10,662,133	5,311,378
- 1 to 5 years	5,633,235	5,062,838
- over 5 years	27,896	17,229
Other	425	2,354
Total	**34,331,356**	**28,236,544**

(data in thousand PLN)

9.4. Impairment allowances for loans and advances

01.01.2010 – 30.09.2010 (unaudited)	Loans and advances to customers				Total	Amounts due from banks	Receivables from financial lease	Off-balance sheet liabilities	Total
	corporate	car	mortgage	consumer					
Impairment allowances at the beginning of the period	**123,892**	**288,546**	**171,276**	**1,018,372**	**1,602,086**	**12**	**27,623**	**913**	**1,630,634**
Increases	90,159	385,068	522,618	534,674	1,532,519	3	12,574	3,082	1,548,178
Decrease	(56,256)	(178,387)	(205,465)	(268,994)	(709,102)	(4)	(1,312)	(2,365)	(712,783)
Net change in the balance of impairment allowances recognized in the income statement	33,903	206,681	317,153	265,680	823,417	(1)	11,262	717	835,395
Utilisation - write-off	(3,532)	(7,390)	(1,338)	(1,524)	(13,784)	–	–	–	(13,784)
Other increases	–	4,160	1,966	–	6,126	–	1,312	–	7,438
Other decreases	(4,458)	(6,171)	–	(23,131)	(33,760)	–	–	–	(33,760)
Other net increase/decrease	(4,458)	(2,011)	1,966	(23,131)	(27,634)	–	1,312	–	(26,322)
Impairment allowances at the end of the period	149,805	485,826	489,057	1,259,397	2,384,085	11	40,197	1,630	2,425,923

* The Bank changed the method of presentation by transferring foreign exchange differences from the measurement of revaluation write-downs in the amount of PLN 16,258,000 to foreign exchange gain/loss.

01.01.2009 – 30.09.2009 (restated unaudited)	Loans and advances to customers				Total	Amounts due from banks	Receivables from financial lease	Off-balance sheet liabilities	Total
	corporate	car	mortgage	consumer					
Impairment allowances at the beginning of the period	**119,533**	**172,747**	**111,446**	**475,126**	**878,852**	**24**	–	**571**	**879,447**
Increases	58,897	242,492	211,934	575,592	1,088,915	–	8,721	4,055	1,101,691
Decrease	(39,964)	(139,024)	(192,210)	(175,663)	(546,861)	(15)	(1,312)	(3,635)	(551,823)
Net change in the balance of impairment allowances recognized in the income statement	**18,933**	**103,468**	**19,724**	**399,929**	**542,054**	**(15)**	**7,409**	**420**	**549,868**
Utilisation - write-off	**(5,266)**	**(19,317)**	**(1,701)**	**(10,456)**	**(36,740)**	–	–	–	**(36,740)**
Other increases	123	–	10,831	–	10,954	1	20,253	–	31,208
Other decreases	–	(1,375)	(2,104)	(13,867)	(17,346)	–	–	–	(17,346)
Other net increase/decrease	**123**	**(1,375)**	**8,727**	**(13,867)**	**(6,392)**	**1**	**20,253**	–	**13,862**
Impairment allowances at the end of the period	**133,323**	**255,523**	**138,196**	**850,732**	**1,377,774**	**10**	**27,662**	**991**	**1,406,437**

* The Bank changed the method of presentation by transferring foreign exchange differences from the measurement of revaluation write-downs in the amount of PLN 10,337,000 to foreign exchange gain/loss.

9.5 Interest income and expense

Interest income	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)
	PLN thousand	PLN thousand
Income from deposits in other banks	13,002	46,205
Income from loans and advances granted to customers	1,446,022	1,230,228
Income from debt securities available-for-sale	151,787	162,087
Income from debt securities held-to-maturity	238	1,604
Income from derivative financial instruments	434,305	468,734
Interest income from financial lease	43,502	44,423
Interests income from obligatory reserve	22,681	20,774
Other interest	–	439
Total	**2,111,537**	**1,974,494**

Interest expense	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)
	PLN thousand	PLN thousand
Expense on deposits from banks and other financial institutions	4,108	18,257
Expense on amounts due to customers	1,199,510	1,183,793
Expense on derivative financial instruments	109,436	95,089
Expense on issuance of own debt securities	23,246	88,763
Expense on financial lease	68	–
Expense on loans taken	7,001	23,564
Other interest expense	114	1,164
Total	**1,343,483**	**1,410,630**

9.6 Fee and commission income and expense

Fee and commission income	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)
	PLN thousand	PLN thousand
Related to loans and advances granted	160,039	224,332
Related to guarantees, letters of credit and similar operations	418	258
Related to servicing bank accounts	16,684	15,758
Related to payment and credit cards	14,068	10,892
Related to cash and clearing operations	4,039	3,218
Related to agency services	689,521	349,988
Related to sale of investment fund units	24,739	14,813
Related to portfolio and asset management	2,320	1,827
Other	7,405	5,573
Total	**919,233**	**626,659**

The income from interest, fees and commissions of the Getin Noble Bank S.A. Group in the 9-month period ended on 30 September 2010 amounted to PLN 919,233 thousand and increased by 47% compared to the period of 9 months ended on 30 September 2009. The income increase is related mostly due to the intense development of intermediation in the sale of investment and insurance products.

Fee and commission expense	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)
	PLN thousand	PLN thousand
Related to payment and credit cards	10,211	9,627
Related to loans and advances	27,238	7,850
Related to agency services	167,232	116,271
Related to clearing and cash transactions	1,089	1,055
Other	5,955	2,318
Total	**211,725**	**137,121**

9.7 General administrative expense

General administrative expense	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)
	PLN thousand	PLN thousand
Employee benefits	206,272	169,074
Materials and energy	22,850	19,900
External services, of which:	235,550	212,018
- marketing, representation, advertising	71,718	62,150
- IT services	12,229	8,551
- lease and rent	75,109	68,862
- security services and cash processing	6,130	7,812
- costs of maintenance, repair and overhaul	6,828	5,186
- telecommunications and post services	37,430	31,320
- legal services	1,421	2,031
- advisory services	4,253	4,708
- insurance	1,016	2,022
- other	19,416	19,376
Other costs	5,264	15,026
Tax and charges	4,883	5,047
Fees and contributions to the Banking Guarantee Fund and Polish Financial Supervision Authority	13,460	10,750
Depreciation	38,861	36,437
Other	3,638	445
Total	**530,778**	**468,697**

9.8 The main items of tax charge

The tax presented in the profit and loss account is a positive amount.

In January 2010, Getin Noble Bank S.A. switched from the tax-based method to the accounting-based method for calculating foreign exchage differences for the purposes of calculating its current income tax. As a result, the exchange differences calculated in 2009 must be recognised in the taxable income/expenses in 2010. In accordance with the tax law interpretations obtained by the Group, this only applies to exchange differences affecting the profit or loss for 2009. This means that, in the case of the accounting-based method, exchange differences calculated before 2009 will not increase the amount of taxable income.

As a result of the above change, in the first three quarters of 2010 the Bank released its provision for deferred tax related to the afore-mentioned exchange differences, in the amount of PLN 88,624 thousand.

After eliminating the tax effect of the above release of the provision, the effective tax rate is 19.8%.

In the three quarters of 2010 Getin Noble Bank S.A. carried forward losses from previous years in the amount of PLN 67,400 thousand (the maximum amount for the current year) in the current tax. In addition, Getin Noble Bank S.A. still has loss from previous years in the amount of PLN 67,400 thousand to carry forward in income tax. A deferred income tax asset is created for this amount.

The main items of tax expense	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)
	PLN thousand	PLN thousand
Income statement - consolidated		
Current income tax	52,572	96,052
Current tax expense	57,424	95,903
Adjustments related to current tax from previous years	(4,852)	149
Deferred tax	(76,866)	(70,218)
Relating to origination and reversal of temporary differences	(144,395)	(70,218)
Tax loss from previous year	67,529	-
Tax charge recognized in the consolidated income statement	**(24,294)**	**25,834**
Equity - consolidated		
Deferred tax		
Relating to origination and reversal of temporary differences	(16,729)	(2,909)
Related to financial instruments available-for-sale	1,083	-
Related to cash flow hedge	(17,206)	-
Other	(606)	
Tax expense recognized in consolidated equity	**(16,729)**	**(2,909)**
Total main items of tax expense recognized in the consolidated income statement and equity	**(41,023)**	**22,925**

9.9 Hedge accounting

The Bank uses hedges against the volatility of cash flows for its portfolio of CHF-indexed mortgage loans with a separate group of clearly defined CIRS float-to-fixed CHF/PLN hedging transactions, as well as hedges against the volatility of cash flows for its portfolio of PLN deposits with a portfolio of clearly defined IRS fixed-to-float hedging transactions separated from actual CIRS transactions. During the hedging period, the Bank measures the effectiveness of the hedging relationship. Any change in the fair value of hedging instruments is recognised in the revaluation reserve capital in the amount in which the hedge is effective. Any ineffective part of the hedge is recognised in the profit and loss account.

The effective part accumulated in revaluation reserve capital after the redesignation date of the hedging relationship is gradually reclassified (depreciated) according to a schedule, as prepared by the Bank, to its profit and loss account over the period until the original portfolio of instruments expires.

The value of the effective change in the fair value of hedging instruments as presented under revaluation reserve as of 30 September 2010 is PLN -97,307 thousand.

Cash flows from the hedged position will be realised from 1 October 2010 to 6 October 2015, i.e. until the maturity date of the longest CIRS transaction.

The table below shows a recognised-in-equity change in the fair value of the hedges for cash flows.

	01.01.2010-30.09.2010 (unaudited)	01.01.2009-30.09.2009 (restated unaudited)
	PLN thousand	PLN thousand
As at beginning of the period	**(6,749)**	**–**
Effective portion of gains/losses on the hedging instrument	(441,635)	712,437
Amounts recognised in the income statement, including:	(351,077)	719,186
- adjustment of interest income	229,161	151,070
- adjustment of profits / losses from foregin exchange differences	(521,544)	610,384
- adjustment for the inefficiency of the hedging	(58,694)	(42,268)
As at end of the period	**(97,307)**	**(6,749)**

In 2009, the Bank used a dynamic hedging strategy where a hedged position was established on a monthly basis as part of the Bank's deposit portfolio with a Polish-currency fixed interest rate, measured at depreciated cost and recognised by the Bank as of the beginning of a given reference month.

The hedging instrument was all or part of the cash flows from the IRS transactions executed by the Bank. The part of the IRS transaction constituting the hedging instrument was determined on a monthly basis based on the balance as of the end of the previous month, in accordance with the Bank's methodology in this respect.

The fair values of IRS transactions designated as hedging instruments as part of hedging the fair value of Polish-currency deposits with a fixed interest rate against interest rate risk as of 30 September 2009 are shown in the table below:

	As at 30.09.2009
The fair value of IRS-type derivatives being hedging items in fair value hedge of deposits from individual customers against interest rate risk.	445,499
Total fair value of hedging items:	**445,499**

In the three quarters of 2009, the Group recognised the following amounts in respect of changes in the faire values of hedging instruments and hedged items:

	01.01.2009 – 30.09.2009	
	Hedging instrument	Hedged item related to the hedged risk
Gain	–	1,347
Loss	4,519	–
Total	**4,519**	**1,347**

In 2010, the Bank ceased to use hedge accounting in respect of the fair value of deposits with a Polish-currency fixed interest rate. In March 2010, the remaining amount to be amortised of PLN -678 thousand was recognised in the income statement as a one-off event.

9.10 Seasonality of operations

No significant events take place in the Group's activities that are subject to seasonal fluctuations or are cyclical in nature, therefore the Group's gain/loss as presented do not reflect any significant fluctuations during the year.

9.11 Information about new issues, redemption, repurchases of securities

On 4 January 2010, the Bank was informed that the District Court for the City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, had issued a decision to enter, on 4 January 2010, into the records of the Register of Entrepreneurs kept by the National Court Register, a merger between Noble Bank S.A. and Getin Bank S.A. under the name of Getin Noble Bank S.A.

The merger of Noble Bank S.A. and Getin Bank S.A. was carried out under Article 124, paragraph 1(3) of the Banking Law Act in conjunction with Article 492(1)(1) of the Polish Code of Commercial Partnerships and Companies by transferring all the assets of Getin Bank S.A. to Noble Bank S.A. and, at the same time, increasing the share capital of Noble Bank S.A. through an issue of new shares.

At the same time, the District Court for the City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, registered on 4 January 2010 an increase of share capital from PLN 215,178,156 to PLN 953,763,097, i.e. by the amount of PLN 738,584,941, by way of issuing 738,584,941 J-series shares of Noble Bank with the nominal value of PLN 1.00 each.

The total number of voting rights in respect to all the shares issued by the Issuer following the registration of the change of share capital is 953,763,097.

The Issuer's share capital has the following structure following the registration of the change:

- 47,292 A-series ordinary registered shares with the nominal value of PLN 1.00 each;
- 18,884 B-series ordinary registered shares with the nominal value of PLN 1.00 each;
- 9,840 C-series ordinary registered shares with the nominal value of PLN 1.00 each;
- 90,646 D-series ordinary registered shares with the nominal value of PLN 1.00 each;
- 2,796 E-series ordinary registered shares with the nominal value of PLN 1.00 each;
- 8,698 F-series ordinary registered shares with the nominal value of PLN 1.00 each;
- 200,000,000 G-series ordinary registered shares with the nominal value of PLN 1.00 each;
- 15,000,000 H-series ordinary registered shares with the nominal value of PLN 1.00 each;
- 738,584,941 J-series ordinary bearer shares with the nominal value of PLN 1.00 each.

On 6 April 2010, Getin Noble Bank repurchased 333 bonds issued by Getin Bank on 5 April 2007, with the total nominal value of PLN 166,500 thousand. In addition, Getin Noble Bank also repurchased, on 6 April 2010 and 14 June 2010, respectively 227 and 250 certificates of deposit issued by Getin Bank on 5 April 2007 and 13 June 2008, with the total value of PLN 238,500 thousand.

On 10 February 2010, the Extraordinary General Shareholders' Meeting of TU Europa adopted resolutions concerning the conditional increase of the company's share capital by issuing H-series ordinary bearer shares. The shares were offered under an issue prospectus approved by the Financial Supervision Authority (KNF) as part of a public offering, which also included all TU Europa's shares held by Getin Noble Bank, i.e. 1,570 thousand ordinary bearer shares constituting 19.94% of TU Europa's share capital. On 27 September 2010, shares of Towarzystwo Ubezpieczeń Europa S.A. were sold through the intermediation of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.). The income from the sale was PLN 238,701 thousand. As a result of this transaction, the Bank recognised a net profit on the sale of shares in profit loss, in the amount of PLN 79,582 thousand.

On 1 July 2010, Getin Noble Bank repurchased 130 bonds issued by Getin Bank on 1 July 2008, with the total nominal value of PLN 65,000 thousand. In addition, Getin Noble Bank also repurchased, on 16 July 2010 and on 15 September 2010, respectively 540 and 115 certificates of deposit issued by Getin Bank on 16 July 2007 and 15 September 2008, with the total value of PLN 327,500 thousand.

9.12 Dividends paid out and proposed

On 30 March 2010, the company Noble Funds TFI S.A. paid out a total gross dividend of PLN 13,067.91 thousand from its profits for the financial year 2009. The amount of dividend per ordinary share was PLN 130.63 in round figures. All the shares in the Company are ordinary shares.

On 22 April 2010, the General Shareholders' Meeting of Open Finance S.A. resolved to use PLN 55,000 thousand for dividend payments. The amount of dividend per ordinary share was PLN 110.00. On 30 June 2010, the Company paid out the first dividend tranche to Getin Noble Bank in the amount of PLN 17,500 thousand and the second dividend tranche on 30 September 2010 in the amount of PLN 17,500 thousand. All the shares in the Company are ordinary shares.

On 6 April 2010, the General Shareholders' Meeting of Getin Noble Bank S.A. resolved to carry over the Bank's entire profit for 2009 in the amount of PLN 317,901 thousand to supplementary capital.

The other Companies from the Group did not declare or pay out any dividend.

9.13 Changes in contingent liabilities and contingent assets

Contingent liabilities and off-balance sheet items	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand	PLN thousand
1. Contingent liabilities granted	**1,172,621**	**930,227**
a) financial	1,157,585	916,151
b) warranty	15,036	14,076
2. Contingent liabilities received	**611,728**	**498,853**
a) financial	463,691	297,500
b) warranty	148,037	201,353
3. Liabilities related to the purchase/sale	**35,145,640**	**29,926,246**
4. Other off-balance sheet items	**6,246,464**	**3,904,920**
Total contingent liabilities and off-balance sheet items	**43,176,453**	**35,260,246**

9.14 Capital adequacy ratio

As of 30 September 2010 and 31 December 2009, the solvency ratio and shareholders' equity forming the basis for the calculation of the ratio were calculated pursuant to the following regulations:

- The Banking Law of 29 August 1997 (Dz. U. of 2002, No. 72, item 665, as amended).
- Resolution No. 76/2010 of the Polish Financial Supervision Authority of 10 March 2010 on the scope and detailed principles of setting capital requirements in relation to individual risk types.

- Resolution No. 381/2008 of the Polish Financial Supervision Authority of 17 December 2008 on other deductions from a bank's core capital, amount thereof, scope and conditions of such deductions from the core capital of a bank, other balance sheet items included in the supplementary capital, the amount and scope thereof, and the conditions of including them in a bank's supplementary capital, deductions from a bank's supplementary capital, the amount and scope thereof and conditions of performing such deductions from the banks' supplementary capital, the scope and manner of taking account of the business of banks conducting their activities in groups in calculating their own funds.
- Resolution No. 382/2008 of the Polish Financial Supervision Authority of 17 December 2008 on the detailed principles and conditions of accounting for exposures in determining compliance with exposure concentration limit and large exposure limit, specifying exposures exempt from the provisions regarding exposure concentration limits and large exposure limits, and the conditions they have to satisfy, specifying exposures that need the authorisation of the Financial Supervision Authority for the exemption from provisions related to exposure concentration limits and large exposure limits and the scope and manner of accounting for the activities of banks operating in groups in calculating exposure concentration limits.

As of 30 September 2010, Getin Noble Bank S.A. calculated its capital requirements and its solvency ratio based on Resolution No. 76/2010 of the Polish Financial Supervision Authority, and as of 31 December 2009 Getin Noble Bank S.A. calculated its capital requirements and its solvency ratio based on Resolution No. 380/2008 of the Polish Financial Supervision Authority.

	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand	PLN thousand
Own funds:		
Share capital	953,763	953,763
Reserve capital	1,936,386	1,603,007
General banking risk reserve	-	32,500
Own shares (-)	(696)	(2,635)
Audited net profit	208,089	206,420
Other reserve capital	37,493	-
Foreign exchange differences	561	564
Adjustment by intangible assets	(218,860)	(220,477)
Adjustment to own funds by unrealised losses on debt financial instruments classified as available for sale – 100%	(1,726)	(6,342)
Retained earnings	(32,531)	5,235
Short-term capital	366	3
Total own-funds	**2,882,845**	**2,572,038**
Risk weighted assets		
Asset exposed to 0% risk ratio	5,530,790	5,454,680
Asset exposed to 20% risk ratio	1,242,889	1,094,358
Asset exposed to 35% risk ratio	434,529	99,569
Asset exposed to 50% risk ratio	308,217	170,393
Asset exposed to 75% risk ratio	26,663,094	22,982,285
Asset exposed to 100% risk ratio	4,705,318	3,089,943
Asset exposed to 150% risk ratio	105,777	235,338
Total risk weighted assets	**25,416,075**	**21,018,581**
Risk weighted off-balance sheet liabilities		
Off balance sheet liabilities exposed to 0% risk ratio	2,377,677	364,950
Off balance sheet liabilities exposed to 0.2% risk ratio	4,346,984	2,185,713
Off balance sheet liabilities exposed to 0.25% risk ratio	184,000	-
Off balance sheet liabilities exposed to 0.5% risk ratio	1,781,845	749,305
Off balance sheet liabilities exposed to 1% risk ratio	4,904,641	4,447,936
Off balance sheet liabilities exposed to 1.2% risk ratio	15,291	-
Off balance sheet liabilities exposed to 1.5% risk ratio	597,500	-
Off balance sheet liabilities exposed to 1.6% risk ratio	41,227	-
Off balance sheet liabilities exposed to 2.5% risk ratio	3,678,383	1,406,692
Off balance sheet liabilities exposed to 3.5% risk ratio	7,238	-
Off balance sheet liabilities exposed to 5% risk ratio	240,887	1,866,483
Off balance sheet liabilities exposed to 6% risk ratio	11,849	-
Off balance sheet liabilities exposed to 20% risk ratio	208,268	103,875
Off balance sheet liabilities exposed to 35% risk ratio	-	1,477
Off balance sheet liabilities exposed to 50% risk ratio	10,372	246,711
Off balance sheet liabilities exposed to 75% risk ratio	268,534	322,128
Off balance sheet liabilities exposed to 100% risk ratio	27,749	16,258
Off balance sheet liabilities exposed to 150% risk ratio	-	25
Total risk weighted off-balance sheet liabilities	**457,872**	**583,628**
Total risk weighted assets and off balance sheet and liabilities	**25,873,947**	**21,602,209**
Capital requirements of:		
Credit risk	2,069,886	1,728,175
Counterparty credit risk	30	2
Operating risk	165,749	122,931
Interest rate risk	336	2
Capital adequacy ratio	**10.32%**	**11.12%**

Concentration risk and the capital requirement for its coverage are calculated on the basis of provisions of the above resolutions. As of 30 September 2010 and as of 31 December 2009, the Group's portfolio did not contain receivables that could be qualified as exceeding concentration limits, therefore the Group estimates the concentration risk to be negligible.

9.15 Subsequent events

On 21 October 2010, 100% of shares in the subsidiary Panorama Finansów S.A. were sold. The company was sold for PLN 150 thousand to Getin Holding S.A.

After 30 September 2010, no events took place other than the ones indicated above which were not recognised in these financial statement, yet which could have a significant impact on the future financial results of the Getin Noble Bank S.A. Group.

9.16 Segment information

The Group carries on its business activities in the following operating segments subject to reporting:

- Banking
- Financial intermediation
- Asset management and fund management

Following the merger between Bank S.A. and Getin Bank S.A., the Group changed the method of presenting its operating segments. The "debt recovery" and "metrobank" segments presented separately in 2009 were presented under "banking" in 2010. The comparative figures reflect these changes.

Banking

The Group's objects in this segment 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, providing and confirming bank guarantees, opening and confirming letters of credit, issuing bank securities, performing cash settlements, granting cash loans, 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 contract services related to issue of securities, providing money transfer services and processing foreign-exchange transactions.

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

The Group's income in this segment includes all income recognised by the Bank, the Getin Leasing S.A. Group and by the following companies: GMAC Bank Polska S.A., Introfactor S.A., Noble Concierge Sp. z o.o. and Getin Finance PLC. The Group's assets in this segment include the assets of the Bank, the Getin Leasing S.A. Group and of the following companies: Introfactor S.A., Noble Concierge Sp. z o.o., Getin Finance PLC and GMAC Bank Polska S.A.

Financial brokerage

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 investment intermediation services include offers for and analyses of the savings plans, deposit accounts, foreign currency schemes and investment funds.

(data in thousand PLN)

The Group's income from this segment includes all the income recognised by Open Finance S.A., Panorama Finansów S.A. and Noble Securities S.A. The Group's assets in this segment include all the assets of Open Finance S.A., Panorama Finansów S.A. and Noble Securities S.A.

Funds and asset management

The Group's objects in this area involve investing funds gathered by publicly offering of participation units in investment funds, providing advice on trading in securities, managing blocks of securities on behalf their holders, as well as establishing and managing Treasury securities funds, stock funds and mixed funds.

Income from this segment includes all the income recognised by Noble Funds TFI S.A. Assets of this segment include the assets recognised by Noble Funds TFI S.A.

None of the Group's operating segments has been combined with any other segment to create any of the above operating segments subject to reporting.

The Management Board monitors the results of each operating segment separately in making decisions regarding the allocation of the Group's resources, assessment of such allocation and the results of operations. The basis for assessment of the Group's results is gross profit or loss. Income tax is monitored at Group level.

The transaction prices used in transactions between different operating segments are determined on an arm's length basis, as is the case with related party transactions.

01.01.2010 – 30.09.2010 (unaudited)	Banking 1)	Financial intermediation	Funds and asset management	Adjustments		Total
Revenues						
- for the period from 01.01.2010 to 30.06.2010	*2,107,824*	*157,681*	*16,750*	*(146,942)*		*2,135,313*
- for the period from 01.01.2010 to 30.09.2010	*1,091,508*	*138,615*	*8,919*	*(77,747)*		*1,161,295*
Total for three quarters of 2010	**3,199,332**	**296,296**	**25,669**	**(224,689)**	2)	**3,296,608**
Profit before tax						
- for the period from 01.01.2010 to 30.06.2010	*170,368*	*46,545*	*10,298*	*(73,704)*		*153,507*
- for the period from 01.01.2010 to 30.09.2010	*140,894*	*43,255*	*5,199*	*(18,673)*		*170,675*
Total for three quarters of 2010	**311,262**	**89,800**	**15,497**	**(92,377)**	3)	**324,182**
Segment assets as at 30.09.2010	**39,673,514**	**388,327**	**21,481**	**(1,092,708)**	4)	**38,990,614**

1) Income from the "banking" segment includes an interest income of PLN 2,144,924 thousand and gross profit also includes an interest expense of PLN 1,381,844 thousand.
2) The income presented for the segments does not include consolidation adjustments.
3) The gross profit presented for the segments does not include consolidation adjustments.
Analyses of the operating segments are carried out by the parent entity's Management Board on the gross profit level and do not cover income tax.
4) The assets presented for the operating segments do not include consolidation adjustments.

(data in thousand PLN)

01.01.2009 – 30.09.2009 (restated unaudited)	Banking 1)	Financial intermediation	Funds and asset management	Adjustments		Total
Revenues						
- for the period from 01.01.2009 to 30.06.2009	*2,095,513*	*140,216*	*11,697*	*(216,557)*		*2,030,869*
- for the period from 01.01.2009 to 30.09.2009	*784,306*	*77,120*	*6,545*	*(13,102)*		*854,869*
Total for three quarters of 2009	**2,879,819**	**217,336**	**18,242**	**(229,659)**	2)	**2,885,738**
Total before net tax						
- for the period from 01.01.2009 to 30.06.2009	*285,053*	*52,486*	*6,602*	*(95,896)*		*248,245*
- for the period from 01.01.2009 to 30.09.2009	*(2,900)*	*24,068*	*3,727*	*677*		*25,572*
Total for three quarters of 2009	**282,153**	**76,554**	**10,329**	**(95,219)**	3)	**273,817**
Segment assets as at 31 Dec 2009	**33,682,699**	**148,426**	**22,460**	**(727,019)**	4)	**33,126,566**

1) Income from the "banking" segment includes an interest income of PLN 2,011,242 thousand and gross profit also includes an interest expense of PLN 1,443,769 thousand.
2) The income presented for the segments does not include consolidation adjustments.
3) The gross profit presented for the segments does not include consolidation adjustments.
   Analyses of the operating segments are carried out by the parent entity's Management Board on the gross profit level and do not cover income tax.
4) The assets presented for the operating segments do not include consolidation adjustments.

9.17 Related party transactions

Getin Noble Bank is the parent entity of the Getin Noble Bank S.A. Group, and Getin Holding S.A. is the parent entity directly controlling Getin Noble Bank S.A.

As described in Note 6 in the additional explanatory notes to these statements, on 4 January 2010 a merger took place between Getin Bank S.A. and Noble Bank S.A., leading to the creation of Getin Noble Bank S.A. with its registered office in Warsaw.

Transactions between related entities in the three quarters of 2010 and in 2009 took place on an arm's length basis. All transactions, except for the agreements described below, resulted from current business.

According to contracts between Getin Noble Bank S.A. and natural persons (Mr Mariusz Staniszewski, Mr Mariusz Błachut, Ms Sylwia Magott – as of 30 September 2010 members of the Management Board of Noble Funds TFI, and Mr Paweł Homiński), Getin Noble Bank S.A. is entitled (in the period from 28 June 2007 to 31 December 2012) to call upon the said natural persons to sell all the shares they hold to Getin Noble Bank S.A. The potential buyback price shall depend, among other things, on the method of action of Noble Funds TFI S.A., on the net value of the assets, on the gain/loss as of the option execution date and on the financial gain/loss for the period of 12 months preceding the option execution date. The said option is considered as a financial instrument within the scope of IAS 39, and it is not subject to measurement since it relates to unquoted equity instruments.

At the same time, the persons mentioned above shall be entitled to call upon Getin Noble Bank S.A. to purchase the shares they hold. The said right may potentially be exercised between 1 January 2012 and 31 December 2012. The purchase price shall depend, among other factors, on the method of action of Noble Funds TFI S.A., on the net value of the assets and on financial gain/loss in the years when the option can be exercised. The potential purchase price calculation takes into account the multiplier which is fixed in the contract validity period and does not depend on any other market conditions. In the Management Board's opinion, since the measurement depends on a fixed multiplier, it does not reflect changes in the fair value of Noble Funds TFI, and therefore does not fall within the scope of IFRS 2. As a sale option held by non-controlling shareholders, it is recognised according to the accounting policy adopted by the Group for such transactions, i.e. with effect as of each balance sheet date the Group discloses liabilities related to the expected payment under the option in the amount of PLN 32,958,000, with simultaneous removal of the capital held by non-controlling shareholders (the difference between the value of the liability and the capital held by non-controlling shareholders arising until 31 December 2009 is presented as goodwill).

According to an agreement concluded between the Bank and Getin Holding on 12 August 2009 concerning the assumption on the Bank's part of Getin Holding's rights and obligations under the investment contract of 30 June 2008, subsequently amended by the agreement of 12 August 2009, Mr Maurycy Kuhn and Mr Krzysztof Spyra, members of the Management Board of Getin Noble Bank S.A. as of 30 September 2010, and Mr Jarosław Augustyniak will be granted an option to purchase shares in Noble Securities in the number not exceeding, respectively, 5% in the case of Mr Jarosław Augustyniak, 5% in the case of Mr Maurycy Kuhn and 10% in the case of Mr Krzysztof Spyra of the total number of shares in Noble Securities. The option shall be exercised provided that a minimum consolidated net profit is achieved, respectively, for the year 2009 or the years 2009-2010. The Group classified the above scheme as a share-based transaction settled in equity instruments. The costs of the scheme are recognised in correspondence to the capital held by non-controlling shareholders.

At the same time, according to the agreement, Mr Jarosław Augustyniak and Mr Maurycy Kuhn obtained the right for the entities they control to demand repurchase by Getin Noble Bank all the Noble Securities shares held by them as of the agreement date (i.e. the option does not cover the shares that the said persons may acquire on the basis of the purchase option described above). The right to exercise the option depends, among other factors, on the extent of Noble Securities budget fulfilment in the years 2009–2011, on repayment of credits and loans incurred by the persons listed above in entities belonging to the Getin Holding Group, on collaboration with at least one Getin Holding Group company under the conditions applicable so far, on the commitment to observe the prohibition (unpaid) to work in the financial sector outside the Getin Holding Group for a period of 2 years after exercising the buyback option. The potential buyback price depends on the multiplier which remains fixed in the contract validity period and does not depend on other market conditions. In the Management Board's opinion, since the measurement depends on a fixed multiplier, it does not reflect changes in the fair value of Noble Securities, and therefore does not fall within the scope of IFRS 2. As a sale option held by non-controlling shareholders, it is recognised according to the accounting policy adopted by the Group for such transactions, i.e. with effect as of each balance sheet date the Group discloses liabilities related to the expected payment under the option in the amount of PLN 16,058 thousand, with simultaneous removal of the capital held by non-controlling shareholders (the difference between the value of the liability and the capital held by non-controlling shareholders arising until 31 December 2009 is presented as goodwill).

According to a contract concluded on 18 November 2009 between Getin Holding and Mr Krzysztof Rosiński, President of the Management Board of Getin Noble Bank S.A. as of 30 September 2010, Mr Krzysztof Rosiński was granted, under the Management Option Scheme, 1,000,000 shares in Getin Holding. The right to dispose of these shares is limited and depends, among other factors, on whether the shareholder is the President of the Management Board of Getin Noble Bank, as well as on the financial standing of Getin Noble Bank S.A. in the years 2010–2011.

In the consolidated financial statements, the Group classifies the above scheme as share-based payment settled in capital funds. The cost of this option is recognised taking into account the probability of accomplishment of the goals set as well as proportionally to the period of right acquisition. Until 30 September 2010, the Group recognised a cost of PLN 1,280 thousand in remuneration expenses and other capital.

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

9 November 2010	Mr Krzysztof Rosiński – President of the Management Board	………………………
9 November 2010,	Mr Karol Karolkiewicz – Member of the Management Board	………………………
9 November 2010,	Mr Maurycy Kühn – Member of the Management Board	………………………
9 November 2010,	Mr Krzysztof Spyra – Member of the Management Board	………………………
9 November 2010,	Mr Radosław Stefurak – Member of the Management Board	………………………
9 November 2010,	Mr Maciej Szczechura – Member of the Management Board	………………………
9 November 2010,	Mr Grzegorz Tracz – Member of the Management Board	………………………

Signature of the person entrusted with keeping the books of account:

9 November 2010, Barbara Kruczyńska-Nurek – Chief Accountant, Bank Director ………………………

II. INTERIM STANDALONE FINANCIAL STATEMENTS OF GETIN NOBLE BANK S.A. FOR THE 9-MONTH PERIOD ENDED 30 SEPTEMBER 2010

1. INTERIM STANDALONE INCOME STATEMENT

	01.07.2010-30.09.2010	01.01.2010-30.09.2010	01.07.2009-30.09.2009	01.01.2009-30.09.2009
	(unaudited)		(restated unaudited)	
	PLN thousand	PLN thousand	PLN thousand	PLN thousand
CONTINUED ACTIVITY				
Interest income	720,942	2,097,663	660,105	1,978,466
Interest expense	(468,012)	(1,346,796)	(446,107)	(1,415,366)
Net interest income	**252,930**	**750,867**	**213,998**	**563,100**
Fee and commission income	253,557	733,833	153,454	523,524
Fee and commission expense	(67,327)	(179,898)	(37,621)	(156,511)
Net fee and commission income	**186,230**	**553,935**	**115,833**	**367,013**
Dividend income	13	66,904	2	53,803
Result on financial instruments measured at fair value through profit or loss	(24,020)	(513)	(31,496)	132,798
Result on other financial instruments	94,567	95,058	(293)	(1,884)
Foreign exchange result	29,122	93,527	12,857	88,490
Other operating income	15,778	41,044	7,413	22,827
Other operating expense	(15,528)	(40,609)	(10,739)	(26,100)
Net other operating income	**99,932**	**255,411**	**(22,256)**	**269,934**
Impairment losses on loans, advances to customers and leasing receivables	(256,112)	(832,693)	(178,770)	(542,458)
General administrative expenses	(143,927)	(416,591)	(117,752)	(378,338)
Operating profit	**139,053**	**310,929**	**11,053**	**279,251**
Profit before tax	**139,053**	**310,929**	**11,053**	**279,251**
Income tax	(28,238)	39,276	21,225	(18,194)
Net profit	**110,815**	**350,205**	**32,278**	**261,057**
Earnings per share in PLN: *				
- basic profit for the period	0.12	0.37	0.03	0.27
- diluted profit for the period	0.12	0.37	0.03	0.27

* Earnings per share are calculated using the post-merger number of shares as at 30 September 2010.

2. INTERIM STANDALONE STATEMENT OF COMPREHENSIVE INCOME

	01.07.2010-30.09.2010	01.01.2010-30.09.2010	01.07.2009-30.09.2009	01.01.2009-30.09.2009
	(unaudited)		(restated unaudited)	
	PLN thousand	PLN thousand	PLN thousand	PLN thousand
Net profit for the period	**110,815**	**350,205**	**32,278**	**261,057**
Valuation of financial instruments available for sale	15,657	5,700	(5,331)	(24,745)
Effect of cash flow hedge	(61,438)	(90,558)	(30,945)	(30,945)
Income tax relating to other comprehensive income	8,698	16,123	1,012	4,701
Net other comprehensive income	**(37,083)**	**(68,735)**	**(35,264)**	**(50,989)**
Total comprehensive income	**73,732**	**281,470**	**(2,986)**	**210,068**

3. INTERIM STANDALONE STATEMENT OF FINANCIAL POSITION

	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand	PLN thousand
ASSETS		
Cash and balances with the Central Bank	1,980,091	908,839
Amounts due from banks and financial institutions	1,285,047	1,014,903
Derivative financial instruments	262,704	310,403
Loans and advances to customers	31,474,044	26,236,680
Financial assets held for trading	2,785,494	3,847,266
Investments in controlled entities	259,449	127,731
Intangible assets	90,414	92,889
Property, plant and equipment	147,329	122,366
Investment properties	2,605	-
Receivables relating to the current income tax	-	6,042
Deferred tax assets	280,143	195,751
Other assets	312,213	157,395
Assets held for sale	2,401	24,614
TOTAL ASSETS	**38,881,934**	**33,044,879**
LIABLIITIES AND EQUITY		
Liabilities		
Amounts due to other banks and financial institutions	487,959	737,372
Derivative financial instruments	291,033	53,013
Amounts due to customers	34,539,452	28,278,492
Liabilities from the issue of debt securities	81,351	900,971
Current income tax liabilities	28,329	12,259
Other liabilities	285,550	185,788
Provisions	6,297	5,487
Total liabilities	**35,719,971**	**30,173,382**
Equity		
Share capital	953,763	215,178
Equity from the merger	–	738,585
Purchased own shares – nominal value	(696)	(2,635)
Retained earnings	(932)	23
Net profit	350,205	317,901
Other capital	1,859,623	1,602,445
Total equity	**3,161,963**	**2,871,497**
TOTAL LIABILITIES AND EQUITY	**38,881,934**	**33,044,879**

4. INTERIM STANDALONE STATEMENT OF CHANGES IN EQUITY

(unaudited)	Share capital	Equity from the merger	Purchased own shares – nominal value	Other capital				Retained earnings	Net profit	Total equity
				Reserve capital	Revaluation reserve	Benefits in the form of shares – capital component	Other reserve capital			
	PLN thousand									
Equity as at 1 January 2010	**215,178**	**738,585**	**(2,635)**	**1,576,762**	**(11,810)**	**0**	**37,493**	**955**	**317,901**	**2,872,429**
Adjustments relating to changes in accounting policies								(932)		**(932)**
Equity as at 1 January 2010, after adjustment	**215,178**	**738,585**	**(2,635)**	**1,576,762**	**(11,810)**		**37,493**	**23**	**317,901**	**2,871,497**
The settlement of merger	738,585	(738,585)								–
Costs of merge				(2,111)						(2,111)
Comprehensive income for the period					(68,735)				350,205	281,470
Appropriation of financial results for the previous reporting period				318,856				(955)	(317,901)	–
The fee for the registration of shares				(148)						(148)
Sale of own shares			1,939	8,036						9,975
Management option valuation						1,280				1,280
Equity as at 30 September 2010	**953,763**	**0**	**(696)**	**1,901,395**	**(80,545)**	**1,280**	**37,493**	**(932)**	**350,205**	**3,161,963**

(restated unaudited)	Share capital	Equity from the merger	Purchased own shares – nominal value	Other capital			Retained earnings	Net profit	Total equity
				Reserve capital	Revaluation reserve	Other reserve capital			
	PLN thousand								
Equity as at 1 January 2009	**215,178**	**738,585**	**(147)**	**1,056,643**	**16,407**	**42,155**	**41,415**	**524,521**	**2,634,757**
Adjustments relating to changes in accounting policies									–
Equity as at 1 January 2009, after adjustment	**215,178**	**738,585**	**(147)**	**1,056,643**	**16,407**	**42,155**	**41,415**	**524,521**	**2,634,757**
Comprehensive income for the period					(50,989)			261,057	210,068
Share issue costs				(78)					(78)
Appropriation of financial results for the previous reporting period				520,197			(40,460)	(479,737)	–
Buyback of own shares			(2,488)			(4,662)			(7,150)
Payment of dividend								(44,784)	(44,784)
Equity as at 30 September 2009	**215,178**	**738,585**	**(2,635)**	**1,576,762**	**(34,582)**	**37,493**	**955**	**261,057**	**2,792,813**

5. INTERIM STANDALONE STATEMENENT OF CASH FLOW

	01.01.2010- 30.09.2010	01.01.2009-30.09.2009
	(unaudited)	(restated unaudited)
	PLN thousand	PLN thousand
Cash flow from operating activities		
Net profit	350,205	261,057
Total adjustments:	2,454,926	523,820
Depreciation	32,464	31,018
Foreign exchange differences	(80)	13,716
Profit (loss) on investing activities	(2,528)	(706)
Interest and dividend	(32,612)	(8,298)
Change in amounts due from banks	(181,711)	1,006,548
Change in derivative financial instruments (asset)	3,556	(181,399)
Change in loans and advances to customers	(5,237,364)	(3,371,837)
Change in financial instruments held to maturity	-	315
Change in financial instruments available for sale	1,066,388	(1,386,985)
Change in deferred tax asset	(84,392)	(50,329)
Change in other assets	(154,818)	(65,210)
Change in amounts due to Central Bank	-	506,540
Change in amounts due to other banks and financial institutions	474,197	(354,653)
Change in derivatives financial instruments (liabilities)	208,811	(1,647,908)
Change in amounts due to customers	6,260,960	6,121,811
Change in amounts from the issue of debt securities	(22,120)	20,437
Change in the provisions and deferred tax liabilities	810	(12,706)
Change in other liabilities	99,474	5,540
Other adjustments	1,779	0
Income tax paid	(6,387)	(182,589)
Current tax expense (profit and loss account)	28,499	80,515
Net cash flow from operating activities	**2,805,131**	**784,877**
Cash flow from investing activities		
Sale of investment securities	-	5,016
Sale of intangible and fixed assets	5,901	1,301
Dividends and interest	66,891	61,221
Acquisition of subsidiary	(137,384)	(20,000)
Purchase of intangible and fixed assets	(33,263)	(24,564)
Purchase of investment securities	-	(81,685)
Net cash flow from investing activities	**(97,855)**	**(58,711)**
Cash flow from financing activities		
Proceeds from issue of shares	-	49,920
Redemption of issued debt securities	(797,500)	(155,000)
Sale/buyback of own shares	9,975	(7,149)
Dividend paid	-	(44,784)
Interest paid	(34,279)	(52,940)
Repayment of long-term loans	(723,530)	(153,786)
Other financial income/expense	(2,257)	
Net cash flow from financing activities	**(1,547,591)**	**(363,739)**
Net change in cash and cash equivalents	1,159,685	362,427
Cash and cash equivalents at the beginning of the period	1,195,116	854,082
Cash and cash equivalents at the end of the period	**2,354,801**	**1,216,509**

6. BASIS OF PREPARATION

These interim condensed financial statements of Getin Noble Bank S.A. cover the period of 9 months ended on 30 September 2010 and contain comparative data for the periods of 9 months ended on 30 September 2009 and financial data as of 31 December 2009 which were not reviewed or audited by a statutory auditor.

The interim condensed financial statements were prepared in accordance with the International Financial Reporting Standards, and in particular with the International Accounting Standard No. 34 – Interim Financial Reporting, and the IFRS approved by the EU.

The accounting principles (policies) used in the preparation of these interim condensed financial statements are consistent with the accounting principles (policies) used in the preparation of the Company's annual financial statements for the year ended on 31 December 2009, except for the changes to the standards and new interpretations applicable to annual periods beginning on or after 1 January 2010, described in Note 7c to the interim condensed consolidated financial statements of the Getin Noble Bank Group presented in this report. In addition, the accounting principles (policy) applied during the preparation of the Bank's individual statements do not differ from those described in the consolidated statements of the Getin Noble Bank S.A. group, except for the method used for valuation of subsidiaries. Investments in the Bank's subsidiaries are recognised at cost in the individual statements.

The interim condensed financial statements do not include all the information and disclosures that are required in annual financial statements and should therefore be read together with Getin Noble Bank's financial statements for the year ended on 31 December 2009.

These interim condensed financial statements were approved for publication by the Management Board on 9 November 2010.

The Bank as the parent entity also prepared the consolidated statements of the Getin Noble Bank S.A. Group, approved and published on 9 November 2010.

These interim condensed financial statements were subject to a review by a key statutory auditor acting on behalf of the authorised entity, i.e. the company Ernst & Young Audit sp. z o.o. The review was carried out in line with the legislative provisions in force in Poland and to the Polish Financial Auditing Standards issued by the National Chamber of Statutory Auditors. The quarterly data for Q3 2010 and for Q3 2009 were not subject to a review or to an audit by a statutory auditor.

7. ADDITIONAL NOTES AND DISCLOSURES

7.1 Business combinations and acquisition of subsidiaries

On 4 January 2010, the District Court for the City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, issued a decision to enter, on 4 January 2010, into the records of the Register of Entrepreneurs kept by the National Court Register, a merger between Noble Bank S.A. and Getin Bank S.A. under the name of Getin Noble Bank S.A.

The merger of Noble Bank S.A. and Getin Bank S.A. was carried out under Article 124(1) and (3) of the Banking Law Act in conjunction with Article 492(1)(1) of the Polish Code of Commercial Partnerships and Companies by transferring all the assets of Getin Bank S.A. to Noble Bank S.A. and, at the same time, increasing the share capital of Noble Bank S.A. through an issue of new shares.

Following the merger on 4 January 2010 of Noble Bank S.A. and Getin Bank S.A., as jointly controlled entities, now called Getin Noble Bank S.A., using the pooling of interests method, the Group selected an accounting policy concerning the presentation of comparative data in such a manner as if both companies had always been combined.

The overall effect of the changes to the Group's accounting principles and of the changes to the presentation of data connected with the above-described combination of jointly controlled entities on the comparative data as of 31 December 2009 and for the period of 9 months ended on 30 September 2009 is described below:

(data in thousand PLN)

Balance Sheet as of 31 December 2009

Balance sheet	Balance sheet of Noble Bank S.A.	Balance sheet of Getin Bank S.A.	Merger-related adjustments		IFRS amendment-related adjustments		Individual data
ASSETS							
Cash and balances with the Central Bank	239,817	669,022					908,839
Amounts due from banks and financial institutions	447,795	568,507	(1,399)	1			1,014,903
Derivative financial instruments	126,382	219,563	(35,542)	2			310,403
Loans and advances to customers	6,818,339	19,382,799	35,542	3			26,236,680
Financial instruments	1,195,341	2,651,925					3,847,266
Available for sale	1,195,341	2,651,925					3,847,266
Investments in controlled entities	102,495	25,236					127,731
Intangible assets	5,441	87,448					92,889
Property, plant and equipment	13,961	108,405					122,366
Deferred tax assets	21,146	180,535			112	10	201,793
Receivables from the current income tax	6,042	-					6,042
Deferred tax assets	15,104	180,535			112		195,751
Other assets	54,321	106,820	(2,702)	4	(1,044)	8	157,395
Assets held for sale	8,457	16,157					24,614
TOTAL ASSETS	**9,033,495**	**24,016,417**	**(4,101)**		**(932)**		**33,044,879**
LIABILITIES AND EQUITY							
Liabilities							
Amount due to the Central Bank	-	-					–
Amount duo to other banks and financial institutions	19,548	717,824					737,372
Derivative financial instruments	28,562	24,451					53,013
Liabilities to customers	7,744,018	20,534,474					28,278,492
Liabilities from the issue of debt securities	412,206	488,765					900,971
Current income tax liabilities	-	12,259					12,259
Other liabilities	63,059	126,830	(4,101)	5			185,788
Provisions	52	5,435					5,487
TOTALLIBIALITIES	**8,267,445**	**21,910,038**	**(4,101)**				**30,173,382**
Equity							
Share capital	215,178	349,856	(349,856)	6			215,178
Equity from the merger	-	-	738,585	6			738,585
Purchased own shares – nominal value	(2,635)	-					(2,635)
Retained earnings	176,348	142,508			(932)	9	317,924
Other capital	377,159	1,614,015	(388,729)	7			1,602,445
Total equity	**766,050**	**2,106,379**	**(738,585)**		**(932)**		**2,132,912**
TOTAL LIABILITIES AND EQUITY	**9,033,495**	**24,016,417**	**(742,686)**		**(932)**		**32,306,294**

Despite the changes to its accounting principles, the Company presents no comparative data as of 31 December 2008 because the changes affect the Group's balance sheet as of 31 December 2009 only.

The adjustments regarding consolidated financial information are directly related to the combination transaction and include the following:

1. an adjustment to the amounts due from banks and financial institutions by PLN -1,399 thousand – elimination of receivables related to lease debts bought back.
2. an adjustment to derivative instruments by PLN -35,542 thousand with the purpose of making the presentation of the deferred credit product margin more coherent;
3. an adjustment to loans and credits granted to customers by PLN 35,542 thousand with the purpose of making the presentation of the deferred credit product margin more coherent.
4. an adjustment to other assets by PLN -2,702 thousand in respect of intra-group receivables arising from supplies of goods and services.

5. an adjustment to other liabilities by PLN -4,101 thousand including the following: by PLN -1,399 thousand – elimination of intra-group transactions in respect of lease contracts, and by PLN -2,702 thousand in respect of supplies of goods and services;
6. an adjustment to share capital by PLN 388,729 thousand, including the following:
   a) an adjustment by PLN 738,585 thousand, arising from an increase, following the merger of Noble Bank S.A. and Getin Bank S.A., in the share capital of Noble Bank S.A. from PLN 215,178 thousand to PLN 953,763 thousand by issuing 738,584,941 new J-series ordinary bearer shares numbered 1 to 738,584,941, with the nominal value of PLN 1.00 each, intended for shareholders in Getin Bank S.A.;
   b) an adjustment by PLN -349,856 thousand arising from elimination of Getin Bank S.A.'s share capital as a result of applying the pooling of interests method.
7. an adjustment to other capital by PLN -388,729 thousand, including the following:
   a) an adjustment by PLN -738,585 thousand arising from an increase, following the merger of Noble Bank S.A. and Getin Bank S.A., in the share capital of Noble Bank S.A. from PLN 215,178 thousand to PLN 953,763 thousand by issuing 738,584,941 new J-series ordinary bearer shares numbered 1 to 738,584,941, with the nominal value of PLN 1.00 each, intended for shareholders in Getin Bank S.A.;
   b) an adjustment by PLN 349,856 thousand arising from elimination of Getin Bank S.A.'s share capital as a result of applying the pooling of interests method;
8. an adjustment to other assets by PLN -1,044 thousand – costs related to the acquisition of shares in other entities;
9. an adjustment to retained earnings by PLN -1,044 thousand – costs related to the acquisition of shares in other entities less deferred tax in the amount of PLN 112 thousand;
10. an adjustment to the deferred income tax asset by PLN 112 thousand – adjustment of the costs related to the acquisition of shares in other entities.

(data in thousand PLN)

Income statement for the 9 months period ended 30 September 2009

Income statement	Noble Bank S.A. income statement	Getin Bank S.A. income statement	Adjustments due to the merger		Adjustments from changes in accounting policies		Standalone data
Interest income	348,065	1,616,447	(5,711)	1	19,665	9	1,978,466
Interest expense	(334,688)	(1,066,586)	5,573	2	(19,665)	9	(1,415,366)
Net interest income	**13,377**	**549,861**	**(138)**				**563,100**
Fee and commission income	274,335	249,220	(31)	3			523,524
Fee and commission expense	(110,853)	(45,958)	300	4			(156,511)
Net fee and commission income	**163,482**	**203,262**	**269**				**367,013**
Dividend income	51,731	2,072					53,803
Result on financial instruments measured at fair value through profit and loss	(22,850)	169,993			(14,345)	10	132,798
Result on other financial instruments	(1,879)	(5)					(1,884)
Foreign exchange result	8,280	76,202			4,008	10.11	88,490
Other operating income	3,257	22,034	(2,464)	5			22,827
Other operating expense	(3,768)	(22,557)	225	6			(26,100)
Net operating income	**34,771**	**247,739**	**(2,239)**				**269,934**
Net impairment losses on credits, loans and off balances sheet liabilities	(9,908)	(544,888)	2,001	7	10,337	11	(552,795)
General administrative expense	(73,029)	(305,416)	107	8			(378,338)
General operating profit	**128,693**	**150,558**	**-**		**-**		**268,914**
Profit before income tax	**128,693**	**150,558**	**-**		**-**		**268,914**
Income tax	7,509	(25,703)					(18,194)
Net profit	**136,202**	**124,855**	**-**		**-**		**250,720**

The adjustments regarding consolidated financial information are directly related to the combination transaction and include the following:

1. an adjustment to interest income by PLN -5,711 thousand including an adjustment arising from elimination of intra-group transactions in respect of income on interest related to interbank deposits and interest income from financial lease;
2. an adjustment to interest expense by PLN -5,573 thousand including an adjustment arising from elimination of intra-group transactions in respect of expense on interest related to interbank deposits.
3. an adjustment to fee and commission expense by PLN -31 thousand including an adjustment arising from elimination of intra-group transactions in respect of commission on guarantees granted and other banking operations.
4. an adjustment to fee and commission expense by PLN -300 thousand including an adjustment arising from elimination of intra-group transactions in respect of intermediation in the settlement of credit card transactions and adjustment arising from elimination of intra-group transactions in respect of commission on guarantees granted;
5. an adjustment to other operating income by PLN 2,464 thousand, including the following: an adjustment by PLN -2,001 thousand arising from receivables sold, an adjustment by PLN -269 thousand arising from elimination of intra-group transactions related to intermediation in processing credit card transactions and an adjustment by PLN -194 thousand arising from elimination of intra-group transactions;
6. an adjustment to other operating income by PLN 225 thousand – elimination of intra-group transactions in respect of lease expenses.
7. an adjustment to gain (loss) on impairment of credits, loans and off-balance sheet payables by PLN 2,001 thousand arising from receivables sold;

(data in thousand PLN)

8. an adjustment to general administrative expenses by PLN 107 thousand – elimination of intra-group transactions;
9. an adjustment to interest income and expense by PLN 19,665 thousand regarding separate presentation of interest income and expense related to derivatives;
10. an adjustment to gain (loss) from financial instruments measured to fair value and to foreign exchange gain (loss) by PLN -19,665 thousand regarding presentation of CIRS and FX swap derivatives measured to fair value, previously presented in the foreign exchange gain (loss) item.

The amended IFRS 3 became effective on 1 January 2010; as a result, the costs of the merger between Noble Bank S.A. and Getin Bank S.A., previously presented in the "other assets" item, have been accounted for against the "other capital" item.

The Bank also made a change of presentation involving the transfer of foreign exchange rate differences from the measurement of revaluation write-downs on gain (loss) due to impairment of credits, loans and off-balance sheet items to the gain (loss) from exchange positions (adjustment No. 11 in the profit and loss account by the amount of PLN 10,337 thousand).

On 30 June 2010, the parent entity acquired 100% of the voting shares in the unlisted company GMAC Bank Polska S.A. with its registered office in Warsaw, specialising in services including loans for the retail and wholesale purchase of new and used cars. Getin Noble Bank S.A. acquired GMAC Bank Polska S.A. in order to consolidate the position of Getin Noble Bank in the automotive loan market, as well as to build a corporate banking segment in the Getin Noble Bank S.A. Group on the basis of the newly purchased bank. The merger was accounted for as an acquisition.

The acquisition price was determined as 95% of the book value of the company acquired, indicated by the auditor in the financial statements of GMAC Bank Polska S.A. as of 30 June 2010. The profit from the acquisition transaction settlement was recognised in the Bank's operating income.

7.2 Investments in subsidiaries

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

Entity	Headquarter	Main activity	Bank's percentage in share capital	
			30.09.2010	31.12.2009
Open Finance S.A.	ul. Domaniewska 39, Warszawa	financial intermediation	100.00%	100.00%
Noble Funds Towarzystwo Funduszy Inwestycyjnych S.A.	ul. Domaniewska 39, Warszawa	investment fund management	70.00%	70.00%
Introfactor S.A.	ul. Domaniewska 39, Warszawa	other financial activities	100.00%	100.00%
Noble Concierge Sp. z o.o.	ul. Domaniewska 39, Warszawa	activity supporting financial services	100.00%	100.00%
Noble Securities S.A.	ul. Lubicz 3/215, Kraków	brokerage services	79.76%	79.76%
Getin Leasing S.A.	ul. Powstańców Śl. 2-4 Wrocław	leases	93.18%	93.18%
Getin Services S.A.	ul. Powstańców Śl. 2-4 Wrocław	financial intermediation	93.18%*	93.18%
Pośrednik Finansowy Sp. z o.o.	ul. Powstańców Śl. 2-4 Wrocław	leases	93.18%*	93.18%
Getin Finance PLC	London, UK	financial services	99.99%	99.99%
Panorama Finansów S.A.	ul. Domaniewska 39, Warszawa	financial intermediation	100.00%**	100.00%
GMAC BANK POLSKA S.A.	ul. Wołoska 5, Warszawa	banking services	100.00%	-

* - through the subordinated entity Getin Leasing S.A.
** - through the subordinated entity Open Finance S.A.

7.3 Seasonality of operations

No significant events take place in the Company's activities that are subject to seasonal fluctuations or are cyclical in nature, therefore the Company's gain/loss as presented do not reflect any significant fluctuations during the year.

7.4 Dividends paid out and proposed

The Company did not pay any dividend nor propose to pay any dividend in the reporting period. On 6 April 2010, the General Shareholders' Meeting of Getin Noble Bank S.A. resolved to carry over the Company's entire profit for 2009 in the amount of PLN 317,901 thousand to reserve capital.

7.5 Capital adequacy ratio

As of 30 September 2010 and 31 December 2009, the solvency ratio and shareholders' equity forming the basis for the calculation of the ratio were calculated pursuant to the following regulations:

- The Banking Law of 29 August 1997 (Dz. U. of 2002, No. 72, item 665, as amended).
- Resolution No. 76/2010 of the Polish Financial Supervision Authority of 10 March 2010 on the scope and detailed principles of setting capital requirements in relation to individual risk types.
- Resolution No. 381/2008 of the Polish Financial Supervision Authority of 17 December 2008 on other deductions from a bank's core capital, amount thereof, scope and conditions of such deductions from the core capital of a bank, other balance sheet items included in the supplementary capital, the amount and scope thereof, and the conditions of including them in a bank's supplementary capital, deductions from a bank's supplementary capital, the amount and scope thereof and conditions of performing such deductions from the banks' supplementary capital, the scope and manner of taking account of the business of banks conducting their activities in groups in calculating their own funds.
- Resolution No. 382/2008 of the Polish Financial Supervision Authority of 17 December 2008 on the detailed principles and conditions of accounting for exposures in determining compliance with exposure concentration limit and large exposure limit, specifying exposures exempt from the provisions regarding exposure concentration limits and large exposure limits, and the conditions they have to satisfy, specifying exposures that need the authorisation of the Financial Supervision Authority for the exemption from provisions related to exposure concentration limits and large exposure limits and the scope and manner of accounting for the activities of banks operating in groups in calculating exposure concentration limits.

As of 30 June 2010, Getin Noble Bank S.A. calculated its capital requirements and its solvency ratio based on Resolution No. 76/2010 of the Polish Financial Supervision Authority, and as of 31 December 2009 Getin Noble Bank S.A. calculated its capital requirements and its solvency ratio based on Resolution No. 380/2008 of the Polish Financial Supervision Authority.

	30.09.2010 (unaudited)	31.12.2009 (restated unaudited)
	PLN thousand	PLN thousand
Own funds		
Share capital	953,763	953,763
Reserve capital	1,901,395	1,581,753
General banking risk reserve	-	32,500
Own shares (-)	(696)	(2,635)
Other reserve capital	37,493	-
Adjustment by shares in financial institutions	(258,980)	(127,731)
Adjustment by intangible assets	(90,414)	(92,889)
Adjustment to own funds by unrealised losses on debt financial instruments classified as available for sale – 100%	(1,726)	(6,341)
Audited net profit	239,390	228,779
Retained earnings	(932)	23
Short-term capital	366	3
Total own-funds	**2,779,659**	**2,567,225**
Risk weighted assets		
Asset exposed to 0% risk ratio	5,625,884	5,431,241
Asset exposed to 20% risk ratio	1,182,595	1,045,204
Asset exposed to 35% risk ratio	434,529	99,569
Asset exposed to 50% risk ratio	294,954	170,393
Asset exposed to 75% risk ratio	26,699,163	22,963,113
Asset exposed to 100% risk ratio	4,539,032	3,100,021
Asset exposed to 150% risk ratio	105,777	235,338
Total risk weighted assets	**25,258,151**	**21,004,449**
Risk weighted off-balance sheet liabilities		
Off balance sheet liabilities exposed to 0% risk ratio	2,377,677	364,950
Off balance sheet liabilities exposed to 0.2% risk ratio	4,346,984	2,185,713
Off balance sheet liabilities exposed to 0.25% risk ratio	184,000	-
Off balance sheet liabilities exposed to 0.5% risk ratio	1,781,845	749,305
Off balance sheet liabilities exposed to 1% risk ratio	4,904,641	4,447,936
Off balance sheet liabilities exposed to 1.2% risk ratio	15,291	-
Off balance sheet liabilities exposed to 1.5% risk ratio	597,500	-
Off balance sheet liabilities exposed to 1.6% risk ratio	41,227	-
Off balance sheet liabilities exposed to 2.5% risk ratio	3,678,383	1,406,692
Off balance sheet liabilities exposed to 3.5% risk ratio	7,238	-
Off balance sheet liabilities exposed to 5% risk ratio	240,887	1,866,483
Off balance sheet liabilities exposed to 6% risk ratio	11,849	-
Off balance sheet liabilities exposed to 20% risk ratio	208,268	103,875
Off balance sheet liabilities exposed to 35% risk ratio	-	1,477
Off balance sheet liabilities exposed to 50% risk ratio	10,372	246,711
Off balance sheet liabilities exposed to 75% risk ratio	268,534	322,766
Off balance sheet liabilities exposed to 100% risk ratio	32,724	16,258
Total risk weighted off-balance sheet liabilities	**462,847**	**584,106**
Total risk weighted assets and off-balance sheet assets and liabilities	**25,720,998**	**21,588,555**
Capital requirements for:		
Credit risk	2,057,650	1,727,084
Counterparty credit risk	30	2
Operational risk	162,436	122,931
Interest rate risk	336	2
Capital adequacy ratio	**10.01%**	**11.10%**

Concentration risk and the capital requirement for its coverage are calculated on the basis of provisions of the above resolutions. As of 30 September 2010 and as of 31 December 2009, the Group's portfolio did not contain receivables that could be qualified as exceeding concentration limits, therefore the Group estimates the concentration risk to be negligible.

7.6 Other additional information

Other additional information significant for the correct judgement of the Bank's assets, financial standing and financial gain/loss were included in the consolidated statements of the Getin Noble Bank S.A. Group, which constitute a part of this report.

7.7 Subsequent events

After 30 September 2010, no events took place which were not recognised in these financial statement, yet which could have a significant impact on the future financial results of Getin Noble Bank S.A.

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

9 November 2010	Mr Krzysztof Rosiński – President of the Management Board	………………………
9 November 2010,	Mr Karol Karolkiewicz – Member of the Management Board	………………………
9 November 2010,	Mr Maurycy Kühn – Member of the Management Board	………………………
9 November 2010,	Mr Krzysztof Spyra – Member of the Management Board	………………………
9 November 2010,	Mr Radosław Stefurak – Member of the Management Board	………………………
9 November 2010,	Mr Maciej Szczechura – Member of the Management Board	………………………
9 November 2010,	Mr Grzegorz Tracz – Member of the Management Board	………………………

Signature of the person entrusted with keeping the books of account:

9 November 2010, Barbara Kruczyńska-Nurek – Chief Accountant, Bank Director ………………………

III. DIRECTORS' REPORT ON THE ACTIVITIES OF THE GROUP AND OF THE ISSUER

1. Description of significant achievements of the Group and of the Issuer

On 4 January 2010, a merger was effected between Getin Bank S.A. and Noble Bank S.A. The successful merger allowed the Bank to enter the group of the ten largest banks in Poland. The strategic objective of the merged Getin Noble Bank S.A. is to continue the dynamic growth and to become one of the top five banks in Poland, as a fully universal bank. As well as standard financial products (cash loans, mortgage loans, automotive loans, credit cards, deposits and investment products, leasing, factoring), the Getin Noble Bank S.A. Group offers advisory services and intermediation related to real estate, legal and tax support, art banking, brokerage services and concierge services. The Bank's range is addressed to individual customers, small and medium enterprises as well as large corporations.

In a survey called Listed Company of the Year published in the daily *Puls Biznesu* and the research institute Pentor, Getin Noble Bank S.A. was named "Success of the Year 2009". Experts appreciated the efforts aimed at creating the Bank by merging Getin Bank S.A. and Noble Bank S.A. In addition, the Bank was named among the top companies listed on the Warsaw Stock Exchange, reaching the 12th position in the main ranking. Getin Noble Bank S.A. was also awarded by the editorial staff of *Gazeta Bankowa* for the highest dynamics of operation in the "Large Banks" category. The Noble Bank brand was awarded the prestigious title of Superbrand 2010. It is given to the strongest brands on the market which have managed to gain significant competitive advantage owing to their reputation.

2. Description of factors and events, particularly of non-standard type, significantly affecting the financial results achieved

On 27 September 2010, 1,570 thousand ordinary bearer shares (i.e. 19.94% of the share capital) of Towarzystwo Ubezpieczeń Europa S.A. were sold through the intermediation of the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.). The income from the sale was PLN 238,701,000. As a result of this transaction, the Bank recognised a net profit on the sale of shares in profit loss, in the amount of PLN 79,582 thousand.

3. Management Board's opinion on the possibility of achieving previously published forecasts of results for a given year

Getin Noble Bank S.A. did not publish any forecasts of results for the year 2010.

(data in thousand PLN)

4. Information concerning shareholders and changes in ownership structure

As of 30 June 2010, the parent entity's shareholding structure was as follows:

	Number of shares held	Number of votes held	% share in the share capital	% of votes at the General Shareholders' Meeting
Getin Holding S.A.	893,786,767	893,786,767	93.71%	93.71%
ASK Investments S.A.	14,819,840	14,819,840	1.56%	1.56%
A. Nagelkerken Holding B.V.	5,350,000	5,350,000	0.56%	0.56%
International Consultancy Strategy Implementation B.V.	5,450,000	5,450,000	0.57%	0.57%
H. P. Holding 3 B.V.	5,750,000	5,750,000	0.60%	0.60%
Own shares held by the Bank	2,635,000	2,635,000	0.28%	0.28%
Other shareholders	25,971,490	25,971,490	2.72%	2.72%
Total	**953,763,097**	**953,763,097**	**100.00%**	**100.00%**

On 9 September 2010, the Bank concluded an agreement with Mr Leszek Czarnecki on the disposal of 1,939,420 ordinary bearer shares of the Company with the nominal value of PLN 1.00 each, constituting 0.2033% of the Issuer's share capital as of 9 September 2010, and entitling the holder to 0.2033% of the votes at the Issuer's General Meeting. The Issuer's share block was acquired on 10 September 2010 for the total price of PLN 9,999,999.00, i.e. for the price of PLN 5.15 per share. The transaction took place on 10 September 2010 at the Warsaw Stock Exchange (Giełda Papierów Wartościowych S.A.) as a session/package transaction.

As a result of the above, Mr Leszek Czarnecki directly holds 1,939,420 ordinary bearer shares of the Issuer with the nominal value of PLN 1.00 each, constituting 0.2033% of the Issuer's share capital, and entitling the holder to 0.2033% of the votes at the Issuer's General Meeting.

As of 30 September 2010, the parent entity's shareholding structure was as follows:

	Number of shares held	Number of votes held	% share in the share capital	% of votes at the General Shareholders' Meeting
Getin Holding S.A.	893,786,767	893,786,767	93.71%	93.71%
ASK Investments S.A.	14,819,840	14,819,840	1.56%	1.56%
A. Nagelkerken Holding B.V.	5,150,000	5,150,000	0.54%	0.54%
International Consultancy Strategy Implementation B.V.	5,070,000	5,070,000	0.53%	0.53%
Leszek Czarnecki	1,939,420	1,939,420	0.20%	0.20%
Own shares held by the Bank	695,580	695,580	0.07%	0.07%
Other shareholders	32,301,490	32,301,490	3.39%	3.39%
Total	**953,763,097**	**953,763,097**	**100.00%**	**100.00%**

(data in thousand PLN)

5. Statement of changes related to holders of the Issuer's shares or to the rights of members of the Issuer's managing and supervisory bodies to such shares

Given name and surname	Function	As at 31.12.2009	Acquisition/disposal of shares in the reporting period	As at 30.09.2010
Remigiusz Baliński	Member of the Supervisory Board	22,333	-	22,333
Radosław Boniecki	Vice President of the Supervisory Board	5,500	-	5,500
Maurycy Kuhn*	Member of the Management Board	10,328,594	-	10,328,594
Krzysztof Spyra**	Member of the Management Board	10,389,947	-	10,389,947
Leszek Czarnecki	President of the Supervisory Board	-	1,939,420	1,939,420

* through:	ASK Investments SA	4,939,947
	A. Nagelkerken Holding B.V.	5,150,000
	as a private person	38,647
		10,128,594

** through:	ASK Investments SA	4,939,947
	International Consultancy Strategy Implementation	5,070,000
		10,009,947

6. Information concerning significant court proceedings

No single case is pending at the Getin Noble Bank S.A. Group with regard to liabilities or receivables whose value equals at least 10% of the Issuer's equity.

No two or more cases are pending either with regard to liabilities and receivables whose total value equals at least 10% of the Issuer's equity.

In cases where the Bank is the defendant, the subject of litigation has the highest value in the dispute with the Office of Competition and Consumer Protection (UOKiK). Upon request of the Polish Trade and Distribution Organisation (POHID), the President of the Office of Competition and Consumer Protection (UOKiK) instituted proceedings on 17 January 2001 concerning practices restricting competition in the payment card market on the part of VISA and MasterCard as well as 20 banks, including Getin Bank. On 29 December 2006, the President of UOKiK issued a decision imposing a penalty on Getin Bank in the amount of PLN 4,824,750. The decision was made immediately enforceable with regard to the order to cease joint determination of the interchange fee. On 19 January 2007, an appeal was lodged on behalf of Getin Bank against the decision of the President of UOKiK arguing that the joint determination of the interchange fee by the Banks, Visa and MasterCard was restricting competition. On 25 August 2008, the Regional Court – Court of Protection of Competition and Consumers ruled that the enforcement of the decision on the interchange fees be suspended. On 12 November 2008, the Court pronounced a judgement changing the decision appealed against, stating it had not found any monopolistic practices on the part of the Bank in the relevant scope. On 3 February 2009, the Bank received an appeal lodged by the President of UOKiK. At the hearing held on 22 April 2010, the Court of Appeals in Warsaw pronounced a judgement revoking the Regional Court's judgement favourable to the Bank and referred the case to be examined again by the Regional Court.

7. Information on the provision by the Issuer or by an entity controlled by the Issuer of loan guarantees or other guarantee with a value equal to at least 10% of the Issuer's equity

In 2010, the Companies from the Group did not grant any loan guarantees or other guarantee – jointly to one entity or to the respective entity's subsidiary, if the total value of existing guarantees or sureties equals at least 10% of the Issuer's equity.

8. Information on transactions executed by the Issuer or by an entity controlled by the same with a related entity, if such transactions are significant and if they were not executed on an arm's length basis

All significant transactions in the Getin Noble Bank S.A. Group were executed on an arm's length basis.
Between 1 January 2010 and 30 September 2010, Getin Noble Bank achieved a commission and fee income of PLN 269 million related to intermediation in the sale of insurance and investment products of Towarzystwo Ubezpieczeń na Życie Europa S.A. and PLN 118.7 million related to intermediation in the sale of insurance products of Towarzystwo Ubezpieczeń EUROPA S.A. The relevant transactions were concluded on an arm's length basis.

9. Factors that the Issuer believes will affect its financial results at least within the next quarter

The most important factors that may affect the Group's financial situation at least within the next quarter are the following:

<u>In the field of banking services:</u>

On 4 January 2010 a merger took place between Getin Bank S.A. and Noble Bank S.A., leading to the creation of Getin Noble Bank S.A. with its registered office in Warsaw.

On 27 April 2010, the rating agency Moody's Investors Service gave Getin Noble Bank the following ratings: "D-" (BCA Ba3) bank financial strength rating ("BSFR") and Ba2/not prime for long- and short-term Polish and foreign currency deposit security. The outlook on all the ratings is stable. The ratings that were given were higher than the ones Getin Bank had had before being taken over by Noble Bank: respectively D- (BCA Ba3) and Ba3/not prime with a negative outlook. According to the comment provided by Moody's, the ratings given to the bank reflect the overall improvement of the bank's quality and diversification of income, as well as the bank's efficiency and capability of creating additional capital. On 9 June 2010 Fitch Ratings announced Getin Noble Bank's rating, confirming the following: entity's rating (IDR) "BB", short-term rating "B", individual rating "D", support rating "5" and national long-term rating "BBB"(pol)". Simultaneously, the agency removed the IDR, the National Long-term Rating and the Individual Rating from Rating Watch Evolving. Fitch Ratings gave Stable Outlooks to the Long-term Issuer Default (IDR) and the National Long-term rating.

On 30 June 2010, 100% of shares of GMAC Bank Polska S.A. were acquired by the Bank upon consent of the Financial Supervision Authority. The acquisition of GMAC Bank aims both at consolidation of the position of Getin Noble Bank S.A. on the automotive loan market and at the creation of a corporate banking segment on the basis of the acquired bank in the Getin Noble Bank S.A. Group. GMAC Bank SA will specialise in providing services to corporate customers.
Getin Noble Bank is planning to issue its own long-term securities. The proceeds from the issue will be used to increase the Bank's supplementary funds, with the prior consent of the Financial Supervision Authority.

In Q4, 2010 Getin Noble Bank launched an Internet branch named "GetinOnline.pl", which should contribute to further increase of the number of customers as well as of deposits and other products sold.

The following factors may significantly affect the results of Getin Noble Bank S.A. in the nearest quarter:

- level of credit campaign development in relation to the continued tendency of the customers to deposit their savings at Getin Noble Bank;
- interest rate of customers' deposits on the market, whose change shall significantly affect the level of interest result;
- development of loan portfolio risk and of the related revaluation write-downs in respect of assets;
- possibility of carrying out a public offering by Towarzystwo Ubezpieczeń Europa S.A. and the Bank's Management Board in relation to the sale of the shares in TUE held by the Bank;
- implementation of the "T" Recommendation provisions issued by the Financial Supervision Authority, which may decrease customers' creditworthiness for banks.

The Bank's results shall also be influenced by credit risks and the related revaluation write-downs, by the situation on the financial market and by rates of exchange development.

In the field of financial intermediation services:

Further improvement of the economic activity noticeable already since the end of 2009 should cause increase in granting real estate loans and thus and increase of income related to intermediation in the sale of loans. Implementation of the "T" Recommendation provisions issued by the Financial Supervision Authority may, however, constitute a risk in relation to the increase of the number of loans granted. Additionally, it is expected that the interest in modern products related to systematic saving and in bank deposits will be maintained.

In the field of asset management and fund management:

In the nearest future the Bank's subsidiary – Noble Funds TFI S.A. will aim to increase the level of assets managed and the share in the investment funds market, mainly through the development of its product range and distribution network. The increase in assets managed depends to a large extent on the repeated achievement of good investment results and on the tendency prevailing on the capital market.

Apart from those mentioned above, no other significant events were recorded that would affect the Group's activity or financial results at least in the nearest quarter.

10. Other information that the Issuer believes is significant for the assessment of its personnel, economic and financial situation, its financial results and their changes, and information significant for the assessment of the possibility of the Issuer meeting its obligations

Getin Noble Bank S.A. is experiencing no difficulty meeting its commercial obligations in due time. In March 2010, the loan granted to Getin Bank S.A. by the Bank Guarantee Fund (BFG) was repaid.

The value of credit sales performed by the Bank, recognised individually, amounted to PLN 7,8 billion for the nine months of 2010. Mortgage loans and financial loans accounted for 59% of all sales performed At the same time, the Bank recorded an increase of the market share with regard to loans granted to natural persons by 0.6 percentage points up to 7.1% as of 30 September 2010.

The bank's market share with regard to natural persons' deposits increased in 2010 by 0.5 percentage points up to 6.5% as of 30 September 2010.

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

9 November 2010	Mr Krzysztof Rosiński – President of the Management Board	………………………
9 November 2010,	Mr Karol Karolkiewicz – Member of the Management Board	………………………
9 November 2010,	Mr Maurycy Kühn – Member of the Management Board	………………………
9 November 2010,	Mr Krzysztof Spyra – Member of the Management Board	………………………
9 November 2010,	Mr Radosław Stefurak – Member of the Management Board	………………………
9 November 2010,	Mr Maciej Szczechura – Member of the Management Board	………………………
9 November 2010,	Mr Grzegorz Tracz – Member of the Management Board	………………………