

To the shareholders of AB Lietuvos Žemės Ūkio Bankas

1. We have audited the financial statement of AB Lietuvos Žemės Ūkio Bankas (hereinafter "the Bank") and its consolidated subsidiaries (hereinafter "the Group") for the year ended 31 December 2002 prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and Interpretations issued by the IASB, from which Forms 1, 2, 3 and 4 (hereinafter "the Forms") and the explanatory letter were derived, in accordance with International Standards on Auditing, as issued by the International Federation of Accountants. We have issued a qualified auditor's report dated 26 February 2003 on these financial statements. The qualification is not relevant to these Forms and the explanatory letter as the matter referred to an incorrect treatment under International Financial Reporting Standards compliance but which is in compliance with the accounting principles required for completion of these Forms and the explanatory letter.
2. The information in these Forms and the explanatory letter was adjusted to comply with the Lithuanian regulatory legislation on accounting for banks.
3. In our opinion, the information in these Forms and the explanatory letter is consistent, in all material respects, with the financial statements from which these Forms and the explanatory letter were derived.
4. For a better understanding of the Bank's and Group's financial position and the results of their operations and cash flows for the period, management's responsibilities in connection with the financial statements and of the scope of our audit, the Forms and the explanatory letter should be read in conjunction with the financial statements from which these Forms and the explanatory letter were derived and our auditor's report thereon.

7 April 2003

On behalf of PricewaterhouseCoopers UAB



Christopher C. Butler
Partner



Irena Petruškevičienė
Auditor's Certificate No. 000208

Balance Sheet

Form 1

(LTL'000)

Item	31 December 2002		31 December 2001		
	Notes	Parent bank	Consolidated group data	Parent bank	Consolidated group data
Assets					
1. Cash, precious metals and other valuables		105,201	105,209	92,407	92,442
2. Claims on central banks	1	94,349	94,349	146,861	146,861
3. Claims on banks , credit and financial institutions	2	111,969	53,167	80,733	56,362
3.1. Deposits		51,774	52,178	54,457	56,362
3.2. Repurchase transactions					
3.3. Loans		60,195	989	26,276	
4. Treasury bills	11	42,533	44,934	50,912	53,809
5. Loans granted	3,4	1,068,507	1,068,507	935,920	935,920
6. Leasing	5		68,639		39,505
7. Government securities aimed at restructuring of banks	11	13,325	13,325	18,777	18,777
8. Debt securities	6,11	307,845	328,350	227,472	237,674
9. Claims under the derivatives contracts		472	472	318	318
10. Equity investments	7,11	23,359	5,565	21,648	6,058
10.1. Investments recorded according to the equity method		22,106	4,312	19,509	3,919
11. Intangible assets (less amortisation)	8	3,569	4,173	4,599	5,199
12. Tangible fixed assets (less depreciation)	9	109,757	113,636	122,347	124,076
12.1. Buildings and other immovable property		81,584	81,746	92,069	92,234
12.2. Vehicles		1,462	4,264	3,568	4,608
12.3. Office equipment, etc.		26,711	27,626	26,710	27,234
13. Accrued income and deferred expenses	11	4,612	6,311	15,964	16,413
14. Other assets	10	13,313	25,642	23,791	31,532
15. Assets under management	12	110,344	110,344	124,271	124,271
16. Total assets		2,009,155	2,042,623	1,866,020	1,889,217

Liabilities

17. Liability to central banks					
18. Claims of banks, credit and financial institutions	13	270,433	286,649	234,564	249,697

Balance Sheet (continuation)

(LTL'000)

Item	31 December 2002			31 December 2001	
	Notes	Parent bank	Consolidated group data	Parent bank	Consolidated group data
18.1. Deposits		162,225	161,177	60,240	57,736
18.2. Repurchase transactions					
18.3. Leasing		108,208	125,472	174,324	191,961
19. Deposits and letters of credit	14	1,359,251	1,359,251	1,273,099	1,273,099
20. Liabilities under the derivatives contracts		1,322	1,322	312	312
21. Special and lending funds	15	44,289	44,289	31,321	31,321
22. Debt securities issued	16				
23. Accrued expenses and deferred income		7,457	7,696	10,235	11,065
24. Subordinated loans	17	35,308	35,308	36,069	36,069
25. Other liabilities	17	20,964	37,977	19,450	26,684
26. Liabilities for assets under management	12	110,344	110,344	124,271	124,271
27. Total liabilities		1,849,368	1,882,836	1,729,321	1,752,518

Shareholders' equity					
30. Capital and reserves		159,787	159,787	136,699	136,699
30.1. Registered share capital		176,585	176,585	102,839	102,839
30.2. Purchased own shares					
30.3. Share premium					
30.4. Revaluation reserve		5,221	5,221	5,275	5,275
30.5. Financial assets revaluation reserve					
30.6. Retained profit (loss)	18				
30.7. Profit (loss) of the current financial year	18	-50,604	-50,604	8,243	8,243
30.8. Other capital and reserves		28,585	28,585	20,42	20,342
30.9. Funds of foreign bank affiliate (branch) received from the head office					
31. Minority's equity					
32. Total liabilities and shareholders' equity		2,009,155	2,042,623	1,866,020	1,889,217

Off-balance Sheet Items

(LTL'000)

Item	31 December 2002		31 December 2001		
	Notes	Parent bank	Consolidated group data	Parent bank	Consolidated group data
Bank commitments and claims					
1. Guarantees and warranties issued		30,153	30,153	39,152	39,152
2. Commitments to issue letters of credit		13,356	13,356	12,251	12,251
3. Irrevocable credit commitments		205,828	158,428	142,337	133,614
4. Other off-balance commitments	19	2,803	12,731	1,862	9,710
5. Financial derivatives	19				
5.1. Interest rate agreements					
5.1.1. Amounts receivable (claims)					
5.1.2. Amounts payable (commitments)					
5.2. Currency purchase/sale contracts					
5.2.1. Currency purchase contracts (claims)		75,422	75,422	44,694	44,694
5.2.2. Currency sale contracts (commitments)		76,256	76,256	44,688	44,688



Chairman of the Management Board
T.S. Buerkle



Chief Accountant
S. Vaiciukevičius

Profit and Loss Account

Form 2

(LTL'000)

Item	31 December 2002		31 December 2001		
	Notes	Parent bank	Consolidated group data	Parent bank	Consolidated group data
1. Interest income		96,571	101,170	121,852	125,144
1.1. On loans to credit and financial institutions, and on funds with credit institutions		4,564	2,710	4,446	2,824
1.2. On other loans		73,506	73,506	95,512	95,512
1.3. On subordinated loans					
1.4. On debt securities acquired		18,501	19,737	21,894	23,097
1.5. Other interest and equivalent income	20		5,217		3,711
2. Interest expenses		37,874	39,094	59,147	59,682
2.1. For liabilities to credit and financial institutions and for funds of credit institutions		7,797	9,017	9,197	9,732
2.2. For deposits and other repayable funds		27,735	27,735	46,583	46,583
2.3. For subordinated loans		2,342	2,342	3,367	3,367
2.4. For debt securities issued					
2.5. Other interest expenses	20				
3. Net interest income (1-2)		58,697	62,076	62,705	65,462
4. Expenses for provisions		53,429	53,429	13,579	13,579
4.1. Specific provisions for loans and interest		43,928	43,928	13,485	13,485
4.2. Specific provisions for guarantees		520	520	94	94
4.3. Provisions for overall loan portfolio risk		8,981	8,981		
5. Net interest income after provisions (3-4)		5,268	8,647	49,126	51,883
6. Fees and commission income		32,922	33,441	34,008	35,662
7. Fees and commission expenses		1,224	2,318	2,152	2,748
8. Net interest, fee and commission income (5+6-7)		36,966	39,770	80,982	84,797
9. Income from equity investments		2,636	501	2,458	706
9.1. Profit (loss) from investments accounted for by the equity method		2,570	435	2,312	560
10. Profit (loss) from operations with foreign currency		9,674	9,506	5,338	5,869
10.1. Realised profit (loss) from operations with foreign currency		10,130	10,130	7,061	8,145
10.2. Unrealised profit (loss) from operations with foreign currency		-456	-624	-1,723	-2,276
11. Profit (loss) from operations with securities		10,980	11,462	1,288	1,397
11.1. Realised profit (loss)		4,824	4,820	1,703	1,812
11.2. Unrealised profit (loss)		6,156	6,642	-415	-415
12. Result of primary activities (8+9+10+11)		60,256	61,239	90,066	92,769

Profit and Loss Account (continuation)

(LTL'000)

Item	31 December 2002			31 December 2001	
	Notes	Parent bank	Consolidated group data	Parent bank	Consolidated group data
13. Other bank income		20,668	40,719	15,232	21,010
14. Operating expenses		81,746	90,771	68,835	74,318
14.1. Salaries, social security and other related payroll costs		54,681	61,083	47,319	51,469
14.2. Training courses and business trips		1,047	1,199	1,069	1,171
14.3. Rent and maintenance of buildings		8,008	8,317	6,612	6,668
14.4. Transport, post and communications expenses		5,736	6,616	5,319	5,843
14.5. Advertising and marketing		1,969	2,848	1,826	2,141
14.6. Other operating expenses		10,305	10,708	6,690	7,026
15. Other bank expenses		30,447	40,853	17,010	18,793
16. Amortisation and depreciation		10,881	11,767	9,618	9,939
17. Expenses for other provisions		5,712	6,218	84	812
17.1. Provisions for other doubtful assets		5,149	5,655	406	1,134
17.2. Provisions for other off-balance sheet liabilities		563	563	-322	-322
18. Result from ordinary bank activities (12+13-14-15-16-17)		-47,862	-47,651	9,751	9,917
19. Result from exceptional and extraordinary activities		-182	-182	-408	-386
20. Result before taxes (18+19)		-48,044	-47,833	9,343	9,531
21. Profit tax			211		188
22. Deferred taxes and profit tax adjustment		2,560	2,560	1,100	1,100
23. Minority profit (loss) share					
24. Net profit (loss)		-50,604	-50,604	8,243	8,243
25. Profit per share (LTL)		-51.05	-51.05	7.61	7.61



Chairman of the Management Board
T.S. Buerkle



Chief Accountant
S. Vaiciukevičius

Cash Flow Statement

Form 3

(LTL'000)

Item	31 December 2002 Parent bank	31 December 2001 Parent bank
CASH FLOWS FROM BANKING ACTIVITIES		
1. Income (expenses)		
1.1. Interest income	80,451	97,303
1.2. Interest expenses	-41,125	-59,638
1.3. Recovery of loans previously written-off	13,503	6,292
1.4. Net income from operations with foreign currency	10,130	7,061
1.5. Net income from operations with securities	4,824	1,703
1.6. Net fee and commission income	31,698	31,856
1.7. Expenses associated with payment of salaries	-50,672	-47,319
1.8. Other income (expenses)	-35,703	-36,373
A. Result of activities	13,106	885
2. (Increase) Decrease in current assets		
2.1. (Increase) Decrease in reserve requirement at central bank	17,248	-22,237
2.2. (Increase) Decrease in loans to credit and financial institutions	2,222	12,163
2.3. (Increase) Decrease in granted loans	-185,459	-137,667
2.4. (Increase) Decrease in securities	24,546	90,271
2.5. (Increase) Decrease in other current assets	-2,250	-6,669
B. Changes in current assets	-143,693	-64,139
3. Increase (decrease) in liabilities		
3.1 Increase (decrease) in liability to central bank		
3.2 Increase (decrease) in liabilities to credit and financial institutions	35,869	95,231
3.3 Increase (decrease) in deposits and letters of credit	99,120	146,549
3.4 Increase (decrease) in other liabilities	-3,078	-22,941
C. Changes in liabilities	131,911	218,839
D. Net cash flows form banking activities before taxes (A+B+C)	1,324	155,585
4. Profit tax		
E. Net cash flows form banking activities after taxes (D-4)	1,324	155,585
CASH FLOWS FROM INVESTMENT ACTIVITIES		
5. (Acquisition) Sale of tangible fixed assets and intangible assets	-12,272	-13,853
6. (Investment in) securities and sale thereof	-31,138	-141,726
7. Dividends received	66	146
8. Income received	18,586	15,403
9. Cash flows from other investment activities		

Cash Flow Statement (continuation)

(LTL'000)

Item	31 December 2002 Parent bank	31 December 2001 Parent bank
F. Net cash flows from investment activities	-24,758	-140,030
CASH FLOWS FROM FINANCIAL ACTIVITIES		
10. Issue of own securities /only paid up part/		
11. (Purchase of) own securities		
12. Dividends paid		
13. Interest paid		
14. Cash flows from other financial activities	73,746	-645
G. Net cash flows from financial activities	73,746	-645
INCREASE (DECREASE) IN CASH (E+F+G)	50,312	14,910
15. Cash as of 31 December of the current financial year	190,490	140,178
16. Cash as of 1 January of the current financial year	140,178	125,268



Chairman of the Management Board
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Chief Accountant
S. Vaiciukevičius

Statement on Changes in Equity

Form 4

(LTL'000)

Shareholders' equity	31 December 2002		31 December 2001		Increase (+) or decrease (-)	
	Parent bank	Consolidated group data	Parent bank	Consolidated group data	Parent bank	Consolidated group data
1. Capital and reserves						
1.1. Registered share capital	176,585	176,585	102,839	102,839	73,746	73,746
1.2. (purchased own shares)						
1.3. Share premium						
1.4. Reserve capital	28,585	28,585	20,342	20,342	8,243	8,243
1.5. Previous year retained earnings or loss						
1.6. General reserves for loan losses						
1.7. Other general reserves						
1.8. Fixed assets revaluation reserve	5,221	5,221	5,275	5,275	-54	-54
1.9. Financial assets revaluation reserves						
1.10. Restricted (distributable) profit						
1.11. Current year profit (loss)	-50,604	-50,604	8,243	8,243	-58,847	-58,847
2. Total shareholders' equity	159,787	159,787	136,699	136,699	23,088	23,088



Chairman of the Management Board
T.S. Buerkle



Chief Accountant
S. Vaiciukevičius

Explanatory Letter

General information

Joint Stock Company Lietuvos Žemės Ūkio Bankas (hereinafter referred to as "the Bank") was registered with the Bank of Lithuania in September 1993. The Bank was licensed by the Bank of Lithuania to perform all banking operations provided for in the Bylaws of the Bank which are prepared following the Law on Commercial Banks of the Republic of Lithuania.

The Head Office of the Bank is located at the address Basanavičiaus Str. 26, Vilnius. At the end of the reporting period the Bank had 46 Branches and the number of employees totalled 1 583.

On 31 December 2002, the share capital of the Bank was comprised of 1,858,794 ordinary registered shares (until 16 December 2002 1,082,517) with a par value of LTL 95. In December the Bank increased its capital by a new share issue of 776,277 shares with a par value of LTL 95. The entire share issue was purchased by the bank Norddeutsche Landesbank-Girozentrale.

Shareholders of the Bank:

German bank Norddeutsche Landesbank-Girozentrale owns 1,730,380 shares (93.09 per cent), AB Vilniaus Bankas owns 123,835 shares (6.66 per cent), Other shareholders own 4,579 shares (0.25 per cent).

The Bank has not repurchased its shares.

The Bank owns (controls) 100 per cent of its Subsidiaries UAB "Lietuvos Žemės Ūkio Banko Lizingas", UAB "Lietuvos Žemės Ūkio Banko Draudimas", UAB "Lietuvos Žemės Ūkio Banko Gyvybės Draudimas" and has a significant interest (34 per cent) in the company UAB "Mokėjimo Kortelių Sistemos".

The Head Office of UAB "Lietuvos Žemės Ūkio Banko Lizingas" is located at the address Smolensko Str. 6, Vilnius, the Head Office of UAB "Lietuvos Žemės Ūkio Banko Draudimas" is located at the address Vilniaus Str. 28, Vilnius, the Head Office of UAB "Lietuvos Žemės Ūkio Banko Gyvybės Draudimas" - at the address Vilniaus Str. 18, Vilnius, and the Head Office of UAB "Mokėjimo Kortelių Sistemos" - at the address Švitrigailos Str. 7/16, Vilnius.

Accounting principles of different accounting areas

Accounting is kept in compliance with the accounting policy of the Bank prepared following the Laws on Accounting and Commercial Banks of the Republic of Lithuania, regulatory documents of the Government of the Republic of Lithuania and the Board of the Bank of Lithuania, as well as the international accounting standards.

Accounting policy is the aggregate of the rules, procedures and accounting activities set by the Bank, based on which the accounting is organised in such a way that all the activity operations are entered in the accounting registers. The Bank follows the main accounting principles such as going concern, consistency of accounting, content over form priority, accrual basis.

The basis for report preparation

Financial statements are prepared following the general principles of accounting, the accounting policy of the Bank, the International Accounting Standards as well as the following principles indicating

the quality of the financial statements: understandability, importance, comparability, correctness and other principles ensuring reliable information.

The data in the financial statements is provided in the national currency Litas (LTL).

Consolidated financial statements

The Bank prepares consolidated financial statements reflecting the data of the Bank and a credit institution or a company controlled by the Bank and in which the Bank has a significant interest.

The financial statements are consolidated based on the full consolidation and equity methods.

When the financial statements are consolidated based on the method of full consolidation, the financial statement items of the Bank and the credit institution or the company are consolidated by adding the amounts of the assets, liabilities, equity, income, expenses, profit (loss) and by elimination of inter-group assets, liabilities, equity, income, expenses, profit (loss).

When the financial statements are consolidated based on the equity method the investment and profit (loss) items of the financial statements of the Bank are increased or reduced by the profit or loss of the credit institution or the company.

Based on the decision of the Management Board of the Bank, the financial statements are consolidated with the following companies:

- UAB "Lietuvos Žemės Ūkio Banko Lizingas" (full consolidation method);
- UAB "Lietuvos Žemės Ūkio Banko Draudimas" (full consolidation method);
- UAB "Lietuvos Žemės Ūkio Banko Gyvybės Draudimas" (full consolidation method);
- UAB "Mokėjimo Kortelių Sistemos" (equity method).

Recognition of income and expenses

Interest income on loans is accounted on an accrual basis, i.e. interest income is reflected in the accounting during the entire period estimated in the loan agreement irrespective of the date of cash receipt. When interest income calculation periods do not correspond to the interest generating period, interest not paid is accrued in the balance sheet for 30 additional calendar days, calculating from the next day of the first interest payment period on which the interest is not fully paid, or for one more calendar month if the interest payment period expires on the last day of a month. The interest accrued during a later period is accounted in the off-balance.

Interest expenses are recognised on an accrual basis, i.e. interest expenses for loans and deposits are reflected in the accounting during the entire effective period of the agreement irrespective of when the expenses were incurred.

Commission fees, certain taxes and other similar income and expenses are recognised when gained or incurred.

Interest income on the Government securities or other debt securities is calculated on an accrual basis.

Revenue gained during the reporting period and not recognised as income of this period is reflected as liabilities in the accounting and

the expenses incurred during the reporting period and not recognised as expenses during the reporting period are reflected as assets in the balance sheet.

Extraordinary income and expenses are recognised only when gained or incurred.

Investments into securities

Investments cover the securities held for trading, securities available for sale and securities held to maturity.

The securities held for trading are such securities which are intended to gain profit from fluctuation in current prices or trading margin, or which are included in the securities portfolio held to earn short-term profit.

The securities held for trading are accounted at acquisition value taking into consideration the cost of expenses incurred prior to the ownership of the securities and later on revaluated at a fair value based on market prices or, in case the market price is unreliable, by using the discounted cash flow model. The securities available for sale are such securities which are to be held for an indefinite period of time and which might be sold in case of the need for liquidity or upon any changes in the interest rates, foreign exchange rates or the prices of the equity market.

The securities held to maturity are acquired in order to generate profit from long-term investments with a fixed redemption maturity.

The securities are accounted at an acquisition price at the moment of purchase and later on the ones to be sold are revaluated at a fair value according to the market prices.

The securities held to maturity are evaluated at an amortised cost price by using an effective interest rate, and in case of a long-lasting decrease in the long-term assets value they are revaluated at a fair value.

Loans granted and purchased

Loans granted, which is direct lending to the borrower (or lending via the agent), are evaluated at an amortised cost price.

Specific provisions are made for loan impairment. Besides, after evaluation of the fair value of the doubtful assets, general specific provisions are made to cover possible losses. Following the Methodology for Evaluation of Doubtful Assets established by the Bank of Lithuania, the loans ascribed to the loss loan group are written off during one quarter.

Loans purchased are accounted at an acquisition price when purchased. Such loans are divided into the assets held to maturity and assets available for sale when it is intended to hold the loans for an indefinite period of time, i.e. to sell them.

Long-term tangible and intangible assets

Long-term assets cover both tangible and intangible assets used to earn economic profit for a period longer than one year and the acquisition price of which is at least LTL 500.

The acquisition value of the assets is comprised of all the expenses including the commission fees and taxes (levies, with the exception of the value added tax) paid.

The assets are accounted at acquisition value less accumulated depreciation plus revaluation.

Given the changed market prices, the long-term tangible assets were revaluated at net sales price, and the decrease in the assets value was reflected in the profit (loss) account.

Liquidation value of the long-term tangible assets by asset groups is determined as follows: real estate - 10 per cent of the acquisition value, cars - LTL 500, other assets - LTL 1.

Depreciation of the operating assets is calculated based on a straight-line method less the liquidation value, starting the calculation from the first day of next month following the beginning of the exploitation of the long-term assets until the first day of next month following their write-off. The amount accrued is transferred monthly to the expenses. The following periods of useful life are determined by the asset groups: buildings and premises - 40-100 years; vehicles - 5-9 years; computers and their equipment - 3-5 years; furniture, equipment, other inventory - 2-36 years. Intangible assets: software, licences - 3-5 years.

Expenses for the repair of the long-term assets, which do not exceed 50 per cent of the acquisition value of the repaired assets, are included in the profit (loss) account when incurred. Significant renewal of the fixed assets is capitalised and depreciated over the remaining useful life.

On 31 December 2002 the Bank had no long-term operational assets acquired by financial leasing.

Short-term assets

The assets used within one financial year to generate income are classified as short-term assets. Such assets are recorded in the expenses immediately after they are transferred for use.

Foreclosed assets

The assets foreclosed from defaulted borrowers are recorded at the lower of acquisition and market values determined by independent qualified assets valuation companies or assets valuers of the Bank.

The liabilities of the borrower are covered by the foreclosed asset value in the procedure set by the Bank. Such assets are usually not used in the banking activity.

Derivative instruments

Derivative instruments include foreign exchange forwards, swaps and options as well as other derivatives. Derivatives are accounted at acquisition cost price and subsequently they are revaluated at their fair values. The transactions signed but not fulfilled are recorded in the off-balance as claims and/or liabilities.

Upon the changed Litas to foreign currency exchange rate, the off-balance liabilities and off-balance claims are revaluated by recognising unrealised profit or loss. The realised profit/loss is recognised when the payment for the transaction is made.

Taxes

The Group is liable to pay the following taxes imposed by the Government of the Republic of Lithuania:

- corporate profit tax (a tax loss as of the reporting year);
- individual income tax;
- land lease, land taxes;
- real estate tax;
- deductions from realization income under the Law on Road Fund of the Republic of Lithuania;
- value added tax;
- stamp duty and state levy.

All the taxes are calculated and paid in the procedure set by the applicable laws of the Republic of Lithuania and in the procedure established by the Government of the Republic of Lithuania. The Group is not entitled to any tax relieves.

The deferred taxation asset of the previous periods was revised in the reporting year and in view of the fact that its realization is hardly possible in the future, the remaining unused part of deferred taxation is included in the expenses.

Cash and cash equivalents

Cash and cash equivalents comprise the cash, other valuables, correspondent account balances, correspondent account and time deposits with the Bank of Lithuania and short-term, treasury bills with the maturity shorter than three months.

Foreign currency

All foreign exchange transactions in the accounting are reflected in Litas according to the exchange rates of the Bank of Lithuania ruling on 31 December 2002.

All monetary and non-monetary liabilities in foreign exchange are recalculated to national currency (Litas) according to the official exchange rate quoted by the Bank of Lithuania and ruling on the day of transaction and upon the change of the rate. Income and expense balances are not recalculated and are reflected at the exchange rate ruling on the date of transaction.

The profit gained or loss incurred due to recalculation of foreign currency to Litas is reflected in the balance sheet and shown in the profit (loss) account as unrealised profit (loss) item.

Differences between the audited statements and the statements published by the Bank

The loss of the Bank (Group) of 2002 amounts to LTL 50,604 thousand in the financial statements. This loss is different from that in the audited statements (LTL 56,995 thousand in the audited statements), as the impact of IAS 39 is reflected in 2001. The impact of IAS 39 application was reflected in the accounting and financial statements of the Bank (Group) in 2002.

IAS 39 sets also other classification principles of the financial assets and financial liabilities in the balance sheet. Securities, with the exception of T-bills, are classified into the following groups in the audited balance sheet: held-for-trading, available-for-sale, held-to-maturity as well as securities of the subsidiaries and the associated companies.

The item "Deposits and letters of credits" was increased by the funds of the compulsory social and health insurance fund in the audited balance sheet according to the International Accounting Standards (hereinafter referred to as IAS) as follows: as at 31 12 2002 - LTL 20,264 thousand, as at 31 12 2001 - LTL 26,010 thousand. These funds are shown in the item "Special and lending funds" in the statements published by the Bank.

According to IAS in the audited profit (loss) account the expenses items "Specific provisions for loans and accrued interest" and "Provisions for other doubtful assets" were reduced by income received after repayment of the previously written-off loans, interest and other doubtful assets as follows: as at 31 12 31 due to repaid amounts of written-off loans and interest - LTL 17,012 thousand; due to repaid amounts of other written-off doubtful assets - LTL 446 thousand and as at 31 12 2001 due to repaid amounts of written-off loans and interest - LTL 12974 thousand; due to repaid amounts of written-off assets - LTL 0 thousand. These amounts are reflected in the item "Other bank income" in the statement published by the Bank.

The items "Other income" and "Other expenses" were reduced by the setoff transactions in the audited profit (loss) account as follows: as at 31 12 2001 - LTL 114 thousand; as at 31 12 2002 - LTL 0. These amounts increase the relative items in the statement published by the Bank.

All the differences indicated by the items affect neither the total amount of assets and liabilities of the balance sheet nor the result indicated in the profit (loss) account.

Note 1 Placements with central banks

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Placements with central banks:	94,349	94,349	146,861	146,861
correspondent accounts	1,761	1,761	37,026	37,026
target deposits	-	-		
mandatory reserves	92,588	92,588	109,835	109,835
repurchase transactions	-	-		

Mandatory reserves comprise the funds calculated on a monthly basis as a 6 per cent share of the average balance of deposits of the previous month. The mandatory reserves are held with the Bank of Lithuania in the form of non-interest bearing deposits under the Bank of Lithuania's regulations. Mandatory reserves in foreign currency are not available to finance the Bank's day-to-day operations.

Table 2 Due from credit and financial institutions

	LTL thousand			
	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Correspondent bank accounts	11,101	11,101	6,808	6,813
Deposits	40,673	41,077	47,649	49,549
Repurchase transactions				
Loans:				
short-term (up to 1 year)	989	989		-
long-term (over 1 year)	59,206	-	26,276	-
Total:	111,969	53,167	80,733	56,362
(Provisions)				
(specific provisions)	-	-	-	-
(general provisions)	-	-	-	-
Net value	111,969	53,167	80,733	56,362

Long-term loans amounting to LTL 59,206 thousand are granted to the Bank's subsidiary UAB "Lietuvos Žemės Ūkio Banko Lizingas".

Table 3 Net loans granted

	LTL thousand			
	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Loans granted:				
short-term (up to 1 year)	253,329	253,329	185,027	185,027
long-term (over 1 year)	836,421	836,421	758,899	758,899
Total loans	1,089,750	1,089,750	943,926	943,926
(Provisions)				
(specific provisions)	(12,371)	(12,371)	(8,006)	(8,006)
(general provisions)	(8,872)	(8,872)	-	-
Net loans granted	1,068,507	1,068,507	935,920	935,920

Throughout 2002 movement in specific provisions is as follows:

- increase in specific provisions - LTL 43,278 thousand, including provisions for soft loans - LTL 4 thousand;
- decrease in specific provisions due to write-offs by decision of the Management Board of the Bank - LTL 38,778 thousand;
- decrease in specific provisions due to the exchange rate change - LTL 244 thousand.

Note 4 Loans by industry sectors

LTL thousand

Loans by industry sectors	Current financial year		Total loans	Specific provisions
	Short-term	Long-term		
To legal entities and persons without legal status:				
Agriculture, hunting, forestry	50,056	46,875	96,931	2,183
Fishery	50	246	296	7
Mining and quarrying	6,445	18,957	25,402	404
Manufacturing	80,698	142,711	223,409	7,471
Power, gas and water supply	18,701	36,543	55,244	750
Construction	7,920	37,844	45,764	976
Wholesale and retail trading, repair of cars and motorcycles, repair of personal and household articles	27,336	79,218	106,554	2,610
Hotels and restaurants	515	22,087	22,602	2,134
Transport, storage and communications	22,427	35,270	57,697	1,022
Real estate, rent and other business activities	9,838	41,582	51,420	733
State governance and defence; compulsory social security	18,486	82,906	101,392	-
Education	-	7,760	7,760	7
Health and social care	535	2,017	2,552	13
Other utility, social and personal services	4,616	36,215	40,831	532
Other industry sectors				
Total:	247,623	590,231	837,854	18,842
Loans not attributed to industry sectors (individuals and housing associations)	5,706	246,190	251,896	2,401
Total gross loans granted	253,329	836,421	1,089,750	21,243

LTL thousand

Loans by industry sectors	Short-term	Previous financial year		Specific provisions
		Long-term	Total loans	
To legal entities and persons without legal status:				
Agriculture, hunting, forestry	9,518	18,545	28,063	710
Fishery	132	49	181	-
Mining and quarrying	640	18,344	18,984	-
Manufacturing	71,981	87,245	159,226	2,825
Power, gas and water supply	14,351	31,241	45,592	120
Construction	4,875	61,781	66,656	169
Wholesale and retail trading, repair of cars and motorcycles, repair of personal and household articles	53,311	71,863	125,174	248
Hotels and restaurants	768	22,705	23,473	39
Transport, storage and communications	3,979	45,759	49,738	354
Real estate, rent and other business activities	1,094	41,799	42,893	194
State governance and defence; compulsory social security	12,607	168,952	181,559	
Education	-	11,548	11,548	
Health and social care	161	2,441	2,602	
Other utility, social and personal services	5,307	29,435	34,742	2,688
Other industry sectors				
Total:	178,724	611,707	790,431	7,347
Loans not attributed to industry sectors (individuals and housing associations)	6,303	147,192	153,495	659
Total gross loans granted	185,027	758,899	943,926	8,006

As at 31 12 2002 the column "Specific provisions" shows specific provisions with general provisions included amounting to LTL 8,872 thousand.

Under the Bank of Lithuania's regulations the maximum exposure per single borrower, except for loans guaranteed by the Government of the Republic of Lithuania, cannot exceed 25 per cent of the Bank's capital. In 2002, the Bank followed the requirement set by the Bank of Lithuania and it accounted for 21.38 per cent of the Bank's capital as at 31 December 2002.

Note 5 Leasing

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Leasing	-	69,352	-	40,121
(general and specific provisions)	-	(713)		(616)
Net	-	68,639		39,505

The business activities of Bank's subsidiary UAB "Lietuvos Žemės Ūkio Banko Lizingas" include financial leasing and factoring services. Financial leasing is applied to the following types of assets: automobiles, real estate, manufacturing facilities, cargo vehicles, agricultural machinery, office equipment, and household appliances.

Note 6 Debt securities

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Government bonds of the Republic of Lithuania	275,304	294,343	208,475	217,277
Bonds of the Russian Ministry of Finance	2,794	2,794	2,480	2,480
Private enterprises	29,747	31,213	16,517	17,917
Total:	307,845	328,350	227,472	237,674

The bonds of the Russian Ministry of Finance held by the Bank (Group) are the 8th issue bonds acquired following the conversion of the 3rd issue bonds. The 8th issue bonds are traded in the secondary market and they are due for redemption on 14 November 2007.

Note 7 Equity securities

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
UAB "LŽŪB Lizingas"	4,086	-	3,400	-
UAB "LŽŪB Draudimas"	8,319	-	7,208	-
UAB "LŽŪB Gyvybės Draudimas"	5,389	-	4,982	-
UAB "Mokėjimo Kortelių Sistemose"	4,312	4,312	3,919	3,919
AB "Sanitas"	225	225	146	146
AB "Kauno Audiniai"	3	3	4	4
AB "Alita"	98	98	66	66
AB "Vilniaus Vingis"	69	69	40	40
AB "Lietuvos Telekomas"	706	706	1,490	1,490
AB "Lisco Baltic Service"	73	73	39	39
AB "Lietuvos Jūrų Laivininkystė"	18	18	13	13
AB "Kalnapilis"	-	-	258	258
AB "Mažeikių Nafta"	29	29	49	49
AB "Linas"	28	28	25	25
Other companies	4	4	9	9
Total securities	23,359	5,565	21,648	6,058

Note 8 Intangible assets

LTL thousand

	Bank	Group
Book value at 31 December of the previous financial year	9,879	10,720
Increase (decrease) throughout the year	946	1,159
Balance at 31 December of the current financial year	10,825	11,879
Accumulated amortisation at 31 December of the previous financial year	(5,280)	(5,521)
Calculated throughout the year	(1,976)	(2,185)
Increase (decrease) throughout the year	-	-
Accumulated amortisation at 31 December of the current financial year	(7,256)	(7,706)
Net book value:		
At 31 December of the previous financial year	4,599	5,199
At 31 December of the current financial year	3,569	4,173

Intangible assets consist of purchases of computer software and software licences.

Note 9 Tangible assets

LTL thousand

	Buildings and other real estate		Vehicles		Office equipment, etc.		Construction in progress		Total	
	Bank	Group	Bank	Group	Bank	Group	Bank	Group	Bank	Group
Book value at 31 December of the previous year	98,638	98,803	8,815	10,056	64,011	64,904	4,757	4,757	176,221	178,520
Increase (decrease) throughout the year	(4,839)	(4,839)	(2,039)	77	(2,208)	(1,514)	(4,618)	(4,618)	(13,704)	(10,894)
Balance at 31 December of the current financial year	93,799	93,964	6,776	10,133	61,803	63,390	139	139	162,517	167,626
Accumulated depreciation at 31 December of the financial year	(11,326)	(11,326)	(5,247)	(5,449)	(37,301)	(37,669)	-	-	(53,874)	(54,444)
Calculated throughout the year	(1,071)	(1,074)	(978)	(1,332)	(6,856)	(7,177)	-	-	(8,905)	(9,583)
Increase (decrease) throughout the year	43	43	911	912	9,065	9,082	-	-	10,019	10,037
Accumulated depreciation at 31 December of the current financial year	(12,354)	(12,357)	(5,314)	(5,869)	(35,092)	(35,764)	-	-	(52,760)	(53,990)
Net book value										
At 31 December of the previous financial year	87,312	87,477	3,568	4,607	26,710	27,235	4,757	4,757	122,347	124,076
At 31 December of the current financial year	81,445	81,607	1,462	4,264	26,711	27,626	139	139	109,757	113,636

No tangible assets of the Bank are pledged.

In December 2002 the Bank assessed the carrying value of buildings, vehicles and some other fixed assets for impairment. The value for vehicles was established by independent experts while the value for buildings and other assets was established by the Bank's property estimators. The value of fixed assets of the Bank was impaired by about LTL 13 million by disclosing expenses in the profit (loss) account.

Note 10 Other assets

Assets foreclosed by the Bank and shown in the balance sheet of the Bank are given in the table below by type:

Assets	LTL thousand							
	Current financial year				Previous financial year			
	Bank		Group		Bank		Group	
	Foreclosure value	Specific provisions	Foreclosure value	Specific provisions	Foreclosure value	Specific provisions	Foreclosure value	Specific provisions
Commercial premises	1,380	370	1,380	370	2,181	1,057	2,181	1,057
Industrial premises	3,675	2,839	3,675	2,839	4,221	2,396	4,221	2,396
Dwelling premises	623	400	623	400	817	378	817	378
Construction in progress	2,023	157	2,023	157	45	68	45	68
Other	4,850	4,546	4,850	4,546	4,437	381	4,437	381
Total:	12,551	8,312	12,551	8,312	11,701	4,280	11,701	4,280

In 2002, foreclosed assets totalled LTL 6,039 thousand, receivables for foreclosed assets sold amounted to LTL 5,329 thousand.

Other assets, assets foreclosed for loans excluded, are presented in the table below:

	LTL thousand			
	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Customer exposure to the Bank	-	-	-	-
Accrued interest income	2,653	2,122	14,272	14,346
Transit accounts	29	29	-	-
Deferred expenses	2,067	4,297	2,092	2,467
Foreclosed assets sold on an instalment basis	7,312	7,312	9,323	9,323
Other assets	4,459	17,667	9,880	18,107
(Specific provisions)	(2,834)	(3,713)	(2,915)	(3,401)
Total net assets:	13,686	27,714	32,652	40,842

Note 11 Provisions for assets and off-balance sheet items

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Specific provisions for asset items - total:	32,389	33,981	16,721	17,823
T-bills (Russian)	-	-	1,520	1,520
loans	21,243	21,243	8,006	8,006
interbank loans	-	-	-	-
leasing	-	713	-	616
accrued income	108	108	82	82
foreclosed assets	8,312	8,312	4,280	4,280
other assets	2,726	3,605	2,833	3,319
Specific provisions for off-balance sheet items	952	952	390	390
Total specific provisions	33,341	34,933	17,111	18,213

In 2001, the Bank did not make provisions for general risk of asset and off-balance sheet items. As at 31 December 2002 the Bank made LTL 8,872 thousand general provisions.

Note 12 Assets under management and related liabilities

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Assets under management	110,344	110,344	124,271	124,271
Liabilities related to assets under management	110,344	110,344	124,271	124,271

The Bank manages these assets (loans) on behalf of the Ministry of Finance and the Ministry of Agriculture of the Republic of Lithuania. The Bank is not subject to any credit risk. The Bank's credit risk for these loans is limited to customer's failure to pay the accrued interest margin.

Note 13 Due to credit and financial institutions

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Correspondent bank accounts	9,462	9,462	25,641	24,237
Deposits	152,763	151,715	34,599	33,499
Of which deposits pledged to secure loans granted	-	-	-	-
Repurchase transactions	-	-	-	-
Loans				
- short-term (up to 1 year)	82,867	82,867	132,616	132,616
- long-term (over 1 year)	25,341	42,605	41,708	59,345
Total:	270,433	286,649	234,564	249,697

Table 14 Deposits and letters of credit

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Demand deposits	699,955	699,955	628,511	628,511
Term deposits	659,296	659,296	644,588	644,588
Short-term (up to 1 year)	615,138	615,138	528,804	528,804
Long-term (over 1 year)	44,158	44,158	115,784	115,784
Total:	1,359,251	1,359,251	1,273,099	1,273,099

Note 15 Special and lending funds

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
International organisations	9,968	9,968	1,920	1,920
Government	4,057	4,057	3,391	3,391
Compulsory social and health insurance funds	30,264	30,264	26,010	26,010
Total:	44,289	44,289	31,321	31,321

Lending funds including soft loans that are serviced by the Bank under the management contracts are repaid under the terms provided for in the management contracts, i.e. every month, amounts repaid by the borrowers are transferred to the relevant funds.

Note 16 Debt securities issued

The Group has not debt securities issued.

Note 17 Subordinated loans

LTL thousand

	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
EBRD subordinated loan denominated in EUR	26,481	26,481	27,052	27,052
DEG subordinated loan denominated in EUR	8,827	8,827	9,017	9,017
Total:	35,308	35,308	36,069	36,069

Subordinated loans are repayable in full in 2005, i.e. in seven years after disbursement thereof. The interest rate on these loans is equal to 6-month LIBOR plus 2 percentage points. In 2002, EBRD and DEG waived the right to convert these loans into the Bank's shares.

Other liabilities

	LTL thousand			
	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Discounted bills of exchange	-	-	1,522	1,522
Liabilities under repurchase transactions	-	-	-	-
Customers' international transfers before settlement	-	-	-	-
Transit accounts	1,795	1,795	742	742
Customers' funds for acquisition of securities	214	214	48	48
Specific provisions for off-balance sheet items	952	952	390	390
Other liabilities	18,003	35,016	16,748	23,982
Total:	20,964	37,977	19,450	26,684

Table 18 Result for appropriation

	LTL thousand	
	Current financial year	Previous financial year
Retained earnings as of the previous year	-	-
Calculated profit per year	-50,604	8,243
Transfers from reserves	28,585	-
Total distributable profit (lines 1+2+3)	-22,019	8,243
Profit tax	-	-
Deferred taxes	-	-
Deductions to reserve capital	-	8,243
Deductions to the Bank's general reserves for possible loan losses	-	-
Deductions to other Bank's capitals	-	-
Dividends	-	-
Annual payments (tantiems)	-	-
Restricted distributive profit	-	-
Premiums to employees	-	-
Charity	-	-
Retained earnings	-22,019	-

The fixed assets, revaluation reserve of which amounts to LTL 2,816 thousand as at 31 December 2002, have been disposed or fully depreciated. The general meeting of shareholders of the Bank approved transfer of this amount to the reserve capital.

The general meeting of shareholders, held on 25 March 2003, resolved to cover the loss amount of LTL 28,585 thousand by the reserve capital amount accumulated until 31 12 2002, and to cover the remaining loss amount by profits generated in the next year.

Note 19 Other off-balance sheet liabilities

	LTL thousand			
	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Other off-balance sheet liabilities	2,803	12,731	1,862	9,710
Of which:				
commitment to pay the Dresdner bank, Frankfurt, to ensure settlements by Eurocard/Mastercard payments cards	1,607	1,607	1,741	1,741
interest on discounted long-term and short-term current bills of exchange accepted by the Bank (not yet accrued in the balance sheet)	-	-	78	78
commitment to acquire assets under agreements with suppliers	-	2,603	-	2,449
commitment to grant finance lease	-	7,325	-	5,399
liabilities that may arise as a result of pending court proceedings	952	952	-	-
other contingent liabilities	244	244	43	43

As at 31 December 2002 financial derivative instruments of the Bank by type were as follows:

- OTC transactions - LTL 68,113 thousand;
- forwards - LTL 2,533 thousand;
- swaps - LTL 64,858 thousand;
- put options - LTL 0 thousand;
- call options - LTL 722 thousand.

Note 20 Other interest and equivalent income/expenses

	LTL thousand			
	Current financial year		Previous financial year	
	Bank	Group	Bank	Group
Other interest and equivalent income	-	5,217	-	3,711
Of which:				
- income on leasing	-	5,217	-	3,569
- other interest income	-	-	-	142

Note 21. Capital adequacy

The Bank and the Group's capital adequacy ratios, calculated in accordance with the capital adequacy rules approved by Resolution No. 172 of the Board of the Bank of Lithuania dated 31 December 2001, are presented in the table below:

(%)

	31 12 2001		31 03 2002		30 06 2002		30 09 2002		31 12 2002	
	Bank	Group	Bank	Group	Bank	Group	Bank	Group	Bank	Group
Actual capital adequacy ratio	14.08	15.07	14.18	15.33	12.77	13.99	11.73	12.69	13.25	14.49

The capital adequacy ratio set by the Bank of Lithuania, which is at least 10 per cent, is calculated as the Bank's capital base to risk-weighted asset and off-balance sheet items ratio.

Note 22 Compliance with the liquidity requirement over the reporting financial year

(%)

		2002											
	31 12 2001	31 01	28 02	31 03	30 04	31 05	30 06	31 07	31 08	30 09	31 10	30 11	31 12
Bank	45.01	43.44	40.78	41.89	50.34	51.73	46.63	52.99	47.88	40.85	39.48	43.50	42.78
Group	45.67	-	-	43.23	-	-	48.46	-	-	42.09	-	-	43.90

The liquidity ratio of the Bank and Group is calculated in accordance with "Rules for the Calculation of Bank Liquidity Ratio" approved by Resolution No.56 of the Bank of Lithuania dated 7 March 1996. The liquidity ratio shall be at least 30 per cent.

In 2002, liquidity of the Bank was sufficient and the liquidity requirement was met.

Demand deposits represent the larger proportion of the Bank's liabilities. The Bank's management follows closely the dynamics of large deposits with the Bank and takes necessary actions in order to maintain sufficient liquidity of the Bank.

Note 23 Foreign currency positions

The open positions of prevailing currencies were as follows:

	Overall open position		USD		EUR		GBP		LVL		PLN	
	Equivalent in LTL (LTL thou)	Bank capital, %	Equivalent in LTL (LTL thou)	Bank capital, %	Equivalent in LTL (LTL thou)	Bank capital, %	Equivalent in LTL (LTL thou)	Bank capital, %	Equivalent in LTL (LTL thou)	Bank capital, %	Equivalent in LTL (LTL thou)	Bank capital, %
31 12 2001	15,209.64	10.89	13,758.40	9.85	-1,883.84	-1.35	282.59	0.20	384.42	0.28	103.77	0.07
31 01 2002	13,003.18	9.22	11,998.60	8.50	277.33	0.20	14.92	0.01	214.52	0.15	148.57	0.11
28 02 2002	2,006.46	1.41	562.38	0.40	-760.62	-0.54	147.98	0.10	448.00	0.32	149.64	0.11
31 03 2002	19,810.53	14.27	-6,227.55	-4.49	18,181.37	13.10	267.27	0.19	354.34	0.26	204.60	0.15
30 04 2002	21,062.76	14.95	1,038.59	0.74	18,527.10	13.15	162.46	0.12	213.09	0.15	278.34	0.20
31 05 2002	29,358.87	20.56	-70.00	-0.05	17,425.59	12.21	98.34	0.07	267.50	0.19	257.65	0.18
30 06 2002	16,897.86	13.49	2,752.94	2.20	12,428.22	9.92	116.71	0.09	366.52	0.29	246.67	0.20
31 07 2002	24,854.56	19.50	561.75	0.44	12,328.81	9.67	-28.41	-0.02	238.33	0.19	96.88	0.08
31 08 2002	29,519.11	22.99	1,035.18	0.81	15,500.52	12.07	63.03	0.05	368.49	0.29	46.76	0.04
30 09 2002	25,380.63	20.73	396.93	0.32	12,864.82	10.51	239.80	0.20	426.52	0.35	18.42	0.02
31 10 2002	22,779.60	18.10	-132.33	-0.11	11,227.50	8.92	-131.36	-0.10	319.71	0.25	28.17	0.02
30 11 2002	28,658.29	22.34	672.55	0.52	15,972.65	12.45	31.11	0.02	270.15	0.21	-43.55	-0.03
31 12 2002	9,841.30	6.38	77.02	0.05	7,507.35	4.86	133.50	0.09	281.34	0.18	70.95	0.05

In accordance with “Rules for Calculating the Ratio of Large Foreign Exchange and Precious Metals Exposure” approved by Resolution No. 11 of the Board of the Bank of Lithuania dated 16 January 1997, the overall exposure should not exceed 25 per cent of the Bank's capital, and the open position of each individual foreign currency and precious metals should not exceed 15 per cent.

The Bank manages the foreign currency risk by applying the risk centralisation approach. The Bank Branches are entitled to a minimum limited open currency position, and the risk is transferred to the Head Office of the Bank and managed in a centralised way. Currency positions are closed on a daily basis and amounts are small.

Note 24 Events from the end of the financial year to the reporting approval date

There were no unexpected events or events that occurred after the balance sheet date, which could have produced an effect on the total assets and financial results of the Group from the end of the financial year to the reporting date.

Note 25 Related party transactions

LTL thousand

	Current financial year				Previous financial year			
	Deposits		Loans		Deposits		Loans	
	Balance (LTL thou)	Average annual interest rate (%)	Balance (LTL thou)	Average annual interest rate (%)	Balance (LTL thou)	Average annual interest rate (%)	Balance (LTL thou)	Average annual interest rate (%)
Council Members	-	-	-	-	1	2.0	388	7.0
Board Members	793	3.58	85	5.0	580	4.34	1,315	5.0
Shareholders						-		
Other related parties	1,990	2.32	1,830	5.19	962	4.86	1,438	5.4

Note 26

Securities for non-performing loans (risk groups III, IV and V) by real estate or other securities are presented in the table below. LTL thousand

	Value of assets or other security
Collateral	730,916
Secured amount of loans	1,278,205
Of which:	
buildings	772,531
land	33,709
vehicles	21,394
construction in progress	81,237
securities	28,043
other fixed assets (real estate)	64,659
other assets	274,036
Deposits	2,596
Guaranties /warranties/ for the outstanding principal	216,957
Total collateral and guarantees (warranties)	1,495,162

The physical, functional and economic condition of the security (guarantees) for watch and doubtful loans does not change (or changes are very insignificant). The changes in the established market value of security (guarantees) are insignificant. The current liquidity of the security and its tendencies remain almost at the same level, it is foreseeable and definite.

Note 27 Financial brokerage activities

The licence held by the Bank entitles the Bank to carry out operations in securities. The Bank as a member of the National Stock Exchange, a participant of the Lithuania's Central Securities Depository, a participant of the Auction of the Government securities organised by the Bank of Lithuania and a distributor of the Government Savings Bonds authorised by the Ministry of Finance of the Republic of Lithuania.

In these activities the Bank is represented by its structural unit of the Corporate Customer Division the Investment Banking Department ("the Department"). The Investment Banking Department acts as a broker on its customers' behalf in the securities market, manages and has the custody of its clients' accounts of securities and of money for operations in securities, maintains accounting of securities issued by issuers. The Department also provides consultations to its clients on investments in securities and on matters of public trading in securities, corporate customers receive consultations on raising of funds and structure of finance. The Department is authorised to manage the portfolio of trading market equity securities.

In 2002, the turnover of secondary trading in securities carried out by the Department (on the account of both the Bank and its customers) totalled LTL 523 million (in 2001 - LTL 337 million). That accounted for about 12.92 percent of total turnover of the National Stock Exchange, which is No.4 among 23 market participants by gross turnover.

At the end of 2002, the nominal value of the portfolio of own and its customers' securities held by the Bank amounted to LTL 623 million (in 2001 - LTL 415 million). Total customers' money managed and held by the Department for trading in securities amounted to LTL 214 thousand at the end of 2002.

Lietuvos žemės ūkio banko skyriai

Pavadinimas	Adresas	Kodas	Telefonas	Faksas
Pagrindinė buveinė	J.Basanavičiaus g. 26, 2600 Vilnius	5	239 34 44	213 90 57
Alytaus	Pulko g. 5, 4580 Alytus	315	73 454	73 742
Anykščių	A.Baranausko a. 1/2, 4930 Anykščiai	381	58 171	59 321
Biržų	Kęstučio g. 10, 5280 Biržai	450	31 454	31 362
Gargždų	Klaipėdos g. 17, 5840 Gargždai	46	47 31 30	47 31 40
Ignalinos	Vasario 16-osios g.10, 4740 Ignalina	386	52 454	53 793
Jonavos	Žeimių g. 5, 5000 Jonava	349	51 454	54 079
Joniškio	Livonijos g. 9, 5150 Joniškis	426	61 000	61 044
Jurbarko	S.Dariaus ir S.Girėno g. 81a, 4430 Jurbarkas	447	71 444	71 739
Kaišiadorių	Gedimino g. 16, 4230 Kaišiadorys	346	60 454	60 460
Kauno	Laisvės al. 86, 3000 Kaunas	37	40 94 90	32 31 30
Kėdainių	Liepų takas 1, 5030 Kėdainiai	347	60 766	60 822
Kelmės	Laisvės gynėjų a.16, 5470 Kelmė	427	61 404	61 401
Klaipėdos	Liepų g. 10,5800 Klaipėda	46	40 41 71	40 41 72
Kretingos	Vilniaus g. 1, 5700 Kretinga	445	75 121	75 120
Kupiškio	L.Stuokos-Gucevičiaus a.7, 4880 Kupiškis	459	51 454	51 841
Lazdijų	Kauno g. 5, 4560 Lazdijai	318	51 454	51 637
Marijampolės	Laisvės g. 16, 4520 Marijampolė	343	9 23 97	92 706
Mažeikių	Laisvės g. 9/4, 5500 Mažeikiai	443	25 060	25 072
Molėtų	Vilniaus g. 47, 4150 Molėtai	383	54 711	54 712
Naujosios Akmenės	Respublikos g. 1a, 5464 Naujoji Akmenė	425	56 724	56 927
Naujosios Vilnios	Skydo g. 30, 2048 Vilnius	5	260 69 44	260 69 52
Pakruojo	Prof S.Ušinsko g. 24, 5220 Pakruojis	421	61 454	61 470
Panevėžio	Respublikos g. 56, 5319 Panevėžys	45	51 10 55	46 13 17
Pasvalio	Vilniaus g. 9, 5250 Pasvalys	451	34 354	34 103
Plungės	Telšių g. 5, 5640 Plungė	448	71 916	71 911
Prienų	Laisvės a. 4, 4340 Prienai	319	60 103	60 111
Radviliškio	S.Dariaus ir S.Girėno g. 30, 5120 Radviliškis	422	51 454	54 954
Raseinių	Vytauto Didžiojo g. 21, 4400 Raseiniai	428	70 301	70 307
Rokiškio	Kauno g. 7, 4820 Rokiškis	458	71 454	71 033
Skuodo	J.Basanavičiaus g. 15/16, 5670 Skuodas	440	75 111	75 110
Šakių	Nepriklausomybės g. 4, 4460 Šakiai	345	60 416	60 415
Šalčininkų	Architektų g. 3, 4090 Šalčininkai	380	30 050	53 962
Šiaulių	Dvaro g. 96, 5400 Šiauliai	41	52 47 01	52 47 00
Šilalės	J.Basanavičiaus g. 13, 5920 Šilalė	449	74 564	74 569
Šilutės	M.Jankaus g. 8, 5730 Šilutė	441	78 095	78 098
Širvintų	Vilniaus g. 38, 4100 Širvintos	382	51 454	53 579
Švenčionių	Gedimino g. 5, 4730 Švenčionys	387	66 452	66 459
Tauragės	S.Dariaus ir S.Girėno g. 7/81, 5900 Tauragė	446	72 347	72 345
Telšių	Birutės g. 5a, 5610 Telšiai	444	60 242	60 257
Trakų	Vytauto g. 55, 4050 Trakai	528	55 445	55 431
Ukmergės	Kauno g. 30, 4120 Ukmergė	340	63 294	52 032
Utenos	J.Basanavičiaus g. 61, 4910 Utena	389	61 705	54 591
Varėnos	Vytauto g. 6, 4640 Varėna	310	31 011	31 020
Vilkaviškio	Gedimino g. 16, 4270 Vilkaviškis	342	20 454	51 088
Vilniaus	Vilniaus g. 18, 2000 Vilnius	5	239 33 91	212 39 28
Zarasų	S.Dariaus ir S.Girėno g. 28a, 4780 Zarasai	385	30 596	30 885

Dukterinės įmonės

UAB Lietuvos žemės ūkio banko lizingas	Smolensko g. 6, 2006 Vilnius, tel. 5 239 73 30, faks. 239 73 31
UAB Lietuvos žemės ūkio banko Draudimas	Vilniaus g. 28, 2001 Vilnius, tel. 5 212 22 05, faks. 212 12 17
UAB Lietuvos žemės ūkio banko gyvybės draudimas	Vilniaus g. 18, 2001 Vilnius, tel. 5 239 32 85, faks. 231 29 64

Lietuvos Žemės Ūkio Bankas Branches

City	Address	Code	Telephone	Fax
Vilnius (Head Office)	J.Basanavičiaus Str. 26, 2600 Vilnius	+370 5	239 34 44	213 90 57
Alytus	Pulko Str. 5, 4580 Alytus	+370 315	73 454	73 742
Anykščiai	A.Baranausko Ave. 1/2, 4930 Anykščiai	+370 318	58 171	59 321
Biržai	Kęstučio Str. 10, 5280 Biržai	+370 450	31 454	31 362
Gargždai	Klaipėdos Str. 17, 5840 Gargždai	+370 46	47 31 30	47 31 40
Ignalina	Vasario 16-osios Str.10, 4740 Ignalina	+370 386	52 454	53 793
Jonava	Žeimių Str. 5, 5000 Jonava	+370 349	51 454	54 079
Joniškis	Livonijos Str. 9, 5150 Joniškis	+370 426	61 000	61 044
Jurbarkas	S.Dariaus ir S.Girėno Str. 81a, 4430 Jurbarkas	+370 447	71 444	71 739
Kaišiadorys	Gedimino Str. 16, 4230 Kaišiadorys	+370 346	60 454	60 460
Kaunas	Laisvės Ave. 86, 3000 Kaunas	+370 37	40 94 90	32 31 30
Kėdainiai	Liepų takas 1, 5030 Kėdainiai	+370 347	60 766	60 822
Kelmė	Laisvės gynėjų Ave.16, 5470 Kelmė	+370 427	61 404	61 401
Klaipėda	Liepų Str. 10, 5800 Klaipėda	+370 46	40 41 71	40 41 72
Kretinga	Vilniaus Str. 1, 5700 Kretinga	+370 445	75 121	75 120
Kupiškis	L.Stuokos-Gucevičiaus Ave.7, 4880 Kupiškis	+370 459	51 454	51 841
Lazdijai	Kauno Str. 5, 4560 Lazdijai	+370 318	51 454	51 637
Marijampolė	Laisvės Str. 16, 4520 Marijampolė	+370 343	9 23 97	92 706
Mažeikiai	Laisvės Str. 9/4, 5500 Mažeikiai	+370 443	25 060	25 072
Molėtai	Vilniaus Str. 47, 4150 Molėtai	+370 383	54 711	54 712
Naujoji Akmenė	Respublikos Str. 1a, 5464 Naujoji Akmenė	+370 425	56 724	56 927
Naujoji Vilnia	Skydo Str. 30, 2048 Vilnius	+370 5	260 69 44	260 69 52
Pakruojis	S.Ušinsio Str. 24, 5220 Pakruojis	+370 421	61 454	61 470
Panevėžys	Respublikos Str. 56, 5319 Panevėžys	+370 45	51 10 55	46 13 17
Pasvalys	Vilniaus Str. 9, 5250 Pasvalys	+370 451	34 354	34 103
Plungė	Telšių Str. 5, 5640 Plungė	+370 448	71 916	71 911
Prienai	Laisvės Ave. 4, 4340 Prienai	+370 319	60 103	60 111
Radviliškis	S.Dariaus ir S.Girėno Str. 30, 5120 Radviliškis	+370 422	51 454	54 954
Raseiniai	Vytauto Didžiojo Str. 21, 4400 Raseiniai	+370 428	70 301	70 307
Rokiškis	Kauno Str. 7, 4820 Rokiškis	+370 458	71 454	71 033
Skuodas	J.Basanavičiaus Str. 15/16, 5670 Skuodas	+370 440	75 111	75 110
Šakiai	Nepriklausomybės Str. 4, 4460 Šakiai	+370 345	60 416	60 415
Šalčininkai	Architektų Str. 3, 4090 Šalčininkai	+370 380	30 050	53 962
Šiauliai	Dvaro Str. 96, 5400 Šiauliai	+370 41	52 47 01	52 47 00
Šilalė	J.Basanavičiaus Str. 13, 5920 Šilalė	+370 449	74 564	74 569
Šilutė	M.Jankaus Str. 8, 5730 Šilutė	+370 441	78 095	78 098
Širvintos	Vilniaus Str. 38, 4100 Širvintos	+370 382	51 454	53 579
Švenčionys	Gedimino Str. 5, 4730 Švenčionys	+370 387	66 452	66 459
Tauragė	S.Dariaus ir S.Girėno Str. 7/81, 5900 Tauragė	+370 446	72 347	72 345
Telšiai	Birutės Str. 5a, 5610 Telšiai	+370 444	60 242	60 257
Trakai	Vytauto Str. 55, 4050 Trakai	+370 528	55 445	55 431
Ukmergė	Kauno Str. 30, 4120 Ukmergė	+370 340	63 294	52 032
Utena	J.Basanavičiaus Str. 61, 4910 Utena	+370 389	61 705	54 591
Varėna	Vytauto Str. 6, 4640 Varėna	+370 310	31 011	31 020
Vilkaviškis	Gedimino Str. 16, 4270 Vilkaviškis	+370 342	20 454	51 088
Vilnius	Vilniaus Str. 18, 2000 Vilnius	+370 5	239 33 91	212 39 28
Zarasai	S.Dariaus ir S.Girėno Str. 28a, 4780 Zarasai	+370 385	30 596	30 885

Subsidiaries

UAB Lietuvos Žemės Ūkio Banko Lizingas	Smolensko Str. 6, 2006 Vilnius, ph. +370 5 239 73 30, fax. +370 5 239 73 31
UAB Lietuvos Žemės Ūkio Banko Draudimas	Vilniaus Str. 28, 2001 Vilnius, ph. +370 5 212 22 05, fax. +370 5 212 12 17
UAB Lietuvos Žemės Ūkio Banko Gyvybės Draudimas	Vilniaus Str. 18, 2001 Vilnius, ph. +370 5 239 32 85, fax. +370 5 231 29 64