

ANNUAL REPORT 2010



LETTER FROM THE PRESIDENTS

Ladies and Gentlemen,

It is with great pleasure that we submit to you the 2010 annual report of LUKAS Bank. This year, albeit still burdened with the consequences of the considerable economic slowdown observed in 2009, should be deemed a successful year for our bank.

One of the biggest successes of 2010 was the increase in the number of active current accounts domiciled with LUKAS Bank. This results, among other things, from the change in the customer service and the constantly improved offering. We put an ever stronger emphasis on the forging of long-term relations with our clients. We want them to use our bank services and pursue their projects together with us.

The reinforcement of our position on the mortgage loan market was also a large success. This product is treated by us, besides the current account, as a key one in creating client relations. Last year, we drew down over 3.7 thousand mortgage loans for the total value of almost PLN 640 million. This is a growth by almost 40% when compared to 2009. Additionally, the introduction of an offer comprising price promotions for clients using also other LUKAS Bank products resulted in the fact that at present over 98% of the mortgage loan portfolio is sold as a package containing a current account and life insurance.

In 2010, we also maintained our leader position on the consumer finance market, which was subject to many changes recently. In 2009, the entire banking sector suffered the consequences of the economic slowdown and difficulties of households with the repayment of their debts. Most banks, including LUKAS Bank, tightened their lending and risk control policies. This led to a decrease in the lending action, additionally accompanied by the implementation of the requirements of Recommendation T prepared by the Polish Financial Supervision Authority. What is satisfactory, though, is the fact that we managed to keep a significant share of this market, maintaining also our leader position as regards the sale of instalment loans. These achievements were accompanied by the gradual fall in the monthly cost of risk, which was lower than budgeted in the annual perspective. Year 2010 LUKAS Bank ended with a net profit of nearly PLN 48 million, i.e. slightly lower than in the preceding year.



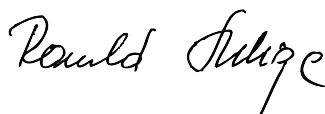
The development of LUKAS Bank comprises also, besides the day-to-day operating activities, the involvement in numerous charitable and sponsoring initiatives, both at a large scale – concerning the whole country – as well as at a smaller one, supporting local communities. We put considerable emphasis to ensure that our operations are compliant with the best corporate governance standards. In February 2010, we adopted the Code of Ethics of LUKAS Bank. It sets out the ethical standards, directions and intentions which should be followed in the bank's operations and which bind all our employees.

In 2011, the operations of LUKAS Bank will concentrate on the performance of subsequent tasks in the pursuit of our business strategy. Its basic assumption is the development of universal banking and entering into the group of Poland's best universal banks. The reorganisation and development of the retail sales network, development of new segments, such as the SME or corporate banking, introduction of new products – all these are only some of the challenges ahead of us.

**Crédit Agricole is one of Europe's largest banks.
CA Group, which we are part of, servicing
54 million clients in 70 countries.**

In our journey towards the objective we have set we will actively use the potential of our shareholder – Crédit Agricole, one of Europe's largest banks. In times of growing economic globalisation, being a member of a financial group present in 70 countries and servicing the total of 54 million clients is an advantage that we will not waste.

Inviting you to read the annual report of LUKAS Bank, we wish, at the same time, to thank all our clients, business partners and employees for their cooperation in 2010. ■



Romuald Szeliga

President of the Management Board
of LUKAS Bank S.A.



Philippe Marié

Senior Country Officer Crédit Agricole Polska
Vice-President of the Management Board
of LUKAS Bank S.A.

SHAREHOLDING STRUCTURE OF LUKAS BANK S.A. AND LUKAS S.A.

In 2010, the LUKAS S.A. Group ("Group") was composed of LUKAS S.A., the Group's parent company, and LUKAS Bank S.A. – both companies specialised in financial services for personal clients and small and medium sized enterprises – as well as LUKAS Service Sp. z o.o., a subsidiary of LUKAS Bank S.A., which handled insurance claims related to cash and instalment loans granted by LUKAS Bank S.A. After the restructuring, which took place in 2005, LUKAS S.A. discontinued operating activities and became a holding company whose main assets are shares in LUKAS Bank S.A.

Since 2001, the French bank Crédit Agricole has been the strategic shareholder in LUKAS S.A. and, indirectly, in LUKAS Bank S.A. Consequently, the Group entered the structure of one of the world's biggest financial institutions.

In Poland, Crédit Agricole Group comprises also: Europejski Fundusz Leasingowy SA, Crédit Agricole Corporate and Investment Bank S.A. Polish Branch and Crédit Agricole Life Insurance Europe S.A. Polish Branch.

The CA Group aims to be among the top universal banking institutions in Poland and provide full support for the development of other activities of the Group in the region. ■

SHAREHOLDING STRUCTURE OF LUKAS S.A. (as at 31 December 2010)



SHAREHOLDING STRUCTURE OF LUKAS BANK S.A. (as at 31 December 2010)



GOVERNING BODIES OF LUKAS BANK S.A.

(as at 1 May 2011)

■ Supervisory Board of LUKAS Bank S.A.

Paul de Leusse	Chairman of the Supervisory Board
Elżbieta Jarzeńska-Martin	Secretary of the Supervisory Board
Henryka Bochniarz	Member of the Supervisory Board
Patrick Clavelou	Member of the Supervisory Board
Andrzej Krzemiński	Member of the Supervisory Board
Piotr Kwiatkowski	Member of the Supervisory Board
François Thibault	Member of the Supervisory Board

■ Management Board of LUKAS Bank S.A.

Romuald Szeliga	President of the Management Board
Philippe Marié	Vice-President of the Management Board
Beata Janczur	Vice-President of the Management Board
Joanna Tomicka-Zawora	Vice-President of the Management Board
Jean-Paul Pinchon	Vice-President of the Management Board
Jean-Paul Piotrowski	Vice-President of the Management Board
Marc Renard	Vice-President of the Management Board
Radosław Księżopolski	Member of the Management Board
Jędrzej Marciniak	Member of the Management Board

During 2010 year there were the following changes in the composition of the Supervisory Board of LUKAS Bank S.A.:

- On 29 January 2010, the Extraordinary Meeting of Shareholders by virtue of its resolution No. 3/2010 extended the composition of the Supervisory Board of LUKAS Bank S.A. to include Paul de Leusse and appointed him the Chairman of the Supervisory Board. On the same day, the resignation of Marc Carlos from the function of the Chairman and Member of the Supervisory Board of LUKAS Bank S.A. made on 10 December 2009 became effective.
- On 28 May 2010, by virtue of Resolution of the Ordinary Meeting of Shareholders No. 26/2010 Andrzej Krzemiński was appointed member of the Supervisory Board. On the same day, the resignation of Marian Krzysztof Kwiecieński from the function of the Member of the Supervisory Board of LUKAS Bank S.A. made on 21 April 2010 became effective. Additional, by virtue of Resolution of the Ordinary Meeting of Shareholders No. 27/2010 Elżbieta Jarzeńska-Martin was appointed for the next term of office.

During 2011 year there were the following changes in the composition of the Bank's Management Board:

- On 2 March 2011, the Supervisory Board of LUKAS Bank S.A. adopted resolution No. 9/2011 appointing Radosław Księżopolski the Member of the Management Board of LUKAS Bank S.A. effective as of 1 April 2011. On the same day, the Supervisory Board adopted Resolution No. 10/2011 appointing Jędrzej Marciniak the Member of the Management Board of LUKAS Bank S.A. effective as of 1 May 2011.

During 2010 year there were the following changes in the composition of the Bank's Management Board:

- On 23 February 2010, the Supervisory Board by virtue of its resolution No. 01/2010 appointed Philippe Marié the Vice-President of the Management Board of LUKAS Bank S.A.
- On 28 April 2010 Bastien Charpentier resigned from the position of the Vice-President of the Management Board of LUKAS Bank S.A. effective as of 30 April 2010.
- On 28 April 2010, the Supervisory Board of LUKAS Bank S.A. adopted resolution No. 13/2010 appointing Beata Janczur the Vice-President of the Management Board of LUKAS Bank S.A. On the same day, the Supervisory Board adopted Resolution No. 14/2010 appointing Marc Renard the Vice-President of the Management Board of LUKAS Bank S.A. and Resolution No. 15/2010 appointing Jean-Paul Pinchon the Vice-President of the Management Board of LUKAS Bank S.A.

GOVERNING BODIES OF LUKAS S.A.

(as at 1 May 2011)

■ Supervisory Board of LUKAS S.A.

François Pinchon	Chairman of the Supervisory Board
Gérard Marchand	Member of the Supervisory Board
Thierry Verdier	Member of the Supervisory Board

■ Management Board of LUKAS S.A.

Philippe Marié	President of the Management Board
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During 2010 year there were the following changes in the composition of the LUKAS's Supervisory Board:

- On 5 March 2010, Patrick Mamou-Mani resigned from the position of the Member of the Supervisory Board of LUKAS Bank S.A. effective as of 28 May 2010.
- On 28 May 2010, by virtue of Resolution No. 6 of the Extraordinary General Meeting of Shareholders Thierry Verdier was appointed Member of the Supervisory Board of LUKAS S.A.

During 2010 year there were the following changes in the composition of the LUKAS's Management Board:

- On 23 February 2010, the Supervisory Board of LUKAS S.A. by Resolution No. 05/2010 recalled Bastien Charpentier from the position of the President of the Management Board of LUKAS S.A and appointed him a Member of the Management Board of LUKAS S.A. On the same day, the Supervisory Board by virtue of its resolution No. 06/2010 appointed Philippe Marié the President of the Management Board of LUKAS S.A.
- On 28 April 2010, Bastien Charpentier resigned from the position of the Member of the Management Board of LUKAS S.A. effective as of 30 April 2010.
- As of 31 December 2010, the resignation of Grażyna Utrata from her function of the Member of the Management Board of the Company became effective.

Profile

The Crédit Agricole Group is market leader in full-service retail banking in France and one of the largest banks in Europe.

With operations in 70 countries, the Crédit Agricole Group is a leading partner in supporting clients with their projects in all areas of retail banking and associated specialised business lines: day-to-day banking, savings, home and consumer loans, insurance, private banking, asset management, leasing and factoring, and corporate and investment banking.

On the strength of its cooperative and mutualist foundations, the Crédit Agricole Group's expansion is underpinned by balanced growth serving the real economy and respecting the interests of its 54 million customers, 1.2 million shareholders, 6.1 million cooperative shareholders and of its 160 000 employees.

Crédit Agricole is included in the three main sustainable development indices: Aspi Eurozone since 2004, FTSE4Good since 2005 and the DJSI since 2008 (Europe and worldwide). It is ranked the eighth most sustainable corporation in the world and No. 1 in France in the 2011 Global 100 List.

www.credit-agricole.com

€3.6 billion

NET INCOME – GROUP SHARE

€71.5 billion

SHAREHOLDERS' EQUITY – GROUP SHARE

10.3%

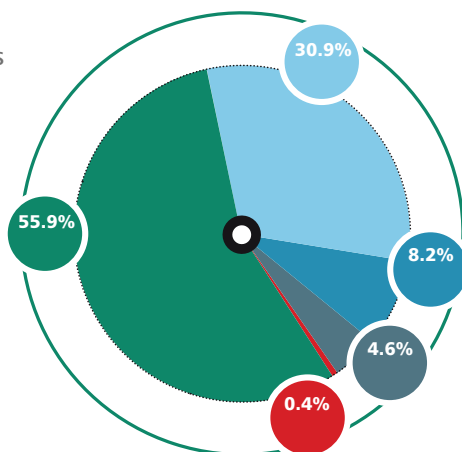
TIER ONE RATIO

The Group's organisation



6.1 million cooperative shareholders form the basis of Crédit Agricole's cooperative organisational structure. They own the capital of the **2 533 Regional Banks** in the form of shares and select their representatives each year. A total of **32 496 directors** convey their expectations within the Group.

The local banks own the majority of **the Regional Banks' share capital**. The 39 Regional Banks are cooperative regional banks that offer their customers a comprehensive range of products and services. The discussion body for the Regional Banks is the **Fédération Nationale du Crédit Agricole**, where the Group's main directions are decided.



55.9%

OF CRÉDIT AGRICOLE S.A.'S SHARE CAPITAL
VIA HOLDING COMPANY SAS RUE LA BOÉTIE.

43.7%

OF CRÉDIT AGRICOLE S.A. SHARE CAPITAL

- Institutional investors: 30.9%
- Individual shareholders: 8.2%
- Employees via employee mutual funds: 4.6%

0.4%

TREASURY SHARES



Listed since December 2001, Crédit Agricole S.A. ensures the cohesion of the strategic development and the Group's financial unity. Crédit Agricole S.A. manages and consolidates its subsidiaries in France and abroad.

Retail banking

In France

- 25% of share capital in the Regional Banks (excl. the Regional Bank of Corsica)
- LCL

International retail banking

- Cariparma FriulAdria group
- Emporiki
- Crédit du Maroc
- Crédit Agricole Egypt
- LUKAS Bank

Specialised business lines

Specialised financial services

- Consumer finance
- Lease finance
- Factoring

Savings management

- Asset management
- Insurance
- Private banking

Corporate and investment banking

- Coverage and Investment Banking
- Equity Brokerage and Derivatives
- Fixed Income Markets
- Structured Finance

Specialised subsidiaries

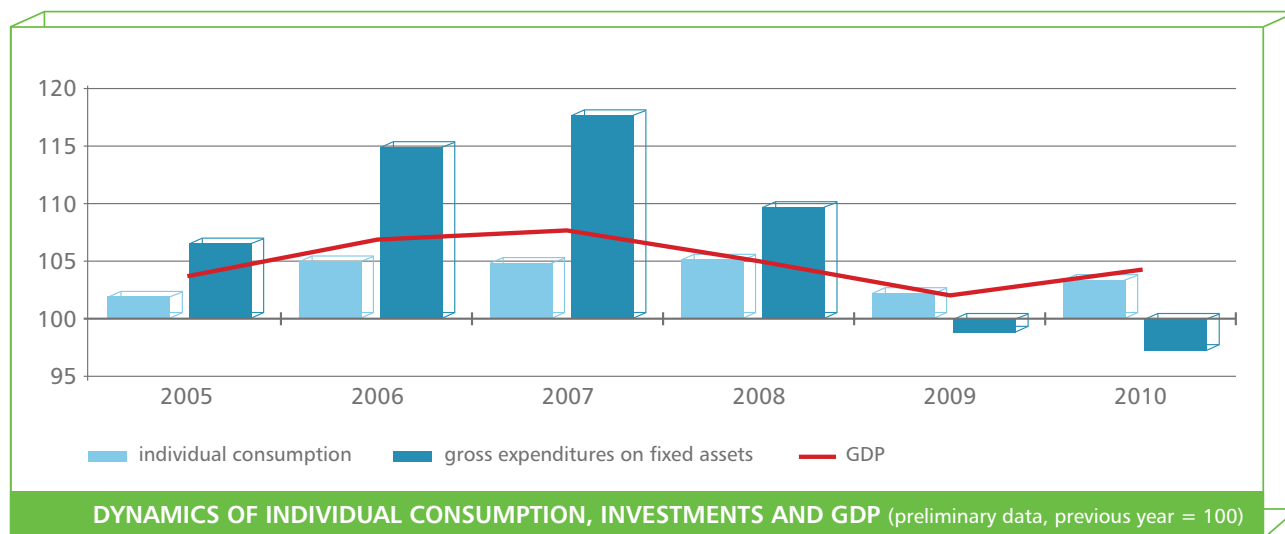
Crédit Agricole Immobilier, Crédit Agricole Private Equity, Idia-Sodica, Uni-Editions.

MARKET CONDITIONS IN POLAND IN 2010

State of the economy – main trends

After a clear slowdown in 2009, when, following three years of strong growth, the real GDP dynamics fell to 1.7% in 2010, Poland's economic situation improved significantly. The quarterly GDP dynamics (adjusted for seasonal effects) grew in its speed from the third quarter of 2009, reaching the level of 4.7% in the third quarter of 2010. According to the preliminary data issued by the Central Statistical Office, in the entire 2010, the Gross Domestic Product rose by 3.8%, which put Poland among the top European countries in that respect for the second consecutive year. Unlike in the previous year, however, it was not any more the only country to record economic growth.

In Europe, the improvement in the German economic performance was met with great satisfaction, as Germany remains the biggest recipient of Polish exports (26% of total export volume). At the other end of the spectrum was Greece. Threatened with insolvency, it was forced to take a number of unpopular measures, which in turn led to social unrest and paralysis of the country. Fears that the crisis might spread into other EU countries, most notably Spain, Ireland and Portugal, strongly affected investors' trust in Eurozone markets, to the extent that, towards the end of the year, individual opinions appeared which anticipated the possibility of a break-up of the currency union.



The estimates of the Central Statistical Office indicate an increase in domestic demand in 2010 by 3.9% (vs. a decrease by 1% a year before), which included an increase in both accumulation (+6.7%) and consumption (+3.2%). The increased consumption is the result of, among other things, stabilisation in the labour market, where a growth in employment and pay levels in the business sector was observed. The high accumulation dynamics was due to the supplementation of inventory levels, while expenditures on fixed assets dropped by 2%, thus lowering the rate of investment in the economy to 19.5% (vs. 21.2% in 2009). In contrast to the previous year, a big increase in gross added value was observed in industry (+9.2%) and the dynamics in the construction sector remained positive and amounted to 3.8%. ■

Labour market

In February 2010, unemployment reached its highest level since April 2007, which was due to both seasonal factors (harsh winter) and a systemic delay in the adjustment of demand for labour to market conditions. In its peak, the number of unemployed persons was 2.10 million, falling to 1.8 million in the period of intensified seasonal work (August). At the end of December, unemployment stood at 12.3% (vs. 12.1% a year before), which corresponded to 1.95 million unemployed persons.

The rise in unemployment was not accompanied by a fall in pay levels. Their growth dynamics was, nevertheless, reduced. In 2010, the average monthly nominal gross pay in the business sector amounted to PLN 3 435 and was up by 3.3% on the previous year, while in 2009 that rise was 4.4%. The purchasing power of the average monthly gross pay in the business sector in 2010 was higher by 0.8% than in the previous year (in 2009, that rise amounted to 1.1%). ■

Inflation

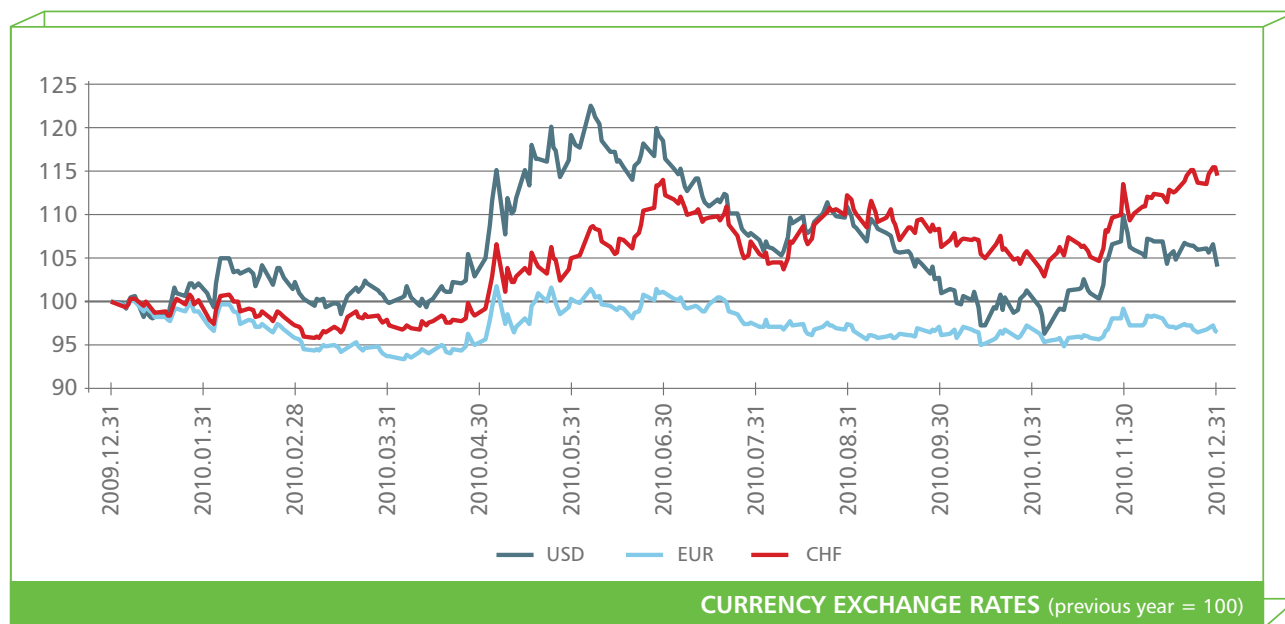
In 2010, the average annual consumer price index amounted to 2.6% and was lower than a year before, when it amounted to 3.5%. Price rises were recorded for most groups of goods and services. The biggest impact on the level of the consumer price index in 2010 was exerted by rises in the prices of goods and services connected with housing and the prices of foodstuffs and non-alcoholic beverages, which increased the overall level by, respectively, 0.84 pp. and 0.66 pp.

The prices of sold industrial output in 2010 were higher by an average of 2.1% than in 2009, with the biggest rise being recorded in the mining sector (a rise by 17.8%). ■

Monetary policy and currency exchange rates

The measures taken by the Monetary Policy Council in 2009 (interest rate cuts by a total of 150 base points) led to the adoption of the lowest interest rates in history. In the face of improvement of the general global and local macroeconomic situation those measures proved sufficient and, in 2010, instruments specific for monetary expansion were no longer used. In addition, in the last months of 2010, improved GDP dynamics as well as growing inflation expectations gave more and more reasons for the tightening of the interest rate policy, which resulted in the rise of interest rates by 25 b.p. in January 2011. The improving market situation caused a drop in the premium for liquidity and credit risk, contained in WIBOR rates, and the growth observed in recent months results from the discounting of future National Bank of Poland rate rises.

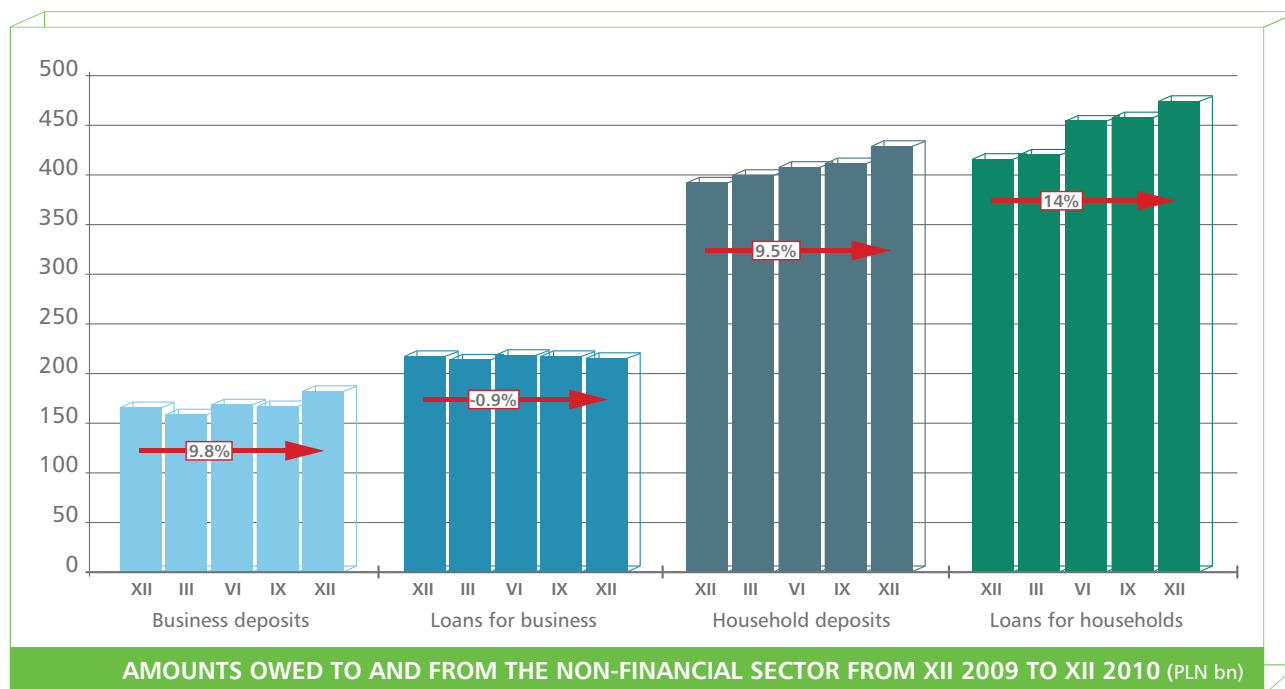
The passing year was characterised by high fluctuations in the exchange rates of the most popular currencies in Poland. This was influenced by both the internal factors (e.g. apprehension about the amount of public debt in relation to GDP) and external factors, e.g. the mid-year Greek crisis changing the EUR/USD rate or apprehension about the future of the currency union that has affected the EUR/CHF rate in last months of 2010. In average annual terms, the USD and EUR exchange rates fell by 3.2% and 7.7%, reaching the levels of, respectively, PLN 3.02 and PLN 3.99. In overall annual terms, the exchange rate of the Swiss franc rose by 14.4% and that of the dollar by 4.0%, while the Polish currency was strengthened against the euro by 3.6%. ■



Banking sector

The improvement of the macroeconomic situation had a significant impact on the performance of the banking sector. The data available on the date of this report, concerning the three quarters of 2010, indicate a 26% increase in the net result year on year. Such a considerable improvement was caused by an increase in incomes (+8%) and stabilised operating costs. The overall performance of the sector was adversely affected by impairment charges, which amounted to PLN 8.6 bn during the three quarters and were up by 4.5% on the previous year. This means that they consumed 22% of the income on banking operations.

The preliminary data of the National Bank of Poland indicate a growth of the credit and household deposits markets (14% and 9.5% respectively), while the loans for businesses market slightly shrank due to, among other things, the negative investment dynamics in the economy. ■



LUKAS BANK STRATEGY FOR 2011-2013

LUKAS Bank continues to pursue its strategy established and approved in 2010, adjusting its assumptions to the current market situation. The invariable main objective is a development towards universal banking and entering the top ranks of this type of institutions in Poland.

Additionally, the bank defined intermediate goals, achievement of which will lead to the strengthening of the Crédit Agricole Group's position in Poland and will enable a construction of a stable base for further development:

- increase of the base of clients actively using the bank's products,
- reinforcement of the position on the mortgage loan market,
- maintenance of the leading position on the consumer finance market,
- introduction of corporate banking,
- support for other areas of activities of the Crédit Agricole Group in Poland.

The basis for the development of LUKAS Bank is the establishment of long-term relationships with clients, including, among other things, the increase in the base of clients with active current accounts. The bank assumes that this is the fundamental product that allows to build long-lasting relationship as well as provides opportunities to expand the cooperation through other products and services.

Building the universal bank position, LUKAS Bank will aim at reinforcing its mortgage loan market share. At the same time, the bank will also use its consumer market experience gathered over the years in order to maintain the traditionally large share at this market segment. These activities will be complemented by the entrance on the prospective corporate banking market and gradual expansion of the banking offering for this segment.

LUKAS Bank continues to pursue its strategy. The main objective is to develop universal banking.

The basis for bank's growth is the establishment of long-term relationships with clients.

All the activities undertaken will be incorporated in the new communication and market positioning strategy, including the bank's image and brand change. ■

COMMENTS ON THE FINANCIAL RESULTS

Despite the unfavourable macroeconomic situation and the necessity to undertake measures aimed at reducing the credit risk, in 2010 LUKAS Bank generated a solid net profit of PLN 48 million, whereas the consolidated net profit of the LUKAS S.A. Capital Group (i.e. LUKAS S.A., LUKAS Bank and LUKAS Services Sp. z o.o.) amounted to PLN 43 million. The results on the sale of loans, worse than in the previous years, which resulted directly from the tightening of the credit risk policy, caused the gross profit of LUKAS Bank to drop to PLN 54 million (PLN 63 million in 2009), and of the LUKAS S.A. Capital Group to PLN 50 million (PLN 75 million in 2009). When compared to the previous year, LUKAS Bank reduced the level of general administration costs to PLN 791 million and the risk costs to PLN 577 million.

The equity of LUKAS Bank amounted to PLN 1.4 billion and fully met the capital requirements, providing a safe base for the development as well as for the operating activities. The solvency ratio, one of the measures of stability, was at all times in 2010 at the level higher than 8% required by legal regulations. At the end of the year, it reached 13.49%. The value of LUKAS Bank's ROA accounted for 0.4% while the value of ROE was 3.8%.



The carrying value of loans to clients amounted to PLN 9.4 billion (PLN 10.2 billion at the end of 2009), and constituted 76.2% of total bank assets. The fall observed in the value of loans was a result of both lower sales, insufficient to reconstruct the portfolio, and impairment losses. Despite the dominating tendency, LUKAS Bank maintained a high growth dynamics of mortgage loans, the value of which rose by 37.2% when compared to the previous year. The basic source of financing of the growing lending activity of the bank at the end of 2010 were clients' deposits constituting 55.8% of total equity and liabilities. The amounts due to clients grew by 2.5% comparing to the previous year and amounted to PLN 6.9 billion as at the end of 2010. ■



DEVELOPMENT OF LUKAS BANK ACTIVITIES IN 2010

I. EXPANSION OF THE PRODUCT OFFER AND NEW SERVICE QUALITY

Pursuant to the strategy, the actions undertaken in 2010 aimed at reinforcing product offer and client service model, developing LUKAS Bank towards a universal bank. Also the approach to marketing campaigns changed – in place of activities promoting the sale of a specific product, there appeared multi-product campaigns, aimed at increasing the clients' activeness and number of products used. The offers were tailored for the campaign in such a way that during the conversation with the client the advisor really had a possibility to adjust the offer to his/her needs. Clients appreciated the change in LUKAS Bank's approach to client service – results of surveys conducted by PENTOR show that as many as 89% of clients considered the idea of inviting the clients by bank advisors to a meeting to discuss the needs and submit an customised offer as very good or good.

The changes implemented were also reflected in the bank's sale results in three key areas: 2010 ended with a growth in the number of active accounts, higher sale of mortgage loans and a considerable growth in gross premium collected from clients using insurance products.

The tightening of risk control policy and more conservative approach by clients to contracting new liabilities resulted in a slight decrease in LUKAS Bank's share of consumer finance market. The leader position on the instalment loan market was maintained. Good effects was also produced by the revision of the credit card

segment model aimed at risk reduction. The financial result on the credit card portfolio in 2010 was over 50% higher than in 2009. The bank concentrates its activities on rendering its card offer more attractive in relation with the planned implementation of the new brand. Additionally, in 2011 the bank's offer will be extended to include proximity cards. ■

The actions undertaken in 2010 aimed at reinforcing product offer and client service model, developing LUKAS Bank towards a universal bank.

Personal accounts

One of the most important successes of last year was the growth in the number of active personal accounts. The constantly improved offering and active reaction to the clients' changing needs result in the fact that an account with LUKAS Bank becomes the basic personal account for the clients. At the end of 2010, the bank maintained 994 thousand personal accounts and 51 thousand business accounts ■



Insurance

In 2010, LUKAS Bank increased the gross premium collected from clients by almost 70%. In accordance with the market trends, the most popular bancassurance products are life insurance, accident insurance and health insurance. The offer of LUKAS Bank is an accurate reflection of this trend.

The highest income in the stand-alone insurance product portfolio the bank earns on life insurance, offering it not only as part of other traditional banking products, but also as a stand-alone product.

Since November 2010, the bank's offer was extended to include "Opieka medyczna Zdrowie" (Private health insurance). This product guarantees a fast access to services of selected specialist physicians in numerous medical care units available all over Poland as well as a professional assistance of medical helpline consultants concerning the treatment organisation. ■

Mortgage loans

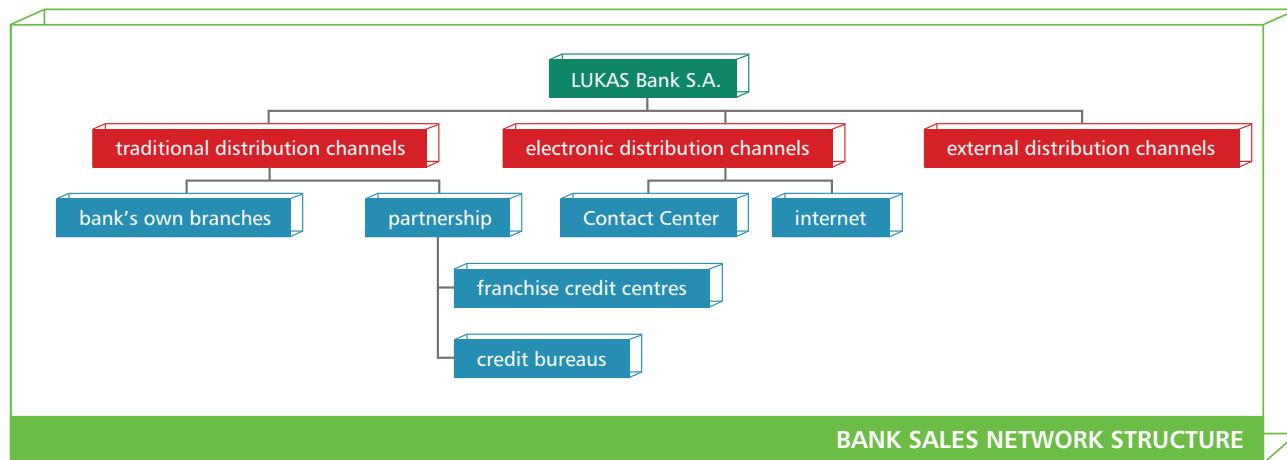
The activities of LUKAS Bank on the mortgage loan market was highly successful in 2010. The value of loans disbursed amounted to almost PLN 640 million and this was a result almost two-fold higher than a year before.

The most popular was the housing loan offered within the framework of the governmental programme "Rodzina na swoim" (Family in their own house) – 52.2% of the sale in terms of its value. This product enjoyed high interest mostly owing to a very good price offer.

Aiming to diversify the offer depending on the client profile, i.e., among other things, on the amount and source of his/her income and the history of his/her cooperation with the Bank, the early second quarter of 2010 saw an introduction of special offers for high income clients or persons already being the Bank clients. Last year, LUKAS Bank extended its mortgage loan offering to include EUR-denominated mortgage loans. ■

II. DEVELOPMENT OF DISTRIBUTION CHANNELS

The products and services of LUKAS Bank are offered to client via all available distribution channels – both the traditional ones, comprising a network of own branches and partners' outlets, as well as remote ones, using fixed and mobile telephones and the internet. The bank cooperates also with multi-agencies operating on the market that specialise in the sale of financial products as well as commercial networks whose customers may take advantage of the instalment purchase system offered by LUKAS. ■



Traditional distribution channels

As at the end of 2010, LUKAS Bank had 386 own branches. Their activities were supplemented by 58 credit centers operating on the basis of franchise contracts.

The partner sale network was complemented by 396 credit bureaus offering cash loans, car loans and credit cards. In most offices, the clients may also repay instalment loans. ■

444
bank branches
and franchise
credit centers

Electronic distribution channels

■ Contact Center

The Contact Center of LUKAS Bank provides bank product and service information to personal and corporate clients, sells banking products and ensures an after sale support.

In 2010, coming up to the expectations of foreign clients, the bank launched a phone service for personal accounts of this group in English. It is planned to provide this service also in German and French. ■

The new bank website allows clients a rapid access to a full range of information about the offering and performs also an educational role.

■ LUKAS e-Bank

Owing to systematically implemented changes e-Bank is gaining more and more importance as the bank's product and service distribution channel. The objective of LUKAS Bank in this area is not only to enable the clients to perform electronically as many operations as possible but also to utilise the possibilities of the Internet for information distribution. In mid-2010, a new internet service – lukasbank.pl was launched. This service allows clients a rapid access to a full range of information about the offering and performs also an educational role owing to video-advice explaining how to use the e-banking and LUKAS e-Bank service. ■

External distribution channels

In order to increase the availability of its products, LUKAS Bank cooperates with external partners. An example here may be the sale of mortgage loans via Polish-wide intermediaries, such as Open Finance, Expander or Credit House Notus.

Owing to joint-venture with companies managing commercial networks such as, for example, Auchan, Carrefour, Tesco or Decathlon, LUKAS Bank offers co-branded credit cards. The clients of these networks may also use instalment loans or cash loans offered directly in customer service outlets located at these hypermarkets. ■

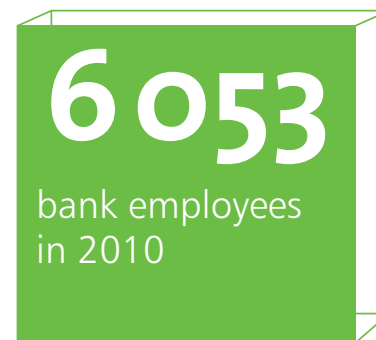
LUKAS BANK EMPLOYEES

By the end of 2010 LUKAS Bank employed 6 053 people. The average age of employees was 31 and over 60% have university level education.

The bank builds on the development of merit-related and managerial competences of its employees. For a few years now the managerial positions are mainly filled in by existing employees. In 2010, the high (77%) level of internal promotions was maintained. The bank obtained ESF funds, which it allocated to finance a cycle of managerial training.

**In bank head office
an innovative internal
training initiative "Let's
share the knowledge"
was launched.**

Last year the internal training courses enjoyed immense popularity. In mid-year the head office of LUKAS Bank in Wrocław launched an innovative initiative "Dzielmy się wiedzą" (Let's share the knowledge). The programme was conducted by 14 experience employees. By the end of December 2010 they had trained 463 persons during 66 meetings. There was no shortage of persons willing to undertake the career of internal experts, even though they do not receive additional remuneration for the courses conducted. At present, it is planned to launch this initiative also for bank employees working outside the head office. ■



CHARITY, SPONSORING ACTIONS AND CSR OF LUKAS BANK

LUKAS Bank is actively involved in sponsoring and charity initiatives. It also promotes committed attitudes among its employees.

As part of the French financial group Crédit Agricole, Bank willingly participates in the promotion of French culture in Poland. It sponsors the Days of the French Speaking Countries organised by the French Embassy and the Alliance Française centre. The Bank is a member of the France Mécènes club, that was formed upon the initiative of the French Ambassador in Poland and is affiliated with the French Institute in Warsaw. The club is formed of companies with the French capital and manages projects related to the French culture.

Last year's initiatives promoting committed attitudes among employees included, but were not limited to, the action 'Give your bike a workout. Let your car take a week off', collection of donations for the flood victims and blood donation campaigns. Most of all, however, LUKAS Bank S.A. was involved, for the fifth time, in the "Precious Gift" action organised by the SPRING Association. The action's purpose is to prepare and provide the poorest families in Poland with Christmas gifts. The bank promoted the initiative among its employees and business partners.

The bank's charity actions concentrated in 2010 on the financial assistance granted to the Association of Children's Friends. The bank's funds transferred for a number of years now are allocated to the organisation of summer camps for disabled children.

In 2010, for the first time, the bank also became involved in actions aimed at ensuring sustainable development and promoting environmentally-friendly attitudes amongst its employees. Such environmentally-friendly initiatives include, but are not limited to, the "Green Week", whose purpose was to promote an ecological style of life among clients and employees as well as to integrate them around common values. Similar objectives were promoted in the campaign "Saving paper, saves hedgehogs", which was to encourage the clients to resign from paper bank statements and to switch to electronic ones. Pro-ecological actions are conducted under the motto "LUKAS Bank Cares for the Green World".

LUKAS Bank is also active in the area of financial education. An example here is the educational campaign "Bank z klasą. CAła wiedza o bankowości" (Bank with class. All about banking) addressed to early primary school children. 2010 saw a launch of a pilot initiative which will comprise, by the end of the school year 2010/2011, 254 children from three state primary schools from Wrocław. The educational campaign, at the same time, pursues the recommendations of the National Bank of Poland and the Polish Financial Supervision Authority concerning the propagation of banking and economic education. ■



FINANCIAL STATEMENTS

LUKAS SA Group

THE INDEPENDENT AUDITORS' REPORT ON THE SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

To the Supervisory Board of LUKAS SA

We have audited the consolidated financial statements for the year ended 31 December 2010 of LUKAS SA Group ('the Group') for which the holding company is LUKAS SA ('the Company') located in Wrocław at Plac Orłąt Lwowskich 1 ('the unabridged consolidated financial statements'), from which the attached summarized consolidated financial statements for the year ended 31 December 2010 presented on the pages from 22 to 26 of this annual report were derived by the Company's Management Board ('the summarized consolidated financial statements'). The unabridged consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and based on properly maintained accounting records.

We conducted our audit of the unabridged consolidated financial statements, from which the summarized consolidated financial statements were derived, in accordance with the chapter 7 of the the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – 'the Accounting Act') and the national auditing standards issued by the National Council of Statutory Auditors. We issued an unqualified auditors' report including an emphasis of matter on these financial statements dated February 15, 2011. The emphasis of matter referred to the fact that as at December 31, 2010 the Management Board of the Bank, based on their professional judgment, created additional allowance as part of loan impairment allowance for incurred but not reported losses amounting to 22.2 million zlotys. As at December 31, 2009 this allowance amounted to 44.5 million zlotys. In 2010 the additional allowance in the amount of 22.3 million zlotys was used for impairment allowance for 'overindebted' loan portfolio.

In our opinion the attached summarized consolidated financial statements, in all material respects, are consistent with the unabridged consolidated financial statements, from which they were derived.

For a better understanding of the Group's financial position as at 31 December 2010 and the results of its operations for the period from 1 January 2010 to 31 December 2010 and of the scope of our audit, the attached summarized consolidated financial statements should be read in conjunction with the unabridged consolidated financial statements from which the summarized consolidated financial statements were derived and our auditors' report relating to these financial statements.

on behalf of
Ernst & Young Audit sp. z o.o.
Rondo ONZ 1, 00-124 Warsaw
Reg. No. 130

Key Certified Auditor

(signed on Polish original)
Dorota Snarska-Kuman
certified auditor
No. 9667

Warsaw, May 23, 2011

LUKAS S.A. Group

CONSOLIDATED INCOME STATEMENT

for the year ended on 31 December 2010

(in PLN thousands)

	2010	2009
Continued activities		
Interest income	1 659 795	1 836 290
Interest expense	(444 688)	(500 814)
Net interest income	1 215 107	1 335 476
Fee and commission income	305 255	292 043
Fee and commission expense	(102 045)	(113 536)
Net fee and commissions income	203 210	178 507
Dividend income	615	0
Net result on trading activities	369	4 803
Net result on derivatives used as hedging instruments and hedged items	(171)	238
Net result on investment activities	0	19
Other operating income	27 033	25 688
Other operating expense	(29 665)	(17 300)
Other net operating income and expense	(2 632)	8 388
Net impairment losses on loans and advances	(576 552)	(643 761)
General administrative expenses	(790 179)	(809 094)
Net operating income	49 767	74 576
Profit before tax	49 767	74 576
Income tax expense	(7 093)	(14 472)
Net profit (loss) (including non-controlling shareholders)	42 674	60 104
Profit (loss) of non-controlling shareholders	0	0
Net profit (loss) for the Parent Company	42 674	60 104
Net profit (loss) for the Parent Company on continued operations	42 674	60 104
Net profit (loss) for the Parent Company on discontinued operations	0	0

In 2010 and 2009 there were no discontinued activities.

LUKAS S.A. Group

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended on 31 December 2010

(in PLN thousands)

	2010	2009
Net result for the current period	42 674	60 104
Valuation of available-for-sale financial assets	(142)	(1 020)
Deferred tax on the valuation of available-for-sale financial assets	27	194
Valuation of cash flow hedging instruments	274	0
Deferred tax on the valuation of cash flow hedging instruments	(52)	0
Other comprehensive income (losses) recognised directly in equity	107	(826)
Total comprehensive income (losses) of the current period	42 781	59 278
Of which:		
For the Parent Company	42 781	59 278
For non-controlling shareholders	0	0

LUKAS S.A. Group

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2010

(in PLN thousands)

	31.12.2010	31.12.2009
ASSETS		
Cash, due from the Central Bank	269 274	250 969
Due from banks	7 853	159 116
Financial assets at fair value through profit or loss	837 981	465 700
Valuation of derivatives	6 965	5 877
– including derivatives used as hedging instruments	2 391	302
Loans and advances to customers	9 413 538	10 172 154
Investment securities	1 194 242	576 296
– including available-for-sale	1 194 242	576 296
Investments in associates	2 000	2 000
Intangible assets	25 744	28 447
Tangible fixed assets	149 866	192 907
Current tax assets	9 505	51 287
Deferred tax asset	374 558	381 090
Other assets	49 296	99 241
TOTAL ASSETS	12 340 822	12 385 084
LIABILITIES		
Due to banks	3 348 473	3 382 641
Valuation of derivatives	20 762	30 750
– including derivatives used as hedging instruments	15 493	656
Due to customers	6 881 321	6 533 230
Debt securities in issued	377 159	610 272
Current tax liabilities	3	1
Deferred tax liabilities	2	40
Provisions	12 275	10 986
Other liabilities	236 460	225 182
Subordinated liabilities	176 160	176 163
TOTAL LIABILITIES	11 052 615	10 969 265
EQUITY		
Share capital	545	545
Supplementary capital	268 027	268 027
Revaluation reserve	(216)	(323)
Reserve capital	701 374	701 374
Retained profit	318 477	446 196
PARENT COMPANY SHAREHOLDING	1 288 207	1 415 819
TOTAL EQUITY	1 288 207	1 415 819
TOTAL LIABILITIES AND EQUITY	12 340 822	12 385 084

LUKAS S.A. Group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended on 31 December 2010

(in PLN thousands)

	Parent company shareholding					
	Share capital	Supplementary capital	Revaluation reserve	Reserve capital	Retained profit	TOTAL EQUITY
Equity at the beginning of the period – as at 01.01.2010	545	268 027	(323)	701 374	446 196	1 415 819
Valuation of available-for-sale financial assets	0	0	(142)	0	0	(142)
Valuation of cash flow hedging instruments	0	0	274	0	0	274
Deferred tax on items recognised in equity	0	0	(25)	0	0	(25)
Net profit (loss) recognized directly in equity	0	0	107	0	0	107
Net result of the current year	0	0	0	0	42 674	42 674
Total comprehensive income (losses) for the current period	0	0	107	0	42 674	42 781
Share issue	0	0	0	0	0	0
Dividend payment	0	0	0	0	(170 393)	(170 393)
Equity at the end of the period – as at 31.12.2010	545	268 027	(216)	701 374	318 477	1 288 207

for the year ended on 31 December 2009

(in PLN thousands)

	Parent company shareholding					
	Share capital	Supplementary capital	Revaluation reserve	Reserve capital	Retained profit	TOTAL EQUITY
Equity at the beginning of the period – as at 01.01.2009	522	100 959	503	701 374	648 231	1 451 589
Valuation of available-for-sale financial assets	0	0	(1 020)	0	0	(1 020)
Valuation of cash flow hedging instruments	0	0	0	0	0	0
Deferred tax on items recognised in equity	0	0	194	0	0	194
Net profit (loss) recognized directly in equity	0	0	(826)	0	0	(826)
Net result of the current year	0	0	0	0	60 104	60 104
Total comprehensive income (losses) for the current period	0	0	(826)	0	60 104	59 278
Share issue	23	167 068	0	0	0	167 091
Dividend payment	0	0	0	0	(262 139)	(262 139)
Equity at the end of the period – as at 31.12.2009	545	268 027	(323)	701 374	446 196	1 415 819

LUKAS S.A. Group

CONSOLIDATED CASH FLOW STATEMENT

for the year ended on 31 December 2010

(in PLN thousands)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
I. Profit before tax	49 767	74 576
II. Total adjustments	1 039 386	(26 159)
1. Depreciation and amortisation	68 699	81 317
2. Dividend income	(615)	0
3. Change in provisions	1 289	(4 216)
4. Change in financial assets at fair value through profit or loss	(372 281)	(329 295)
5. Change in amounts due from banks	147 241	391 394
6. Change in amounts due from customers	758 616	(1 307 366)
7. Change in other assets	49 945	(18 853)
8. Change in amounts due to banks	(34 168)	302 202
9. Change in amounts due to customers	348 092	1 092 941
10. Change in other liabilities	23 008	10 967
11. Paid income tax	(15 279)	(227 197)
12. Other adjustments	64 839	(18 053)
III. Net cash flows from operating activities	1 089 153	48 417
CASH FLOWS FROM INVESTING ACTIVITIES		
I. Inflows	29 590 386	27 468 161
1. Disposal of shares or participations, other securities and other financial assets	29 589 670	27 468 074
– including debt securities of the State Treasury and the National Bank of Poland	29 589 670	27 468 074
2. Disposal of intangible and tangible fixed assets	101	87
3. Dividend income	615	0
II. Outflows	(30 209 027)	(27 375 086)
1. Acquisition of shares or participations, other securities and other financial assets	(30 178 824)	(27 321 984)
– including debt securities of the State Treasury and the National Bank of Poland	(30 178 824)	(27 321 984)
2. Acquisition of intangible and tangible fixed assets	(30 203)	(53 102)
III. Net cash flows from investing activities	(618 641)	(93 075)
NET CASH FLOWS FROM FINANCING ACTIVITIES		
I. Inflows	0	342 091
1. Issue of shares	0	167 091
2. Subordinated debt	0	175 000
II. Outflows	(456 229)	(582 291)
1. Payments of liabilities under financial lease	(11 731)	(9 371)
2. Interest on subordinated debt liabilities	(12 967)	(7 087)
3. Dividends paid	(170 393)	(262 139)
4. Interest paid on debt securities in issue	(31 138)	(53 694)
5. Redemption of debt securities in issue	(230 000)	(250 000)
III. Net cash flows from financing activities	(456 229)	(240 200)
TOTAL NET CASH FLOWS	14 283	(98 708)
BALANCE SHEET CHANGE IN CASH	14 283	(98 708)
CASH AT THE BEGINNING OF THE PERIOD	262 098	360 806
CASH AT THE END OF THE PERIOD	276 381	262 098

LUKAS Bank SA

THE INDEPENDENT AUDITORS' REPORT ON THE SUMMARIZED FINANCIAL STATEMENTS

To the Supervisory Board of LUKAS Bank SA

We have audited the financial statements for the year ended 31 December 2010 of LUKAS Bank SA ('the Bank') located in Wrocław at Plac Orłąt Lwowskich 1 ('the unabridged financial statements'), from which the attached summarized financial statements for the year ended 31 December 2010 presented on the pages from 28 to 32 of this annual report were derived by the Bank's Management Board ('the summarized financial statements'). The unabridged financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and based on properly maintained accounting records.

We conducted our audit of the unabridged financial statements, from which the summarized financial statements were derived, in accordance with the chapter 7 of the the Accounting Act dated 29 September 1994 (2009 Journal of Laws No. 152 item 1223 with subsequent amendments – 'the Accounting Act') and the national auditing standards issued by the National Council of Statutory Auditors. We issued an unqualified auditors' report including an emphasis of matter on these financial statements dated February 15, 2011. The emphasis of matter referred to the fact that as at December 31, 2010 the Management Board of the Bank, based on their professional judgment, created additional allowance as part of loan impairment allowance for incurred but not reported losses amounting to 22.2 million zlotys. As at December 31, 2009 this allowance amounted to 44.5 million zlotys. In 2010 the additional allowance in the amount of 22.3 million zlotys was used for impairment allowance for 'overindebted' loan portfolio.

In our opinion the attached summarized financial statements, in all material respects, are consistent with the unabridged financial statements, from which they were derived.

For a better understanding of the Bank's financial position as at 31 December 2010 and the results of its operations for the period from 1 January 2010 to 31 December 2010 and of the scope of our audit, the attached summarized financial statements should be read in conjunction with the unabridged financial statements from which the summarized financial statements were derived and our auditors' report relating to these financial statements.

on behalf of
Ernst & Young Audit sp. z o.o.
Rondo ONZ 1, 00-124 Warsaw
Reg. No. 130

Key Certified Auditor

(signed on Polish original)
Dorota Snarska-Kuman
certified auditor
No. 9667

Warsaw, May 23, 2011

LUKAS Bank S.A.

INCOME STATEMENT

for the year ended on 31 December 2010

(in PLN thousands)

	2010	2009
Continued activities		
Interest income	1 659 770	1 835 415
Interest expense	(446 372)	(504 408)
Net interest income	1 213 398	1 331 007
Fee and commission income	297 860	274 934
Fee and commission expense	(102 045)	(113 536)
Net fee and commissions income	195 815	161 398
Dividend income	14 473	11 998
Net result on trading activities	369	4 803
Net result on derivatives used as hedging instruments and hedged items	(171)	238
Net result on investment activities	0	19
Other operating income	27 029	25 552
Other operating expense	(29 658)	(17 299)
Other net operating income and expense	(2 629)	8 253
Net impairment losses on loans and advances	(576 547)	(643 750)
General administrative expenses	(791 182)	(811 075)
Net operating income	53 526	62 891
Profit before tax	53 526	62 891
Income tax expense	(5 601)	(10 420)
Net profit (loss)	47 925	52 471

In 2010 and 2009 there were no discontinued activities.

LUKAS Bank S.A.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended on 31 December 2010

(in PLN thousands)

	2010	2009
Net result for the current period	47 925	52 471
Valuation of available-for-sale financial assets	(142)	(1 021)
Deferred tax on the valuation of available-for-sale financial assets	27	194
Valuation of cash flow hedging instruments	274	0
Deferred tax on the valuation of cash flow hedging instruments	(52)	0
Other comprehensive income (losses) recognised directly in equity	107	(827)
Total comprehensive income (losses) of the current period	48 032	51 644

LUKAS Bank S.A.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2010

(in PLN thousands)

	31.12.2010	31.12.2009
ASSETS		
Cash, due from the Central Bank	269 274	250 969
Due from banks	7 851	159 114
Financial assets at fair value through profit or loss	837 981	465 700
Valuation of derivatives	6 965	5 877
– including derivatives used as hedging instruments	2 391	302
Loans and advances to customers	9 413 543	10 172 180
Investment securities	1 194 242	576 296
– including available-for-sale	1 194 242	576 296
Investments in subsidiaries	50	50
Investments in associates	2 000	2 000
Intangible assets	31 465	35 339
Tangible fixed assets	156 551	200 542
Current tax assets	9 499	51 274
Deferred tax asset	374 524	381 053
Other assets	48 752	98 464
TOTAL ASSETS	12 352 697	12 398 858
LIABILITIES		
Due to banks	3 348 473	3 382 641
Valuation of derivatives	20 762	30 750
– including derivatives used as hedging instruments	15 493	656
Due to customers	6 895 733	6 725 230
Debt securities in issued	377 159	610 272
Provisions	12 275	10 986
Other liabilities	236 138	224 851
Subordinated liabilities	176 160	176 163
TOTAL LIABILITIES	11 066 700	11 160 893
EQUITY		
Share capital	394 444	346 171
Supplementary capital	63 922	59 724
Revaluation reserve	132	25
Reserve capital	779 574	779 574
Retained profit	47 925	52 471
TOTAL EQUITY	1 285 997	1 237 965
TOTAL LIABILITIES AND EQUITY	12 352 697	12 398 858

LUKAS Bank S.A.

STATEMENT OF CHANGES IN THE SHAREHOLDERS' EQUITY

for the year ended on 31 December 2010

(in PLN thousands)

	Share capital	Supplementary capital	Revaluation reserve	Reserve capital	Retained profit	TOTAL EQUITY
Equity at the beginning of the period – as at 01.01.2010	346 171	59 724	25	779 574	52 471	1 237 965
Valuation of available-for-sale financial assets	0	0	(142)	0	0	(142)
Valuation of cash flow hedging instruments	0	0	274	0	0	274
Deferred tax on items recognised in equity	0	0	(25)	0	0	(25)
Net profit (loss) recognized directly in equity	0	0	107	0	0	107
Net result of the current year	0	0	0	0	47 925	47 925
Total comprehensive income (losses) for the current period	0	0	107	0	47 925	48 032
Share issue	48 273	0	0	(48 273)	0	0
Appropriation from retained profit	0	4 198	0	48 273	(52 471)	0
Dividend payment	0	0	0	0	0	0
Equity at the end of the period - as at 31.12.2010	394 444	63 922	132	779 574	47 925	1 285 997

for the year ended on 31 December 2009

(in PLN thousands)

	Share capital	Supplementary capital	Revaluation reserve	Reserve capital	Retained profit	TOTAL EQUITY
Equity at the beginning of the period – as at 01.01.2009	179 171	59 724	852	729 574	217 164	1 186 485
Valuation of available-for-sale financial assets	0	0	(1 021)	0	0	(1 021)
Valuation of cash flow hedging instruments	0	0	0	0	0	0
Deferred tax on items recognised in equity	0	0	194	0	0	194
Net profit (loss) recognized directly in equity	0	0	(827)	0	0	(827)
Net result of the current year	0	0	0	0	52 471	52 471
Total comprehensive income (losses) for the current period	0	0	(827)	0	52 471	51 644
Share issue	167 000	0	0	0	0	167 000
Appropriation from retained profit	0	0	0	50 000	(50 000)	0
Dividend payment	0	0	0	0	(167 164)	(167 164)
Equity at the end of the period – as at 31.12.2009	346 171	59 724	25	779 574	52 471	1 237 965

LUKAS Bank S.A.

CASH FLOW STATEMENT

for the year ended on 31 December 2010

(in PLN thousands)

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
I. Profit before tax	53 526	(62 891)
II. Total adjustments	851 375	(121 373)
1. Depreciation and amortisation	70 820	84 330
2. Dividend income	(14 473)	(11 998)
3. Change in provisions	1 289	(4 060)
4. Change in financial assets at fair value through profit or loss	(372 281)	(329 295)
5. Change in amounts due from banks	147 241	271 395
6. Change in amounts due from customers	758 637	(1 307 302)
7. Change in amounts due to banks	(34 168)	302 202
8. Change in amounts due to customers	170 503	1 127 754
9. Change in other liabilities	23 018	10 403
10. Change in other assets	49 713	(24 935)
11. Paid income tax	(13 761)	(221 809)
12. Other adjustments	64 837	(18 058)
III. Net cash flows from operating activities	904 901	(58 482)
CASH FLOWS FROM INVESTING ACTIVITIES		
I. Inflows	29 604 244	27 480 159
1. Disposal of shares or participations, other securities and other financial assets	29 589 670	27 468 074
– including debt securities of the State Treasury and the National Bank of Poland	29 589 670	27 468 074
2. Disposal of intangible and tangible fixed assets	101	87
3. Dividend income	14 473	11 998
II. Outflows	(30 209 025)	(27 375 069)
1. Acquisition of shares or participations, other securities and other financial assets	(30 178 824)	(27 321 984)
– including debt securities of the State Treasury and the National Bank of Poland	(30 178 824)	(27 321 984)
2. Acquisition of intangible and tangible fixed assets	(30 201)	(53 085)
III. Net cash flows from investing activities	(604 781)	105 090
NET CASH FLOWS FROM FINANCING ACTIVITIES		
I. Inflows	0	342 000
1. Issue of shares	0	167 000
2. Subordinated debt	0	175 000
II. Outflows	(285 836)	(487 316)
1. Payments of liabilities under financial lease	(11 731)	(9 371)
2. Interest on subordinated debt liabilities	(12 967)	(7 087)
3. Dividends paid	0	(167 164)
4. Interest paid on debt securities in issue	(31 138)	(53 694)
5. Redemption of debt securities in issue	(230 000)	(250 000)
III. Net cash flows from financing activities	(285 836)	(145 316)
TOTAL NET CASH FLOWS	14 284	(98 708)
BALANCE SHEET CHANGE IN CASH	14 284	(98 708)
CASH AT THE BEGINNING OF THE PERIOD	262 098	360 806
CASH AT THE END OF THE PERIOD	276 382	262 098



CONTACT

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